



# 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, August 4, 2009

**5:30 p.m. – Special 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.

**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.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *SPECIAL STUDY SESSION*, Peter Kirk Room, **5:30 p.m.**
  - a. Utility Tax/Budget Follow-up
4. *EXECUTIVE SESSION*
  - a. To Discuss Labor Negotiations
5. *SPECIAL PRESENTATIONS*
  - a. Building Services Manager Tom Phillips Named Washington Association of Building Officials 2009 Building Official of the Year
  - b. Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the Biennium Beginning January 1, 2009
  - c. Twenty Year Service Awards to Firefighters: Firefighter Tom Bach, Captain Pat Hund, Lieutenant Troy McKinney, Firefighter William Henderson, Captain Dave Walker, Firefighter Cliff Oleszko, Firefighter Joe Ruljancich, Firefighter Pat McManus
6. *REPORTS*
  - a. *City Council*
    - (1) Regional Issues
  - b. *City Manager*
    - (1) Shoreline Master Program Timeline

(2) Calendar Update

7. *COMMUNICATIONS*

- a. *Items from the Audience*
- b. *Petitions*

8. *CONSENT CALENDAR*

- a. *Approval of Minutes:* July 21, 2009
- b. *Audit of Accounts:*
  - Payroll* \$
  - Bills* \$

c. *General Correspondence*

- (1) Barry N. Brinkman, Regarding Verizon’s Telephone and Video Services in Washington
- (2) Jason and Lindsay Paquette, Regarding Condition of NE 124<sup>th</sup> and Suggestion for NE 116<sup>th</sup>

d. *Claims*

- (1) Mersedeh Shahrazad-Schmidt

e. *Award of Bids*

f. *Acceptance of Public Improvements and Establishing Lien Period*

- (1) 2008 Water System Improvement Project - North

g. *Approval of Agreements*

h. *Other Items of Business*

- (1) Peter Kirk Community Center HVAC Replacement Project

9. *PUBLIC HEARINGS*

- a. *Bridle View Annexation*

10. *UNFINISHED BUSINESS*

- a. Resolution R-4771, Providing for the Submission to the Qualified Voters of the City of Kirkland at the November 3, 2009, General Election of a Proposition to Increase the Utility Tax Imposed Upon Electrical Energy, Natural Gas, and Telephone Services from 6 Percent to 7.5 Percent in Order to Create a More Sustainable Budget for the Purpose of Maintaining Existing City Services, Including Public Safety and Parks

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

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

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

**PUBLIC HEARINGS** are held to receive public comment on important matters before the Council. You are welcome to offer your comments after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment and the Council proceeds with its deliberation and decision making.

- b.* City Council Goals
- c.* Flexpass Update and Approving Additional Funds

**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.

*11. NEW BUSINESS*

- a.* Annual Review and Appointment of Lodging Tax Advisory Committee Membership

*12. ANNOUNCEMENTS*

*13. ADJOURNMENT*





**CITY OF KIRKLAND**  
Department of Finance & Administration  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
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## MEMORANDUM

**To:** Dave Ramsay, City Manager  
**From:** Tracey Dunlap, Director of Finance and Administration  
**Date:** July 27, 2009  
**Subject:** Utility Tax/Budget Follow Up

### Recommendation

Review and provide direction on the recommended reductions in the event the voted private utility tax increase does not pass.

### Background

#### *Utility Tax Recommendations*

At the July 1 and 7, 2009 Study Sessions, the Council reviewed the results of the "top-down" evaluation of core services to assist in identifying what service levels would need to be reduced in the event the voted private utility tax increase does not pass. The results of those discussions were then used by staff to develop specific service level reductions for City Council consideration at the August 4 Study Session. Once direction is received on these recommendations, staff will craft communication materials in advance of the November election. At the regular meeting on August 4, the City Council will consider the resolution placing the voted private utility tax increase on the ballot, which must be received by King County Elections by August 11.

The staff recommendations are presented in two separate attachments:

- Attachment A is a "report card", which presents the Non-Core and Partial Core items identified by the City Council and the resulting staff recommendations. For the majority of line items, the Council ratings matched up with the staff recommendations. In some cases, departments proposed alternative reductions, which are described further below. In addition, several departments proposed more than was identified on the Non-Core and Partial Core lists and departments that had no items on those lists proposed reductions as well. The total recommended reductions is \$1.63 million, consistent with the \$1.61 million on-going shortfall identified on the July 7 budget reduction framework. The first page of the attachment shows the Non-Core items and the second page shows the Partial Core items and the additional reductions identified. A table comparing the results is included on the following page.

<b>List</b>	<b>Council Core-Exercise Reductions</b>	<b>Recommended Reductions*</b>
Non-Core	870,359	772,859
Partially Core	989,765	474,291
Subtotal Non-Core & Partially Core	1,860,124	1,247,150
Additional Reductions Identified by Staff		381,601
<b>TOTAL</b>	<b>1,860,124</b>	<b>1,628,751</b>

Note:

\* Includes alternative reductions

- Attachment B provides the specifics on the recommended budget reductions, along with descriptions of the expected service level impacts. Brief highlights of the recommendations by department are provided below.

**City Council** – Eliminating memberships and reducing travel and training to \$500 per Council member, moving to electronic advertising and communications for Neighborhood Council meetings, and reductions to selected line items.

**City Manager's Office** – Reducing neighborhood matching grants to \$1,000 per year, reducing support to cultural and special events, reallocating existing resources toward tourism program support (rather than filling a vacant position), for an overall net reduction of 0.5 FTE. Court reductions include reducing on-call probation hours and reductions to selected line items.

**Human Resources** – Since elimination of tuition reimbursement must be negotiated with the labor unions, the department recommended a series of alternate reductions including reducing training, recruitment advertising, relocation expenses for new management, introducing a co-pay for flu shots, and reductions in several other line items.

**City Attorney's Office** – Lowering the replenishment of the Litigation Reserve (budgeted in Nondepartmental) from \$50,000 to \$20,000 and reduction to selected line items.

**Parks and Community Services** – Due to the magnitude of the non-core/partial core items in P&CS, the department looked at the needs of the department programmatically and recommended the following:

- Parks Planning and CIP – Eliminating the Parks Project Coordinator position (1.0 FTE) and reallocating a portion of the Park Planning and Development Manager to the CIP.
- Consolidated Maintenance Plan – Reducing 5,000 seasonal hours and 1.5 FTE grounds positions, reducing the level of grounds maintenance throughout the system, as described in Attachment B.
- Community Services Division – Reorganizing the Community Services Division, resulting in a net reduction of 0.75 FTE, as described in the memorandum from the Parks Department contained in Attachment C.
- Further reductions in other programs, including reducing the liaison activity of Special Events by 0.25 FTE and adjusting beach lifeguard hours.
- In addition to the General Fund reductions, the elimination of the General Fund subsidy to the Parks Maintenance Fund (Fund 125) reduces the number of seasonal hours available in that fund by 500 hours.

**Public Works (General Fund)** – Reducing Neighborhood Traffic Control funding (eliminating 0.5 FTE), updating/reallocating staffing to other funds, reducing on-call funding.

**Finance & Administration** – Further reductions in selected line items and reallocation of CIP-related accounting support (0.25 FTE) to CIP-related funds.

**Planning** – Additional reductions in selected line items.

**Police** – Eliminating the Community Services Unit Supervisor (1.0 FTE) and reductions in uniform replacement and other supply budgets.

**Fire & Building** – The department proposed alternative reductions to eliminating the Public Education Coordination function. These reductions are a combination of one-time reductions (\$60,000 - elimination of the Volunteer Firefighter compensation) and on-going reductions (\$49,180 – eliminating selected vehicles and other line item reductions). The on-going reductions fund 0.45 FTE. By applying one-time funds to the remainder 0.55 FTE of the Community Education and Information Specialist will be funded for 2010 only. If the utility tax rate increase does not pass, that portion of the position will not be funded in 2011 unless new on-going sources or grants can be identified.

**Streets** – Eliminating capital funding for the Neighborhood Traffic Control program and the remaining seasonal funding (5,000 hours). Reallocating costs that can be rationally charged to the Surface Water Utility.

**Equipment Rental** – Eliminating non-Public Safety General Government 800 MHz radios, except 10 units for emergency operations purposes.

**Information Technology** – Reducing Multimedia Services staff and management (0.75 FTE) and reductions in other line items.

**Facilities** – Eliminating all seasonal funding for maintenance (931 hours) and reductions in other maintenance services.

The specific service level reductions for all services are described in Attachment B. In total, a General Fund reduction of 6.5 FTEs (including 0.9 FTE allocated to other funds) plus seasonal/hourly wages equivalent to an additional 3.5 FTEs are recommended. Note that a successful increase in the private utility tax increase would be used to restore these reductions, so as to maintain 2009 service levels. The tax would *not* generate sufficient additional revenue to restore reductions already taken as part of the 2009/2010 budget process, such as elimination of park lawn irrigation, reduced seasonal road maintenance, reduced passport hours, and reductions to the Neighborhood Connections program.

### *Budget Update*

As a reminder, the overall budget issue we have been addressing totaled \$8.07 million, made up of the one-time shortfall in sales tax (\$5.83 million) and the on-going shortfall if the voted utility tax increase does not pass (\$2.24 million). Unfortunately, based on the results for the first 6 months of 2009, we are recommending that we increase the projected shortfall to recognize three items:

- As discussed at the 6/2 and 7/7 study sessions, utility tax receipts have been lagging. In 2008, utility taxes were at 54% of budget through June and we are currently at 48% and the difference has been growing in recent months. Staff has completed a detailed analysis of the utility tax revenues by sector and has projected that the total revenues for 2009 will fall short of the budget by at least \$500,000, due to two primary factors:
  - Telecommunications tax is falling about \$400,000 short driven by changes in consumer habits due to economic conditions and the full impact of a federal legal decision that exempted selected services from local tax, and
  - Net electric/gas tax revenues are down about \$100,000 because the budget assumed that PSE would increase rates (electric +9%/gas +5%) based on estimates

at the time of budget development. In reality, both rates decreased slightly resulting in a net decrease from budgeted levels.

We are recommending that we increase the shortfall by \$500,000 for 2009 and 2010, recognizing that the 2010 budget assumed some growth from the 2009 budgeted level and it is likely that revenues cannot fully recover that quickly.

- Business license revenues have continued to lag estimates due, in part, to business circumstances at two large employers: (1) the consolidation of IBM sites which moved revenue from February to November and (2) delay in registration by Nintendo's contract employment agencies, which we are actively pursuing. However, adjusting for these events, we are projecting that these revenues are likely to fall short of budget by at least \$200,000 in 2009, driven by the decline in employment due to the overall economic downturn. We assumed 27,000 FTE's in the budgeted amount based on 2008 licenses and are falling at least 2,000 short (7.4%), which is not unexpected due to the increase in unemployment since the budget was established. We are following up with delinquent accounts and are monitoring trends closely and we will be preparing a more detailed analysis for an upcoming Council reading file.
- Fire Suppression overtime continues to exceed the projected monthly average budget of \$45,000 for May through December. The Fire department has prepared a discussion of the overtime trends and strategies to address the overage, which is included as Attachment D. However, the Department's estimate is that overtime will be over budget by \$300,000-350,000 in 2009 and, barring implementation of a reduction in minimum staffing as described in the memo, that trend is likely to continue into 2010.

As a result, the shortfall scenario that we are including in the budget balancing framework (Attachment E) has increased by \$2 million, to \$10.07 million.

### Framework - 8/4/09 Budget Followup Study Session

Dollars in thousands

	One-Time		Ongoing		Total
	2009	2010	2009	2010	
Projected Near-Term Shortfall due to Economy	(2,772)	(3,055)	-	-	(5,827)
Projected Ongoing Shortfall due to Utility Tax	-	-	-	(2,240)	(2,240)
<b>Projected Shortfall in Baseline Utility Tax</b>	<b>(500)</b>	<b>(500)</b>	-	-	<b>(1,000)</b>
<b>Projected Shortfall in Business License Fees</b>	<b>(200)</b>	<b>(200)</b>	-	-	<b>(400)</b>
<b>Projected Overspending in Fire Overtime</b>	<b>(300)</b>	<b>(300)</b>	-	-	<b>(600)</b>
<b>Total (Shortfall)</b>	<b>(3,772)</b>	<b>(4,055)</b>	-	<b>(2,240)</b>	<b>(10,067)</b>

In addition to these changes, we also updated the framework to reflect:

- Receipt of the June-to-June CPI of -0.7%. This moved the IAFF COLA savings into the on-going category. We have not moved the Police Guild COLA out of the potential column, as their collective bargaining agreement is currently open, so savings are shown as potential pending negotiations.
- We added potential categories for fire minimum staffing reductions, one-time savings from the Court Building purchase, and revenues from a potential \$10 increase in parking tickets.

We are also providing the June Dashboard as Attachment F. The Financial Management Report (FMR) for the period ending June 30, 2009 is expected to be available by August 15.

To address the remaining projected shortfall, not related to the potential failure of the private utility tax increase vote, staff is pursuing the following options:

- During the Non-Core/Partial Core exercise, staff identified a series of additional potential reductions for consideration, described in Attachment G. The ramifications of these reductions are under evaluation and will be brought back to the City Council for further discussion.
- Options for addressing the fire overtime issue might include consideration of reducing minimum staffing from 18 to 17, some use of the Contingency reserve (which is set aside for unforeseen expenditures), or possibly some combination of these and other approaches identified in the Fire department's memo.
- Consideration of using a portion of the Court lease savings in 2009-2010, although this is not an on-going source since it is intended to fund debt service once debt is issued for the Court purchase and Public Safety expansion to City Hall.
- Consideration of a parking fine increase of \$10 per ticket. Note that the average overtime parking fine of several of our neighboring cities is approaching \$30 (Attachment H) and our current fine is \$20.
- Returning to the discussion of work schedule reductions with the bargaining units. As you may recall, there was an interest expressed by the bargaining units in understanding the service level reductions necessary before beginning a discussion of furloughs, work week reductions, or other compensation adjustments.
- Considering some type of voluntary termination incentive (similar to a recent action by the City of Issaquah – see Attachment I).

As time is of the essence to place the voted private utility tax increase on the ballot, staff recommends focusing the bulk of the discussion at the August 4 Study Session on determining the service level reductions related to that aspect of the shortfall. Any remaining time can be used to further discuss these additional tools and additional information can be brought back for Council consideration at a future meeting.

**City of Kirkland  
Budget Reduction List - Report Card  
Services Matrix -- Core Exercise  
Ongoing Services Rated as Non-Core or Partially Core (by Council at 7/1/09 & 7/7/09 Study Session)**

**Non-Core List**

Department/Fund	Number	Service	Adjusted Service Cost	Recommended Amount	Notes
City Council	CC-5	Eastside Transportation Partnership Dues	500	500	See BR-1
City Council	CC-6	Kirkland Chamber Dues	500	500	See BR-2
City Council	CC-8	National League of Cities Dues	4,000	3,700	Adjusted to reflect earlier reductions (BR-3)
CMO	CM-8	Economic Development/Coordinator	11,000	10,871	Adjusted to actual costs (BR-10)
CMO	CM-11	Neighborhood Matching Grants	27,500	14,500	Smaller reduction recommended (BR-11)
CMO	CM-12	Neighborhood Signs	3,500	3,500	See BR-12
CMO	CM-16	Economic Development Intern	8,000	8,000	See BR-13
CMO	CM-17	Enterprise Seattle Dues	6,000	6,000	See BR-14
CMO	CM-20	Cultural and Special Events Services	26,000	26,680	Adjusted to actual costs BR-15
CMO	CM-21	Cultural Council Professional Services	5,000	5,000	See BR-16
Human Resources	HR-24	Tuition Reimbursement	16,569	36,657	] Recommended alternative reductions proposed (BR-23 through BR-32)
Human Resources	HR-26	Organizational Training	15,540		
Human Resources	HR-27	Special Projects for Department	4,548		
Parks GF	PK-12	Long-Range Park Planning	98,475	79,820	Smaller reduction recommended (BR-37)
Parks GF	PK-25	Maintenance of Public Art (formerly called "Art")	17,000	9,013	Smaller reduction recommended (BR-40)
Parks GF	PK-26	Juanita bay Park Ranger Program	15,846	15,846	See BR-39
Parks GF	PK-38	Summer Concert Series	20,607	20,607	See BR-40
Parks GF	PK-43	Senior Center Special Events	10,992	10,992	See BR-46
Public Works GF	PW-19	Support for Parking Programs/PAB	33,311	33,311	Recommended alternative reductions proposed (BR-54)
Public Works GF	PW-28	Traffic Counts	6,988	6,988	Recommended alternative reductions proposed (BR-55 and BR-56)
Public Works GF	PW-31	Neighborhood Traffic Control Program Coordination	130,804	120,442	Smaller reduction recommended (BR-52 and BR-87)
Planning		Professional Services - Annual Retreat	1,400	1,400	See BR-63
Police	PD-17	Community Services Unit Supervisor	124,470	104,098	Smaller reduction that more accurately reflects the outcome of this reduction (BR-65)
Fire & Building	FB-21	Public Education Coordination	109,116	109,180	Recommended alternative reductions proposed (BR-73 through BR-85)
Parks Maintenance (Non-Departmental)	ND-14	Fund 125 Subsidy	50,000	50,000	See BR-51
Street Fund	ST-44	Ancillary Operations	3,044	3,044	See BR-86
Street Fund	ST-46	CBD Appurtenance	25,211	25,211	Recommended alternative reductions proposed (BR-91)
IT Fund	IT-20	Other video services	85,328	60,300	Recommended alternative reductions proposed (BR-96 through BR-97)
Facilities	FM-23	Janitorial -Art Display Cleaning	1,272	1,230	Adjusted to GF portion (BR-98)
Facilities	FM-30	Space Planning	7,840	5,469	Recommended alternative reductions proposed (BR-99 through BR-100)
<b>Subtotal Non-Core</b>			<b>870,359</b>	<b>772,859</b>	

**City of Kirkland  
Budget Reduction List - Report Card  
Services Matrix -- Core Exercise  
Ongoing Services Rated as Non-Core or Partially Core (by Council at 7/1/09 & 7/7/09 Study Session)**

**Partially Core List**

Department/Fund	Number	Service	Adjusted Service Cost	Recommended Amount	Notes
City Council	CC-12	City Council Travel and Training	14,000	11,070	Smaller reduction recommended (BR-4)
Parks GF	PK-8	Consolidated maintenance plan (formerly Landscape Maintenance - Parks)	176,293	261,582	Recommended alternative (Consolidated maintenance plan) proposed (BR-42 through BR-44)
Parks GF	PK-11	Irrigation	169,860		
Parks GF	PK-24	Night and Weekend coverage	170,986	120,257	Recommended alternative proposed (BR-47 and BR-48)
Parks GF	PK-22	Community Service division administration	151,814		
Parks GF	PK-23	Senior Council Support	15,255		
Parks GF	PK-28	Youth Services	112,342	17,592	Smaller reduction recommended (BR-45)
Parks GF	PK-30	Special Events	92,427		
Planning		Printing/postage/miscellaneous	24,500	21,500	Smaller amount reflects reductions already taken (BR-64)
Non-Departmental	ND-15	Litigation Reserve Fund 157	50,000	30,000	Smaller reduction recommended (BR-36)
Street Fund	ST-42	Spraying	12,290	12,290	Recommended alternative offsets cost of this service (BR-91)
<b>Subtotal Partially Core</b>			<b>989,765</b>	<b>474,291</b>	
<b>Total Non-Core &amp; Partially Core</b>			<b>1,860,124</b>	<b>1,247,150</b>	

**Additional Reductions List**

Department/Fund	Recommended Amount
City Council	6,595
CMO	24,506
Court	10,133
Human Resources	6,495
City Attorney's Office	2,000
Parks GF	33,000
Public Works GF	47,696
Finance & Administration	33,866
Planning & Comm. Development	-
Police	33,526
Fire & Building	1,200
Non-Departmental	-
Street Fund	96,199
Equipment Rental	24,523
IT Fund	48,800
Facilities	13,062
<b>Total Additional Reductions</b>	<b>381,601</b>

**Grand Total of Recommended Budget Reductions (General Fund) | 1,628,751**

Note: In addition to General Fund impact, other funds will see reductions totaling: 50,970

**Summary of Reductions**

List	Council Core-Exercise Reductions	Recommended Reductions*
Non-Core	870,359	772,859
Partially Core	989,765	474,291
Subtotal Non-Core & Partially Core	1,860,124	1,247,150
Additional Reductions Identified by Staff		381,601
<b>TOTAL</b>	<b>1,860,124</b>	<b>1,628,751</b>

Note:

\* Includes alternative reductions

**City of Kirkland  
Recommended Budget Reduction List**

Department/Fund	Number	Core Exercise Number	Service	Non-Core		Partially Core		Additional Reductions		TOTAL		Notes
				Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	
City Council	BR-1	CC-5	Eastside Transportation Partnership Dues	500						500	-	This would eliminate the City of Kirkland's membership in the Eastside Transportation Partnership potentially reducing the City's regional presence on transportation matters.
City Council	BR-2	CC-6	Eliminate Kirkland Chamber of Commerce Membership	500						500	-	This would eliminate the City of Kirkland's membership in the Kirkland Chamber of Commerce.
City Council	BR-3	CC-8	National League of Cities Dues	3,700						3,700	-	This would eliminate the City of Kirkland's membership in the National League of Cities.
City Council	BR-4	CC-12	City Council Travel and Training (Reduce to \$500 per Council member per year)			11,070				11,070	-	The travel and training budget was already reduced to eliminate all out of state travel. The remaining budget of \$3,500 provides for attendance at AWC conferences, regional meetings and Suburban Cities meetings. This reduction may reduce Kirkland's presence in the region or require that Council members pay their own expense.
City Council	BR-5		Eliminate Subscriptions					245		245	-	This would eliminate the City Council's subscriptions for the Municipal Research and Services Directory and the Washington Directory of City Officials. The City would need to relay on alternatives methods such as the internet for contact information.
City Council	BR-6		Eliminate Replacement Furniture					450		450	-	This would require reliance on existing furniture.
City Council	BR-7		Reduce Replacement Phone/Handheld Devices					400		400	-	City Council would need to retain existing hand held devices longer and may not have the ability to switch technologies (e.g. from Blackberry to I-Phone or visa versa) as quickly. Remaining budget is \$400.
City Council	BR-8		Eliminate Home Fax Maintenance (\$500)					500		500	-	Fax repairs may be delayed with the potential for reduced access to City documents.
City Council	BR-9		Eliminate Neighborhood Council meeting printing & postage					5,000		5,000	-	Neighborhood Council meetings are advertised through websites, reader boards, list serv subscriptions and postcards that are mailed to every household in the neighborhood. This reduction would eliminate the postcards creating greater reliance on electronic notification and potentially reducing the number of questions asked in advance of the meeting.
<b>Subtotal City Council</b>				<b>4,700</b>	<b>-</b>	<b>11,070</b>	<b>-</b>	<b>6,595</b>	<b>-</b>	<b>22,365</b>	<b>-</b>	
CMO	BR-10	CM-8	Tourism Coordinator (formerly Economic Development Coordinator)	10,871	0.10					10,871	0.10	This position coordinates all tourism activities for the City. The General Fund portion (0.10 FTE) provides support for program activities that are not directly related to tourism and that cannot be funded from Lodging Tax revenues. This will decrease support for tourism coordination by 10%. The position is currently vacant.
CMO	BR-11	CM-11	Neighborhood Matching Grants	14,500						14,500	-	Reduce maximum amount of neighborhood matching grants from \$3,500 per neighborhood per year to \$1,000 per neighborhood per year. Neighborhood matching grants are used for neighborhood websites, neighborhood picnics, neighborhood clean-up projects and special projects such as the Juanita neighborhood banners and pedestrian safety projects. The reduction would limit the scope of projects that could be completed and/or require more contributions and donations from other sources.
CMO	BR-12	CM-12	Neighborhood Signs	3,500						3,500	-	Neighborhood entry signs become worn and damaged due to vandalism, automobile accidents or other incidents. Whenever possible, the City will seek restitution from individuals or from insurance providers to replace or repair signs that were damaged by vandals or as a result of an insured accident. Neighborhood signs need to be refurbished periodically due to the normal wear and tear. This reduction would eliminate the ability to perform periodic maintenance. Sign repair or replacement would need to be funded through individual requests to Council during the year. Eventually, neighborhood signs would be eliminated as they passed their useful life and became too worn or damaged.
CMO	BR-13	CM-16	Economic Development Intern	8,000						8,000	-	This would eliminate funding for intern hours used to support special projects for the economic development program and support for the Business Roundtable events. The intern has provided research support and consultant oversight for projects such as Kirkland First, the business sustainability study and focused projects regarding such as retail signage. Without intern assistance, projects will take longer to complete.
CMO	BR-14	CM-17	Enterprise Seattle Dues	6,000						6,000	-	Enterprise Seattle provides economic development networking opportunities and promotional services for business sector in King County. This would eliminate the City's ability to participate in Enterprise Seattle activities.
CMO	BR-15	CM-20	Cultural and Special Events Services	26,680	0.25					26,680	0.25	The Special Projects Coordinator currently manages the volunteer program (0.50 FTE) and also provides staff support to the Cultural Council and special event volunteer coordination. This reduction would eliminate support for special events volunteers and transfer Cultural Council support to Economic Development Manager. This would retain 0.50 FTE dedicated to Volunteer Program. The reduced 0.25 FTE would be replaced by transferring the equivalent FTE for administration of Tourism program which is partial replacement of the vacant Tourism Coordinator.
CMO	BR-16	CM-21	Cultural Council Professional Services	5,000						5,000	-	This reduction will eliminate funding for outside consulting or grants to other organizations made by the Cultural Council. Examples of special projects completed by the Cultural Council include development and distribution of an informational DVD on public art and grants to local arts organizations.
CMO	BR-17		Eliminate City Payment of Monthly Phone/Handheld Service for Intergovernmental Relations Manager					1,625		1,625	-	The IG Manager will use their personal cell phone as needed and seek reimbursement for extraordinary charges incurred for City business. This may reduce the City's ability to reach the IG Manager when out of the office.
CMO	BR-18		Reallocate .15 of Economic Development Manager to Tourism					22,881	0.15	22,881	0.15	In 2008, the Tourism Program was merged with Economic Development and placed under the management of the Economic Development Manager. Since then, the Tourism Coordinator position has become vacant requiring additional from the Economic Development Manager. This budget change allocates a portion of the Economic Development Manager to the Lodging Tax fund to acknowledge her direct support of the Tourism program which is considered a component of the City's economic development program.
<b>Subtotal CMO</b>				<b>74,551</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>24,506</b>	<b>0.15</b>	<b>99,057</b>	<b>0.50</b>	

**City of Kirkland  
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Court	BR-19		Operating Supplies \$1,500; Office Supplies \$1,00 (\$6,500 remains)					2,500		2,500	-	This reduction will require the Court to reuse old file folders which will create additional work because the paperwork and labels need to be removed prior to reuse. It should also be noted that even though we are proposing an office supply cut, the State Administrative Office of the Courts (AOC) has announced that the state may no longer supply the tractor-fed paper, labels, thermal receipt paper, and printer ribbons used in daily court operations beyond 2010. These costs will be transferred to the local jurisdictions.
Court	BR-20		Printing (\$5,500 remains)					1,500		1,500	-	The Court is in the process of changing vendor-printed court forms. Staff has identified 2-3 forms that can be printed "in-house" and not as a multi-part form.
Court	BR-21		Repairs and Maintenance (eliminate)					1,000		1,000	-	This funding provides maintenance as needed on the Court's recording system used to record all courtroom proceedings (FT R Gold). The Court will continue to use an older version of FTR Gold recording program. There may be implications if technology changes and does not support the older version. Court rule mandates recording of all court hearings.
Court	BR-22		On-Call Probation 150 Hours @ \$29.31 = \$4,397 + \$736 benefits = \$5133 (350 hrs remain)					5,133		5,133	-	On-Call probation officers have been used to cover peak workloads, vacation and sick leave time for full-time staff. In 2008, regular probation officer time (PO) was increased from 1.5 FTE to 2.0 FTE based on the volume of cases which will help to provide vacation and sick coverage. The on-call probation officer (PO) will be limited to 8 hours per week to conduct intake appointments only. This means less appointment spaces will be available to meet with defendants. Therefore, the length between defendant appointments will increase, or the appointment will have to be rescheduled when a PO is sick.
<b>Subtotal Court</b>				-	-	-	-	<b>10,133</b>	-	<b>10,133</b>	-	
Human Resources	BR-23		Service Award (Replaces HR-24: Tuition Reimbursement and HR-27: Special Projects)	3,000						3,000	-	A \$3,000 reduction leaves an on-going balance of \$2,000 a year for the Service Award Program. In anticipation of further budget reductions the Service Award Program was re-worked to come in at \$2,000 a year beginning in 2009. The revised program recognizes 20 year and above employees with an award style plaque, all other employees are recognized with a City Sealed Certificate.
Human Resources	BR-24	HR-26	Organizational Training	12,000				2,470		14,470	-	Training reductions include: \$3,500 ECTC program eliminated, \$3,000 Cascade Management program eliminated, \$2,500 Diversity Training program funding eliminated. Reduce In-house Training by \$3,000 leaves a remaining balance of \$2,000 a year.
Human Resources	BR-25		Recruitment - Advertising (Replaces HR-24 and HR-27)	6,000						6,000	-	New on-line advertising and recruitment strategies have yielded a cost savings in this area. Advertising options will include City Website, NW Jobs Banner Ad, Craig's List, or any no-cost professional organization, (ex: AWC). Other advertising at the Department's selection and cost. The remaining balance on this line item would be \$23,250 per year.
Human Resources	BR-26		Blood borne Pathogen Consultant (Replaces HR-24 and HR-27)	4,000						4,000	-	Blood borne Pathogen Training would shift to In-house training increasing time demands on the Safety Management Risk Analyst and other HR Staff. Eliminates line item, (Professional Services dollars).
Human Resources	BR-27		EAP (Replaces HR-24 and HR-27)	1,500						1,500	-	Previously reduced from 8 to 5 sessions. Need to maintain reduced levels to meet the needs of the City's employees and Federal & State CDL and Drug requirements. The adjusted cost in this line item is \$8,000 per year.
Human Resources	BR-28		CPS-Standardized Job Tests (Replaces HR-24 and HR-27)	4,000						4,000	-	Reduction in the number of tests per year. The remaining balance in this line item is \$4000 which allows for only 5 tests per year for selected positions.
Human Resources	BR-29		Flu Shots Co-pay (Replaces HR-24 and HR-27)	2,580						2,580	-	Employee Co-Pay \$15.00
Human Resources	BR-30		Applicant Travel (Replaces HR-24 and HR-27)	1,750						1,750	-	Eliminate line item. Future needs will to be met by a mid-year budget adjustment or from department.
Human Resources	BR-31		Relocation for new management (Replaces HR-24 and HR-27)	1,500						1,500	-	Eliminate line item. Future needs will to be met by a mid-year budget adjustment or from department.
Human Resources	BR-32		Office Supplies (Replaces HR-24 and HR-27)	327				4,025		4,352	-	Reduction includes -Office Supplies - \$1,902, postage - \$500, Misc operating - \$500, Labor Relations Support \$1,000, Training Tapes -\$450. (Leaves approximately \$4,100 in the budget)
<b>Subtotal Human Resources</b>				<b>36,657</b>	-	-	-	<b>6,495</b>	-	<b>43,152</b>	-	
CAO	BR-33		Cancel Cell phone/PDA service					1,800		1,800	-	The CAO staff will use their personal cell phone as needed and seek reimbursement for extraordinary charges incurred for City business. Immediate legal questions or emergencies may now have longer response times.
CAO	BR-34		Repairs and Maintenance					110		110	-	Department equipment will not be maintained. CAO may have to use other department's equipment.
CAO	BR-35		Miscellaneous					90		90	-	
<b>Subtotal CAO</b>				-	-	-	-	<b>2,000</b>	-	<b>2,000</b>	-	
CAO (Non-Departmental)	BR-36	ND-15	Litigation Reserve Fund 157			30,000				30,000	-	Based on expenditures to date, reduced replenishment from \$50,000 to \$20,000.
<b>Subtotal CAO (Non-Departmental)</b>				-	-	<b>30,000</b>	-	-	-	<b>30,000</b>	-	

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Parks GF	BR-37	PK-12	Long-Range Park Planning	35,684	0.35					35,684	0.35	Eliminate Park Project Coordinator position (note: this position also affiliated with PK-26 Juanita Ranger Program). Impact: reduced department support for special projects, eliminates department GIS mapping capabilities; reduces ability to provide timely response to citizen inquiries and requests; reduced department support for Neighborhood Connection Program, Green Team and other inter-department service teams; may require reduced public participation plans for park planning projects; reduces ability to seek and pursue grant opportunities; reduces staff support for Park Board; reduced participation in inter-governmental local and regional intergovernmental planning efforts.
Parks GF	BR-38		Reallocate portion of Park Planning & Development Manager position to CIP	44,136	0.50					44,136	0.50	Re-allocate additional 0.35 FTE of Park Planning and Development Manager from General Fund to CIP to reflect anticipated time spent managing CIP projects. (note: requires corresponding elimination of CIP-funded .50FTE Project Coordinator position in order to minimize budgetary impact to CIP)
Parks GF	BR-39	PK-26	Juanita Bay Park Ranger Program	15,846	0.15					15,846	0.15	Eliminate the Park Ranger Program
Parks GF	BR-40	PK-25	Maintenance of Public Art (formerly called "Art")	9,013						9,013	-	Contracted cleaning service and staff maintenance/repairs
Parks GF	BR-41	PK-38	Summer Concert Series	20,607						20,607	-	This program was cut in 2009. This amount reflects an expenditure that was tied to revenues, however with the 2009 staff cut, there is not staffing to build partnerships to obtain sponsorships/revenue. It is important to note that if these funds are left in the budget, it doesn't bring back the concert series. It could be used to produce some concerts, but not the full series.
Parks GF	BR-42	PK-8	Landscape Maintenance-Parks (addressed through the Consolidated Maintenance Plan)			261,582	1.50			261,582	1.50	Reduction includes eliminating 5,000 seasonal labor hours in addition to eliminating 1.5 grounds positions, Reduction in staff resources will impact the level of maintenance of park system: Remove garbage cans from neighborhood parks, reduce irrigation to athletic fields and landscape beds, reduce number of labor hours to clean restrooms and pick up litter, reduce responsiveness to requests to support volunteer projects, reduce the amount of turf maintenance performed annually.
Parks GF	BR-43	PK-11	Irrigation (addressed through the Consolidated Maintenance Plan)									
Parks GF	BR-44	PK-24	Night & Weekend Coverage (addressed through the Consolidated Maintenance Plan)									
Parks GF	BR-45	PK-30	Special Events Liaison (formerly Special Events)			17,592	0.25			17,592	0.25	Eliminate 0.25 FTE for administration of Friday Night Market by contracting management of market. 0.25 of this position was funded by revenue from the Market, with no general fund support. By contracting the management of the market, the general fund will net revenue.
Parks GF	BR-46	PK-43	Senior Center Special Events	10,992						10,992	-	Eliminates events such as holiday celebrations, Steppers lunches and themed walks, baby boomers health fair, etc.
Parks GF	BR-47		Reorganize Community Services Division (Replaces PK-22: Community Service Division Administration, PK-23: Senior Council Support, and PK-28: Youth Services)			100,257	0.75			100,257	0.75	Impacts will be to Youth Services, Senior Services, Recreation, and 505 administrative offices. Eliminate Northwest Senior Games, Senior Council Health fair, educational videos, pedestrian safety, reduce support for Senior stepper program, reduce Youth Council service projects, We've Got Issues programs, eliminate Blue Fish Festival, eliminate participation with Eastside Refugee and Immigrant Coalition, Eastside Healthy Start, Reduce participation with Myparksandrecreation.com, close parks administration office at 4:00 p.m. Monday through Friday. Please see attached organization chart, and memo for further explanation of impacts.
Parks GF	BR-48		Increase revenue to senior van service (Replaces PK-22: Community Service Division Administration, PK-23: Senior Council Support, and PK-28: Youth Services)			20,000				20,000	-	Currently van service is fully subsidized, this alternative will ask riders to share cost of service from full subsidy to partial-subsidy. Will build in a sliding-scale for riders in need. Currently, we provide 10,000 trips per year. This proposal will add a cost to the rider of \$2.50 for each trip. This would add an estimated \$25,000 revenue, but with attrition, sliding scale for those who cannot afford it, and taxes, a realistic revenue target is \$20,000.
Parks GF	BR-49		Eliminate mutt mitts					10,000		10,000	-	Eliminate pet waste bags. Pet owners will need to provide their own dog waste bags, potential for increase dog waste in parks.
Parks GF	BR-50		Reduce lifeguard hours at beaches					23,000		23,000	-	Reduce lifeguard services to guard during peak times only ( according to 3 years of data ). Begin guard program two weeks later in the summer, and provide guarding during times when the most people are in the water. Open July 1- Labor Day, guard Waverly 1-5 PM Monday-Friday, 2-5 PM Saturday & Sunday; guard Houghton 1-6 PM Monday-Sunday. Reduces hourly staffing by 350 hours/year.
<b>Subtotal Parks GF</b>				<b>136,278</b>	<b>1.00</b>	<b>399,431</b>	<b>2.50</b>	<b>33,000</b>	<b>-</b>	<b>568,709</b>	<b>3.50</b>	
Parks Maintenance (Non-Departmental)	BR-51		Eliminate Fund 125 subsidy	50,000						50,000	-	Reduced level of maintenance to athletic fields, including reduction in irrigation, turf maintenance, frequency of attending to garbage, litter and repairs. Reduce the amount of time allocated for preparing fields for practice and games. Reduces hourly staffing by 500 hours/year.
<b>Subtotal Parks Maintenance (Non-Departmental)</b>				<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	

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Public Works GF	BR-52	PW-31	Neighborhood Traffic Control Program funding (see also BR-87 in Street Fund)	70,442	0.50					70,442	0.50	Eliminate Neighborhood Traffic Control Program Coordinator (.50 FTE), and Transportation Engineering on call funding. Elimination of 47% of the NTCP; the NTCP is also responsible for the pedestrian flag program. Traffic solutions to mitigate speeding and other ongoing safety issues would be limited to only phase I solutions (low cost solutions) even where phase II solutions are warranted. No additional Pedestrian flag locations will be added, inspection of in pavement flashers will be on a complaint basis, and the indication time necessary to deploy VMB (Variable Message Boards) will increase. Reduces hourly staffing by 650 hours/year.
Public Works GF	BR-53		Allocating remainder of Solid Waste Coordinator to Solid Waste					26,277		26,277	-	This position does not do any General Fund activities and should be charged to Solid Waste.
Public Works GF	BR-54		Update CIP Model (Replaces PW-19: Support for Parking Programs/PAB)	33,311				21,318		54,629	-	Aggressively charge to CIP projects and update the CIP charge model to reflect current allocation factor.
Public Works GF	BR-55		Policy & Programs on call funding (Replaces PW-28: Traffic Counts)	1,745						1,745	-	Elimination of hourly staff as backup for Public Works Director Admin. Assistant. Existing staff will absorb duties formerly completed by hourly staff. Impacts would be potential and minor delays in overall completion dates and response times as existing staff absorb additional duties. Reduces hourly staffing by 113 hours/year.
Public Works GF	BR-56		Development Engineering on-call funding (Replaces PW-28: Traffic Counts)	5,243				101		5,344	-	Elimination of hourly staff as backup for Public Works Counter. Existing staff will absorb duties formerly completed by hourly staff. Impacts would be potential and minor delays in overall completion dates and response times as existing staff absorb additional duties. Reduces hourly staffing by 348 hours/year.
<b>Subtotal Public Works GF</b>				<b>110,741</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>47,696</b>	<b>-</b>	<b>158,437</b>	<b>0.50</b>	
Finance & Admin	BR-57		Reduce Professional Services					1,500		1,500	-	Eliminates department retreat. Less opportunity to have department-wide training and development
Finance & Admin	BR-58		Reduce Operating Supplies					2,000		2,000	-	Eliminates department retreat. Less opportunity to have department-wide training and development
Finance & Admin	BR-59		Eliminate General Financial Consulting Professional Services					5,500		5,500	-	May delay or limit ability to respond to special analysis requests; requests will need to be funded as needed.
Finance & Admin	BR-60		Travel & Training Reduction from out-of-state travel reductions list					3,265		3,265	-	Reductions not taken during 2009 Mid-Year process
Finance & Admin	BR-61		Reallocate Accounting Support Associate-IV position to CIP					20,401	0.25	20,401	0.25	Allocate percentage of time actually spent on CIP projects to be funded by CIP
Finance & Admin	BR-62		Reduce Department Wide Office Supplies					1,200		1,200	-	Additional conservation of supplies department-wide
<b>Subtotal Finance &amp; Admin</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,866</b>	<b>0.25</b>	<b>33,866</b>	<b>0.25</b>	
Planning	BR-63		Professional Services - Annual Retreat	1,400						1,400	-	The annual retreat would be cancelled or scaled back. The funds are typically used for facility rental and supplies and for a training facilitator or professional education.
Planning	BR-64		Printing/postage/miscellaneous			21,500				21,500	-	The City would not be able to print amendments to the Zoning Code and Comprehensive Plan (Code Publishing). Postcard and mail out notices would not be sent out to surrounding property owners for development applications or long range planning projects (would require change to Zoning Code). Packet delivery and preparation may be delayed. The bulk of this budget is for printing. Miscellaneous items include meeting packet preparation and delivery for the Planning Commission, Hearing Examiner, HCC and DRB. Electronic methods of delivery would need to be used.
<b>Subtotal Planning</b>				<b>1,400</b>	<b>-</b>	<b>21,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,900</b>	<b>-</b>	
Police	BR-65	PD-17	Community Services Unit Sergeant (Supervisor)	104,098	1.00					104,098	1.00	This position supervises 2 FTE's (School Resource Officer & Neighborhood Resource Officer); supervision of those positions would be reassigned to other divisions within the department. Elimination of the Sergeant would reduce our ability to establish and maintain positive communication and working relationships with community members and business owners by at least half. It would also reduce our ability to provide community education on crime prevention and participation in community sponsored events, activities, and festivities. Internal programs such as the Citizens' Police Academy would likely be discontinued.
Police	BR-66		Reduction of current overtime budget					10,458		10,458	-	Elimination of attendance at community and neighborhood meetings and other events where Police attendance is requested; reduction in Crime Prevention education to businesses and citizens
Police	BR-67		Reduction of current uniform budget					19,948		19,948	-	Postpone replacement of worn-out uniforms
Police	BR-68		Reduction of current operating supplies budget					800		800	-	None; historically, Parking Enforcement has under spent. Also reduce supplies purchased for in-house training.
Police	BR-69		Reduction of current ammunition budget					1,020		1,020	-	Reduction in firearms training for Special Response Team
Police	BR-70		Reduction of current Special Response Team operating supplies budget					650		650	-	None; no new items will be authorized for purchase and the team will be directed to conserve current supplies when training
Police	BR-71		Reduction of current Crisis Negotiation Team operating supplies budget					650		650	-	None; no new items will be authorized for purchase and the team will be directed to conserve current supplies
<b>Subtotal Police</b>				<b>104,098</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>33,526</b>	<b>-</b>	<b>137,624</b>	<b>1.00</b>	

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<p><b>Fire &amp; Building: Alternative reductions are a combination of one-time (\$60,000) and on-going (\$49,180) reductions. By applying one-time funds, 0.55 FTE of the Community Education and Information Specialist will be funded for 2010 only. If the utility tax rate increase does not pass, that portion of the position will not be funded in 2011 unless new on-going sources or grants can be identified.</b></p>													
Fire & Building	BR-72	(Replaces FB-21: Public Education Coordination)	Eliminate the Volunteer Firefighter Compensation	60,000						60,000	-	This is one-time funded in 2010. Impact would be determined by Volunteer participation.	
Fire & Building	BR-73		Office supplies, Operating supplies, Office equipment, computer hardware, Repairs & maintenance, Miscellaneous, Software, Dues	7,800							7,800	-	Delay in purchasing
Fire & Building	BR-74		Reduction in Communication, Advertising, Printing, and Professional services	2,300							2,300	-	Reduction of methods to communicate to the public and ability to contract for plan development or renewal.
Fire & Building	BR-75		Reduction in Training and Travel	8,300							8,300	-	Reduction of Staff training and development and ongoing training for systems currently used (Decon, Telestaff, GIS)
Fire & Building	BR-76		Reduction in Administrative OT	1,000							1,000	-	No longer reserve rooms at the fire stations for the public, reorganize staff workload.
Fire & Building	BR-77		Office supplies, Operating supplies, Small tools, Office equipment, Repairs & maintenance, Miscellaneous, Software	3,900							3,900	-	Delay in purchasing, issues will arise if a large fire investigation occurs or if the number of fires increase, we will not have the funds to supply/restock supplies.
Fire & Building	BR-78		Reduction in Communication, Printing	1,400							1,400	-	Reduction of methods to communicate to the public
Fire & Building	BR-79		Professional services	4,000							4,000	-	Reduction in ability to hire a Fire engineer specialist for larger building projects
Fire & Building	BR-80		Office supplies, Operating supplies, Small tools, Office equipment	2,600							2,600	-	Delay in purchasing, issues will arise if a disaster occurs and more supplies are needed or to restock EOC supplies.
Fire & Building	BR-81		Reduction in Communication, Printing	1,200							1,200	-	Reduction of methods to communicate to the public
Fire & Building	BR-82		Reduction in Training and Travel	1,700				1,200			2,900	-	Reduction of Staff training and development
Fire & Building	BR-83		Eliminate the 2 Aid vehicles reserved for disaster response	4,560							4,560	-	This will eliminate the use of these 2 vehicles for treatment and transport of injured people above and beyond the standard aid fleet
Fire & Building	BR-84		Eliminate the Vehicle used by the Community education and information specialist position (Fire Prevention)	6,720							6,720	-	This will cause this position to coordinate with fleet and other staff to get supplies and equipment to community educational events
Fire & Building	BR-85		Eliminate Overtime for GIS work for Dept. personnel	3,700							3,700	-	The department will not have "off-duty" participation to assist GIS in department needs.
<b>Subtotal Fire &amp; Building</b>				<b>109,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>110,380</b>	<b>-</b>		
Street Fund	BR-86	ST-44	Ancillary Operations	3,044						3,044	-	Used to fund unexpected services and repairs that fall outside the established budget. Costs incurred are expected to be reimbursed by insurance or direct payment from responsible parties.	
Street Fund	BR-87		Neighborhood Traffic Control Program funding (see also BR-52 in Public Works GF)	50,000						50,000	-	Eliminate capital funding for phase II (physical changes and projects) traffic control measures.	
Street Fund	BR-88		Allocation of 10% of Grounds Crew to Surface Water					15,275		15,275	-	Revisions to the General Requirements of the Clean Water act include strict NPDES regulations. To meet imposed federal requirements, the grounds crew work tasks have shifted to concentrate on Surface Water related tasks and are now charging time to the Surface Water fund.	
Street Fund	BR-89		Allocation of Arborist to Surface Water					9,518		9,518	-	Due to the benefits of the urban landscape to water quality, erosion control and flooding. The surface water fund should be charged the full cost of the Arborist.	
Street Fund	BR-90		Allocation of 75% of street sweeping to Surface Water					53,581		53,581	-	Recent studies indicate street sweeping is a vital component of the Surface Water system. Street sweeping helps make waterways cleaner and healthier for people and fish. Street sweeping reduces the amount of pollutants discharged and minimizes the potential for contaminated sediments to reach bodies of water. Street sweeping is also cost effective compared to treating storm water prior to discharge. FTE shift to Surface Water equivalent to .25.	
Street Fund	BR-91		Streets & Grounds Seasonal Funding (Replaces ST-46: CBD Appurtenance and ST-42: Spraying)	25,211		12,290		17,825		55,326	-	Eliminate all of the seasonal funding for weed control, path and trails, aesthetic maintenance, curb painting, and other grounds, street and city facility seasonal work. Reduces hourly staffing by 3,600 hours/year.	
<b>Subtotal Street Fund</b>				<b>78,255</b>	<b>-</b>	<b>12,290</b>	<b>-</b>	<b>96,199</b>	<b>-</b>	<b>186,744</b>	<b>-</b>		
Equipment Rental	BR-92		EPSCA Radios					24,523		24,523	-	Currently 102 General Government 800MHz radios (includes all departments except Fire and Police), 18 portable, 76 vehicles, 8 base stations. This will affect Emergency Operations Readiness. Reduction of 92 General Government 800 MHz radios, (each radio has annual EPSCA charges of \$368.76 access, and \$135.63 for repair; total of \$504.39). 10 Radios will be retained for emergency operation purposes. Of the \$46,404 savings identified only \$24,523 is a reduction to the General Fund.	
<b>Subtotal Equipment Rental</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,523</b>	<b>-</b>	<b>24,523</b>	<b>-</b>		

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IT Fund	BR-93		Phone system hardware warranty coverage					14,100		14,100	-	Phone system hardware now gets its warranty coverage built into its replacement cycle (five years) similar to network servers, which get warranty coverage for their replacement lifecycle built in at purchase too. This should have virtually no affect on service over the next few years. Of the \$17,000 savings identified only \$14,100 is a reduction to the General Fund.
IT Fund	BR-94		Fully implement Backup to Disk					18,200		18,200	-	Once we have fully implemented Backup to Disk, we will no longer need to purchase tapes or pay maintenance on backup to tape software. Of the \$21,906 savings identified only \$18,200 is a reduction to the General Fund.
IT Fund	BR-95		Reduce training, professional services, office supplies, etc.					16,500		16,500	-	Reduces flexibility when completing system projects since this reduces funding for outside resources. Decreases staff readiness to deal with new technologies. Of the \$19,930 savings identified only \$16,500 is a reduction to the General Fund.
IT Fund	BR-96		Reduce Senior Graphics Design Specialist by 0.50 FTE (Full layoff of this position). (Replaces IT-20: Other Video Services)	35,200	0.50					35,200	0.50	This would severely impact the amount of professional graphics that we produce for the city. We have already cut this function so far that we are losing the ability to approve and manage all of the public-facing graphics. Printed matter (signs, brochures, flyers, posters, banners, etc.) that we produce would probably look less coherent and linked, and some would have a lower quality. Also may shift costs as this work will in most cases need to be done anyway. Of the \$44,015 savings identified only \$35,200 is a reduction to the General Fund.
IT Fund	BR-97		Reduce Multimedia Communications Manager by 0.25 FTE. (Replaces IT-20: Other Video Services)	25,100	0.25					25,100	0.25	This staff position is responsible for overseeing all of our graphics and television communication tools. In addition, this individual helps with franchises, telecommunications leases, complaints from cable customers and other misc. tasks. The first 0.25 cut in these duties would result in lower levels of services for telecommunication providers wanting to relocate to the city of Kirkland and for citizens who are unhappy with their cable services. Of the \$31,351 savings identified only \$25,100 is a reduction to the General Fund.
<b>Subtotal IT Fund</b>				<b>60,300</b>	<b>0.75</b>	<b>-</b>	<b>-</b>	<b>48,800</b>	<b>-</b>	<b>109,100</b>	<b>0.75</b>	
Facilities	BR-98		Janitorial - Art Display Cleaning	1,230						1,230	-	Eliminates contract service for cleaning of wall art and lobby art throughout City Hall.
Facilities	BR-99		Maintenance Center janitorial reduction (Replaces FM-30: Space Planning)	5,469						5,469	-	Janitorial contract reduced from 5 days to 3 days per week at the Maintenance Center. Of the \$8,200 savings identified, \$5,469 is a reduction to the General Fund.
Facilities	BR-100		Facility Grounds Crew seasonal funding					13,062		13,062	-	Eliminate all of the seasonal funding for weed control, path and trails, aesthetic maintenance, curb painting, and other grounds, street and city facility seasonal work. Of the \$14,304 savings identified, \$13,062 is a reduction to the General Fund. Reduces hourly staffing by 931 hours/year.
<b>Subtotal Facilities</b>				<b>6,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,062</b>	<b>-</b>	<b>19,761</b>	<b>-</b>	
<b>TOTAL Budget Reductions (General Fund)</b>				<b>772,859</b>	<b>3.60</b>	<b>474,291</b>	<b>2.50</b>	<b>381,601</b>	<b>0.40</b>	<b>1,628,751</b>	<b>6.50</b>	

**Reallocation of General Fund FTEs to Other Funds: (0.90)** Of the 6.5 FTE reduction to the General Fund, 0.9 FTE is not a reduction, but a reallocation to other funds.  
**Hourly and seasonal staffing reductions as FTEs (across all funds): 3.49**  
**Total FTE reduction across all funds: 9.09**

<p><u>Note:</u> In addition to General Fund impact, other funds will see reductions totaling: 50,970</p>
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**CITY OF KIRKLAND**  
 Department of Parks & Community Services  
 505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300  
 www.ci.kirkland.wa.us

## MEMORANDUM

**To:** David Ramsay, City Manager

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

**Date:** July 23, 2009

**Subject:** 2010 Budget Proposal: Community Services Reorganization and Reductions

### Background

The Community Services Division of the Parks and Community Services Department oversees the operation of the following areas: Youth & Family Services, Human Services, Peter Kirk Community Center (PKCC)/Senior Services, North Kirkland Community Center (NKCC), Business Services, Recreation and division administration.

Council identified areas to reduce funding within Senior Services, Youth Services and Community Service division administration as either non-core or partial core. To address reductions in this area, staff recommends implementing a reorganization plan to carry out the programs and services that will remain in the Community Services division should reductions occur.

### Discussion

The proposed position changes that would be implemented as part of a reorganization of the Community Services Division include the following:

<b>Position</b>	<b>FTE Change</b>	<b>Budget Impacts</b>
Eliminate Youth & Family Services Supervisor position	-1.00	(\$114,357)
Eliminate Recreation Supervisor (PKCC) position	-1.00	(\$111,863)
Reclass Recreation Supervisor (NKCC) position to Recreation Coordinator	0	(\$17,644)
Create new position of Human Services Manager to oversee Youth, Human and Senior Services	+1.00	\$123,485
Reclass Program Assistant (PKCC) to Recreation Coordinator	0	\$5,821
Create new position of .5 FTE Program Assistant (PKCC)	+0.50	\$34,846
Reduce Community Services Recreation Systems Administrator from 1.0 FTE to .75 FTE	-0.25	(\$20,545)
<b>Net Budget Impact</b>		<b>(\$100,257)</b>

July 24, 2009

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**Impact of Reorganization and Reductions**

Listed below are some of the foreseen impacts to the proposed reorganization and reduction:

**Youth and Family Services**

- Reduce amount of Youth Council service projects
- Reduce number of We've Got Issues video programs
- Eliminate Blue Fish Festival
- Reduce amount of regional partnerships: Alliance for Eastside Agencies, East King County Network, School District youth support
- Eliminate partnership with Eastside Refugee and Immigrant Coalition and Eastside Healthy Start

**Peter Kirk Community Center**

- Eliminate participation in Northwest Senior Games
- Reduce staff support of Senior Council. This would eliminate the Senior Council related projects: Health Fair, Educational videos, pedestrian safety, Universal design
- Reduce participation on regional East King County Network on Aging, partnership with Area Agency on Aging
- Reduce Senior Steppers program

**Recreation and division administration**

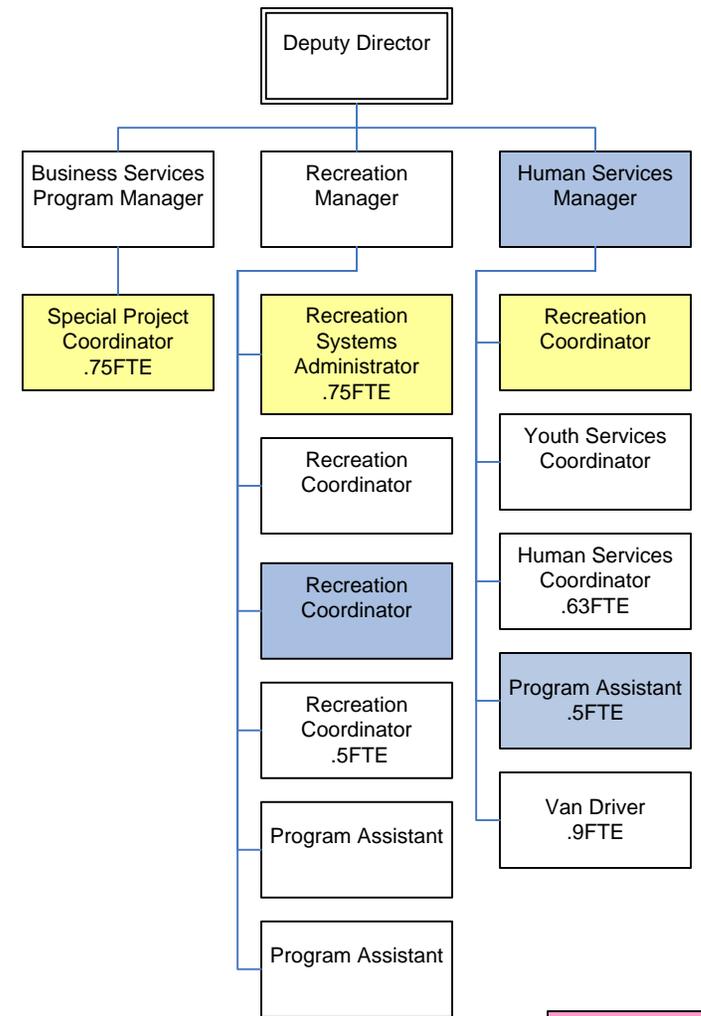
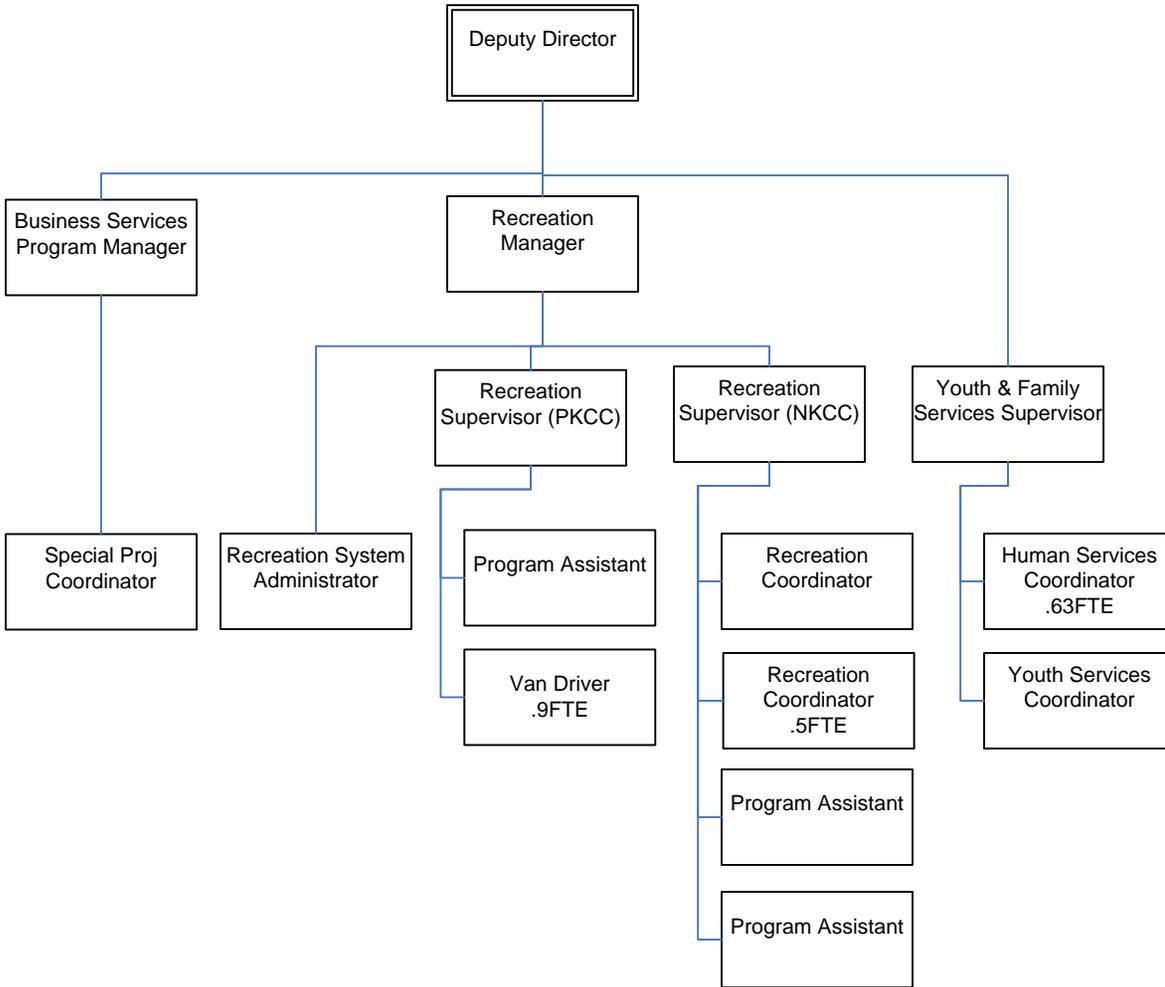
- Close Parks administrative offices (505 Market Street) to customers at 4:00 p.m. to allow time for financial reconciliation, online registration to compensate for reduced staffing
- Reduces hours of availability to service registration and boat launch customers
- Reduced participation on Myparksandrecreation.com
- Reduced time for special projects (i.e., GIS mapping of recreation trends, recreation registration efficiencies, contractual templates)
- Reduces administrative support to Community Services Division
- Reduces response time to customers (i.e., requests for online registration access, boat launch renewals, return phone calls/emails)

While the reductions associated with the reorganization will lower service levels in some areas, there will also be some areas where levels of service will be maintained or improved. We will continue to produce our two recreation brochures; we will offer reasonably the same number of programs at NKCC and PKCC; and this will create business efficiencies at the NKCC, PKCC and Parks administrative offices.

Attachment: Proposed organization chart

**Current Community Services Division Organization**

**Proposed Community Services Division Organization**



Recreation Supervisor (NKCC)-vacant

Recreation Supervisor (PKCC)

Youth & Family Services Supervisor

Community Services Division FTEs	Current	Proposed	Change
AFSCME	9.03	10.03	1.00
MAC	6.00	4.00	-2.00
<b>Total</b>	<b>15.03</b>	<b>14.03</b>	<b>-1.00</b>

Add position

Position change

Eliminate position



## CITY OF KIRKLAND

### Fire & Building Department

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

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

## MEMORANDUM

**To:** Public Safety Committee  
 Dave Ramsay, Kirkland City Management  
 Kevin Nalder, Director Fire & Building Department

**From:** Jack Henderson, Deputy Chief (operations)

**Date:** July 23, 2009

**Subject:** Fire Department Overtime

This report will cover:

- Fire Department Overtime Status
- Agency comparisons
- Strategies to reduce overtime.

At the July 7<sup>th</sup> City Council budget study session the Fire Department was requested to have a report for the Public Safety Committee July 16<sup>th</sup> meeting giving the Fire Department overtime status to the Committee. A comparison of overtime with our neighboring agencies and strategies to reduce overtime was also requested.

The 2009 overtime budget is \$719,190. As of June 30<sup>th</sup> the actual budget is \$510,971, or 71% of 2009 budget. If our disability use remains consistent for the second half of the year we will have an overtime budget actual exceeding our \$719,190 of between \$300,000 and \$360,000.

Kirkland Fire Department staffing consists of 81 Line Personnel assigned to 3 Shifts:

- ❖ "A" Shift 27 Line Personnel
- ❖ "B" Shift 27 Line Personnel
- ❖ "C" Shift 27 Line Personnel

Negotiated contractual obligations allow for:

- ❖ 4 Personnel off on "K – Day" each shift (contracted to obtain 48 hour work week)
- ❖ 4 Personnel off on contracted leave, vacation, routine vacation, physical fitness, community service day, holiday, wellness/fitness leave, and FMLA.

This leaves 19 personnel to cover 18 minimum staffing positions per 24 hour shift.

### Workweek Hours and Leave Hours:

A Firefighter 5 (Top Step) with an average of 15 years service earns a total of 760 hours of all types of contracted leaves annually.

Leave Accruals	Monthly	Annual	Work days
Vacation	20.50	246.00	10.25
Sick Leave	24.00	288.00	12
FF Holiday	--	144.00	6
Physical Fitness	--	24.00	1
Community Service	--	10.00	.42
<u>Bereavement Leave</u>		<u>48.00</u>	<u>2.</u>
	TOTAL	760.00	31.67 days

- *Section 11.1.a. The workweek for the bargaining unit line personnel shall be no more than 48.0 hours per week on an average annual basis. This shall be accomplished by providing one Kelly shift off every six scheduled shifts, prescheduled on an annual basis.*
- *Section 14.1 Under the terms of this collective bargaining agreement the employee is entitled to sick leave and/or other paid time off. The employer must allow an employee to use any or all of the employee's choice of sick leave or other paid time off to care for:*
  - *Personal illness or physical incapacity which renders the employee unable to perform the duties of his/her position;*
  - *A child of the employee with a "Health condition" that requires treatment or supervision;*
  - *any other "immediate family" member, as defined in Article 1 of the employee who is incapable of self-care;*
  - *Upon appointment as Firefighter I, shift personnel shall have 288 hours of paid sick leave credited to him/her.*
  - *Employee's sick leave with pay shall accrue at the rate of 24 hours per month beginning with the 13<sup>th</sup> month. Sick leave shall be cumulative to a maximum of 1440 hours.*
  - *Dependent Leave: 48 hours of sick leave may be used per occurrence for the birthing process, the receiving of an adopted child; or foster care placement. If an Employee must leave while on duty, the hours absent will not be counted against the leave allowed in this section.*
  - *Well Child Sick Leave may be used for the care of a newborn or adopted child or foster care placement. An employee requesting to use Sick Leave to care for a well child after birth, adoption, or foster care placement shall comply with the following rules:*
    - *The employee must take the leave within one year of the birth, adoption, or placement of the child.*
    - *Employees will not be eligible for intermittent usage of Well Child Sick Leave to care for a well child after birth, adoption, or foster care placement.*
    - *An employee can request up to 12 weeks of leave.*
    - *In order to use sick leave as noted in this section, an employee must maintain a minimum sick leave bank equal to 18 months of their accrual rate.*
  - *Family Medical Leave shall be governed by Article 15, the provisions of the Family Medical Leave Act of 1993 and applicable state laws.*

- *Bereavement Leave: At the request of the Employee, leave due to death in the immediate family shall be granted by the Employer. Such leave shall not exceed two shifts (48 hours) for any one incident.*
- *Court and Jury Leave: Employees called to jury duty for Superior or District Court shall be granted leave for those hours the court requires them. Unless otherwise required by the court, Employees will work their normal shifts on Fridays, Saturdays, and Sundays. Employees shall also report for their assigned duties on other days when released by the court prior to 1000 hours, but shall be released from job duties at 2100 if they are scheduled for jury duty the following day. Employees on jury duty leave will receive full pay. Jury duty pay received by the Employee, while acting as a juror on their regularly scheduled duty day, shall be turned over to the City.*

➤ Section 22.1 Bargaining unit Employees working the 24-hour shift shall accrue vacation at the following rates:

<u>YEARS OF EMPLOYMENT</u>	<u>MONTHLY ACCRUAL HOURS</u>	<u>ANNUAL VACATION HOURS</u>
1st - 2nd year of employment-----	10-----	120
3rd - 5th year of employment-----	12-----	144
6th - 9th year of employment-----	15-----	180
10th - 13th year of employment-----	19-----	228
14th - 17th year of employment-----	20.5-----	246
18th - 21st year of employment -----	22.5-----	270
22nd - 24th year of employment-----	23.5-----	282
25th year or more of employment-----	24-----	288

- *Employees shall not be allowed to carry over more than 300 hours of vacation leave from December 31st to January 1st of the following year unless specifically authorized by the Fire Chief.*
- *Employees may use vacation leave on an emergency basis to attend to family matters of an emergent nature. If the Employer must replace the Employee utilizing emergency leave with personnel on overtime, the amount deducted from their leave account will be at one and one-half times the hours used.*
- *Holiday Leave: Employees on the 24-hour shift shall receive 120 hours off in lieu of Holidays. Holiday time will be credited to the employee on 1/1 of each calendar year.*
- *Community Service Day: Employees shall receive 10 hours of Community Service Day Leave a year.*
- *Physical Fitness: Employees can receive up to 24 hours of Physical Fitness Leave a year.*

2009 Callback Staffing:

During the period from 1/1/09 to 7/13/09, 195 days, there were 36 days that did not require overtime to meet the minimum staffing level of 18 personnel on duty each day, 159 days that did require call back staffing. During these 195 days from 1/1/09 to 7/13/09 128 days had a disability leave and 67 days did not. This equates to 76.86 Disability/Light Duty days a month for the period.

Cost of Disabilities:

"Off-Duty" disabilities account for 61.66 % (150 shifts) of disabilities used from 1/1/09 to 7/13/09 and "On-duty" disabilities account for 38.34% (94 shifts) of disabilities used during this period for a cost of \$356,240.00.

Effect of Hiring Personnel:

The Council authorized hiring 4 personnel to "off-set" overtime. The new hire firefighters were assigned to shifts to bring all shifts to 27 personnel. They started shift work on April 6<sup>th</sup>. During the period from April 6, 2009 to July 13, 2009 the new personnel worked an average of 26 (24 hour) shifts a month that had multiple overtimes and reduced the number of overtime shifts to meet the "minimum staffing" each of those days for a total of 91 "24 hour shifts". The difference between their regular salaries and paying overtime for this period was a savings of \$13,600.

Comparison Agencies:

City	Daily Minimum Staffing	Full-time Employees, Suppression	Budgeted Overtime 2009	2009 overtime year to date
Bellevue	49 (9)	204	1,448,363	784,124 (54%)
Eastside	28 (9)	123	480,000	264,221 (55%)
Redmond	23 (6)	116	812,840	517,686 (63%)
Woodinville	15 (4)	60	493,500	260,034 (53%)
Northshore	9 (2)	40	275,000	116,804 (42%)
South King	27 (7)	121	658,916	491,342 (75%)
Kent	30 (8)	135	483,416	447,501 (92%)
Everett	35 (7) 25 MDS by contract	140	700,000	695,000 (99%)
Renton	desire 30, using 25 (6)	125	86,700	177,155 (200%+)
Shoreline	21 (3)	88	555,100	146,338 (26%)
Kirkland	18 (5)	81	719,190	510,971 (71%)

Renton's 2008 overtime budget was \$85,000; actual \$1,146,777, +\$1,061,777 (1349%)

Kent's 2008 overtime budget was \$483,416; actual \$1,016,494, +\$533,078 (210%)

Bellevue's 2008 overtime budget was \$1,482,473; actual \$1,581,267, +\$98,794 (107%)

Eastside's 2008 overtime budget was \$600,000; actual \$826,000, +\$262,000 (137%)

Redmond's 2008 overtime budget was \$1,026,198; actual \$801,856, -\$224,342 (under 22%)

Woodinville's 2008 overtime budget was \$460,500; actual \$691,039, +\$230,539 (150%)  
Northshore's 2008 overtime budget was \$230,800; actual \$273,373, +\$42,573 (119%)  
Everett's 2008 overtime budget was \$576,920; actual \$564,821, (-) \$12,099 (under 3%)  
South King County's 2008 overtime budget was \$689,834; actual \$704,913 +\$15,079 (102%)  
Kirkland's 2008 overtime budget was \$1,121,535; actual \$1,342,786 +\$113,361 (120%)

I had asked 7 other questions of each department and their answers as follows:

- Do you have some number of on & off disabilities for 2008, sick leave also?
  - *Average Sick Leave usage 109.43 hrs/FF (better than 07 & 08)*
  - *177 shifts totaling 3632 hours. 5 of these caused 2-300 hrs time loss.*
  - *There were 14 Persons with Job related injuries, totaling 226 shifts.*  
*No extensive Off Duty related injuries or Disabilities in 2008 to report.*
- Any strategy for controlling overtime?
  - *Minimal staffing – Hired more uniformed personnel.*
  - *Reduce events and meetings that are not critical to the running of Ops*
  - *Budget cut and units have been placed out of service.(Renton)*
  - *For 2010 we may be looking at not back filling sick leave vacancy's*
  - *Thinking about some sort of reward system for not using sick leave*
  - *Promoted two officers per shift to reduce OT*
- Is your dept. using “station brownouts”, furloughs, or other ways to reducing OT?
  - *No, most departments*
  - *Units out of service as staffing drops due to illness or injury (Renton)*
  - *No plans for that at this time*
  -
- Do you have a Wellness/Fitness Program? Formal/ informal? Cross fit?
  - *Yes, formal, mandatory program, 70% does Cross fit.*
  - *Yes, fitness coordinators, time allotted, participation required.*
  - *Yes, formal, Cross Fit an option.*
  - *Yes, informal.*
- At what level is it funded by your department or agency?
  - *Fund annual physicals*
  - *Fund annual physicals, equipment and supplies*
  - *Fund physicals every other year*
  - *All departments allowed “work out” time.*
  - *per contract City pays \$10/month and the employee pay \$5/month into Health and Wellness Program (IAFF Local 864 members only)*
  - *Yearly Physicals \$25,000*
  - *Flu shots, TB test and Hepatitis screening \$3,500, Hearing test \$5,000, Peer Fitness trainers \$6,000, and Overtime for off duty physicals \$10,000*
  - *Annual physicals – fully paid for. Matching \$10 per month, per member for equip & fitness budget. Annual budget for equip. & fitness is \$240 per year, per employee.*
- If any programs do you have information on a reduction in disabilities/ injuries or shorter time to return to work? I'm interested in any local experience.
  - *All information was anecdotal however did detect heart issue sand cancer issues that were caught early and did save the Cities money.*

- And finally, from our Public Safety Committee directly; do you have an “off-duty” safety program to reduce “off-duty” injuries or disabilities?
  - *No, not sure how the City “could require such a thing”.*
  - *Historically, this is the category with the highest use (hours) for unscheduled absences.*
  - *Part of our fitness program is education on healthy choices and lifestyles*

#### Strategies to Reduce Overtime:

Our strategies/options include short and long term considerations. In September of 2008 we talked about establishing a reserve for overtime expenditures of the annual overtime budget. I don't believe this is an option at this time however I believe it would be prudent to examine this approach for the 2011/2012 budget. We could look at balancing evenly throughout the year the number of personnel allowed off each shift for contracted leave as a short term approach to be considered. If this approach was determined to reduce overtime, the process of opening Memorandum of Understanding discussions with Local 2545 would need to take place prior to implementation.

That leaves us with three basic options for the reduction of overtime costs in order to maintain fire and emergency medical services in our community are:

- Hire firefighters, in place of overtime costs
- Fully participate in the IAFC/IAFF Health & Wellness program
- Reduction of service levels by reducing daily minimum staffing

The City has used hiring of FTE's and additional overtime funding in various combinations in the past, with varying levels of success. Our ability to predict the level of leave use is dependent on the circumstances our employees experience at work and at home. This has resulted in an over expenditure of our budget to maintain our minimum daily staffing level. In our 2009/2010 budget deliberation Fire Administration discussed hiring 7 firefighters instead of 4. At the time we could not show a clear savings. As it turned out, there would have been a savings due to disabilities experienced in this first half of 2009.

A long term strategy to help reduce overtime costs would be to implement a comprehensive health and wellness program for firefighters. The International Association of Fire Chiefs and the International Association of Fire Fighters has developed such a program to address health, wellness and safety in the fire service. Both of the association's goals are to reduce firefighter deaths and injuries; the result of this program is lower overtime costs in the long term. Funding this program is a long term commitment to reducing death and injuries thereby lower operating costs for the city. Implementing the health and wellness program is much like the budget process we are going through now; we are looking for changes now that will have a long term effect.

The third option to match the funding level with expenditures is the reduction of service levels. The danger in doing this is that we have, and will continue to have, an increasing demand for service and would have fewer personnel to respond to emergencies; the outcomes of incidents will result in lower survival rates on medical emergencies and greater life and property loss from fire. In addition, having fewer firefighters on incidents could result in greater numbers of injuries and disabilities which would have the opposite effect of reducing overtime costs.

The department's recommendation would be to:

- Hire three firefighters to reduce total expenditures for maintaining daily minimum staffing levels.
- Implement the IAFC/IAFF Health and Wellness program to begin the process to achieve long term reduction or cost avoidance of operational costs.
- As a last resort and when all other options have been exhausted, carefully examine the impacts of service level reductions, before making any reductions of this nature.

Impact of Reduced Service Levels:

❖ **Staffing July 2009, total of 18 personnel on duty each day.**

Station 27 Totem Lake;

5 Firefighters (1 Officer and 4 firefighters)

Staff Engine 27 (3) & Aid 27 (2)

- Engine 27 (3) can respond to fire or EMS without transport.
- Aid 27 (2) can respond to EMS with transport

or

Aid 27 (2) can respond to other emergencies for staff or other support

❖ **Reduce staffing to a total of 17 personnel on duty each day.**

Station 27 Totem Lake;

4 Firefighters (1 Officer and 3 firefighters)

Cross staff Engine 27 & Aid 27

- Engine 27 (4) Fire, Haz Mat, Rescue
- Aid 27 (0) out of service

or

- Engine 27 (2) can respond to fire (support only no fire fighting until other units arrive or EMS without transport.
- Aid 27 (2) can respond to EMS with transport.

❖ **Reduce staffing to a total of 16 personnel on duty each day.**

Station 27 Totem Lake;

3 Firefighters (1 Officer and 2 firefighters)

Cross staff Engine 27 & Aid 27

- Engine 27 (3) Fire, Haz Mat, Rescue
- Aid 27 (0) out of service

or

- Aid 27 (3) EMS with Transport
- Engine 27 (0) out of service

- ❖ Station 27 response times range from 2:11 to 11:00 for medical aid. Response times from Mutual/Automatic Aid stations are from 5 to 12 minutes (increased response times could be experienced due to traffic and weather conditions)
- ❖ Using 2008 total call numbers at Station 27 there will be at least 1.5 calls a day that will be responded to by Mutual/ Automatic Aid units.

## Budget Balancing Strategy - General Fund Framework - 8/4/09 Budget Follow-up Study Session

Dollars in thousands

	Potential Savings Available	One-Time		Ongoing		Total
		2009	2010	2009	2010	
Projected Near-Term Shortfall due to Economy		(2,772)	(3,055)	-	-	(5,827)
Projected Ongoing Shortfall due to Utility Tax		-	-	-	(2,240)	(2,240)
<b>Projected Shortfall in Baseline Utility Tax</b>		<b>(500)</b>	<b>(500)</b>	-	-	<b>(1,000)</b>
<b>Projected Shortfall in Business License Fees</b>		<b>(200)</b>	<b>(200)</b>	-	-	<b>(400)</b>
<b>Projected Overspending in Fire Overtime</b>		<b>(300)</b>	<b>(300)</b>	-	-	<b>(600)</b>
<b>Total (Shortfall)</b>		<b>(3,772)</b>	<b>(4,055)</b>	-	<b>(2,240)</b>	<b>(10,067)</b>
<b>Strategies</b>						
<b>1. Budget Reduction List/Services Matrix</b>	1,615	-	348	-	1,267	1,615
<b>2. Additional Reductions</b>						
Line Item Budgets						
Dues & Memberships	47	-	47	-	-	47
Out-of-State Training/Travel & Subsistence	64	29	35	-	-	64
Fire Minimum Staffing Reduction	369	-	-	-	-	-
<b>3. Savings from M&amp;O/Additional Revenues</b>						
Internal Service Rates						
Fleet Rates (mostly due to fuel savings)	129	129	-	-	-	129
IT Operating Rates	201	70	131	-	-	201
IT Replacement Rates	228	76	152	-	-	228
Governor's Pension Rate Reductions	557	180	377	-	-	557
Court Building Lease Savings	TBD	-	-	-	-	-
Revenue - Parking Fine Increase (\$10/ticket)	100	-	-	-	-	-
<b>4. Reserves/Year End Cash</b>						
2008 Year-end Cash	1,500	1,500	-	-	-	1,500
Revenue Stabilization Reserve	1,000	1,000	-	-	-	1,000
Rainy Day Reserves	2,700	-	1,350	-	-	1,350
Contingency	2,325	-	-	-	-	-
<b>5. Capital Improvement Program</b>						
Projects Funded not Started	447	229	-	-	-	229
Projects to be Closed/Funds Repurposed	253	88	-	-	-	88
<b>6. Compensation Savings</b>						
AFSCME/Teamsters	344	-	-	-	344	344
MAC	270	-	-	-	270	270
IAFF	339	-	-	-	339	339
PSEU (Police Lts.)	20	-	-	-	20	20
Police Commissioned & Support Guild*	296	-	-	-	-	-
<b>7. Work Schedule Reductions</b>						
Furlough	56/day	-	-	-	-	-
Reduced Work Week (1 hour/week)	375	-	-	-	-	-
24/7 Operations Equivalent-Furlough	TBD	-	-	-	-	-
24/7 Operations Equivalent-Wrk Wk Red.	TBD	-	-	-	-	-
<b>Total Potential Savings</b>		<b>3,301</b>	<b>2,440</b>	-	<b>2,240</b>	<b>7,981</b>
<b>Net Surplus/(Shortfall) - Annual</b>		<b>(471)</b>	<b>(1,615)</b>	-	-	<b>(2,086)</b>

**NOTES**

\* Collective bargaining agreement is currently open, so savings are shown as potential pending negotiations.

Shaded items indicate approved Mid-Year Budget adjustments.

*Italicized items are changes from last version*

## June 2009 Financial Dashboard Highlights

July 23, 2009

- The June 2009 actual revenues and expenditures summarized in the dashboard represent six months of data, which is 50% of the year complete.
- Total General Fund revenues are below expectations due to the following:
  - The first and second quarterly payments from Fire District #41 were received in early July (\$1.9 million) and are not reflected in the June dashboard. In addition, EMS Levy revenue is usually received in half-yearly installments with the first payment expected in July.
  - Sales tax revenue is down 16.1% from June 2008. Year-to-date sales tax revenue is down 20.2% or \$1.5 million dollars from last year. However, receipts for a key retailer were double-posted in May 2008 and corrected in the following month. Normalizing for this correction changes the June monthly comparison to 22.5% down from June 2008 and does not change the annual comparison. All business sectors continue to experience negative performance, with general merchandise/misc. retail, auto/gas retail and contracting down more than 23% for the month from the prior year.
  - June business license revenues continue to lag estimates due to business circumstances at two large employers: (1) the consolidation of IBM sites which moved revenue from February to November and (2) delay in registration by Nintendo's contract employment agencies, which we are actively pursuing. Adjusting for these events, we are projecting that these revenues are likely to fall short of budget by at least \$200,000 in 2009, driven by the decline in employment due to the overall economic downturn. We assumed 27,000 FTE's in the budgeted amount based on 2008 licenses and are falling at least 2,000 short (7.4%), which is not unexpected due to the increase in unemployment since the budget was established. We are following up with delinquent accounts and are monitoring trends closely and we will be preparing a more detailed analysis for an upcoming Council reading file.
  - As discussed at the 6/2 and 7/7 study sessions, utility tax receipts have been lagging. In 2008, utility taxes were at 54% of budget through June and we are currently at 48%; the difference has been growing in recent months and at this stage we are changing the status to "red". Staff has completed a detailed analysis of the utility tax revenues by sector and has projected that the total revenues for 2009 will fall short of the budget by at least \$500,000, due to two primary factors:
    - Telecommunications tax is falling about \$400,000 short driven by changes in consumer habits due to economic conditions and the full impact of a federal legal decision that exempted selected services from local tax, and
    - Net electric/gas tax revenues are down about \$100,000 because the budget assumed that PSE would increase rates (electric +9%/gas +5%) based on estimates at the time of the budget. In reality, both rates decreased slightly resulting in a net decrease from budgeted levels.
  - Development revenues are down across-the-board. Although Planning and Public Works permit revenues were stronger in May and June, they continue to be well below budgeted levels. Building related revenues saw June improve slightly after a weak May, and continue to be below targeted levels and show volatility. The City Council adopted mid-year reductions on July 7 to reduce costs to help mitigate the significant decreases in projected revenue. Further discussion of June development activity follows the dashboard.

- Total General Fund expenditures are within expectations.
  - General Fund expenditures are trailing the budget, reflecting actions that have been taken to date to slow spending. In 2008, expenditures were at 48.8% through June and we are currently at 48.6%.
  - Fire Suppression overtime in June was \$66,494, which again exceeded the projected monthly average of \$45,000 for May through December. July appears to be increasing even more (overtime for the first half of July was about \$53,000). We are monitoring fire overtime closely and the Fire department is evaluating strategies to address the overage. However, the Department's estimate is that overtime will be over budget by \$300,000-350,000 in 2009, so we are also changing the status of Fire overtime to "red".
  - Jail Contract Costs are currently at 62% of budget. The Police Department is under expending in other categories to help offset the overage but we continue to monitor this cost closely.
  - Fuel costs are still substantially below budgeted levels, but prices are on the rise during summer travel season. The City Council adopted a reduction in the Fleet budget to reflect this dynamic on July 7.

Attachments: June Dashboard  
Development Services Highlights

## Development Services Report – June 2009

A review of the June 2009 permit data allows us to offer the following:

- The June 2009 statistics continue to follow the trend that we witnessed in the second half of 2008. New SFR (Single Family Residential) permit applications remain flat for the year (in June 6 applications were received compared to 5 in June of last year). In the past when we have seen a downturn in new development permits, we have seen an increase in commercial tenant improvement permits and single-family remodel permits but that is not the case so far this year (131 applications year to date compared to 211 last year).
- The total number of permits received in June 2009 (261) is higher than the monthly average for 2008 (222), and higher than June 2008 (248).
- Building Department revenue for June 2009 was \$184,759, below our projected monthly revenue average of \$200,292 for 2009. Year to date total revenue collected for the first 6 months falls short of budget by \$140,170.
- We expect to issue the Lake Washington Technical College Addition (\$127,537) in July and the Holy Family Parish Addition and Kirkland Transit Center project later this summer.
- Public Works Department development revenue for June 2009 was \$111,540 which is above our monthly projected revenue average of \$61,239, due to two large permits (\$53,000) in June (Holy Family & Merrill Gardens).
- Planning Department revenue for June 2009 was \$24,805 which is below our projected monthly revenue average of \$28,458 for 2009. Year to date total revenue collected for the first 6 months falls short of budget by \$63,507. Planners are noting a spike in wireless communication pre-submittals that may indicate future permit applications.
- The redesigned McLeod project is proceeding with design review and should complete the process in October. We expect their building permit application shortly thereafter.

**City of Kirkland Budget Dashboard**

**Annual Budget Status as of 6/30/2009** (Note 1)  
**Percent of Year Complete 50.00%**

	2009 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Month	Last Month	
<b>General Fund</b>						
Total Revenues	59,821,768	25,655,952	42.9%			excludes transfers in from other funds
Total Expenditures	61,552,551	29,929,434	48.6%			

**Key Indicators (All Funds)**

<i>Revenues</i>						
Sales Tax	14,700,801	5,949,725	40.5%			Prior YTD = \$7,453,768; Jan-June 2008 was 49.59% of budget
Utility Taxes	11,586,963	5,596,810	48.3%			
Business License Fees	3,077,720	1,355,519	44.0%			Following up on delinquent accounts
Development Fees	3,373,273	1,451,062	43.0%			Continue to be down substantially
Gas Tax	1,133,278	492,564	43.5%			
<i>Expenditures</i>						
GF Salaries/Benefits	42,645,103	20,868,574	48.9%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	719,190	458,095	63.7%			New positions began 4/09; May/June disabilities high
Contract Jail Costs	899,680	558,871	62.1%			Underexpending in other categories to offset
Fuel Costs	558,310	134,290	24.1%			Cost/gallon running at about half budgeted rate but rising

**Status Key**

Revenue is higher than expected or expenditure is lower than expected

Revenue/expenditure is within expected range

WATCH - Revenue/expenditure outside expected range



Note 1 - Report shows annual values during the first year of the biennium (2009).

na - not applicable

**City of Kirkland**  
**Budget Reduction List**  
**Additional Potential Reductions**

<b>Department/Fund</b>	<b>Service</b>	<b>Amount</b>	<b>FTE</b>	<b>Comments</b>
Finance	Park Smart Program	19,489	0.25	Support of Police and Public Works function. Would need to eliminate program or this work would have to move to one of those departments
Police	Park Smart Program	33,407	0.50	Current staffing is 2 PEOs working a total of 80 hours per week - 60 hours of enforcement time and 20 hours contacting businesses and citizens concerning parking issues and concerns and performing duties related to the Park Smart Program. Reducing one position to half-time would eliminate the Police involvement with the Park Smart Program and PEOs would perform enforcement duties only. With no reduction in enforcement hours, there should be little, if any, impact to revenue generated by enforcement.
Fire	Reduce Minimum Daily Staffing from 18 to 17 to address Overtime	369,380		Reduce minimum daily staffing from 18 on duty firefighters to 17 on duty firefighters. Overtime reduction, possible impact of reducing Aid Car 27 from a dedicated Aid Car to a crossed staff unit with Engine 27.
<b>Additional Potential Reductions Total</b>		<b>422,276</b>	<b>0.75</b>	

Parking Enforcement Fine Comparison		
City	Parking Fine*	Note
Bothell	20.00	
Everett	20.00	Progressive up to \$50, depending on number of violation
Federal Way	20.00	Looking at an increase
<b>Kirkland</b>	<b>20.00</b>	
Lake forest Park	20.00	Looking at an increase
Auburn	25.00	Up to \$40, depending on number and type of violation
Bellevue	25.00	
Kent	25.00	
Issaquah	30.00	
Lynnwood	30.00	
Mercer Island	35.00	
Renton	35.00	
Seattle	38.00	
Tukwila	42.00	
Redmond	45.00	
<b>Average Fine</b>	<b>29.29</b>	

\*Fines are the base amount issued for the first infraction

**CITY OF ISSAQAUH**  
**VOLUNTARY SEPARATION PROGRAM**

**Severance Incentive for Voluntary Separation**

An employee who voluntarily resigns or retires from the City effective August 31, 2009 will receive the following:

- Four months severance pay and
- One additional month of severance pay for each ten years of city service (pro-rated) up to a maximum of six months total severance pay.

**Parameters of the Voluntary Separation Program are:**

Participation in the program is entirely voluntary. To be minimally eligible for this program, the employee must be a regular full-time non-probationary employee.

Participation is subject to the review of the employee's department director and the recommendation of the City Administrator.

The Washington State Employment Security Department will not consider this separation a qualifying event for purposes of filing for unemployment benefits

If an employee returns to City service as a City employee within five years, they would be required to repay the separation payment.

The lump sum payment issued will have all applicable withholdings (FICA and Federal Income Tax) taken from the payment.

Employees will have a maximum of 45 days to make their decision to participate in the Voluntary Separation Program and seven days from their written decision to revoke it. **A decision to participate must made by or before August 15.** Once this decision is made by signing the Voluntary Separation Agreement an employee will have seven calendar days to revoke their decision.

The City will cash out any leave accruals per applicable City policy.

All recommendations for acceptance of an application for voluntary separation will be reviewed and must be approved by the Mayor. The Mayor's decision regarding acceptance is final.

Final approval for any employee utilizing this program is conditioned upon execution of a written agreement between the city and the employee acknowledging the terms and conditions of the program including a hold harmless agreement.



**CITY OF KIRKLAND**

**Fire & Building Department**

**123 Fifth Avenue, Kirkland, WA 98033 425.587.3000**

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

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**MEMORANDUM**

**To:** City Council  
Dave Ramsay, City Manager

**From:** Kevin Nalder, Director, Fire and Building Department

**Date:** July 22, 2009

**Subject:** Tom Phillips, Building Official of the Year

The Washington Association of Building Officials (WABO) named Tom Phillips, Building Official for the City of Kirkland, WA as its 2009 Building Official of the Year. Tom was recognized for his leadership in working with WABO members on development of the new Washington Cities Electrical Code, which is currently being considered by many cities for adoption. Tom represents Washington cities as a member of the State Electrical Board. WABO also acknowledged Phillips' service on the State Building Code Council's, Building Code Technical Advisory Group and his chairmanship of the MyBuildingPermit.com management committee.



**CITY OF KIRKLAND**

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**MEMORANDUM**

**To:** City Council  
Dave Ramsay, City Manager

**From:** Kevin Nalder, Director, Fire and Building Department

**Date:** July 22, 2009

**Subject:** 20 Year Service Award Presentations for Tom Bach, Pat Hund, Troy McKinney, William Henderson, Dave Walker, Cliff Oleszko, Joe Ruljancich, Pat McManus-

It is with great pleasure and honor that I introduce our 20 Year Service Award employees to you tonight. For the past 20 years, each one of these firefighters has demonstrated their professionalism, dedication, and concern for the citizens of Kirkland and the Kirkland Fire Department.



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES  
July 21, 2009

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

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

Members Absent: None.

3. STUDY SESSION

a. City Council Goals

Joining Councilmembers for this discussion in addition to City Manager Dave Ramsay was Assistant City Manager Marilynne Beard.

4. EXECUTIVE SESSION

None.

5. SPECIAL PRESENTATIONS

a. Twenty-Five Year Service Awards to Firefighters: Lieutenant Mark Anderson, Firefighter Robert Holmes Sr., Captain Mike Jeffrey, Firefighter Andy O'Keefe, and Captain Bryan Vadney

b. Kirkland Teen Union Building (KTUB) Program Update

Youth Services Supervisor Judy Manchester introduced KTUB Director Seth Dostart who reviewed current programs and asked participants Jordan, Mariah and Gerald to provide additional remarks.

c. Green Bike Program

Transportation Engineering Manager Dave Godfrey provided an overview of the program success.

6. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding King County Growth Management Planning Committee meeting; Suburban Cities dinner; King County Fair in Enumclaw; Northeast Cities Jail Advisory Group Meeting; Puget Sound Energy tour of Snoqualmie Hydro Plant and Wild Horse Wind Farm; Sound Transit Light Rail opening day; Tolling Advisory Board; Kirkland Classic over 55 Softball Team; King Conservation District and WRIA 8; correspondence to Bill Knutson, Chair, King Conservation District; Kirkland UnCorked event; and 520 bridge correspondence.

King Conservation District Correspondence

Motion to approve King Conservation District Correspondence

Moved by Councilmember Mary-Alyce Burleigh, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

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

(2) Appointing City Manager Search Sub-committee

Mayor Lauinger proposed a subcommittee composed of himself and Councilmembers Asher and Sternoff, which was approved.

b. City Manager

(1) Calendar Update

7. COMMUNICATIONS

a. Items from the Audience

Chris Malham  
Phil Megenhardt  
Debra Grant  
Jack Rogers  
Toby Nixon  
Katherine Winder

Anthony Frederickson  
Rob Brown

b. Petitions

None.

8. CONSENT CALENDAR

a. Approval of Minutes:

(1) July 1, 2009 Special Study Session

(2) July 7, 2009

b. Audit of Accounts:

Payroll \$ 2,264,774.65

Bills \$ 1,680,204.86

run # 839 check #'s 509979 - 510165

run # 840 check # 510166

run # 841 check #'s 510167 - 510323

run # 842 check #'s 510324 - 510333

c. General Correspondence

(1) Bruce White and Teresa Chilelli-White, Regarding a Stormwater System in the Potential Annexation Area

d. Claims

(1) Samantha Cowan

(2) Karen Lindvall

(3) Heather Wickman

e. Award of Bids

(1) 2009 Emergency Sewer Program, Universal Land Construction Company

The contract was awarded for schedules A, B and C (modified) in the amount of \$741,322.83.

f. Acceptance of Public Improvements and Establishing Lien Period

(1) Establishing Lien Period and Approving Additional Funding for NE 73rd Street Sidewalk

The lien period was established for work completed by the Dennis R. Craig Construction Company and the amounts of \$17,200 from the water/sewer capital contingency fund and \$43,800 from the general capital contingency fund were approved to complete the project close out.

g. Approval of Agreements

(1) Resolution R-4768, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE A PROCEEDS DISTRIBUTION AND HOLD HARMLESS AGREEMENT WITH THE CITY OF BELLEVUE."

h. Other Items of Business

(1) Resolution R-4769, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A WAIVER OF COMPETITIVE BIDDING FOR VIDEO DETECTION CAMERA EQUIPMENT FOR THE NORTHEAST 85TH STREET IMPROVEMENTS PROJECT FROM KAR-GOR, INC. OF SALEM, OREGON."

(2) Resolution R-4770, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE CERTIFICATIONS INCLUDING A CONTINUING DISCLOSURE UNDERTAKING AND DO ALL THINGS NECESSARY TO ENABLE CASCADE WATER ALLIANCE TO ISSUE AND SELL ITS BONDS."

(3) Approving ARCH Housing Trust Fund Recommendations

The recommendations and conditions of approval of the ARCH Executive Board for the spring 2009 housing trust fund to allocate \$70,100 to the Tessera Developmental Disabilities Group Home project were approved.

(4) Acknowledging Planning Commission Resignation

Council acknowledged Planning Commissioner Kiri Rennaker's resignation.

(5) Reporting on Procurement Activities

Motion to approve the Consent Calendar.

Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

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

Council recessed for a short break at 9:20 p.m.

9. PUBLIC HEARING

- a. Ordinance No. 4196 and its Summary, Relating to Zoning and Land Use and Preparing Zoning Regulations for the Finn Hill, Kingsgate and North Juanita Annexation Area; Adopting Zoning Code Amendments; Adopting Kirkland Municipal Code, Title 22, Amendments; Adopting an Annexation Zoning Map; Adopting an Annexation Comprehensive Plan Land Use Map; Adopting a Streams and Wetlands Map; Adopting a Landslide and Seismic Hazard Map; and Approving a Summary Ordinance for Publication, File No. ANN09-00001

Mayor Lauinger reopened the hearing, continued from June 2, 2009 and July 7, 2009. Planning Supervisor Jeremy McMahan provided a brief overview of previous Council direction from the hearing. Testimony was provided by:

Todd Woosley

Mike Perry

Bob Villareale

No further testimony was offered and the Mayor closed the hearing. Council began their deliberations and provided remaining direction for the ordinance to be considered.

Motion to Approve Ordinance No. 4196 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AND PREPARING ZONING REGULATIONS FOR THE FINN HILL, KINGSGATE AND NORTH JUANITA ANNEXATION AREA; ADOPTING ZONING CODE AMENDMENTS; ADOPTING KIRKLAND MUNICIPAL CODE, TITLE 22, AMENDMENTS; ADOPTING AN ANNEXATION ZONING MAP; ADOPTING AN ANNEXATION COMPREHENSIVE PLAN LAND USE MAP; ADOPTING A STREAMS AND WETLANDS MAP; ADOPTING A LANDSLIDE AND SEISMIC HAZARD MAP; AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ANN09-00001."

Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway

Vote: Motion carried 5-2

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

No: Deputy Mayor Joan McBride, and Councilmember Mary-Alyce Burleigh.

10. UNFINISHED BUSINESS

- a. Report From Parking Advisory Board

Chair Jack Wherry reviewed the report for the Council.

- b. St. Andrews Housing Group (SAHG) - Totem Lake Project Update

ARCH Program Manager Arthur Sullivan provided an update on the affordable housing development being discussed for a site in the Totem Lake area.

- c. Ordinance No. 4200 and its Summary, Relating to Storm and Surface Water Management and Water Quality

Motion to Approve Ordinance No. 4200 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO STORM AND SURFACE WATER MANAGEMENT AND WATER QUALITY."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

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

- d. Resolution R-4763, Calling for a Special Election to be Held in Conjunction With the General Election on November 3, 2009, for the Purpose of Placing on the Ballot a Proposition Concerning the Annexation of Certain Territory Referred to as the Finn Hill, Kingsgate and North Juanita Annexation Area Including Assumption of Existing City Indebtedness and Adoption of Zoning Regulations

Motion to Approve Resolution R-4763, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND CALLING FOR A SPECIAL ELECTION TO BE HELD IN CONJUNCTION WITH THE

GENERAL ELECTION ON NOVEMBER 3, 2009, FOR THE PURPOSE OF PLACING ON THE BALLOT A PROPOSITION CONCERNING THE ANNEXATION OF CERTAIN TERRITORY REFERRED TO AS THE FINN HILL, KINGSGATE AND NORTH JUANITA ANNEXATION AREA INCLUDING ASSUMPTION OF EXISTING CITY INDEBTEDNESS AND ADOPTION OF ZONING REGULATIONS."

Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 6-1

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

No: Councilmember Jessica Greenway.

- e. Resolution R-4771, Providing for the Submission to the Qualified Voters of the City of Kirkland at the November 3, 2009, General Election of a Proposition to Increase the Utility Tax Imposed Upon Electrical Energy, Natural Gas, and Telephone Services from 6 Percent to 7.5 Percent in Order to Create a More Sustainable Budget for the Purpose of Maintaining Existing City Services, Including Public Safety and Parks

This item was delayed until the August 4, 2009 City Council meeting.

- f. Considering Application for Voted Private Utility Tax Increase Ballot Issue Pro Committee Appointment

Motion to Appoint Carolyn Hitter to the "Pro" committee.

Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

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

## 11. NEW BUSINESS

- a. Hopelink Correspondence Regarding Request for Additional Funding

Motion to Approve Hopelink Correspondence Regarding Request for Additional Funding

Moved by Councilmember Mary-Alyce Burleigh, seconded by Councilmember Tom Hodgson

Vote: Motion carried 5-2

Yes: Mayor Jim Lauinger, Councilmember Dave Asher, Councilmember

Mary-Alyce Burleigh, Councilmember Jessica Greenway, and  
Councilmember Tom Hodgson.

No: Deputy Mayor Joan McBride, and Councilmember Bob Sternoff.

12. ANNOUNCEMENTS

None.

13. ADJOURNMENT

The Kirkland City Council regular meeting of July 21, 2009 was adjourned at  
11:15 p.m.

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City Clerk

Mayor



**CITY OF KIRKLAND**  
Information Technology Department  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3050  
www.ci.kirkland.wa.us

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## MEMORANDUM

**To:** David Ramsay, City Manager  
**From:** Brenda Cooper, Chief Information Officer  
**Date:** July 23<sup>rd</sup>, 2009  
**Subject:** Response Letter to Barry N. Brinkman

## RECOMMENDATION

That City Council signs the attached letter to Mr. Brinkman. In addition, Council may wish to direct staff to prepare a memo to the Washington State Utility Commission.

## BACKGROUND DISCUSSION

Robust telecommunications infrastructure is important to the economic health of our community. The City has a vested interest in doing what we can as a city to assure that the telecommunications carriers in Kirkland provide the services needed by our citizens and businesses. However, our role is somewhat limited.

Verizon Communications has indicated that they intend to transfer their wire line (regular home telephone) internet (VoIP telephony) and cable (television) services to Frontier Communications. They are transferring these assets in a number of states, and in most cases the transfer is in a rural area.

There is some concern that Frontier may not have the resources or experience that the City has been able to draw on through Verizon. While the City has very limited influence in what happens with the telephone and internet part of their business, we do have some voice in the transfer of their video cable franchise. Staff is attempting to evaluate whether or not Frontier will be able to deliver adequate services in that area. Kirkland is trying to partner with other interested jurisdictions on the topic so that we can pool our resource in light of funding limitations.

At this point staff does not have a formal recommendation for Council part of which may include writing a letter to the Washington Utilities and Transportation Commission (WUTC).

If Council chooses to write a letter to the WUTC, it would be premature to state that Kirkland wants them to block the sale as Mr. Brinkman advises since we have not reached any final conclusions about Frontier Communications. We could draft a letter to them advising that we have concerns if you wish us to do so.

RECEIVED

JUL 15 2009

CITY OF KIRKLAND  
CITY MANAGER'S OFFICE

**Barry N. Brinkman**

2456 196<sup>th</sup> Ave. SE  
Sammamish, WA 98075

425-557-8844  
[bbrink41@yahoo.com](mailto:bbrink41@yahoo.com)

July 13, 2009

The Honorable James L. Lauinger  
Kirkland City Council  
123 5<sup>th</sup> Avenue  
Kirkland, WA 98033

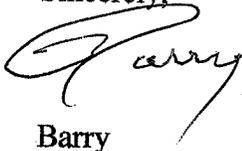
Dear Jim,

Not sure that you remember me, but I serve on the King County Municipal League. We recently spoke concerning the candidacy of Tom Hodgson. I appreciated your comments and shared them with the committee.

I am now contacting you about a potential problem facing Kirkland and other eastside cities. Specifically the sale of Verizon Communications' territory in Washington. Verizon is requesting approval of the Washington Public Utility Commission of this sale to Frontier Communications. If this sale is approved, the future of landline phone communications will be negatively impacted, and will have a negative impact on the quality of life in Kirkland. Frontier does not have the finances to maintain and expand the communications infra-structure. This will affect landlines, internet and TV as offered by Verizon. Being a former employee of Verizon gives me the perspective of how this will impact Kirkland.

What I am suggesting is to contact the Washington Public Utility Commission and your legislative representatives, and ask them to block this sale.

Sincerely,



Barry

PS: Good luck on your future plans.

August 4, 2009

**D R A F T**

Barry N. Brinkman  
2456 196<sup>th</sup> Ave. SE  
Sammamish, WA 98075

Re: Response to your letter dated July 13<sup>th</sup>, 2009

Dear Mr. Brinkman:

Thank you for your letter dated July 13<sup>th</sup>, 2009 in which you express concern about the pending sale of Verizon's telephone and video services in Washington. We agree that it is a significant transfer of a key service, and that telecommunications infrastructure is important for the quality of life here in Kirkland.

The City does have an important role to play in the proposed Verizon-Frontier transfer. While the City has no regulatory jurisdiction over voice and telecommunications services regulated by the WUTC, our video services franchise with Verizon, does require that the City approve the transfer prior to the parties closing the sale of the video services and related assets. This is similar to the authority of other local jurisdictions that in Washington State that have issued video service franchises to Verizon. The City has received Verizon's formal request for permission to transfer the video services franchise. City staff is evaluating the request for transfer and do not yet have a recommendation for Council about whether to approve or not.

The City's review and decision is bound both by the terms in our franchise with Verizon and by Federal Commission rules which create certain procedural rights for Verizon.

On the voice services and telecommunications services, your suggestion that alerting the WUTC as to the importance of this Kirkland and other current Verizon communities may be a good one. We can make a more informed decision on this issue once staff has finished reading and evaluating the documents we have been provided with by Verizon and Frontier.

Please stay in touch as you learn of actions by other Washington communities. This is an important sale proposal and alerting the affected communities to act to protect their interests is a real service to everyone. The lead staff on this project is Brenda Cooper,

who is our Chief Information Officer. If you would like to speak with Ms. Cooper, she can be reached at (425) 587-3051 or [bcooper@ci.kirkland.wa.us](mailto:bcooper@ci.kirkland.wa.us).

Thank you again for bringing your concerns to the City's attention.

Sincerely,  
Kirkland City Council

By James L. Lauinger, Mayor

cc: Marie Stake, Communications Program Manager  
Brenda Cooper, Chief Information Officer  
Janice Perry, Multimedia Services Manager  
Oskar Rey, Assistant City Attorney



**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, Director of Public Works  
Ray Steiger, P.E., Capital Projects Manager

**Date:** July 21, 2009

**Subject:** Draft response letter to Mr. & Mrs. Paquette  
RE: Condition of NE 124<sup>th</sup> & Suggestion for NE 116<sup>th</sup>

**RECOMMENDATION:**

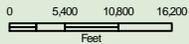
It is recommended that the City Council authorize Mayor James Lauinger to sign a letter as presented or modified responding to Mr. & Mrs. Paquette.

**BACKGROUND DISCUSSION:**

On July 9, 2009, an e-mail was received at the City, addressed to the Kirkland City Council, and authored by Jason & Lindsay Paquette. In the e-mail, Mr. & Mrs. Paquette express their concerns regarding the condition of Ne 124<sup>th</sup> and suggest signal improvements at NE 116<sup>th</sup> (Attachment 1).



Vicinity Map

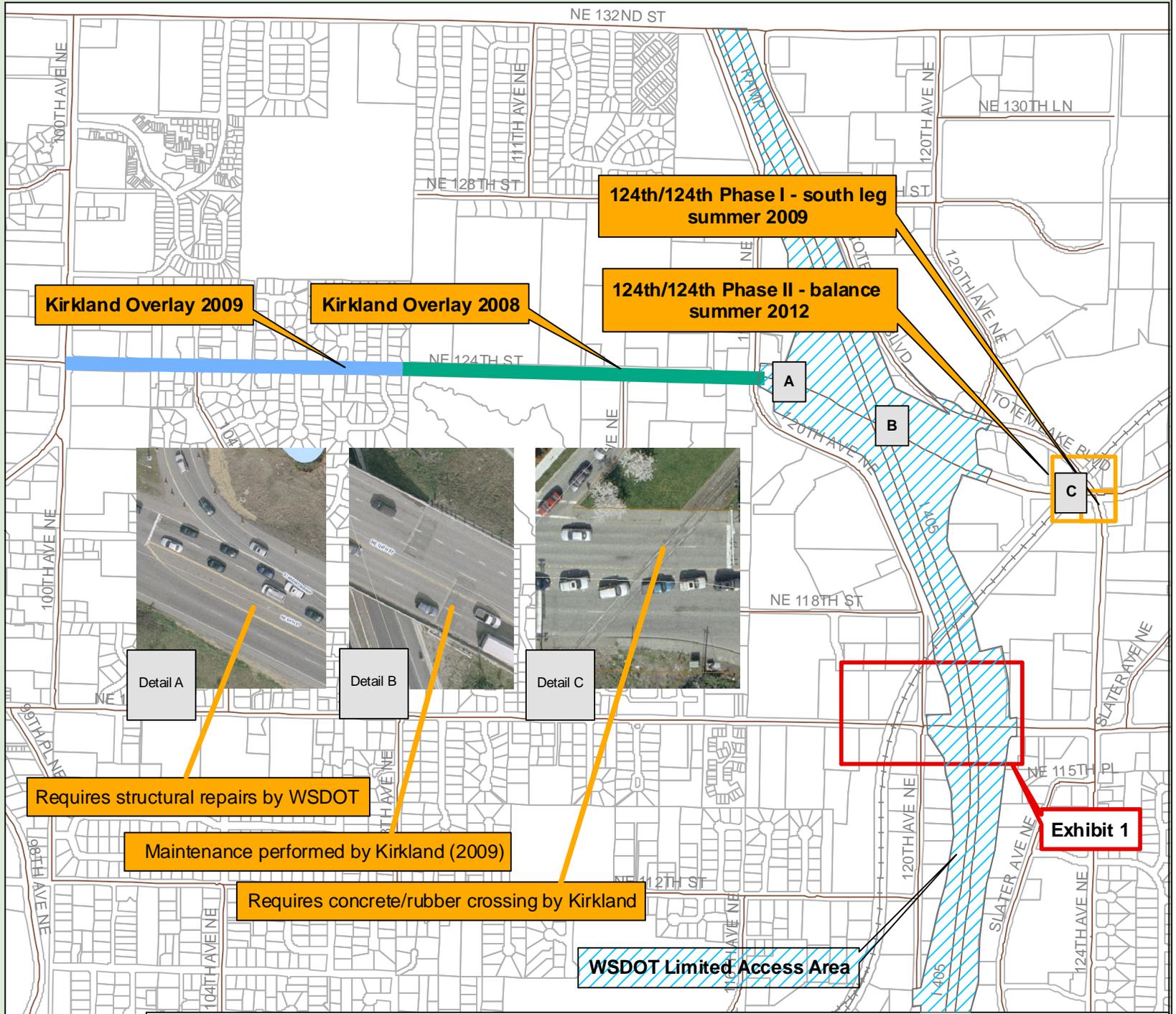


**Map Legend**

- Major Streets
- Railroad Centerlines
- RAIL\_TYPE
  - Main Line
  - Spur Line
  - Railroad Bridge
  - Tax Parcels



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**vicinity map -- NE 124th Street and NE 116th Street corridor**

**From:** Jason Paquette [mailto:jason@paquettesplace.com]  
**Sent:** Thursday, July 09, 2009 1:43 PM  
**To:** KirklandCouncil  
**Subject:** Condition of NE 124th & Suggestion for NE 116th

Dear City Council,

My wife and I moved to Kirkland three years ago. We've been pretty patient about the condition of some roads in town, but after numerous band aid fixes we have grown quite frustrated with the condition of NE 124<sup>th</sup> between 116<sup>th</sup> NE and 124<sup>th</sup> NE.

First, the railroad crossings at NE 124<sup>th</sup> & Totem Lake Blvd are a major road hazard. Other crossings on that rail line have all been replaced with newer and smoother crossings (including the crossing at 132<sup>nd</sup> Ave NE), but the potholes on these major thoroughfares continue to degrade. I don't recall seeing any work done on these in the three years I've been commuting over them every day.

Next, westbound NE 124th approaching the northbound I-405 on ramp have had potholes in the right lane that get bad then at random times road crews pour in more asphalt until the hole gets bad enough again. This is also true of potholes at the expansion joints for the I-405 overpass.

Finally, NE 124<sup>th</sup> between I-405 and 116<sup>th</sup> Ave NE, the road is very bumpy and uneven. I don't recall seeing any work done here.

The band aid fixes along this stretch have not fixed the underlying cause of the potholes, ruts, and uneven roadway. More drastic measures may be required.

On a separate note, the traffic on NE 116<sup>th</sup> St under I-405 is usually terrible during rush hours only because the lane configuration is so poor. Going westbound on NE 116th from 124<sup>th</sup> Ave NE, there is a center left turn lane that does no good because you can't turn left onto the Northbound off ramp, and going eastbound there is nothing to turn left into until you get to the Dania. Going westbound, there are two lanes, but the right lane ends in a seldom used right-turn-only lane to northbound 120<sup>th</sup> Ave NE. Due to this configuration, you have all the traffic going to southbound I-405 and westbound NE 116<sup>th</sup> crammed into one lane which regularly backs up to Slater Ave NE and causes backups on 124<sup>th</sup> Ave NE. A simple lane reconfiguration could alleviate this mess. Essentially, allow the WB NE 116<sup>th</sup> Traffic to split from the SB I-405 traffic, make use of the right lane that people can't use because it goes right-turn only to a road that doesn't have heavy traffic. I have attached an image of the I have that could alleviate the backups. The cost of this should be minimal... simple re-striping and updated signs to alleviate a bottleneck my improving flow. Frankly, I can't figure out why this wasn't done as part of that overpass construction that recently finished.

Finally, going eastbound on NE 116<sup>th</sup> through the stop light at 124<sup>th</sup> Ave NE, the light only stays green long enough for 3-4 cars to pass through until it turns yellow. Many times I am going home after getting off the freeway and in a line of cars only a few make it through the light before it turns yellow.

Thank you for your consideration,

Jason & Lindsay Paquette  
12906 NE 122<sup>nd</sup> Lane, Apt L405  
Kirkland, WA 98034  
(425) 522-4899

August 4, 2009

**D R A F T**

Jason & Lindsay Paquette  
12906 NE 122<sup>nd</sup> Lake, #L405  
Kirkland, WA 98034

***RE: Response to Email dated 7/9/09 Regarding Condition of Streets***

Thank you for your input regarding City of Kirkland roadway conditions, specifically those on NE 124<sup>th</sup> Street and the signal coordination on NE 116<sup>th</sup> Street. Please be assured that we are working diligently to coordinate repairs and upgrades with scheduled capital improvement projects as well as with other agencies' improvements both public and private. We have also passed your email along to the local contact for the Washington State Department of Transportation (WSDOT). We have attempted to address each of your concerns below (roughly in the order they were presented in your email).

Improvements at the intersection of NE 124<sup>th</sup> Street and 124<sup>th</sup> Avenue NE at the Burlington Northern Santa Fe Railroad (BNSFRR) crossing have been under design since 2002 with the City considering a modern roundabout at the intersection to address the ever-increasing traffic volumes. Because of the ongoing design efforts, no maintenance activities were scheduled. After a significant study and preliminary design of the roundabout option, it was eliminated from further consideration due to pedestrian safety concerns and the requirement of BNSFRR to install crossing arms at multiple locations in the intersection which was cost-prohibitive. Concurrent with this decision not to proceed with a roundabout, the BNSFRR and King County/Port of Seattle began discussions regarding the future of the rail corridor, and in deference to those discussions, Kirkland divided the intersection improvements into two distinct projects: Phase 1, which is currently under construction and was scheduled for paving the week of July 12, will complete the south leg of the intersection expansion and repave the intersection. Phase 2, which is funded beginning in 2011, will replace all railroad crossings with materials and methods similar to those used at 132<sup>nd</sup> Ave NE. Phase 2 will reconstruct the north leg of the intersection. Until these improvements are installed, only minor maintenance and patching will be used with the understanding that it will be temporary.

In 2008, the City of Kirkland completed the repaving of NE 124<sup>th</sup> Street west of I-405 between 116<sup>th</sup> Avenue NE and approximately 107<sup>th</sup> Avenue NE. This summer we will complete the repaving from 107<sup>th</sup> Avenue NE to 100<sup>th</sup> Avenue NE.

Work on the NE 124<sup>th</sup> Street overpass and the NE 116<sup>th</sup> Street underpass is a coordinated effort between the Washington State Department of Transportation (WSDOT) and the City. Any construction or maintenance within the area of freeway interchanges involves different roles for the City and State. Technically, the roadway areas are either WSDOT public right-of-way or are WSDOT limited access areas. The City and the State divide maintenance responsibilities based on whether the work is "structural" versus "routine" maintenance. Some of the repairs you identified on both streets would be performed by the City as routine maintenance. Others require structural maintenance and thus action on the part of the WSDOT.

An example of routine maintenance performed by the City took place just this spring on both of the NE 124<sup>th</sup> Street bridge approaches which were in part resurfaced by City crews. However if there is an underlying structural failure (such as the case on the east approach) or problems with the materials used in the original design by the state (such as the approach to 116<sup>th</sup>

Avenue NE you described as "bumpy and uneven" road) is a much more comprehensive design and construction project. Design and repairs must be performed by the WSDOT in these cases. The WSDOT in turn is coordinating maintenance activities that will need to be performed by the City with their own upcoming capital projects.

Two significant State projects are on the near horizon which will impact the timing of local area maintenance work such as pavement repairs or overlays. The [I-405, SR 520 to I-5 Widening](#) project will add an additional lane in each direction on I-405 from approximately NE 124<sup>th</sup> Street northward. While this project is being constructed, WSDOT will remedy an existing inadequacy on the NE 124<sup>th</sup> Street overpass; they will provide safe pedestrian passage via a concrete walkway on the north side of the bridge and will re-stripe and re-channelize the lanes and shoulders to accommodate this safety enhancement. Kirkland continues to provide routine maintenance on the surface according to our obligation with the State until the State's project can complete its structural work and sub-grade repair in this area. The WSDOT project work is scheduled to begin in 2012.

The NE 116<sup>th</sup> Street Interchange and related City street improvements are also on the near horizon for WSDOT. They include the second stage of the "Kirkland Nickel" project (the first stage was completed in 2007) which is currently being designed. A graphic has been included with this letter that shows the travel lane placements for the interchange access lanes and other improvements (Exhibit 1). While the WSDOT is not proposing the particular alignment you offered, capacity improvements are being made and through-traffic in both directions has been modeled by them and will improve at the interchange. The left-turn lane to access the southbound off-ramp will later be a double lane configuration. The City was advised that the timing of this project is for construction to begin late 2010 or early 2011 and will be complete in 2013.

Finally, regarding the timing of the signal at the intersection of NE 116<sup>th</sup> Street and 124<sup>th</sup> Avenue NE, we have submitted a service request to our signal shop. They will review the timing of the signal and make a determination. If you would like more information regarding the signal, you may contact our signal shop directly by calling (425) 587-3925, or email Brian Dalseg [bdalseg@ci.kirkland.wa.us](mailto:bdalseg@ci.kirkland.wa.us) or Dan Rogers [drogers@ci.kirkland.wa.us](mailto:drogers@ci.kirkland.wa.us).

As you can see, there are a number of projects planned for the near future that will address most of your concerns in a comprehensive manner and in the most cost effective way possible. While interim improvements may appear to be "band-aids," more permanent and expensive repair work in advance of these major improvements would not be cost effective.

Thank you again for your suggestions and appreciate your patience. Your input helps us make future plans to improve transportation and safety for motorists and pedestrians. Please feel free to contact Ray Steiger in our Public Works Department at 425.587.3833 should you have further questions.

Sincerely,  
KIRKLAND CITY COUNCIL

James L. Lauinger  
Mayor

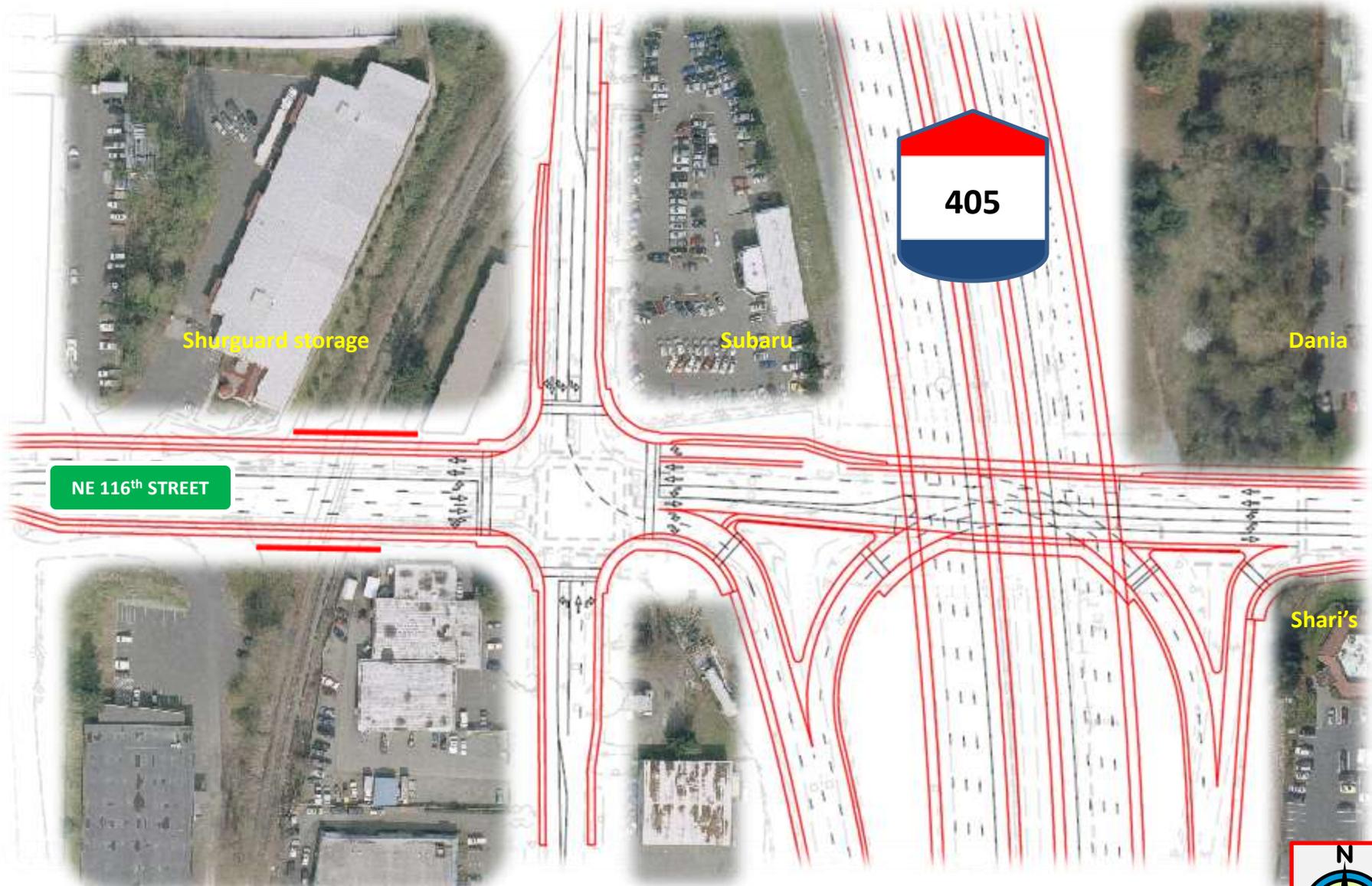
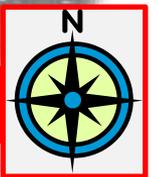


Exhibit 1

NE 116<sup>th</sup> Street/I-405 Interchange conceptual plan





**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:** July 23, 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) Mersedeh Shahrazad-Schmidt  
11319 NE 129<sup>th</sup> St.  
Kirkland, WA 98034

**Amount:** Unspecified amount

**Nature of Claim:** Claimant states damage to vehicle resulted from hitting an unsecured city drain lid.



**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3809

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

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**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Daryl Grigsby, Public Works Director  
Ray Steiger, P.E., Capital Projects Manager

**Date:** July 23, 2009

**Subject:** 2008 WATER SYSTEM IMPROVEMENT PROJECT - NORTH  
ACCEPT WORK AND ESTABLISH LIEN PERIOD

RECOMMENDATION:

It is recommended that the City Council accept the 2008 Water System Improvement Project - North as constructed by KarVel Construction Company of Renton, WA and establish the required 45-day lien period.

BACKGROUND AND DISCUSSION:

The 2008 Water System Improvement Project - North replaced approximately 4,900 lineal feet of asbestos cement (AC) water main with 8" ductile iron pipe, at three separate locations (Attachment A). The aging AC water main was susceptible to breaks and not capable of providing adequate fire flow. The replacement of individual water service lines and fire hydrant connections along the project alignment has also been completed.

At their regular meeting on November 18, 2008, Council awarded the contract for this project to KarVel Construction Company in the amount of \$815,571, approximately \$211,000 under the construction budget. Work began February 2, 2009 and was complete on June 16, 2009. Total payments to the contractor equal \$873,600; \$58,029 over the contract amount. The additional construction costs are due to higher than anticipated quantities for asphalt patching along the 10<sup>th</sup> Avenue portion of the project (WA-0060). The asphalt patch along 10<sup>th</sup> Avenue was widened from a typical five foot width to nine feet wide in order to extend the asphalt to the north edge of 10<sup>th</sup> Avenue. The wider patch was necessary for the repair of poor subsurface areas encountered throughout the project alignment and will provide a more structurally stable, longer lasting patch.

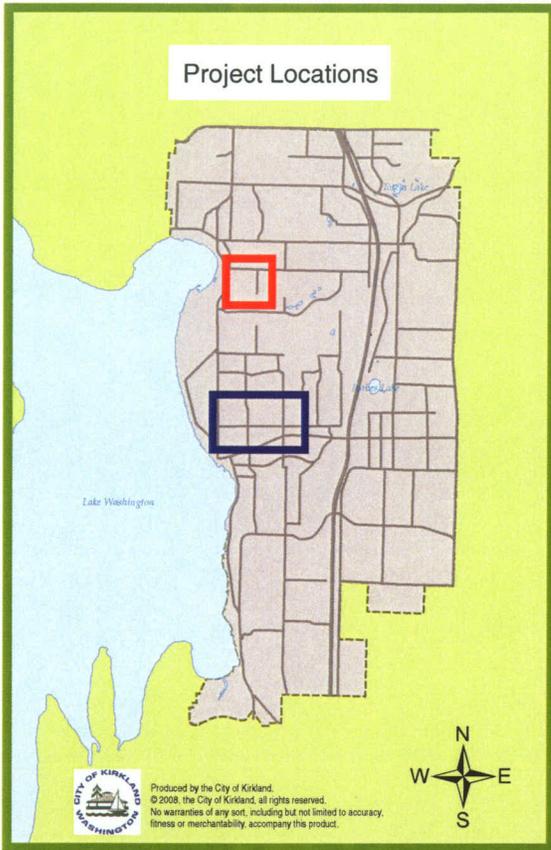
With an approved budget of \$1,438,100, total project expense equals \$1,153,000, leaving a \$285,100 surplus (Attachment B). At project close-out, all remaining project monies will be returned to the water/sewer capital contingency.

Attachment: (2)

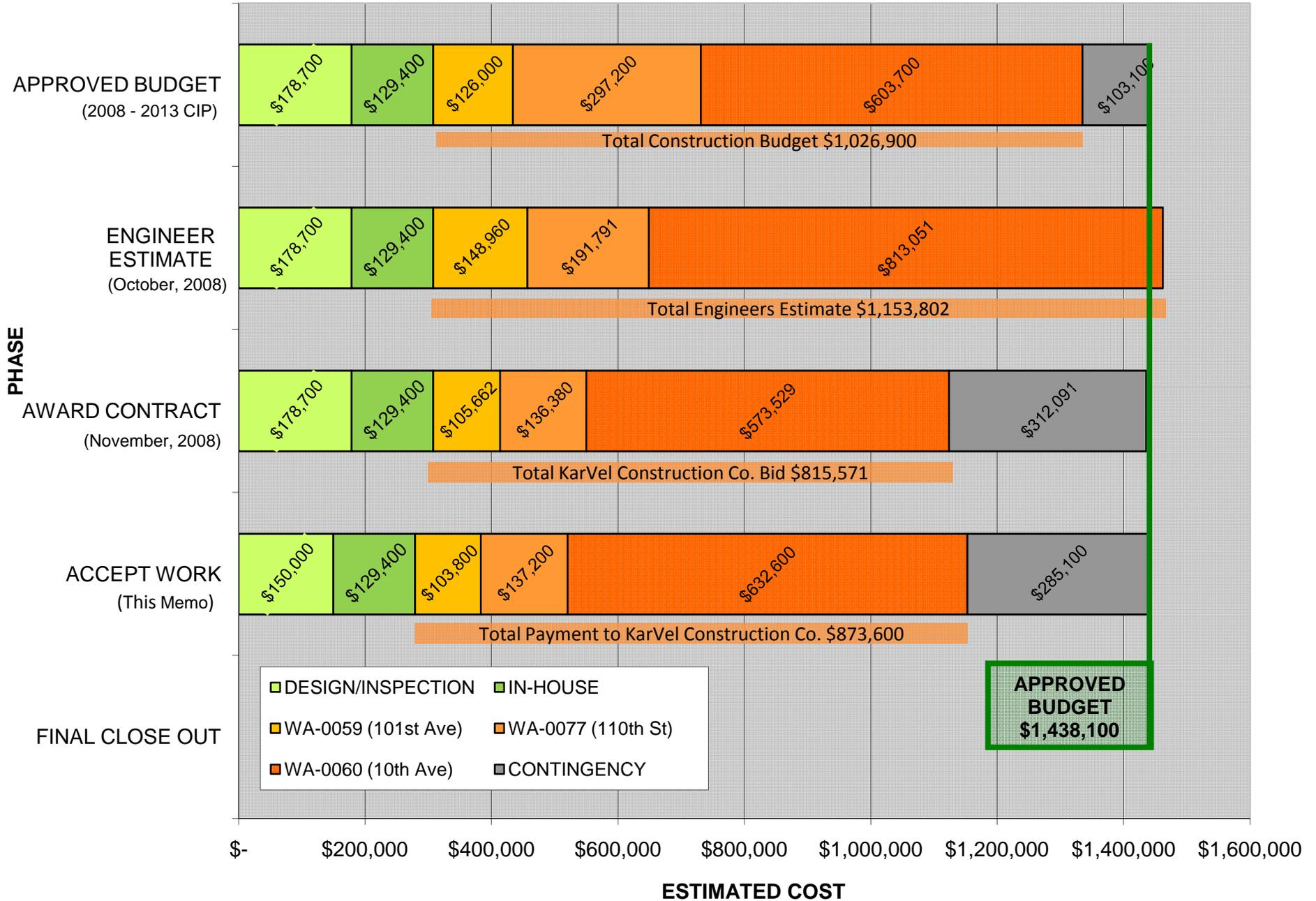
### Site Map

#### 2008 Water System Improvements Project - North

WA-0059 WA-0060 WA-0077



**2008 Water System Improvements Project - North  
WA-0059 WA-060 WA-0077  
Project Budget Report**







**CITY OF KIRKLAND**  
Department of Public Works  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Donna Burris, Internal Services Manager  
Daryl Grigsby, Public Works Director

**Date:** July 24, 2009

**Subject:** PETER KIRK COMMUNITY CENTER HVAC REPLACEMENT PROJECT

## RECOMMENDATION

It is recommended that the City Council authorize the signing of funding approval forms allowing the State of Washington General Administration, Division of Facilities, Engineering and Architectural Services to provide Energy Conservation Project Management Services on behalf of the City of Kirkland for the Peter Kirk Community Center HVAC Replacement Project.

## BACKGROUND AND DISCUSSION

The City of Kirkland entered into an Interagency Agreement with the State of Washington General Administration, Division of Facilities, Engineering and Architectural Services (GA) in January 2008 to provide Energy Conservation Project Management Services.

Trane U.S. Inc. Comprehensive Solutions Group (Trane) was selected, through the State of Washington's Energy Savings Performance Contracting program, to identify, design, and implement the best overall solution for optimizing the efficiency of the HVAC and ancillary systems for the Peter Kirk Community Center (PKCC).

On July 31, 2008, the GA was authorized to go forward with obtaining an Energy Audit and Energy Services Proposal from Trane, which resulted in a proposal to retrofit the existing rooftop DX / electric resistance heating with six (6) high-efficiency, low-ambient, rooftop heat-pump systems providing an estimated 36% reduction in electricity costs and annual greenhouse gas emissions reduction of approximately 144,000 lbs of CO<sub>2</sub>e. These units will also be controlled by new Delta Control systems and be tied into the City's Facility Management System.

The total project cost shown on the funding approval forms is \$186,347 and can be funded by life cycle reserves set aside for the Peter Kirk Community Center. In 2008, there was a specific HVAC Replacement project budgeted in the CIP for PKCC. The budgeted amount of \$106,300 was determined to be insufficient to cover the project cost once bids and scope changes were known. Other previously approved PKCC life cycle projects have remaining balances that are available to fund the balance of the HVAC project and are summarized in the table below.

<b>Total Direct Project Cost</b>	<b>186,347</b>
<b>PKCC Life Cycle CIP Project Available Balances</b>	
2009 Folding Partitions	18,400
2008 HVAC Replacement	106,300
2007 Water Heater Replacement	2,980
2006 HVAC Controls/Exhaust System Replacement	47,476
2004 Duct Heaters	6,500
2002 HVAC Components Replacement	6,500
<b>Total Funding Available from Life Cycle Projects</b>	<b>188,156</b>

Notes regarding the available balances of the other projects include:

- 2009 Folding Partitions – a donation was received from Merrill Gardens that was used to replace the partitions, freeing up the life cycle funds
- 2007 Water Heater Replacement – balance available after project was completed
- 2006 HVAC Controls/Exhaust System Replacement – balance available after portions of the project were completed; other portion of project put on hold pending the 2008 HVAC replacement project
- 2004 Duct Heaters – project was suspended to later date so full budgeted funds available
- 2002 HVAC Components Replacement – project was suspended to later date so full budgeted funds available

In addition to the direct project costs of \$186,347 on the funding approval forms, the GA's Administrative, Monitoring and Verification Fees account for an additional \$12,500 making the total project cost \$198,847. However, this project is projected to receive utility incentive payments from Puget Sound Energy of approximately \$17,500 which would be credited against the total project cost. After the incentives, the total project cost is \$181,347 and is summarized in the table below.

A. CONSTRUCTION COSTS	M,E,C	Controls	Lighting	Total
1 Air-Source HP	\$ 85,000	\$ 30,000		115,000
<b>Subtotal Labor and Materials Cost</b>				<b>\$ 115,000</b>
Construction Bond				\$ 2,300
<b>TOTAL CONSTRUCTION COST</b>				<b>\$ 117,300</b>
<b>B. ESCO FEES</b>				
Audit Fee	\$ 12,815			\$ 12,815
Design M,E,C	\$ 9,200			\$ 9,200
Design Lighting	\$ -			\$ -
Construction Management	\$ 5,750			\$ 5,750
Overhead and Profit	\$ 17,250			\$ 17,250
<b>TOTAL ESCO FEES</b>	<b>\$ 45,015</b>			<b>\$ 45,015</b>
<b>C. OTHER COSTS</b>				
Project Contingency	\$ 5,865			\$ 5,865
ESCO M and V Costs (Year 1)	\$ 2,000			\$ 2,000
<b>TOTAL OTHER COSTS</b>				<b>\$ 7,865</b>
<b>D. TOTAL GUARANTEED CONSTRUCTION &amp; ESCO SERVICES</b>				<b>\$ 170,180</b>
<b>E. NON-GUARANTEED COSTS</b>				
Sales Tax	\$ 16,167			\$ 16,167
Estimated Utility Incentives	\$ (17,500)			\$ (17,500)
GA Admin. Fee	\$ 10,500			\$ 10,500
GA M and V Fee	\$ 2,000			\$ 2,000
<b>TOTAL NON GUARANTEED COSTS</b>	<b>\$ 9,167</b>			<b>\$ 11,167</b>
<b>F. TOTAL PROJECT COST</b>				<b>\$ 181,347</b>



STATE OF WASHINGTON  
GENERAL ADMINISTRATION

ENGINEERING AND ARCHITECTURAL SERVICES

210 SW 11th Ave, Rm 206 \* PO Box 41012 \* Olympia, WA 98504-1012  
(360) 902-7272 \* Fax (360) 753-2848

February 5, 2008

Erin J. Leonhart  
City of Kirkland  
Public Works Department  
123 Fifth Avenue  
Kirkland, WA 98033-6189

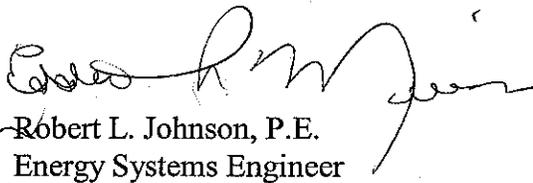
RE: Interagency Agreement No. 2008-508  
Energy Conservation Project Management Services  
City of Kirkland

NOTICE TO PROCEED

This is your official notice that we will proceed with the work of our Interagency Agreement.  
Enclosed is your executed copy of our Interagency Agreement.

Should you have any questions or concerns, please call me at (360) 902-7167.

Sincerely,



Robert L. Johnson, P.E.  
Energy Systems Engineer

RJ:em

Enclosure

# **Interagency Agreement**

Date: January 7, 2008

Department of General Administration

Interagency Agreement No: 2008-508

## **Interagency Agreement Between the Department of General Administration and the City of Kirkland**

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the Department of General Administration, Division of Facilities, Engineering & Architectural Services, hereinafter referred to as "GA", and the City of Kirkland, hereinafter referred to as the City.

It is the purpose of this Agreement to provide Energy Conservation Project Management Services. Now therefore, in consideration of the terms and conditions contained herein, or attached and incorporated by reference and made a part hereof, the above-named parties mutually agree as follows:

### **1. Statement of Work**

GA shall furnish the necessary personnel and services and otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment "A," attached hereto and incorporated herein by reference. Unless otherwise specified, GA shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment "A."

### **2. Terms and Conditions**

All rights and obligations of the parties to this Agreement shall be subject to and governed by the terms and conditions contained in the text of this Agreement.

### **3. Period of Performance**

Subject to its other provisions, the period of performance of this Agreement shall commence when this Agreement is properly signed, and be completed on December 31, 2009 unless altered or amended as provided herein.

### **4. Consideration**

For Project Management Services provided by GA under Attachment "A" of this Agreement, the City will pay a fee for services based on the total project value. (See Attachment "B".) A payment schedule will be incorporated by an Amendment to this Agreement.

Compensation for services provided by the ESCO shall be paid directly to the ESCO by the City, after GA has reviewed and approved and sent the invoices to the City for payment.

For Monitoring Services provided by GA under Attachment "C" of this Agreement, the City will pay a fee annually for the term of this Agreement based on Attachment "C." A payment schedule will be incorporated by an Amendment to this Agreement.

## 5. Billing Procedure

The City will reimburse GA upon receipt of properly executed vouchers. Each voucher will indicate clearly that it is for the services rendered in performance under this Agreement and shall reflect this Agreement number. Invoices for payment submitted by GA to the City for GA fees due and payable under this Agreement that were incurred before the expiration date of this Agreement shall be paid by the City if received by the City within 120 days after the expiration date.

## 6. Non-Discrimination

In the performance of this Agreement, GA shall comply with the provisions of Title VI of the Civil Rights Act of 1964 (42 USC 200d), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), and Chapter 49.60 RCW, as now or hereafter amended. GA shall not discriminate on the grounds of race, color, national origin, sex, religion, marital status, age, creed, Vietnam-Era and Disabled Veterans status, or the presence of any sensory, mental, or physical disability in:

- a) Any terms or conditions of employment to include taking affirmative action necessary to accomplish the objectives of this part and
- b) Denying an individual the opportunity to participate in any program provided by this Agreement through the provision of services, or otherwise afforded others.

In the event of GA's non-compliance or refusal to comply with the above provisions, this Agreement may be rescinded, canceled, or terminated in whole or in part, and GA declared ineligible for further Agreement with the City. GA shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth therein.

## 7. Records Maintenance

The City and GA shall each maintain books, records, documents, and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. GA will retain all books, records, documents, and other material relevant to this agreement for five years after expiration; and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

## 8. Contract Management

- a. The City's Representative on this Agreement shall be:

Erin J. Leonhart  
Public Works Department  
City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033-6189  
Telephone 425-587-3931

The Representative shall be responsible for working with GA, approving billings and expenses submitted by GA, and accepting any reports from GA.

- b. The GA Project Manager on this Agreement shall be:

Robert Johnson, P.E.  
Dept. of General Administration  
Division of Facilities  
Engineering and Architectural Services  
PO Box 41012  
Olympia, WA 98504-1012  
Telephone 360-902-7236

Robert Johnson will be the contact person for all communications regarding the conduct of work under this Agreement.

## **9. Hold Harmless**

Each party to this agreement shall be responsible for its own acts and/or omissions and those of its officers, employees and agents. No party to this agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this agreement.

## **10. Agreement Alterations and Amendments**

The City and GA may mutually amend this Agreement. Such Amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the City and GA or their respective delegates.

## **11. Termination**

Except as otherwise provided in this Agreement, either party may terminate this Agreement upon thirty (30) days written notification. If this Agreement is so terminated, the terminating party shall be liable only for performance in accordance with the terms of this Agreement for performance rendered prior to the effective date of termination.

## **12. Disputes**

If a dispute arises under this Agreement, it shall be determined in the following manner: the City shall appoint a member to the Dispute Board. The Director of GA shall appoint a member to the Dispute Board. The City and GA shall jointly appoint a third member to the Dispute Board. The Dispute Board shall evaluate the dispute and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto, unless one of the parties requests intervention by the Governor as provided by RCW 43.17.330.

## **13. Order of Precedence**

In the event of an inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

- a) Applicable Federal and State Statutes and Regulations
- b) Terms and Conditions
- c) Attachment "A," Statement of Work; Attachments "B" and "C", Management & Monitoring Fees and
- d) Any other provisions of the Agreement whether incorporated by reference or otherwise.

**14. All Writings Contained Herein**

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

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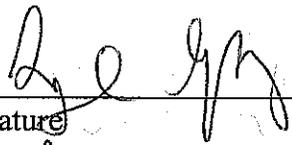
**AUTHORIZATION TO PROCEED**

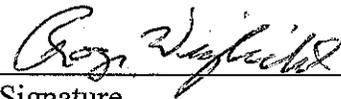
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Agreed to and signed by:

**City of Kirkland**

**Department of General Administration  
Division of Facilities  
Engineering & Architectural Services**

  
\_\_\_\_\_  
Signature  
Darl Grigsby  
\_\_\_\_\_  
Name  
Public Works Director  
\_\_\_\_\_  
Title  
1/18/08  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature  
Roger Wigfield, P.E.  
\_\_\_\_\_  
Name  
Energy Program Manager  
\_\_\_\_\_  
Title  
2/15/08  
\_\_\_\_\_  
Date

The Department of General Administration provides equal access for all people without regard to race, creed, color, religion, national origin, age, gender, sex, marital status, or disability. Contract information is available in alternative formats. For more information, please call Eddie Miller at (360) 902-7219.

2008508IAAem

# ATTACHMENT A

## SCOPE OF WORK ENERGY SERVICES

### STATEWIDE ENERGY PERFORMANCE CONTRACT PROJECT NO. 2007-041

GA will provide the following project management services for the City of Kirkland:

1. Assist the City in the selection of an Energy Service Company (ESCO) consistent with the requirements of 39.35A RCW.
2. Identify potential utility conservation measures and approximate cost savings.
3. Negotiate scope and fee for ESCO audit of the facility(s).
4. Identify appropriate project funding sources and assist with obtaining project funding.
5. Review and approve ESCO audits and technical studies.
6. Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
7. Provide assistance during the design, construction and commissioning processes.
8. Assist with final project acceptance.
9. Provide other services as required to complete a successful energy performance contract.
10. If the audit fails to produce a project that meets the City's established payback Cost Effectiveness Criteria, then there is no cost to the City and no further obligation by the City.

# ATTACHMENT B

## 2007-09 Interagency Reimbursement Costs for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION</u>
\$5,000,000 - or more	Negotiate	Negotiate
Below 5,000,000	\$68,800	\$25,500
" 4,000,000	64,900	23,600
" 3,000,000	59,900	21,700
" 2,000,000	52,800	19,600
" 1,500,000	47,800	17,150
" 1,000,000	40,800	16,150
" 900,000	38,900	15,000
" 800,000	36,900	13,950
" 700,000	34,600	12,800
" 600,000	31,900	11,500
" 500,000	28,700	10,100
" 400,000	24,800	8,800
" 300,000	19,800	7,300
" 200,000	Hourly Cost	Hourly Cost

### NOTES:

1. These fees cover the project management of a contract for energy/utility/conservation projects where funding comes from utility grants, Energy Service Companies (ESCO), State Treasurer's Office LOCAL program, capital funds, third party financing or any combination thereof.
2. The Energy Section of the Division of Facilities, Engineering and Architectural Services will assist in: identifying appropriate cost effective energy conservation projects; identifying appropriate funding sources; obtaining project financing; selecting and contracting for ESCO services; obtaining technical studies which meet the approval of funding agencies; and, representing the client's interest during the design, construction and commissioning processes.
3. Termination fees cover the selection and project management costs associated with managing the ESCO's technical study that identifies cost effective energy conservation measures if the client decides not to proceed with the project through GA. The client will have no financial obligation to GA in the event cost effective energy conservation measures are not identified.

# ATTACHMENT C

## Interagency Reimbursement Costs for Monitoring Energy Conservation Projects

<u>RANGE OF ANNUAL SAVINGS</u>	<u>% FEE</u>	<u>RANGE OF ANNUAL FEE</u>
\$150,000 - and over	5.00%	\$8,250 - upward
125,000 - 149,999	5.50%	7,500 - 8,250
100,000 - 124,999	6.00%	6,500 - 7,500
90,000 - 99,999	6.50%	6,300 - 6,500
80,000 - 89,999	7.00%	6,000 - 6,300
70,000 - 79,999	7.50%	5,600 - 6,000
60,000 - 69,999	8.00%	5,100 - 5,600
50,000 - 59,999	8.50%	4,500 - 5,100
40,000 - 49,999	9.00%	3,800 - 4,500
30,000 - 39,999	9.50%	3,000 - 3,800
20,000 - 29,999	10.00%	2,000 - 3,000
Under 20,000		2,000 - 2,000

### Scope of Work for Monitoring Energy Conservation Projects:

1. Monitor actual energy use and dollar costs, compare with the ESCO's annual Measurement and Verification (M&V) report and any ESCO guarantee, resolve differences, if needed, and approve any vouchers for payment.
2. Monitor facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use which may impact energy savings.
3. Negotiate change orders to an ESCO or Grant Agreement for the acquisition of additional equipment or services.
4. Manage and coordinate any ESCO and/or facility efforts in maintaining and operating the installed equipment.
5. Oversee training programs to ensure that the facility operating personnel are adequately trained in the operation and maintenance of the energy systems installed.
6. Provide annual letter report describing the ESCO's performance, equipment performance and operation, energy savings and additional opportunities, if any, to reduce energy costs.



STATE OF WASHINGTON  
GENERAL ADMINISTRATION  
ENGINEERING AND ARCHITECTURAL SERVICES  
210 SW 11th Ave, Rm 206 \* PO Box 41012 \* Olympia, WA 98504-1012  
(360) 902-7272 \* Fax (360) 753-2848

May 28, 2009

Erin J. Leonhart  
City of Kirkland  
Public Works Department  
123 Fifth Avenue  
Kirkland, WA 98033-6189

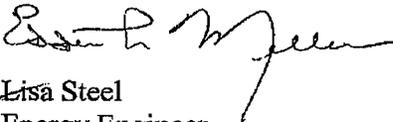
RE: Interagency Agreement No. 2008-508  
Project No. 2009-011  
Energy Conservation Project Management Services

Amendment No. 1

Enclosed is the above-referenced Amendment for signature. Please sign and return it to this office as soon as possible.

Should you have any questions or concerns, please contact me at (360) 902-7236.

Sincerely,



Lisa Steel  
Energy Engineer

LS:em

Enclosure



**INTERAGENCY Amendment**

*Department of General Administration*

Date: May 28, 2009  
Agreement No: 2008-508  
Project No.: 2009-011  
Amendment No: 1

**Interagency Agreement Between the  
Department of General Administration  
And  
City of Kirkland**

The parties to this Agreement, the Department of General Administration, Division of Facilities, Engineering & Architectural Services, hereinafter referred to as "GA", and the City of Kirkland, hereinafter referred to as the "CITY", hereby amend the Agreement as follows:

**1. Statement of Work**

GA shall furnish the necessary personnel and services and otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment "A" and Attachment "C-1", attached hereto and incorporated herein by reference. Unless otherwise specified, GA shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment "A" and Attachment "C-1".

Projects shall be authorized by Amendment to this Agreement.

**1.1 Energy projects outlined in Trane U.S. Inc. Comprehensive Solutions Group's Peter Kirk Community Center Energy Services Proposal dated May 12, 2009.**

**3. Period of Performance**

Subject to its other provisions, the period of performance of this Agreement shall commence on February 5, 2008, and be completed on December 31, 2012 unless altered or amended as provided herein.

**4. Consideration**

Compensation under this Agreement shall be by Amendment to this Agreement for each authorized project.

For Project Management Services provided by GA under Attachment "A" of this Agreement, the CITY will pay GA a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment "B-1".

For Monitoring Services provided by GA under Attachment "C-1" of this Agreement, the CITY will pay GA \$2,000.00 annually for each year of monitoring and verification services.

**4.1 Energy Project Management Fee for the Peter Kirk Community Center HVAC Replacement is \$10,500.00**

The new total Agreement value is \$10,500.00.

Compensation for services provided by the ESCO shall be paid directly to the ESCO by the CITY, after GA has reviewed, approved and sent the invoices to the CITY for payment.

**5. Billing /Payment Procedure**

GA shall submit a single invoice to the CITY upon completion of each authorized project, unless a project specified a Special Billing Condition in the Amendment. Each invoice will indicate clearly that it is for the services rendered in performance under this Agreement and shall reflect this Agreement and Amendment number.

GA shall invoice the CITY for all remaining services within 60 days of the termination of this Agreement.

The CITY shall pay all invoices received from GA within 90 days of receipt of properly executed invoice. The CITY shall notify GA in writing if the CITY cannot pay an invoice within 90 days.

All sections above have been fully amended and are shown in their entirety.

All other terms and conditions of this Agreement remain in full force and effect. The requirements of RCW 39.34.030 are satisfied by the underlying Agreement and are incorporated by reference herein.

Each party signatory hereto, having first had the opportunity to read this Amendment and discuss the same with independent legal counsel, in execution of this document hereby mutually agree to all terms and conditions contained herein, and as incorporated by reference in the original Agreement.

**City of Kirkland**

**Department of General Administration  
Division of Facilities  
Engineering & Architectural Services**

  
\_\_\_\_\_  
Public Works Director 6/21/09  
Title Date

\_\_\_\_\_  
Roger Wigfield, P.E.  
Energy Program Manager  
\_\_\_\_\_  
Title Date

2008508IAAamlcm

REVIEWED BY GA CFO 5/30/09

## ATTACHMENT B-1

### 2009-11 Interagency Reimbursement Costs for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>		<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION</u>
\$5,000,000 - or more		1.1% of project cost	\$25,500
Below	5,000,000	\$68,800	\$25,500
"	4,000,000	64,900	23,600
"	3,000,000	59,900	21,700
"	2,000,000	52,800	19,600
"	1,500,000	47,800	17,150
"	1,000,000	40,800	16,150
"	900,000	38,900	15,000
"	800,000	36,900	13,950
"	700,000	34,600	12,800
"	600,000	31,900	11,500
"	500,000	28,700	10,100
"	400,000	24,800	8,800
"	300,000	19,800	7,300
"	200,000	10,500	4,400
"	100,000	6,500	3,000
"	50,000	4,000	2,000
"	20,000	2,000	1,000

1. These fees cover project management services for energy/utility conservation projects managed by GA's Energy Program.
2. Termination fees cover the selection and project management costs associated with managing the ESCO's investment grade audit and proposal that identifies cost effective conservation measures if the CITY decides not to proceed with the project through GA.
3. If the project meets the CITY's cost effectiveness criteria and the CITY decides not to move forward with a project, then the CITY will be invoiced per Attachment B-1 Termination or \$25,500.00 whichever is less. If the CITY decides to proceed with the project then the Agreement will be amended per Attachment B-1 for Project Management Fee.
4. If the audit fails to produce a project that meets the CITY's established Cost Effectiveness Criteria, then there is no cost to the CITY and no further obligation by the CITY.

# **ATTACHMENT C-1**

## **Scope of Work Energy/Utility Conservation Projects Monitoring Services**

### **Statewide Energy Performance Contracting Program Master Energy Services Agreement No. 2007-041**

If requested GA will provide the following monitoring services for each specific project for the CITY.

1. Monitor actual energy use and dollar costs, compare with the ESCO's annual Measurement and Verification (M&V) report and any ESCO guarantee, resolve differences, if needed, and approve any vouchers for payment.
2. Monitor facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use which may impact energy savings.
3. Provide annual letter report describing the ESCO's performance, equipment performance and operation, energy savings and additional opportunities, if any, to reduce energy costs.



STATE OF WASHINGTON  
GENERAL ADMINISTRATION  
ENGINEERING AND ARCHITECTURAL SERVICES  
210 SW 11th Ave, Rm 206 \* PO Box 41012 \* Olympia, WA 98504-1012  
(360) 902-7272 \* Fax (360) 753-2848

May 28, 2009

TO: Erin J. Leonhart, City of Kirkland  
FROM:  Eddie Miller, Contracts Specialist, (360) 902-7219  
RE: Authorization No. 2009-011 A (1)  
Amendment No. 1  
Project No. 2009-011 G (2-1)  
Project Title Peter Kirk Community Center HVAC Replacement  
Facility Name City of Kirkland

Trane U.S. Inc. Comprehensive Solutions Group

SUBJECT: Funding Approval

The Department of General Administration, E&AS, requires funding approval for the above referenced contract document(s). The amount required is as follows:

Energy Audit & Energy Services Proposal from 2009-011A (1)	\$ (12,815.00)
Energy Audit & Energy Services Proposal to 2009-011 B (2)	\$ 12,815.00
<b>TOTAL</b>	<b>\$ 0.00</b>

**In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Division of Facilities, Engineering & Architectural Services that the above identified funds are appropriated, allotted, and that the using/client agency bears the liability for any issues related to the funding for this project. Otherwise it is the intent of the facility to obtain funding from the State Treasurer's Lease/Purchase or LOCAL program and/or obtain the balance from \_\_\_\_\_.**

By \_\_\_\_\_  
Name Title Date

Please sign and return this form to E&AS. If you have any questions, please call me.





STATE OF WASHINGTON  
GENERAL ADMINISTRATION

ENGINEERING AND ARCHITECTURAL SERVICES

210 SW 11th Ave, Rm 206 \* PO Box 41012 \* Olympia, WA 98504-1012

(360) 902-7272 \* Fax (360) 753-2848

May 28, 2009

Trane U.S. Inc.  
Comprehensive Solutions Group  
2021 152<sup>nd</sup> Avenue NE  
Redmond, WA 98052

RE: Authorization No. 2009-011 A (1)  
Detailed Investment Grade Energy Audit & Energy Services Proposal  
Peter Kirk Community Center  
City of Kirkland

Amendment No. 1

Enclosed is the above-referenced Amendment for your signature. Please sign and return it to this office as soon as possible.

Please note that this Amendment is not binding upon the State of Washington until it is signed by the state's contracting officer. Therefore, should you begin work prior to receiving a signed copy of this Amendment, your firm will assume all risk associated with your actions.

Should you have any questions or concerns, please contact me at (360) 902-7236.

Sincerely,

  
Lisa Steel  
Energy Engineer

LS:em

Enclosure

cc: Erin J. Leonhart, City of Kirkland

ENERGY SERVICES AUTHORIZATION AMENDMENT NO. 1

Project Title Detailed Investment Grade Energy Authorization No. 2009-011 A (1)  
and Energy Services Proposal  
 Facility City of Kirkland Date May 28, 2009

This Amendment, when properly signed, shall be the basis on which the Subject Authorization shall be modified.

Authorization (this sheet) Project Completion and Compensation  
 Scope of Work Options: Modify Basic Services

**Approvals**

Energy Services Company:

Owner:

Trane U.S. Inc.  
 Comprehensive Solutions Group  
 2021 152<sup>nd</sup> Avenue NE  
 Redmond, WA, 98052

City of Kirkland  
 acting through the  
 Department of General Administration,  
 Division of Facilities,  
 Engineering & Architectural Services

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

\_\_\_\_\_  
Lisa Steel  
Energy Engineer  
 \_\_\_\_\_

**Compensation for this Authorization**

Total Services being provided under this Authorization:

Basic Energy Services	COMPENSATION	
	Current	Previous
Energy Audit and Energy Services Proposal - Peter Kirk Community Center	\$ 12,000.00	\$ 24,815.00
<b>Grand Total (Plus Washington State Sales Tax)</b>	<b>\$ 12,000.00</b>	<b>\$ 24,815.00</b>

## PROJECT COMPLETION AND COMPENSATION

Energy Services Compensation	Fee	Compensation	
		New	Previous
Energy Audit & Proposal to Authorization B		\$ (12,815.00)	\$ 24,815.00
Energy Services Sub-total =		\$ (12,815.00)	\$24,815.00
Maximum Energy Services Fee Amount (New + Previous) =			\$12,000.00

Energy Services Authorization Total = \$12,000.00

**Value of this Amendment = \$(12,815.00) (Plus Washington State Sales Tax)**

---

**Scope of Work**

---

This Amendment reduces the Energy Audit and Energy Services Proposal amount of \$24,815.00 by \$12,815.00, leaving \$12,000.00, and transfers the funds to Authorization No. 2009-011 B (2), City of Kirkland, Peter Kirk Community Center HVAC Replacement.

2009011Aam1em



STATE OF WASHINGTON  
**GENERAL ADMINISTRATION**  
 ENGINEERING AND ARCHITECTURAL SERVICES  
 210 SW 11th Ave, Rm 206 \* PO Box 41012 \* Olympia, WA 98504-1012  
 (360) 902-7272 \* Fax (360) 753-2848

May 28, 2009

TO: Erin J. Leonhart, City of Kirkland

FROM:  Eddie Miller, Contracts Specialist, (360) 902-7219

RE: Authorization No. 2009-011 B (2)  
 Peter Kirk Community Center HVAC Replacement

Trane U.S. Inc. Comprehensive Solutions Group

SUBJECT: Funding Approval

The Department of General Administration, E&AS, requires funding approval for the above referenced contract document(s). The amount required is as follows:

Audit & Energy Services Proposal from Authorization 2009-011 A (1)	\$(12,815.00)
Audit & Energy Services Proposal to Authorization 2009-011 B (2)	\$ 12,815.00
Design and Implementation of Energy Conservation Measures	\$ 34,200.00
WSST Tax (9.5%) (includes tax on Audit & Proposal)	\$ <u>4,466.43</u>
<b>Total</b>	<b>\$ 38,666.43</b>

**In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Division of Facilities, Engineering & Architectural Services that the above identified funds are appropriated, allotted, and that the using/client agency bears the liability for any issues related to the funding for this project. Otherwise it is the intent of the facility to obtain funding from the State Treasurer's lease/purchase or LOCAL program and/or obtain the balance from \_\_\_\_\_.**

By \_\_\_\_\_  
 Name Title Date

Please sign and return this form to E&AS. If you have any questions, please call me.





STATE OF WASHINGTON  
GENERAL ADMINISTRATION

ENGINEERING AND ARCHITECTURAL SERVICES

210 SW 11th Ave, Rm 206 \* PO Box 41012 \* Olympia, WA 98504-1012

(360) 902-7272 \* Fax (360) 753-2848

May 28, 2009

Trane U.S. Inc.  
Comprehensive Solutions Group  
2021 152<sup>nd</sup> Avenue NE  
Redmond, WA 98052

RE: Authorization No. 2009-011 B (2)  
Peter Kirk Community Center HVAC Replacement  
City of Kirkland

Enclosed is the above-referenced Authorization for your signature. Please sign and return it to this office as soon as possible.

Please note that this Authorization is not binding upon the State of Washington until it is signed by the state's contracting officer. Therefore, should you begin work prior to receiving a signed copy of this Authorization, your firm will assume all risk associated with your actions.

Should you have any questions or concerns, please contact me at (360) 902-7236.

Sincerely,

  
Lisa Steel  
Energy Engineer

LS:em

Enclosure

cc: Erin J. Leonhart, City of Kirkland



**ENERGY SERVICES AUTHORIZATION NO. 2009-011 B (2)**

Peter Kirk Community Center HVAC Replacement

**City of Kirkland**

May 28, 2009

**MASTER ENERGY SERVICES AGREEMENT NO. 2007-041 G (7)**

The Owner and the Energy Services Company (ESCO) named below do hereby enter into this Authorization under terms described in the following sections:

Authorization to Proceed  
Compensation for Energy Services

Project Conditions

**I. AUTHORIZATION TO PROCEED:**

Energy Services Company:

Owner:

Trane U.S. Inc.  
Comprehensive Solutions Group  
2021 152<sup>nd</sup> Avenue NE  
Redmond, WA 98052  
Telephone No. (425) 586-1618  
Fax No. (425) 643-4314  
E-Mail Address [sharbers@trane.com](mailto:sharbers@trane.com)

City of Kirkland  
acting through the  
Department of General Administration,  
Division of Facilities,  
Engineering and Architectural Services  
PO Box 41012  
Olympia, WA 98504  
Telephone No. (360) 902-7272

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

State of Washington Contractor's License No. TRANE\*\*934RE  
State of Washington Revenue Registration No. 409 002 086  
Federal Tax Identification No. 25-0900564  
MWBE Certification No. \_\_\_\_\_

**II. COMPENSATION FOR ENERGY SERVICES:**

Name of Facility	COMPENSATION	
	New	Previous
Energy Audit and Energy Services Proposal	\$ 12,815.00	\$ 0.00
Design	\$ 9,200.00	\$ 0.00
Construction Management	\$ 5,750.00	\$ 0.00
Overhead and Profit	\$ 17,250.00	\$ 0.00
Monitoring & Verification – 1 <sup>st</sup> Year	\$ 2,000.00	\$ 0.00
<b>Grand Total (plus WSST as applicable)</b>	<b>\$ 47,015.00</b>	<b>\$ 0.00</b>

---

**III. PROJECT CONDITIONS:**

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The Project Conditions contained in the Master Energy Services Agreement will be used unless specifically changed herein.

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**IV. SCOPE OF WORK:**

---

Energy conservation measures under Contract No. 2009-011 G (2-1) will include replacement of the Peter Kirk Community Center HVAC system, including any and all necessary ancillary equipment. The ESCO will perform a detailed engineering design as needed to obtain Owner review and approval of the proposed systems and to obtain competitive bids. The ESCO will provide construction management, as-built drawings, and O&M manuals. All work is per the Trane U.S. Inc., City of Kirkland, Peter Kirk Community Center Energy Services Proposal dated May 12, 2009.

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**V. SCHEDULE FOR COMPLETION**

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Completion of this work will be within 62 calendar days after Authorization to Proceed.

2009011Bauthem



State of Washington  
**Department of General Administration**  
Facilities Division

Engineering & Architectural Services

210 11<sup>th</sup> Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012

July 2, 2009

(360) 902.7272 • FAX (360) 753.2848

TO: Donna Burris, City of Kirkland  
FROM:  Eddie Miller, Contracts Specialist, (360) 902-7219  
RE: Contract No. 2009-011 G (2-1) Revised  
Peter Kirk Community Center HVAC Replacement  
Trane U.S. Inc. Comprehensive Solutions Group  
SUBJECT: Funding Approval

The Department of General Administration, E&AS, requires funding approval for the above referenced contract document. The amount required is as follows:

ESCO Contract Amount	\$ 117,300.00
Sales Tax (9.5%)	\$ 11,143.50
Contingency Amount (with Tax)	\$ <u>6,422.07</u>
<b>Total</b>	<b>\$ 134,865.57</b>

**In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the Division of Facilities, Engineering & Architectural Services that the above identified funds are appropriated, allotted, and that the using/client agency bears the liability for any issues related to the funding for this project. Otherwise it is the intent of the facility to obtain funding from the State Treasurer's Lease/Purchase or LOCAL program and/or obtain the balance from \_\_\_\_\_.**

By \_\_\_\_\_  
Name Title Date

Please sign and return this form to E&AS. If you have any questions, please call me.





State of Washington  
**Department of General Administration**  
**Facilities Division**

**Engineering & Architectural Services**

210 11<sup>th</sup> Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012

July 2, 2009

(360) 902.7272 • FAX (360) 753.2848

Trane U.S. Inc.  
Comprehensive Solutions Group  
2021 152<sup>nd</sup> Avenue NE  
Redmond, WA 98052

RE: ESCO Contract No. 2009-011 G (2-1) Revised  
Peter Kirk Community Center HVAC Replacement  
City of Kirkland

We have enclosed the following documents:

1. Energy Service Company Contract with payment and performance bond.
2. Certificate of Insurance form and memo for your insurance agent.
3. Retainage investment form.

Please be advised that the General Conditions for Washington State Facility Construction require that the above listed documents be returned to Engineering & Architectural Services (E&AS) within 15 days of receipt, or E&AS may terminate the award of this ESCO contract. Transmittal of this ESCO contract for signature and request for bond and insurance does not obligate E&AS to proceed with award. This ESCO contract is not binding upon the State of Washington until it has been duly signed by E&AS' contracting officer.

Should you have any questions about this contract package, please call Eddie Miller, Contracts Specialist, at (360) 902-7219.

Sincerely,

Lisa Steel  
Energy Engineer

LS:em

Enclosures

cc: Donna Burris, City of Kirkland



ESCO Contract No.	<u>2009-011 G (2-1) Revised</u>
Project	<u>Peter Kirk Community Center</u> <u>HVAC Replacement</u>
Agency	<u>City of Kirkland</u>
Date	<u>July 2, 2009</u>

**STATE OF WASHINGTON**

**ENERGY SERVICE COMPANY (ESCO) CONSTRUCTION CONTRACT**

For the DIVISION OF FACILITIES, ENGINEERING & ARCHITECTURAL SERVICES

This Energy Service Company (ESCO) Construction Contract, made and entered into this 2nd day of July, 2009, shall be the agreed basis of performing the following work by and between the State of Washington, City of Kirkland acting through the Department of General Administration, Division of Facilities, Engineering & Architectural Services, hereinafter referred to as the Owner, and

Trane U.S. Inc.  
Comprehensive Solutions Group  
2021 152<sup>nd</sup> Avenue NE  
Redmond, WA 98052  
Telephone (425) 586-1618  
Fax (425) 643-4314

hereinafter referred to as the ESCO or Contractor.

**WITNESSETH:** Whereas the parties hereto have mutually covenanted and by these presents do covenant and agree with each other as follows:

**FIRST:** The said ESCO agrees to furnish all permits, material, labor, tools, equipment, apparatus, facilities, etc., necessary to perform and complete in a workmanship like manner the work called for in the attached Scope of Work, Energy Services Proposal dated May 12, 2009, for:

Energy Services Authorization No. 2009-011 B (2)  
Master Energy Services Agreement No. 2007-041 G (7)

Audits and Proposals for this project were prepared by the ESCO according to the terms of the Contract Documents which include, but are not limited to, the Master Energy Services Agreement, Energy Services Authorization(s), the accepted Proposal, *Conditions of the Master Energy Services Agreement, Instructions to Bidders/General Conditions/Supplemental Conditions For State Facility Construction, EPC Modifications to Instructions to Bidders/*



July 2, 2009

**SCOPE OF WORK**

**ESCO Contract No. 2009-011 G (2-1) Revised**

**Peter Kirk Community Center HVAC Replacement  
City of Kirkland**

**Replace the HVAC system at the Peter Kirk Community Center, including any and all necessary ancillary equipment, as described in the City of Kirkland Peter Kirk Community Center Energy Services Proposal dated May 12, 2009.**



State of Washington  
**Department of General Administration**  
Facilities Division  
Engineering & Architectural Services

210 11<sup>th</sup> Avenue, SW • PO Box 41012 • Olympia, WA 98504-1012  
(360) 902.7272 • FAX (360) 753.2848

July 2, 2009

**RETAINAGE INVESTMENT**

ESCO Contractor	Trane U.S. Inc. Comprehensive Solutions Group
ESCO Contract No.	2009-011 G (2-1) Revised
Description	Peter Kirk Community Center HVAC Replacement
Client Agency	City of Kirkland

Pursuant to R.C.W. 60.28, you are required to exercise your option, IN WRITING, on whether or not monies reserved from the amounts due you on the above contract shall be placed in escrow. You are therefore directed to complete and return this form with the signed copy of the above contract to the Division of Engineering & Architectural Services.

Should you desire to have the retained monies invested, it will then be necessary that you enter into an escrow agreement with a bank, trust or savings and loan company, and the above Client Agency.

This form will be transmitted to the Client Agency for further action in preparing the escrow agreement.

**ENERGY SERVICES CONTRACTOR'S OPTION**

\_\_\_\_\_ I do not request retainage on the above contract to be invested.

\_\_\_\_\_ I hereby request retainage on the above contract to be invested.

\_\_\_\_\_/Date  
Signature

\_\_\_\_\_  
Title





**CITY OF KIRKLAND**

Planning and Community Development Department  
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225  
www.ci.kirkland.wa.us

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**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Joan Lieberman-Brill, AICP, Senior Planner

**Date:** July 22, 2009

**Subject:** Bridle View Annexation Public Hearing (File ANN07-00001)

**RECOMMENDATION**

- Hold a public hearing to consider public comment on the proposed Bridle View Annexation and,
- Direct staff to bring back an ordinance approving the annexation and setting an effective date at a future meeting.

**BACKGROUND DISCUSSION**

On October 20, 2008 Alice Prince, Rena Peterson, Wray Featherstone, and Irene Carlson, of the Bridle View Annexation Committee, sent a request asking that the City consider the annexation of the Bridle View subdivision and Snyder's Park. The area contains approximately 56 acres, including the 4 acre Snyder's Corner Park owned by the City of Kirkland, and the 52 acre Bridle View subdivision. The subdivision contains 54 single family lots, 53 households and approximately 135 people, based on a population of 2.55 persons per household.

The proponents have sought annexation because of the common characteristics the area shares with the Bridle Trails neighborhood lying immediately to the west. In particular both areas are characterized by large lots, many of which contain horses. In Kirkland, equestrian zoning protects the equestrian character by requiring a minimum lot size of 35,000 square feet and permeable areas of at least 10,000 square feet to insure the potential for future equestrian use. This protection is not accommodated in Redmond, or King County.

On November 18, 2008 the City Council passed a motion authorizing circulation of an annexation petition with assumption of the City indebtedness by the annexed area and comparable zoning at RSX 35. RCW 35A 14.120 authorizes a legislative body to consider requiring the assumption of all or of any portion of existing city indebtedness by the area being annexed.

Memo to City Council

July 22, 2009@

Page **2** of **3**

On January 20, 2009 the initiators filed petitions with the City, signed by 42 property owners representing 76% of the total valuation of this annexation area. State law requires that the petition be signed by owners representing at least 60% of the valuation.

The Kirkland City Council adopted Resolution 4749 on March 17, 2009 to transmit the Bridle View Annexation Notice of Intention to the King County Boundary Review Board. The BRB approved the application on June 30, 2009, setting the stage for this final approval by the Kirkland City Council.

Pursuant to RCW 35A.14.140, the City Council must hold a public hearing on a direct petition annexation. Notice of hearing has been published in the local paper, mailed to the 54 property owners in the annexation area and to the City of Redmond, Fire District 34 and King County, and posted in three locations within the annexation area as required by state law.

The area will remain designated low density residential land use. As provided in the Kirkland Zoning Code Section 10.45, annexed property is classified as the same or comparable zoning as the property was zoned immediately prior to annexation. It will be zoned RSX 35 (Single Family Residential, 1 dwelling unit per 35,000 square feet), which is the most comparable zoning to that in effect in King County; R-1 (1 dwelling unit per acre).

The annexation area has a current assessed valuation of \$49,893,000. Based on a \$1.14 levy rate, the area is expected to generate about \$57,000 of property tax revenue each year, starting in 2011. Additionally, utility tax revenues will be received based upon either current rates or voter approved rates. The current utility tax rate is 10.5% for City water, sewer and garbage utilities and 7.5% for the City's surface water utility. For private utilities (gas, electric, telecommunications and cable) the current rate is capped at 6%. The City Council is considering placing a measure on the November 3, 2009 general election ballot to raise the private utility rate to 7.5%. If it is placed on the ballot, and the ballot measure passes, the increased rate will go into effect beginning in 2010.

Water, police and fire services will be transferred to the City of Kirkland. Transfer negotiations are underway and should be completed prior to the effective date. In addition, Kirkland's Surface Water Utility will assume responsibility for the surface water facilities in Bridal View. The City's monthly surface water fee will provide the necessary funds to maintain and operate the system. The King County Health Department will continue to regulate the septic systems serving the area, and the area will continue to be in the Lake Washington School District. Costs and demands for service will be minimally affected due to the small size of the annexation area and the balance between costs and revenues.

#### Water Service Negotiations

The Public Works Department is working on the final details of the water system transfer from the City of Redmond to the City of Kirkland. In conjunction with this transfer, the Cascade Water Alliance (CWA) Board needs to approve a resolution related to the Regional Capital Facility Charges (RCFC). CWA staff has developed language in a resolution which clarifies that Kirkland's

Memo to City Council

July 22, 2009@

Page **3** of **3**

assumption of 52 additional Cascade Equivalent Residential Units (CERU's) does not trigger payment of Regional Capital Facility Charges for those units. This resolution is on the Cascade Water Alliance Board agenda for August 26<sup>th</sup>. Cascade staff is recommending approval of the resolution. In addition, City of Redmond Executive staff has indicated they support the resolution as well. Without CWA Board approval of the proposed resolution, existing language in the Cascade Interlocal Contracts suggest Kirkland would have to pay Regional Capital Facility Charges for the new CERU's. Cascade staff indicates annexations were not the intent of the original language. Consequently, they have proposed a remedy in the resolution for the August 26<sup>th</sup> meeting. Kirkland staff will report back to Council when the resolution has been acted on by the Cascade Water Alliance Board, likely at the Council meeting on September 1<sup>st</sup> or 15<sup>th</sup>. At that time, staff will also recommend an effective date.

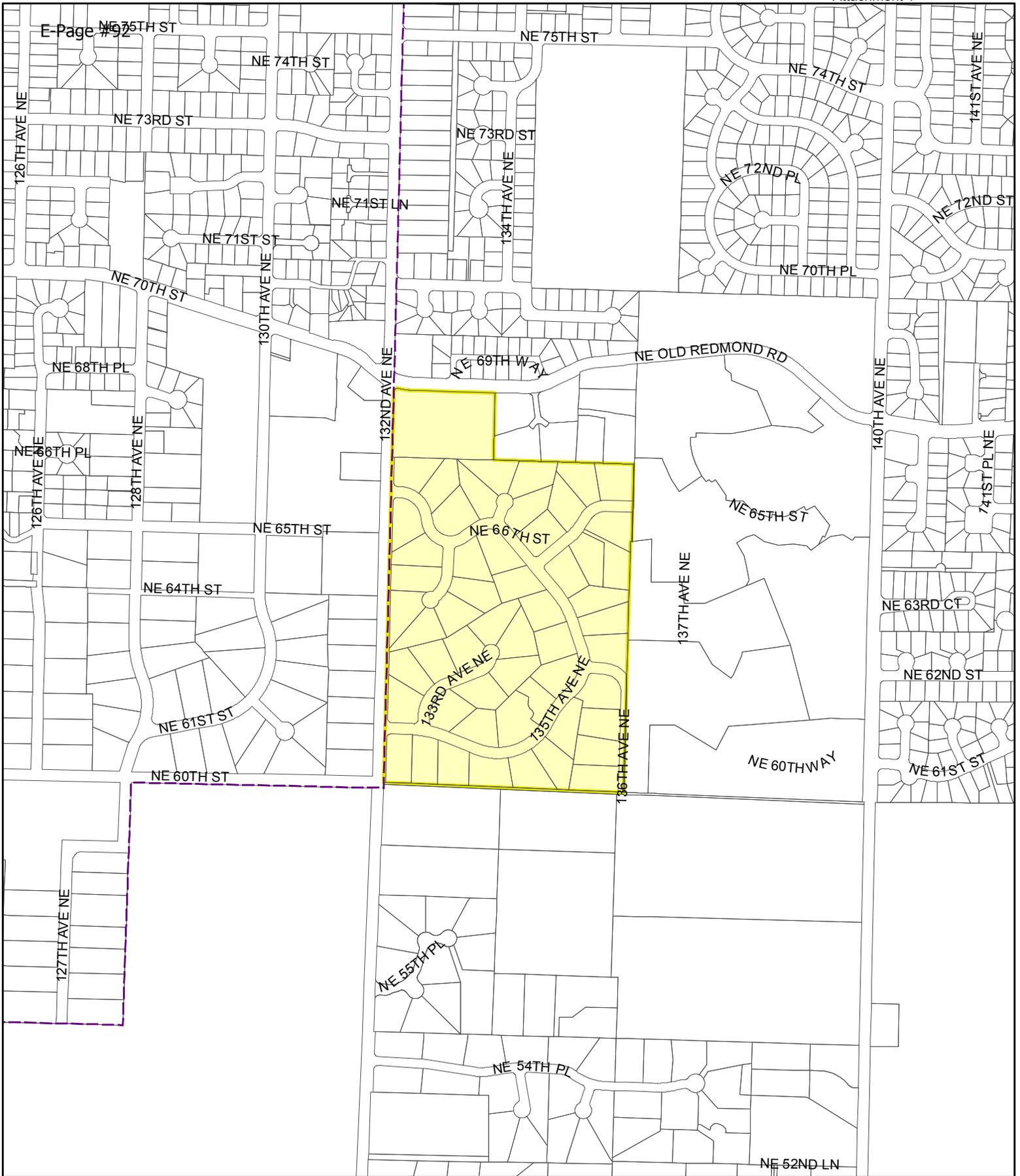
Enclosures:

Vicinity Map

Bridle View Annexation

Zoning Map

cc: Bridle View Annexation Committee  
File No. ANN07-00001



### Overview Map



- Kirkland City Limits
- parcel
- Annexation Boundary

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**Potential Annexation Area**

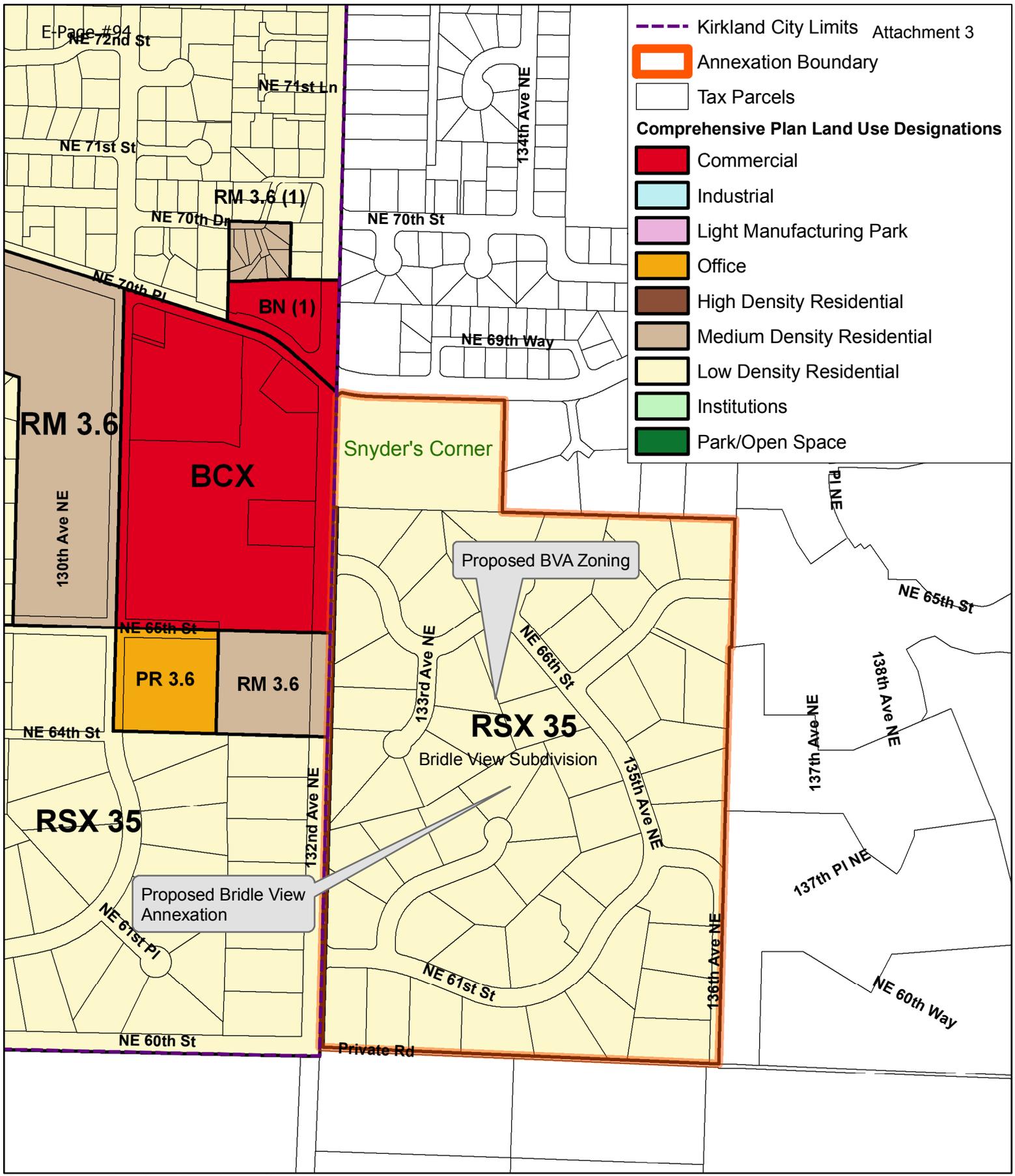
--- Kirkland City Limits Attachment 3

 Annexation Boundary

 Tax Parcels

**Comprehensive Plan Land Use Designations**

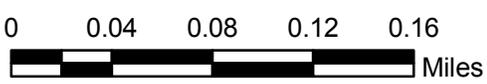
-  Commercial
-  Industrial
-  Light Manufacturing Park
-  Office
-  High Density Residential
-  Medium Density Residential
-  Low Density Residential
-  Institutions
-  Park/Open Space



### Proposed Zoning Designations



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## MEMORANDUM

**To:** Dave Ramsay, City Manager  
**From:** Tracey Dunlap, Director of Finance and Administration  
**Date:** July 23, 2009  
**Subject:** Voted Private Utility Tax Increase Ballot Measure Resolution

### Recommendation

Council approve resolution placing the voted private utility tax increase on the November 3, 2009 ballot.

### Background

The 2009-2010 budget was balanced assuming a successful vote in 2009 to increase the private utility tax (on electric, gas, telecommunications, and cable<sup>1</sup>) from 6% to 7.5% in 2010. The revenue in 2010 from this increase is budgeted at \$2.24 million. The impact on customer bills would be \$1.50 per \$100 of utility charges for residential and non-residential (commercial, etc.) customers. An estimated average impact for a residential customer is approximately \$6 per month or \$72 per year, although impacts will vary based on household size, service choices, and utility usage.

Passage of the voted utility tax would have a positive impact on the City's financial picture in two ways:

- The additional revenue would help the City preserve service levels that were reflected in the adopted 2009-2010 budget.
- The increase in utility taxes would contribute to a more sustainable revenue base for the City by:
  - Increasing a revenue source that tends to grow with inflation to help match the growth of City costs.
  - Decreasing reliance on volatile sales tax revenues by better balancing revenues from a variety of tax sources.

In addition, the utility tax increase option was selected (as opposed to a property tax increase) because it provides customers with some level of control over how much they pay if they are able to reduce their utility usage.

The City Council held a public hearing on July 7 and appointed the pro and con committees to write the ballot arguments. The City Clerk's Office will provide the committee members with the process and timeline information related to their task. The remaining key dates in the process are summarized on the following page.

<sup>1</sup>Note that the ballot question does not include cable services, as that increase is not subject to the same statutory authority as the other utility services, as described in the attached resolution. However, the intent is to apply the increase to cable if the vote is successful.

July 23, 2009

Page 2

<b>Proposed Private Utility Tax Increase Election Schedule</b>	
<b>GENERAL ELECTION NOVEMBER 3, 2009</b>	<b>DUE DATE</b>
Council meeting to approve resolution/ordinance (must occur before August 11)	July 21, 2009
If resolution/ordinance not approved July 21, last regularly scheduled Council meeting to approve	August 4, 2009
General election ordinance/resolution filed (84 days prior)	August 11, 2009
Submit ballot title and a summary of the measure as it will appear on the ballot	August 11, 2009
Resolution requesting special election for inclusion in Voters' Pamphlet (84 days prior) (RCW 29A.04.330)	August 11, 2009
Explanatory statement (reviewed and approved by City Attorney describing effects of the measure if passed) and committee appointments (names of persons selected to serve) for Voters' Pamphlet due to King County	August 14, 2009
Arguments for and against the measure written by the committees due to King County Elections after 4:30 pm	August 19, 2009
Arguments prepared by the pro and con committees available to the opposing committee for rebuttal after 4:30 pm	August 19, 2009
Rebuttal statements for Voters' Pamphlet due	August 21, 2009
General Election Date	November 3, 2009
Earliest the City could begin receiving revenue from utility tax increase (60 days post election to increase) is one month following the increase, with taxes due to the City by the 20th of the following month	March 1, 2010

The City Council has provided direction to staff regarding development of recommendations on the reductions in service levels that would be necessary if the tax does not pass. Staff is developing recommendations that will be presented to the City Council at the August 4 Study Session. In addition, the ballot language and explanatory statement will be provided for review and discussion.

In terms of communications with the public, staff is planning to introduce the issue in the July City Update and will provide additional information on the service level impacts once they have been determined. Note that once the resolution is passed, the Public Disclosure Commission (PDC) campaign rules apply, meaning that City staff can provide factual information on the measure but not campaign for or against its passage.

RESOLUTION R-4771

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY OF KIRKLAND AT THE NOVEMBER 3, 2009, GENERAL ELECTION OF A PROPOSITION TO INCREASE THE UTILITY TAX IMPOSED UPON ELECTRICAL ENERGY, NATURAL GAS, AND TELEPHONE SERVICES FROM 6 PERCENT TO 7.5 PERCENT IN ORDER TO CREATE A MORE SUSTAINABLE BUDGET FOR THE PURPOSE OF MAINTAINING EXISTING CITY SERVICES, INCLUDING PUBLIC SAFETY AND PARKS.

WHEREAS, RCW 35.21.870 permits cities to impose a tax on privately-provided electric, natural gas, or telephone services at a rate of up to 6 percent by legislative approval, and at a rate that exceeds 6 percent if approved by a majority of the voters of the city voting on such proposition; and

WHEREAS, the Cable Communications Policy Act of 1984 permits cities to increase the tax rate on cable television without a voter approval as long as the tax is not discriminatory against cable operators and subscribers; and

WHEREAS, increasing the tax on electrical energy, natural gas, and telephone services, and cable services from 6 percent to 7.5 percent would result in additional total revenue of approximately \$2.24 million annually; and

WHEREAS, revenues are needed to create a more sustainable budget and provide funds to maintain existing City services, including public safety and parks; and

WHEREAS, the City Council of the City of Kirkland finds it is appropriate to submit to the voters of the City of Kirkland a proposition to increase the tax on electric, natural gas, and telephone services from 6 percent currently taxed to 7.5 percent, which would also be applied to cable services, in order to provide revenues to create a more sustainable budget for the purpose of maintaining existing City services, including public safety and parks.

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

Section 1. A proposition authorizing the City to increase the utility tax imposed on electrical energy, natural gas, and telephone services, for a total of 7.5 percent, in order to provide revenues to create a more sustainable budget for the purpose of maintaining existing City services, including public safety and parks, shall be submitted to the qualified electors of the City at the general election to be held November 3, 2009. The intent of the City Council is to increase the tax on cable services by an equivalent amount.

The King County Elections Director is requested to assume jurisdiction of and to call and conduct such election and to submit to the qualified electors of the City the proposition set forth in Section 2.

Section 2. The ballot title shall read as follows:

**CITY OF KIRKLAND  
UTILITY TAX**

The City Council of the City of Kirkland adopted Resolution R-4771 concerning increasing the tax on electrical energy, natural gas, and telephone services. If approved, this proposition would authorize the City to increase the tax on electrical energy, natural gas, and telephone services from the current 6 percent to 7.5 percent in order to provide revenues to create a more sustainable budget for the purpose of maintaining existing services, including public safety and parks. Should this proposition be approved?

- Yes
- No

Section 3. The City Council intends to increase the tax on cable services from the current 6 percent to 7.5 percent. If the voters authorize the increase in the tax on electrical energy, natural gas, and telephone services from the current 6 percent to 7.5 percent, the increased tax on electrical energy, natural gas, telephone, and cable services would result in additional revenue of approximately \$2.24 million annually.

Section 4. The City Clerk shall file a certified copy of this resolution with the King County Elections Director.

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



**CITY OF KIRKLAND**  
City Manager's Office  
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[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:** July 23, 2009  
**Subject:** COUNCIL GOALS

**RECOMMENDATION:**

City Council continues their discussion of City Council goals and performance measures.

**BACKGROUND DISCUSSION:**

At the July 21 Study Session, Council began a discussion about performance measures but were unable to complete all ten goal areas. The City Manager suggested that the Council continue their discussion during regular meetings, addressing one or two goals in each meeting. Staff recommends that Council discuss goals related to Environment and Economic Development.

Council edits and notes from the July 21 and August 4 meeting will be provided at the first meeting in September.

## VIII. Environment

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

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

### **Performance Measures:**

Percent of waste recycled in single family residential areas.,

Percent of waste recycles per year in multifamily areas.

Amount of food waste recapture for restaurants

Percent change in tree canopy

Carbon emissions produced

Water usage

Number of pea patches.

### ***Possible Performance Measures Suggested by Departments:***

- *Attain a 70% single family recycling diversion rate by 2010*
- *Attain a 20%% multi-family recycling diversion rate by 2014.*
- *Attain a 75% recycling diversion rate in single family residential areas by 2014*
- *Achieve a 5% annual increase in the multifamily recycling diversion rate*
- *Attain 10% reduction from 2005 carbon emission levels by City Government Operations by 2012*
- *Attain 10% reduction from 2005 carbon emission levels by Kirkland businesses and residents by 2012*
- *Maintain zero beach closures from city surface water outfalls and discharges*
- *Reduce water consumption in city of Kirkland by 88,000 gallons per day between 2008 and 2013*

## **IX. Economic Development**

**Value Statement:** Kirkland has a diverse economy that supports the community's needs.

**Goal Statement:** To attract, retain and grow a diverse and stable economic base.

### **Performance Measures:**

Lodging tax

Food/beverage sales tax

Job growth by sector

Business tax revenue.

Number of new businesses fitting desired profile.

Number of new jobs fitting target business profile.

Sales tax dollars imported versus exported (leakage)

Number of residents who also work in Kirkland

Business retention..

### ***Possible Performance Measures Suggested by Departments:***

- *Have a minimum of 400 businesses signed up for the KirklandFirst (buy local) website*
- *50% of businesses will rate the City of Kirkland as a business friendly community*
- *50% of businesses will rate the physical appearance of the area where their business is located as "excellent" or "good."*
- *60% of businesses will be satisfied with the overall quality of services offered by the City of Kirkland.*
- *60% of businesses who have an opinion, will be satisfied with the overall quality of life in the City;*
- *60% of businesses will rate the City services as adequate or better*
- *Increase Explore Kirkland total website visits by 5%*
- *Increase Kirkland Events Guide subscriptions by 5%*

### ***Indicators:***

- *# of employees*
- *Retail Sales Tax Per Capita*
- *# of New Businesses*
- *# of Business Closures*
- *Total Businesses*

- *Business Growth*
- *Commercial Vacancy Rate*
- *Office Space Vacancy Rate*
- *# of Hotel nights*
- *Lodging Tax Revenue*
- *Business Tax Revenue*

**CITY OF KIRKLAND****Department of Public Works****123 Fifth Avenue, Kirkland, WA 98033 425.587.3800****[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)**

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**To:** Dave Ramsay, City Manager

**From:** Daryl Grigsby, Public Works Director  
David Godfrey, P.E., Transportation Engineering Manager

**Date:** July 23, 2009

**Subject:** FLEXPASS UPDATE

*Background*

At the July 7<sup>th</sup> City Council meeting staff presented to Council three options for funding Flexpass. They included a full ORCA pass option, no additional subsidy for bus riders and third option that would give riders a 30% subsidy for out of pocket costs

The City Council agreed that the City should subsidize transit passes for those that commute by bus regularly. Council felt that employees should contribute up to \$500 to their transit pass. This was based on what some users of the UPASS program contribute. The City Council requested staff determine the City total cost for providing that level of subsidy.

Considering a sample 238<sup>1</sup> commuting day year and a daily round trip cost bus fare of \$5, the total cost for commuting would be \$1,190 per year. If the employee paid \$500 of this cost, the city would be responsible for \$690 per year (\$1,190 less \$500). There are currently 19 employees which commute by bus regularly (more than 3 times per week). Therefore the total city cost would be 19 x \$690 or \$13,110 per year.

Additionally, 11 passes <sup>2</sup>(with \$60 value each (\$660 total) would be provided for use by employees who travel for business during the day; for example going from Kirkland to Seattle for a meeting. These 11 passes would be in a "pool" that employees could check out. Passes would be located at City Hall and at satellite facilities.

The total cost for the program would then be \$13,110 plus \$600 or \$13,770.

Any option that reduces subsidized bus trips below current levels may have to be negotiated with employee bargaining groups.

A fiscal note is attached.

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<sup>1</sup> Based on 5 days per week for 50 weeks (52 weeks per year- 2 weeks of vacation) and 12 holidays.

<sup>2</sup> Estimated based on one each for 7 departments at City Hall (CMO and CAO counted as one) plus 2 at 505 Market, and 1 each at O&M and Parks maintenance facilities. The passes could be shared across departments.

**FISCAL NOTE**

CITY OF KIRKLAND

Source of Request							
Daryl Grigsby, Public Works Director							
Description of Request							
Request funding of \$13,770 from the Council Special Projects Reserve to fund a Flexpass alternative program. The current flexpasses expire in August of this year and the Council was previously presented with different alternative programs. Based on feedback from the July 7th Council meeting, the proposed alternative program would provide a subsidy to regular transit riders of \$690 per year and a pool of bus passes for other City employees to use for business purposes costing \$660. The total cost of this alternative program is \$13,770.							
Legality/City Policy Basis							
Fiscal Impact							
<b>One-time use of \$13,770 of the Council Special Projects Reserve.</b> The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<b>Reserve</b>	Description	2010 Est End Balance	Prior Auth. 2009-10 Uses	Prior Auth. 2009-10 Additions	Amount This Request	Revised 2010 End Balance	2010 Target
	Council Special Projects Reserve	271,960	71,000	0	13,770	187,190	250,000
	Prior 2009 Authorized Uses in \$26,000 for funding of federal lobbyist services, \$25,000 towards a one-time program in 2010 of the Neighborhood CIP Connections program, and \$20,000 for the Hopelink relocation.						
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							
Other Information							

Prepared By	Sandi Hines, Financial Planning Manager	Date	July 27, 2009
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## MEMORANDUM

**To:** Dave Ramsay, City Manager

**From:** Tracey Dunlap, Director, Finance and Administration  
Kathi Anderson, City Clerk

**Date:** July 23, 2009

**Subject:** Annual Review of Lodging Tax Advisory Committee Membership

### RECOMMENDATION

That the City Council appoint applicants to the Lodging Tax Advisory Committee to annual terms which end June 30, 2010.

Applications have been received from:

Representing hoteliers (3 seats)

Brian Flaherty, Vice President & General Manager, Woodmark Hotel, Yacht Club & Spa

Ryan Noel, General Manager, Courtyard by Marriott Hotel

Les Utley, General Manager, Heathman Hotel

Representing businesses (3 seats)

Shirley Day, Crab Cracker Restaurant, representing the Greater Kirkland Chamber of Commerce

Pat Howard, representing the Howard/Mandville Gallery & Pondera Winery

Daniel Mayer, representing the Kirkland Performance Center

Garett Slettebak, representing Pro-Motion Events

Council must also select a Councilmember to serve as Chair of the Committee. The present Chair is Councilmember Tom Hodgson.

### BACKGROUND DISCUSSION

Ordinance 3798, which created the Lodging Tax Advisory Committee, establishes the membership of the LTAC and requires the City Council to review the membership annually. The purpose of the Lodging Tax Advisory Committee is to perform the functions described in RCW 67.28.1817 and KMC Chapter 5.19, and to be an ongoing advisory committee to the Kirkland City Council as to the use of the lodging tax fund revenue for tourism promotion. Membership of the LTAC is comprised of seven voting members appointed annually by City Council of which one shall be a city council member, three members shall be representatives of businesses required to collect tax under this chapter (hotels/motels) and three members shall be persons involved in activities authorized to be funded by, that benefit from the expenditure of, revenue from the lodging tax fund.

Following a recruitment which ended July 22, 2009, applications were received from the above nominated representatives, which have been forwarded to Council under separate cover.

c: Ellen Miller-Wolfe, Economic Development Manager