



# CITY OF KIRKLAND CITY COUNCIL

James Lauinger, Mayor • Joan McBride, Deputy Mayor • Dave Asher • Mary-Alyce Burleigh  
Jessica Greenway • Tom Hodgson • Bob Sternoff • David Ramsay, City Manager

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## AGENDA KIRKLAND CITY COUNCIL MEETING City Council Chamber Tuesday, November 17, 2009 6:00 p.m. – Study Session – Peter Kirk Room 7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website [www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us), at the Public Resource Area at City Hall or at the Kirkland Library on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (587-3190) or the City Manager's Office (587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 587-3190, or for TTY service call 587-3111 (by noon on Monday) if we can be of assistance. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION, Peter Kirk Room*
  - a. 2009-2010 Mid-Biennial Budget Review
4. *EXECUTIVE SESSION*
  - a. To Discuss Pending Litigation
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
  - a. *Items from the Audience*
  - b. *Petitions*
7. *SPECIAL PRESENTATIONS*
8. *CONSENT CALENDAR*
  - a. *Approval of Minutes:* (1) November 2, 2009  
(2) November 12, 2009
  - b. *Audit of Accounts:*
    - Payroll* \$
    - Bills* \$

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

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

P - denotes a presentation from staff or consultant

**GENERAL CORRESPONDENCE**

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

**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.

**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.

**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.

*c. General Correspondence*

- (1) Randy Altig, Regarding Waterfront Street Ends

*d. Claims*

- (1) Micaela Moran Villasenor

*e. Award of Bids**f. Acceptance of Public Improvements and Establishing Lien Period**g. Approval of Agreements**h. Other Items of Business*

- (1) Report on Procurement Activities

*9. PUBLIC HEARINGS**a. 2009-2010 Mid-Biennial Budget Review**b. 2010 Preliminary Property Tax Levy**10. UNFINISHED BUSINESS**a. Resolution R-4782, Making a Declaration of Substantial Need for Purposes of Setting the Limit Factor for the Property Tax Levy for 2010.**b. Ordinance No. 4214 and its Summary, Relating to Storm and Surface Water Management of Development Activities**c. MV Kirkland Status**d. Ordinance No. 4215 and its Summary, Relating to Fees Charged by the Department of Public Works, Establishing a Centralized Fee Provision for Public Works Fees, and Modifying the Amounts of Certain Existing Fees and Creating Certain New Fees.**11. NEW BUSINESS**a. Ordinance No. 4216, Establishing the Amount of Property Taxes to be Levied for the Year 2010, the Second Year of the City of Kirkland's 2009-2010 Fiscal Biennium**12. REPORTS**a. City Council*

- (1) Regional Issues

*b. City Manager*

- (1) Council Goals
- (2) Police Car Graphics
- (3) Calendar Update

*13. ANNOUNCEMENTS*

*14. ADJOURNMENT*



**CITY OF KIRKLAND**  
Department of Finance & Administration  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** David Ramsay, City Manager  
**From:** Tracey Dunlap, Director of Finance and Administration  
**Date:** November 5, 2009  
**Subject:** Mid-Bi Budget Study Session Follow-up

This meeting will be a continuation of the November 12<sup>th</sup> Budget Study Session. Please refer to the packet materials provided for that meeting, available at the link below:

[http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/111209/3a\\_StudySession.pdf](http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/111209/3a_StudySession.pdf)

In addition, with the possible approval of annexation of the PAA, a number of service packages were submitted for 2010 to work toward an effective date in mid 2011. A summary of the requested service packages and the City Manager's recommendation is contained in Attachment A. The detailed service packages are provided in Attachment B.

Attachment C contains the quarterly Financial Management Report (FMR) through September 30, 2009.

City of Kirkland  
 2009-2010 Mid-Biennial Budget Review  
 Annexation Service Package Requests -- 11-10-09

Department	SP #	Service Package Title	FTE	Department Request	City Manager Recommendation	Notes
Finance & Admin.	010FA11	Budget Analyst	1.00	\$ 87,039	\$ 87,039	
Police	010PD06	Recruitment and Advertising		\$ 25,000	\$ 25,000	
Police	010PD07	Workplace Expansion		\$ 49,000	\$ 49,000	
Police	010PD08	Vehicles		\$ 162,400	\$ 162,400	Assumes June 1, 2011 effective date
Police	010PD09	Annexation Related Police Reorganization		\$ 66,141	\$ 66,141	
Police	010PD10	PTO Training Overtime		\$ 27,563	\$ 27,563	
Police	010PD11	Annexation Officers	26.00	\$ 1,319,219	\$ 1,319,219	Assumes June 1, 2011 effective date
		Subtotal Police Department	26.00	\$ 1,649,323	\$ 1,649,323	
Information Technology	522IT09	GIS Professional Services		\$ 265,000	\$ 177,000	Total estimated cost of \$265,000 funded by re-purposing \$177,000 of existing GIS CIP funding; remainder will be brought forward for future consideration.
Human Resources	010HR02	HR Analyst (0.7 FTE)	0.70	\$ 70,955	\$106,833	1.12 FTE HR Analyst starting 2/1/2010 recommended
Human Resources	010HR03	HR Analyst (0.7 FTE)	0.70	\$ 49,108		
Human Resources	010HR04	HR Coordinator (0.5 FTE)	0.50	\$ 33,196		
		Subtotal Human Resources Department	1.90	\$ 153,259	\$ 106,833	
Planning	010PL09	Planner	1.00	\$ 99,201	\$ 99,201	
City Manager	010CM12	Annexation General Support	0.40	\$ 35,084	\$ 35,084	
		<b>Total</b>	<b>30.30</b>	<b>\$ 2,288,906</b>	<b>\$ 2,154,480</b>	

## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Budget Analyst			010FA11	
<b>DEPARTMENT</b>	<b>DIVISION</b>	<b>FUND</b>			
Finance & Administration	Financial Planning	General Fund			
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>In 2009, a temporary budget analyst position (1.0 FTE) was funded to backfill senior Finance resources to provide capacity required for those positions to focus on annexation analysis and implementation tasks. If annexation is approved, those tasks accelerate, including developing and maintaining a cash flow forecast, implementing the state sales tax credit and related record-keeping functions, facilities financial planning, interlocal agreement financial support, etc. In addition, once the initial implementation tasks are completed, there will be an on-going increase in Financial Planning workload, including tracking and reporting for the 10-year sales tax credit period, sizing and incorporating expanded CIP needs, and additional budget development and management demands associated with serving the larger City.</p>					
<p>Is this Service Package tied to a CIP Project?      <input type="checkbox"/> No      <input type="checkbox"/> Yes      CIP # _____</p>					
<b>NUMBER OF FTE's REQUESTED</b>	1.00				
<b>COST SUMMARY</b>	<b>2009</b>		<b>2010</b>		<b>Total</b>
	<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>	
Personnel Services	\$ -	\$ -	\$ 81,180	\$ -	\$ 81,180
Supplies & Services	\$ -	\$ -	\$ 5,859	\$ -	\$ 5,859
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,039</b>	<b>\$ -</b>	<b>\$ 87,039</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,039</b>	<b>\$ -</b>	<b>\$ 87,039</b>



**CITY OF KIRKLAND**  
**2010 ANNEXATION SERVICE PACKAGE REQUEST**

<b>TITLE</b>	Recruitment and Advertising			010PD06	
<b>DEPARTMENT</b>	<b>DIVISION</b>		<b>FUND</b>		
Police	Administration		General Fund		
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>Funding will be used primarily for advertising for recruitment of police officer candidates. In order to attract quality police officer candidates, sufficient funding for recruitment and advertising is necessary. Additionally, attendance by current Kirkland Police staff at various job fairs and other venues around the state will benefit our recruitment efforts and ensure that we are contacting the best qualified, diverse candidates. The potential exists for reallocating a portion of these funds for travel expenses incurred for recruitment purposes.</p>					
<p>Is this Service Package tied to a CIP Project?      <input type="checkbox"/> No      <input type="checkbox"/> Yes      CIP # _____</p>					
<b>NUMBER OF FTE's REQUESTED</b>		0.00			
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>	
		<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Recruitment and Advertising	010PD06
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Advertising	0108102110	5440100				\$ 25,000	\$ 25,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

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

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

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

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Workplace Expansion			010PD07	
<b>DEPARTMENT</b>	<b>DIVISION</b>		<b>FUND</b>		
Police	Patrol		General Fund		
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>With the addition of 37 new police officers and 3 new corrections officers, sufficient locker space is necessary. This request will provide for the purchase of additional lockers as well as an expansion of the current locker rooms to accommodate the added personnel. Additionally, office spaces need to be created, within the existing Police floor plan, for Command and Supervisory level personnel that will be promoted throughout the ramp-up timeline.</p>					
<p>Is this Service Package tied to a CIP Project?      <input type="checkbox"/> No      <input type="checkbox"/> Yes      CIP # _____</p>					
<b>NUMBER OF FTE's REQUESTED</b>		0.00			
<b>COST SUMMARY</b>		2009		2010	
		Ongoing	One-Time	Ongoing	One-Time
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,000
Capital Outlay	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,000</b>	<b>\$ 49,000</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,000</b>	<b>\$ 49,000</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Workplace Expansion	010PD07
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Lockers	0108302122	5350200				\$ 24,000	\$ 24,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 24,000	\$ 24,000

CAPITAL OUTLAY							
Construction	0108102110	5626201				\$ 25,000	\$ 25,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

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

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

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 49,000	\$ 49,000
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Vehicles	010PD08			
<b>DEPARTMENT</b>	<b>DIVISION</b>	<b>FUND</b>			
Police	Patrol	General Fund			
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>The department will purchase a total of 2 vehicles in 2010. One unmarked staff car and one patrol car. Both vehicles purchased in 2010 will initially be used for recruitment purposes. Once recruitment activities are concluded, both vehicles will be retained as department pool cars. The department will require the purchase of additional vehicles in 2011 and 2012 as new personnel hired to serve the annexation area are deployed.</p>					
Is this Service Package tied to a CIP Project? <input type="checkbox"/> No <input type="checkbox"/> Yes      CIP # _____					
<b>NUMBER OF FTE's REQUESTED</b>	0.00				
<b>COST SUMMARY</b>	2009		2010		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ 48,825	\$ 13,575	\$ 62,400
Capital Outlay	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,825</b>	<b>\$ 113,575</b>	<b>\$ 162,400</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,825</b>	<b>\$ 113,575</b>	<b>\$ 162,400</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Vehicles	010PD08
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
<b>PERSONNEL SERVICES</b>							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>SUPPLIES &amp; SERVICES</b>							
First aid kit	0108102110	5310200				\$ 100	\$ 100
Weapon lock box	0108102110	5350100				\$ 600	\$ 600
Equipment for patrol vehicle	0108302122	5350100				\$ 7,875	\$ 7,875
Fleet Operating Charge	0108102110	5459201			\$ 5,580		\$ 5,580
Fleet Replacement Charge	0108102110	5459202			\$ 3,360		\$ 3,360
Fleet Operating Charge	0108302122	5459201			\$ 29,280		\$ 29,280
Fleet Replacement Charge	0108302122	5459202			\$ 7,080		\$ 7,080
Radio Operating Charge	0108102110	5459301			\$ 958		\$ 958
IT Replacement Charge	0108102110	5459102			\$ 1,567		\$ 1,567
New World license	0108302122	5490500				\$ 5,000	\$ 5,000
Radar Repair/Calibration	0108502194	5480100			\$ 1,000		\$ 1,000
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ 48,825	\$ 13,575	\$ 62,400

<b>CAPITAL OUTLAY</b>							
Unmarked Vehicle	0108102110	5646404				\$ 34,000	\$ 34,000
Marked Vehicle	0108302122	5646404				\$ 51,000	\$ 51,000
Patrol Laptops	0108302122	5646403				\$ 15,000	\$ 15,000
<b>Total</b>			\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000

<b>CORRESPONDING EXPENDITURE SAVINGS (if applicable)</b>							
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>CORRESPONDING OFFSETTING REVENUE (if applicable)</b>							
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>NET SERVICE PACKAGE REQUEST</b>	\$ -	\$ -	\$ 48,825	\$ 113,575	\$ 162,400
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Annexation Related Police Reorganization			010PD09	
<b>DEPARTMENT</b>	<b>DIVISION</b>		<b>FUND</b>		
Police	Administration & Patrol		General Fund		
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>One Sergeant scheduled to be promoted in January 2010 is critical to our ability to successfully recruit and hire quality police officers. We will be assigning an existing Sergeant to be dedicated to recruitment and training of new officers. This newly promoted Sergeant is required to assume that Sergeant's current Patrol responsibilities. The Sergeant assigned to recruitment will supervise the recruitment team. The Sergeant will participate in all candidate interviews, which are scheduled to run from January 2010 to June 2010 at the rate of 40 interviews per month.</p> <p>One Captain scheduled to be promoted in April 2010 to handle the increase in overall staffing levels for annexation. The increase in population and staffing levels can be equated to the formation of a new Police Department. With annexation, the duties of a Captain will be split into three areas, Operations, Administration, and Professional Services. In addition to providing additional supervision and leadership, the position's responsibilities will include investigating complaints, dealing with personnel issues, planning and research, professional standards, emergency management, and the review and analysis of administrative reports.</p> <p>One Corporal will need to be hired in September 2010. This position will assume the duties of the current Administrative Corporal who has been reassigned to the recruitment team. The Corporal acts as quartermaster, ordering all uniform and equipment for Police personnel, maintains current inventory lists of all department owned equipment, supervises the Training Officer, schedules and instructs in the department's twice yearly in-service training, and provides a wide variety of support and assistance to the Services Division. Once the recruitment and hiring process is complete, this new position will be redeployed to Patrol.</p>					
<b>Is this Service Package tied to a CIP Project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes <b>CIP #</b> _____					
<b>NUMBER OF FTE's REQUESTED</b>		0.00			
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>	
		<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>
		<b>Total</b>			
Personnel Services	\$ -	\$ -	\$ 49,466	\$ 750	\$ 50,216
Supplies & Services	\$ -	\$ -	\$ 8,185	\$ 7,740	\$ 15,925
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,651</b>	<b>\$ 8,490</b>	<b>\$ 66,141</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,651</b>	<b>\$ 8,490</b>	<b>\$ 66,141</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Annexation Related Police Reorganization	010PD09
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
<b>PERSONNEL SERVICES</b>							
Salary	0108102110	5100100			\$ 25,285		\$ 25,285
Benefits	0108102110	5200100			\$ 2,135		\$ 2,135
Medical Savings Plan	0108102110	5204300			\$ 675		\$ 675
Uniforms	0108102110	5204200			\$ 747	\$ 750	\$ 1,497
Salary	0108302122	5100100			\$ 18,120		\$ 18,120
Benefits	0108302122	5200100			\$ 2,504		\$ 2,504
							\$ -
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,466</b>	<b>\$ 750</b>	<b>\$ 50,216</b>

<b>SUPPLIES &amp; SERVICES</b>							
Telecom Charges	0108102110	5459401			\$ 259		\$ 259
IT Operating Charges	0108102110	5459101			\$ 7,410		\$ 7,410
IT Replacement Charge	0108102110	5459102			\$ 516		\$ 516
Equipment	0108102110	5350100				\$ 1,950	\$ 1,950
Office Furnshings	0108102110	5350200				\$ 2,500	\$ 2,500
Laptop with Docking Station	0108102110	5350300				\$ 3,290	\$ 3,290
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,185</b>	<b>\$ 7,740</b>	<b>\$ 15,925</b>

<b>CAPITAL OUTLAY</b>							
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>				

<b>CORRESPONDING EXPENDITURE SAVINGS (if applicable)</b>							
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>				

<b>CORRESPONDING OFFSETTING REVENUE (if applicable)</b>							
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>				

<b>NET SERVICE PACKAGE REQUEST</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,651</b>	<b>\$ 8,490</b>	<b>\$ 66,141</b>
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	PTO Training Overtime			010PD10		
<b>DEPARTMENT</b>		<b>DIVISION</b>		<b>FUND</b>		
Police		Patrol		General Fund		
<b>CITY PHILOSOPHIES</b>						
<b>DESCRIPTION AND JUSTIFICATION</b>						
<p>In order to have sufficient Police Training Officers (PTO) to conduct field training for 37 newly hired officers, the department must train an additional 12 to 15 PTOs. The field training for new hires is 14-16 weeks of one-on-one training during which time, the PTO works solely with his/her assigned recruit officer. The training for our PTOs is one week of training, and is conducted in house by one of our PTO Coordinators (a Sergeant specifically trained for this purpose). While the PTO is in training, they are not available to work their normal Patrol shift and their shift must be backfilled by an officer on overtime. This request is for one-time funding for overtime for backfill.</p>						
<p>Is this Service Package tied to a CIP Project?      <input type="checkbox"/> No      <input type="checkbox"/> Yes      CIP # _____</p>						
<b>NUMBER OF FTE's REQUESTED</b>		0.00				
<b>COST SUMMARY</b>		2009		2010		
		Ongoing	One-Time	Ongoing	One-Time	Total
Personnel Services		\$ -	\$ -	\$ -	\$ 27,563	\$ 27,563
Supplies & Services		\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,563</b>	<b>\$ 27,563</b>
Expenditure Savings		\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,563</b>	<b>\$ 27,563</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	PTO Training Overtime	010PD10
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
<b>PERSONNEL SERVICES</b>							
Overtime	0108302122	5100300				\$ 27,563	\$ 27,563
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ 27,563	\$ 27,563

<b>SUPPLIES &amp; SERVICES</b>							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>CAPITAL OUTLAY</b>							
							\$ -
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>CORRESPONDING EXPENDITURE SAVINGS (if applicable)</b>							
							\$ -
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>CORRESPONDING OFFSETTING REVENUE (if applicable)</b>							
							\$ -
							\$ -
<b>Total</b>			\$ -	\$ -	\$ -	\$ -	\$ -

<b>NET SERVICE PACKAGE REQUEST</b>	\$ -	\$ -	\$ -	\$ 27,563	\$ 27,563
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**CITY OF KIRKLAND**  
**2010 ANNEXATION SERVICE PACKAGE REQUEST**

<b>TITLE</b>	Annexation Officers			010PD11	
<b>DEPARTMENT</b>		<b>DIVISION</b>		<b>FUND</b>	
Police		Patrol		General Fund	
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>A total of 37 police officers will need to be hired for annexation. In 2010, we will be hiring 26 of those officers on staggered dates throughout the year as follows: June 2010-4 Lateral Officers, July 2010-2 Lateral Officers, August 2010-10 Entry Level Officers, October 2010-2 Lateral Officers, December 2010-8 Entry Level Officers. The Lateral Officers (officers who have prior law enforcement experience) will be available for full duty approximately 16-20 weeks post-hire. This will allow us to have officers available to perform patrol duties while other officers are engaged in field training duties with Entry Level Recruits. The Entry Level Officers (individuals with no prior law enforcement experience) must first complete the 720 hour (approximately 20 week) Basic Law Enforcement Academy (BLEA) before they can enter the field training program conducted by our trained Police Training Officers (PTO). Our field training program consists of 14-16 weeks of one-on-one training which reduces the ability of the PTO to respond to calls for service during this time. Pre-hiring Lateral Officers in June, July and October will allow for backfill for Patrol for the PTOs who are engaged in recruit field training. In addition to salaries and benefits, costs are included for internal rates, equipment, uniforms, and other fees and supplies that are necessary for the addition of new FTEs.</p>					
<b>Is this Service Package tied to a CIP Project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes <b>CIP #</b> _____					
<b>NUMBER OF FTE's REQUESTED</b>		26.00			
<b>COST SUMMARY</b>	2009		2010		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 840,019	\$ 121,750	\$ 961,769
Supplies & Services	\$ -	\$ -	\$ 100,050	\$ 257,400	\$ 357,450
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 940,069</b>	<b>\$ 379,150</b>	<b>\$ 1,319,219</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 940,069</b>	<b>\$ 379,150</b>	<b>\$ 1,319,219</b>

## 2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE		Annexation Officers					010PD11	
Description	Org Key	Object	2009		2010		Total	
			Ongoing	One-Time	Ongoing	One-Time		
<b>PERSONNEL SERVICES</b>								
Salary	0108302122	5100100			\$ 569,895		\$ 569,895	
Benefits	0108302122	5200100			\$ 233,720		\$ 233,720	
Medical Savings Plan	0108302122	5204300			\$ 7,275		\$ 7,275	
Overtime	0108302122	5100300			\$ 25,928	\$ 46,350	\$ 72,278	
Uniforms	0108302122	5204200			\$ 3,201	\$ 75,400	\$ 78,601	
							\$ -	
							\$ -	
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 840,019</b>	<b>\$ 121,750</b>	<b>\$ 961,769</b>	
<b>SUPPLIES &amp; SERVICES</b>								
Radio Operating	0108102110	5459301			\$ 4,151		\$ 4,151	
Telecom Operating	0108302122	5459401			\$ 2,065		\$ 2,065	
IT Operating	0108302122	5459101			\$ 64,610		\$ 64,610	
Training	0108102140	5490200			\$ 9,984		\$ 9,984	
Travel	0108102140	5430100			\$ 3,432		\$ 3,432	
Ammunition	0108302122	5310400			\$ 10,400		\$ 10,400	
Operating Supplies	0108202121	5310200			\$ 2,990		\$ 2,990	
Equipment	0108302122	5350100			\$ 1,170	\$ 148,850	\$ 150,020	
Office Supplies	0108502194	5310100			\$ 1,248	\$ 1,300	\$ 2,548	
Background Investigation	0108202121	5410100				\$ 107,250	\$ 107,250	
							\$ -	
							\$ -	
							\$ -	
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,050</b>	<b>\$ 257,400</b>	<b>\$ 357,450</b>	
<b>CAPITAL OUTLAY</b>								
							\$ -	
							\$ -	
							\$ -	
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>CORRESPONDING EXPENDITURE SAVINGS (if applicable)</b>								
							\$ -	
							\$ -	
							\$ -	
							\$ -	
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>CORRESPONDING OFFSETTING REVENUE (if applicable)</b>								
							\$ -	
							\$ -	
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>NET SERVICE PACKAGE REQUEST</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 940,069</b>	<b>\$ 379,150</b>	<b>\$ 1,319,219</b>	

## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	GIS Professional Services			522IT09	
<b>DEPARTMENT</b>	<b>DIVISION</b>	<b>FUND</b>			
Information Technology	GIS	Information Technology			
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>Annexation preliminary analysis is expected to include maps of the Potential Annexation Area (PAA) for land use, transportation, environmental issues, public safety, utilities, and parks/recreation, among others. In the PAA, available GIS data consists of King County sources and some Kirkland project mapping. However, the PAA GIS data is substandard and not current, and will not meet the needs of detailed spatial analysis. In order to support the city's PAA planning, the GIS program requires funding to extend key data layers out to the full extent of the PAA plus a nominal buffer. The primary data layers required for this planning and analysis work are: addresses, land parcels, easements, surface water drainage utilities, and street network. This one-time funding will be used to outsource this work through the city's existing GIS consultant and 2-3 other vendors on an accelerated time frame and will take 8 to 18 months. Additional funds will be required if Annexation occurs in 2011 to expand and improve other important GIS data layers. To offset the cost of this preliminary PAA GIS Data development work some of the existing GIS projects funded through the Capital Improvement Plan (CIP) will be deferred (such as Environmental Sensitive Area, 3D GIS data and System Integration).</p>					
<p>Is this Service Package tied to a CIP Project?      <input type="checkbox"/> No      <input type="checkbox"/> Yes      CIP # _____</p>					
<b>NUMBER OF FTE's REQUESTED</b>		0.00			
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>	
		<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 265,000	\$ 265,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 265,000</b>	<b>\$ 265,000</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ (177,000)	\$ (177,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,000</b>	<b>\$ 88,000</b>



## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Human Resource Analyst			010HR02	
<b>DEPARTMENT</b>	<b>DIVISION</b>	<b>FUND</b>			
Human Resources	Human Resources	General Fund			
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>Funding is requested to hire a 0.7 FTE HR Analyst effective February 2010 to support the first phase of Police staffing with a potential anticipated annexation start date of June 1, 2011. It is estimated that the Police Department will hire thirty-seven commissioned officers to serve the annexation area. Police staffing has the earliest impact on City resources because the length of the on-boarding process which consists of testing, assessment centers, extensive back grounding, state training academies and department FTO programs yielding seventeen month probationary periods. Indications of the increased workload associated with Police staffing are already reflected with the increased number of phone and Internet inquiries for testing requirements, applicant status and hiring process, particularly for out-of-state applicants. Other workload demands include participation on the KPD Recruitment Team, coordinating a targeted advertising recruiting effort with Police and Public Safety.Com and other sources, civil service approval of assessment center processes, provisional and final new hire offer letters and benefits packages and orientation, employee on-boarding, benefit orientations, policy orientations, promotional exams, assessment center preparation and coordination, managing civil service eligibility lists, and preliminary screening of applicants on Gov Jobs Today. It is noted that all of this falls within an extremely difficult recruiting environment. With the downturn in the economy the number applicants is up but the number of qualified applicants is down. Additionally, Kirkland will be competing with other regional cities potentially including five other cities also with pending annexations and the City of Seattle.</p>					
<b>Is this Service Package tied to a CIP Project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes <b>CIP #</b> _____					
<b>NUMBER OF FTE's REQUESTED</b>		0.70			
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>	
		<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>
Personnel Services	\$ -	\$ -	\$ 59,626	\$ -	\$ 59,626
Supplies & Services	\$ -	\$ -	\$ 6,949	\$ 4,380	\$ 11,329
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,575</b>	<b>\$ 4,380</b>	<b>\$ 70,955</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,575</b>	<b>\$ 4,380</b>	<b>\$ 70,955</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Human Resource Analyst	010HR02
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
<b>PERSONNEL SERVICES</b>							
Salary	0100301620	5100100			\$ 42,196		\$ 42,196
Benefits	0100301620	5200100			\$ 17,430		\$ 17,430
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,626</b>	<b>\$ -</b>	<b>\$ 59,626</b>

<b>SUPPLIES &amp; SERVICES</b>							
Desk with return	0100301620	5350200				\$ 1,250	\$ 1,250
Chair	0100301620	5350200				\$ 285	\$ 285
Desk phone	0100301620	5350200				\$ 370	\$ 370
Standard PC	0100301620	5350300				\$ 2,475	\$ 2,475
IT Rental	0100301620	5459101			\$ 5,600		\$ 5,600
IT Replacement Charges	0100301620	5459102			\$ 290		\$ 290
Telecom Charges	0100301620	5459401			\$ 259		\$ 259
Office Supplies	0100301620	5310100			\$ 500		\$ 500
Training	0100301620	5490200			\$ 300		\$ 300
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,949</b>	<b>\$ 4,380</b>	<b>\$ 11,329</b>

<b>CAPITAL OUTLAY</b>							
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>				

<b>CORRESPONDING EXPENDITURE SAVINGS (if applicable)</b>							
							\$ -
							\$ -
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>				

<b>CORRESPONDING OFFSETTING REVENUE (if applicable)</b>							
							\$ -
							\$ -
<b>Total</b>			<b>\$ -</b>				

<b>NET SERVICE PACKAGE REQUEST</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,575</b>	<b>\$ 4,380</b>	<b>\$ 70,955</b>
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Human Resource Analyst			010HR03	
<b>DEPARTMENT</b>	<b>DIVISION</b>	<b>FUND</b>			
Human Resources	Human Resources	General Fund			
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>Funding requested to hire a 0.7 FTE HR Analyst effective July 2010. This is required in order to support the staggered hiring of both Police and City staff for the annexation area with an anticipated annexation start date of June 1, 2011. It is estimated that the Police Department will hire as many as thirty-seven commissioned officers to serve the annexation area. It is anticipated that the first twenty-six officers will be hired on staggered dates throughout 2010. Police staffing has the earliest impact on City resources because the lengthy on-boarding process consisting of testing, assessment centers, extensive back grounding, state training academies (wait lists) and department FTO programs yielding seventeen month probationary periods. It is also expected that additional city-wide annexation staffing will commence in the summer and fall months of 2010, bringing additional demands on HR resources. Staggering the hire date for an additional HR Analyst to July, 2010 will provide a cost-effective way to extend the City's limited resources, while still providing adequate time for recruiting, on-boarding and on the job training as required for the City of Kirkland. Preliminary work will be necessary to support organizational growth with a focus on attracting and retaining the best qualified candidates for the City of Kirkland pre and post annexation. Added staff will strengthen HR's continued role in providing professional level, customer-service orientated expertise, advice and support to the City's management and employees.</p>					
<b>Is this Service Package tied to a CIP Project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes <b>CIP #</b> _____					
<b>NUMBER OF FTE's REQUESTED</b>		0.70			
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>	
	<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>	<b>Total</b>
Personnel Services	\$ -	\$ -	\$ 37,779	\$ -	\$ 37,779
Supplies & Services	\$ -	\$ -	\$ 6,949	\$ 4,380	\$ 11,329
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,728</b>	<b>\$ 4,380</b>	<b>\$ 49,108</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,728</b>	<b>\$ 4,380</b>	<b>\$ 49,108</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Human Resource Analyst	010HR03
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0100301620	5100100			\$ 23,016		\$ 23,016
Benefits	0100301620	5200100			\$ 14,763		\$ 14,763
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 37,779	\$ -	\$ 37,779

SUPPLIES & SERVICES							
Desk with return	0100301620	5350200				\$ 1,250	\$ 1,250
Chair	0100301620	5350200				\$ 285	\$ 285
Desk phone	0100301620	5350200				\$ 370	\$ 370
Standard PC	0100301620	5350300				\$ 2,475	\$ 2,475
IT Rental	0100301620	5459101			\$ 5,600		\$ 5,600
IT Replacement Charges	0100301620	5459102			\$ 290		\$ 290
Telecom Charges	0100301620	5459401			\$ 259		\$ 259
Office Supplies	0100301620	5310100			\$ 500		\$ 500
Training	0100301620	5490200			\$ 300		\$ 300
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 6,949	\$ 4,380	\$ 11,329

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

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

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

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 44,728	\$ 4,380	\$ 49,108
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Human Resource Coordinator			010HR04		
<b>DEPARTMENT</b>		<b>DIVISION</b>		<b>FUND</b>		
Human Resources		Human Resources		General Fund		
<b>CITY PHILOSOPHIES</b>						
<b>DESCRIPTION AND JUSTIFICATION</b>						
<p>Funding requested to hire a 0.5 FTE HR Coordinator effective April 2010. This is necessary in order to support the additional hiring for the annexation area with an anticipated annexation start date of June 1, 2011. The staffing of an additional 0.5 FTE HR Coordinator will provide additional administrative support for functions of the current HR Analysts and Department Director. Increased city-wide staffing will increase day to day responsibilities, internal and external inquires, project support and maintain Human Resources functioning and service. A functional workspace for this position is readily available and will not require any new equipment purchases or internal service fees. It is estimated that additional city-wide annexation staffing will commence in the summer and fall months of 2010 bringing an additional demand on HR resources. Staggering the hire date to April 2010, will provide a cost-effective way to extend the City's limited resources while still providing adequate time for recruiting, on-boarding and on the job training to support the HR function for the City. The need for increased HR Coordinator support in HR will continue to grow as the City moves forward in recruiting the additional employees needed to service the annexation area. Added staff will strengthen HR's continued role in providing professional level, customer-service orientated expertise, advice and support to the City's management and employees.</p>						
<b>Is this Service Package tied to a CIP Project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes <b>CIP #</b> _____						
<b>NUMBER OF FTE's REQUESTED</b>		0.50				
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>		<b>Total</b>
		<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>	
Personnel Services		\$ -	\$ -	\$ 32,796	\$ -	\$ 32,796
Supplies & Services		\$ -	\$ -	\$ 400	\$ -	\$ 400
Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,196</b>	<b>\$ -</b>	<b>\$ 33,196</b>
Expenditure Savings		\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,196</b>	<b>\$ -</b>	<b>\$ 33,196</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Human Resource Coordinator	010HR04
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0100301620	5100100			\$ 21,542		\$ 21,542
Benefits	0100301620	5200100			\$ 11,254		\$ 11,254
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 32,796	\$ -	\$ 32,796

SUPPLIES & SERVICES							
Office Supplies	0100301620	5310100			\$ 150		\$ 150
Training	0100301620	5490200			\$ 250		\$ 250
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 400	\$ -	\$ 400

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

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

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

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 33,196	\$ -	\$ 33,196
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Annexation Planner			010PL09	
<b>DEPARTMENT</b>		<b>DIVISION</b>		<b>FUND</b>	
Planning & Comm. Development		Land Use		General Fund	
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>A number of planning tasks will need to be done prior to the effective date of annexation. In early 2009, the Department lost an ongoing Planner position due to reductions in development fee revenues. At the same time however, the Council approved a temporary Planner position to prepare for the annexation election. Consequently, the ongoing position was converted to temporary. The temporary position is funded through the end of 2009. This service package would allow the position to continue in order to undertake the following tasks necessary to prepare for annexation: negotiate an interlocal agreement with King County specifying roles and responsibilities for reviewing development applications submitted prior to the effective date of annexation; amend the critical areas ordinance; amend the Shoreline Master Program to incorporate the annexation area and submit to DOE for approval; incorporate the annexation area into the 2010/2011 required update to the Comprehensive Plan (amending: Land Use, Transportation, Parks Recreation and Open Space, Utilities, Public Services and Capital Facilities); amend a variety of City maps to incorporate the annexation area; initiate updates of neighborhood plans; respond to public inquiries from PAA residents and developers about the change from King County to Kirkland zoning; and assist in creation of parcel and permit database for the PAA. In addition, the service package will enable an experienced planner to be maintained on staff in anticipation of the increase in workload that will occur when annexation takes effect.</p>					
<b>Is this Service Package tied to a CIP Project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes <b>CIP #</b> _____					
<b>NUMBER OF FTE's REQUESTED</b>		1.00			
<b>COST SUMMARY</b>		<b>2009</b>		<b>2010</b>	
		<b>Ongoing</b>	<b>One-Time</b>	<b>Ongoing</b>	<b>One-Time</b>
Personnel Services		\$ -	\$ -	\$ 99,201	\$ -
Supplies & Services		\$ -	\$ -	\$ -	\$ -
Capital Outlay		\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 99,201</b>	<b>\$ -</b>
Expenditure Savings		\$ -	\$ -	\$ -	\$ -
Offsetting Revenue		\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 99,201</b>	<b>\$ -</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Annexation Planner	010PL09
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary Area 1	0105105810	5100100			\$ 21,776		\$ 21,776
Salary Area 2	0105205860	5100100			\$ 36,294		\$ 36,294
Salary Area 3	0105305820	5100100			\$ 14,518		\$ 14,518
Benefits Area 1	0105105810	5200100			\$ 7,984		\$ 7,984
Benefits Area 2	0105205860	5200100			\$ 13,306		\$ 13,306
Benefits Area 3	0105305820	5200100			\$ 5,323		\$ 5,323
							\$ -
Total			\$ -	\$ -	\$ 99,201	\$ -	\$ 99,201

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

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

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

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

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 99,201	\$ -	\$ 99,201
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## CITY OF KIRKLAND 2010 ANNEXATION SERVICE PACKAGE REQUEST

<b>TITLE</b>	Annexation General Support			010CM12	
<b>DEPARTMENT</b>	<b>DIVISION</b>	<b>FUND</b>			
City Manager's Office	City Manager	General Fund			
<b>CITY PHILOSOPHIES</b>					
<b>DESCRIPTION AND JUSTIFICATION</b>					
<p>0.40 FTE of CMO Administrative Assistant to continue provision of webpage updates and general support. The need for outreach to people in the PAA will increase if the voters choose to annex, particularly between the vote and the effective date. CMO staff will have an increased workload related to negotiations with King County and others so the additional help will be needed. If this service package is not funded, information may not be available to the public in a timely manner. Coordination of meetings, etc. will need to be done by staff that is already limited due to budget reductions.</p>					
<p>Is this Service Package tied to a CIP Project?      <input type="checkbox"/> No      <input type="checkbox"/> Yes      CIP # _____</p>					
<b>NUMBER OF FTE's REQUESTED</b>	0.40				
<b>COST SUMMARY</b>	2009		2010		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 35,084	\$ -	\$ 35,084
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,084</b>	<b>\$ -</b>	<b>\$ 35,084</b>
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Service Package Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,084</b>	<b>\$ -</b>	<b>\$ 35,084</b>

2010 ANNEXATION SERVICE PACKAGE REQUEST

TITLE	Annexation General Support	010CM12
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Description	Org Key	Object	2009		2010		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0100201313	5100100			\$ 25,000		\$ 25,000
Benefits	0100201313	5200100			\$ 10,084		\$ 10,084
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 35,084	\$ -	\$ 35,084

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

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

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

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

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 35,084	\$ -	\$ 35,084
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# Financial Management Report as of SEPTEMBER 30, 2009

## Summary of All Operating Funds: *Revenue*

**General Government budgets were adjusted downward in June 2009 in response to the significant revenue shortfall. Budgets shown reflect these adjustments. Reserves and expenditure reductions are expected to offset the shortfall.**

**AT A GLANCE:**

Higher utility and business tax revenues produce 2009 General Fund year-to-date revenues slightly ahead of 2008, but fall short of budgeted levels (page 2)

2009 Sales tax revenue down significantly (page 5)

Development-related fee revenue significantly down (page 3)

It's a wonderful day in the neighborhood (page 2 sidebar)

Economic downturn continues (pages 7-8)

*Inside this issue:*

Expenditure 2

General Fund Revenue 3

General Fund Expenditures 4

Sales Tax Revenue 5

Economic Environment 7

Investment Report 8

Reserve Summary 10

- General Fund** actual 2009 revenue is **1.9 percent ahead** of the same period last year largely due to higher utility and business tax revenue and an increase in engineering charges from several large transportation projects. This is despite significant declines in sales tax and planning fee revenue. The tax rate on public utilities was increased in 2009, as was the business license fee and this accounts for the increase in these revenues despite the impact of the declining economy. Although higher, these revenues are still significantly lower than planned. A more detailed analysis of General Fund revenue can be found on page 3, and sales tax revenue performance can be found beginning on page 5.
- Other General Government Funds** actual 2009 revenue is **flat** compared to the same period last year. Internal rates were reduced for fleet (recognizing lower fuel prices) and technology (reduced personnel costs and use of fund cash for replacement charges as a budget reduction strategy). Recreation revenue increased primarily due to an accounting change in 2009 that moved all recreation revenue to the Recreation Revolving Fund.
- Lodging tax revenue and motor vehicle fuel tax revenue are down 23.7 percent and 8.4 percent respectively compared to the same period last year. Motor vehicle fuel tax is collected on a flat rate per gallon, so increased fuel costs have a negative impact on this revenue. Lower fuel prices have moderated declines in this revenue as the year progresses.
- Water Sewer Operating Fund** actual 2009 revenue is **1.2 percent ahead** of the same period last year due to higher utility revenue from higher rates, but moderated by a significant decrease in connection charge fee revenue from less development activity.
- Surface Water Management Fund** actual 2009 revenue is **1.7 percent ahead** of the same period last year. Rates are paid through property taxes, which are primarily received in April and October.
- Solid Waste Fund** actual 2009 revenue is **0.9 percent ahead** of the same period last year.

Resources by Fund	Year-to-Date Actual			Budget			% of Budget	
	9/30/2008	9/30/2009	% Change	2008	2009	% Change	2008	2009
<b>General Gov't Operating:</b>								
General Fund	36,626,914	37,315,296	1.9%	53,895,913	54,999,587	2.0%	68.0%	67.8%
Other General Gov't Operating Funds	11,642,155	11,636,999	0.0%	16,562,562	16,522,460	-0.2%	70.3%	70.4%
<b>Total General Gov't Operating</b>	<b>48,269,069</b>	<b>48,952,295</b>	<b>1.4%</b>	<b>70,458,475</b>	<b>71,522,047</b>	<b>1.5%</b>	<b>68.5%</b>	<b>68.4%</b>
<b>Utilities:</b>								
Water/Sewer Operating Fund	12,798,353	12,950,093	1.2%	17,821,208	19,696,845	10.5%	71.8%	65.7%
Surface Water Management Fund	2,972,695	3,024,446	1.7%	5,274,145	5,231,700	-0.8%	56.4%	57.8%
Solid Waste Fund	6,304,258	6,362,545	0.9%	8,365,262	8,612,724	3.0%	75.4%	73.9%
<b>Total Utilities</b>	<b>22,075,306</b>	<b>22,337,084</b>	<b>1.2%</b>	<b>31,460,615</b>	<b>33,541,269</b>	<b>6.6%</b>	<b>70.2%</b>	<b>66.6%</b>
<b>Total All Operating Funds</b>	<b>70,344,375</b>	<b>71,289,379</b>	<b>1.3%</b>	<b>101,919,090</b>	<b>105,063,316</b>	<b>3.1%</b>	<b>69.0%</b>	<b>67.9%</b>

Budgeted and actual revenues exclude resources forward and interfund transfers.



Houghton Neighborhood Picnic

**Kirkland Neighborhoods- A sense of community**

Kirkland is endowed with a beautiful physical setting, strong sense of community, and distinct neighborhoods each with its own unique character. The City Council and staff work closely with each neighborhood to ensure high-quality services are provided, neighborhood associations are supported, and issues are responsively addressed. This is at the heart of what gives Kirkland a sense of community.

Kirkland Alliance of Neighborhoods (KAN) is a coalition of the City's eleven neighborhood associations. KAN members include the chairs and vice chairs of the various associations who meet with City officials five times a year to share information on important city-wide issues and events. KAN is an effective voice in communicating neighborhood concerns to the appropriate City entity.

KAN coordinates with City staff to develop an annual educational program called Neighborhood U. Neighborhood U presents topics such as neighborhood community building, emergency preparedness, and City finances. Topics are intended to inform neighborhood leaders and residents about City government. Neighborhood U is open to all Kirkland residents.

More information: [www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

Key word search "neighborhoods"

**Summary of All Operating Funds: Expenditures**

- **General Fund** actual expenditures are **4.1 percent ahead** of last year primarily due to higher personnel costs and an accounting change that moved all recreation expenditures to the General Fund (see the explanation of the accounting change in the box below).
- **Other Operating Funds** actual expenditures are **11.5 percent behind** the same period last year due to the previously mentioned accounting change for Recreation Revolving fund expenditures, timing of vehicle and computer purchases, substantially lower fuel costs (down 37 percent) and despite generally higher personnel costs.
- **Water/Sewer Operating Fund** actual expenditures are **4.9 percent ahead** of the same period last year due to higher water purchase and METRO sewer costs and despite a significant decline in regional water connection charges (with a corresponding reduction in connection revenue).
- **Surface Water Management Fund** actual expenditures are **15.7 percent ahead** of the same period last year due higher personnel costs and internal charges.
- **Solid Waste Fund** actual expenditures are **10.3 percent behind** the same period last year due to the timing of disposal contract billing payments.

*An accounting change for the Recreation Revolving Fund occurred in 2009. The fund is now used to account for all parks and recreation-related revenue. All expenditures related to parks and recreation programs are consolidated in the General Fund. A periodic interfund transfer is budgeted from the Recreation Revolving Fund to the General Fund. The purpose of the accounting change was to better identify the General Fund subsidy of recreation programs and functions.*

Expenditures by Fund	Year-to-Date Actual			Budget			% of Budget	
	9/30/2008	9/30/2009	% Change	2008	2009	% Change	2008	2009
<b>General Gov't Operating:</b>								
General Fund	41,255,849	42,958,954	4.1%	56,149,141	58,726,316	4.6%	73.5%	73.2%
Other General Gov't Operating Funds	11,338,451	10,029,739	-11.5%	15,817,164	15,453,349	-2.3%	71.7%	64.9%
<b>Total General Gov't Operating</b>	<b>52,594,300</b>	<b>52,988,693</b>	<b>0.7%</b>	<b>71,966,305</b>	<b>74,179,665</b>	<b>3.1%</b>	<b>73.1%</b>	<b>71.4%</b>
<b>Utilities:</b>								
Water/Sewer Operating Fund	10,513,644	11,031,607	4.9%	13,718,748	15,535,894	13.2%	76.6%	71.0%
Surface Water Management Fund	1,977,845	2,287,742	15.7%	2,695,982	3,433,588	27.4%	73.4%	66.6%
Solid Waste Fund	6,250,670	5,609,034	-10.3%	8,221,762	8,429,430	2.5%	76.0%	66.5%
<b>Total Utilities</b>	<b>18,742,159</b>	<b>18,928,383</b>	<b>1.0%</b>	<b>24,636,492</b>	<b>27,398,912</b>	<b>11.2%</b>	<b>76.1%</b>	<b>69.1%</b>
<b>Total All Operating Funds</b>	<b>71,336,459</b>	<b>71,917,076</b>	<b>0.8%</b>	<b>96,602,797</b>	<b>101,578,577</b>	<b>5.2%</b>	<b>73.8%</b>	<b>70.8%</b>

Budgeted and actual expenditures exclude working capital, operating reserves, capital reserves, and interfund transfers.

Financial Management Report as of SEPTEMBER 30, 2009

General Fund Revenue

Many significant General Fund revenue sources are economically sensitive, such as sales tax and development-related fees.

- **Sales tax** revenue allocated to the General Fund for 2009 was originally budgeted to decrease by 9.4 percent from the 2008 budget. However, the budget was reduced midyear by almost \$2.7 million recognizing the significant decline in actual revenue. Year-to-date General Fund sales tax revenue is down 19.1 percent compared to 2008. A detailed analysis of **sales tax** revenue can be found starting on page 5.
- **Utility tax** actual revenue collection is **14.9 percent ahead** of the same period last year primarily due to the shift of cable tax revenue from the Facilities Fund. Without this change, revenue would be up about 5 percent, although they are falling well below budget. Telecommunications tax revenue is less than expected reflecting changes in consumer spending due to the economic downturn and electricity tax revenue is lower due to a electricity rate decrease. Utility tax rates were increased for water, sewer, and garbage in 2009.
- **Other taxes** actual revenue is **20 percent behind** the same period last year primarily due to the one-time receipt of E-911 tax revenue in 2008 for reimbursement of dispatch expenses and declining gambling tax revenue and despite the shift of admissions tax from the Facilities Fund.
- The **business licenses (base fee) and franchise fees** actual revenue is **8.9 percent ahead** of the same period last year primarily due to higher franchise fee revenue. The **revenue generating regulatory license fee** is **88.4 percent ahead** of the same period last year due to a significant increase and restructuring of the fee. However, these revenues are falling well short of budget.
- The current recession is reflected in **development-related fee** revenues, which collectively are **down 25 percent** compared to the same period in 2008. Compared to the same period last year, **building permits and plan check revenue** are collectively **21.9 percent lower**, **planning fees** are **30.2 percent lower**, and **engineering services** revenue is **33.9 percent lower**.
- Compared to the same period last year: **Grant** revenue is **ahead 31.2 percent** due to funding received for the environmental outreach program; **State shared revenues** are **45.5 percent ahead** due to mitigation revenue received for the loss of sales tax revenue resulting from sourcing rule changes; **Other intergovernmental services** revenue is **48.9 percent ahead** due to a contract providing staffing to the Regional Justice Training Center and higher Fire District #41 contract revenue partially due to additional firefighters added in 2009.
- **Internal Charges** are **38.7 percent ahead** compared to the same period last year primarily due to a significant increase in capital project engineering charges.
- **Other charges for services** revenue is ahead **26.3 percent** compared to the same period last year due to higher probation and prisoner housing/monitoring charges.
- **Other financing sources** are significantly ahead of the same period last year reflecting the use of reserves from other funds to backfill reduced revenues and transfers from the recreation revolving fund from the accounting change described on page 2.

General Fund 2009 revenues are \$0.7 million higher than the same period in 2008 largely due to higher utility and business tax revenue, but are still falling short of budgeted levels. Significantly lower sales tax and development-related revenue negatively impact revenue performance.

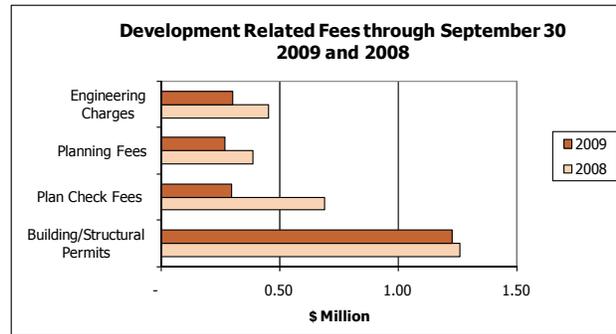
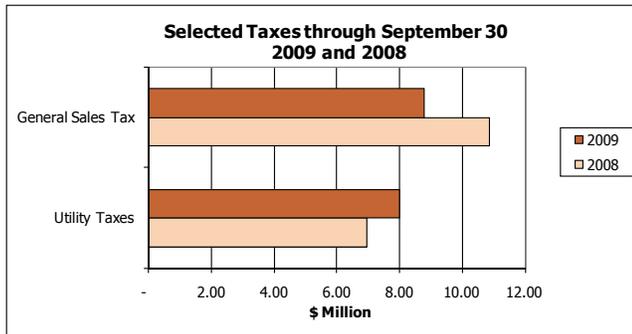
The General Fund is the largest of the General Government Operating funds. It is primarily tax supported and accounts for basic services such as public safety, parks and recreation, and community development.

About 372 of the City's 470 regular employees are budgeted within this fund.

General Fund Resource Category	Year-to-Date Actual			Budget			% of Budget	
	9/30/2008	9/30/2009	% Change	2008	2009	% Change	2008	2009
<b>Taxes:</b>								
Retail Sales Tax: General	10,854,713	8,779,383	-19.1%	15,756,800	11,600,059	-26.4%	68.9%	75.7%
Retail Sales Tax: Criminal Justice	860,505	725,271	-15.7%	1,050,000	1,107,000	5.4%	82.0%	65.5%
Property Tax	5,037,932	5,063,439	0.5%	9,037,710	9,264,941	2.5%	55.7%	54.7%
Utility Taxes	6,945,425	7,977,859	14.9%	8,546,130	11,586,963	35.6%	81.3%	68.9%
Rev Generating Regulatory License	807,631	1,521,270	88.4%	990,000	2,654,920	168.2%	81.6%	57.3%
Other Taxes	410,343	328,219	-20.0%	664,713	658,900	-0.9%	61.7%	49.8%
<b>Total Taxes</b>	<b>24,916,549</b>	<b>24,395,441</b>	<b>-2.1%</b>	<b>36,045,353</b>	<b>36,872,783</b>	<b>2.3%</b>	<b>69.1%</b>	<b>66.2%</b>
<b>Licenses &amp; Permits:</b>								
Building, Structural & Equipment Permits	1,258,577	1,223,389	-2.8%	2,163,450	1,645,600	-23.9%	58.2%	74.3%
Business Licenses/Franchise Fees	1,157,381	1,260,598	8.9%	1,449,450	1,673,471	15.5%	79.8%	75.3%
Other Licenses & Permits	186,247	144,918	-22.2%	193,900	183,500	-5.4%	96.1%	79.0%
<b>Total Licenses &amp; Permits</b>	<b>2,602,205</b>	<b>2,628,905</b>	<b>1.0%</b>	<b>3,806,800</b>	<b>3,502,571</b>	<b>-8.0%</b>	<b>68.4%</b>	<b>75.1%</b>
<b>Intergovernmental:</b>								
Grants	169,381	222,281	31.2%	155,260	196,986	26.9%	109.1%	112.8%
State Shared Revenues & Entitlements	468,059	680,882	45.5%	645,318	681,104	5.5%	72.5%	100.0%
Fire District #41	1,735,286	1,967,465	N/A	3,487,428	3,754,077	N/A	49.8%	52.4%
EMS	396,512	419,199	N/A	793,023	836,938	N/A	50.0%	50.1%
Other Intergovernmental Services	466,428	694,606	48.9%	439,609	652,603	48.5%	106.1%	106.4%
<b>Total Intergovernmental</b>	<b>3,235,666</b>	<b>3,984,433</b>	<b>23.1%</b>	<b>5,520,638</b>	<b>6,121,708</b>	<b>10.9%</b>	<b>58.6%</b>	<b>65.1%</b>
<b>Charges for Services:</b>								
Internal Charges	2,393,244	3,320,425	38.7%	3,511,012	4,506,432	28.4%	68.2%	73.7%
Engineering Services	452,587	299,193	-33.9%	610,000	335,538	-45.0%	74.2%	89.2%
Plan Check Fee	686,970	296,740	-56.8%	900,000	520,000	-42.2%	76.3%	57.1%
Planning Fees	384,753	268,459	-30.2%	1,194,637	274,753	-77.0%	32.2%	97.7%
Recreation*	81,779	-	-100.0%	83,000	-	-100.0%	98.5%	N/A
Other Charges for Services	498,047	629,262	26.3%	688,323	750,426	9.0%	72.4%	83.9%
<b>Total Charges for Services</b>	<b>4,497,380</b>	<b>4,814,079</b>	<b>7.0%</b>	<b>6,986,972</b>	<b>6,387,149</b>	<b>-8.6%</b>	<b>64.4%</b>	<b>75.4%</b>
<b>Fines &amp; Forfeits</b>	<b>962,574</b>	<b>1,030,513</b>	<b>7.1%</b>	<b>1,132,000</b>	<b>1,445,647</b>	<b>27.7%</b>	<b>85.0%</b>	<b>71.3%</b>
<b>Miscellaneous</b>	<b>412,540</b>	<b>461,925</b>	<b>12.0%</b>	<b>404,150</b>	<b>669,729</b>	<b>65.7%</b>	<b>102.1%</b>	<b>69.0%</b>
<b>Total Revenues</b>	<b>36,626,914</b>	<b>37,315,296</b>	<b>1.9%</b>	<b>53,895,913</b>	<b>54,999,587</b>	<b>2.0%</b>	<b>68.0%</b>	<b>67.8%</b>
<b>Other Financing Sources:</b>								
Interfund Transfers	28,838	2,993,063	N/A	1,441,253	3,393,739	N/A	2.0%	88.2%
<b>Total Other Financing Sources</b>	<b>28,838</b>	<b>2,993,063</b>	<b>N/A</b>	<b>1,441,253</b>	<b>3,393,739</b>	<b>N/A</b>	<b>2.0%</b>	<b>88.2%</b>
<b>Total Resources</b>	<b>36,655,752</b>	<b>40,308,359</b>	<b>10.0%</b>	<b>55,337,166</b>	<b>58,393,326</b>	<b>5.5%</b>	<b>66.2%</b>	<b>69.0%</b>

Budgeted and actual revenues exclude resources forward.  
 \*2009 Recreation revenue is accounted for in the Recreation Revolving Fund; See accounting note on page 2.

General Fund Revenue *continued*



General Fund Expenditures

General Fund Department Expenditures	Year-to-Date Actual			Budget			% of Budget	
	9/30/2008	9/30/2009	% Change	2008	2009	% Change	2008	2009
Non-Departmental	982,952	800,489	-18.6%	1,391,813	1,144,474	-17.8%	70.6%	69.9%
City Council	294,319	276,148	-6.2%	362,034	344,345	-4.9%	81.3%	80.2%
City Manager's Office	2,623,422	2,449,420	-6.6%	3,784,425	3,471,443	-8.3%	69.3%	70.6%
Human Resources	769,917	770,599	0.1%	1,122,706	1,084,530	-3.4%	68.6%	71.1%
City Attorney's Office	703,130	752,415	7.0%	991,985	994,041	0.2%	70.9%	75.7%
Parks & Community Services	4,407,086	5,231,062	18.7%	6,059,645	7,520,744	24.1%	72.7%	69.6%
Public Works (Engineering)	2,532,647	2,513,048	-0.8%	3,578,878	3,712,442	3.7%	70.8%	67.7%
Finance and Administration	2,540,434	2,677,449	5.4%	3,536,915	3,668,610	3.7%	71.8%	73.0%
Planning & Community Development	2,523,009	2,093,358	-17.0%	3,381,197	2,831,838	-16.2%	74.6%	73.9%
Police	11,449,757	12,099,887	5.7%	15,019,785	16,547,704	10.2%	76.2%	73.1%
Fire & Building	12,429,176	13,295,079	7.0%	16,919,758	17,406,145	2.9%	73.5%	76.4%
<b>Total Expenditures</b>	<b>41,255,849</b>	<b>42,958,954</b>	<b>4.1%</b>	<b>56,149,141</b>	<b>58,726,316</b>	<b>4.6%</b>	<b>73.5%</b>	<b>73.2%</b>
<i>Other Financing Uses:</i>								
Interfund Transfers	345,094	568,144	64.6%	1,594,916	1,597,441	0.2%	21.6%	35.6%
<b>Total Other Financing Uses</b>	<b>345,094</b>	<b>568,144</b>	<b>64.6%</b>	<b>1,594,916</b>	<b>1,597,441</b>	<b>0.2%</b>	<b>21.6%</b>	<b>35.6%</b>
<b>Total Expenditures &amp; Other Uses</b>	<b>41,600,943</b>	<b>43,527,098</b>	<b>4.6%</b>	<b>57,744,057</b>	<b>60,323,757</b>	<b>4.5%</b>	<b>72.0%</b>	<b>72.2%</b>

Budgeted and actual expenditures exclude working capital, operating reserves, and capital reserves.

*Facilities charges (an internal service charge) for General Fund departments were increased as a result of an accounting change. In previous years, cable and admissions tax were allocated directly to the Facilities Fund, which in effect subsidized the rate charged to General Fund departments. Beginning in 2009, these revenues are directly allocated to the General Fund. The resulting increase to the internal rate charged to the General Fund is covered by the revenue shift.*

Comparing to the same period last year:

- Actual 2009 expenditures for **Non-Departmental** are **18.6 percent behind** primarily due to a one-time refund payment in 2008 for leasehold excise tax over-collected in prior years.
- Actual 2009 expenditures for the **City Council** are **6.2 percent behind** primarily due to a one time citizen survey in 2008 and the elimination of meals at Council meetings and despite higher facility charges.
- Actual 2009 expenditures for the **City Manager's Office** are **6.6 percent behind** due to one-time charges incurred last year for setting up a regional dispatch agency, and despite higher internal service charges. As of 2009, ongoing expenses for the regional dispatch agency are budgeted in the Police and Fire departments.
- Actual 2009 expenditures for the **City Attorney's Office** are **7 percent ahead** due to higher personnel costs, contracted legal costs, and facility charges.
- Actual 2009 expenditures for the **Parks & Community Services Department** are **18.7 percent ahead** primarily due to the recreation revolving accounting change described on page 2, higher personnel costs and facility charges.

Compared to 2008 2009 General Fund actual expenditures are 4.1 higher primarily due to increased internal service rates as noted to the left and higher personnel costs.

(Continued on page 5)

## Financial Management Report as of SEPTEMBER 30, 2009

- Actual 2009 expenditures for the **Finance and Administration Department** are **5.4 percent ahead** due to higher personnel and election costs and facility charges.
- Actual 2009 expenditures for the **Planning and Community Development Department** are **17 percent behind** due to the shift of regional housing funding to another fund, one-time projects that were underway in 2008 and lower personnel costs as a result of reduction in development-related staffing levels and despite higher facility charges.
- Actual 2009 expenditures for the **Police Department** are **5.7 percent ahead** due to charges for the regional dispatch agency and despite flat personnel costs and lower jail costs. Kirkland dispatch staff were relocated to the new agency as of July 1st. Higher jail costs were a concern in 2008; expenses in 2009 are down about 6 percent from last year, but still expected to end the year about \$200,000 over budget.
- Actual 2009 expenditures for the **Fire & Building Department** are **7 percent ahead** due to higher personnel costs (despite reduction to development-related building division staff) and charges for the regional dispatch agency. Fire suppression overtime was a concern last year; expenses in 2009 are down almost 26 percent from last year as the result of discontinuing the one-time funded staffing of Station 24 with overtime. However, overtime is still expected to end the year about \$300,000 over budget.

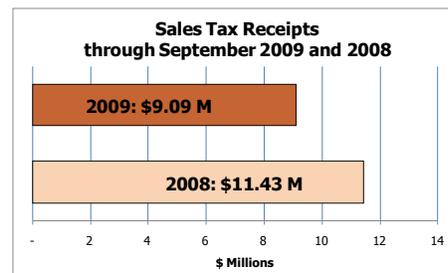


Patriot Day Ceremony at City Hall

**Sales Tax Revenue Analysis** Total 2009 actual revenue is down 20.4 percent (over \$2.3 million) compared to the same period last year. This is a continuation of the generally negative trend that began in the last quarter of 2007 and continued throughout 2008. Primary factors include significant softening in contracting revenue, as well as declining revenue in key retail sectors. All business sectors continue to experience negative performance compared to the same period last year (see table on page 6).

### Review by business sectors:

- The **contracting** sector is **35.5 percent down** compared to the same period last year due to the completion of major projects and significant weakening in development activity due to the current economic recession.
- Auto/gas retail** is **17.7 percent down** compared to the same period last year due to disappointing performance by key retailers. September revenue (reflecting July activity) improved substantially compared to last year due to the "cash for clunkers" incentive program. However, this program's duration is only two months, so there is concern activity in this sector will decline significantly after the program ends.
- Wholesale** is **42.3 percent down** compared to the same period last year primarily due to a reduction in development-related activity and changes in local coding sourcing rules from streamlined sales tax.
- General merchandise/miscellaneous retail** is **12.1 percent down** compared to the same period last year due to disappointing performance by key retailers, an indication of reduced consumer spending in response to economic conditions. This sector has also been impacted by streamlined sales tax.
- Other retail** is **13.3 percent down** compared to the same period last year due to generally negative performance in most retail sectors included in this group, especially building materials and electronic equipment. This sector is also impacted by streamlined sales tax sourcing rule changes.
- The **services** sector is **14.9 percent down** compared to the same period last year largely due to declines in software and car/equipment leasing, as well as impact from the sourcing rule change. The accommodations sector continued negative performance for the entire year, down 16.3 percent compared to the same period last year.
- Retail eating/drinking** is **13.3 percent down** compared to the same period last year. This sector continues its negative trend that started in the second half of 2008. Reduced consumer discretionary spending is evident from the generally negative performance by most businesses in this sector as well as the closure of four restaurants so far this year.
- The **miscellaneous** sector is **17.6 percent down** compared to the same period last year due to slumping finance/insurance and real estate sectors.
- The **communications** sector is **14.9 percent down** compared to the same period last year due to reduced development-related activity and declining revenue from telecommunications companies.



### Streamlined Sales Tax

Washington State implemented new local coding sales tax rules as of July 1, 2008 as a result of joining the national Streamlined Sales Tax Agreement. Negative impact from this change is mitigated by the State of Washington. Kirkland has received about \$260,000 in payments over the last year, although the State is considering an adjustment that could reduce this amount by \$39,000.

### Neighboring Cities

Bellevue and Redmond 2009 sales tax revenue through September is down 20.4 percent and 6.7 percent respectively compared to the same period in 2008.

**City of Kirkland Actual Sales Tax Receipts**

Business Sector Group	January-September		Dollar Change	Percent Change	Percent of Total	
	2008	2009			2008	2009
Services	1,290,894	1,098,976	(191,918)	-14.9%	11.3%	12.1%
Contracting	1,964,617	1,267,765	(696,852)	-35.5%	17.2%	13.9%
Communications	427,712	359,606	(68,106)	-15.9%	3.7%	4.0%
Auto/Gas Retail	2,281,831	1,877,232	(404,599)	-17.7%	20.0%	20.6%
Gen Merch/Misc Retail	1,731,749	1,521,413	(210,336)	-12.1%	15.1%	16.7%
Retail Eating/Drinking	976,522	846,895	(129,627)	-13.3%	8.5%	9.3%
Other Retail	1,342,854	1,130,587	(212,267)	-15.8%	11.7%	12.4%
Wholesale	706,244	407,454	(298,790)	-42.3%	6.2%	4.5%
Miscellaneous	709,681	584,454	(125,227)	-17.6%	6.2%	6.4%
<b>Total</b>	<b>11,432,104</b>	<b>9,094,382</b>	<b>(2,337,722)</b>	<b>-20.4%</b>	<b>100.0%</b>	<b>100.0%</b>

*Kirkland's sales tax base is comprised of a variety of businesses which are grouped and analyzed by business sector (according to NAICS, or "North American Industry Classification System"). Nine business sector groupings are used to compare 2008 and 2009 year-to-date sales tax receipts in the table to the left.*

**City of Kirkland Actual Monthly Sales Tax Receipts**

Month	Sales Tax Receipts		Dollar Change	Percent Change
	2008	2009		
January	1,227,855	994,146	(233,709)	-19.0%
February	1,586,493	1,224,935	(361,558)	-22.8%
March	1,112,704	954,492	(158,212)	-14.2%
April	1,085,739	867,726	(218,013)	-20.1%
May	1,367,777	1,007,790	(359,987)	-26.3%
June	1,073,093	900,631	(172,462)	-16.1%
July	1,253,751	945,876	(307,875)	-24.6%
August	1,388,993	1,091,599	(297,394)	-21.4%
September	1,335,699	1,107,187	(228,512)	-17.1%
<b>Total</b>	<b>11,432,104</b>	<b>9,094,382</b>	<b>(2,337,722)</b>	<b>-20.4%</b>

*When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City. For example, sales tax received by the City in September is for sales activity in July. Monthly sales tax receipts through September 2008 and 2009 are compared in the table to the left.*

- Negative monthly comparison trends, with the exception of February 2008, have been occurring since July 2007.
- Sourcing rule changes were adopted as of July 1, 2008 as a result of streamlined sales tax legislation. Mitigation payments from Washington State have been received, which help offset the impact of revenue lost due to the rule changes. Factoring in these payments would change the decline between 2009 and 2008 to about 18.5 percent.
- In September, the federal "cash for clunkers" program positively impacted automobile sales, which is reflected in improved monthly performance. Unfortunately the program duration is only two months.

*Kirkland's sales tax base is further broken down by business district (according to geographic area), as well as "unassigned or no district" for small businesses and businesses with no physical presence in Kirkland.*

**Comparing to the same period last year:**

**Totem Lake**, which accounts for over 31 percent of the total sales tax receipts, is **22.6 percent down** primarily

due to slumping automotive/gas retail sales and generally weak retail and finance/real estate activity. Almost 65 percent of this business district's revenue comes from the auto/gas retail and general merchandise/miscellaneous retail sectors.

**NE 85<sup>th</sup> Street**, which accounts for almost 17 percent of the total sales tax receipts, is **11.3 percent down** primarily due to the general merchandise/miscellaneous retail and automotive/gas retail sectors, which contribute about 86 percent of this business district's revenue.

**Downtown**, which accounts for almost 8 percent of the total sales tax receipts, is **18.7 percent down** due to the loss of several retailers and poor performance in the retail eating/drinking and accommodations sectors; these sectors

provide over 68 percent of this business district's revenue.

**Carillon Point & Yarrow Bay**, which accounts for over 2 percent of the total sales tax receipts, is **27.3 percent down** compared to last year primarily due to poor performance from major software companies, retail eating/drinking and the accommodations sectors. About 76 percent of this business district's revenue comes from business services, retail eating/drinking and hotels.

**Houghton & Bridle Trails**, which accounts for over 2 percent of the total sales tax receipts, are **28.1 percent down** collectively almost entirely due to miscellaneous retail and other retail, which provides over about 65 percent of these business districts' revenue.

**Juanita**, which accounts for about 2 percent of the total sales tax receipts, is **11.8 percent down** primarily due to retail eating/drinking. A one-time recovery received in 2008 in this sector skews comparisons between the years. Factoring out the one-time 2008 receipt, this business district would be down about 6.7 percent. Retail eating/drinking and personal services provide 45 percent of this business district's revenue.

When reviewing sales tax receipts by business district, it's important to point out that almost 40 percent of the revenue received in 2009 is in the "unassigned or no district" category largely due to contracting revenue (which has declined compared to last year), and increasing revenue from Internet, catalog sales and other businesses located outside of the City.

City of Kirkland Sales Tax by Business District

Business District	Jan - Sep Receipts		Dollar Change	Percent Change	Percent of Total	
	2008	2009			2008	2009
Totem Lake	3,591,028	2,779,184	(811,844)	-22.6%	31.4%	30.6%
NE 85th St	1,736,918	1,539,998	(196,920)	-11.3%	15.2%	16.9%
Downtown	862,983	701,880	(161,103)	-18.7%	7.5%	7.7%
Carillon Pt/Yarrow Bay	324,939	236,343	(88,596)	-27.3%	2.8%	2.6%
Houghton & Bridle Trails	310,426	223,351	(87,075)	-28.1%	2.7%	2.5%
Juanita	230,677	203,384	(27,293)	-11.8%	2.0%	2.2%
Unassigned or No District:						
Contracting	1,962,863	1,265,362	(697,501)	-35.5%	17.2%	13.9%
Other	2,412,270	2,144,880	(267,390)	-11.1%	23.2%	25.8%
<b>Total</b>	<b>11,432,104</b>	<b>9,094,382</b>	<b>(2,337,722)</b>	<b>-20.4%</b>	<b>100.0%</b>	<b>100.0%</b>

**Sales Tax Revenue Outlook** 2009 sales tax performance continues the negative trend experienced since the second half of 2007. During the first half of 2008, slumping contracting revenue was offset by generally positive performance in key retail sectors, especially automotive/gas retail and retail eating/drinking. This year, the retail sectors are experiencing negative performance and retailers have closed as well. Development-related activity continues to be a real concern as it was the source of much of the revenue growth in the last few years and there isn't much optimism that development activity will significantly improve until the overall economy has stabilized. Nationally, consumer confidence remains volatile, dropping in September to 53.1 from 54.4 in August. A reading of 90 would indicate recovery. The economy depends on consumer consumption for 70 percent of its activity, so weak consumer confidence illustrates the challenge to achieving sustained economic recovery.

**OFFICE VACANCIES:**

According to CB Richard Ellis Real Estate Services, the Eastside vacancy rate is 17.4 percent for third quarter 2009 compared to 10.5 percent for third quarter 2008. Kirkland's 2009 rate is 27.6 percent, significantly higher than the 2008 rate of 7.8 percent largely due to the completion of the Lakeview Plaza. Google had intended to fully occupy this space, but has put about half of it out for sublease due to the recession.

The Puget Sound region continues to struggle, reaching the highest vacancy rate in 15 years, 18.2 percent. Despite the negative trend, Forbes Magazine recently named Seattle to the top 10 list of cities that will recover faster than the rest of the nation.

**LODGING TAX REVENUE:**

Lodging tax 2009 revenue is down 23.7 percent compared to the same period last year.

**Economic Environment Update** The Puget Sound region economic recovery remains weak even as national headlines declare that the recession is over. Job loss is expected to continue through the rest of 2009, with moderate job growth resuming in 2010. A recent Elway Poll found Washington residents seem more resigned to the idea that the state's economy will not bounce back quickly and the current conditions will be the norm for at least another year.

The U.S. **consumer confidence index slipped to 53.1** in September from 54.5 in August. Consumers remain concerned about job security. Economists are concerned that the outlook for holiday shopping may be bleak unless consumers change their attitudes toward spending. National retail sales were up 0.1 percent in September, the first time since August 2008. But analysts say shoppers still aren't coming in unless they see deep discounts.

King County's **unemployment rate increased to 8.8 percent** in September compared to 4.6 percent in September 2008. This rate is consistent with the Washington State rate, but still below the national of 9.5 percent. Generally, King County falls below the statewide unemployment rate.

The **Western Washington chapter of Purchasing Managers survey index fell slightly** in September to **52.2**, down by 0.6 points from August. The national survey index also fell by 0.3 points to 52.6. An index reading greater than 50 indicates a growing economy, while scores below suggest a shrinking economy.

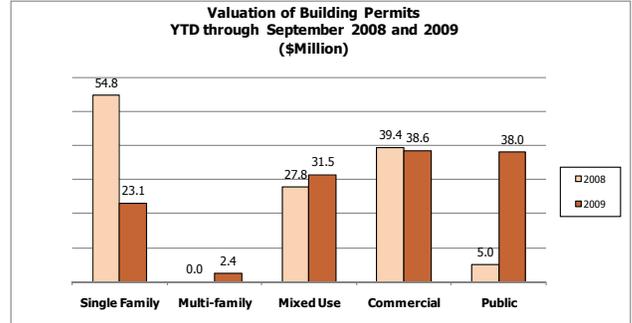
Economists are still predicting a slow U-shaped recovery and that it will take some time to get back to the previous level of activity. It is important to note that, while the decline in the overall economy may have hit bottom, we are seeing no real signs of that occurring so far in Kirkland.

The Puget Sound region may benefit from its association with Asia. China is expected to expand by 8 percent in 2010. Opportunities from a weak dollar and stimulus driven demand for American goods may help Washington exports. But, lower spending of foreign imports in the U.S. will negatively impact import traffic at local ports.

(Continued on page 8)

**Economic Environment Update *continued***

Local **development activity** through September comparing 2009 to 2008 as measured by the valuation of City of Kirkland building permits is illustrated in the chart to the right. Activity dropped considerably in the single family sector. Commercial activity improved significantly as the year has progressed, and along with two large public projects, permit activity by valuation is slightly ahead of last year. Overall building permit revenues are down slightly from 2008 levels.



Pending sales of **new and existing single-family homes** on the Eastside are up nearly 30 percent in September 2009 compared with a September 2008. However, the median price of a single family home declined 6.4 percent from September 2008 (\$515,000 compared to \$550,000). The situation with condominiums isn't as rosy.

Pending sales were up by about 41 percent, but closed sales dropped by more than 13 percent. The significant hike in pending sales is a result of slowness on the part of lenders in approving short sales. The median price for Eastside condominiums declined by 5.8 percent in September 2009 to \$292,000 from \$310,000 in September 2008.

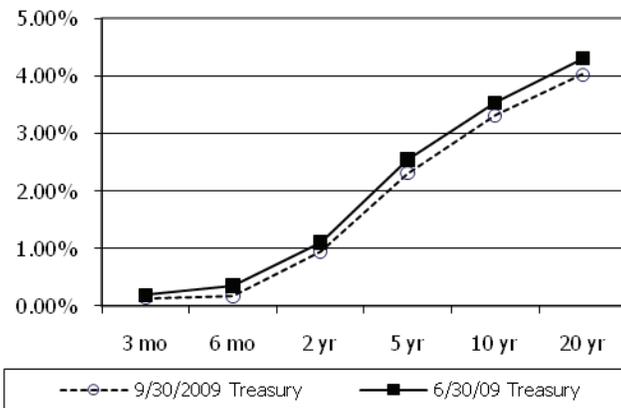
**Seattle metro CPI** consistent with the national index, was volatile throughout last year. Seattle peaked at 6.19 percent in June and August 2008. The national index peaked at 6.2 percent in July 2008. Both the local and national indexes have remained negative throughout 2009. The June 2009 CPI (-0.7 percent) is normally used to calculate City employee cost of living adjustments (COLA) for 2010. As a result, employees with closed bargaining units will receive no adjustment next year. (Four bargaining units had already agreed to this beforehand as part of a budget reduction strategy.) The most recent national index as of September is -1.7 percent.

**Investment Report**

**MARKET OVERVIEW**

The Fed Funds rate remained at zero to 0.25 percent for the third quarter of 2009. While the economic indicators state that the economy grew slightly in the 3<sup>rd</sup> quarter, unemployment remains near 10 percent and many indicators for growth remain level or continued their downward trend. The yield curve dropped slightly across the curve during the quarter.

**Treasury Yield Curve**

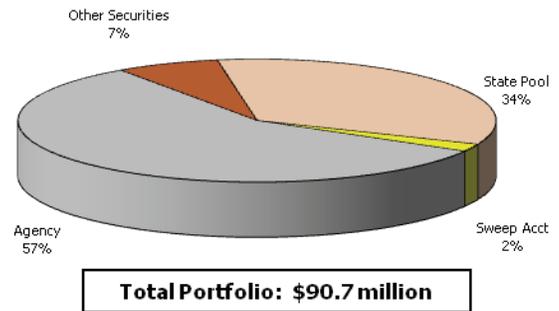


**CITY PORTFOLIO**

The primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.

The City's portfolio continued to decrease in the 3<sup>rd</sup> quarter of 2009 to \$90.7 million compared to \$94.3 million on June 30, 2009. The reduction in the portfolio is primarily related to the decline in revenues.

**Investments by Category**



**Diversification**

The City's current investment portfolio is composed of Government Agency bonds, State and Local Government bonds, the State Investment Pool and an overnight bank sweep account. City investment procedures allow for 100 percent of the portfolio to be invested in U.S. Treasury or Federal Government obligations.

**2009 ECONOMIC OUTLOOK and INVESTMENT STRATEGY**

The forecasters surveyed by the Federal Reserve Bank of Philadelphia see improved prospects for growth in 2009 and over the next four years, while the labor market remains sluggish. GDP growth for 2009 is now expected to be negative 2.6 percent (down from negative 2.8 percent) and core inflation to be 1.7 percent. The forecasters continue to see little threat of accelerating inflation. The unemployment rate is expected to average 9.2 percent in 2009. The Fed Funds rate, currently at 0.25 percent, is expected to remain at this level through the 2<sup>nd</sup> quarter of 2010.

The duration of the portfolio will continue decreasing as securities mature and are called. New security purchases will be made as opportunities to obtain moderate returns become available. The objective during periods of low interest rates is to keep the portfolio duration shorter, with greater liquidity, so that the City is in a position to purchase securities with higher returns when interest rates begin to rise. The State Pool is currently near 0.40 percent and will continue to decline as the Fed Funds rate remains at 0.25 percent. Total estimated investment income for 2009 is \$2.8 million.

Investment Report *continued*

**Liquidity**

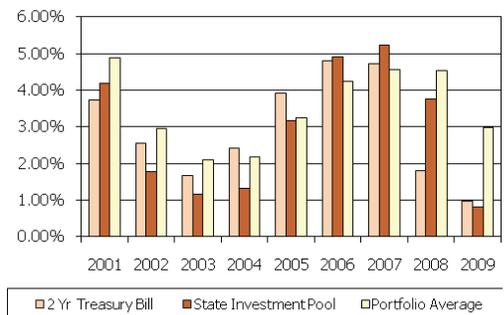
The target duration for the City's portfolio is based on the 2 year treasury rate which decreased from 1.11 percent on June 30, 2009 to 0.95 percent on September 30, 2009. The average maturity of the City's investment portfolio decreased from 1.81 years on June 30, 2009 to 1.52 years on September 30, 2009 due to the higher yielding securities being called on their call dates. It is expected that the higher yielding securities will continue to be called on their call dates as the interest rates of the securities are higher than current rates.

Benchmark Comparison	June 30, 2009	Sept. 30, 2009
City Yield to Maturity (YTM)	2.84%	2.65%
City Average YTM	3.12%	2.98%
City Year to Date Yield	3.29%	3.06%
State Pool Average Yield	0.94%	0.81%
2 yr Treasury Note Avg YTM	0.95%	0.97%

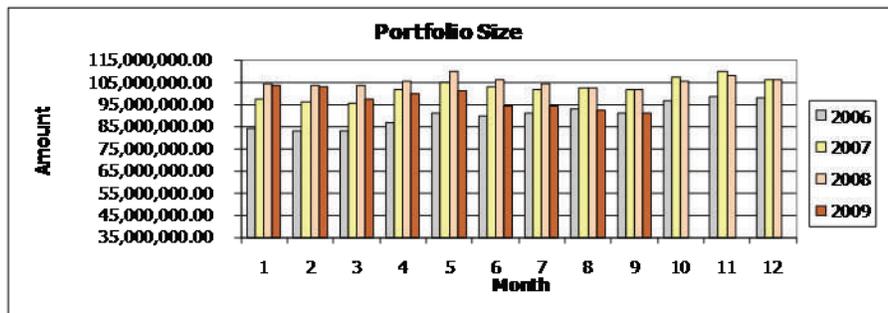
**Yield**

The City Portfolio yield to maturity decreased slightly from 2.84 percent on June 30, 2009 to 2.65 percent on September 30, 2009. Through September 30, 2009, the City's annual average yield to maturity was 2.98 percent. The City's portfolio outperformed the State Investment Pool annual average yield to maturity of .81 percent and the 2 Year Treasury Note annual average for 2009 of 0.97 percent due to the rapid decline in interest rates. The City's practice of investing further out on the yield curve than the State Investment Pool results in earnings higher than the State Pool during declining interest rates and lower earnings than the State Pool during periods of rising interest rates. This can be seen in the adjacent graph.

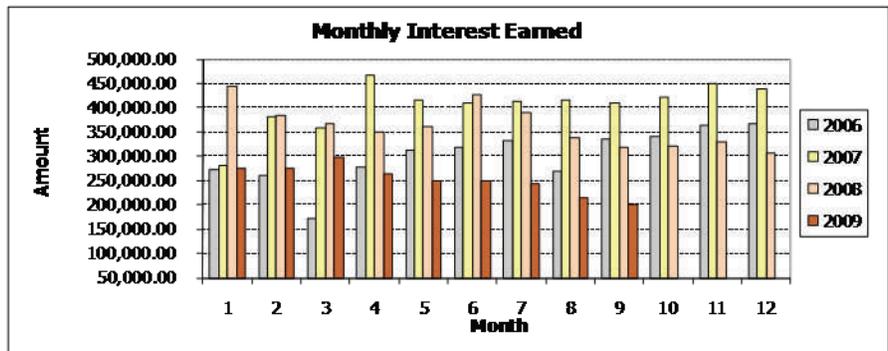
Investment Interest Rate Comparisons



Portfolio Size



Monthly Interest Earned



## Reserve Summary

### General Operating Reserve

For the City's "Rainy Day" fund, the target is established by fiscal policy at five percent of the operating budget (excluding utility and internal service funds). Each year, the target amount will change proportional to the change in the operating budget. To maintain full funding, the increment between five percent of the previous year's budget and the current budget would be added or subtracted utilizing interest income and year-end transfers from the General Fund. It is a reserve to be used for unforeseen revenue losses and other temporary events. If the reserve is utilized by the City Council, the authorization should be accompanied by a plan for replenishing the reserve within a two to three year period.

### Revenue Stabilization Reserve

The Revenue Stabilization Reserve was approved by Council in July 2003 and was created by segregating a portion of the General Operating Reserve. The purpose of this reserve is to provide an easy mechanism to tap reserves to address temporary revenue shortfalls resulting from temporary circumstances (e.g. economic cycles, weather-related fluctuations in revenue). Council set the target at ten percent of selected General Fund revenue sources which are subject to volatility (e.g. sales tax, development fees and utility taxes). The Revenue Stabilization Reserve may be used in its entirety; however, replenishing the reserve will constitute the first priority for use of year-end transfers from the General Fund.

### Contingency Fund

The Contingency Fund was established pursuant to RCW 35A.33.145 to "provide monies with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget." State law sets the maximum balance in the fund at \$.375 per \$1,000 of assessed valuation. This reserve would be used to address unforeseen expenditures (as opposed to revenue shortfalls addressed by the Revenue Stabilization Reserve). The fund can be replenished through interest earnings up to the maximum balance or through the year-end transfer if needed.

*Reserves are an important indicator of the City's fiscal health. They effectively represent "savings accounts" that are established to meet unforeseen budgetary needs (general purpose reserves) or are otherwise dedicated to a specific purpose (special purpose reserves). The City's reserves are listed with their revised estimated balances at the end of the biennium in the table below:*

### General Government & Utility Reserves Summary

Reserves	2009-10 Est End Balance	2009 Auth. Uses	2009 Auth. Additions	Revised 2009-10 End Balance
<b>GENERAL PURPOSE RESERVES</b>				
Contingency	2,324,515	54,750		2,269,765
General Capital Contingency	2,444,561	107,800		2,336,761
Park & Municipal Reserve:				
General Oper. Reserve (Rainy Day)	2,712,836			2,712,836
Revenue Stabilization Reserve	1,082,380	1,000,000		82,380
Building & Property Reserve	2,059,669			2,059,669
Council Special Projects Reserve	271,960	101,875		170,085
<b>Total General Purpose Reserves</b>	<b>10,895,921</b>	<b>1,264,425</b>	<b>0</b>	<b>9,631,496</b>
<b>SPECIAL PURPOSE RESERVES</b>				
Excise Tax Capital Improvement:				
REET 1	8,370,417	2,349,314		6,021,103
REET 2	8,134,095			8,134,095
Equipment Rental:				
Vehicle Reserve	6,421,787			6,421,787
Radio Reserve	36,000			36,000
Information Technology:				
PC Replacement Reserve	494,373			494,373
Major Systems Replacement Reserve	247,900			247,900
Facilities Maintenance:				
Operating Reserve	550,000			550,000
Facilities Sinking Fund	1,051,963			1,051,963
Impact Fees				
Roads	3,429,578			3,429,578
Parks	237,809			237,809
Park Bond Reserve	558,981			558,981
Cemetery Improvement	523,405			523,405
Off-Street Parking	204,410			204,410
Tour Dock	70,175			70,175
Street Improvement	994,576			994,576
Firefighter's Pension	1,591,986			1,591,986
Park & Municipal Reserve:				
Litigation Reserve	51,329			51,329
Labor Relations Reserve	67,183			67,183
Police Equipment Reserve	48,093			48,093
LEOFF 1 Police Reserve	612,029			612,029
Facilities Expansion Reserve	800,000			800,000
Development Services Reserve	457,331			457,331
Tree Ordinance	28,980			28,980
Donation Accounts	161,257			161,257
Revolving Accounts	86,175			86,175
Water/Sewer Operating Reserve	1,799,424			1,799,424
Water/Sewer Debt Service Reserve	826,759			826,759
Water/Sewer Capital Contingency	3,018,240	199,200		2,819,040
Water/Sewer Construction Reserve	9,444,066			9,444,066
Surface Water Operating Reserve	394,485			394,485
Surface Water Capital Contingency	617,690			617,690
Surface Water-Transp. Related Rsv	1,302,179	23,000		1,279,179
Surface Water Construction Reserve	3,186,434			3,186,434
<b>Total Special Purpose Reserves</b>	<b>55,819,109</b>	<b>2,571,514</b>	<b>0</b>	<b>53,247,595</b>
<b>Grand Total</b>	<b>66,715,030</b>	<b>3,835,939</b>	<b>0</b>	<b>62,879,091</b>

No Council Authorized Additions as of September 30, 2009.

## Financial Management Report as of SEPTEMBER 30, 2009

Page 11

## Reserve Summary continued

## USES AND ADDITIONS HIGHLIGHTS

RESERVE	AMOUNT	DESCRIPTION
<b>2009 Council Authorized Uses</b>		
Contingency	\$54,750	Verizon franchise negotiations
General Capital Contingency	\$64,000	Downtown Transit Center
	\$43,800	NE 73rd Street Sidewalk additional funding
Revenue Stabilization Reserve	\$1,000,000	Backfill General Fund revenue deficit
Council Special Projects Reserve	\$2,000	Council Retreat facilitator
	\$26,000	Funding for federal lobbyist services for 2009.
	\$25,000	Funding for Neighborhood Connections in 2010.
	\$20,000	Hopelink relocation
	\$13,770	Flexpass program
	\$10,105	Bank of America project review process
	\$5,000	Council special investigation
Excise Tax Capital REET 1	\$2,349,314	Municipal Court Building purchase
Water/Sewer Capital Contingency	\$54,000	Additional funding of \$54,000 for telemetry system upgrades at Supply Station #2 to coincide with a City-wide upgrade of telemetry panels at other water facility sites.
	\$128,000	Funding for the completion of the 2009 Water System Improvement Project.
	\$17,200	NE 73rd Street Sidewalk (watermain replacement) additional funding
	\$23,000	Downtown Transit Center (surface water component)

**2009 Council Authorized Additions**

No Council Authorized Additions as of September 30, 2009

## General Government &amp; Utility Reserves Targets Summary

Reserves	Revised 2009-10 End Balance	2009-10 Target	Over (Under) Target
<b>GENERAL PURPOSE RESERVES</b>			
Contingency	2,269,765	4,915,571	(2,645,806)
General Capital Contingency	2,336,761	9,032,430	(6,695,669)
Park & Municipal Reserve:			
General Oper. Reserve (Rainy Day)	2,712,836	3,567,649	(854,813)
Revenue Stabilization Reserve	82,380	2,188,803	(2,106,423)
Council Special Projects Reserve	170,085	250,000	(79,915)
<b>General Purpose Reserves with Targets</b>	<b>7,571,827</b>	<b>19,954,453</b>	<b>(12,382,626)</b>
<b>SPECIAL PURPOSE RESERVES</b>			
Excise Tax Capital Improvement:			
REET 1	6,021,103	1,653,500	4,367,603
REET 2	8,134,095	8,477,130	(343,035)
Firefighter's Pension	1,591,986	1,103,000	488,986
Park & Municipal Reserve:			
Litigation Reserve	51,329	50,000	1,329
Water/Sewer Operating Reserve	1,799,424	1,799,424	0
Water/Sewer Debt Service Reserve	826,759	826,759	0
Water/Sewer Capital Contingency	2,819,040	3,018,240	(199,200)
Surface Water Operating Reserve	394,485	394,485	0
Surface Water Capital Contingency	617,690	617,690	0
<b>Special Purpose Reserves with Targets</b>	<b>22,255,911</b>	<b>17,940,228</b>	<b>4,315,683</b>
<b>Reserves without Targets</b>	<b>33,051,353</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Reserves</b>	<b>62,879,091</b>	<b>n/a</b>	<b>n/a</b>

*The summary above details all Council authorized uses and additions to each reserve through September 2009.*

*An additional transfer of \$1 million from the Revenue Stabilization Reserve was approved with mid-year budget adjustments, which effectively uses up this reserve as a resource.*

*The table to the left compares the revised ending balance to the targets established in the budget process for those reserves with targets.*



123 5th Avenue  
Kirkland, Washington 98033  
425-587-3101

- ◆ Tracey Dunlap, Director of Finance & Administration
- ◆ Michael Olson, Deputy Director of Finance & Administration
- ◆ Sandi Hines, Financial Planning Manager
- ◆ Sri Krishnan, Senior Financial Analyst
- ◆ Neil Kruse, Budget Analyst

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The Financial Management Report (FMR) is a high-level status report on the City's financial condition that is produced quarterly.

- It provides a **summary budget to actual comparison** for year-to-date revenues and expenditures for all operating funds. The report also compares this year's actual revenue and expenditure performance to the prior year.
- The **Sales Tax Revenue Analysis** report takes a closer look at the City's largest and most economically sensitive revenue source.
- **Economic environment** information provides a brief outlook at the key economic indicators for the Eastside and Kirkland such as office vacancies, residential housing prices/sales, development activity, inflation and unemployment.
- The **Investment Summary** report includes a brief market overview, a snapshot of the City's investment portfolio, and the City's year-to-date investment performance.
- The **Reserve Summary** report highlights the uses of and additions to the City's reserves in the current year as well as the projected ending reserve balance relative to each reserve's target amount.

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#### ***Economic Environment Update References:***

- *Consumer confidence slips in September*, Market Watch, September 29, 2009
- *Pacific Northwest purchasing managers' optimism falls slightly*, Puget Sounds Business Journal, October 6, 2009
- Jon Talton, *A look east for signs of a global recovery*, The Seattle Times, October 8, 2009
- Anne D'Innocenzio (AP), *Stores say sales may finally be turning around*, The Seattle Times, October 9, 2009
- Camden Swita, *Eastside: Housing market stirs east of Seattle*, Puget Sound Business Journal, October 30, 2009
- *Poll finds subdued expectations for Washington's economy*, The Seattle Times, October 30, 2009
- CB Richard Ellis Real Estate Services, Market View Puget Sound, Third Quarter 2009
- U.S. Bureau of Labor Statistics
- Washington State Economic & Revenue Forecast Council
- Washington State Employment Security Department
- Washington State Department of Revenue
- Washington State Department of Labor & Industries
- City of Kirkland Building Division
- City of Kirkland Finance Department



KIRKLAND CITY COUNCIL SPECIAL MEETING MINUTES  
November 02, 2009

1. CALL TO ORDER

The special study session was called to order at 5:00 p.m.. Following executive session, the special meeting was called to order at 7:45 p.m..

2. ROLL CALL

ROLL CALL:

Members Present: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

Members Absent: Councilmember Mary-Alyce Burleigh.

Councilmember Burleigh was absent/excused as she was traveling out of the country.

3. STUDY SESSION

a. Shoreline Master Program

Joining Councilmembers for this discussion in addition to City Manager Dave Ramsay were Planning Commission members Jay Arnold, Carolyn Hayek, Byron Katsuyama, and Vice Chair Ray Allshouse, as well as Director of Planning and Community Development Eric Shields, Deputy Director Paul Stewart, Senior Planner Teresa Swan, Shoreline Management Program Project Consultant Stacy Clausen, Watershed Company Environmental Planner Amy Summe and Department of Ecology Shoreline Planner Joe Burcar.

4. EXECUTIVE SESSION

a. To Discuss Labor Negotiations

5. SPECIAL PRESENTATIONS

a. Alaska Yukon Pacific Exposition Centennial - Loita Hawkinson, Kirkland Heritage Society

b. 2009 Arbor Day Proclamation and Invitation

Urban Forester Deb Powers and Education and Outreach Specialist Sharon Rodman shared information about Arbor Day events and received the proclamation.

Following the presentations, Mayor Lauinger asked those present to observe a few moments of silence in remembrance of Chuck Morgan, whose recent passing and upcoming memorial service were noted.

6. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding a special Growth Management Planning Commission meeting; Regional Law, Safety and Justice Committee meeting; and provided a City Manager recruitment process update.

b. City Manager

(1) City Council Meeting with Highlands Neighborhood

(2) Calendar Update

7. COMMUNICATIONS

a. Items from the Audience

Robert Conner  
Kevin Harrang  
Bob Burke

b. Petitions

None.

8. CONSENT CALENDAR

a. Approval of Minutes:

(1) October 20, 2009

(2) October 22, 2009

b. Audit of Accounts:

Payroll \$1,949,253.66  
Bills \$1,340,998.08  
run # 864 check #'s 512485 - 512634  
run # 865 check #'s 512635 - 512659  
run # 866 check #'s 512660 - 512748

- c. General Correspondence
  - (1) King County Council, Regarding the Proposed 2010 Budget
- d. Claims
  - (1) Kathryn A. Greve
  - (2) Mark Niklason
  - (3) Heather Wickman
  - (4) Jennifer Zyris
- e. Award of Bids
- f. Acceptance of Public Improvements and Establishing Lien Period
  - (1) 2008 Sidewalk Maintenance Project
  - (2) 2008 Water System Improvement Project (South)
- g. Approval of Agreements
  - (1) Resolution R-4785, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR THE USE OF EIGHT STALLS OF THE AUXILIARY PARKING LOT AT LAKESHORE PLAZA FOR A CONSTRUCTION STAGING AND MOBILIZATION AREA."
- h. Other Items of Business
  - (1) 2010 NORCOM Budget Approval
  - (2) Resolution R-4781, 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 DIANE F. REYNOLDS AND GLEN C.

REYNOLDS."

(3) Report on Procurement Activities

Motion to Approve the Consent Calendar.

Moved by Councilmember Bob Sternoff, seconded by Councilmember Jessica Greenway

Vote: Motion carried 6-0

Yes: Councilmember Bob Sternoff, Mayor Jim Lauinger, Councilmember Jessica Greenway, Deputy Mayor Joan McBride, Councilmember Dave Asher, and Councilmember Tom Hodgson.

9. PUBLIC HEARINGS

None

10. UNFINISHED BUSINESS

a. Bank of America Project Review

Attorney Bob Sterbank of the firm Kenyon Disend discussed the substance of a report requested by the City Council on the development process for the Bank of America property and responded to Council questions.

Council recessed for a short break

11. NEW BUSINESS

a. Resolution R-4782, Making a Declaration of Substantial Need for Purposes of Setting the Limit Factor for the Property Tax Levy for 2010

This item was postponed for consideration at Council's meeting on November 17, 2009.

b. Resolution R-4783, Authorizing the Transfer of Funds from the Contingency Reserve Fund to the General Fund to Pay Fire Hydrant Costs in 2009-2010 and for Professional Services Related to the Proposed Transfer by Verizon

Motion to approve Resolution R-4783, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE TRANSFER OF FUNDS FROM THE CONTINGENCY RESERVE FUND TO THE GENERAL FUND TO PAY FIRE HYDRANT COSTS IN 2009-2010 AND FOR PROFESSIONAL SERVICES RELATED TO THE PROPOSED TRANSFER BY VERIZON."

Moved by Councilmember Dave Asher, seconded by Councilmember Tom

Hodgson

Vote: Motion carried 6-0

Yes: Councilmember Bob Sternoff, Mayor Jim Lauinger, Councilmember Jessica Greenway, Deputy Mayor Joan McBride, Councilmember Dave Asher, and Councilmember Tom Hodgson.

- c. Resolution R-4784, Setting Forth the Current Rules of Procedure for the Conduct of Kirkland City Council Meetings

Motion to approve Resolution R-4784, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND SETTING FORTH THE CURRENT RULES OF PROCEDURE FOR THE CONDUCT OF KIRKLAND CITY COUNCIL MEETINGS" with the addition of an item prior to communications entitled "Honors and Presentations."

Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway

Vote: Motion carried 6-0

Yes: Councilmember Bob Sternoff, Mayor Jim Lauinger, Councilmember Jessica Greenway, Deputy Mayor Joan McBride, Councilmember Dave Asher, and Councilmember Tom Hodgson.

- d. Discussion of Council Actions at Previous Meetings

12. ANNOUNCEMENTS

None

13. ADJOURNMENT

Motion to adjourn.

Moved by Councilmember Dave Asher, seconded by Councilmember Bob Sternoff

Vote: Motion carried 6-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

The Kirkland City Council special study session and special meeting of November 2, 2009 was adjourned at 10:23 p.m.

---

City Clerk

Mayor



KIRKLAND CITY COUNCIL SPECIAL STUDY SESSION MINUTES  
November 12, 2009

1. CALL TO ORDER
2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, Councilmember Bob Sternoff, Deputy Mayor Joan McBride, and Mayor Jim Lauinger.

Members Absent: None.

3. STUDY SESSION
  - a. 2009-2010 Mid-Biennial Budget Update

Joining Councilmembers for this discussion in addition to Dave Ramsay were Assistant City Manager Marilynne Beard, Director of Finance and Administration Tracey Dunlap and Acting Financial Planning Manager Sri Krishnan.

4. ADJOURNMENT

The Kirkland City Council November 12, 2009 special study session adjourned at 8:04 p.m.

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City Clerk

Mayor

**CITY OF KIRKLAND**

City Attorney's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3030

www.ci.kirkland.wa.us

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**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Oskar Rey, Assistant City Attorney

**Date:** November 6, 2009

**Subject:** Report to City Council on Waterfront Street End Permits

On August 3, 2009, Randy Altig wrote to the City Council expressing concern about the Waterfront Street End Permits issued by the City for Fourth Street West and Fifth Street West. Staff prepared a draft response letter for the September 1, 2009 Council Meeting (a copy of the staff memo, which includes the Altig letter and draft response, is attached as Exhibit A). At the September 1, 2009 Council Meeting the City Council directed that the response to Mr. Altig not be sent and asked staff to prepare a report that provides the City Council with more information about the waterfront street end permit system. This memo will detail the process by which the waterfront street end permit system was adopted, the reasoning behind it and the parking dispute that subsequently arose. An aerial photograph depicting the location of Fourth Street West and Fifth Street West is attached to this memo as Exhibit B.

**I. Background Leading Up to Adoption of Waterfront Street End Permit System.**

In 2000 the City Council directed staff to identify unopened waterfront street ends and explore the feasibility of opening them to public use. Staff identified three unopened waterfront street ends: Second Street West, Fourth Street West and Fifth Street West, all of which are in the West of Market neighborhood. Second Street West was identified as a good candidate for opening for public use, in part because it is readily accessible to the public. Staff negotiated with the abutting property owners regarding the removal of encroachments. The Second Avenue West street end was improved and opened to the public in 2003.

In 2001, the City adopted Resolution R-4321 (attached to this Memo as Exhibit C), which implemented policies regarding public access to waterfront street ends. Those policies were based on policies adopted by the City of Seattle, which was also in the process of determining which of its waterfront street ends should be opened to public use. Resolution R-4321 contains evaluation criteria to be used to determine whether public access improvements are appropriate for a particular waterfront street end. The evaluation criteria include: (1) function of the area and compatibility of public use and public access improvement with the predominant waterfront activities and land use patterns in the adjacent areas; (2) compatibility of waterfront street end public use and access with existing and anticipated circulation patterns and pedestrian and vehicular movement; (3) compatibility of waterfront street end public access with adjacent open space and/or pedestrian activity patterns; (4) compatibility of waterfront street end public access with existing topography, physical improvements, surrounding uses, and natural features to provide safe public use; and (5) compatibility with other City adopted policies and plans.

The City Council also directed staff and the Park Board to determine whether Fourth Street West and Fifth Street West should be opened to public use based on the evaluation criteria in Resolution R-4321. The Park Board considered the issue 2003 and recommended, based on the criteria set forth in Resolution R-4321, that the Fourth Street West and Fifth Street West not be opened to public use. That recommendation was transmitted to the City Council in a staff memo dated June 3, 2003, a copy of which is attached to this memo as Exhibit D.

At its October 3, 2003 meeting, the City Council accepted the Park Board recommendation that Fourth Street West and Fifth Street West not be opened for public use. The City Council directed staff to work towards establishment a permit system. Staff reported back to the City Council several times in 2004. The City Council ultimately directed staff to prepare an Ordinance establishing a permit requirement for private use of the street ends.

## II. Impediments to Opening the Street Ends to Public Use

There are three theoretically possible ways to access the Fourth Street West and Fifth Street West street ends. All of them present significant logistical or legal problems.

### A. Access from "Fifth Avenue West"

Fifth Avenue West (not to be confused with Fifth Street West) is a small access road that provides access to waterfront homes in the area. It extends from Waverly Way and crosses four properties before crossing the Fourth Street West waterfront street end. From there, Fifth Avenue West crosses eight more properties before crossing the Fifth Street West waterfront street end. From there, Fifth Avenue West continues north and terminates just south of Waverly Beach Park. See Exhibit B (aerial photo depicting the area).

Fifth Avenue West is not City right of way and it has not been dedicated to the City. In fact, it is not really a "street" even though it is referred to as "Fifth Avenue West." Rather, it is a road easement that passes over the properties along Lake Washington. Since Fifth Avenue West is not City right of way, the City is not responsible for maintaining it. This means that the City also has less control over how Fifth Avenue West is operated or maintained.

The legal descriptions for some of the properties along Fifth Avenue West state that the Fifth Avenue West road easement is dedicated to the general public. However, other legal descriptions refer to the road easement without mentioning the general public. Still other legal descriptions do not mention the road easement at all.

For quite some time, there have been signs marking Fifth Avenue West as a "private road" where it branches off from Waverly Way. To the extent the public has the right to use Fifth Avenue West, those signs are inaccurate. However, for the reasons that follow, there are obstacles to establishing the right of the public and the City to use Fifth Avenue West.

Burke and Farrar prepared a plat of this area in 1927, but the plat was never recorded. Most of the legal descriptions for the properties listed above make reference to this unrecorded plat and the existing parcels roughly correspond to the lots depicted on the unrecorded plat. The unrecorded plat makes no reference to a Fifth Avenue West road easement and it appears that, based on the plat, access to the parcels would have been from what is now referred to as Waverly Way.<sup>1</sup>

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<sup>1</sup> Apparently those who prepared the plat did not take into account the steep slope between Waverly Way and Lake Washington.

The fact that some of the legal descriptions for these properties do not mention the road easement does not necessarily mean that there is no easement. In fact, some old assessor's maps show a 20 foot easement crossing all of the properties. Unfortunately, the assessor's maps that I reviewed do not indicate whether the easement is public or private in character.

The Fifth Avenue West road easement likely appears as an exception on title reports for each of the properties listed above. The City, if it wanted to expend the funds and research the matter further, could obtain special title reports for each property over which the Fifth Avenue West road easement passes to determine whether the road easement operates in favor of the public. Such an undertaking would be costly and would not necessarily resolve the access issue on a definitive basis.

It may be difficult, or even impossible, to get actual copies of the old easements. In the course of researching this in 2004, I came across several recording numbers for what appear to be the road easements that comprise Fifth Avenue West. These recording numbers date back to the 1930s and the 1940s. The fact that there are multiple recording numbers spanning a number of years suggests that the Fifth Avenue West road easement was created on a piecemeal basis, and not all at once. These abstracts should provide the essential information about the easements, but are not as complete or reliable as the documents themselves.

It also appears that the paved portion of Fifth Avenue West is, in some cases, not in alignment with the legal description for the Fifth Avenue West road easement. Apparently, in some places the paved portion of the road strays outside the easement entirely. This is a significant issue because it complicates the question of whether a property owner is required to provide access to the public over the paved portion of Fifth Avenue West.

#### **B. Access From Waverly Way or the Water**

Fourth Avenue West and Fifth Avenue West extend from Waverly Way to Lake Washington. There are no legal impediments to the City opening the street ends from Waverly Way to Lake Washington. However, the steepness of the slope between Waverly Way and Lake Washington would make access by this route difficult and expensive.

Similarly, public access from the water is theoretically possible, but presents numerous practical difficulties. Given the number of existing alternatives nearby for boaters and kayakers, the City has not given serious consideration to opening the street ends solely for access from the water.

### **III. Characteristics of the Permits**

On September 7, 2004, the City Council adopted Ordinance No. 3958, which established a permit system for the use of Fourth Street West and Fifth Street West (copy attached as Exhibit E). The Ordinance provided for a yearly permit fee of \$625.00 to cover the City's administrative costs of managing the permit system. The City decided on that amount instead of a higher fee because, from a legal standpoint, an abutting property owner has the right to use unopened right of way until such time as the City decides to open the right of way to public use. See, e.g., Nystrand v. O'Malley, 60 Wn.2d 792, 795, 375 P.2d 863 (1962) (landscaping and a bulkhead in an unopened right of way was not inconsistent with the city's rights because the city had made no attempt to open the right of way). For the City, the benefits of the permit system were that it memorialized that the area was right of way and established a procedure by which the City would open the right of way to public use in the future if the City decided to do so.

The legal and practical difficulties of providing access to the street ends was a major factor in the Council's decision to adopt the permit system. After the passage of Ordinance No. 3958, staff began working with the abutting property owners on permits. By June 2005, the City had entered into permits with all four abutting property owners. A copy of one of the permits is attached hereto as Exhibit F.

The permits define "permanent improvements" and "removable improvements" that are in the right of way. Permanent improvements are improvements that the property owner would not be required to remove in the event the City opens the street ends to public use. They are specifically listed in the permit. Permanent improvements include trees, bulkheads, retaining walls and other large items, the removal of which would not be desirable or beneficial with respect to opening the right of way. See Exhibit F, Permit, Section 2 and Attachment B.

Removable improvements are defined as any improvement that is not a permanent improvement. From a practical standpoint, removable improvements will include items such as sheds, fences and certain types of landscaping. In general, removable improvements will be improvements that are not necessary for or conducive to public access to the water. See Exhibit F, Permit, Section 2.

In the event the City elects to open the right of way to provide public access to the water, it will prepare and adopt a "development and use plan" for the right of way. Within 180 days from adoption of the plan, the property owner shall remove all of the removable improvements in the right of way except for any removable improvements that the property owner and the City agree shall stay. See Exhibit F, Permit, Section 7. In the event the property owner fails to remove the removable improvements or fails to comply with other reasonable removal requirements in the City adopted plan, the City may perform the necessary work and seek reimbursement from the property owner. See Exhibit F, Permit, Section 8.

The permits renew automatically every calendar year unless the permits are terminated by the City. The City may terminate the permits by providing 180 days written notice to the property owner. See Exhibit F, Permit, Section 4. The yearly permit fee is \$625.00. See Exhibit F, Permit, Section 5. It should be noted that in setting the amount of the yearly permit fee, the City sought to recoup the costs associated with administering the permit system. The City did not seek to charge more because a property owner already has the right to use unopened rights of way abutting his or her property.

#### **IV. Events After Issuance of the Permits**

In 2006, the property owners abutting the Fourth Street West and the Fifth Street West street ends placed "no parking" signs in the area where street ends intersect with Fifth Avenue West. A few individuals objected, stating that they have historically used the area for parking. The complaints focused on the fact that the City issued waterfront street end permits to the property owners who placed the "no parking" signs.

The individuals who objected believe (erroneously, in my view) that the City's issuance of street end use permits enabled the abutting property owners to erect the "no parking" signs. From a legal standpoint, an abutting property owner already has the right to use unopened rights of way until such time as the City opens the right of way for public use. The City established the permit system to memorialize the existence of the right of way and to establish the procedures that would be followed in the event the City decided to open the right of way at some point in the future. However, the issuance of the permits did not fundamentally alter or expand the rights of the abutting property owners to use the unopened right of way.

City staff has treated the dispute over parking as a private civil dispute. From a legal standpoint, the City cannot assert control over the right of way until such time as it decides to open it. From a practical standpoint, the City cannot dictate to the parties how parking in the area should be handled. As a result, the City focused its efforts on encouraging the parties to mediate their dispute.

When the City became aware of the parking dispute in late 2006, it worked towards getting the parties to mediate this dispute through the Bellevue Mediation Program (BMP). It soon became apparent that the parking dispute centered on the Fifth Avenue West street end. In the course of working through these issues, I communicated with both the abutting owners who erected the signs and the individuals who objected to the signs.

The abutting owners stated that they did not have a problem with letting their neighbors use the area for parking so long as they requested permission ahead of time. They use the area for parking themselves and consider it to be part of their property since it is unopened right of way. As such, they have concerns about other people parking their without permission or using the area for long term vehicle storage.

The individuals who object to the "no parking" signs state that they have parked there in the past and believe they have the right to park there without having to request permission. They believe that the "no parking" signs changed the status quo and that issuance of the street end permits precipitated that.

A mediation was held in early 2008 through the Bellevue Mediation Program. Both abutting property owners along Fifth Street West attended. Two property owners along Fifth Avenue West who had concerns about the "no parking" signs attended as well.<sup>2</sup> I was also in attendance on behalf of the City. While the mediation proceedings are confidential, it seemed to go well. Since that time, the City has not received any complaints about the parking situation except for Mr. Altig's August 3, 2009 letter and his statement at Items from the Audience at the September 1, 2009 Council Meeting.

## **V. Conclusion and Staff Recommendation**

Staff recommends that the City continue with its administration of the waterfront street end permit system. The right of the abutting property owners to regulate parking in the area stems from their status as abutting property owners, and is not the result of the permit system. Since the parking area is unopened right of way, the City is not in a position to regulate who parks there.

As a result, revocation of the permits would not have an impact on the parking dispute. So long as the street ends remain unopened, the City cannot regulate parking in the area. In addition, staff recommends against revocation of the permits because the permits provide for an orderly process by which the street ends can be opened for public use should the City decide to do so in the future. It should also be noted that if the City does open the street ends to public use in the future, the parking in the area by anyone would likely be eliminated.

Staff also recommends that it be authorized to send the draft response letter it prepared for the September 1, 2009 Council Meeting to Mr. Altig (See Exhibit A).

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<sup>2</sup> Mr. Altig does not reside on Fifth Avenue West and did not attend the mediation. However, his mother, who does reside on Fifth Avenue West, was in attendance.



**CITY OF KIRKLAND**

City Attorney's Office  
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**MEMORANDUM**

**To:** David Ramsay, City Manager  
**From:** Oskar Rey, Assistant City Attorney  
**Date:** August 20, 2009  
**Subject:** Draft Response Letter to Randy Altig Regarding Waterfront Street Ends

**RECOMMENDATION:**

Staff recommends that the Council authorize Mayor Lauinger to sign the attached letter to Randy Altig.

**BACKGROUND:**

Mr. Altig wrote a letter to the Council dated August 3, 2009, expressing concern about the waterfront street end permits issued by the City for Fourth Street West and Fifth Street West. Mr. Altig also requests that the street ends be opened for public use.

The City Council has previously determined that opening the street ends to public use would not be feasible under the current circumstances. The waterfront street end permits set forth a process by which the street ends could be opened to public use in the future.

There have been disputes over parking in recent years in the area where Fifth Street West intersects Fifth Avenue West. Fifth Avenue West is the existing private road that residents use to access their properties. Fifth Avenue West is not City right of way and Fifth Street West is unopened right of way. As a result, the City is not in a position to regulate parking in that area. The City has encouraged the residents with concerns over parking to resolve their differences through the Bellevue Mediation Program.

**EXHIBIT A**

Kirkland City Council  
123 5<sup>th</sup> Avenue  
Kirkland, WA 98033

Date 8-3-09

Randy Altig  
1852 1<sup>st</sup> Street  
Kirkland, WA 98033  
425-941-8478

[RECEIVED]

AUG 05 2009

Dear Council Members:

[CITY OF KIRKLAND  
CITY MANAGER'S OFFICE]

Many problems have arisen regarding use of the public waterfront street ends on 5<sup>th</sup> Avenue West because of the decision the City made several years ago to lease the street end properties to private property owners. Unfortunately, the lease decisions have resulted in the loss of unique waterfront access for all Citizens of Kirkland. These city waterfront properties represent one of the most valuable assets that the citizens of Kirkland own. To continue to lease these multi-million dollar properties for \$100.00 a month for the private use of just a few citizens is no longer acceptable.

Over the past 2 years, homeowners on 5<sup>th</sup> Avenue West have met with Council members and staff to talk about issues facing the street. Council members encouraged neighbors to go to mediation to try and resolve the issues. The result of mediation was that public access and public view access to these waterfront properties was denied by the lessees to the Kirkland Public.

The most disruptive issues are the lessees, who have been allowed to lease the waterfront street end properties for \$100 per month, do not allow residents of the street to park along the properties as has been the custom since the property was developed in the 1900's. In addition they have erected tall fences with 14 foot hedges to block all view and access to the waterfront.

Once both of the 5<sup>th</sup> Avenue West street ends were leased, the lessees began issuing verbal assaults, along with threatening letters and notes, to anyone parking in the spaces which were once public parking spaces owned and controlled by the City of Kirkland.

The street end properties, which are lake front properties, are rightfully owned by the citizens of Kirkland. This is property which should have been kept open by the City for overflow parking on 5<sup>th</sup> Avenue West, to be used as turnaround areas for oversized and commercial vehicles, and as waterfront parks for all Kirkland citizens.

The public has been using 5<sup>th</sup> Avenue West for decades as a pedestrian

pathway to access the two 60 foot lake front street ends and Waverly Park. This history of use has given the public a prescriptive easement of this private street to access these properties. Now these lovely waterfront properties are no longer open to the public.

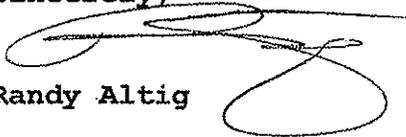
This issue affects all Kirkland citizens. Citizens should be able to enjoy the beauty of these water front properties. All residents of 5<sup>th</sup> Avenue West should be able to enjoy the properties and to use the public parking again.

The City of Seattle has required that all city owned waterfront street end properties be open to the public.

My request to the Kirkland City Council is to terminate the leases and make these two properties public again by opening them up as two natural, nature parks. These nature parks should be for the enjoyment of all who walk, run, drive, or bike down 5<sup>th</sup> Avenue West. This should be able to be done with very little money or time commitment on the part of the City as there are many volunteers that are willing to help beautify and maintain these valuable lands. Please consider turning these two waterfront properties into street end parks available for use by all Kirkland citizens, including the residents of 5<sup>th</sup> Avenue West.

Thank you for listening and I look forward to your reply.

Sincerely,

  
Randy Altig

November 18, 2009

**D R A F T**

Randy Altig  
1852 First Street  
Kirkland, WA 98033

Re: Waterfront Street Ends—Fourth Street West and Fifth Street West

Dear Mr. Altig:

Thank you for your letter to the Kirkland City Council dated August 3, 2009, in which you express concern about the use of the above-referenced waterfront street ends. Several years ago, the City reviewed its unopened waterfront street ends to determine which ones were suitable for opening to public use. The issuance of Right of Way Use Permits for Fourth Street West and Fifth Street West was the result of extensive consideration and deliberation by the City. A summary of process will be helpful in explaining the reasons for issuance of the permits by the City.

In 2003, the City Council asked the Kirkland Park Board to evaluate the possibility of developing unopened waterfront street ends for public access. At that time, Second Street West, Fourth Street West and Fifth Street West were the three remaining unopened waterfront street ends in Kirkland.

At a May 21, 2003, public meeting, the Park Board considered the feasibility of opening the rights of way to public use. After considering the recommendations of City staff and public comments, the Park Board recommended to the City Council that the Second Street West be opened to public use, and that recommendation has since been implemented.

With respect to Fourth Street West and Fifth Street West, it was recommended that the street ends should not be opened for public use. Access problems present the biggest impediment to public use. Fifth Avenue West, which runs roughly parallel to Lake Washington, is the only improved access route to the street ends. However, Fifth Avenue West is a private road and is not City right of way. The City does not control or maintain Fifth Avenue West—the residents do. At least some of the residents have taken the position that the general public is not authorized to use Fifth Avenue West.

The other two possible access points were found to be unsuitable. Both street ends run from Waverly Way down a steep slope to the waterfront. Providing access to the Lake by this method would be very expensive because of the steepness of the bluff. Access from the water by boaters (such as kayaks and canoes) is theoretically possible but potentially dangerous and would not result in enough use to warrant opening the street end.

Thus, the Park Board advised against public use but recommended that the adjoining property owners apply for permits in recognition of the fact that portions of their

Randy Altig  
November 18, 2009  
page 2

landscaping and improvements are located in the unopened right of way. The City Council considered the Park Board recommendations at several public meetings, and ultimately decided to adopt the current permit system. The permits memorialize the fact that the street ends are City right of way and that the right of way is currently being used by the adjoining property owners. It also sets forth procedures by which the City may open the street ends to public use should it decide to do so in the future.

It is important to note that Fourth Street West and Fifth Street West are "unopened" rights of way. "Unopened" means that the right of way is reserved for public use, but has not been put to use as a street. From a legal standpoint, unopened rights of way may be used by the adjoining property owners until such time as the City opens the right of way to public use. In the City's view, the permits entered into confirm what was already the case: the adjoining property owners have the right to use the unopened street ends until such time as the City decides to open them. The City has decided not to open the street ends as a result of feasibility and cost concerns.

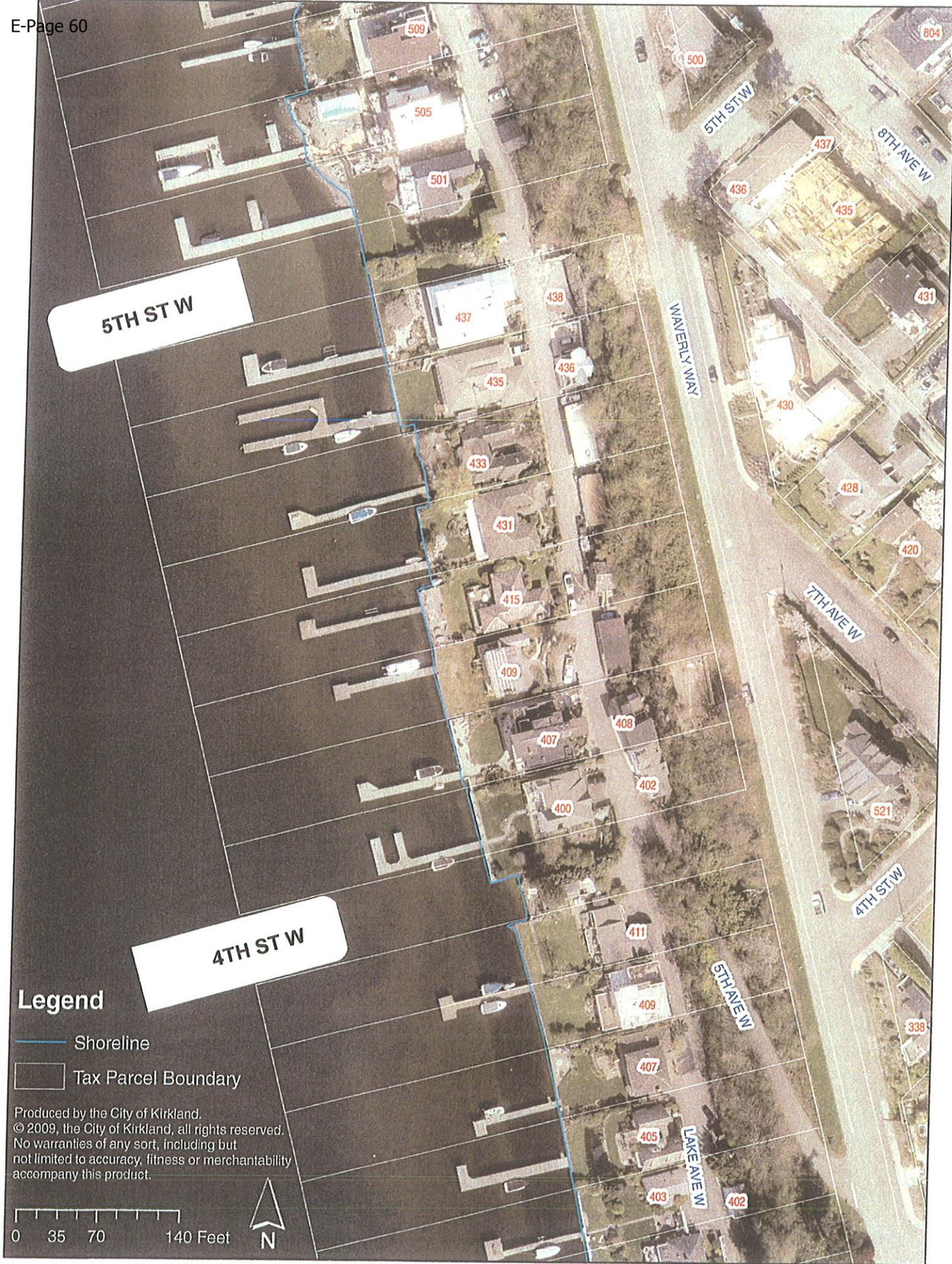
The City realizes that you are concerned about the loss of parking on Fifth Avenue West. The fact that Fifth Avenue West is privately owned is the reason why the City does not regulate parking on Fifth Avenue West. Since Fifth Avenue West is not City right of way and since Fifth Street West is unopened right of way, the City is not in a position to intervene with respect to any disputes over parking. As a result, the City has, in the past, suggested mediation between the affected property owners to resolve the dispute. The City continues to encourage mediation as a possible solution to the parking dispute and will provide whatever support or assistance it can in getting a mediation session set up if the affected property owners are interested in pursuing this option.

The City Council appreciates your concern, and if you would like additional information regarding the mediation program please contact Oskar Rey at (425)587-3030.

Sincerely,  
Kirkland City Council

By: James L. Lauinger, Mayor

cc: Daryl Grigsby, Public Works Director  
Oskar Rey, Assistant City Attorney



### Legend

- Shoreline
- Tax Parcel Boundary

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

0 35 70 140 Feet



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND  
ADOPTING POLICIES REGARDING THE DEVELOPMENT OF PUBLIC ACCESS  
IMPROVEMENTS TO WATERFRONT STREET ENDS.

WHEREAS, waterfront street ends are community assets which, in appropriate circumstances, should be available for public use; and

WHEREAS, the City seeks to develop coordinated waterfront street end policies to ensure the proper use and development of waterfront street ends; and

WHEREAS, the following policies are intended to guide the City in developing appropriate public access improvements on waterfront street ends;

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

Section 1. The City Council hereby approves and adopts the following policies to guide the City in developing public access improvements on waterfront street ends:

Policy A. Waterfront Street End Preservation. Waterfront street ends shall be preserved as public rights-of-way to allow improvements for public uses and access. All waterfront street ends with public access improvements should be signed to indicate the limits of the public right-of-way.

Policy B. Evaluation Criteria. Proposed public improvements for waterfront street ends shall be permitted only in suitable locations. The following evaluation criteria shall be employed to establish the suitability of a waterfront street end for public use improvements.

1. Function of the area and compatibility of public use and public access improvement with the predominant waterfront activities and land use patterns in the adjacent area.
2. Compatibility of waterfront street end public use and access with existing and anticipated circulation patterns and pedestrian and vehicular movement.
3. Compatibility of waterfront street end public access with adjacent open space and/or pedestrian activity patterns.
4. Compatibility of waterfront street end public access with existing topography, physical improvements, surrounding uses, and natural features to provide safe public use.
5. Compatibility with other City adopted policies and plans.

Policy C. Implementation Procedures. Applications for waterfront street end improvements shall be approved in a manner consistent with

adopted procedures established by the Director of the Department of Parks and Community Services on waterfront street end public access improvements.

Policy D. Private Encroachments. When the City determines that private encroachments on public rights-of-way providing access to water are to be removed, they shall be removed at the expense of the responsible private property owner.

Policy E. Permits for Public Use. Street use permits for public access improvements will be granted following a review process and only for proposals consistent with these policies. Existing street use permits for waterfront street ends will be revoked or modified when a proposed public access improvement is approved, or upon a determination by the City that the use under permit impairs public access to the shore.

Policy F. Permits for Private Uses. Street use permits for private use at waterfront street ends may be granted following a City review process upon a finding that there is not an active application for a street use permit to develop a public access improvement.

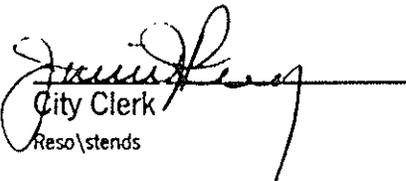
Policy G. Fees for Private Use. The City shall charge permit fees for private use of waterfront street ends. The fees shall be based on the value of the abutting private property but shall be adjusted depending on the facts and circumstances of each case, including the nature and the extent of the encroachment and the use to which the waterfront street end is being put.

Passed by majority vote of the Kirkland City Council in open meeting this 11th day of December, 2001.

Signed in authentication thereof this 11th day of December, 2001.

  
\_\_\_\_\_  
MAYOR

Attest:

  
\_\_\_\_\_  
City Clerk  
Reso\stends

**CITY OF KIRKLAND**Item # **10. b.**123 FIFTH AVENUE □ KIRKLAND, WASHINGTON 98033-6189 □ (425) 828-1217

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**DEPARTMENT OF PARKS AND COMMUNITY SERVICES  
MEMORANDUM**

**To:** Mayor and Members of City Council

**From:** Barry Russell, Director of Parks and Community Services

**Date:** June 3, 2003

**Subject:** Determination of Feasibility of Utilizing the 4<sup>th</sup> Street West and 5<sup>th</sup> Street West Street Ends as Public Space.

**RECOMMENDATION**

That City Council approves the Park Board recommendation that the 4<sup>th</sup> Street West and 5<sup>th</sup> Street West Street Ends not be considered for Public Space but rather be considered for Private Use.

That City Council provides direction to staff relative to the type of compensation they would like staff to pursue.

**BACKGROUND**

At their Park Board meeting of May 21, 2003, the Park Board considered the disposition of the 4<sup>th</sup> Street West and 5<sup>th</sup> Street West Street Ends. Staff provided a report that, utilizing the evaluation criteria listed under Policy B of the Street Ends Policy described by Resolution R4321, explained how the circumstances with these street ends either did or did not prove their feasibility as public space.

Attached is a copy of the staff report to the Park Board that offered explanations for each of the five evaluation criteria in Policy B.

A delegation of residents from the local area, headed by their attorney, Mr. Larry Smith, made a presentation at the Park Board meeting. Their interests lie in the two street ends not becoming public spaces. Upon review of the report and an ensuing discussion, the Park Board reached the unanimous decision to recommend that these two street ends not be considered for public space. However, it was also unanimously agreed to that some sort of compensation for the use of these properties for private use should be sought.

Should City Council approve the Park Board recommendation, there are two categories under which compensation may be pursued. In a second attachment, the City Attorney's office explains these two categories and the options offered in each of them.

**EXHIBIT D**

Once Council reviews the CAO's memorandum, staff would like their direction on which compensation opportunity would be preferred. Staff would then develop a further report providing more specific figures and process.

6A.

## CITY OF KIRKLAND

123 FIFTH AVENUE □ KIRKLAND, WASHINGTON 98033-6189 □ (425) 828-1217

DEPARTMENT OF PARKS AND COMMUNITY SERVICES  
MEMORANDUM

**To:** Park Board

**From:** Barn Russell, Director of Parks and Community Services

**Date:** May 21, 2003

**Subject:** Street-End Park Development

Staff has been asked to investigate the remaining street ends in the city and report back to City Council on the feasibility and appropriateness of developing them as street-end parks. The two remaining street-ends are located at 4<sup>th</sup> Street West and 5<sup>th</sup> Street West. Both are located south of Waverly Way.

The policy, dated December 11, 2001, states that staff, with the assistance of the Park Board, will utilize the evaluation criteria listed under Policy B of the Street Ends Policy described by Resolution R4321 to determine their viability as a publicly accessible street end park. The criteria are as follows:

1. **Function of the area and compatibility of public use and public access improvement with the predominant waterfront activities and land use patterns in the adjacent area.**

The only public access to these facilities would have to be from the water. The only access to the properties from the land side is a private road. Marina Park and Lake Avenue West street-end Park are within close proximity from the southeast. Waverly Beach and Kiwanis Park are a little further to the northwest.

public  
access  
but not  
ROW

2. **Compatibility of waterfront street end public use and access with existing and anticipated circulation patterns and pedestrian and vehicular movement.**

There is no public access and there is not anticipated to be any. The private road is a dead end road.

3. **Compatibility of waterfront street end public access with adjacent open space and/or pedestrian activity patterns.**

There is no adjacent open space. The area is a residential neighborhood and the private road discourages pedestrian activity patterns.

4. **Compatibility of waterfront street end public access with existing topography, physical improvements, surrounding uses and natural features to provide safe public access.**

Waverly Way runs parallel to the private road; however, the topography of the area is one of extremely steep and heavily wooded/planted slopes. Accessing both street ends from Waverly would require very steep staircases that would not be ADA accessible.

5. **Compatibility with other City adopted policies and plans.**

The City has a Master Plan for the development of Waverly Park and according to our Level of Service guidelines, do not require additional open space or parks in the area.

It is the opinion of staff that there is no policy reason to pursue the two street end areas as public parks. However, Public Works surveys and aerials show there is substantial encroachment and onsite visits show that this encroachment is entrenched and has been going on for many years. It is staff's opinion that some type of compensation by the adjacent owners should be pursued. A formal agreement recognizing the use of the Public Work easement should be developed and a formal lease, a sale or a property tax assessment should be imposed, as described on Policies F and G of the Resolution.

A copy of the resolution has been attached as well as copies of aerials of the two locations.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND  
ADOPTING POLICIES REGARDING THE DEVELOPMENT OF PUBLIC ACCESS  
IMPROVEMENTS TO WATERFRONT STREET ENDS.

WHEREAS, waterfront street ends are community assets which, in appropriate circumstances, should be available for public use; and

WHEREAS, the City seeks to develop coordinated waterfront street end policies to ensure the proper use and development of waterfront street ends; and

WHEREAS, the following policies are intended to guide the City in developing appropriate public access improvements on waterfront street ends;

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

Section 1. The City Council hereby approves and adopts the following policies to guide the City in developing public access improvements on waterfront street ends:

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Policy B. Evaluation Criteria. Proposed public improvements for waterfront street ends shall be permitted only in suitable locations. The following evaluation criteria shall be employed to establish the suitability of a waterfront street end for public use improvements.

1. Function of the area and compatibility of public use and public access improvement with the predominant waterfront activities and land use patterns in the adjacent area.
2. Compatibility of waterfront street end public use and access with existing and anticipated circulation patterns and pedestrian and vehicular movement.
3. Compatibility of waterfront street end public access with adjacent open space and/or pedestrian activity patterns.
4. Compatibility of waterfront street end public access with existing topography, physical improvements, surrounding uses, and natural features to provide safe public use.
5. Compatibility with other City adopted policies and plans.

Policy C. Implementation Procedures. Applications for waterfront street end improvements shall be approved in a manner consistent with

adopted procedures established by the Director of the Department of Parks and Community Services on waterfront street end public access improvements.

Policy D. Private Encroachments. When the City determines that private encroachments on public rights-of-way providing access to water are to be removed, they shall be removed at the expense of the responsible private property owner.

Policy E. Permits for Public Use. Street use permits for public access improvements will be granted following a review process and only for proposals consistent with these policies. Existing street use permits for waterfront street ends will be revoked or modified when a proposed public access improvement is approved, or upon a determination by the City that the use under permit impairs public access to the shore.

Policy F. Permits for Private Uses. Street use permits for private use at waterfront street ends may be granted following a City review process upon a finding that there is not an active application for a street use permit to develop a public access improvement.

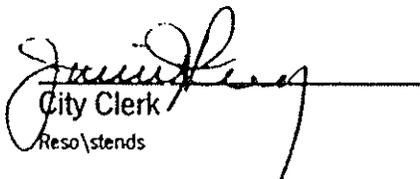
Policy G. Fees for Private Use. The City shall charge permit fees for private use of waterfront street ends. The fees shall be based on the value of the abutting private property but shall be adjusted depending on the facts and circumstances of each case, including the nature and the extent of the encroachment and the use to which the waterfront street end is being put.

Passed by majority vote of the Kirkland City Council in open meeting this 11th day of December, 2001.

Signed in authentication thereof this 11th day of December, 2001.

  
MAYOR

Attest:

  
City Clerk  
Reso\stends



**CITY OF KIRKLAND**

**City Attorney's Office**

**123 Fifth Avenue, Kirkland, WA 98033 425.828.7930**

**www.ci.kirkland.wa.us**

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**MEMORANDUM**

**To:** Barry Russell, Parks Department Director

**From:** Oskar E. Rey, Special Assistant City Attorney

**Date:** May 27, 2003

**Subject:** Waterfront Street Ends

The purpose of this Memo is to explain the restrictions and limitations imposed by state law on vacating or transferring waterfront street ends. My understanding is that on May 21, 2003, the Park Board recommended that unopened waterfront street ends known as Fourth Street West and Fifth Street West not be developed for public use. If the City Council concurs with and adopts the recommendation, the City must decide what to do with the unopened street ends.

One option the City may consider is transferring the right of way to the adjoining property owners. The procedure by which such a transfer would take place is called a "street vacation." When a street is vacated, the abutting owners on each side of the street receive title to the right of way to the center line.

The vacation of waterfront street ends is governed by RCW 35.79.035, a copy of which is attached. That statute imposes significant limitations on the ability of a municipality to vacate a street that abuts a body of water. Vacation of a street abutting a body of water is prohibited unless one of three exceptions set forth in the statute are met. See RCW 35.79.035(1). Only two of the three exceptions are potentially applicable to the street ends in question here.<sup>1</sup>

Under RCW 35.79.035(1)(b), the City may, by resolution, declare that a waterfront street end is not presently used for street purposes and is not suitable for any of the following purposes: port, beach or water access, boat moorage, launching sites, park, public view, recreation, or education. Before adopting a resolution vacating a street under this exception, the City must: (1) Compile an inventory of all rights of way abutting the same body of water; (2) Conduct a study determining if the street is suitable for any of the previously listed purposes; (3) Hold a public hearing on the proposed vacation; and (4) Make a finding that the street is not suitable for any of the previously listed purpose and that vacation of the street is in the public interest. See RCW 35.79.035(2).

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<sup>1</sup> The other exception provides that a city may vacate a waterfront street end if the vacation is sought to enable the city to acquire the property for beach or water access or park, recreation or educational purposes (among other public purposes). See RCW 35.79.035(1)(a). The City is not considering acquiring outright ownership of the street ends, rendering this exception inapplicable.

In addition, under RCW 35.79.035(1)(c), the City may vacate a waterfront street end if the vacation is part of a plan, adopted by resolution or ordinance, that provides comparable or improved public access to the same shoreline area where the street to be vacated is located.

In all cases under RCW 35.79.035, the vacation of a waterfront street end is not effective until fair market value has been paid for the portions of the street to be vacated. Money received by the City from vacation may only be used in the acquisition of (1) additional beach and water access sites; (2) additional public view sites to a body of water or (3) mooring or launching sites. See RCW 35.79.035(3).

If vacation is infeasible or impractical, the City may establish a permitting program by which abutting property owners may use the right of way adjoining their property in exchange for payment of a periodic permit fee. The City of Seattle sometimes uses such a permitting system and uses a formula based (in part) on the type of use and improvements in the right of way to determine the amount of the fee to be charged.

I hope this memo is helpful in pointing out some of the legal constraints involving vacation of waterfront right of way. If you have any questions, please feel free to give me a call.

ORDINANCE 3958

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PERMITS FOR PRIVATE USE OF WATERFRONT STREET ENDS.

The City Council of the City of Kirkland do ordain as follows:

Section 1. A new Section 19.04.100 is hereby added to Chapter 19.04 of the Kirkland Municipal Code, to read as follows:

**19.04.100 Permit for private use of waterfront street end.**

(1) Purpose. The City's overall policy with respect to waterfront street ends is that public use is the best use of such street ends. However, in cases where public use is not currently possible or feasible, the City may authorize private use of waterfront street ends by abutting owners through the issuance of permits under this Section.

(2) Definitions.

(a) "Abutting Property" means property abutting a Waterfront Street End.

(b) "Director" means the Director of the Department of Public Works, or his or her designee.

(c) "Waterfront Street End" means the land portion of a right of way that provides, or could provide, the public with visual or physical access to a body of water and its shoreline.

(3) Permit Required. A waterfront street end permit is required for any private use of a waterfront street end in the City of Kirkland. No person shall make private use of a waterfront street end without obtaining a waterfront street end use permit. An abutting property owner is not required to obtain a waterfront street end permit if the abutting property owner removes any improvements or visual or physical barriers to entry that hinder, discourage or prevent access to the waterfront by the public.

(4) Application Requirements. The owner of abutting property shall apply for a waterfront street end use permit on a form to be provided by the Department of Public Works. All applications shall contain all information reasonably requested by the City and a map or diagram depicting the existing conditions of the portion of the waterfront street end being used and any proposed changes to the waterfront street end.

(5) Permit Term. Permits issued under this Section shall have a term of one calendar year beginning with the year 2005.

(6) Permit Fee. The permit fee for the year 2005 shall be \$625.00. In subsequent years, the Director may increase the yearly permit fee in an amount equal to or less than three percent of the yearly permit fee for the previous year.

(7) Permit Conditions. The Director may attach reasonable conditions to a waterfront street end use permit.

(8) Termination of Permit. The City may terminate a waterfront street end permit on 120 days written notice to the abutting property owner. In the event of termination, the abutting owner shall remove any improvements he or she has in the right of way that are inconsistent with the public's ability to use the right of way. The abutting owner shall be responsible for all costs associated with removal of his or her improvements.

(9) Maintenance. The abutting owner shall be responsible for maintaining the portion of the waterfront street end abutting his or her property and any improvements located on the waterfront street end.

Section 2. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

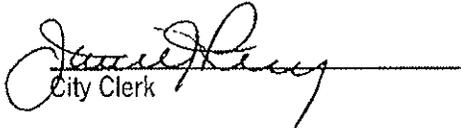
Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 7th day of September, 2004.

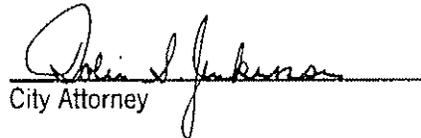
Signed in authentication thereof this 7th day of September, 2004.

  
MAYOR

Attest:

  
City Clerk

Approved as to Form:

  
City Attorney

Return Address:

City of Kirkland  
Attn: City Attorney's Office  
123 Fifth Avenue  
Kirkland, WA 98033

**KIRKLAND RIGHT-OF-WAY USE PERMIT FOR WATERFRONT STREET-END**

**Grantor:** City of Kirkland, a Washington municipal corporation  
**Grantees:** 1. Edwards, Glen B. 2. Edwards, Christi L.  
**Property Legal Description (abbreviated):** Lot 1-2, Blk 170, Burke and Farrar's  
Kirkland Div #37 unrecorded (Full legal on Attachment "A")  
**Property Tax Parcel ID No:** 1248100105

In consideration of the fees, covenants, conditions and agreements herein contained, the City of Kirkland, a Washington municipal corporation (the "City"), hereby grants to Glen B. Edwards and Christi L. Edwards (the Permittee), a right-of-way use permit (the "Permit") to use and occupy a portion of the unvacated Fourth Street West right-of-way (the "Right-of-Way") situated in the City of Kirkland, King County, Washington. This Permit is subject to the following terms and conditions:

1. **Description of Abutting Property.** The Permittee owns certain real property commonly known as 411 Lake Avenue West, Kirkland, Washington and legally described in Attachment A ("Property").

2. **Improvements.**

2.1 Permanent Improvements. Certain improvements within the Right-of-Way are permanent (the "Permanent Improvements"), the removal of which is neither necessary or desirable. The City and Permittee have identified the Permanent

Improvements and agree that those improvements identified on Attachment B attached hereto are the Permanent Improvements.

2.2 Removable Improvements. Permittee or Permittee's predecessors have constructed or planted landscaping and other improvements within the Right-of-Way that are subject to removal in the event the City elects to terminate this Permit and open the Right of Way to public use (the "Removable Improvements"). All improvements not otherwise designated as Permanent Improvements shall be deemed to be Removable Improvements.

3. **Permit.** The City hereby grants to the Permittee the (i) exclusive control and use of the Right-of-Way, (ii) right to maintain all improvements on the Right-of-Way, and (iii) right to install other improvements which are not permanent (structures), enclosed (structures) or would otherwise require a building or land use permit, including specifically the right to plant landscaping and sprinkler systems to maintain same. All such additional improvements shall become Removable Improvements.

4. **Term.** The term of this Permit shall be for a period of one year commencing on January 1, 2005, provided however, the Permit shall be automatically extended for successive periods of one year unless the City elects to terminate the Permit by providing written notice of termination to Permittee of not less than one hundred and eighty (180) days. The amount of the permit fee shall be prorated if the City terminates this Permit prior to the end of the year and the unused portion of the permit fee shall be paid to the Permittee within thirty (30) days of the date of termination.

5. **Fees.** During the life of the Permit, Permittee shall pay to the City a permit fee of \$625.00 per year. The permit fee for the first year shall be due within ten days of execution of the Permit. Permit fees for subsequent years shall be due on the anniversary date of the execution of this Permit. Pursuant to Ordinance 3958, the City may elect to increase the Permit fee for a subsequent annual period. If the City elects to do so, it shall provide to Permittee notice of the Permit fee increase pursuant to the limitations of Ordinance 3958, not less than one hundred and twenty (120) days prior to the end of any annual period of the Permit.

6. **Agreement to Remove.** In the event the City elects to terminate this Permit for any reason, the Permittee may be required to remove the Removable Improvements not otherwise identified on Attachment B. The City and the Permittee may mutually agree that certain Removable Improvements may remain in place. In no event shall the Permittee be required to remove the Permanent Improvements on the Right-of-Way listed on Attachment B.

7. **Development Plan.** In the event the City elects to terminate the Permit, the City and Permittee agree to act reasonably and in good faith to develop a plan for future development/improvements to the Right-of-Way. The plan will take into account the single family residence use of Permittee's property and surrounding neighborhood. Upon adoption of a specific plan (the "Use Plan") for development/improvements for the Right-of-Way, including (i) a development/improvement plan, (ii) maintenance plan, (iii) hours

of use, and (iv) plan for addressing problems with use, the Permittee shall cause removal, at Permittee's cost and expense, of the Removable Improvements within one hundred and eighty (180) days from notice from the City of its adoption of the Use Plan.

**8. City's Remedy if Permittee Fails to Remove.** In the event the Permittee has received notice of the Use Plan and for the removal of the Removable Improvements required to be removed pursuant to the Use Plan and such removal is not completed within the one hundred and eighty (180) day period, or removal does not reasonably meet other removal requirements specified in the Use Plan, the City is authorized to do the necessary work or to designate a third party to perform the work. The Permittee shall be responsible for all reasonable costs associated with the performance of such work, including reasonable overhead. The City shall not be responsible for any resulting damage to or destruction of any of the Improvements. Further, the costs of removal shall be a lien against the Property if not paid within sixty (60) days of notice to Permittee of the costs therefore.

**9. Maintenance of Improvements.** Maintenance of the Right-of-Way, including the Permanent Improvements and Removable Improvements shall be the sole discretion, cost and responsibility of the Permittee.

**10. Indemnification.** To the extent permitted by law, and except to the extent caused by a negligent act by the City, its officers, agents or employees, or by omission or breach of any term or condition hereof, the City shall not be held liable for any injury (including

death) to any persons or for damage to any property regardless of how such injury or damage may be caused, sustained or alleged to have been sustained by Permittee or by any other as a result of any condition whatsoever related in any way to the Right-of-Way or to the Permittee's use or occupancy of the Right-of-Way. Permittee agrees to defend, hold and save the City harmless from all liability or expense (including expense of litigation which shall include all attorneys fees the City incurs in such litigation) in connection with any such items of actual or alleged injury or damage.

**11. Recording Requirement.** This Agreement shall be recorded against the Property with the King County Recorder's Office. This Agreement shall run with the land, and therefore bind Permittee, Permittee's heirs, assigns and any subsequent owners of the Property.

**12. General Provisions.** This Permit contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Permit. No provision of the Permit may be amended or modified except by written agreement signed by the Parties. This Permit shall be binding upon and inure to the benefit of the Parties' successors in interest, heirs and assigns. Any provision of this Permit which is declared invalid or illegal shall in no way affect or invalidate any other provision. In the event either party is required to enforce the terms and conditions of this Permit, the prevailing party shall be entitled to their reasonable attorney's fees and costs. The venue for any dispute related to this Permit shall be King County, Washington. Failure of either party to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action





**ATTACHMENT A**

Legal Description of Owner's Property:

Beginning on the Westerly margin of Lake Avenue, now known as "Waverly Way" at a point which bears South  $72^{\circ}50'15''$  West 30 feet from the Northwest Corner of Lot 1, Block 11, Town of Kirkland, according to the plat recorded in Volume 6 of Plats, Page 53, in King County, Washington;

Thence along the said Westerly margin South  $17^{\circ}09'45''$  East 30.00 feet to the true point of beginning of this description on the Southeasterly margin of 4<sup>th</sup> Street West (formerly Fleet Street);

Thence continuing South  $17^{\circ}09'45''$  East 54.47 feet;

Thence South  $72^{\circ}50'15''$  West 444.28 feet, more or less, to a point on the inner harbor line of Lake Washington;

Thence on said inner harbor line North  $17^{\circ}22'00''$  West 54.47 feet to the southeasterly margin of 4<sup>th</sup> Street West; Thence along the said Southeasterly margin North  $72^{\circ}50'15''$  East 444.46 feet to the true point of beginning.

Being known as Lot 1 and the Northerly 5 feet of Lot 2, Block 170, Burke and Farrar's Kirkland Addition to the City of Seattle, Division NO. 37, according to the unrecorded plat thereof.

ATTACHMENT B

Description of Permanent Improvements.

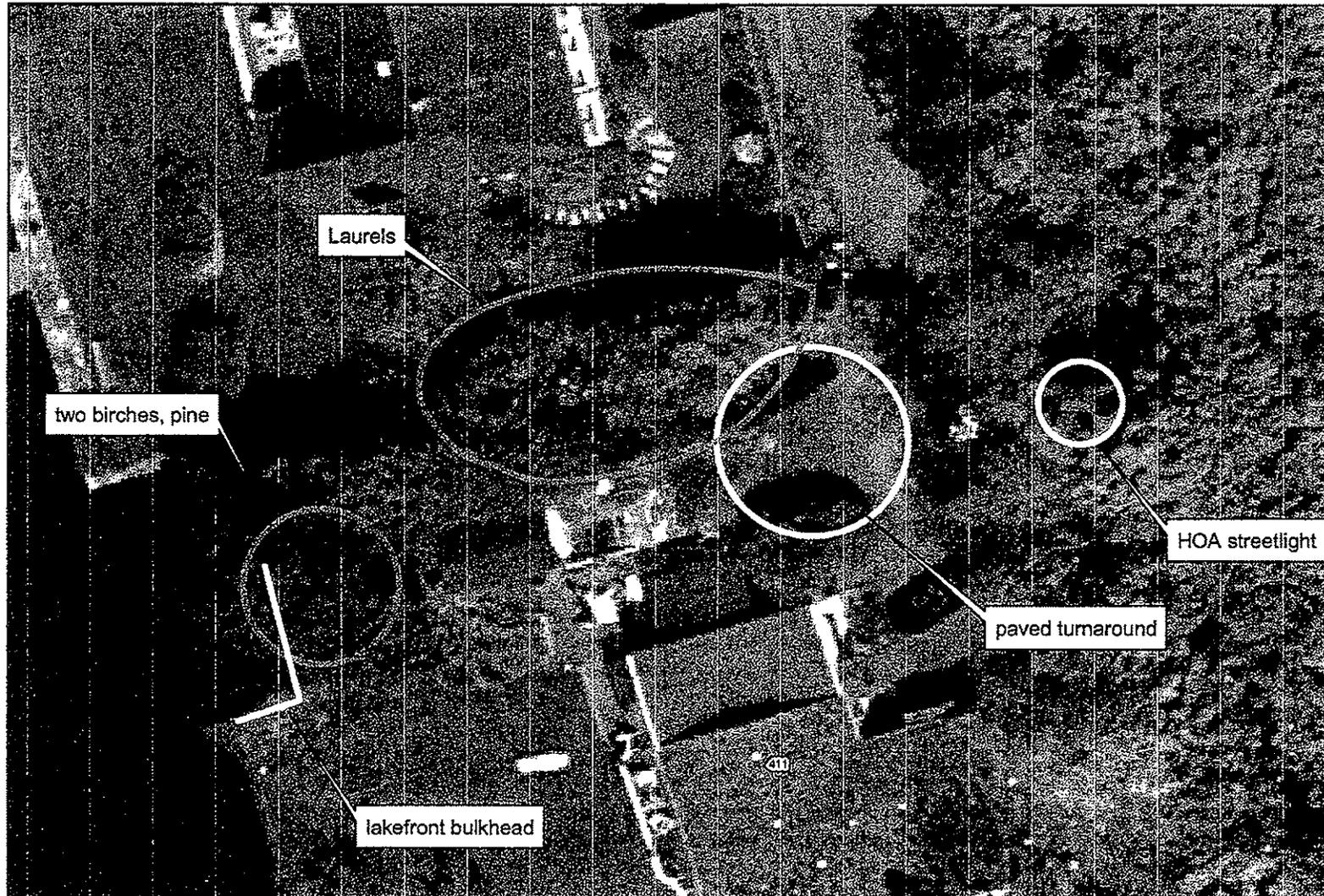
Home Owner's Association street light (depicted on diagram);

Paved turnaround (depicted on diagram);

Two birch trees, one pine tree (depicted on diagram)

Lakefront bulkhead (wood and concrete wall along with railroad tie wall) (depicted on diagram)

### Attachment B Edwards property





**CITY OF KIRKLAND**  
Department of Finance and Administration  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
www.ci.kirkland.wa.us

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**MEMORANDUM**

**To:** David Ramsay, City Manager  
**From:** Kathi Anderson, City Clerk  
**Date:** November 5, 2009  
**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) Micaela Moran Villasenor  
15128 178<sup>th</sup> Avenue SE  
Monroe, WA 98272

**Amount:** \$253.90

**Nature of Claim:** Claimant states damage occurred to vehicle when city street sweeper debris struck the windshield.

**CITY OF KIRKLAND**

Department of Finance &amp; Administration

123 Fifth Avenue, Kirkland, WA 98033 425.587.3100

www.ci.kirkland.wa.us

**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Barry Scott, Purchasing Agent

**Date:** November 4, 2009

**Subject:** REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF NOVEMBER 17, 2009

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 21, 2009, are as follows:

	Project	Process	Estimate Price	Status
1.	Phone System Upgrade	Request for Proposals	\$145,000 - \$165,000	Advertised on 10/28. Proposals due on 11/17.
2.	116 <sup>th</sup> Ave NE Sidewalks Project	Invitation for Bids	\$400,000 - \$500,000	To be advertised the week of 11/8.
3.	116 <sup>th</sup> Ave NE Sidewalks Project	Invitation for Bids	\$1,500,000 - \$2,000,000	Advertised on 11/6. Bids due on 12/1.

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.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Tracey Dunlap, Director of Finance and Administration

**Date:** November 5, 2009

**Subject:** Public Hearing – Mid-Biennial Budget

The Kirkland Municipal Code (KMC 5.02.020) calls for a public hearing as part of the mid-biennial budget review process. Staff will prepare a brief presentation summarizing the proposed mid-biennial budget, based on the results of the November 12, 2009 Budget Special Study Session. The packet for the November 12 Study Session is available at the link below.

[http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/111209/3a\\_StudySession.pdf](http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/111209/3a_StudySession.pdf)



**CITY OF KIRKLAND**  
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123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
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**MEMORANDUM**

**To:** David Ramsay, City Manager  
**From:** Tracey Dunlap, Director of Finance and Administration  
**Date:** November 5, 2009  
**Subject:** Preliminary Property Tax Levy – Public Hearing

The Revised Code of Washington (RCW 84.55.120) calls for a public hearing when establishing the preliminary 2010 property tax levy rates. Staff will be available to make a presentation regarding the preliminary levy, as described in the staff report for the Preliminary Property Tax Levy Adoption (on the November 17 agenda under "New Business").



**CITY OF KIRKLAND**  
Department of Finance & Administration  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
www.ci.kirkland.wa.us

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## MEMORANDUM

**To:** David Ramsay, City Manager

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

**Date:** October 16, 2009

**Subject:** Property Tax Levy Finding of Substantial Need

### **RECOMMENDATION:**

Council adopt the attached resolution establishing a finding of substantial need to allow the property tax levy to increase 1% consistent with the adopted 2010 budget.

### **BACKGROUND DISCUSSION:**

On September 22, 2009 the Department of Revenue released the rate of inflation for property taxes due in 2010 (Attachment 1). The implicit price deflator used to determine the property tax limit factor is negative 0.848 percent (-0.848%).

Anticipating a negative IPD, the Department of Revenue released a special notice in April of this year answering questions about the impact of deflation (or negative "inflation") on local property taxes (Attachment 2). For taxing districts with a population of 10,000 or more the limit factor is the lesser of 101% or 100% plus inflation. However, with a finding of substantial need and supermajority council approval, larger taxing districts can adopt a limit factor up to a maximum of 101%. In order to increase the limit factor to 101%, a resolution or ordinance must be adopted by the district's governing body. Because the City Council is a legislative authority comprised of more than 4 members, the ordinance or resolution must be approved by a majority plus one. The limit factor authorized by the ordinance or resolution is for one year only.

The adopted 2010 budget assumed that the City would implement the optional levy increase of 1%. To carry out this increase, the City Council will need to adopt the resolution establishing a finding of substantial need. If no finding of substantial need is adopted, the property tax revenues for 2010 would be reduced by \$275,415 (the 1% increased assumed of \$149,034 plus the IPD decrease of -0.848% or \$126,381), increasing the projected deficiency in 2010.

*[This item was postponed from the November 2, 2009 City Council meeting]*



STATE OF WASHINGTON  
DEPARTMENT OF REVENUE

September 22, 2009

Dear County Assessors:

**What is the rate of inflation (IPD rate) for 2010?**

The rate of inflation (IPD rate) for property taxes due in 2010 is a **negative 0.848 percent** (-0.848%).

**What is the limit factor for 2010?**

The limit factor for property taxes due in 2010 is **negative 0.848 percent** (-0.848%) for the state and taxing districts with populations over 10,000. The limit factor for these districts is defined as the smaller of the rate of inflation or 1 percent.

For taxing districts with populations under 10,000, the limit factor for property taxes due in 2010 is **1 percent**.

**How is the rate of inflation (IPD rate) calculated?**

The rate of inflation is the percent change in the implicit price deflator for personal consumption as published in the Bureau of Economic Analysis' September *Survey of Current Business*.

However, this year the September *Survey of Current Business* did not include the implicit price deflator for personal consumption due to space constraints from the publication of the 2009 Comprehensive Revision statistics. Therefore, the Department of Revenue contacted the Bureau of Economic Analysis and received the implicit price deflator for personal consumption from the 2009 Comprehensive Revision statistics. The Bureau of Economic Analysis indicated the implicit price deflator will be published in the October *Survey of Current Business*.

The percent change is calculated by dividing the July 2009 number by the July 2008 number, subtracting one, and then multiplying by 100. These numbers were updated as part of the Bureau of Economic Analysis' 2009 Comprehensive Revision to a base year of 2005. The values used in the calculation this year were as follows:

July 2008	110.205
July 2009	109.270

If you have any questions, please contact me.

Sincerely,

Valerie L. Torres  
Tax Policy Specialist

# Property Tax

## Special Notice



April 22, 2009

## Determining the Limit Factor for Increases in Property Tax Levies

**Question:** What is the limit factor for local taxing districts' levy increases if deflation (negative "inflation") occurs?

**Answer:** The limit factor for some local taxing districts may be less than 100%.

**Discussion:** Under ch. 84.55 RCW, the growth of regular property tax levies is limited. For taxing districts with a population of less than 10,000, the limit factor is 101%. The limit factor for local taxing districts with a population of 10,000 or more is the lesser of 101% or 100% plus inflation. With a finding of substantial need, these larger taxing districts can adopt a limit factor that exceeds 100% plus the rate of inflation up to a maximum of 101%. RCW 84.55.005 defines "inflation" as the percentage change in the implicit price deflator (IPD) for personal consumption. The statute requires the use of data published in September of the year before the tax will be due in determining inflation.

Because the limit factor for local taxing districts with a population of 10,000 or more is the lesser of 101% and 100% plus inflation, and inflation is defined as the percentage change in the IPD, a negative change in the IPD would result in a limit factor of less than 100%. For example, if the percentage change in the IPD were, say, -1.0%, the limit factor would be 100% - 1.0%, or 99%.

### What does this mean for local taxing districts?

For taxing districts with a population of **less than 10,000**, the limit factor is 101%, regardless of inflation or deflation. These smaller districts may continue to increase their regular property tax levies by 1% annually.

For local taxing districts with a population of **10,000 or more**, the limit factor would dip below 100% and property tax levies would not grow<sup>1</sup>. These larger districts could increase the limit factor to a maximum of 101% with a finding of substantial need. In order to increase the limit factor to 101%, a resolution or ordinance must be adopted by the district's governing body. In districts with legislative authorities comprised of 4 or less members, two-thirds of the members must approve the ordinance or resolution. In districts with legislative authorities comprised of more than 4 members, the ordinance or resolution must be approved by a majority plus one. The limit factor authorized by the ordinance or resolution is for one year only.

Taxing districts of **any size** may also exceed the limit factor with the approval of a majority of the voters residing in the district. RCW 84.55.050 authorizes taxing districts to "lift the lid" and increase regular property tax levies by more than would be otherwise allowed. A lid lift allows a taxing district to exceed the limit factor for up to six consecutive years. The ballot measure must include the levy rate to be imposed in the first year following approval of the lid lift. If the lid lift allows the district to exceed the limit factor for more than one year, the ballot measure must also include the limit factor or a specified index to be used in determining the limit factor for each succeeding year.

**Questions:** If you have questions or need additional information, please contact Diann Locke at (360) 570-5885 or [DiannL@dor.wa.gov](mailto:DiannL@dor.wa.gov).

<sup>1</sup> Taxing districts would still be entitled to levy additional amounts based on new construction, improvements to property, increases in state-assessed property, and the value of wind turbines as authorized in RCW 84.55.010.

## RESOLUTION R-4782

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND MAKING A DECLARATION OF SUBSTANTIAL NEED FOR PURPOSES OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2010.

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or over is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines "inflation" as the percentage of change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in September of the year before the taxes are payable; and

WHEREAS, "inflation" for July 2009 is -0.848 percent and the limit factor is 99.152 percent, meaning the taxes levied in the City of Kirkland in 2009 for collection in 2010 will decrease except for the amounts resulting from new construction and improvements to property; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of up to 101 percent with a finding of substantial need by a majority of the Council Members plus one; and

WHEREAS, the adopted 2010 budget assumed that the City would implement the optional levy increase of one percent; and

WHEREAS, if no finding of substantial need is adopted, the property tax revenues for 2010 would be reduced by \$275,415, increasing the projected deficiency in 2010; and

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

Section 1. A finding is made of substantial need under RCW 84.55.0101, which authorizes a limit factor of 101 percent for the property tax levy for 2010, due to the need to maintain public safety services and City streets.

Passed by majority vote of the Kirkland City Council plus one in open meeting this \_\_\_\_ day of \_\_\_\_\_, 2009.

Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_,  
2009.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

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**MEMORANDUM**

**To:** Dave Ramsay, City Manager

**From:** Stacey Rush, Surface Water Utility Engineer  
Jenny Gaus, Environmental Services Supervisor  
Daryl Grigsby, Public Works Director

**Date:** November 4, 2009

**Subject:** Development Related Surface Water Ordinance  
For NPDES Phase II Stormwater Permit Compliance

**RECOMMENDATION:**

It is recommended that Council vote to approve the attached ordinance relating to storm and surface water management and development, Kirkland Municipal Code (KMC) Title 15, Water and Sewage.

**POLICY IMPLICATIONS:**

- This ordinance adopts a new surface water manual for development in Kirkland, the 2009 King County Surface Water Design Manual (2009 KCSWDM).
- This ordinance adopts an Addendum to the 2009 KCSWDM, stating which items are not being adopted at this time along with Kirkland specific items that differ from the 2009 KCSWDM.
- The new storm and surface water regulations will increase development costs for most private and public projects. Cost implications vary by type and location of project.
- Adoption and implementation of this ordinance by February 16, 2010 will allow continued City compliance with the National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit.

**BACKGROUND DISCUSSION:**

As discussed in the previous memo and presentation to council (memo located at this link: [http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/102009/10b\\_UnfinishedBusiness.pdf](http://www.ci.kirkland.wa.us/Assets/City+Council/Council+Packets/102009/10b_UnfinishedBusiness.pdf)), our NPDES Phase II permit requires us to adopt a new surface water manual for development in Kirkland. During public meetings with the development community, they requested the City adopt the 2009 KCSWDM instead of Ecology's stormwater manual. Staff recommends adopting the 2009 KCSWDM with an implementation date of January 1, 2010.

Attached is a table listing the primary development changes under the new surface water regulations (Attachment A). There are increased levels of reporting, low impact development, detention, and water quality for some projects. The type of projects most affected by the new regulations is redevelopment of existing buildings and paved areas draining to sensitive areas. The project type least affected by the new regulations are new development of forested areas (because strict requirements are already in place for this type of development). The impacts to CIP projects vary greatly.

Because the 2009 KCSWDM was written for a Phase I jurisdiction (population greater than 100,000), it contains regulations stricter than we are required to adopt at this time. The main difference is Phase I jurisdictions must apply regulations to both small and large sites, whereas our Phase II NPDES permit specifically refers to project sites one acre or larger. Staff created an Addendum to the 2009 KCSWDM (Attachment B) to clarify which items are not being adopted at this time along with Kirkland specific items that differ from King County.

The new regulations will translate to additional costs for most private and public projects. A new development fee schedule is in a separate ordinance also presented to council on November 17, 2009. The new fee schedule is needed to recover the cost of increased staff time necessary for drainage review and inspection under the new surface water regulations. The additional drainage requirements will also increase the cost for upcoming public projects.

Below are requirements and comments based on discussion with Council on October 20, 2009:

- Historic conditions (fully forested) will be used for pre-developed runoff modeling of all projects in level 2 flow control areas.
- All projects will be required to evaluate the feasibility and applicability of stormwater low impact development (LID) techniques.
- Amended Soil will be required on project sites one acre or larger. Text in the Addendum recommends amended soil for landscaped areas in projects smaller than one acre. The Planning Department is including the same amended soil requirement in the tree regulation changes to be proposed to Council in December. As we work through the issues associated with construction and inspection of amended soils on larger projects, staff will endeavor to develop incentives to encourage the use of amended soil in landscaped areas on all projects.
- Enhanced Water Quality Treatment (targets removal of metals such as copper and zinc) will be required for projects one acre or larger with the following land use: commercial, industrial, multi-family, and high use roads. Text in the Addendum states "for projects less than one acre in size meeting the land use criteria for enhanced basic water quality treatment, apply the enhanced treatment unless it can be shown as not feasible". This will encourage more use of enhanced treatment, but will not make it arduous for small sites where it is simply not feasible.
- The Planning Department will work with surface water staff when they are updating the comprehensive plan to address the concern that larger stormwater facilities and the requirement for LID techniques may reduce the number of buildable lots on a site. In addition, staff will continue to pursue basin planning and other strategies that may reduce the onsite space needs of stormwater facilities.

NEXT STEPS:

If the ordinance is approved, the 2009 KCSWDM and Addendum will be effective January 1, 2010.

Attachment A: Development Regulation Changes with adoption of 2009 KCSWDM  
Attachment B: Addendum to the 2009 King County Surface Water Design Manual

Item	Current Requirements under 1998 King County Surface Water Design Manual	Changes proposed in 2010 with adoption of 2009 King County Surface Water Design Manual
<b>Threshold for Drainage Review</b>	Minor review for projects adding between 500ft <sup>2</sup> - 4,999ft <sup>2</sup> impervious surface area, formal drainage review for projects adding 5,000ft <sup>2</sup> or more.	Minor review for projects adding between 500ft <sup>2</sup> - 1,999ft <sup>2</sup> impervious surface area, formal drainage review for projects adding 2,000ft <sup>2</sup> and more.
<b>Drainage Technical Information Report</b>	Full drainage TIR required for projects adding 10,000ft <sup>2</sup> or more new impervious; partial TIR for 5,000ft <sup>2</sup> or greater.	Lower threshold for Drainage Report, size of report depends on level of drainage review required: Small, Targeted, or Full.
<b>Modeling of Predeveloped Conditions</b>	Use existing coverage - credit given for most existing impervious areas.	For areas of Level 1 flow control, existing coverage allowed. For areas of Level 2 flow control, use historic condition (forested - no credit for existing impervious).
<b>Detention Threshold</b>	Required for projects creating 10,000ft <sup>2</sup> impervious area or more, applies only to new impervious.	Required for projects involving 10,000ft <sup>2</sup> impervious area or more, but is applied to all "effective" impervious on site (new and existing).
<b>Flow Control Level</b>	Level 2 for projects draining to sensitive areas, and Level 1/potential direct discharge exemption for areas draining directly to Lake WA.	No change; use existing flow control map.
<b>Flow Control Exemptions</b>	Minimum impervious area, peak flow, and direct discharge to Lake WA exemptions are available.	Minimum impervious area is reduced to 2,000ft <sup>2</sup> , and now includes new and replaced. Direct discharge to Lake WA exemption remains. Peak flow exemption is still available, but must be based on historic condition of site. There is a 40% total impervious area basin exemption that may be applicable to certain areas of Kirkland, but more research and approval from DOE is needed.
<b>Exemption for Road Related Projects</b>	No exemption, treated same as other development.	If new impervious area in a road related project is less than 50% of the existing impervious within project limit, then requirements apply only to "new" impervious surface; otherwise apply to both new and replaced impervious.
<b>Water Quality Threshold</b>	Required if new or replaced pollution generating impervious surface area is 5,000ft <sup>2</sup> or greater.	Required for projects where the total "effective" (new and existing) pollution generating impervious surface is 5,000ft <sup>2</sup> or more.
<b>Erosion Control</b>	Basic erosion control required on all sites; site greater than 1 acre require Construction SW Pollution Prevention Plan.	All projects must prepare an ESC Report. Projects greater than 1 acre require a Construction SW Pollution Prevention Plan.
<b>Low Impact Development (LID)</b>	encouraged, but not required	Projects are required to evaluate the feasibility and applicability of dispersion and infiltration, and install at least 1 stormwater LID technique on site.
<b>The following 2009 KCSWDM requirements will only apply to project sites 1 acre or larger:</b>		
<b>Enhanced Water Quality Treatment Level</b>	not required	Basic level treatment for projects discharging directly to Lake WA. Enhanced treatment required for some single family residential, multi-family, commercial, and high AADT road projects.
<b>SW Pollution Prevention and Spill Plan (SWPPS)</b>	not required	Plan includes 3 elements: a site plan, a pollution prevention report, and a spill prevention and cleanup report.
<b>Soil Amendment</b>	not required	BMP T5.13, per Core Requirement #5. Includes mixing 2-3" of compost into upper 8" of topsoil. Compost needs to meet specific organic matter content and pH requirements.



**Addendum to the  
2009 King County  
Surface Water Design Manual**

Effective date: January 1, 2010

## **Introduction**

This addendum to the 2009 King County Surface Water Design Manual (KCSWDM) applies to development and redevelopment proposals within the City of Kirkland. The KCSWDM has adopted requirements of the Clean Water Act, the Endangered Species Act, and the State Growth Management Act. This addendum includes minor revisions to the KCSWDM to address the differences between King County's and the City's organization and processes. No major substantive changes have been made to the KCSWDM in order to maintain equivalency in review requirements and level of protection provided by the manual. It is our intent to maintain equivalency with the 2005 Ecology Stormwater Management Manual for Western WA.

## **Addendum Organization**

The information presented in this addendum is organized as follows:

**I. Terminology:** At times King County and the City of Kirkland use different terminology to describe or to refer to equivalent subject matter. This section identifies these terms and the City of Kirkland's equivalent terminology.

**II. Key Revisions:** This section specifically identifies the minor revisions the City has made to the KCSWDM.

**III. Code Reference Tables:** King County code is referenced in many places throughout the KCSWDM. This section identifies these county code references and states the equivalent city code where applicable.

**IV. Mapping:** The City of Kirkland equivalents to the Flow Control Applications map, Landslide Hazard Drainage Areas map, and Sensitive/Critical Areas map are available online at:

[http://www.ci.kirkland.wa.us/depart/Information\\_Technology/GIS.htm](http://www.ci.kirkland.wa.us/depart/Information_Technology/GIS.htm)

**V. Reference Materials:** This section identifies which reference materials provided in the KCSWDM are applicable and which are not. It also identifies equivalent City of Kirkland reference materials available.

**Note:** Clarifications and interpretations to the KCSWDM or this addendum are documented and made available through City Regulatory Code and the Public Works Pre-Approved Plans.

## I. Terminology

At times King County and the City of Kirkland use different terminology to describe or to refer to equivalent subject matter. This section identifies these terms and the City of Kirkland's equivalent terminology.

- **Critical Drainage Area (CDA)** – refers to the City of Kirkland Sensitive Areas.
- **Department of Development and Environmental Services (DDES)** – all references to DDES conducting drainage reviews or determinations shall refer to City of Kirkland Public Works and Planning and Community Development Departments.
- **Department of Natural Resources and Parks (DNRP)** – references to DNRP shall refer to City of Kirkland Parks and Planning and Community Development Departments.
- **Director** – refers to the City of Kirkland Public Works Director.
- **King County** – refers to the City of Kirkland (COK).
- **King County Code (KCC)** – refer to the City of Kirkland Municipal and Zoning Codes (KMC and KZC). Check code reference table for equivalent code sections.
- **King County Designated/Identified Water Quality Problem** – This determination is made on a case-by-case basis in the City of Kirkland.
- **King County Road Standards** – refers to the City of Kirkland Public Works Pre-Approved Plans.
- **Sensitive Area Folio** – refer to City of Kirkland Sensitive Areas Map at:  
  
[http://www.ci.kirkland.wa.us/depart/Information\\_Technology/GIS.htm](http://www.ci.kirkland.wa.us/depart/Information_Technology/GIS.htm)
- **Water and Land Resources (WLR) Division** – refers to the City of Kirkland Surface Water Management Division.
- **Zoning Classifications: Where the KCSWDM references Agricultural (A) Zoning, Forest (F) Zoning, or Rural (R) Zoning** – these zoning classifications are intended for areas outside of the Urban Growth Boundary, therefore the City of Kirkland contains no equivalent zoning. Refer to city zoning maps to determine which zoning classifications apply to your project. The City of Kirkland Land Use Map can be found at:

[http://www.ci.kirkland.wa.us/depart/Information\\_Technology/GIS.htm](http://www.ci.kirkland.wa.us/depart/Information_Technology/GIS.htm)

## II. Key Revisions

This section includes minor revisions to the 2009 KCSWDM to address the differences between King County's and the City of Kirkland's organization and processes, as well as to ensure equivalency with the 2005 Ecology Stormwater Management Manual for Western WA.

### **Chapter 1: Drainage Review and Requirements**

Applies with the revisions stated below:

#### **1.1 Drainage Review**

Criteria for review levels are defined in the COK Public Works Pre-Approved Plans, Policy D-2. Drainage review levels used in the City of Kirkland are listed below:

- Small Project drainage review
- Targeted drainage review
- Full drainage review

#### **1.2 Core Requirements**

##### **1.2.2 Core Requirement #2: Offsite Analysis**

###### **1.2.2.1 Downstream Analysis**

Exclude the section titled Downstream Water Quality Problems Requiring Special Attention. Water quality problems in the City of Kirkland are addressed through educational programs and source control.

##### **1.2.3 Core Requirement #3: Flow Control**

Historic conditions will be used for pre-developed runoff modeling of all projects in Level 2 flow control areas. A City of Kirkland flow control map is located at:

[http://www.ci.kirkland.wa.us/depart/Information\\_Technology/GIS.htm](http://www.ci.kirkland.wa.us/depart/Information_Technology/GIS.htm)

Consistent with the 2005 Ecology Stormwater Management Manual for Western WA, the threshold for the Impervious Surface Exemption for Transportation Redevelopment Projects is:

- a) Less than 5,000ft<sup>2</sup> of new impervious surface will be added, AND
- b) Less than 35,000ft<sup>2</sup> of new pervious surface will be added, AND
- c) The total new impervious surface within the project limit is less than 50% of the existing impervious surface.

###### **1.2.3.1 Area-Specific Flow Control Facility Requirement**

The Impervious Surface Percentage Exemption stated on page 1-38 is void and does not apply to the City of Kirkland.

##### **1.2.5 Core Requirement #5: Erosion and Sediment Control**

###### **1.2.5.1 ESC Measures**

Amended Soil (BMP T5.13, 2005 Ecology Stormwater Management Manual for Western WA) is required for all landscaped areas on all project sites 1 acre or larger. Amended soil is recommended for all landscaped areas on project sites smaller than 1 acre.

### **1.2.5.2 ESC Performance and Compliance Provisions**

#### **B. Monitoring of Discharges**

For projects that clear 2,000ft<sup>2</sup> or greater, the City may require the ESC Supervisor to have a turbidity meter onsite and use it to monitor surface and stormwater discharges from the project site and into onsite wetlands, streams, or lakes whenever runoff occurs from onsite activities and during storm events.

### **1.2.6 Core Requirement #6: Maintenance and Operations**

Publicly maintained facilities will be maintained by the City of Kirkland.

An Operation and Maintenance Manual is required for all privately maintained stormwater detention and water quality facilities, and is submitted as part of the permit application. A copy of the Operation and Maintenance Manual shall be retained on site and shall be transferred with the property owner to the new owner. A log of maintenance activity indicating when cleaning occurred and where waste was disposed of shall also be kept by the owner and available for inspection by the City of Kirkland.

### **1.2.7 Core Requirement #7: Financial Guarantees and Liability**

This section is replaced by KMC 15.52.080, bonds and irrevocable license to enter.

### **1.2.8 Core Requirement #8: Water Quality**

#### **1.2.8.1 A. Basic WQ Treatment Areas**

Thresholds requiring Enhanced Basic Water Quality Treatment are:

- Industrial, commercial, and multi-family project sites 1 acre or larger.
- Road related project sites 1 acre or larger, with an AADT of 7,500 or greater.

Single family residential subdivisions will not be required to implement enhanced basic water quality treatment. The thresholds stated above are consistent with the 2005 Ecology Stormwater Management Manual for Western WA.

For projects less than 1 acre in size meeting the land use criteria for Enhanced Basic WQ Treatment, apply the enhanced treatment requirement unless it can be shown as not feasible.

For a rain garden to meet enhanced basic water quality treatment, it must be designed, using an approved continuous runoff model, to infiltrate 91% of the influent runoff (2005 Ecology Stormwater Management Manual for Western WA, Volume V, pg 3-8).

The City will accept all water quality treatment facility-types identified in the 2005 Ecology Stormwater Management Manual for Western WA, with the following additions and alterations:

- Emerging technologies will be considered on a case-by-case basis, provided the product has received a level of use designation from WA State Dept. of Ecology (see the following website):  
<http://www.ecy.wa.gov/programs/wq/stormwater/newtech/index.html>
- The COK encourages the use of stormwater low impact development techniques as appropriate.

**1.2.8.1 B. Sensitive Lake WQ Treatment Areas**

This section does not apply to the City of Kirkland.

**1.2.8.1 C. Sphagnum Bog WQ Treatment Areas**

This section does not apply to the City of Kirkland.

**1.3.2 Special Requirement #2: Flood Hazard Area Delineation**

Flood Hazard Area is any area adjacent to a Kirkland sensitive area, unless topography is such that the area will not flood.

**1.3.3 Special Requirement #3: Flood Protection Facilities**

This section does not apply to the City of Kirkland.

**1.3.4 Special Requirement #4: Source Controls**

Source Control requirements are replaced by Volume IV of the 2005 Ecology Stormwater Management Manual for Western WA.

**1.4 Adjustment Process**

Refer to adjustment process defined in COK Public Works Pre-Approved Plans, Policy D-11.

**Chapter 2 Drainage Plan Submittal**

Applies with the revisions stated below:

**2.1 Plans Required for Drainage Review**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.2 Plans Required with Initial Permit**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.3 Drainage Review Plan Specifications**

**2.3.1.1 Technical Information Report**

An Operation and Maintenance Manual is required for all privately maintained stormwater detention and water quality facilities, and is submitted as part of the permit application.

**2.3.1.2 – Site Improvement Plan**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.3.1.3 – ESC Plan Section**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.3.1.4 – Stormwater Pollution Prevention and Spill (SWPPS) Plan**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.3.1.5 – Landscape Management Plan**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.3.2 – Projects in Targeted Drainage Review (TDR)**

Refer to the COK Public Works Pre-Approved Plans, Policies G-7, D-2, and D-3.

**2.4 Plans Required After Drainage Review (pg 2-35)**

Refer to the COK Public Works Pre-Approved Plans, policies G-7, D-2, and D-3.

**Chapter 5 Flow Control Design**

Applies with the revisions stated below:

**5.2 Flow Control BMP Requirements**

**5.2.1.4 Implementation Requirements for Individual Lot BMPs**

This section is replaced by KMC 15.52.080, bonds and irrevocable license to enter.

**5.3 Detention Facilities**

Use details located in the COK Public Works Pre-Approved Plans, if available.

**5.3.4.1 Control Structures Design Criteria**

Minimum orifice diameter is 0.5 inches.

**5.3.5 Parking Lot Detention**

Parking lot detention is not allowed in the City of Kirkland.

**Chapter 6 Water Quality Design**

Applies with the revisions stated below:

Use details located in the COK Public Works Pre-Approved Plans, if available.

**Appendix B: Master Drainage Plan Objective, Criteria and Components, and Review Process**

This Appendix does not apply to projects in the City of Kirkland.

### III. Code Reference Tables

King County Code is referenced in many places throughout the KCSWDM. The following table identifies the county code references and states the equivalent City of Kirkland code where applicable (Kirkland Municipal Code is KMC and Kirkland Zoning Code is KZC). Policies are located in the Public Works (PW) Pre-Approved Plans.

<b>King County Code Reference</b>	<b>Subject of Reference</b>	<b>COK Code/Policy Equivalent</b>	<b>Comment</b>
KCC 2.98	Adoption procedures and Critical Drainage Areas	KZC Chapter 90	
Title 9	Surface Water Management	KMC 15.52	
KCC 9.04	Surface Water Run-off policy	KMC 15.52	
KCC 9.04.030	Drainage Review	PW Pre-Approved Plans	Policy D-2
KCC 9.04.050	Drainage Review-requirements	PW Pre-Approved Plans	Policy D-2
KCC 9.04.070	Engineering plans for the purposes of drainage review	KMC15.52.060 and PW Pre-Approved Plans	Policy D-2
KCC 9.04.090	Construction timing and final approval	KMC 15.52.060	
KCC 9.04.100	Liability Requirements	KMC 15.52.080	
KCC 9.04.115	Drainage Facilities accepted by King County	KMC 15.52.070	
KCC 9.04.120	Drainage Facilities accepted by King County	KMC 15.52.070	
KCC 9.12	Prohibited discharges in the water quality section	KMC 15.52.090	
KCC 9.12	Water Quality	KMC 15.52.090 – 15.52.110	
KCC 9.12	Water Quality: Stormwater Pollution Prevention Manual Adoption	KMC 15.52.100	
KCC 16.82	Erosion and Sediment Control, Clearing and Grading	KMC 15.52.060	
KCC 16.82.095(A)	ESC standards: seasonal limitation period	PW Pre-Approved Plans	Erosion/Sediment Control Plan Notes, item #9
KCC 16.82.100(F)	Grading standards: preservation of duff layer	KZC Chapter 95	
KCC 16.82.100(G)	Grading Standards: soil amendments	KZC Chapter 95	
KCC 16.82.150	Clearing standards in rural zone	Not applicable	COK does not contain rural zones
KCC 20.20	Land Use Review Procedures	KZC Title 23	
KCC 20.70.020	Critical Aquifer recharge area	Not applicable	No critical aquifer recharge areas in COK
KCC 21A	Critical Areas Requirements	KZC Title 23	Sensitive areas in Chapter 90
KCC 21A.14.180.D	On-site recreation space required	No equivalent City code exists	On-site recreation space is not required
KCC 21A.24	Critical Areas Code	KZC Chapter 90	
KCC 21A.38	Property specific development	KZC Chapter 90	

	standards or special district overlays		
KCC 23.20	Code compliance: citations	KMC 15.52.140	
KCC 23.24	Code compliance: notice and orders	KMC 15.52.140	
KCC 23.28	Code compliance: stop work orders	KMC 15.52.140	
KCC 23.40	Code compliance: liens references on declaration of covenants form	KMC Title 15	

#### **IV. Mapping**

Below is a list of City of Kirkland maps to be used during drainage design. The maps can be viewed on-line, purchased on a CD, or viewed at the Public Works counter at City Hall. The maps are available on the following website:

[http://www.ci.kirkland.wa.us/depart/Information\\_Technology/GIS.htm](http://www.ci.kirkland.wa.us/depart/Information_Technology/GIS.htm)

1. Base Map
2. Flow Control Map
3. Sensitive Areas Map
4. Land Use Map

## V. Reference Materials

This section identifies which reference materials provided in the 2009 KCSWDM are applicable and which are not. Reference materials that have been struck through (i.e., ~~struck through~~) are not applicable to projects in the City of Kirkland.

- ~~1. KCC 9.04—Surface Water Runoff Policy~~
- ~~2. Adopted Critical Drainage Areas~~
- ~~3. Other Adopted Area Specific Drainage Requirements~~
  - ~~A. RA Zone Clearing Restrictions~~
- ~~4. Other Drainage Related Regulations and Guidelines~~
  - ~~A. Grading Code Soil Amendment Standard (required on project sites 1 acre or larger)~~
  - ~~B. Clearing & Grading Seasonal Limitations~~
  - ~~C. Landscape Management Plan Guidelines~~
  - ~~D. Shared Facility Maintenance Responsibility Guidance~~
- ~~5. Wetland Hydrology Protection Guidelines~~
- ~~6. Hydrologic/Hydraulic Design Methods~~
  - ~~A. EPA Infiltration Rate Test~~
  - ~~B. Pond Geometry Equations~~
- ~~7. Engineering Plan Support~~
  - ~~A. King County Standard Map Symbols~~
  - ~~B. Standard Plan Notes and Example Construction Sequence~~
  - ~~C. Stormfilter Access and Cartridge Configuration~~
- ~~8. Forms and Worksheets~~
  - ~~A. Technical Information Report (TIR) Worksheet~~
  - ~~B. Offsite Analysis Drainage System Table~~
  - ~~C. Water Quality Facility Sizing Worksheets~~
  - ~~D. Flow Control and Water Quality Facility Summary Sheet and Sketch~~
  - ~~E. CSWPPP Worksheet Forms~~
  - ~~F. Adjustment Application Form and Process Guidelines~~
  - ~~G. Dedication and Indemnification Clause—Final Recording~~
  - ~~H. Bond Quantities Worksheet~~
  - ~~I. Maintenance and Defect Agreement~~
  - ~~J. Drainage Facility Covenant~~
  - ~~K. Drainage Release Covenant~~
  - ~~L. Drainage Easement~~
  - ~~M. Flow Control BMP Covenant~~
  - ~~N. Impervious Surface Limit Covenant~~
  - ~~O. Clearing Limit Covenant~~
  - ~~P. River Protection Easement~~
  - ~~Q. Leachable Metals Covenant~~
- ~~9. Interim Changes to Requirements~~
  - ~~A. Blanket Adjustments~~
  - ~~B. Administrative Changes~~
- ~~10. King County Identified Water Quality Problems~~

ORDINANCE NO. 4214

## AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO STORM AND SURFACE WATER MANAGEMENT OF DEVELOPMENT ACTIVITIES.

WHEREAS, the Washington State Department of Ecology (DOE) issued the Western Washington Phase II Municipal Stormwater Permit (Phase II NPDES Permit) on February 16, 2007, under authority delegated to it by the US Environmental Protection Agency, pursuant to the Federal Clean Water Act (33 U.S.C. §1251 et seq.) (CWA); and

WHEREAS, the intent of the Phase II NPDES Permit is to compel jurisdictions of certain density and population, which includes the City of Kirkland (the City), to take steps to reduce the discharge of pollutants in stormwater; and

WHEREAS, the City must therefore seek coverage under the Phase II NPDES Permit or face third-party lawsuits, fines, or other penalties under the CWA; and

WHEREAS, the Phase II NPDES Permit requires that jurisdictions seeking coverage comply with the conditions of the permit by taking and documenting actions to reduce the discharge of pollutants in stormwater in the following five ways:

- 1) Public Education and Outreach,
- 2) Public Involvement and Participation,
- 3) Illicit Discharge Detection and Elimination,
- 4) Controlling Runoff from New Development, Redevelopment and Construction Sites, and
- 5) Pollution Prevention and Operation and Maintenance for Municipal Operations; and

WHEREAS, the Phase II NPDES Permit requires that jurisdictions adopt certain alterations to surface and stormwater portions of their ordinances and associated requirements located elsewhere relating to item 4) above by February 16, 2010, in order to maintain compliance; and

WHEREAS, in addition, the proposed Kirkland Municipal Code (KMC) changes bear a substantial relationship to, and are necessary for, the public health, safety and general welfare of the City and its residents; and will provide increased protection to the City's wetlands, streams and lakes; and

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

Section 1. Kirkland Municipal Code Section 15.52.060 is hereby amended to read as follows:

**15.52.060 Design and construction standards and requirements.**

(a) The standard plans as defined in section 15.04.340 shall include requirements for temporary erosion control measures, storm water detention, water quality treatment and storm water conveyance facilities that must be provided by all new development and redevelopment projects. These standards shall meet or exceed the ~~storm water control requirements of Stormwater Management in Washington State (Volumes 1 through 5), thresholds, definitions, minimum requirements, and exceptions/variances criteria found in Appendix I of the Western Washington Phase II Municipal Stormwater Permit, the 2009 King County Surface Water Design Manual, and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual as presently written or hereafter amended,~~ and as administered by the State Department of Ecology

(b) Unless otherwise provided, it shall be the developer's and property owner's responsibility to design, construct, and maintain a system which complies with the standards and minimum requirements as set forth in the standard plans.

(c) In addition to providing storm water quality treatment facilities as required in this section and as outlined in the standard plans, the developer and/or property owner shall provide source control BMPs as described in Volume IV of the 2005 Stormwater Management Manual for Western Washington, such as structures and/or a manual of practices designed to treat or prevent storm water pollution arising from specific activities expected to occur on the site. Examples of such specific activities include, but are not limited to, carwashing at multifamily residential sites and oil storage at auto repair businesses. ~~Criteria for development and submittal of designs and plans for such BMPs are included in the standard plans.~~

(d) The city will inspect all permanent storm water facilities prior to final approval of the relevant permit. All facilities must be clean and fully operational before the city will grant final approval of the permit. A performance bond may not be used to obtain final approval of the permit prior to completing the storm water facilities required under this chapter.

(e) ~~Exception (Adjustment) Process.~~ Any developer proposing to adjust the requirements for, or alter design of, a system required as set forth in the standard plans must follow the adjustment process as set forth in the standard plans.

(f) Other Permits and Requirements. It is recognized that other city, county, state, and federal permits may be required for the

proposed action. Further, compliance with the provisions of this chapter when developing and/or improving land may not constitute compliance with these other jurisdictions' requirements. To the extent required by law, these other requirements must be met.

Section 2. Kirkland Municipal Code Section 15.52.120 is hereby amended to read as follows:

**15.52.120 Operation and maintenance of storm water facilities.**

(a) Standards for maintenance of storm water facilities existing on public or private property within the city of Kirkland are contained in ~~the standard plans~~ Appendix A of the 2009 King County Surface Water Design Manual and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual. For facilities which do not have maintenance standards, the property owner shall develop a maintenance standard. Any maintenance agreement submitted and approved by the city through the permit process shall supersede maintenance requirements contained in the ~~standard plans~~ 2009 King County Surface Water Design Manual and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual.

(b) No person shall cause or permit any drainage facility on any public or private property to be obstructed, filled, graded, or used for disposal of debris. Any such activity constitutes a violation of this chapter.

(c) Any modification of an existing drainage facility must be approved and permitted by the city. Failure to obtain permits and approvals or to violate conditions thereof for any such alteration constitutes a violation of this chapter.

(d) The city will maintain all elements of the storm drainage system beginning at the first catch-basin within the public right-of-way, and in easements or tracts dedicated to and accepted by the city. All other facilities, including, but not limited to, nonresidential storm water facilities and roof downspout drains and driveway drains serving single-family residences, shall be maintained by the property owner.

(e) Maintenance of Nonresidential Storm Water Facilities by Owners.

(1) Any person or persons holding title to a nonresidential property for which storm water facilities have been required by the city of Kirkland shall be responsible for the continual operation, maintenance, and repair of said storm water facilities in accordance with the criteria set forth in ~~the standard plans~~ Appendix A of the 2009 King County Surface Water Design Manual and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual. For facilities which do not have maintenance standards, the property owner shall develop a maintenance standard.

(2) For nonresidential storm water facilities, failure to meet the maintenance requirements specified in Appendix A of the standard

~~plans~~ 2009 King County Surface Water Design Manual and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual constitutes a violation of this chapter, and shall be enforced against the owner(s) of the subject property served by the storm water facility.

(f) City Acceptance of Existing Residential Storm Water Facilities. The city may accept for maintenance those storm water facilities serving residential developments existing prior to the effective date of the ordinance codified in this chapter that meet the following conditions:

- (1) The storm water facilities serve more than one individual house or property;
  - (2) An inspection by the director has determined that the storm water facilities are functioning as designed;
  - (3) The storm water facilities have had at least two years of satisfactory operation and maintenance, unless otherwise waived by the director;
  - (4) An inspection by the director has determined that the storm water facilities are accessible for maintenance using existing city equipment;
  - (5) The person or persons holding title to the properties served by the storm water facilities must submit a petition containing the signatures of the title holders of more than fifty percent of the lots served by the storm water facilities requesting that the city maintain the storm water facilities;
  - (6) All easements entitling the city to properly access, operate and maintain the subject storm water facilities have been conveyed to the city and have been recorded with the King County office of records and elections;
  - (7) The person or persons holding title to the properties served by the storm water facilities show proof of the correction of any defects in the drainage facilities, including provision of maintenance access, as required by the director.
- (g) Disposal of waste from maintenance activities shall be conducted in accordance with the minimum Functional Standards for Solid Waste Handling, Chapter 173-304 WAC; guidelines published by the Washington State Department of Ecology for disposal of waste materials from storm water maintenance activities; and where appropriate, the Dangerous Waste Regulations, Chapter 173-303 WAC.

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

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary

form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney

PUBLICATION SUMMARY  
OF ORDINANCE NO. 4214

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO STORM AND SURFACE WATER MANAGEMENT OF DEVELOPMENT ACTIVITIES.

SECTION 1. Amends Section 15.52.060 of the Kirkland Municipal Code to replace current design and construction standards and requirements with those in Appendix I of the Western Washington Phase II Municipal Stormwater Permit, the 2009 King County Surface Water Design Manual, and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual.

SECTION 2. Amends Section 15.52.120 of the Kirkland Municipal Code to replace current standards for operation and maintenance of storm water facilities with those in Appendix A of the 2009 King County Surface Water Design Manual and the City of Kirkland Addendum to the 2009 King County Surface Water Design Manual.

SECTION 3. Provides a severability clause for the ordinance.

SECTION 4. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

I certify that the foregoing is a summary of Ordinance 4214 approved by the Kirkland City Council for summary publication.

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City Clerk

**CITY OF KIRKLAND****Department of Parks & Community Services**

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Carrie Hite, Deputy Director  
Jennifer Schroder, Director

**Date:** November 5, 2009

**Subject:** Status of MV Kirkland

**Recommendation**

That the City Council receives a briefing on the status of the MV Kirkland and provide staff direction.

**History of the MV Kirkland**

The MV Kirkland is a 1924 wooden-hulled car ferry that has served passengers all over the Pacific Northwest. The vessel was born in Astoria, Oregon, and spent most of its early career on the Columbia River. Following the bombing of Pearl Harbor in 1941, the US Navy commandeered the vessel to lay mines at the mouth of the river. The ferry was moved from Astoria, Oregon to Pierce County, Washington in 1967 and renamed the Islander of Pierce County. It worked on Puget Sound for many years, but eventually its wooden-hull design was overshadowed by vessels with more modern steel-hull designs. The vessel is listed on the Washington Historic Register and the National Register of Historic Places as the Islander of Pierce County.

In 1996, Don Stabbert and John Blackman (owner of Argosy Cruises at the time) purchased and refurbished the vessel adding two full-service bars, a galley, and 12-foot floor-to-ceiling windows. The MV Kirkland was moved to Kirkland and has been leased to Argosy Cruises ever since. The MV Kirkland departs Marina Dock in Kirkland for cruises of Lake Washington, including narrated tours featuring waterfront homes, Husky Stadium, and the regional scenery. Approximately two years ago, Mr. Blackman sold Argosy Cruises. The MV Kirkland is still owned fifty percent by Don Stabbert and fifty percent by John Blackman and is still leased by Argosy Cruises (under new ownership) to run tours and charters from the north side of Marina dock. Argosy Cruises is in the first year of a three-year lease for the north side of the dock that was entered into as a result of a competitive RFP process completed in 2009.

The City of Kirkland has two leased docks – the Marina Park dock and the 2<sup>nd</sup> Avenue South dock. Both the north and south sides of the Marina Park Dock are available to lease. As noted

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Page 2

above, the north side of the dock is leased by Argosy Cruises. The South side of the dock was also put out to bid and was leased to Waterways who also planned to run tours and charters from the dock. The Waterways lease required the proprietors to run water and power to the south side of the dock and to install a ticket booth. The Waterways lease was terminated after several months due to non-payment. None of the improvements required in the lease were performed. At this time, the south side of the dock is used for transient moorage and "touch and go" cruises and charters. Currently, because of the economy, there is some question as to whether Marina dock has the capacity to support two tour businesses. The Parks Department can issue a competitive RFP for the south side of the dock if this is Council direction.

The 2<sup>nd</sup> Avenue South dock (north side only) also was offered for lease through a Request for Proposal (RFP) process. The lease was granted to the Island Sailing Club. The south side of the dock is not available for long term leases because the majority of the water access to the south side is in private ownership. The south side of the dock is used for charters and "touch and go" moorage. Given the availability of the 2<sup>nd</sup> Avenue South dock for transient moorage, the south side of the Marina Park dock could be available for a longer term lease.

Mr. Stabbert has had the MV Kirkland for sale for over two years and now indicates that he has two potential buyers, one of whom he believes would continue operations in Kirkland. Mr. Stabbert has made a verbal request to the City of Kirkland for a 5-year lease of the south side of the Marina Park dock in addition to the request in his letter that the City install water and power at the City's expense (estimated cost of \$10,000 for a shared water line). He is requesting the 5-year lease and the improvements in order to guarantee this to a potential buyer of the MV Kirkland (see Attachment A ). These improvements would also trigger the need to reconfigure/landscape the point of sale ticket booth area and bring in power and telephone lines for operations. The estimated cost on this is yet to be determined and could be a contractual requirement of a new vendor once a lease is awarded. He has stated that his decision on the two purchase offers will likely be made within 30 days of his initial request from October 23<sup>rd</sup>, 2009.

Mr. Stabbert has also sent this letter to the Kirkland Heritage Society, requesting some assistance to help keep the MV Kirkland in Kirkland. Attached is the letter of support from the Heritage Society (Attachment B).

Argosy Cruises is aware that the MV Kirkland is for sale, but has declined to purchase it because of the cost of maintenance and operations, environmental impact, and the deterioration of the wood hull. Argosy Cruises has an interest in continued operations in Kirkland with a vessel that meets newer, higher air quality standards for its engines and generators and that doesn't rely on old growth timber to restore the wood. They are also looking for a vessel that compliant with ADA standards, offering an elevator system, ADA bathroom, and better amenities to accommodate those with special needs.

Argosy has continued to work with Mr. Stabbert to extend their lease of the MV Kirkland for another 12-24 months so that Argosy could complete their vessel search and provide for a timely sale and re-location of the MV Kirkland. Argosy was not aware of Mr. Stabbert 's proposal to continue to use the MV Kirkland on the south side of the public dock.

Another potential option that might meet Mr. Stabbert's interest to sell the MV Kirkland with moorage in Kirkland, would be to work with Carillon properties to lease tour dock space at

November 5, 2009

Page 3

Carillon point. As a privately held marina, they have the option to negotiate a lease with Mr. Stabbert for the MV Kirkland without going through a competitive RFP process. This would allow Mr. Stabbert to sell the MV Kirkland with a lease, and not rely on the required procurement process of the city.

One of the options being explored by Mr. Blackman (co-owner of the MV Kirkland) and discussed with Mr. Stabbert, is to donate the vessel back to its original birthplace in Astoria Oregon. Astoria will be celebrating its centennial in 2012, and the Astoria Maritime Museum is considering this offer and possibility.

The City's purchasing policy has been to issue an RFP for leases of the tour dock. Following this policy helps ensure a fair process to accept proposals and assures that that City is contracting with a responsible vendor that best meets the specifications in the RFP for long term use of the tour dock. Further, the City Attorney has advised that for any lease of the tour dock, the City will want the right to approve the tenant's assignment of its leasehold interest to another party. A lease granted to Mr. Stabbert could not automatically be assigned to another party. The City would have to consent to the assignment. In consideration of this policy, Mr. Stabbert was advised that the potential buyer could respond to a City-issued RFP and potentially be awarded a lease for the south side of the tour dock. During an open, competitive bid process, Argosy Cruises, Mr. Stabbert and any other potential excursion or ferry boat operator could fairly participate.

If Council would like to consider entering into a long term lease of the south side of the Marina Park dock , staff recommends that the City issue an RFP for the dock in January and negotiate improvements to the facility through that process. In the meantime, the MV Kirkland can continue to dock at the Marina Park Dock through the existing lease with Argosy.

October 23, 2009

Joan McBride  
Kirkland City Council  
123 5<sup>th</sup> Ave South  
Kirkland, WA 98033

Re: MV Kirkland Historic Ferry

Dear Joan,

The ferryboat MV Kirkland has been operating from her berth at the city docks in downtown Kirkland since June 1996 carrying literally hundreds of thousands of people around Lake Washington and earning her place as an icon of the downtown waterfront. Her historic charm and classic character fit well with the Kirkland downtown and have allowed the ferry to serve as a wonderful Goodwill Ambassador for the city. However, now is the time for those in Kirkland who value the ferry MV Kirkland and want to see her remain an active part of the downtown waterfront to take action.

Two offers have been made to purchase the ferry. One offer would take the boat away from Kirkland for operation in Lake Union and Elliott Bay. The other offer would seek to keep the vessel in Kirkland operating much as she has for the last 13 years, but would require a new slip to moor the vessel as the current slip at the docks is leased to Argosy Tours for two more years. The south side of the pier (across from where the ferry currently moors) would be sufficient IF the city would provide power and water to the location (old woods boats like the ferry need to be kept warm and dry inside to preserve them for the long term). If the city can take swift action and assure a moorage spot with power and water could be provided, we think it likely the vessel will be able to stay in Kirkland. The decision on where the MV Kirkland goes next will likely be made in the next 30 days. If the City of Kirkland wishes to keep the ferry in the city, we strongly suggest they take prompt action to assure it has a place to moor at the city docks.

Please do not hesitate to contact Brooke Stabbert (206 963-9057, [bstabbert@westwater.com](mailto:bstabbert@westwater.com)) if you have any questions.

Sincerely,



Don Stabbert  
Managing Partner, Kirkland Ferry LLC

Cc: Dave Ramsay, Jenny Schroder, Carrie Hite, Penny Sweet, Kirkland Heritage Society, Kirkland Downtown Association

## **MV Kirkland History (formerly the Tourist II)**



- The ferry was launched in Astoria, Oregon on June 23, 1924 as the Tourist II for Captain Fritz Elfving to run service as a 22 car ferry boat from Astoria to Megler, Washington (near Ilwaco, Wa.).
- With the outbreak of WW II the Tourist II was purchased by the armed services, renamed the Octopus, and was operated as a troop transport across the Columbia River.
- On June 21, 1942 the Japanese submarine I-25 surfaced off the Oregon coast and shelled Fort Stevens, just 5 miles west of Astoria, and soon thereafter the ferry was converted into a minelayer and worked across the mouth of the Columbia River.
- After the war, the Department of Defense sold the Octopus back to Capt. Elfving who rechristened her the Tourist II. She went back to work on her ferry run until 1966 at which time the Astoria Bridge was completed and the ferry run became obsolete.
- In 1967 the Tourist II was sold to Pierce county transit and renamed the Islander of Pierce County. She went under a major renovation having the 2<sup>nd</sup> deck raised by 2' to accommodate oversized service vehicles. She ran from Steilacoom to McNeil and Anderson Islands.
- By the early 1990's The Islander of Pierce County became the back up to the backup boat, basically sitting unused as a ferry boat for about 3 years before being acquired by the Kirkland Ferry LLC. in November of 1995. She went through an \$800,000 remodel and refit, was renamed the M.V. Kirkland and in June, 1996 was placed in service as a tour and charter boat operating out of downtown Kirkland on Lake Washington.
- The M.V. Kirkland has carried hundreds of thousands passengers on Lake Washington public tours, private charters and special events during her career as a tour boat.
- On April 15, 1997 the M.V. Kirkland was added to the National Registry of Historic Places under her original name of Tourist II.



Kirkland Heritage Society

October 28, 2009

Mayor and City Council  
City of Kirkland  
123 5<sup>th</sup> Avenue  
Kirkland, WA 98033

RE: MV Kirkland

On behalf of the Board of the Kirkland Heritage Society I am writing to express our strong support of current efforts to retain the MV Kirkland in the City of Kirkland. This action was taken on October 22, 2009 at our monthly Board meeting. It is our understanding that one of the offers to buy this historic boat – listed on National Register of Historic Places – is contingent upon finding acceptable moorage space in Kirkland. Further, that this is proposed to be on the south side of the City dock across from its present location operated by Argosy tours.

Although most of this vessel's history has been in Astoria, Oregon and the Columbia River, it has been an integral part of Kirkland's waterfront for thirteen years. It is known for the tours as well as countless community parties and events held on it each year. It adds considerably to Kirkland's downtown and should continue to function in that capacity. We strongly urge that the City work to assure that the MV Kirkland is kept in Kirkland!

The MV Kirkland, originally named Tourist II, was built in 1924 in Astoria, Oregon as an auto ferry. It operated as a Columbia River ferry between 1924 and 1966. It is reported that it operated as a minelayer at the mouth of the Columbia River in WWII. Between 1967 to 1994 it was owned by Pierce County and operated in southern Puget Sound as the Islander of Pierce County. It was then sold to its present owners and in 1996 it was remodeled as a passenger-only, sightseeing vessel which now is based in Kirkland and provides tours of Lake Washington.

Assuming that the MV Kirkland is kept in Kirkland, the Kirkland Heritage Society would like to work with the new owner and City to place a historic marker out on the pier describing its history. KHS was given the Registration Form for the National Register of Historic Places prepared by Jeff Hickey in 1996 along with extensive supplemental information documenting the history. This information is maintained in our historic properties files at Heritage Hall.

We will greatly appreciate your timely action to make sure this historic resource remains a part of our community!

BOARD OF DIRECTORS, Kirkland Heritage Society

Robert G. Burke, Past President

Cc: David Ramsay, City Manager; Jennifer Schroder, Parks Director; Don Stabbert, Managing Partner, Kirkland Ferry LLC; Kirkland Downtown Association; KHS Board



**CITY OF KIRKLAND**  
Department of Public Works  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
www.ci.kirkland.wa.us

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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Daryl Grigsby, Public Works Director  
Rob Jammerman, Development Engineering Manager  
Katy Coleman, Development Engineering Analyst

**Date:** November 5, 2009

**Subject:** Kirkland Municipal Code Amendments - Public Works Fees

### RECOMMENDATION:

Adopt the attached ordinance reflecting changes to Titles 5, 15, and 19 of the Kirkland Municipal Code.

### BACKGROUND DISCUSSION:

The Public Works Department has been working on a project to simplify and clarify the fees that we charge to customers. The goal of the project is to consolidate all of the Public Works fees for administration, utility billing special charges, and permit review into one chapter in the Kirkland Municipal Code (KMC). Currently, the fees are scattered throughout Titles 15 and 19 in the KMC, and this proposed code amendment will bring all the fees into one table in Title 5.74.040. Most of the fees that are being moved to Title 5 are not being changed.

In addition to the fee consolidation, we are also adding or modifying several fees to either recover the costs of new work or reflect our current business practice. The fees that are being added or modified are as follows:

#### **New or Modified Administration Fees:**

There are several miscellaneous review and inspection processes for which we wish to recover our costs:

- Impact Fee – Independent Fee Review: Currently we charge \$200. We wish to change it to \$200 for up to 2 hours of process, and \$75 per hour thereafter.
- Right-of-way non-user relinquishment fee: Currently we do not charge for this process. We wish to change it to \$375 for up to 5 hours of process (typical), and \$75 per hour thereafter.
- Miscellaneous engineering review and inspection: When the Public Works Department provides engineering review or inspection services, and a fee for service is not published, the applicant shall pay \$75 per hour.

**Annual Adjustment for CPI**

All Public Works fees will be subject to review annually, and may be administratively increased or decreased, by an adjustment to reflect the current published annual change in the Seattle Consumer Price Index for Wage Earners and Clerical Workers as needed in order to maintain the cost recovery objectives established by the City Council. This adjustment language exists within the Planning and Building Departments fee codes.

**Surface Water Review and Inspection Fees:**

At the October 21, 2009 Council Meeting, Public Works staff presented the proposed Surface Water Regulations that are required in conjunction with our NDPES Permit. During our presentation we discussed the need to bring back a fee ordinance with the Surface Water Ordinance that would recover the costs of the increased surface water review and inspection responsibilities. After reviewing the additional tasks required as a result of the new surface water regulations, staff estimated the additional review and inspection hours for each type of surface water review (Table 1 below) which led to the recommended fees (Table 2 below).

Type of Surface Water Review	Add. Review Hrs.	Add. Facility Inspection Hrs.	Add. Erosion Inspection Hrs.	Total Additional Hrs	% of PW Permit Volume
Small-Type I	2	0	3	5	61%
Small – Type II	4	2	6	12	13%
Targeted	6	3	12	21	5%
Full	10	6	26	42	21%

Type of Storm Review	Full Cost Recovery	72% Adopted Target Recovery	Recommended Fee
Small-Type I	\$523	\$376	\$375
Small – Type II	\$1,254	\$903	\$905
Targeted	\$2,195	\$1,580	\$1,580
Full	\$4,389	\$3,160	\$3,160

Surface Water Adjustment Process: This is a fee that would recover the cost of the Surface Water Adjustment Process; the adjustment process is used when a variance from the standards is requested. The proposed fee is \$150 for up to 2 hours of process, and \$75 per hour thereafter.

Note: The fee table in the ordinance also lists a Roof and Driveway Drainage Connection Inspection fee of \$637. This is an existing fee that has been incorporated into the new fee table for KMC Title 5.

To give a before-and-after comparison of the surface water review fees, the following table lists several sample projects that were permitted between 2008-2009, the Surface Water (SW) fees the project paid, and the new SW fee that would be added to the project if it had been permitted in 2010. We've also list the approximate total development fees paid on the project for a before-and-after comparison:

Sample Project	Project Valuation	2009 SW Fee	2010 SW Fee	Approx. 2009 Total Fees – All Depts.	Approx. 2010 Total Fees w/ new SW Fee
Single-family 1,600 sq ft. addition – Market Neighborhood	\$240,000	\$637	\$1012 <sup>(1)</sup>	\$10,056	\$10,431
New Single-family Home in Houghton	\$450,000	\$637	\$1,542 <sup>(2)</sup>	\$23,241	\$24,146
LW High School	\$26 Million	\$70,944	\$74,104 <sup>(3)</sup>	\$430,000	\$433,000
Holy Family Church Parish	\$5.1 Million	\$13,693	\$16,853 <sup>(3)</sup>	\$131,000	\$134,000
5-lot Short Plat in Rose Hill	\$1.2 Million <sup>(4)</sup>	\$9,314	\$12,474 <sup>(3)</sup>	\$12,815 (PW only)	\$15,975

- (1) Small Type I Review – additional \$375 fee added
- (2) Small Type II Review – additional \$905 fee added
- (3) Full Review – additional \$3160 fee added
- (4) Valuation is for street and utility improvements only; no new homes were included.

Last, staff attempted to compare the proposed SW fees against the same fees charged by other neighboring cities. What we found is that every city calculates their Public Works Review and Inspection fees differently; some collect flat fees in multiple areas (grading, roads, building, etc), some charge by the hour with no set fee for any permit. No neighboring City matched our SW fee methodology. Given the different fee calculation method that each jurisdiction uses, attempting to compare the fees, especially for large projects, is not possible. For smaller projects such as a new single-family home, we were able to estimate the following SW Review and Inspection fees:

SW Fee for New In-fill Single-Family Home	Kirkland (existing + new)	Redmond	Bellevue	Bothell
	\$1,542	\$2,264	\$177-\$655 +\$118/Hr	\$686 + \$129/Hr

ORDINANCE NO. 4215

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO FEES CHARGED BY THE DEPARTMENT OF PUBLIC WORKS, ESTABLISHING A CENTRALIZED FEE PROVISION FOR PUBLIC WORKS FEES, AND MODIFYING THE AMOUNTS OF CERTAIN EXISTING FEES AND CREATING CERTAIN NEW FEES.

WHEREAS, the provisions relating to fees charged by the Department of Public Works are in numerous locations throughout Titles 15 and 19 of the Kirkland Municipal Code ("KMC"); and

WHEREAS, the City would like to create a central provision which contains all Public Works Department Fees; and

WHEREAS, in addition, the City would like to modify the amounts of certain fees and establish certain new fees;

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

Section 1. Section 5.74.040 of the KMC is hereby amended to read as follows:

**5.74.040 Fees charged by the public works department**  
~~Inspection fees for public improvements to be paid prior to acceptance~~  
~~Amount of fee established~~  
**Exceptions.**

(a) The schedule below establishes permit and administrative fees charged by the public works department.

<u>Fee Type</u>	<u>Fee Amount</u>
<b><u>Water – meter installation</u></b> (Each fee includes a \$50 administration charge)	
<u>3/4" meter</u>	<u>\$129</u>
<u>1" meter</u>	<u>\$159</u>
<u>1-1/2" meter</u>	<u>\$225</u>
<u>2" meter</u>	<u>\$294</u>
<u>Greater than 2"</u>	<u>Time and materials</u>
<b><u>Water – billing</u></b>	
<u>Customer-requested service shutoff during business hours</u>	<u>\$30</u>
<u>Customer-requested service shutoff during non-business hours</u>	<u>\$80</u>
<u>Service calls if broken water line was caused by owner/occupant</u>	<u>\$20</u>
<u>Special water meter reading</u>	<u>\$40</u>
<u>Alternate billing</u>	<u>\$10</u>
<u>Cut lock fee</u>	<u>\$60</u>
<u>Shut-off tag</u>	<u>\$20</u>
<u>Water restrictions penalty</u>	<u>Up to \$50/day</u>

<p><b>Sewer - permits</b>  <u>New or replacement side sewer inspection</u>  <u>Side sewer repair (&lt; 10 feet) inspection</u>  <u>Side sewer cap inspection</u>  <u>Septic system abandonment inspection</u>  <u>Side Sewer Stub fee (for City-installed stub)</u></p>	<p><u>\$425</u>  <u>\$58</u>  <u>\$58</u>  <u>\$58</u>  <u>\$1062 min. or as documented</u></p>
<p><b>Sewer – discharge regulation</b>  <u>Penalty for late discharge report (late after 30 days)</u>   <u>Penalty – discharge compliance, incomplete actions</u>   <u>Penalty – non-maintenance of FOG systems</u>   <u>Penalty – inaccurate or incomplete report</u></p>	<p><u>\$25/day for first 20 days, then \$100/day, for a maximum of \$1000 total.</u>   <u>\$100/day for 60 days max.</u>   <u>\$500 + city maintenance costs. Second year: \$1000 + city maintenance costs</u>   <u>\$100 for first offense</u></p>
<p><b>Sewer – billing</b>  <u>Sewer Service call (customer problem)</u></p>	<p><u>\$20</u></p>
<p><b>Right-of-Way</b>  <u>Permit to work in ROW – Standard</u>  <u>Permit to work in ROW – Basic</u></p>	<p><u>\$372</u>  <u>\$106</u></p>
<p><b>Storm Drainage (Surface Water)</b>  <u>Surface Water Drainage Plan check fees (see PW Pre-Approved Plans and Policies for description of review types):</u>  A) <u>Small – Type I Review</u>  B) <u>Small – Type II Review</u>  C) <u>Targeted Review</u>  D) <u>Full Review</u>  E) <u>Roof/ Driveway Drain Connection Inspection</u>  F) <u>Surface Water Adjustment Process (see PW Pre-approved Plans and Policies for full description)</u></p>	<p><u>\$375</u>  <u>\$905</u>  <u>\$1580</u>  <u>\$3160</u>  <u>\$637</u>   <u>\$150 for up to 2 hours of process, and then \$75/hour thereafter</u></p>
<p><b>Miscellaneous Review and Inspection Fees</b>  <u>When the Public Works Department provides engineering review or inspections services, and a fee for such service is not published, the applicant shall pay the following rate for such services:</u>   <u>Impact fee – Independent Fee Review</u></p>	<p><u>\$75 per hour</u>   <u>\$200, plus \$75 per hour of review</u></p>

<u>Right-of-way non-user relinquishment review fee</u>	<u>\$375 for up to 5 hours process, and \$75/hour thereafter</u>
<b>City trees</b> <u>Civil penalties for violations, per day</u>	<u>1<sup>st</sup> violation - \$200</u> <u>2<sup>nd</sup> violation - \$400</u> <u>3<sup>rd</sup> violation - \$600</u>

(ab) Whenever any construction work, public improvement or other activity is required or permitted to be performed upon any public right-of-way, or within or upon any property which, upon completion of said work or activity, is to be conveyed or dedicated as public right-of-way or public easement, the city shall not accept for maintenance or otherwise, such work, improvement, facility or activity until there has been paid to the city by the person required or permitted to perform such work or activity, an amount equal to ten percent of the estimated cost of construction of such work, improvement, facility or activity as and for reimbursement to the city for its cost of inspection of such work, improvement, facility or activity. In addition, prior to the release of any permit for construction of storm drainage collection and conveyance on private property the permit applicant shall pay a fee equal to ten percent of the estimated cost of construction of such work, improvement, facility or activity as and for reimbursement to the city for its cost of inspection of such work, improvement, facility or activity. Estimated cost of construction shall be determined by the director of the department of public works.

~~(b) Whenever a building permit is issued for a new single family home or for a single family addition greater than one thousand square feet, a storm drainage system and erosion control review and inspection fee shall be paid. The fee for each building permit shall be three hundred dollars beginning on May 1, 2005, and six hundred dollars beginning on March 1, 2006.~~

(c) ~~Provided, however, that this~~ This section shall not apply to:

- (1) Work performed under public works construction contracts let by the city pursuant to Chapter 3.85 of this code; or
- (2) So much of such work performed under a developer's extension agreement (Chapter 35.91 RCW facilities agreement) as is determined by the director of public works to be for the benefit of the Kirkland water or Kirkland sewer system rather than for the benefit of the property being concurrently subdivided, developed or improved by the signors to the developer extension agreement.

(d) The director is authorized to interpret the provisions of this chapter and may issue rules for its administration. This includes, but is not limited to, correcting errors and omissions and adjusting fees to match the scope of the project. The fees established here will be reviewed annually, and, effective January 1st of each year, may be administratively increased or decreased, by an adjustment to reflect the current published annual change in the Seattle Consumer Price Index for Wage Earners and Clerical Workers as needed in order to maintain the cost recovery objectives established by the city council.

Section 2. Section 15.08.010 of the KMC is hereby amended to read as follows:

**15.08.010 Required—Contents.**

The city will require prospective customers to sign an application for water service or sewer service. The application must be made in writing or on a standard form at the office of the public works department. The application shall set forth:

- (1) Signature of applicant;
- (2) Owner of premises to be served;
- (3) Location of premises;
- (4) Address of party paying bills;
- (5) The size of service pipe required;
- (6) Purpose for which service is to be used;
- (7) Payment of all required fees as established in this Title and in Section 5.74.040 of this Code.

Section 3. Section 15.12.060 of the KMC is hereby amended to read as follows:

**15.12.060 Side sewer fees.**

Whenever any connection is made for the benefit of property lying within the city limits to the city sewer system, installation and inspection fees shall be paid as outlined in Section 5.74.040 of this Code. ~~the following installation fees shall be paid:~~

- ~~(1) Inspection and Stub-In Fees. Sewer inspection permit fee, two hundred fifty dollars. Stub-in fee, one thousand dollars minimum or as otherwise documented by city construction costs. (Where applicable a stub-in fee will be assessed.)~~
- ~~(2) Sewer System Inspection Fee. The two hundred fifty dollar permit shall be paid in all cases, and a permit shall be required for each new account or customer added to the sewer system.~~
- ~~(3) Side Sewer Capping Inspection Fee. All side sewers which are disconnected from the building must be capped and inspected by a public works inspector. The fees for said inspection shall be fifty five dollars. A side sewer permit shall be required whenever capping of the side sewer is necessary.~~

Section 4. Section 15.12.070 of the KMC is hereby amended to read as follows:

**15.12.070 Fees for special services rendered.**

In addition to all other user rates and service connection fees required to be paid to the city, the following special service fees are established and shall be paid by the owner of the property served:

Service Calls. When a service call is made at the request of the owner or occupant of the premises for assistance in locating and/or repairing a plugged sanitary sewer drain, no charge will be assessed if plugged sewer lines were not caused by the owner or occupant of the premises. However, a charge as set forth in Section 5.74.040 of this Code ~~of twenty dollars~~ shall be made only when it is determined that the location or cause of the sanitary sewer drain plug is not within the city-owned main or trunk line and it was caused by the owner or occupant of the premises. The foregoing fees when incurred shall be added to the next customer billing as provided in Section 15.20.050.

Section 5. Section 15.14.030 of the KMC is hereby amended to read as follows:

**15.14.030 Water meter installation charge.**

(a) The meter installation charge shall be based upon the size of the meter required. Each meter fee shall include ~~a service line inspection fee of fifty dollars and is included in the following schedule: an administrative fee and is set forth in Section 5.74.040 of this Code.~~

3/4 inch meter	\$108.00
1 inch meter	143.00
1-1/2 inch meter	220.00
2 inch meter	286.00

~~Any meter in excess of two inches in diameter: the actual cost of the meter plus installation cost plus a fifty dollar service line inspection fee.~~

(b) ~~The fee for installing the meter and the service line including a fifty dollar administrative fee is as follows:~~

3/4 inch meter	\$444.00
1 inch meter	592.00
1-1/2 inch meter	863.00
2 inch meter	1,034.00

~~Any meter in excess of two inches in diameter: the actual cost of the meter and service line, plus installation costs, plus street patching costs, plus a fifty dollar administrative fee. It is generally the responsibility of the owner/contractor to perform the installation, abandonment, or upgrade of water services. In certain instances, the City Water Division may elect to perform this work. The fee for this is on a time and material basis, plus City overhead costs.~~

(c) Annual Adjustment in Meter Charge. Annually the director of public works shall adjust the meter charges in accordance with the following adjustment formula: the director shall determine for each meter size the average cost to the city for meter plus installation, using the actual cost of meter installation, using the actual cost of meter and installation for the immediate past thirty meter installations; provided, that he shall exclude from the calculation, any meter installation occurring more than three years prior to the date of calculation, and any meter installation where the cost thereof was either fifty percent more than or fifty percent less than the calculated average cost. To the average cost shall be added an administration fee and the sum thereof shall be the adjusted water meter charge to be paid.

Section 6. Section 15.14.050 of the KMC is hereby amended to read as follows:

**15.14.050 Fees for special services rendered.**

In addition to all other user rates and service connection fees required to be paid to the city, the following special service fees are established

in Section 5.74.040 of this Code and shall be paid by the owner of the property served:

(1) Customer-Requested Service Shutoff. A water service shutoff or disconnect made at the request of the owner or occupant of the premises served:

~~(A) When shutoff may be made by the city during regular business hours, thirty dollars;~~

~~(B) When shutoff can only be made by the city during nonbusiness hours, eighty dollars.~~

(2) Water Service Shutoff or Turn-On for Unpaid User Bill. A water service shutoff or disconnect for nonpayment of delinquent water, sewer or refuse bill as authorized by Section 15.20.020, or for turning it on after payment of such delinquencies, ~~forty dollars within normal business hours, ninety dollars if during nonbusiness hours.~~

(3) Service Calls. When a service call is made at the request of the owner or occupant of the premises for assistance in shutting off the water line to help locate and/or repair a water line leak, no charge will be assessed if the broken water line was not caused by the owner or occupant of the premises. However, a charge of ~~twenty dollars~~ shall be made if it is determined the water line leak was caused by the owner or occupant of the premises.

(4) Special Water Meter Reading. A reading of a customer's water meter, at the request of the owner, title or escrow company, occurring on any day other than the day the city has established as the property's regular scheduled water meter reading, forty dollars.

(5) Alternate Billing. When alternate billing is requested as authorized by Section 15.20.010, ~~ten dollars.~~

(6) Cut Lock Fee. When the water meter is discovered unlocked after the meter has been turned off and locked for non-payment of delinquent water, sewer or refuse bill as authorized by Section 15.20.020, ~~sixty dollars.~~

(7) Shutoff Tag. A customer receiving a shut-off tag notice as final notice before water is shut off for nonpayment, ~~twenty dollars.~~

(8) The foregoing fees when incurred shall be added to the next customer billing as provided in Section 15.20.050.

Section 7. Section 15.16.045 of the KMC is hereby amended to read as follows:

**15.16.045 Water restrictions—Penalty.**

It is unlawful for any person to violate water use restrictions. In addition to other lawful remedies, the director of public works is authorized to impose a surcharge ~~of up to fifty dollars~~ for each day a customer's water usage practices exceeds water conservation restrictions as provided for in this chapter. Said surcharge The applicable per-day surcharge amount is set forth in Section 5.74.040 of this Code and will be added to and become a part of the water bill for the customer in addition to any service rate amounts as set forth in Chapter 15.20 of this code. Prior to the imposition of a surcharge, the public works department shall send a notice at the service address advising of the customer's water usage practices in excess of mandatory water shortage restrictions and advising that a surcharge may be imposed for any further violations.

Section 8. Section 15.24.080 of the KMC is hereby amended to read as follows:

**15.24.080 Exempt meters—Nonresidential customers only.**

(a) Where the use of water by a nonresidential customer is such that a portion of all of the water used does not flow into the sewer system, but is lost by evaporation, irrigation, sprinkling or other causes, or is used in manufacturing or in a manufacturer's product, and the person in control provides proof of this fact to the satisfaction of the director of public works and installs other measuring devices approved by the city manager acting through the public works

director to measure the amount of water so used and so lost, no charge shall be made for sewer service because of water so used or lost.

(b) In addition to the above, the measuring devices (exempt or deduct meters) are subject to the following:

(1) Deduct meter readings are to be turned in bimonthly, in writing, to the city utility billing department on the fifteenth of each month. Written deduct meter readings shall be sent to:

The City of Kirkland  
123 5th Ave.  
Kirkland, WA 98033  
Att: Utility Billing

(2) Deduct meters will be inspected twice annually on or about the first day of January and on or about the first day of July by the department of public works. The fee for each inspection is set forth in Section 5.74.040 of this Code~~shall be twenty-five dollars paid by the customer.~~

(3) The customer is responsible for reporting when a deduct meter has been damaged (the date) and when the meter is to be replaced or repaired. All repairs or replacement of the deduct meters shall be performed by a licensed contractor and the customer shall be responsible for all associated costs.

(4) Deduct meters shall be tested at least every five years or more frequently as determined by the director of public works. The customer is responsible for the testing cost. If the meter is not tested within one month of notice by the department of public works, the deduct meter will no longer be recognized by the utility billing department.

(5) Only meters certified by the department of public works shall be used as deduct meters. The water department shall keep a current list of acceptable meters.

(6) When it is necessary for city staff to read or inspect a deduct meter, the customer or a building representative shall be available to accompany city staff when entering the building.

Section 9. Section 15.28.110 of the KMC is hereby repealed.

Section 10. Section 15.36.120 of the KMC is hereby amended to read as follows:

**15.36.120 Standards for discharges and reporting—Enforcement—Penalties.**

(a) Those dischargers subject to national pretreatment standards will be subject to enforcement action in accordance with this chapter

for any violations of the criteria and limitations specified in the categorical standard or the general pretreatment standards set forth in 40 CFR 403, as currently written or hereafter amended, which standards are hereby adopted by reference.

(b) Maximum Daily Concentration Allowed. The maximum daily allowable concentration for dischargers not regulated under national pretreatment standards is violated under the following circumstances:

(1) The arithmetic mean of concentrations for eight consecutive samples collected within a twenty-four-hour time period over intervals of fifteen minutes or greater is in excess of the limitation.

(2) The concentration value obtained from a composite sample that is representative of the twenty-four-hour discharge is in excess of the limitation.

(3) The concentration of any single sample (whether as single grab sample or a sample within a series) exclusive of any fats, oils, and grease exceeds the limitation by a factor of two and one-half times.

(4) The arithmetic mean of the concentration of fats, oils, or greases for three grab samples, taken no more frequent than five-minute intervals, exceeds the limitation.

(c) Maximum Allowable Poundage Limitations. A violation shall occur if the maximum allowable effluent poundage limitation as established in the private wastewater discharge permit is exceeded. The daily poundage discharged shall be calculated using the volume of effluent discharged that day times the concentration for that day either reported by the discharger or obtained through sampling by the city. The poundage shall be determined utilizing the formula:

$$\text{Lb./day} = \text{conc. in mg/L} \times \text{gal/day disch.} / 1,000,000 \times 8.34$$

(d) Reporting Requirements. A violation shall occur if any reporting requirements established by permit, accidental discharges, upset conditions, written request of the city or authorized representative, or as specified by general pretreatment standards (40 CFR 403.12) are not complied with. A violation shall occur when any person knowingly makes any false statement, representation, or certification in an application, record, report, plan or other document filed or required to be maintained pursuant to this chapter, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under this chapter.

(e) "FOG" Pretreatment Facility—Maintenance. A violation shall occur if there is any failure to maintain grease or grit interceptors or oil/water separators which causes maintenance on any sewer line to be greater than once every two years caused by excessive oil, grease, or fat buildup in the sewer lines; or excess buildup of sand, gravel or other materials clogging the sewer lines. The lack of any device to prevent discharge of grease, oil, fats, sand, gravel or any other materials which will cause excessive maintenance of the sewer lines shall not relieve the discharger of the responsibility of liability for any costs to city for excessive maintenance and/or other costs incurred by the city.

(f) Discharge of Dangerous Waste. A violation shall occur if any material listed on the discharge chemical products list of the state of Washington (WAC 173-303-9903) is discharged into any public sewer or building sewer tributary thereto.

(g) Explosion Meter Readings. A violation shall occur if the readings on an explosion meter at any point in the collection system or

wastewater treatment plant is greater than ten percent for a single reading or greater than five percent for two successive readings.

(h) Termination of Treatment Services—Permit Revocation. The city shall have the authority to terminate wastewater treatment services of the discharger and revoke any permit issued if it determines that the discharger has:

(1) Failed to accurately report wastewater constituents and characteristics more than once; or

(2) Failed to report significant changes in wastewater constituents, characteristics, flow volumes or types of discharge to the wastewater treatment plant; or

(3) Refused reasonable access to the discharger's premises for purposes of inspection or monitoring; or

(4) Violated conditions of the wastewater discharge permit; or

(5) Violated any of the provisions of this chapter, regulations promulgated hereunder, state law or federal law; or

(6) Violated any lawful order of the city issued with respect to the discharger's permit or this chapter; or

(7) Tampers with, disrupts, damages or renders inaccurate any wastewater monitoring device required by this chapter.

(i) Other Violations.

(1) If reports required by permit, this chapter or state or federal pretreatment regulations are submitted later than thirty days after they are due, the discharger shall be subject to civil penalties as set forth in Section 5.74.040 of this Code. ~~of twenty five dollars per day for a maximum of twenty working days. The penalty shall then be increased to one hundred dollars per day with a maximum fine of one thousand dollars.~~ In the event the reports have not been submitted at the time the maximum penalty is imposed, the city shall seek remedies under subsection (h) of this section.

(2) If any of the actions prescribed in any compliance schedule established by permit or by order of the city are not complete within thirty days of the time they are required to be complete, the discharger shall be subject to civil penalties as set forth in Section 5.74.040 of this Code. ~~of one hundred dollars per day for a maximum of sixty days for each day the action(s) have not been completed.~~ In the event the actions have not been completed ninety days after the date scheduled in the permit or order, the city shall seek remedies under subsection (h) of this section.

(3) If a discharger fails to maintain grease, oil and/or sand removal systems which results in the city having to perform the maintenance of the collection system or treatment plant, the discharger shall be subject to a the applicable civil penalty set forth in Section 5.74.040 of this Code, ~~of five hundred dollars~~ which shall be added to the costs incurred by the city to perform the maintenance. If the city must perform any maintenance for that discharger a second time within a three-year period, the penalty shall be the applicable civil penalty set forth in Section 5.74.040 of this Code ~~one thousand dollars~~, which shall be added to the costs of maintenance by the city. In the event the city having to perform any maintenance for that discharger continues, the city shall seek remedies under subsection (h) of this section.

(4) Failure to provide accurate or complete information on any wastewater discharge reports or the requirements of a discharge permit shall result in a civil penalty as set forth in Section 5.74.040 of this Code ~~of one hundred dollars for the first offense.~~ Thereafter, the

discharger shall be subject to remedies under subsection (h) of this section.

(5) In addition to the assessments described in this section, any costs incurred by the city, including but not limited to, attorney's fees, shall be added to the total amount of the civil penalty assessment.

Section 11. Section 19.12.090 of the KMC is hereby amended to read as follows:

**19.12.090 Permit—Basic fee required.**

(a) The basic fee for a permit to disrupt a street surface, curb or sidewalk or place a utility in the right-of-way is set forth in Section 5.74.040 of this Code~~shall be two hundred eighty five dollars effective May 1, 2005, and three hundred fifty dollars effective March 1, 2006. For street cuts measuring less than seventy five square feet of street cut area and requiring no utility inspection the fee shall be eighty dollars effective May 1, 2005, and one hundred dollars effective March 1, 2006.~~

(b) Also, a street security deposit shall be paid. The street security deposit shall be in an amount determined by the director of public works to be sufficient to pay for the cost to the city to restore the street surface, curb or sidewalk in event of failure. At least annually, the director shall prepare and maintain schedules for street security deposits, which reflect the current actual cost to the city as determined by the most recent Engineering News Record Construction Cost Index. Such schedules shall at all times be available to the general public.

(c) If the work is performed by jacking or boring under the street, the entire street security deposit shall be refunded.

(d) If the street surface is disturbed and properly repaired and restored, the portion of the street security deposit as is established for refund in the schedule provided in subsection (b) of this section shall be refunded after ninety days from the date of repair.

(e) Inspections shall be requested by the contractor at least two hours prior to backfill, in order to receive a refund.

(f) No refund of a street security deposit shall be made until sufficient time has elapsed following the completion of the disruption work to assure the fact of "nonfailure" of the restoration.

Section 12. Section 19.12.100 of the KMC is hereby amended to read as follows:

**19.12.100 Inspection time—Additional charge.**

An additional time charge will be made where pre-inspection and post-inspection times exceed one hour. Such extra charge will be invoiced to the contractor separately at the rate provided for in Section 5.74.040 of this Code~~of fifteen dollars per hour.~~

Section 13. Section 19.36.050 of the KMC is hereby amended to read as follows:

**19.36.050 Civil penalties for violations.**

(a) The director of public works or his or her designee shall be responsible for enforcing the provisions of this chapter with respect to street trees. The director of parks and community services or his or

her designee shall be responsible for enforcing the provisions of this chapter with respect to city parks and other city property.

(b) When taking enforcement action under this chapter, the city's primary goal, if feasible, shall be full restoration of the area where the violation occurred. Each tree removed, pruned, trimmed, modified, altered or damaged in violation of this chapter shall constitute a separate violation for the purpose of assessing penalties under this chapter. Violations shall be deemed to be continuing in nature until the area where the violations occurred is fully restored to the condition it was in prior to the violations; provided, that the city, in its discretion, may suspend the accrual of daily penalties if the property owner is actively and diligently implementing a city-approved restoration plan. The costs of restoration shall not be more than the appraised value of the significant trees removed, according to the most recent edition of the Guide for Plant Appraisal.

(c) In addition to the costs of restoration, the amount of the monetary penalty per day for a violation of this Chapter is set forth in Section 5.74.040 of this Code as follows:

- ~~(1) First violation: two hundred dollars.~~
- ~~(2) Second violation: four hundred dollars.~~
- ~~(3) Third violation: six hundred dollars.~~

(d) Payment of a monetary penalty under this chapter does not relieve a person of the duty to correct the violation as ordered by the applicable department director.

Section 14. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 15. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney

PUBLICATION SUMMARY  
OF ORDINANCE NO. 4215

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO FEES CHARGED BY THE DEPARTMENT OF PUBLIC WORKS, ESTABLISHING A CENTRALIZED FEE PROVISION FOR PUBLIC WORKS FEES, AND MODIFYING THE AMOUNTS OF CERTAIN EXISTING FEES AND CREATING CERTAIN NEW FEES.

SECTION 1. Amends Section 5.74.040 of the Kirkland Municipal Code by establishing permit and administrative fees charged by the public works department and authorizes the public works director to interpret the provisions of this chapter.

SECTION 2. Amends Section 15.08.010 of the Kirkland Municipal Code requiring payment of all fees as established in this Title and in Section 5.74.040 of this Code.

SECTION 3. Amends Section 15.12.060 of the KMC related to side sewer fees.

SECTION 4. Amends Section 15.12.070 of the KMC related to service call fees.

SECTION 5. Amends Section 15.14.030 of the KMC related to water meter installation charges.

SECTION 6. Amends Section 15.14.050 of the KMC related to special services rendered fees for customer-requested service shutoff; water service shutoff or turn-on for unpaid bill; service calls; special water meter reading; alternate billing; cut lock fee and shutoff tag notice.

SECTION 7. Amends Section 15.16.045 of the KMC related to water restrictions penalty surcharge.

SECTION 8. Amends Section 15.24.080 of the KMC related to the inspection fee for exempt meters for non-residential customers for deduct meters.

SECTION 9. Repeals Section 15.28.110 of the Kirkland Municipal Code.

SECTION 10. Amends Section 15.36.120 of the KMC related to standards for discharges and reporting, enforcement and penalties.

SECTION 11. Amends Section 19.12.090 of the KMC related to the fee for a permit to disrupt a street surface, curb or sidewalk or place a utility in the right-of-way.

SECTION 12. Amends Section 19.12.100 of the KMC related to additional time charge for pre-inspection and post-inspection times exceeding one hour.

SECTION 13. Amends Section 19.36.050 of the KMC related to civil penalties for violations.

SECTION 14. Provides a severability clause for the ordinance.

SECTION 15. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

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

\_\_\_\_\_  
City Clerk

**CITY OF KIRKLAND**

Department of Finance &amp; Administration

123 Fifth Avenue, Kirkland, WA 98033 425.587.3100

[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Tracey Dunlap, Director of Finance and Administration  
Sri Krishnan, Acting Financial Planning Manager

**Date:** November 5, 2009

**Subject:** **PRELIMINARY 2010 PROPERTY TAX LEVY**

**RECOMMENDATION:**

Council approve the attached interim ordinance levying property taxes for the year 2010.

**BACKGROUND DISCUSSION:**

The attached interim ordinance is required in order to meet the December 4<sup>th</sup> deadline established by the King County Council for submission of levy amounts. Each year the County prepares a levy worksheet for cities that establishes the maximum levy capacity (within legal limits) and the amount of new construction valuation. The City cannot accurately calculate the amount of the levy until the final worksheet is received. The County estimates that the final levy worksheets will be available either by the last week of November or the first week of December. Since the date of the final levy worksheet is unknown, an interim ordinance needs to be passed that establishes a maximum amount of property taxes the City expects to levy in 2010. We use a maximum amount since the County will allow us to submit a final levy amount that is lower than the preliminary amount but not higher. Consequently, the preliminary property tax levy is typically higher than the final levy will be. The final levy will be calculated when the City receives its final levy worksheet from King County and will be brought forward for adoption at the December 15<sup>th</sup> City Council meeting.

It should be noted that the property tax levy still needs to be established annually even though the Council has adopted a budget for the 2009-2010 biennium. Accordingly, the attached ordinance relates to 2010 only.

The following discussion explains how the preliminary levy numbers were calculated for each of the variable factors in the levy. There are two components to the property tax levy — the regular levy, which funds operating costs, and the excess levy, which funds debt service on voter-approved bonds.

**Regular Levy**

For 2010, there are two factors impacting the amount of the regular levy – the new construction levy and the optional increase.

November 5, 2009

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### New Construction

New construction represents additional property taxes to be received from the construction of new buildings and additions to existing structures. The new construction levy increases revenue to the City but does not increase the tax levy on existing taxpayers. The new construction levy is calculated by dividing the new construction valuation by \$1,000 and multiplying the quotient by the current year's regular levy tax rate<sup>1</sup> (\$1.02548 per \$1,000 of assessed valuation). The preliminary new construction valuation for the 2010 levy (as of October 21, 2009) is \$94,462,949, which translates into a new construction levy of \$96,870 ( $\$94,462,949/\$1,000 \times \$1.02548$ ). Over the past several years, the increase in new construction levy as a percentage of each year's total base regular levy has ranged between 1% and 4%. The estimated 2010 new construction levy of \$96,870 (as of 10/21/09) is 0.72% of the total base regular levy for 2010.

The attached interim ordinance includes new construction that is equivalent to 2.3% of the total 2010 regular levy or \$290,610, which is intentionally high to ensure that all new construction amounts will be available. The final new construction levy will not be known until the City receives its final levy worksheet from King County in December. Once the final levy worksheet is received, staff will adjust the 2010 property tax levy accordingly and submit a final ordinance for Council approval on December 15, 2009.

### Optional Levy Increase

The adopted 2009-2010 Budget assumes the optional increase of one percent in 2010. The City Council will consider a finding of substantial need calling for the one percent optional increase on November 17, 2009. Each one percent increase in the regular levy equates to a little more than \$126,000 in new revenue to the General Fund and about \$8,000 in new revenue to the Parks Maintenance Fund, for a total of about \$134,000. Note that this figure is net of a levy correction by King County of \$18,919.

### **Excess Levy**

The total excess levy, which relates to voted debt, is decreasing from \$1,456,986 in 2009 to \$921,776 in 2010, due to the retirement of the 1993 Unlimited General Obligation Refunding. This translates to a rate per \$1,000 assessed value of \$0.08141 (a decrease from the 2009 rate of \$0.11115).

### **Trends in Assessed Valuation**

Growth in assessed valuation is composed of new construction and revaluation of existing properties. Preliminary figures from King County dated 10/21/09, indicate that the City's total assessed valuation decreased by 13.62% (\$1,785,514,676) comprised of a 0.72% increase due to new construction (\$94,462,949) and a -14.34% decrease due to revaluations (\$1,879,977,625). For estimating purposes only, new construction valuation is shown at triple the 10/21/09 figures to ensure that all new construction amounts will be available. It should be noted that the preliminary new construction figure from King County does not include State assessed valuation, which has not been finalized yet.

The change in valuation does not in itself generate additional revenue for the City. If the Council took no optional increase in the levy and the assessed valuation increases, it would have the effect of lowering the rate applied to each \$1,000 of assessed valuation. Conversely, if the assessed valuation decreases, as it has in 2009, it results in an increase in the rate applied to each \$1,000 of assessed valuation, since the levy is set as a total dollar amount, which is divided by the assessed valuation.

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<sup>1</sup> Levy rate per the Preliminary Levy Limit Worksheet from the King County Assessor's Office.

November 5, 2009

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Based on the preliminary levy worksheet, an intentionally high estimate for new construction (\$290,610) and the 1% optional increase the overall tax rate (regular levy only) would increase from \$1.13712 per \$1,000 of assessed valuation in 2009 to \$1.30633 in 2010. The rate per \$1,000 increases as the result of dividing the total levy dollars by an assessed valuation that has decreased over 13% from the 2008 levy. Note that the total dollar amount of the levy is fixed but the final rate per \$1,000 of assessed valuation (AV) can change based on the final AV at the time King County finalizes the levy rates (in early 2010). A final levy will be prepared for Council approval at their December 15<sup>th</sup> regular meeting.

#### Preliminary Levy Recap:

Base General Levy (2010 Rate)	\$ 12,632,012
1% Optional Increase (General Levy)	126,320
Base Parks Maintenance Levy (2010)	814,430
1% Optional Increase (Parks Maint. Levy)	8,144
New Construction and Prior Yr. Adjustments*	288,447
Total Regular and Parks Maint Levy	<u>\$ 13,869,353</u>
Excess Levy (for voted debt)	921,776
<b>Total 2010 Preliminary Levy</b>	<b><u>\$14,791,129</u></b>

\*Prior-year adjustments include new construction levy, re-levy for prior-year refunds, and any levy corrections or omissions. New construction levy is estimated at 2.16% over the current levy and will be reduced to the actual new construction allowance when final information is received from King County. The estimated prior-year refund levy for 2009 is \$16,756 as of October 21, 2009. Levy corrections of (\$18,919) for 2010 are included in the preliminary figures.

Attachments

**CITY OF KIRKLAND**  
**2010 PROPERTY TAX DISTRIBUTION (PRELIMINARY LEVY)**

<b>Taxable Assessed Valuation For 2010 Levy</b>		<b>\$11,322,673,662</b>
<b>REGULAR LEVY</b>		
Operating Fund	Levy	Rate per \$1,000 AV
General Fund	\$9,945,003	\$0.87833
Street Operating Fund	\$3,082,201	\$0.27221
Parks Maintenance Fund	\$842,149	\$0.07438
<b>Total 2010 Regular Levy</b>	<b>\$13,869,353</b>	<b>\$1.22492</b>
<b>EXCESS LEVY</b>		
Unlimited General Obligation Bond Issue	Levy	Rate per \$1,000 AV
1993 Unlimited G.O. Refunding (Parks)	\$0	\$0.00000
1995 Unlimited G.O. (Public Safety)	\$91,378	\$0.00807
2001 Unlimited G.O. Refunding (Public Safety)	\$188,513	\$0.01665
2003 Unlimited G.O. (Parks)	\$641,885	\$0.05669
<b>Total 2010 Excess Levy</b>	<b>\$921,776</b>	<b>\$0.08141</b>
<b>TOTAL LEVY</b>		
	Levy	Rate per \$1,000 AV
<b>Total 2010 Levy</b>	<b>\$14,791,129</b>	<b>\$1.30633</b>

ORDINANCE NO. 4216

AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2010, THE SECOND YEAR OF THE CITY OF KIRKLAND'S 2009-2010 FISCAL BIENNIUM.

WHEREAS, the City Council previously held a public hearing on November 17, 2009, to consider revenue sources for the 2009-2010 Biennial Budget; and

WHEREAS, the City Council and the City Manager have considered the anticipated financial requirements of the City of Kirkland for the fiscal year 2010; and

WHEREAS, pursuant to RCW 35A.33.135, the City Council is required to determine and fix by ordinance the amount to be raised by ad valorem taxes; and

WHEREAS, RCW 84.55.120 requires that the increase in the levy over the prior year shall be stated both as to dollars and percentage;

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

Section 1. The regular property tax levy for the year 2010 is hereby fixed and established in the amount of \$13,869,353. This property tax levy represents a dollar increase of \$422,911 and a percentage increase of 3.15% from the previous year, including the increase resulting from the addition of new construction, improvements to property, any increase in state-assessed property, and administrative refunds as shown below:

	Amount	% Increase (Decrease)
2009 Regular Property Tax Levy	13,446,442	
Less Prior Year Refund	0	
Plus New Construction Levy	290,610	2.16%
Plus Annexation Levy	0	0.00%
Plus Refund Levy	16,756	0.12%
Plus Property Tax Increase	134,464	1.00%
Plus Levy Corrections by King County	(18,919)	-0.14%
<b>2010 Regular Levy</b>	<b>13,869,353</b>	<b>3.15%</b>

Section 2. There is hereby levied for 2010 upon all property, both real and personal, within the City of Kirkland, Washington, and within the area subject to tax levies for the principal and interest of all general obligation bond issues, a total voted property tax of \$921,776 on the total of assessed valuation for such property.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_,  
2009.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney



**CITY OF KIRKLAND**  
City Manager's Office  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001  
[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** Dave Ramsay, City Manager  
**From:** Marilynne Beard, Assistant City Manager  
**Date:** November 5, 2009  
**Subject:** COUNCIL GOALS

### **RECOMMENDATION:**

City Council receives an update on Council Goals.

### **BACKGROUND DISCUSSION:**

At the September 15, 2009 meeting, the City Council finalized the Council Goal statements including introductory language. Related performance measures were not finalized at that time. The purpose of this report is to provide a status on this project and to present a format for presentation of the goal statements.

#### **Presentation**

The City Council had asked staff to prepare a more formal presentation of the Council Goals. Attachment A is formatted, one-page version of the goal statements that will be posted to the City's website and will be included in appropriate City documents.

#### **Performance Measures**

Since the September 15 meeting, the City Manager's Office has been working with department staff to refine the proposed performance measures. A portion of this work has related to aligning the upcoming citizen survey questions with the performance measures that are based on survey data. Staff has also worked to define targets for each measure (e.g. percentages of respondents). We anticipate this work to be completed before the end of 2009.

## Vision Statement

At the City Council retreat, the Council discussed a "short" vision statement for Kirkland (referred to as a "vision elevator speech" in the retreat follow-up notes). This short vision statement would be placed on Council Agendas, on the Council Goals statement, etc. The City Manager offered a series of options in the staff reports. The following option was based on the longer vision statement contained in the Comprehensive Plan. It was referred to as "Option Two" in the staff report and read as follows:

*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.*

The Council was unable to reach consensus on the final wording of a short vision statement. Most of Council discussion revolved around the term "small-town feel" as opposed to "strong sense of community" and recognizing the diversity of neighborhoods.

One alternative statement that incorporates some of the discussion is:

*Kirkland is an attractive, desirable and vibrant place to live, work and visit. With diverse neighborhoods, an inviting downtown and a small-town sense of community, Kirkland is able to preserve its sense of history while adjusting gracefully to change.*

Council may want to take up this discussion again to finalize the short vision statement.



# CITY OF KIRKLAND

## CITY COUNCIL GOALS

### The purpose of the City Council Goals

is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

**In addition** to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **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.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

### The City Council Goals are dynamic.

They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

### NEIGHBORHOODS

*The citizens of Kirkland experience a high quality of life in their neighborhoods.*

**Council Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.**

### PUBLIC SAFETY

*Ensure that all those who live, work and play in Kirkland are safe.*

**Council Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.**

### HUMAN SERVICES

*Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.*

**Council Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.**

### BALANCED TRANSPORTATION

*Kirkland values an integrated multi-modal system of transportation choices.*

**Council Goal: To reduce reliance on single occupancy vehicles.**

### PARKS, OPEN SPACES AND RECREATIONAL SERVICES

*Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.*

**Council Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.**

### DIVERSE HOUSING

*The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, sizes and affordability.*

**Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.**

### FINANCIAL STABILITY

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

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

### ENVIRONMENT

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

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

### ECONOMIC DEVELOPMENT

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

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

### DEPENDABLE INFRASTRUCTURE

*Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.*

**Council Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.**