



CITY OF KIRKLAND

CITY COUNCIL

Amy Walen, Mayor • Jay Arnold, Deputy Mayor • Dave Asher • Tom Neir
Toby Nixon • Jon Pascal • Penny Sweet • Kurt Triplett, City Manager

Vision Statement

Kirkland is one of the most livable cities in America. We are a vibrant, attractive, green and welcoming place to live, work and play. Civic engagement, innovation and diversity are highly valued. We are respectful, fair and inclusive. We honor our rich heritage while embracing the future. Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.

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AGENDA

KIRKLAND CITY COUNCIL SPECIAL MEETING

City Council Chamber
Wednesday, November 7, 2018
6:00 p.m. – Study Session
7:30 p.m. – Special Meeting

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

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

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

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

1. CALL TO ORDER

2. ROLL CALL

3. STUDY SESSION

- a. Joint Meeting with the Human Services Commission

4. EXECUTIVE SESSION

5. HONORS AND PROCLAMATIONS

- a. Geographic Information Systems Day 2018

6. COMMUNICATIONS

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

7. SPECIAL PRESENTATIONS

- a. Community Emergency Response Team (CERT) #26 Graduation

*8. CONSENT CALENDAR**a. Approval of Minutes*

(1) October 13, 2018

(2) October 16, 2018

*b. Audit of Accounts**c. General Correspondence**d. Claims*

(1) Claims for Damages

e. Award of Bids

(1) 2018 Citywide School Walk Route Enhancements

f. Acceptance of Public Improvements and Establishing Lien Period(1) 2016 Citywide School Walk Route Enhancements - 126th Ave NE Sidewalk*g. Approval of Agreements**h. Other Items of Business*

(1) Procurement Report

(2) Resolution R-5340, Approving the City of Kirkland's Allocation for the North East King County Regional Public Safety Communications Agency (NORCOM) Budget

(3) Resolution R-5341, Relinquishing any Interest The City May Have, Except for a Utility Easement, in Unopened Right-of-Way as Described Herein and Requested by Property Owners Nathan and Jana Schwarz

(4) Resolution R-5342, Declaring the Property at 8411 NE 141st Street, Kirkland, Washington to be Surplus to the Needs of the City and Authorizing the City Manager to Complete the Sale of the Property

(5) Resolution R-5343, Approving a Template City Manager Proclamation of Emergency

*9. PUBLIC HEARINGS**a. 2019-2020 Preliminary Budget*

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.

***QUASI-JUDICIAL MATTERS**
Public comments are not taken on quasi-judicial matters, where the Council acts in the role of judges. The Council is legally required to decide the issue based solely upon information contained in the public record and obtained at special public hearings before the Council. The public record for quasi-judicial matters is developed from testimony at earlier public hearings held before a Hearing Examiner, the Houghton Community Council, or a city board or commission, as well as from written correspondence submitted within certain legal time frames. There are special guidelines for these public hearings and written submittals.

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.

CITY COUNCIL COMMITTEE agendas and minutes are posted on the City of Kirkland website, www.kirklandwa.gov.

ITEMS FROM THE AUDIENCE
Unless it is 10:00 p.m. or later, speakers may continue to address the Council during an additional Items from the Audience period; provided, that the total amount of time allotted for the additional Items from the Audience period shall not exceed 15 minutes. A speaker who addressed the Council during the earlier Items from the Audience period may speak again, and on the same subject, however, speakers who have not yet addressed the Council will be given priority. All other limitations as to time, number of speakers, quasi-judicial matters, and public hearings discussed above shall apply.

10. UNFINISHED BUSINESS

- a. Resolution R-5344, Approving a City of Kirkland Legislative Agenda to be Addressed to the 2019 Session of the State Legislature
- b. Parks and Community Services Draft Cost Recovery Study Report

11. NEW BUSINESS

12. REPORTS

- a. *City Council Regional and Committee Reports*
- b. *City Manager Reports*
 - (1) Calendar Update

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT



CITY OF KIRKLAND
Department of Parks & Community Services
123 5th AVE, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Human Services Commission
Lynn Zwaagstra, Director
Leslie R. Miller, Human Services Supervisor

Date: October 25, 2018

Subject: 2019-2020 HUMAN SERVICES GRANT FUNDING RECOMMENDATIONS

RECOMMENDATION:

City Council receive a report and presentation on grant funding recommendations from the Human Services Commission for the 2019 – 2020 biennium.

BACKGROUND DISCUSSION:

This report forwards for City Council consideration the Human Services Commission's (HSC) recommendations for the award of grants to ensure delivery of human services to Kirkland residents.

Human services grant funding supports adopted City Council goals. For example, the Human Services Element of the Comprehensive Plan states that it is a city goal to "create a community in which all members have the ability to meet their basic physical, economic and social needs, and the opportunity to enhance their quality of life."

This memo includes two sets of recommendations for general fund grant allocations. The first set is configured as if the Enhanced Police Services and Community Safety Ballot Measure passes. The second set assumes the ballot measure will not pass. The primary difference is that if the measure passes, there is an additional \$100,000 per year for the shelter. If it does not pass, the HSC reallocates \$100,000 of the grants in order to provide the additional shelter funding.

A. History of Human Services Grant Funding

In 1986, the City of Kirkland began granting funding to community agencies to provide human services to Kirkland residents. The following table details the total funding made available since 2011.

Figure 1: City of Kirkland Funding for Human Services Grants 2011 – 2020

Year	Population	Ongoing Funding Base Budget	Supplemental One-time Funding	CDBG	Total Funding
2011	49,020 ¹	\$459,481	\$117,656	\$0	\$577,137
2012	81,480	\$656,944	\$0	\$0	\$656,944
2013	81,730	\$656,944	\$44,814	\$0	\$701,758
2014	82,590	\$656,944	\$44,814	\$0	\$701,758
2015	83,460	\$656,944	\$114,679	\$24,470	\$796,093
2016	84,680	\$656,944	\$129,679	\$29,892	\$816,515 ²
2017	86,080	\$701,758	\$171,150	\$30,691	\$903,599
2018	87,240	\$701,758	\$171,150	\$33,687	\$906,595
2019	87,240	\$701,758 ³	\$171,150 ³	\$33,687	\$906,595 ³
2020	87,240	\$701,758 ³	\$171,150 ³	\$33,687	\$906,595 ³

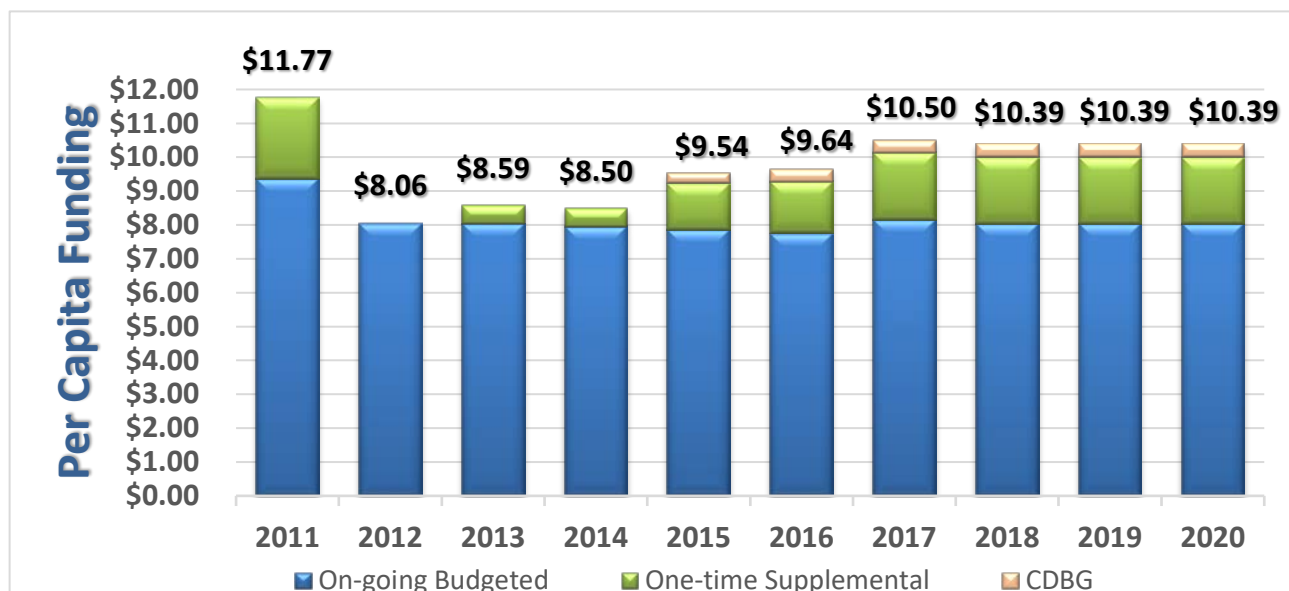
¹ Kirkland 2011 population prior to June 1 annexation

² Includes one-time contribution from Council Special Projects Reserve for the Eastside Winter Shelter for Families (\$15,000)

³ As proposed in 2019-2020 in the City Manager's Budget

City grant funding on a per capita basis since 2011 is shown in the following chart.

Figure 2: City of Kirkland per Capita Allocation 2011-2020



Notes: The 2012 dip in per capita investment in human services occurred after annexation.

2019 and 2020 per capita estimates are based on Kirkland's 2018 population estimate and the City Manager's proposed 2019 – 2020 biennium budget.

B. Application and Review Process, and Deliberations

In April of this year, the City received applications from community agencies requesting support for the critical services that help to meet the basic and emergency needs of Kirkland residents. Both the number of applications and the total amount requested increased from the previous biennium.

Application Comparison:

Budget Period	Applications	Amount Requested	Amount Funded
2015-2016	71	\$2,341,848	\$1,612,617 ¹
2017-2018	81	\$2,824,124	\$1,810,194 ²
2019-2020	92	\$4,080,740	To be determined

¹Total includes \$15,000 emergency funds from the Council Special Projects Reserve for the Eastside Winter Shelter for Women and Families with Children in January 2016 & \$54,371 in CDBG funds.

²Total includes \$64,378 in CDBG funds.

The HSC deliberated between April and September, spending many hours both reading applications and meeting as a group. The HSC utilized community goal areas, regional collaboration, community needs presentations and assessments, equity training and city council and legislative priorities. The HSC came to their recommendations through a consensus process.

Considerations included:

Community Goal Areas: First developed by the United Way of King County, and later adopted by several local jurisdictions including Bellevue, Redmond, Seattle, King County, and Kirkland, these Community Goal Areas reflect the belief that all people should have:

Goal #1: Food to Eat and a Roof Overhead

- Food Security and Hunger
- Homelessness
- Affordable Permanent Housing

Goal #2: Supportive Relationships within Families, Neighborhoods and Communities

- Social Support
- Legal Assistance
- Information and Referral

Goal #3: Safe Haven from All Forms of Violence and Abuse

- Domestic Violence
- Child Abuse & Neglect
- Sexual Assault, Rape, and Child Sexual Abuse

Goal #4: Health Care to Be as Physically and Mentally Fit as Possible

- Medical Care

- Dental Care
- Behavioral Health

Goal #5: Education and Job Skills to Lead an Independent Life

- Employment/Training
- Education
- Childcare

Joint Commission Meeting: The municipal application process traditionally involved eastside Human Service Commissions making their funding decisions without consulting one another. This spring, the HSCs met for the first time during the application review process in order to learn together and discuss the regional homelessness system and the related investment areas. Since most of the Commission members are new to this work, they found the session quite helpful and it allowed them to consider more of a regional approach.

Shared Learning on Community Needs: Since its formation in 2017, the focus of the HSC has been preparing for this grant allocation process. In order for the HSC to better understand the needs of the community and some of the services that are provided, community partners briefed the HSC. These conversations provided important entry points into the services that are provided and the remaining challenges in the community. The unmet need for civil legal aid and the widespread depression and anxiety crisis students are experiencing stood out in particular. While the Commission did not have needs assessment data for Kirkland, staff from Hopelink, the City of Issaquah and the Eastside Refugee and Immigrant Coalition provided valuable information regarding trends on the Eastside.

Equity Lens Training: Human Services Commissions and city staff from Bellevue, Issaquah, Kirkland and Redmond took part in a "Building Our Equity Lens" training in March. This session provided an opportunity to 1) build and practice a common analysis of core equity concepts; 2) become aware of how implicit bias impacts the review process; and 3) practice reviewing applications using an equity lens. The HSC has repeatedly returned to the lessons learned. In particular, the message to think of oneself as an advocate, not as judge and jury, while reviewing applications has continued to resonate.

Municipal Code Evaluation Criteria: The HSC followed the evaluation criteria established for grant applicants in the original legislation authorizing the City's grant program. The criteria give priority to programs and agencies that:

- Benefit low-and-moderate income Kirkland residents
- Provide an appropriate solution to a documented need or identified problem in the community
- Promote self-sufficiency and independent living
- Are cost-effective
- Avoid duplication of services
- Have clear and established program outcomes
- Coordinate with other service providers

City Council and Comprehensive Plan Directive:

Comprehensive Plan Policy 5.1 – "Regularly assess local human service needs, and provide leadership in the development of services to address newly identified needs."

Past Performance: To ensure responsible use of public funds by current and previous grantees, current and prior contract performance was reviewed for all agencies that have previously received funding from the City.

Results

Priority Areas, not Status Quo: Upon formation of the HSC, City Council members requested that Commissioners proactively identify Kirkland needs and actively address those needs with recommendations to distribute grant funding. Correspondingly, the HSC decided that certain areas of service needed to be prioritized regardless of the funding amount available. While the HSC recognized the need to support the full continuum of basic needs of the community, they decided to prioritize making greater investments in the most critical areas of concern first, and then advocate for other program areas.

Priority Area 1	Emergency Homelessness Services Civil Legal Services with an Emphasis on Homelessness Prevention
Priority Area 2	Behavioral Health Services Domestic Violence and Sexual Assault Services Select Services for Children in Crisis System Navigation Services
Priorities 3 and 4	Additional areas of important community services including education, employment and medical and dental services.

Identified unmet community needs: As directed by City Council and the Comprehensive Plan, the HSC considered if critical needs were not being met by the program applications received. The HSC identified civil legal aid as not being addressed adequately in the applications. Therefore, the recommendations include a method to seek this preventative service.

Need for additional research: In addition, the HSC identified a growing need for culturally specific system navigation that requires some regional community outreach before awarding the funds. Human Services staff from several eastside cities will be conducting targeted outreach over the next several months.

The HSC recommends that the City issue Requests for Qualifications (RFQs) to identify the most appropriate service providers.

C. Funding Options

As directed by City Council, the HSC recommendation contains three different options for the Council to consider dependent upon the amount of City funding which may be made available. Option A allocates human services grant funding at the amount proposed in the 2017-2018 Base Budget (\$735,445). Option B allocates human services grant funding at an amount equal to that funded by the City in 2018 (\$906,595). If additional funding is available, Option C provides a prioritized list of additional funding recommendations (up to \$1,393,632). This option allows City Council to increase human services grant funding in order to better respond to critical community needs. In the final section, Options A.1, B.1

and C.1 provide recommendations with the same totals, but assumes that the Enhanced Police Services and Community Safety Ballot Measure will not pass.

Program descriptions (listed alphabetically) are available in **Attachment A**. A summary of the HSC's recommendations for distribution of grant funding are listed by priority area in **Attachment B**.

In addition to the General Funds, the City continues to have access to federal Community Development Block Grant (CDBG) funds. An estimated \$33,687 of CDBG funds are available to distribute each year for eligible human services programs. Earlier in October, the HSC provided a separate recommendation to Council to fund services provided for individuals experiencing homelessness by Congregations for the Homeless. This use of CDBG funds has been taken into consideration by the Commission in developing the recommendations for allocation of City General Fund dollars.

1. Funding Options: Enhanced Police Services & Community Safety Ballot Measure Passes

OPTION A: BASE BUDGET OPTION

General Fund: \$701,758 per year

CDBG Funds: \$ 33,687 per year

TOTAL FUNDS: \$735,445 per year (or \$8.43 per capita)

This option would provide funding at the amount currently proposed as on-going funding in the Parks and Community Services Department's base budget for 2019-2020.

However, due to the addition of one-time supplemental funding authorized by City Council for 2017–2018, this option would result in an overall net decrease of over \$171,000 per year in City funding for granting purposes. **This option is not recommended by the Human Services Commission.**

Funding Recommendations for Option A:

With Option A, the HSC allocates its full funding recommendation to Priority Area 1 programs.

1. Day Centers, Outreach and Treatment for People Experiencing Homelessness

- | | |
|---|----------|
| • Catholic Community Services—New Bethlehem Day Center for Families | \$25,000 |
| • Congregations for the Homeless—Day Center for Men | \$25,000 |
| • Congregations for the Homeless—Outreach | |
| [CDBG grant of \$8,156] | \$11,844 |
| • Friends of Youth—Homeless Youth Outreach and Drop-in Support | \$25,000 |
| • IKRON—Behavioral Health Services | \$33,930 |
| • The Sophia Way—Day Center for Women | \$25,000 |
| • The Sophia Way—Outreach (new program) | \$20,000 |

2. Emergency Shelter for People Experiencing Homelessness

- | | |
|---|----------|
| • Catholic Community Services—Eastside Emergency Shelter for Families | \$25,000 |
| • Congregations for the Homeless—Men's Eastside Winter Shelter | |
| [CDBG grant of \$8,157] | \$16,843 |
| • Friends of Youth—Youth and Young Adults Shelter | \$25,000 |
| • Lifewire—Emergency Shelter | \$23,908 |
| • The Sophia Way—Eastside Women's Winter Shelter | \$25,000 |

3. Legal Services

- | | |
|--|-----------|
| • Release an RFQ for a Full Time Civil Legal Aid Pro Bono Attorney | \$100,000 |
| • Eastside Legal Assistance Program—Legal Services | \$15,000 |
| • King County Bar Foundation—Pro Bono Services Department | \$4,500 |

With Option A, the Commission recommends allocating part of its funding recommendation to most programs in Priority Area 2.

1. Behavioral Health—Counseling and Employment Support for Children, Families and Adults

- | | |
|---|----------|
| • Asian Counseling and Referral Service—Children, Youth and Family | \$15,000 |
| • Crisis Clinic—24-Hour Crisis Line | \$6,500 |
| • Crisis Clinic—Teen Link | \$6,500 |
| • Hero House—Supported Employment | \$7,000 |
| • IKRON—Integrated Employment Services | \$15,000 |
| • NAMI Eastside—NAMI in the Schools | \$3,500 |
| • Therapeutic Health Services | \$13,520 |
| • Youth Eastside Services—Behavioral Health Care for Children and Youth | \$35,000 |
| • Youth Eastside Services—Community-based Outreach Services | \$30,179 |
| • Youth Eastside Services—Early Childhood Behavioral Health | \$25,000 |

2. Domestic Violence and Sexual Assault Services

- | | |
|---|----------|
| • Consejo Counseling and Referral Services—Domestic Violence Community Advocate Program | \$15,000 |
| • Lifewire—Survivor Advocacy Services | \$51,460 |
| • Harborview Medical Center—Center for Sexual Assault and Traumatic Stress | \$9,300 |
| • King County Sexual Assault Resource Center—Comprehensive Sexual Assault Services | \$19,760 |

3. Meeting Specialized Needs of Children

- | | |
|---|----------|
| • Eastside Baby Corner—Meeting Basic Needs for Children | \$13,388 |
| • Kinderling—Early Care and Education Consultation (ECEC) | \$20,000 |

4. System Navigation Services

- | | |
|---|----------|
| • Crisis Connections—King County 2-1-1 | \$12,000 |
| • Release an RFQ for Cultural Navigation Services | \$20,000 |

Should Council choose Option A, the following programs would not be funded. If the program is funded currently by the City of Kirkland, the amount of support in 2018 is included in parentheses.

- Alpha Supported Living Services—Alpha Health Services Program
- Asian Counseling and Referral Service—Whole Health Oriented Mental Health Program
- Assistance League of the Eastside—Operation School Bell (\$9,000)
- Athletes for Kids—AFK Youth Mentoring
- Attain Housing—Welcome Home (\$20,000)
- AtWork!—Community Liaison
- Boys & Girls Clubs of King County—Boys & Girls Club of Kirkland

- Bridge Disability Ministries—The Guardianship Program
- Bridge Disability Ministries—Meyer Medical Equipment Center (\$5,000)
- Catholic Community Services of King County—Emergency Assistance Program
- Catholic Community Services of King County—Volunteer Services (\$6,000)
- Center for Human Services—Behavioral Health Clinical Program (\$3,000)
- Center for Human Services—Family Support Centers (\$6,900)
- Child Care Resources—Consumer Education and Provider Quality Improvement (\$8,500)
- Chinese Information and Service Center—Eastside Russian Senior Program
- Community Homes, Inc.—Housing Readiness Workshop Series for Adults with Intellectual/Developmental Disabilities
- Congregations for the Homeless—Up and On Housing
- Congregations for the Homeless—Year Round Rotating Shelter (\$7,991)
- Easterseals Washington—Elder And Adult Day Services (\$8,950)
- Friends of Youth—TLP Housing for Homeless Young Adults and Young Families (\$27,900)
- HealthPoint—Dental (\$16,000)
- HealthPoint—Medical (\$15,941)
- Hopelink—Adult Education (\$13,950)
- Hopelink—Employment Program (\$10,000)
- Hopelink—Family Development Program (\$6,250)
- Hopelink—Financial Assistance Resiliency Program (\$28,000)
- Hopelink—Emergency Food (\$45,500)
- Hopelink—Housing (\$20,000)
- Imagine Housing—Supportive Services (\$62,000)
- India Association of Western Washington—IAWW
- International Community Health Service (ICHS)—Dental (\$4,000)
- International Community Health Service (ICHS)—Medical
- Jewish Family Service—Refugee and Immigrant Service Centers (\$15,000)
- Kinderling—Families in Transition
- Lake Washington Schools Foundation—LINKS Mentoring (\$8,500)
- Lake Washington Schools Foundation—Pantry Packs (\$5,000)
- Lifewire—Housing Stability Program
- MAPS—Muslim Community Resource Center (MCRC)—Housing
- MAPS—Muslim Community Resource Center (MCRC)—Refugee & Immigrant Services
- MCNA—Job Training in Coding and Digital Marketing
- Northshore Senior Center—Northshore Adult Day Health and Wellness Program (\$10,000)
- Old Friends Club—Daytime Memory Care and Respite
- OneAmerica—English Innovations (\$30,000)
- Pediatric Interim Care Center—Infant Withdrawal Program
- PROVAIL—School-to-Work Transition Program (\$9,892)
- Sound Generations—Meals on Wheels (\$11,223)
- Sound Generations—Volunteer Transportation (\$6,000)
- The Salvation Army—Eastside Corps Social Services (\$12,000)
- The Sophia Way—Sophia's Place Shelter Program (\$12,000)
- Washington Autism Alliance & Advocacy—Family Health Insurance Navigation
- Washington Poison Center—Emergency Services
- Wonderland Developmental Center—Play & Learn
- Wonderland Developmental Center—The Next Level

- Youth Eastside Services—Family Net (\$25,922)
- Youth Eastside Services--Success Mentoring (\$5,000)
- YWCA of Seattle-King-Snohomish—Eastside Employment Services (\$13,000)
- YWCA of Seattle-King-Snohomish—Eastside Resident Services

OPTION B: MAINTAIN CURRENT (2018) FUNDING LEVEL OPTION

General Fund: \$872,908 per year

CDBG Funds: \$ 33,687 per year

TOTAL FUNDS: \$906,595 per year (or \$10.39 per capita)

This option assumes no increase or decrease in the current biennium budget's human services grant funding available for distribution in 2019-2020. Funding would be the same as in 2018, which is comprised of \$701,758 of annual on-going funds and an additional \$171,150 of one-time supplemental funds previously allocated by City Council (and CDBG funds). **This option is proposed in the City Manager's 2019-2020 budget.**

Funding Recommendations for Option B

This option builds upon the funding distribution recommended in Option A.

Additional funding: The Committee recommends additional funding to the following programs.

1. **Behavioral Health—Counseling and Employment Support for Children, Families and Adults**
 - Asian Counseling and Referral Service—Children, Youth and Family from \$15,000 to \$24,825
 - Crisis Connections—24-Hour Crisis Line from \$6,500 to \$7,500
 - Crisis Connections—Teen Link from \$6,500 to \$7,500
 - Hero House—Supported Employment from \$7,000 to \$11,000
 - IKRON—Integrated Employment Services from \$15,000 to \$19,575
 - NAMI Eastside—Individual & Family Support and Education, Community Education, and Resources & Referrals \$3,500
 - Youth Eastside Services—Behavioral Health Care for Children and Youth from \$35,000 to \$38,805
 - Youth Eastside Services—Early Childhood Behavioral Health from \$25,000 to \$38,583
2. **Domestic Violence and Sexual Assault Services**
 - Lifewire—Survivor Advocacy Services from \$51,460 to \$70,000
3. **System Navigation Services**
 - Crisis Connections—King County 2-1-1 from \$12,000 to \$12,500
 - Release an RFQ for Cultural Navigation Services from \$20,000 to \$30,000

In addition, the Commission recommends funding to these additional programs from Goal Area 1 (Roof Over Head and Food to Eat).

- | | |
|---|----------|
| • Attain Housing—Welcome Home Program | \$20,000 |
| • Congregations for the Homeless—Year Round Rotating Shelter | \$ 5,000 |
| • Friends of Youth—TLP Housing for Homeless Young Adults and Young Families | \$7,500 |

- Hopelink—Emergency Food \$20,000
- Hopelink—Financial Assistance Resiliency Program \$18,322
- Lake Washington Schools Foundation—Pantry Packs \$5,000
- Sound Generations—Meals on Wheels \$5,000

This option leaves 50 unfunded programs that the HSC deems important to support.

OPTION C: ENHANCED FUNDING LEVEL OPTION

General Fund: up to \$1,359,945 per year

CDBG Funds: \$ 33,687 per year

TOTAL FUNDS: up to \$1,393,632 per year (or up to \$15.97 per capita)

This option builds upon the funding recommendations of Option B and provides a prioritized list for distribution of additional human services funds of up to \$487,037 above Option B should they be allocated by City Council.

The Human Services Commission recommends City Council to fund at this higher per capita level of \$15.97 in the City's basic budget for human services grants. The City of Kirkland has been able to fund on average 74% of human services grant requests during each budget cycle over the last ten years, and full implementation of Option C would result in the City funding about 67.5% of grant requests. The chart below demonstrates the increasing amount of support requested by agencies.

Percent of Grant Requests Filled:

Budget Period	Applications	Amount Funded	Percent Funded
2015-2016	71	\$1,612,617	68.9%
2017-2018	81	\$1,810,194	64%
2019-2020	92	TBD	
If Option A		\$1,470,890	36%
If Option B		\$1,813,190	44.4%
If Option C		\$	68%

The HSC believes that the following programs should be considered for continued funding, new funding, or additional funding.

Prioritized List of Additional Human Services Grant Allocations if Funding Is Available:

Rank	Agency/Program	Award Amount	Running Total	Per Capita Benchmarks
1	Youth Eastside Services—Family Net <i>[continue 2018 funding + 2%]</i>	\$26,440	\$26,440	
2	Friends of Youth—TLP Housing for Homeless Young Adults and Young Families <i>[continue 2018 funding + 2%]</i>	\$20,958	\$47,398	

3	Hopelink—Emergency Food <i>[continue 2018 funding + 2%]</i>	\$26,410	\$73,808	
4	Sound Generations—Meals on Wheels <i>[close to 2018 funding]</i>	\$5,000	\$78,808	
5	Attain Housing—Welcome Home <i>[additional funding]</i>	\$10,000	\$88,808	
6	Hopelink—Financial Assistance Resiliency <i>[additional funding]</i>	\$12,278	\$101,086	
7	Boys & Girls Clubs of King County—Boys & Girls Club of Kirkland <i>[new program]</i>	\$10,000	\$111,086	\$11.67
8	Catholic Community Services of King County—Volunteer Services <i>[continue 2018 funding + 2%]</i>	\$6,120	\$117,206	
9	The Sophia Way—Sophia's Place Shelter <i>[continue 2018 funding + 2%]</i>	\$7,240	\$124,446	
10	Congregations for the Homeless—Year Round Rotating Shelter <i>[continue 2018 funding + 2%]</i>	\$3,151	\$127,597	
11	Hopelink—Housing <i>[continue 2018 funding + 2%]</i>	\$12,900	\$140,497	
12	Imagine Housing—Supportive Services <i>[continue 2018 funding + 2%]</i>	\$22,500	\$162,997	
13	OneAmerica—English Innovations <i>[continue funding at (lower) requested level]</i>	\$13,577	\$176,574	
14	Jewish Family Service—JFS Refugee and Immigrant Services <i>[continue 2018 funding + 2%]</i>	\$15,300	\$191,874	
15	PROVAIL—School-to-Work Transition Program <i>[continue 2018 funding + .01% increase (as requested)]</i>	\$10,000	\$201,874	
16	Hopelink—Family Development Program <i>[continue 2018 funding + 2%]</i>	\$6,375	\$208,249	
17	India Association of Western Washington—IAWW <i>[new program]</i>	\$5,000	\$213,249	\$12.84
18	Youth Eastside Services—Success Mentoring <i>[continue 2018 funding + 2%]</i>	\$5,100	\$218,349	
19	Bridge Disability Ministries—Meyer Medical Equipment Center <i>[continue 2018 funding + 2%]</i>	\$5,100	\$223,449	
20	Easterseals Washington—Adult Care/Health Services <i>[continue 2018 funding + 2%]</i>	\$9,129	\$232,578	
21	AtWork!—Community Liaison <i>[new program]</i>	\$6,000	\$238,578	
22	Northshore Senior Center—Northshore Adult Day Health and Wellness Program <i>[continue 2018 funding + 2%]</i>	\$10,200	\$248,778	
23	Sound Generations—Volunteer Transportation <i>[continue 2018 funding + 2%]</i>	\$6,120	\$254,898	
24	International Community Health Services (ICHA)—Dental <i>[continue 2018 funding + 2%]</i>	\$4,080	\$258,978	
25	Hopelink—Adult Education <i>[continue 2018 funding + 2%]</i>	\$14,229	\$273,207	

26	Hopelink—Employment Program <i>[continue 2018 funding + 2%]</i>	\$10,200	\$283,407	
27	YWCA of Seattle-King-Snohomish—Eastside Employment Services <i>[continue 2018 funding + 2%]</i>	\$13,260	\$296,667	
28	Assistance League of the Eastside—Operation School Bell <i>[continue 2018 funding (as requested)]</i>	\$9,000	\$305,667	
29	Lake Washington Schools Foundation—LINKS Mentoring <i>[continue 2018 funding + 2%]</i>	\$8,670	\$314,337	\$14.00
30	HealthPoint—Primary Dental Care <i>[continue funding]</i>	\$16,000	\$330,337	
31	HealthPoint—Primary Medical Care <i>[continue funding with a .04% (as requested)]</i>	\$16,000	\$346,337	
32	Lifewire—Survivor Advocacy Services <i>[additional funding]</i>	\$28,200	\$374,537	
33	Asian Counseling and Referral Service—Whole Health Oriented Mental Health <i>[new program]</i>	\$7,500	\$382,037	
34	Community Homes, Inc.—Housing Readiness Workshop Series for Adults with Intellectual/ Developmental Disabilities <i>[new program]</i>	\$5,000	\$387,037	
35	Old Friends Club—Daytime Memory Care and Respite <i>[new program]</i>	\$6,000	\$393,037	
36	Lifewire—Housing Stability Program <i>[new program]</i>	\$6,000	\$399,037	
37	Washington Autism Alliance & Advocacy—Family Health Insurance Navigation <i>[new program]</i>	\$6,000	\$405,037	
38	MAPS—Muslim Community Resource Center (MCRC) Refugee & Immigrant Assistance	\$5,255	\$410,262	\$15.09
39	Center for Human Services—Behavioral Health Clinical Program <i>[continue funding]</i>	\$5,000	\$415,292	
40	Center for Human Services—Family Support Centers <i>[continue funding]</i>	\$5,000	\$420,292	
41	Child Care Resources—Information and Referral/Technical Assistance <i>[continue funding]</i>	\$5,000	\$425,292	
42	The Salvation Army-Eastside—Eastside Corps Social Services <i>[continue funding]</i>	\$5,000	\$430,292	
43	Catholic Community Services of King County—Emergency Assistance <i>[new program]</i>	\$5,000	\$435,292	
44	Congregations for the Homeless—Up and On Housing <i>[new program]</i>	\$4,500	\$439,792	
45	MAPS—Muslim Community Resource Center (MCRC)—Housing <i>[new program]</i>	\$5,000	\$444,792	
46	YWCA of Seattle-King-Snohomish—Eastside Resident Services <i>[new program]</i>	\$5,000	\$449,792	

47	International Community Health Services (ICHA)—Medical <i>[new program]</i>	\$5,000	\$454,792	
48	Athletes for Kids—AFK Youth Mentoring <i>[new program]</i>	\$5,000	\$459,792	
49	Chinese Information and Service Center—Eastside Russian Senior <i>[new program]</i>	\$2,654	\$462,446	
50	Alpha Supported Living Services—Alpha Health Services <i>[new program]</i>	\$2,000	\$464,446	
51	Bridge Disability Ministries—The Guardianship Program <i>[new program]</i>	\$5,000	\$469,446	
52	Kinderling—Families in Transition (FIT) <i>[new program]</i>	\$4,591	\$474,037	
53	Washington Poison Center—Emergency Services <i>[new program]</i>	\$5,000	\$479,037	
54	Wonderland Developmental Center—Play & Learn <i>[new program]</i>	\$3,000	\$482,037	
55	Wonderland Developmental Center—The Next Level <i>[new program]</i>	\$5,000	487,037	\$15.97

2. **Funding Options: Enhanced Police Services & Community Safety Ballot Measure Fails**

OPTION A.1: BASE BUDGET OPTION

General Fund: \$701,758 per year

CDBG Funds: \$ 33,687 per year

TOTAL FUNDS: \$735,445 per year (or \$8.43 per capita)

This option would provide funding at the amount currently proposed as on-going funding in the Parks and Community Services Department's base budget for 2019-2020.

However, due to the addition of one-time supplemental funding authorized by City Council for 2017–2018, this option would result in an overall net decrease of over \$171,000 per year in City funding for granting purposes. **This option is not recommended by the Human Services Commission.**

Funding Recommendations for Option A.1

With Option A.1, the HSC recommends allocating its full funding recommendation to programs in Priority Area 1.

1. **Day Centers, Outreach and Treatment for People Experiencing Homelessness**

- Catholic Community Services—New Bethlehem Day Center for Families \$50,000
- Congregations for the Homeless—Day Center for Men \$25,000
- Congregations for the Homeless—Outreach
[CDBG grant of \$8,156] \$11,844
- Friends of Youth—Homeless Youth Outreach and Drop-in Support \$25,000
- IKRON—Behavioral Health Services \$33,930
- The Sophia Way—Day Center for Women \$50,000
- The Sophia Way—Outreach (new program) \$20,000

2. Emergency Shelter for People Experiencing Homelessness
- Catholic Community Services—Eastside Emergency Shelter for Families \$50,000
 - Congregations for the Homeless—Men’s Eastside Winter Shelter
[CDBG grant of \$8,157] \$16,843
 - Friends of Youth—Youth and Young Adults Shelter \$25,000
 - Lifewire—Emergency Shelter \$23,908
 - The Sophia Way—Eastside Women’s Winter Shelter \$50,000

3. Legal Services
- Eastside Legal Assistance Program—Legal Services \$15,000
 - King County Bar Foundation—Pro Bono Services Department \$4,500

With Option A1, the Commission recommends allocating part of its funding recommendation to most programs in Priority Area 2.

1. Behavioral Health—Counseling and Employment Support for Children, Families and Adults
- Asian Counseling and Referral Service—Children, Youth and Family \$15,000
 - Crisis Clinic—24-Hour Crisis Line \$6,500
 - Crisis Clinic—Teen Link \$6,500
 - Hero House—Supported Employment \$7,000
 - IKRON—Integrated Employment Services \$15,000
 - NAMI Eastside—NAMI in the Schools \$3,500
 - Therapeutic Health Services \$13,520
 - Youth Eastside Services—Behavioral Health Care for Children and Youth \$35,000
 - Youth Eastside Services—Community-based Outreach Services \$30,179
 - Youth Eastside Services—Early Childhood Behavioral Health \$25,000
5. Domestic Violence and Sexual Assault Services
- Consejo Counseling and Referral Services—Domestic Violence Community Advocate Program \$15,000
 - Lifewire—Survivor Advocacy Services \$51,460
 - Harborview Medical Center—Center for Sexual Assault and Traumatic Stress \$9,300
 - King County Sexual Assault Resource Center—Comprehensive Sexual Assault Services \$19,760
6. Meeting Specialized Needs of Children
- Eastside Baby Corner—Meeting Basic Needs for Children \$13,388
 - Kinderling—Early Care and Education Consultation (ECEC) \$20,000
7. System Navigation Services
- Crisis Connections—King County 2-1-1 \$12,000
 - Release an RFQ for Cultural Navigation Services \$20,000

Should Council choose Option A.1, the following programs would not be funded. If the program is funded currently by the City of Kirkland, the amount of support in 2018 is included in parentheses.

- Alpha Supported Living Services—Alpha Health Services Program
- Asian Counseling and Referral Service—Whole Health Oriented Mental Health Program
- Assistance League of the Eastside—Operation School Bell (\$9,000)
- Athletes for Kids—AFK Youth Mentoring
- Attain Housing—Welcome Home (\$20,000)
- AtWork!—Community Liaison
- Boys & Girls Clubs of King County—Boys & Girls Club of Kirkland
- Bridge Disability Ministries—The Guardianship Program
- Bridge Disability Ministries—Meyer Medical Equipment Center (\$5,000)
- Catholic Community Services of King County—Emergency Assistance Program
- Catholic Community Services of King County—Volunteer Services (\$6,000)
- Center for Human Services—Behavioral Health Clinical Program (\$3,000)
- Center for Human Services—Family Support Centers (\$6,900)
- Child Care Resources—Consumer Education and Provider Quality Improvement (\$8,500)
- Chinese Information and Service Center—Eastside Russian Senior Program
- Community Homes, Inc.—Housing Readiness Workshop Series for Adults with Intellectual/Developmental Disabilities
- Congregations for the Homeless—Up and On Housing
- Congregations for the Homeless—Year Round Rotating Shelter (\$7,991)
- Easterseals Washington—Elder And Adult Day Services (\$8,950)
- Friends of Youth—TLP Housing for Homeless Young Adults and Young Families (\$27,900)
- HealthPoint—Dental (\$16,000)
- HealthPoint—Medical (\$15,941)
- Hopelink—Adult Education (\$13,950)
- Hopelink—Employment Program (\$10,000)
- Hopelink—Family Development Program (\$6,250)
- Hopelink—Financial Assistance Resiliency Program (\$28,000)
- Hopelink—Emergency Food (\$45,500)
- Hopelink—Housing (\$20,000)
- Imagine Housing—Supportive Services (\$62,000)
- India Association of Western Washington—IAWW
- International Community Health Service (ICHS)—Dental (\$4,000)
- International Community Health Service (ICHS)—Medical
- Jewish Family Service—Refugee and Immigrant Service Centers (\$15,000)
- Kinderling—Families in Transition
- Lake Washington Schools Foundation—LINKS Mentoring (\$8,500)
- Lake Washington Schools Foundation—Pantry Packs (\$5,000)
- Lifewire—Housing Stability Program
- MAPS—Muslim Community Resource Center (MCRC)—Housing
- MAPS—Muslim Community Resource Center (MCRC)—Refugee & Immigrant Services
- MCNA—Job Training in Coding and Digital Marketing
- Northshore Senior Center—Northshore Adult Day Health and Wellness Program (\$10,000)
- Old Friends Club—Daytime Memory Care and Respite
- OneAmerica—English Innovations (\$30,000)

- Pediatric Interim Care Center—Infant Withdrawal Program
- PROVAIL—School-to-Work Transition Program (\$9,892)
- Sound Generations—Meals on Wheels (\$11,223)
- Sound Generations—Volunteer Transportation (\$6,000)
- The Salvation Army—Eastside Corps Social Services (\$12,000)
- The Sophia Way—Sophia’s Place Shelter Program (\$12,000)
- Washington Autism Alliance & Advocacy—Family Health Insurance Navigation
- Washington Poison Center—Emergency Services
- Wonderland Developmental Center—Play & Learn
- Wonderland Developmental Center—The Next Level
- Youth Eastside Services—Family Net (\$25,922)
- Youth Eastside Services--Success Mentoring (\$5,000)
- YWCA of Seattle-King-Snohomish—Eastside Employment Services (\$13,000)
- YWCA of Seattle-King-Snohomish—Eastside Resident Services

OPTION B.1: MAINTAIN CURRENT (2018) FUNDING LEVEL OPTION

General Fund: \$872,908 per year

CDBG Funds: \$ 33,687 per year

TOTAL FUNDS: \$906,595 per year (or \$10.39 per capita)

This option assumes no increase or decrease in the current biennium budget’s human services grant funding available for distribution in 2019-2020. Funding would be the same as in 2018, which is comprised of \$701,758 of annual on-going funds and an additional \$171,150 of one-time supplemental funds previously allocated by City Council (and CDBG funds). **This option is proposed in the City Manager’s 2019-2020 budget.**

Funding Recommendations for Option B.1

This option builds upon the funding distribution recommended in Option A.1.

Additional funding: The Committee recommends additional funding to the following programs.

1. **Behavioral Health—Counseling and Employment Support for Children, Families and Adults**
 - Asian Counseling and Referral Service—Children, Youth and Family from \$15,000 to \$24,825
 - Crisis Connections—24-Hour Crisis Line from \$6,500 to \$7,500
 - Crisis Connections—Teen Link from \$6,500 to \$7,500
 - Hero House—Supported Employment from \$7,000 to \$11,000
 - IKRON—Integrated Employment Services from \$15,000 to \$19,575
 - NAMI Eastside—Individual & Family Support and Education, Community Education, and Resources & Referrals \$3,500
 - Youth Eastside Services—Behavioral Health Care for Children and Youth from \$35,000 to \$38,805
 - Youth Eastside Services—Early Childhood Behavioral Health from \$25,000 to \$38,583
2. **Domestic Violence and Sexual Assault Services**
 - Lifewire—Survivor Advocacy Services from \$51,460 to \$70,000

3. System Navigation Services

- Crisis Connections—King County 2-1-1 from \$12,000 to \$12,500
- Release an RFQ for Cultural Navigation Services from \$20,000 to \$30,000

In addition, the Commission recommends funding to these additional programs from Goal Area 1 (Roof Over Head and Food to Eat).

- | | |
|---|----------|
| • Attain Housing—Welcome Home Program | \$20,000 |
| • Congregations for the Homeless—Year Round Rotating Shelter | \$ 5,000 |
| • Friends of Youth—TLP Housing for Homeless Young Adults and Young Families | \$7,500 |
| • Hopelink—Emergency Food | \$20,000 |
| • Hopelink—Financial Assistance Resiliency Program | \$18,322 |
| • Lake Washington Schools Foundation—Pantry Packs | \$5,000 |
| • Sound Generations—Meals on Wheels | \$5,000 |

This option leaves 50 unfunded programs that the HSC deems important to support.

OPTION C: ENHANCED FUNDING LEVEL OPTION

General Fund: up to \$1,359,945 per year

CDBG Funds: \$ 33,687 per year

TOTAL FUNDS: up to \$1,393,632 per year (or up to \$15.97 per capita)

This option builds upon the funding recommendations of Option B.1 and provides a prioritized list for distribution of additional human services funds of up to \$487,037 above Option B.1 should be allocated by City Council.

The Human Services Commission recommends City Council to fund at this higher per capita level of \$15.97 in the City's basic budget for human services grants. The City of Kirkland has been able to fund on average 74% of human services grant requests during each budget cycle over the last ten years, and full implementation of Option C would result in the City funding about 67.5% of grant requests. The chart below demonstrates the increasing amount of support requested by agencies.

Percent of Grant Requests Filled:

Budget Period	Applications	Amount Funded	Percent Funded
2015-2016	71	\$1,612,617	68.9%
2017-2018	81	\$1,810,194	64%
2019-2020	92	TBD	
If Option A.1		\$1,470,890	36%
If Option B.1		\$1,813,190	44.4%
If Option C.1		\$	68%

The HSC has identified a prioritized list of programs that should be considered for continued funding, new funding, or additional funding. "Award Amount" is the individual grant provided to the agency. "Running Total" is the cumulative total number of dollars allocated if the Council awards the grant funding to each agency in priority order. Council may also use the list to set different levels of funding.

Prioritized List of Additional Human Services Grant Allocations if Funding Is Available:

Rank	Agency/Program	Award Amount	Running Total	Per Capita Benchmarks
1	Issue RFQ for a Full Time Civil Legal Aid Pro Bono Attorney	\$100,000	<i>\$100,000</i>	
2	Youth Eastside Services—Family Net <i>[continue 2018 funding + 2%]</i>	\$26,440	<i>\$126,440</i>	
3	Friends of Youth—TLP Housing for Homeless Young Adults and Young Families <i>[continue 2018 funding + 2%]</i>	\$20,958	<i>\$147,398</i>	
4	Hopelink—Emergency Food <i>[continue 2018 funding + 2%]</i>	\$26,410	<i>\$173,808</i>	
5	Sound Generations—Meals on Wheels <i>[close to 2018 funding]</i>	\$5,000	<i>\$178,808</i>	
6	Attain Housing—Welcome Home <i>[additional funding]</i>	\$10,000	<i>\$188,808</i>	
7	Hopelink—Financial Assistance Resiliency <i>[additional funding]</i>	\$12,278	<i>\$201,086</i>	
8	Boys & Girls Clubs of King County—Boys & Girls Club of Kirkland <i>[new program]</i>	\$10,000	<i>\$211,086</i>	\$12.70
9	Catholic Community Services of King County—Volunteer Services <i>[continue 2018 funding + 2%]</i>	\$6,120	<i>\$217,206</i>	
10	The Sophia Way—Sophia's Place Shelter <i>[continue 2018 funding + 2%]</i>	\$7,240	<i>\$224,446</i>	
11	Congregations for the Homeless—Year Round Rotating Shelter <i>[continue 2018 funding + 2%]</i>	\$3,151	<i>\$227,597</i>	
12	Hopelink—Housing <i>[continue 2018 funding + 2%]</i>	\$12,900	<i>\$240,497</i>	
13	Imagine Housing—Supportive Services <i>[continue 2018 funding + 2%]</i>	\$22,500	<i>\$262,997</i>	
14	OneAmerica—English Innovations <i>[continue funding at (lower) requested level]</i>	\$13,577	<i>\$276,574</i>	
15	Jewish Family Service—JFS Refugee and Immigrant Services <i>[continue 2018 funding + 2%]</i>	\$15,300	<i>\$291,874</i>	
16	PROVAIL—School-to-Work Transition Program <i>[continue 2018 funding + .01% increase (as requested)]</i>	\$10,000	<i>\$301,874</i>	
17	Hopelink—Family Development Program <i>[continue 2018 funding + 2%]</i>	\$6,375	<i>\$308,249</i>	
18	India Association of Western Washington—IAWW <i>[new program]</i>	\$5,000	<i>\$313,249</i>	\$13.98
19	Youth Eastside Services—Success Mentoring <i>[continue 2018 funding + 2%]</i>	\$5,100	<i>\$318,349</i>	
20	Bridge Disability Ministries—Meyer Medical Equipment Center <i>[continue 2018 funding + 2%]</i>	\$5,100	<i>\$323,449</i>	

21	Easterseals Washington—Adult Care/Health Services <i>[continue 2018 funding + 2%]</i>	\$9,129	<i>\$332,578</i>	
22	AtWork!—Community Liaison <i>[new program]</i>	\$6,000	<i>\$338,578</i>	
23	Northshore Senior Center—Northshore Adult Day Health and Wellness Program <i>[continue 2018 funding + 2%]</i>	\$10,200	<i>\$348,778</i>	
24	Sound Generations—Volunteer Transportation <i>[continue 2018 funding + 2%]</i>	\$6,120	<i>\$354,898</i>	
25	International Community Health Services (ICHA)—Dental <i>[continue 2018 funding + 2%]</i>	\$4,080	<i>\$358,978</i>	
26	Hopelink—Adult Education <i>[continue 2018 funding + 2%]</i>	\$14,229	<i>\$373,207</i>	
27	Hopelink—Employment Program <i>[continue 2018 funding + 2%]</i>	\$10,200	<i>\$383,407</i>	
28	YWCA of Seattle-King-Snohomish—Eastside Employment Services <i>[continue 2018 funding + 2%]</i>	\$13,260	<i>\$396,667</i>	\$14.94
29	Assistance League of the Eastside—Operation School Bell <i>[continue 2018 funding (as requested)]</i>	\$9,000	<i>\$405,667</i>	
30	Lake Washington Schools Foundation—LINKS Mentoring <i>[continue 2018 funding + 2%]</i>	\$8,670	<i>\$414,337</i>	
31	HealthPoint—Primary Dental Care <i>[continue funding]</i>	\$16,000	<i>\$430,337</i>	
32	HealthPoint—Primary Medical Care <i>[continue funding with a .04% (as requested)]</i>	\$16,000	<i>\$446,337</i>	
33	Lifewire—Survivor Advocacy Services <i>[additional funding]</i>	\$28,200	<i>\$474,537</i>	
34	Asian Counseling and Referral Service—Whole Health Oriented Mental Health <i>[new program]</i>	\$7,500	<i>\$482,037</i>	
35	Community Homes, Inc.—Housing Readiness Workshop Series for Adults with Intellectual/ Developmental Disabilities <i>[new program]</i>	\$5,000	<i>\$487,037</i>	\$15.97

The Human Services Commission wishes to thank City Council for their consideration of funding up to the \$15.97 per capita level. These funds will provide a strengthened human service infrastructure for those Kirkland citizens who continue to struggle to survive, but who long to thrive in this beautiful city.

Attachment A Program Descriptions in Alphabetical Order
 Attachment B Program Recommendations in Priority Area Order

Alphabetical List of 2019 & 2020 Program Requests for Human Services Funding

Human Services Continuum Goal Areas	
1	Food to Eat and Roof Over Head
2	Supportive Relationships within Families, Neighborhoods, and Communities
3	A Safe Haven from All Forms of Violence and Abuse
4	Health Care to Be as Physically and Mentally Fit as Possible
5	Education and Job Skills to Lead an Independent Life

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
4	Alpha Supported Living Services Alpha Health Services Program	\$ -	\$ 2,000	Health residential disabled	The Health Services Program supports our clients with developmental disabilities who are a part of our community residential program. We currently serve 152 adults in Supported Living in both King and Snohomish Counties. The RN's and members of the health care team set individualized health supports for each client, including a nutrition plan and for those with skilled nursing needs, a nursing care plan. Clients attend over 1600 appointments annually for medical, dental and mental health needs.
4	Asian Counseling and Referral Service Children, Youth and Family	\$ 6,125	\$ 24,825	Health Behavioral Culturally Specific	ACRS CYF provides bilingual/bicultural Mental Health services for low income Asian American Pacific Islander (AAPI) youth and their families in Bellevue and Kirkland. The Youth Prevention Program provides bilingual/bicultural prevention and intervention services related to dating violence/sexual assault/healthy relationships at Interlake, Sammamish and Big Picture High Schools in Bellevue. Services include support groups, victim's counseling and leadership development/peer advocacy training.
4	Asian Counseling and Referral Service Whole Health Oriented Mental Health Program	N/A	\$ 7,500	Health Behavioral Culturally Specific	ACRS Behavioral Health Program provides culturally competent whole health oriented mental health services for Asian Pacific Islander (API) individuals living with a chronic mental illness to promote recovery, wellness and whole health addressing physical, mental, and social wellbeing. Our staff empower and assist our clients to lead a productive life by offering service in their language, combining Eastern and Western service approaches and addressing social determinants of health.
2	Assistance League of the Eastside Operation School Bell	\$ 9,000	\$ 9,000	Children, Youth and Families	Assistance League of the Eastside supports the belief that new school clothing helps increase self esteem and confidence, contributing to a strong foundation for a child's successful school experience. With the help of many volunteers, Operation School Bell provides local shopping events at area Fred Meyer stores for children in need, selected by school personnel, from the Lake Washington, Bellevue, and Northshore school districts.
1	Attain Housing Welcome Home Program	\$ 20,000	\$ 30,000	Financial	Attain Housing launched a pilot homeless prevention program, Welcome Home, in 2014. Our focus is helping families facing eviction keep their housing during financial emergencies. The program was a tremendous success; 92% families remained in their housing for at least 3-6 months after we helped them. We want to build on our success and expand the program to serve more struggling families. In 2018 we expect to serve 100 households. We'd like to see this grow by 25% per year.
2	Athletes for Kids AFK Youth Mentoring	N/A	\$ 5,000	Children, Youth and Families	Founded on the idea that friendship has the power to restore a child's faith in life, Athletes for Kids' mission is to enhance the lives of children with special needs and the high school athletes who mentor them. We believe modeling acceptance, inclusion and respect for all individuals transforms and strengthens our communities. We serve children in 1st to 12th grade with monthly one-on-one mentoring and activities, mentor training and leadership opportunities in East King cities.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
5	AtWork! Community Liaison	\$ -	\$ 8,930	Employment Adult Disabled	The primary activity(ies) for the Community Liaison (CL) team is job discovery, job development and job retention. Each of these activity areas are specific to a unique portion of the supported employment process, but are intrinsically connected with one activity helping define and lead the service parameters of the next. AtWork! is committed to supporting individuals through the entire life-cycle of a career, from school to work until retirement and leaving no one behind in this process.
2	Boys & Girls Clubs of King County Boys & Girls Club of Kirkland	\$ -	\$ 10,000	Children, Youth and Families	The Boys & Girls Club of Kirkland is an integral part of the Kirkland community. We serve youth nearly 2,500 youth ages 5-18 annually, including a higher percentage of low-income families than the City of Kirkland average. We support these young people through a variety of programs that develop kids' academic success, good character and citizenship, and healthy lifestyles. As a nonprofit organization we rely on contributed income to maintain our heavily scholarships and subsidized program fees.
4	Bridge Disability Ministries Meyer Medical Equipment Center	\$ 5,000	\$ 7,500	Health Medical Equipment	Bridge Ministry's Meyer Medical Equipment Center provides refurbished medical and mobility equipment on-demand to anyone in need, without any application process, eligibility requirements, or required fees. This low-barrier approach makes us particularly well situated to serve those who fall between the gaps of other agencies, as well as those who have difficulty navigating long or complicated application processes.
4	Bridge Disability Ministries The Guardianship Program	\$ -	\$ 5,000	Health support disabled	Our guardianship agency provides advocacy, oversight services, and support for 60 people with profound developmental/intellectual disabilities. In addition to helping our clients manage finances, housing, and health issues, our court-appointed certified professional guardians--along with our case managers--ensure our friends with disabilities have access to a full, rich life. One in which they can interact with others, make friends, and enjoy being a part of the community.
1	Catholic Community Services of King County Eastside Emergency Shelter for Families	\$ 14,113	\$ 22,500	Shelter emergency families	The Eastside Emergency Shelter for Families (EESF) serves single- and two-parent households with one or more children age 17 and under. EESF responds to homeless families' immediate need for food and safe shelter. It provides a foundation of emergency support to lessen the trauma of homelessness. Families are linked to mainstream services with the intention of making homelessness brief and one-time. EESF offers 30 regular spaces and 20 overflow spaces for families each night.
1	Catholic Community Services of King County Emergency Assistance Program	\$ -	\$ 10,000	Financial	The Emergency Assistance (EA) program helps families avoid homelessness. The program provides rental, move in, and utility assistance while also negotiating payment plans with landlords to avoid evictions. Motel vouchers and case management are available to families who are homeless. All households receive financial counseling and referrals to additional resources. In addition, bus tickets, food, clothing, and hygiene items are available.
1	Catholic Community Services of King County New Bethlehem Day Center	\$ 15,000	\$ 158,800	Day center family	New Bethlehem Day Center's (NBDC) mission is to extend welcome to families in need of an anchoring place. NBDC invites families experiencing homelessness to come inside and access stability-oriented services. Shelter referrals, showers, laundry facilities, and meals help meet families' basic needs. Computers help in the search for employment and housing. Case managers connect guests to a network of community resources and onsite providers that assist with regaining housing stability.
2	Catholic Community Services of King County Volunteer Services	\$ 6,000	\$ 8,000	Older Adults	Since 1981, Volunteer Services (VS) has connected community volunteers with low-income older adults (60 and up) and adults living with disabilities. VS fosters supportive relationships so that participants who don't qualify for other services, and can't afford to pay for assistance, are able to get their basic needs met. Volunteers help with household chores and transportation so participants can remain independent for as long as safely possible.
4	Center for Human Services Behavioral Health Clinical Program	\$ 3,000	\$ 7,500	Health Behavioral Families	Behavioral health includes not only ways of promoting well-being by preventing or intervening in mental illness such as depression or anxiety, but also ways of preventing & intervening in substance abuse or other addictions. Behavioral health is also closely linked to physical health. CHS offers behavioral health services that are evidence-based, client-centered, culturally responsive, trauma-focused, and strengths-based to youth and adults.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
2	Center for Human Services Family Support Centers	\$ 6,900	\$ 7,500	Children, Youth and Families	Center for Human Services is seeking funding for services provided by our Family Support Department through our Family Support Programming Sites located in North King County cities. We provide many different activities and programs that enrich the lives of residents focused on three areas: Early Learning, Youth Development and Adult Education.
5	Child Care Resources Information and Referral/Technical Assistance	\$ 8,500	\$ 10,999	Child Care	Through the Information and Referral program, Child Care Resources assists families in their child care search by referring them to child care providers, community resources, and education about quality child care. CCR also provides customized, culturally-relevant and inclusive Technical Assistance and Training to child care providers to strengthen their delivery of child care.
2	Chinese Information and Service Center Eastside Russian Senior Program	N/A	\$ 2,654	Older Adults	The Eastside Russian Senior Program will connect isolated Russian seniors to: 1) healthy activities, 2) a group of their peers that they might not have known, 3) culturally and linguistically appropriate programming, and 4) connections and referrals to community resources and programs. The weekly day-long program will take place at the North Bellevue Community Center, and will be developed and directed by trained and supervised bilingual and multicultural staff and volunteers.
2	Chinese Information and Service Center Eastside Cultural Navigator Program	\$ 10,800	\$ 15,000	Navigation Culturally Specific	The Eastside Cultural Navigator Program (ECNP) promotes intercultural interaction through outreach and assistance to immigrant individuals and families, whose native languages are Chinese, Spanish, Vietnamese and Russian helping to navigate systems, find resources and connect to community services. We offer free, confidential navigation and information assistance to help immigrant individuals and families identify the resources and services they need and then help them connect to those services.
2	Community Homes, Inc. Housing Readiness Workshop Series for Adults with Intellectual/Developmental Disabilities	N/A	\$ 5,000	Navigation housing disabled	The Housing Readiness Workshop Series for Adults with I/DD includes 3 levels of workshops offered in King County to educate families and/or guardians on housing options, resources, and solutions. The format focuses on 3 detailed areas: Level 1: Services – understanding what services are needed for housing and what the adult currently has or qualifies for; Level 2: Knowledge - learning the different housing models; Level 3 - empowerment on how to access existing housing or create new housing.
1	Congregations for the Homeless Day Center	\$ 15,000	\$ 27,679	Day center men	The CFH Day Center provides a safe, welcoming, accepting, rejuvenating place for up to 100 men experiencing homelessness Sunday through Thursday, 8 am till 3 pm, year round. All men 18 years or older are welcomed. Day Center services include bathrooms, showers, laundry, nutritious breakfast and lunch donated from the community, bus tickets, on-site staff, case management and housing navigation. In addition, on-site employment, addiction, mental health, and medical and dental services are offered.
1	Congregations for the Homeless Men's Eastside Winter Shelter	\$ 15,000	\$ 50,000	Shelter emergency men	CFH provides a safe, restful, rejuvenating shelter for up to 100 men experiencing homelessness during the coldest and harshest six months of the year. All men 18 years or older are welcomed between 7:30 pm and 7:30 am nightly, as long as they are behaviorally appropriate. EWS services include beds, bathrooms, showers, laundry, nutritious dinner and breakfast donated from the community, bus tickets, on-site staff, case management and volunteer support.
1	Congregations for the Homeless Outreach	\$ 10,235	\$ 20,214	Outreach Eastside	CFH Outreach responds to the requests from city staff, police, and the wider community in Bellevue, Issaquah, and Kirkland to engage with and address the needs of men, women, and families experiencing homelessness. Additionally, the Outreach Navigator proactively goes to places in each of these cities to find those experiencing homelessness, build relationships with them, and help connect them to needed resources. Educating the wider community about homeless is a goal as well.
1	Congregations for the Homeless Up and On Housing	\$ -	\$ 4,500	Housing men	Funding will support CFH master leasing a six bedroom house for men working with a CFH case manager to graduate into from the shelter system. This would create six housing spaces outside of the coordinated-entry All Home housing system. This housing model would accommodate men who only need light-touch support from case management and who could pay \$500+ a month in rent on average. The rents would go up \$50 a month every six months. The men would have to have stable income.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
1	Congregations for the Homeless Year Round Rotating Shelter	\$ 7,991	\$ 12,987	Shelter program men	The Year Round Shelter operates from 7pm to 7am for 35 men experiencing homelessness. The YRRS provides a vibrant healthy community where men can rest, recover, and rejuvenate. The Navigation Team equips and empowers men to set goals, access housing resources, and work towards self-sufficiency and on-going stability. Navigators coordinate access to employment, medical, dental, substance use, and mental health support as well as three meals a day, washers, dryers, showers, and haircuts.
3	Consejo Counseling and Referral Service Domestic Violence Community Advocate Program	\$ 10,500	\$ 15,000	Violence DV	Consejo's Domestic Violence Advocacy Program provides outreach & engagement, information & referral services, advocacy-based counseling, safety planning, legal advocacy, and support groups for Latina survivors of domestic violence. Services are designed to understand the complex needs of survivors, many of whom are Spanish-speaking/monolingual immigrants/refugees. Consejo's services build on clients' cultural beliefs, values and traditions to help them transition from crisis to self-sufficiency.
4	Crisis Connections 24-Hour Crisis Line	\$ 5,000	\$ 7,500	Health behavioral adult	The 24-Hour Crisis Line provides free and confidential telephone crisis intervention, information, referral and support services to anyone in emotional crisis or needing help in King County. By empathetic listening and supportive problem solving, we help distressed callers see their problems as manageable. We also provide clinical consultation to professionals and link callers to emergency behavioral health and community services.
2	Crisis Connections King County 2-1-1	\$ 5,000	\$ 12,500	Navigation all	King County 2-1-1 is a connector. By simply dialing 2-1-1 or accessing resources online, people get connected to help whether it's housing assistance, Veteran's services, services for seniors or the location of a food bank.
4	Crisis Connections Teen Link	\$ 5,000	\$ 7,500	Health support teens	Teen Link operates a confidential and anonymous statewide peer help line and chat service. Our trained teen volunteer phone workers take both calls and chats from teens in distress. Teen Link also conducts suicide prevention training to youth in schools and in youth organizations. Teen Link empowers teens to make healthy, self-respecting decisions about their lives, supporting their development as fully actualized and productive adults.
4	Easterseals Washington Adult Care/Health Services	\$ 8,950	\$ 9,308	Health physical disabled & seniors	Easterseals Washington Adult Care/Health Services provides high-quality, affordable day programming for adults with disabilities. Our programs address the need for low-cost healthcare services, low-cost day care services, social programming and therapies for individuals living in social isolation, USDA approved nutritional program and support for family caregivers.
1	Eastside Baby Corner Meeting Basic Needs for Children	\$ 12,210	\$ 13,388	Material support	EBC's annual program provides critical basic needs to infants and children ages 0-12 near/in poverty or crisis, to ensure healthy development and safety. EBC is the only children's basic needs resource broker in our service area. We fill a gap by collecting essential goods through community donations and by purchasing critical safety-regulated items, like car seats, and consumable goods, like diapers. We distribute these basics, valued at \$5.5M annually, to families through our partner network.
2	Eastside Legal Assistance Program Legal Services	\$ 12,020	\$ 15,000	Legal	Eastside Legal Assistance Program provides civil legal aid to low income residents in Northeast, East, and Southeast King County. We currently offer 27 clinics each month dealing with numerous civil legal issues. In addition we offer workshops and lectures on issues of current concern in our communities. Our staff attorneys work with survivors of domestic violence, creating stable, safe and healthy lives for them and their families.
1	Friends of Youth Outreach and Drop-in Services for Homeless Youth and Young Adults	\$ 12,500	\$ 25,000	Day center & outreach young adult	Friends of Youth's Outreach & Drop-In program connects young people experiencing homelessness (ages 16-24) with the information, services and resources they need to build safe, stable futures. Through street outreach, mobile drop-in sites and our drop-in center (co-located with shelter and other services), we meet young people where they are and help them improve their safety, wellbeing, self-sufficiency and permanent connections with family, school and other positive social networks.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
1	Friends of Youth TLP Housing for Homeless Young Adults and Young Families	\$ 27,900	\$ 50,000	Housing youth & young adult	Friends of Youth's "New Ground" transitional living programs (TLPs) provide safe, transitional housing and supportive services to young adults and young families experiencing homelessness. Our TLPs provide 57 units that serve young people from across King County and are located in Bothell, Kirkland and Redmond. Case management and other services help our residents improve their safety, wellbeing and self-sufficiency so that they can achieve permanent housing and fulfill their potential.
1	Friends of Youth Youth and Young Adults Shelter	\$ 15,000	\$ 25,000	Shelter emergency youth & young adult	Friends of Youth operates two year-round shelters for youth and young adults experiencing homelessness. Youth Haven provides a safe, temporary shelter for youth under age 18 with case management, education support and family engagement services. The Landing serves young adults ages 18-24 and provides overnight shelter, counseling, housing navigation and referrals to in-house and community services, including education, employment, case management and housing.
3	Harborview Medical Center Center for Sexual Assault and Traumatic Stress	\$ 9,300	\$ 9,300	Violence assault	Harborview Center for Sexual Assault and Traumatic Stress provides services for children, youth and adults who have experienced sexual assault or other traumatic events. Services are also available for non-offending family members and children who display sexual behavior problems. Services include brief intervention, evidence based therapy for the effects of traumatic stress, medical and legal advocacy services, crisis intervention, information and referral, outreach, and community awareness.
4	HealthPoint Primary Dental Care	\$ 16,000	\$ 16,000	Health physical dental	HealthPoint is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing expert, high-quality care to all who need it, regardless of circumstances. Founded in 1971, HealthPoint believes that the quality of one's healthcare should not depend on how much money one makes, what language one speaks, or what one's health status currently is, because everyone deserves great care.
4	HealthPoint Primary Medical Care	\$ 15,941	\$ 16,000	Health physical medical	HealthPoint is a community-based, community-supported, and community-governed network of non-profit health centers dedicated to providing expert, high-quality care to all who need it, regardless of circumstances. Founded in 1971, HealthPoint believes that the quality of one's healthcare should not depend on how much money one makes, what language one speaks, or what one's health status currently is, because everyone deserves great care.
5	HERO House Supported Employment	\$ 5,500	\$ 11,000	Employment adult disabled	HERO House is a place where people with serious mental illness, who are known as 'members', participate in their own recovery process by working and socializing together in a safe, welcoming environment. The Employment Program is just one of many programs offered at HERO House and follows a strict fidelity scale to provide evidence-based employment supports to guide members through their employment journey from pre-vocational skill building, employment placement and retention.
5	Hopelink Adult Education	\$ 13,950	\$ 30,000	Education GED & English	Hopelink Adult Education provides basic skills training to residents of north and east King County--those 16 years and older in our GED/High School 21+ classes and 18 years and older in English for Work, our work-focused English language classes. Classes focus on improving students' reading, writing, math, communication, technology, and soft skills, so that students can successfully transition to post secondary education and/or living wage employment.
1	Hopelink Emergency Food	\$ 34,500	\$ 68,000	Food	When a family doesn't have enough food, a basic human need, stability in other areas is impossible. Hopelink's food program provides food to supplement a household's income. Hopelink food banks offer options from each food group (fruits, vegetables, grains, proteins and dairy), as well as baby items and personal care products. We offer home delivery for home bound individuals in need of supplemental food assistance and our emergency bags provide an immediate solution to a hunger crisis.
5	Hopelink Employment Program	\$ 10,000	\$ 39,500	Employment adult	Hopelink's Employment Program (HEP) serves job seekers in north and east King County at or below 200% of the Federal Poverty Level including homeless and very low-income clients who have a multitude of issues that hinder their ability to seek, secure, and maintain living wage employment for themselves and their families. Support services include career assessment, job search, resume and cover letter writing, job applications, interview preparation, job skills workshops, and job retention.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
2	Hopelink Family Development Program	\$ 6,250	\$ 45,000	Children, Youth and Families	Hopelink's Family Development Program is a voluntary case-management program that serves low-income families in North and East King County who are homeless or at risk of homelessness. The Family Development program helps families achieve housing stability and long-term economic self-sufficiency through strength-based case management and client-centered goal development. Using target goal setting to remove barriers, families achieve their highest level of self-sufficiency and make lasting change.
1	Hopelink Financial Assistance Resiliency Program	\$ 28,000	\$ 46,000	financial families	Hopelink's Financial Resiliency Program helps individuals living in poverty who are experiencing an unexpected financial shock (need for car repair, medical issue, loss of hours at work, etc.) that threatens their overall stability (housing, employment, income). Through flexible financial aid, in conjunction with short-term system navigation help, our program reduces barriers to income supports and improves participants' financial stability.
1	Hopelink Housing	\$ 20,000	\$ 50,000	housing & shelter families	Hopelink has 19 units of Emergency Shelter, 51 units of Transitional Housing, and 35 units of Permanent Housing. Case managers, paired with the above-described units, use a strengths-based, client-centered case management model. Case managers work with the family to identify realistic goals to help the family overcome barriers and identify steps and strategies to achieve permanent housing. The end goal is to have the family achieve the highest level of self-sufficiency by making lasting change.
4	IKRON Behavioral Health Services	\$ 15,575	\$ 33,930	Health behavioral adult	IKRON's integrated behavioral health program is focused on assisting low income and homeless individuals and families in East King County. We provide high quality mental health and recovery services, including psycho-social assessments, counseling, case management, substance abuse intensive treatment, relapse prevention, and psychiatric care. The ultimate goal of our program is to establish a solid foundation for emotional well-being and recovery towards successful integration in the community.
5	IKRON Integrated Employment Services	\$ 4,000	\$ 19,575	Employment Adult Behavioral	IIKRON's Integrated Employment Program combines employment readiness activities (career assessments, interview preparation, resume and cover letter writing), job placement and job maintenance activities, with other supports and behavioral health services. Integrating all services under one roof with a wraparound concept to care, facilitates increased quality of care and improved outcomes. The ultimate goal of our services is successful integration in the community through employment.
1	Imagine Housing Supportive Services	\$ 62,000	\$ 64,000	housing all populations	Imagine Housing's Supportive Services Program provides over 3,000 hours yearly of programming including resource referrals, trainings, basic needs supplies, case management, and community events across properties in Bellevue, Issaquah, Kirkland, Redmond and Sammamish. This program helps residents with low incomes overcome barriers to stability, helps residents access resources to meet basic needs, and improves the overall quality of our residents' lives.
2	India Association of Western Washington Cultural Navigator Program	N/A	\$ 7,000	navigation Culturally Specific	The cultural navigator program with IAWW will continue to provide confidential navigation&information assistance to Asian-Indians with limited English language skills through interpretation for more than 18 Indian languages. Program will help people navigate systems, find resources, learn about services for healthier, safer, connected lives.We have provided this service to our community for the past two years & will continue to do in an inclusive, secular manner regardless of religion/language.
2	India Association of Western Washington IAWW	\$ -	\$ 7,000	Culturally Specific	To continue running programs that are already in place serving the community and expand in range and scope of programming, to cover different locations in King County. To connect the community to each other and help facilitate their autonomy by increasing awareness of programs in the larger community. This would specifically include 3 groups; seniors, women and youth. They are all catered for in unique and specific ways through existing programming that is offered by IAWW.
4	International Community Health Services (ICHA) Dental	\$ 4,000	\$ 50,000	Health Physical Dental	International Community Health Services' (ICHS) Dental Clinics increase access to affordable, culturally and linguistically appropriate dental care and related services for low-income, uninsured and underinsured King County residents, particularly those who are limited English proficient immigrants and/or refugees. Funds support the cost of staff time to provide diagnostic, preventive, and restorative dental services.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
4	International Community Health Services (ICHA) Medical	N/A	\$ 72,000	Health Physical Medical	ICHS' Medical Clinics increase access to affordable, culturally and linguistically appropriate medical care and related services for low-income, uninsured and underinsured King County residents, particularly those who are limited English proficient immigrants and/or refugees. Funds support the cost of staff time to provide: 1) primary medical services, 2) linkages to other health and human services, 3) health education, and 4) enabling services.
5	Jewish Family Service JFS Refugee and Immigrant Services	\$ 15,000	\$ 20,000	Employment Adult Ref & Imm	Refugee and Immigrant Services (RIS) works with approximately 1,000 refugees and immigrants annually, and provides a powerful and comprehensive array of essential services to the refugee and immigrant communities, including refugee resettlement, information and referrals, social services, language support, pre-employment services and training, job placement and retention, career advancement, English classes, immigration services and naturalization preparation.
5	Kinderling Early Care and Education Consultation (ECEC)	\$ 8,245	\$ 43,973	Child Care	Kinderling's Early Care and Education Consultation (ECEC) program focuses on early identification of developmental disabilities/delays and behavioral challenges by providing consultation and training to child care programs throughout King County. Our program directly benefits the hundreds of young children in King County who are in the regular care of these providers during crucial years of early development.
4	Kinderling Families in Transition (FIT)	N/A	\$ 4,591	Health Develop. Families	Kinderling's Families In Transition (FIT) services provide children experiencing homelessness with the once-in-a-lifetime opportunity to make developmental gains at a critical time for brain development through individualized, highly-tailored therapies and interventions. Using a research-based, proven curriculum, FIT services also help homeless parents develop the foundational skills and confidence to build a lasting, impacting connection with their child.
2	King County Bar Foundation Pro Bono Services Department	\$ 3,500	\$ 4,500	Legal	Pro Bono Services (PBS) utilizes the volunteer services of volunteer attorneys, legal assistants and community members to provide free legal advice and advocacy to low income individuals and families in King County. Our 41 Neighborhood Legal Clinics and courthouse based Housing Justice Project are our two largest programs. Each has a significant presence and impact throughout the county. PBS is a critical component to ensuring access to justice and our legal system.
3	King County Sexual Assault Resource Center Comprehensive Sexual Assault Services	\$ 19,000	\$ 19,760	Violence Assault	Comprehensive services in English and Spanish for victims of sexual assault and their families specifically unique trauma focused advocacy for children, teens and adults and their families. Specialized counselors provide 24 hour crisis intervention and combine with case management to connect victims to services. Intensive parent & caregiver psycho-education for families. Advocacy includes experienced navigation through the criminal justice and legal system.
2	Lake Washington Schools Foundation LINKS Mentoring	\$ 8,500	\$ 10,000	Children, Youth and Families	LINKS is a one-on-one mentoring program for students in the Lake Washington School District (LWSD). LINKS uses an evidence-based mentoring program to achieve the best outcomes for each child served by the program. The LINKS goals to help students feel connected to the school, feel valued, and increase their overall success in school are consistent with the district's emerging Multi-Tiered System of Supports (MTSS) to address academic, behavioral, and social-emotional supports for students.
1	Lake Washington Schools Foundation Pantry Packs	N/A	\$ 10,000	food children	Pantry Packs has provided weekly food packs for children in the Lake Washington School District (LWSD) since 2010. This program currently serves over 850 students each week with a pack of child-friendly food, and the number continues to grow steadily. In the 2016-17 school year, Pantry Packs provided 22,372 weekend packs of food.
1	Lifewire Emergency Shelter	\$ 15,000	\$ 23,908	shelter emergency DV	LifeWire's Emergency Shelter (aka My Sister's Home or MSH) is a confidential shelter for survivors of domestic violence who are fleeing a violent relationship. Emergency shelter is provided in 10 apartment units located in East King County. Survivors (and their children) in shelter are provided basic needs such as food, clothing, and transportation; are offered the full array of LifeWire's supportive services; and are provided support in finding a better housing option.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
1	Lifewire Housing Stability Program	N/A	\$ 25,712	financial dv	LifeWire's Housing Stability Program is a homelessness prevention and diversion program pairing flexible financial assistance with advocacy services to help domestic violence survivors avoid homelessness or move out of homelessness quickly. This program eliminates the fear of homelessness and related economic factors as a reason to stay in, or return to, an abusive relationship. It stabilizes survivors and their children, so they can rebuild their lives and heal from trauma.
3	Lifewire Survivor Advocay Services	\$ 48,000	\$ 98,200	Violence DV	LifeWire's Survivor Advocacy Services (previously known as Community Advocacy Program or CAP) provides survivor-driven and trauma-informed direct supportive services to domestic violence (DV) survivors and their children. Advocates assist survivors via the 24-hour Helpline; provide 1:1 advocacy (i.e., case management) throughout the community; coordinate access to community supports (economic, food, medical, basic needs); and are a resource for safety planning, support and DV education.
1	MAPS--Muslim Community Resource Center (MCRC) Housing	N/A	\$ 10,000	financial	The purposes of our housing program are to: prevent homelessness via: education and information (e.g. translating lease for people who don't speak English) emergency financial assistance advocacy - provide a continuum of services to homeless people emergency utility assistance tents shelter for single women, 50 and older (currently, a Bellevue apartment for two women, and in May, a Renton apartment for four women).
2	MAPS--Muslim Community Resource Center (MCRC) Information, Referrals, & Resources (IR & R)	N/A	\$ 8,236	navigation Culturally Specific	This program provides people in need with: referrals to human service agencies, information on how to access services, and resources (e.g. gas and food cards). IR&R is also the portal through which people can access MCRC's other (e.g. housing, refugee assistance, etc.) programs/services. Clients (aka service recipients) can access IR&R by phone. Like all of our services, those offered through IR&R are free and available to all in need of them.
2	MAPS--Muslim Community Resource Center (MCRC) Refugee and Immigrant Assistance	N/A	\$10,000	community support	This program assists local refugee families by ensuring that their basic needs for shelter, food, etc. are viat in-kind and/or financial assistance; helping them to set up house (e.g. provding furniture); helping them access vocational training and employment opportunities; and pairing them with "mentor" families, who help them establish community reationships, access local resources, and otherwise suport them.
5	MCNA Job Training in Coding and Digital Marketing	N/A	\$ 13,800	Employment Adult Immigrant	Coding training and Digital Marketing fullstacks, are two tracks to help individuals gain the knowledge and skills to either change their current job, or for fresh graduates, to be able to employ in a coding job or digital marketing job. The program consist of training, career consultancy, basic needs support and job placement services. This application is not written by a a professional grant writer, it was written by immigrants, most of the service will be provided by immigrants.
4	NAMI Eastside Individual & Family Support and Education, Community Education, and Resources & Referrals	\$ 7,000	\$ 13,144	Health Beavioral support	NAMI Eastside's Individual & Family Support and Education, Community Education and Resources & Referrals program provides services to all those affected by mental illness in East & North King County. Included are our Peer & Family Support Groups, evidence-based psychoeducational courses, expert-led forums on a variety of mental health topics, walk-in, call-in, and email services for those seeking mental health information & resources, and our annual Youth Mental Health Conference.
4	NAMI Eastside NAMI in the Schools	N/A	\$ 7,000	health behavioral schools	NAMI In The Schools is NAMI Eastside's effort to provide mental health education to King County middle and high school students. The program consists of 3 in-class presentations: Ending The Silence (combating the stigma associated with mental illness), Educating The Next Generation (providing students knowledge of the signs and symptoms of the most common mental illnesses), and In Our Own Voice (providing students knowledge of the lived experience of individuals diagnosed with mental illness).
4	Northshore Senior Center Northshore Adult Day Health and Wellness Program	\$ 10,000	\$ 15,000	Health Physical Disabled & Seniors	Participants in the adult day health program with physical, mental or social challenges receive case management, professional, skilled services from an RN, Licensed Practical Nurse, Occupational Therapist and other therapeutic staff in a safe environment while also offering their families/caregivers support and respite. Inclusion programming offers recreation, socialization, advocacy & support for individuals of all ages with developmental disabilities including their families and caregivers.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
4	Old Friends Club Datytme Memory Care and Respite	\$ -	\$ 16,000	Health Physical Disabled & Seniors	Old Friends Club offers social programs for adults living with Alzheimer's, stroke, traumatic brain injury or other cognitive impairment. We meet 5-hours/day, 3 days/week for fun and friendship around a variety of activities, which provides respite for family caregivers during those hours. We also offer caregivers support, education, resources and referrals. Our mission is to cultivate joy in the lives of adults living with cognitive impairment and to nourish the well-being of family caregivers.
5	OneAmerica English Innovations	\$ 30,000	\$ 13,577	Education English	English Innovations is an educational model for adult immigrants that integrates English language acquisition, digital literacy, and community engagement. A social learning focus includes contextualized curriculum, project-based learning, and volunteer tutors to facilitate the civic, linguistic and economic integration of immigrants into U.S. society. English Innovations is a springboard for students to advance towards their long-term goals, and to increase involvement in their community.
4	Pediatric Interim Care Center Infant Withdrawal Program	N/A	\$ 5,000	Health Physical Infants	PICC's Infant Withdrawal Program provides safe shelter, 24-hour medical monitoring, and specialized nursing care for newborns withdrawing from prenatal exposure to heroin and other drugs. Drug-exposed infants are referred by hospitals and placed for care by DSHS. Medical Care is overseen by PICC's pediatrician and administered by registered nurses. Nurses' aides assist with infant care. During an average 34-day stay, infants are fully recovered from drug effects and stabilized for home care.
5	PROVAIL School-to-Work Transition Program	\$ 8,779	\$ 10,000	Employment Youth Disabled	PROVAIL is requesting funding to provide job coaching for youth with disabilities. Funds from each city will directly fund Employment Service hours to individuals with disabilities who live, and often go on to work, in that specific city. Our Transition Program ensures that youth with disabilities are connected to right-fit jobs that enable them to be more economically self-sufficient while meeting the needs of local employers in the community and contributing to inclusive work environments.
1	Sound Generations Meals on Wheels	\$ 11,223	\$ 13,056	food older adult	Sound Generations' Meals on Wheels (MOW) program is trusted by thousands of King County's most vulnerable aging and disabled adults each year for their home delivered food needs. We deliver nutritious, satisfying meals directly to the homes of King County residents of all ages, who are unable to leave their homes unassisted, unable to prepare meals, and lack a social support system. For more than 40 years, MOW has been one of the most effective community-based tools for fighting senior hunger.
4	Sound Generations Volunteer Transportation	\$ 6,000	\$ 7,000	Health Physical Support	Sound Generations' Volunteer Transportation Program (VTS) serves seniors, 60 and older in meeting their transportation needs related to the most fundamental medical and health needs. Our team of over 357 active volunteers use their own vehicles to provide safe, personalized transportation service, taking people to and from appointments and waiting with them until they are ready to return home. Seniors who use our service benefit from moral support, sense of care, and feeling of independence.
1	The Salvation Army - Eastside Eastside Corps Social Services	\$ 12,000	\$ 16,750	financial	The Social Services program meets the needs of low-income and homeless residents on King County's Eastside. It provides emergency financial assistance for rent, mortgages, and utilities to promote housing stability; offers a food pantry and hot meals program to decrease food insecurity; distributes hygiene kits, baby products, and clothing; connects clients to other service providers through information and referral; and helps clients on a path toward self-sufficiency through case management.
1	The Sophia Way Day Center	\$ 12,934	\$ 41,964	day center women	The Sophia Way Day Center (DC) offers a safe and stable environment for women to recoup, recover, and heal. Since 2015 we have we have increased our hours of operations by 85% to meet the increasing needs and number of women attending the DC. We are open 7 days a week and provide hot meals, bathroom and laundry facilities, computers, phones and internet access. Clients may receive case management as well as referrals to financial coaching, employment opps and mental and physical health services.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
1	The Sophia Way Outreach	\$ 2,909	\$ 23,752	outreach Eastside	The Outreach program reaches people who are experiencing homelessness to build trust and a relationship on site, in their location, in order to give them referrals to services and resources for shelter, housing, and other supports they need. The focus is providing life-saving services for people who may be resistant to accepting services, such as substance abuse addiction treatment or mental health counseling with the ultimate goal of getting them into safe, affordable housing.
1	The Sophia Way Eastside Women's Winter Shelter	\$ 15,000	\$ 43,672	shelter emergency women	Eastside Emergency Winter Shelter (EWS) opens every night providing a lifeline for single adult women, October-May, who would otherwise be sleeping outdoors or in unsafe living situations. The shelter is staffed every night with two professional staff and provides two meals daily to participants and access to limited hygiene facilities. Guests are also connected with the Sophia Way Day Center and housing navigation services and given bus tickets.
1	The Sophia Way Sophia's Place Shelter Program	\$ 12,000	\$ 18,130	shelter program women	Sophia's Place provides the following: supportive services, overnight 6 month shelter, case management services to help clients achieve personal goals that lead to independent living; housing in subsidized apartments and community transitional housing; emergency winter shelter for women and families; day center serving 40+ women meals, showers, laundry facilities, computer/internet/phone access, and referrals to mental health providers, and access to dental and health services and housing.
4	Therapeutic Health Services Drug & Alcohol Treatment	\$ 13,000	\$ 13,520	Health Behavioral Adults	Therapeutic Health Services provides intensive outpatient and outpatient substance use treatment, medication assisted treatment (methadone, buprenorphine), counseling and case management. This includes individual, group and family counseling sessions and relapse prevention treatment. Evidence-based practices are used by licensed chemical dependency and mental health professionals, case managers, vocational rehabilitation specialists, nurses, ARNPs, physicians and psychiatrists.
4	Washington Autism Alliance & Advocacy Family Health Insurance Navigation	N/A	\$ 26,092	Health Children Support	Established in 2007, Washington Autism Alliance & Advocacy (WAAA) works across systems to improve gaps in services and to connect children and youth with Autism Spectrum Disorder (ASD) and other developmental disabilities (DDs) and their families (including parents, guardians, and caregivers) with the necessary tools and resources to achieve optimal quality of life positive identity development, and healthy relationships with peers.
4	Washington Poison Center Emergency Services	\$ -	\$ 10,000	Health Physical Support	WAPC is a nonprofit 501(c)(3) whose mission is to prevent harm from poisoning through expertise, collaboration, and education. WAPC provides immediate, free, confidential, and medical treatment assistance 24/7 on the telephone to people with exposures to a potential poisonous, hazardous, or toxic substance. WAPC has over 200 language interpreters immediately available on request. Our Public Health and Education Department implements educational programs to address issues affecting our residents.
4	Wonderland Developmental Center Play & Learn	N/A	\$ 3,000	Health Developm. Families	Our Kaleidoscope Play & Learn playgroups are open to Wonderland and community families of all abilities five and under. These playgroups allow children to interact with typically and non-typically developing peers while parents/caregivers receive vital peer-to-peer support and education from a trained facilitator. We've had consistent growth in this popular program; total Play & Learn participant count for 2017 was 2,419 children and 1,940 caregivers.
4	Wonderland Developmental Center The Next Level	N/A	\$ 5,000	Health Developm. Families	Our personalized, family centered model provides early intervention for infants, toddlers and their families. We begin by developing an Individualized Family Services Plan for the child and assigning a member of our trans-disciplinary team to work with the family as the primary service provider (PSP). The PSP works with the family and demonstrates therapies and techniques appropriate to the child's developmental concerns. Parents learn how to adopt these strategies in the child's daily routine.
2	Youth Eastside Services Community-based Outreach Services	\$ 29,300	\$ 30,179	Children, Youth and Families	YES' Community-based Outreach Services provides free of charge, social services for children and youth at the Bellevue Boys & Girls Club locations - The Club Teen Center/TXL Teen Center; for children and youth who reside in the Spiritwood Manor and Eastside Terrace housing complexes; for youth who utilize the Kirkland Teen Union Building (KTUB) and the Redmond Firehouse Teen Center. Services include outreach to at-risk children/youth; drop-in counseling services; and group services.

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	Key Words	Program Notes
2	Youth Eastside Services Family Net	\$ 25,922	\$ 26,700	Children, Youth and Families	YES' Family Net program provides comprehensive, free-of-charge case management/social services for children and families on-site at Redmond and Einstein Elementary Schools in Redmond, and at Rose Hill Elementary and John Muir Elementary Schools in Kirkland. Family Net helps solve serious problems at school, home, or community by supporting parents and children.
2	Youth Eastside Services Success Mentoring	\$ 5,000	\$ 11,966	Children, Youth and Families	YES' Success Mentoring provides supportive, community-based mentoring to help at-risk children/youth maximize their social/emotional competencies by strengthening self-regulation skills, increasing resistance to risky behaviors, increasing school attachment and improving academic motivation/achievement. Beginning this year, Success will be integrated as a key referral source supporting the SBIRT prevention project (detailed in Program Description) in the Bellevue and Lake WA School Districts.
4	Youth Eastside Services Behavioral Health Care for Children and Youth	\$ 31,000	\$ 38,805	Health Behavioral Children	Behavioral Health Care for Children and Youth is a comprehensive program for those ages 6-22, and their families, that intervenes, stabilizes, supports and empowers children/youth/families with the necessary skills resulting in improved social-emotional well-being/self-regulation by providing evidence-based mental health counseling, substance use treatment, co-occurring disorders treatment (for those with mental health/substance abuse conjointly), psychiatric services and case management.
4	Youth Eastside Services Early Childhood Behavioral Health	\$ 16,000	\$ 38,583	Health Behavioral Families	YES' Early Childhood Behavioral Health (ECBH) program, a partner in the Healthy Start Collaborative, provides early childhood intervention aimed at restructuring the parent-child relationship to empower the parent to support the infant's/child's healthy social, emotional and cognitive development. The program provides two evidence-based interventions, Promoting First Relationships (PFR) and Parent-Child Interaction Therapy (PCIT).
1	YWCA of Seattle-King-Snohomish Eastside Resident Services	\$ -	\$ 10,000	housing families	Family Village Redmond (FVR) has 20 units of Permanent Supportive Housing - 10 for chronically homeless families and 10 for homeless families. Family Village Issaquah (FVI) has five units of permanent housing set aside for families and individuals transitioning out of homelessness who also need an extra level of support. Services are strengths-based, and personalized, designed to equip families with skills and resources needed to achieve long-lasting housing stability.
5	YWCA of Seattle-King-Snohomish Eastside Employment Services	\$ 13,000	\$ 13,390	Employment Adult Families	The YWCA's Eastside Employment Services matches Bellevue and Kirkland funds with DSHS Basic Food Employment & Training (BFET) funds to connect food stamp recipients in Bellevue and Kirkland to career counseling and job placement services and in-demand vocational training at area colleges to improve economic opportunity and reduce reliance on public assistance. Primary activities are: career navigation, job readiness, vocational training, financial capability, job placement, and job retention.

The Human Services Commission's Funding Recommendations for 2019 & 2020

	Human Services Continuum Goal Areas	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1
1	Food to Eat and Roof Over Head	\$ 404,493	\$ 915,012	\$ 277,296	\$ 377,296	\$ 378,118	\$ 478,118	\$ 529,055	\$ 598,555
2	Supportive Relationships within Families, Neighborhoods, and Communities	\$ 128,192	\$ 245,735	\$ 181,679	\$ 81,679	\$ 192,179	\$ 92,179	\$ 291,793	\$ 273,884
3	A Safe Haven from All Forms of Violence and Abuse	\$ 86,800	\$ 142,260	\$ 95,520	\$ 95,520	\$ 114,060	\$ 114,060	\$ 142,260	\$ 142,260
4	Health Care to Be as Physically and Mentally Fit as Possible	\$ 167,591	\$ 469,298	\$ 138,950	\$ 138,950	\$ 171,663	\$ 171,663	\$ 292,383	\$ 245,792
5	Education and Job Skills to Lead an Independent Life	\$ 124,087	\$ 234,744	\$ 42,000	\$ 42,000	\$ 50,575	\$ 50,575	\$ 138,141	\$ 133,141
	Total Funding 2019	\$ 911,163	\$ 2,007,049	\$ 735,445	\$ 735,445	\$ 906,595	\$ 906,595	\$ 1,393,632	\$ 1,393,632
	Funding Amounts 2018			\$ 735,445	\$ 735,445	\$ 906,595	\$ 906,595		
	Difference			\$ -	\$ -	\$ -	\$ -	\$ 487,037	\$ 487,037

Priority Key	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1
Priority Area 1 (16 programs)	\$ 171,764	\$ 515,919	\$ 417,338	\$ 417,338	\$ 417,338	\$ 417,338	\$ 417,338	\$ 517,338
Priority Area 2 (19 programs)	\$ 250,980	\$ 453,988	\$ 318,107	\$ 318,107	\$ 388,435	\$ 388,435	\$ 416,635	\$ 416,635
Priority Area 3 (34 programs)	\$ 458,019	\$ 758,544	\$ -	\$ -	\$ 100,822	\$ 100,822	\$ 459,659	\$ 459,659
Priority Area 4 (21 programs)	\$ 30,400	\$ 259,798	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -
Not prioritized (2 programs)	\$ -	\$ 18,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ 911,163	\$ 2,007,049	\$ 735,445	\$ 735,445	\$ 906,595	\$ 906,595	\$ 1,393,632	\$ 1,393,632

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1	Priority	Notes
Priority 1 (in alphabetical order)											
1	Catholic Community Services Eastside Emergency Shelter for Families	\$ 15,000	\$ 22,500	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	1	
1	Catholic Community Services New Bethlehem Day Center	\$ 15,000	\$ 158,800	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	1	
1	Congregations for the Homeless Day Center	\$ 15,000	\$ 27,679	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	1	
1	Congregations for the Homeless Men's Eastside Winter Shelter	\$ 15,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	1	
1	Congregations for the Homeless Outreach	\$ 10,235	\$ 20,214	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	1	
2	Eastside Legal Assistance Program Legal Services	\$ 12,020	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	1	
1	Friends of Youth Outreach for Homeless Youth and Young Adults	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	1	
1	Friends of Youth Drop-in Services (Day Center) for Youth and Young Adults	\$ 7,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	1	
1	Friends of Youth Youth and Young Adults Shelter	\$ 15,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	1	

Cost	Agency Program	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1	Pri	Notes
4	IKRON Behavioral Health Services	\$ 15,575	\$ 33,930	\$ 33,930	\$ 33,930	\$ 33,930	\$ 33,930	\$ 33,930	\$ 33,930	1	Priority one because of this program's support of programs serving people experiencing homelessness.
2	King County Bar Foundation Pro Bono Services Department	\$ 3,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	1	
1	Lifewire Emergency Shelter	\$ 15,000	\$ 23,908	\$ 23,908	\$ 23,908	\$ 23,908	\$ 23,908	\$ 23,908	\$ 23,908	1	
2	RFQ for Full Time Attorney			\$ 100,000	\$ -	\$ 100,000		\$ 100,000	\$ 100,000	1	<i>Investment to prevent homelessness: Legal difficulties leads some people into homelessness. This line item will pay for a full time civil legal aid attorney for residents of the City of Kirkland.</i>
1	The Sophia Way Eastside Women's Winter Shelter	\$ 15,000	\$ 43,672	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	1	
1	The Sophia Way Day Center	\$ 12,934	\$ 41,964	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	\$ 25,000	\$ 50,000	1	
1	The Sophia Way Outreach	\$ -	\$ 23,752	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	1	
Priority 2 (in alphabetical order)											
4	Asian Counseling and Referral Service Children, Youth and Family	\$ 6,125	\$ 24,825	\$ 15,000	\$ 15,000	\$ 24,825	\$ 24,825	\$ 24,825	\$ 24,825	2	
3	Consejo Counseling and Referral Service Domestic Violence Community Advocate Program	\$ 10,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	2	
4	Crisis Connections 24-Hour Crisis Line	\$ 5,000	\$ 7,500	\$ 6,500	\$ 6,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	2	
2	Crisis Connections King County 2-1-1	\$ 5,000	\$ 12,500	\$ 12,000	\$ 12,000	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	2	
4	Crisis Connections Teen Link	\$ 5,000	\$ 7,500	\$ 6,500	\$ 6,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	2	
1	Eastside Baby Corner Meeting Basic Needs for Children	\$ 12,210	\$ 13,388	\$ 13,388	\$ 13,388	\$ 13,388	\$ 13,388	\$ 13,388	\$ 13,388	2	
3	Harborview Medical Center Center for Sexual Assault and Traumatic Stress	\$ 9,300	\$ 9,300	\$ 9,300	\$ 9,300	\$ 9,300	\$ 9,300	\$ 9,300	\$ 9,300	2	
5	HERO House Supported Employment	\$ 5,500	\$ 11,000	\$ 7,000	\$ 7,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	2	
5	IKRON Integrated Employment Services	\$ 10,000	\$ 19,575	\$ 15,000	\$ 15,000	\$ 19,575	\$ 19,575	\$ 19,575	\$ 19,575	2	
3	King County Sexual Assault Resource Center Comprehensive Sexual Assault Services	\$ 19,000	\$ 19,760	\$ 19,760	\$ 19,760	\$ 19,760	\$ 19,760	\$ 19,760	\$ 19,760	2	
5	Kinderling Early Care and Education Consultation (ECEC)	\$ 8,245	\$ 43,973	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	2	
3	Lifewire Survivor Advocacy Services	\$ 48,000	\$ 98,200	\$ 51,460	\$ 51,460	\$ 70,000	\$ 70,000	\$ 98,200	\$ 98,200	2	

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1	Pri	Notes
2	RFQ Cultural Navigation Services			\$ 20,000	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	2	The needs related to cultural navigation have not been evaluated since the inception of the program. Recommending a set aside instead of awarding the dollars to a specific agency or set of agencies at this time.
2	Chinese Information and Service Center Eastside Cultural Navigator Program	\$ 10,800	\$ 15,000							2	Program will be notified when the RFQ for Cultural Navigation Services is released.
2	India Association of Western Washington Cultural Navigator Program	N/A	\$ 7,000							2	Program will be notified when the RFQ for Cultural Navigation Services is released.
2	MAPS--Muslim Community Resource Center (MCRC) Information, Referrals, & Resources (IR & R)	N/A	\$ 8,236							2	Program will be notified when the RFQ for Cultural Navigation Services is released.
4	NAMI Eastside Individual & Family Support and Education, Community Education, and Resources & Referrals	\$ 7,000	\$ 13,144			\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	2	
4	NAMI Eastside NAMI in the Schools	N/A	\$ 7,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	2	
4	Therapeutic Health Services Drug & Alcohol Treatment	\$ 13,000	\$ 13,520	\$ 13,520	\$ 13,520	\$ 13,520	\$ 13,520	\$ 13,520	\$ 13,520	2	
4	Youth Eastside Services Behavioral Health Care for Children and Youth	\$ 31,000	\$ 38,805	\$ 35,000	\$ 35,000	\$ 38,805	\$ 38,805	\$ 38,805	\$ 38,805	2	
2	Youth Eastside Services Community-based Outreach Services	\$ 29,300	\$ 30,179	\$ 30,179	\$ 30,179	\$ 30,179	\$ 30,179	\$ 30,179	\$ 30,179	2	
4	Youth Eastside Services Early Childhood Behavioral Health	\$ 16,000	\$ 38,583	\$ 25,000	\$ 25,000	\$ 38,583	\$ 38,583	\$ 38,583	\$ 38,583	2	

Priority 3 (in alphabetical order)

4	Asian Counseling and Referral Service Health Oriented Mental Health Program	N/A	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 7,500	3	a prioritized new investment area
2	Assistance League of the Eastside Operation School Bell	\$ 9,000	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ 9,000	3	
1	Attain Housing Welcome Home Program	\$ 20,000	\$ 30,000	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 30,000	\$ 30,000	3	
5	AtWork! Community Liaison	\$ -	\$ 8,930	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	3	a prioritized new investment area
2	Boys & Girls Clubs of King County Boys & Girls Club of Kirkland	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	3	a prioritized new investment area
4	Bridge Disability Ministries Meyer Medical Equipment Center	\$ 5,000	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 5,100	\$ 5,100	3	

Cost	Agency Program	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1	Pri	Notes
2	Catholic Community Services of King County Volunteer Services	\$ 6,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 6,120	\$ 6,120	3	
2	Community Homes, Inc. Housing Readiness Workshop Series for Adults with Intellectual/Developmental Disabilities	N/A	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	3	a prioritized new investment area
1	Congregations for the Homeless Year Round Rotating Shelter	\$ 7,991	\$ 12,987	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 8,151	\$ 8,151	3	
4	Easterseals Washington Adult Care/Health Services	\$ 8,950	\$ 9,308	\$ -	\$ -	\$ -	\$ -	\$ 9,129	\$ 9,129	3	
1	Friends of Youth TLP Housing for Homeless Young Adults and Young Families	\$ 27,900	\$ 50,000	\$ -	\$ -	\$ 7,500	\$ 7,500	\$ 28,458	\$ 28,458	3	
4	HealthPoint Primary Dental Care	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000	3	
4	HealthPoint Primary Medical Care	\$ 15,941	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000	3	
5	Hopelink Adult Education	\$ 13,950	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 14,229	\$ 14,229	3	
1	Hopelink Emergency Food	\$ 45,500	\$ 68,000	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 46,410	\$ 46,410	3	
5	Hopelink Employment Program	\$ 10,000	\$ 39,500	\$ -	\$ -	\$ -	\$ -	\$ 10,200	\$ 10,200	3	
2	Hopelink Family Development Program	\$ 6,250	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 6,375	\$ 6,375	3	
1	Hopelink Financial Assistance Resiliency Program	\$ 28,000	\$ 46,000	\$ -	\$ -	\$ 18,322	\$ 18,322	\$ 30,600	\$ 30,600	3	
1	Hopelink Housing	\$ 20,000	\$ 50,000	\$ -	\$ -	\$ 7,500	\$ 7,500	\$ 20,400	\$ 20,400	3	
1	Imagine Housing Supportive Services	\$ 62,000	\$ 64,000	\$ -	\$ -	\$ 7,500	\$ 7,500	\$ 30,000	\$ 30,000	3	Since housing is a regional service, Imagine Housing was asked to request increased investments from other Eastside cities.
2	India Association of Western Washington IAWW	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	3	a prioritized new investment area
4	International Community Health Services (ICHA) Dental	\$ 4,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 4,080	\$ 4,080	3	
5	Jewish Family Service JFS Refugee and Immigrant Services	\$ 15,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 15,300	\$ 15,300	3	
2	Lake Washington Schools Foundation LINKS Mentoring	\$ 8,500	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 8,670	\$ 8,670	3	
1	Lake Washington Schools Foundation Pantry Packs	\$ 5,000	\$ 10,000	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	3	

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1	Pri	Notes
4	Northshore Senior Center Northshore Adult Day Health and Wellness Program	\$ 10,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 10,200	\$ 10,200	3	
5	OneAmerica English Innovations	\$ 30,000	\$ 13,577	\$ -	\$ -	\$ -	\$ -	\$ 13,577	\$ 13,577	3	
5	PROVAIL School-to-Work Transition Program	\$ 9,892	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	3	
1	Sound Generations Meals on Wheels	\$ 11,223	\$ 13,056	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000	3	
4	Sound Generations Volunteer Transportation	\$ 6,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 6,120	\$ 6,120	3	
1	The Sophia Way Sophia's Place Shelter Program	\$ 12,000	\$ 18,130	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 12,240	\$ 12,240	3	
2	Youth Eastside Services Family Net	\$ 25,922	\$ 26,700	\$ -	\$ -	\$ -	\$ -	\$ 26,440	\$ 26,440	3	
2	Youth Eastside Services Success Mentoring	\$ 5,000	\$ 11,966	\$ -	\$ -	\$ -	\$ -	\$ 5,100	\$ 5,100	3	
5	YWCA of Seattle-King-Snohomish Eastside Employment Services	\$ 13,000	\$ 13,390	\$ -	\$ -	\$ -	\$ -	\$ 13,260	\$ 13,260	3	
Priority 4 (in alphabetical order)											
4	Alpha Supported Living Services Alpha Health Services Program	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000		4	
2	Athletes for Kids AFK Youth Mentoring	N/A	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
4	Bridge Disability Ministries The Guardianship Program	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
1	Catholic Community Services of King County Emergency Assistance Program	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
4	Center for Human Services Behavioral Health Clinical Program	\$ 3,000	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	Funded only if increased investment in human services grants because the HSC prioritized programs serving residents closer to Kirkland.
2	Center for Human Services Family Support Centers	\$ 6,900	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	Funded only if increased investment in human services grants because the HSC prioritized programs serving residents closer to Kirkland.
5	Child Care Resources Information and Referral/Technical Assistance	\$ 8,500	\$ 10,999	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	Funded only if increased investment in human services grants. Shifted investment to Kinderling's program that focuses on serving children in childcare with special needs.
2	Chinese Information and Service Center Eastside Russian Senior Program	N/A	\$ 2,654	\$ -	\$ -	\$ -	\$ -	\$ 2,654		4	
1	Congregations for the Homeless Up and On Housing	\$ -	\$ 4,500	\$ -	\$ -	\$ -		\$ 4,500		4	
4	International Community Health Services (ICHA) Medical	N/A	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	

Goal	Agency Program	2018 \$ Awarded	2019 \$ Requested	2019 Option A	2019 Option A.1	2019 Option B	2019 Option B.1	2019 Option C	2019 Option C.1	Pri	Notes
4	Kindering Families in Transition (FIT)	N/A	\$ 4,591	\$ -	\$ -	\$ -	\$ -	\$ 4,591		4	
1	Lifewire Housing Stability Program	N/A	\$ 25,712	\$ -	\$ -	\$ -	\$ -	\$ 6,000		4	
1	MAPS--Muslim Community Resource Center (MCRC) Housing	N/A	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
2	MAPS--Muslim Community Resource Center (MCRC) Refugee & Immigrant Assistance	N/A	\$ 5,500					\$ 5,255		4	
4	Old Friends Club Datatype Memory Care and Respite	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000		4	
1	The Salvation Army - Eastside Eastside Corps Social Services	\$ 12,000	\$ 16,750	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	Funded only if increased investment in human services grants. Programs located in Kirkland were prioritized.
4	Washington Autism Alliance & Advocacy Family Health Insurance Navigation	N/A	\$ 26,092	\$ -	\$ -	\$ -	\$ -	\$ 6,000		4	
4	Washington Poison Center Emergency Services	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
4	Wonderland Developmental Center Play & Learn	N/A	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000		4	
4	Wonderland Developmental Center The Next Level	N/A	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
1	YWCA of Seattle-King-Snohomish Eastside Resident Services	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000		4	
5	MCNA Job Training in Coding and Digital Marketing	N/A	\$ 13,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		Creative and needed program, but it is still in its creation phase. The HSC recommends that City Council fund programs that have a proven track record.
4	Pediatric Interim Care Center Infant Withdrawal Program	N/A	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		Valued service for King County, but located in south King County. Did not request funding from any other north/east city.



CITY OF KIRKLAND
Information Technology Department
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MEMORANDUM

To: Kurt Triplett, City Manager
From: Brenda Cooper, CIO
Date: October 25th, 2018
Subject: GIS DAY PROCLAMATION –2018

RECOMMENDATION

It is recommended that the Mayor proclaim November 14, 2018, as GIS Day in the City of Kirkland.

BACKGROUND DISCUSSION

GIS Day provides an international forum for users of geographic information systems (GIS) technology to demonstrate real-world applications that are making a difference in our society.

One of the major projects led by GIS over the past 2 years is the implementation of Lucity, a software program featuring tools to manage and maintain assets and coordinate maintenance management. At Lucity's recent national conference, the City received the *Lucity Legacy – Implementation* award for "a major effort to install a system for Maintenance and Work Order Management for Parks, Public Works and Facilities." The Lucity system relies heavily on GIS data. The project was successfully led by the IT GIS Section, who developed a high-functioning team that included other IT staff, Public Works, and Parks personnel.

The Lucity organization describes the Lucity Legacy Award on their website. It states:

"The Lucity Legacy Award was developed to shine a light on individuals or organizations within the Lucity family who continually demonstrate a desire to raise the bar. The recipients of the Lucity Legacy Award are leaving an impact on their organizations, their teams, or their communities and we are proud to acknowledge and celebrate these accomplishments. Award recipients are recognized annually at our Annual Conference & Training, and a plaque of recognition will hang at Lucity Headquarters."

In presenting the award, the City was recognized as follows:

"Throughout implementation they were fully engaged and committed to being a team player with us in ensuring a successful implementation and launch. They had exceptional leadership as well as highly engaged IT and GIS groups. They truly took Lucity, turned it on its head and found creative ways to leverage it in order to meet their exact needs. This kind of commitment & creativity is critical to the success of Lucity software adoption and use during implementation

and beyond. It was an absolute honor to work with this year's recipient, the City of Kirkland, WA. Congratulations and thank you for your commitment and efforts!"

Here at the City of Kirkland, GIS is both an enterprise application in itself and an integral part of other IT applications which help manage work orders, utilities, permits, parks, cemetery plots, and natural resources. GIS maps are included in almost all city plans and GIS data is used to dispatch Fire and Police correctly.

As the City looks towards the future, GIS will be an important part of our foundation for smart community and analytics efforts. Many of the challenges and opportunities in a city are about place. Fires, crimes, and accidents occur in places. Zoning defines places. Economic development enhances places. GIS is a powerful technology that shows constituents about the place that is Kirkland.

Staff wishes to acknowledge that a GIS system is a complex and expensive system that takes commitment and financial investment over many years to be successful. Kirkland's award-winning GIS program would not be possible without the steadfast programmatic and financial support of past Councils and the current Council.



A PROCLAMATION OF THE CITY OF KIRKLAND

Proclaiming November 14 2018 as GIS DAY in Kirkland, Washington

WHEREAS, the science of Geographic Information Systems (GIS) connects technology systems and communities, linking people to information and services; and

WHEREAS, geography is a common language that strengthens decision-making for governments, communities, NGOs, and businesses all over the world, and integrated software systems, applications, emerging technologies, and "Smart City" investments increasingly incorporate geography; and

WHEREAS, GIS is crucial for managing and preserving our natural resources; and

WHEREAS, GIS helps people collaborate and share knowledge so the systems we rely on work each day; and

WHEREAS, having a dedicated day of GIS activities for students, citizens, and government leaders demonstrates the benefits of GIS in a unique and concentrated way; and

WHEREAS, the City of Kirkland has invested considerable time, effort, and funding into creating an award-winning GIS Program that benefits the constituents of the City of Kirkland directly through web-based GIS products and indirectly through supporting decision making in almost all City Departments; and

WHEREAS, the City of Kirkland was formally recognized by receiving *The Lucity Legacy – Implementation* award for successful implementation of the Maintenance and Work Order Management system project led by the City's GIS Team;

Now, therefore, I, Amy Walen, Mayor of the City of Kirkland, do hereby proclaim that the City of Kirkland supports GIS Day, and call upon all employees, residents and visitors of Kirkland to become educated about GIS.

Signed this 7th day of November, 2018

Amy Walen, Mayor



CITY OF KIRKLAND

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Heather Kelly, Emergency Manager
Joe Sanford, Fire Chief

Date: October 24, 2018

Subject: COMMUNITY EMERGENCY RESPONSE TEAM #26 GRADUATION

RECOMMENDATION:

Recognize the graduates of the City of Kirkland's 26th Community Emergency Response Team (CERT) class and award their Certificate of Completion.

After Council recognition the group will leave and attend a reception in their honor.

BACKGROUND DISCUSSION:

In today's world, schedules are full and occupied with school, work, family, and many options for volunteering. That these community members chose to educate themselves to help others in times of need speaks volumes to their values and commitment to their community. These volunteers, who have invested in CERT training, will help the City of Kirkland respond to and recover from a major disaster.

The Community Emergency Response Team (CERT) program educates community members about disaster preparedness and response. This course teaches how to be prepared for a disaster and trains participants in skills to be able to help themselves, their families, and others during a disaster. The 26-hour CERT course is taught by a team of volunteer instructors. Training covers the Incident Command System, disaster preparedness, fire suppression, basic medical assessment and first aid, light search & rescue operations, and disaster psychology.

CERT graduates have learned the risks disasters pose to people and property. They have taken steps to reduce hazards and lessen the impact of disasters. When disasters overwhelm local response capability, CERTs take care of themselves and give critical support to their family, neighbors, and their community.

The Office of Emergency Management would also like to thank the team of volunteers that make CERT training possible.

The next course will be held in the Spring of 2019.

Community Emergency Response Team Training Class # 26 (Fall 2018) GRADUATION LIST		
First Name	Last Name	Neighborhood
Jay	Arnold	Kirkland
Uzma	Butte	Kirkland
Katherine	Casseday	Kirkland
Don	Clark	Kirkland
Joyce	Erickson	Seattle
Cathy	Lanning	Kirkland
Janet	Lawless	Kirkland
Mark	Madigan	Kenmore
Lucille	Mata	Kirkland
Steven	McMullin	Kirkland
Tatiana	Nazemnova	Kirkland
Amber	Pearce	Seattle
Linda	Roux	Kirkland
Kevin	Ruuhela	Kirkland
Barbara	Schach	Kirkland
Raj	Sennaiah	Kirkland
Christina	Smith	Seattle
Aaron	Sporseen	Kirkland
Matthew	Stults	Kirkland
Krystal	Thiel	Kirkland
Lila	Uhrich	Kirkland

KIRKLAND CITY COUNCIL SPECIAL MEETING

**Marina Park
25 Lakeshore Plaza
Kirkland, WA 98033**

**Saturday, October 13, 2018
11:00 a.m.**

Minutes

1. CALL TO ORDER

The event commenced at 11 a.m.; due to an expected quorum of Councilmembers in attendance, the event was noticed as a special City Council meeting.

2. ROLL CALL

Present: Mayor Amy Walen, Deputy Mayor Jay Arnold and Councilmembers Tom Neir and Jon Pascal.

3. Naming Celebration

Councilmembers in attendance participated in the dedication ceremony of the Al Locke Pavilion in honor of the City of Kirkland's first City Manager, Allen Locke.

4. ADJOURNMENT

The October 13, 2018 Naming Celebration/Special Meeting of the Kirkland City Council concluded at 11:15 a.m.

Kathi Anderson, City Clerk

Amy Walen, Mayor



KIRKLAND CITY COUNCIL MEETING MINUTES October 16, 2018

1. CALL TO ORDER

- a. Deputy Mayor Arnold called the study session to order at 6 p.m. Mayor Walen joined the meeting at 6:32 p.m. Mayor Walen called the regular meeting to order at 7:30 p.m.

2. ROLL CALL

ROLL CALL:

Members Present: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

Members Absent: None.

3. STUDY SESSION

- a. Parks Fee Benchmarking Update

Joining the Council for discussion were City Manager Kurt Triplett, Parks and Community Services Director Lynn Zwaagstra, Deputy Director of Operations John Lloyd, Recreation Manager Linda Murphy, Customer Service Supervisor Jairid Hoehn, and Administrative Assistant Heather Lantz-Brazil.

4. EXECUTIVE SESSION

- a. To Discuss Pending Litigation

Deputy Mayor Arnold announced that Council would enter into executive session to discuss pending litigation and would return to regular meeting at 7:30 p.m., which they did. Also attending were City Manager Kurt Triplett, Deputy City Managers Marilynne Beard and Tracey Dunlap, City Attorney Kevin Raymond, Senior Assistant City Attorney Stephanie Croll, Public Works Director Kathy Brown and Parks and Community Services Director Lynn Zwaagstra.

5. HONORS AND PROCLAMATIONS

- a. 2018 Arbor Day Proclamation

Urban Forester Deb Powers and Green Kirkland Partnership Supervisor Jodie Galvan accepted the proclamation from Mayor Walen and Councilmember Sweet.

b. Recognition of Arthur Sullivan

Mr. Sullivan accepted the proclamation recognizing his service as Program Manager for A Regional Coalition for Housing (ARCH) from Mayor Walen and Councilmember Asher.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

David Schwartz
Lisa McConnell
Jane Stavem
Sarah Franklin
Amy Falcone

c. Petitions

7. SPECIAL PRESENTATIONS

a. 2018 Annual Employee Service Awards

Human Resources Director Chris Thomas presented twenty year service awards to Police Sergeant Raymond Bressler; Surface Water Engineering Supervisor Jenny Gaus; Engineering Technician Teri Corp; Administrative Supervisor Prins Cowin; Senior Maintenance Worker Wain Jarvi; Parks Supervisor Jeff Rotter; Recreation Manager Linda Murphy; Police Captain Michel St. Jean; Police Sergeant Daniel Wilson; Fire Captain Ivan Huld; Firefighter Shawn McDougall; and Parking Enforcement Officer Ginger Collins. Twenty-five year service awards were presented to Police Sergeant Gary Eggleston; Water/Waste Water Supervisor Thomas Chriest; Parks Lead Tracy Fish; Fire Captain Hobi Hani; and Senior Human Resources Analyst Rod Lank. Thirty year service awards were presented to Police Lieutenant John Haslip; Assistant Fire Marshall Grace Steuart; Deputy City Manager Marilynne Beard; Parks Groundsperson Kenneth Bolser; Senior Planner Janice Coogan; Construction Inspector Joe Brown; and Street and Grounds Manager Greg Neumann. Thirty-five year service awards were presented to Police Captain Mike Ursino and Public Works Lead Steve Ensminger.

8. CONSENT CALENDAR

a. Approval of Minutes

(1) October 2, 2018

(2) October 6, 2018

(3) October 9, 2018

b. Audit of Accounts

Payroll \$3,301,898.27
Accounts Payable \$2,364,341.03
run #181003 checks #701388 - 701537
run #181004 check #701538
run #181010 checks #701539 - 701665

c. General Correspondence

d. Claims

(1) Claim for Damages

Claims received from Bruce Ludwig, Deborah Armbruster, and Gary Skelton were acknowledged via approval of the Consent Calendar.

e. Award of Bids

(1) Advance Mitigation Project

The construction contract for the Advanced Mitigation Project was awarded to OMA Construction, Inc., of Maple Valley, Washington, in the amount of \$887,219.30 via approval of the consent calendar.

f. Acceptance of Public Improvements and Establishing Lien Period

(1) 2018 Annual Striping Program

The work performed by Specialized Pavement Marking Inc., of Tualatin, Oregon was accepted, thereby establishing the statutory lien period, and the return of unspent funds to the funding source, via approval of the consent calendar.

(2) Marina Park Pier Repairs Project

The work performed by Neptune Marine, Inc., of Anacortes, Washington was accepted, thereby establishing the statutory lien period, via approval of the consent calendar.

g. Approval of Agreements

h. Other Items of Business

(1) Downtown Marina Expansion - Financial Feasibility Study

The report was accepted and further consideration of this topic was deferred to one of the Council's 2019 retreats to that the potential marina expansion may be evaluated in the context of other city priorities, via approval of the consent calendar.

(2) Surplus of Equipment Rental Vehicles/Equipment

Fleet #	Year	Make & Model	License	Mileage
PU-55	2005	Dodge Grand Caravan	36166D	39,958
P137	2013	Ford Interceptor SUV	55913D	89,191
P142	2014	Ford Interceptor SUV	57515D	76,914
C-06	2003	Toyota Hybrid Prius	36358D	42,596

(3) Procurement Report

The report was accepted via approval of the consent calendar.

Motion to Approve the Consent Calendar.

Moved by Councilmember Penny Sweet, seconded by Councilmember Tom Neir

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

9. PUBLIC HEARINGS

None.

10. UNFINISHED BUSINESS

- a. Resolution R-5339, Affirming the Purpose and Responsibilities of Kirkland School Resource Officers Within the Lake Washington School District and Implementing a Community Conversation to Ensure that the School Resource Officer Program Follows National Best Practices and is Among the Best in the Country

Assistant City Manager James Lopez reviewed the proposed resolution and responded to questions.

Motion to Approve Resolution R-5339, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AFFIRMING THE PURPOSE AND RESPONSIBILITIES OF KIRKLAND SCHOOL RESOURCE OFFICERS WITHIN THE LAKE WASHINGTON SCHOOL DISTRICT AND IMPLEMENTING A COMMUNITY CONVERSATION TO ENSURE THAT THE SCHOOL RESOURCE OFFICER PROGRAM FOLLOWS NATIONAL BEST PRACTICES AND IS AMONG THE BEST IN THE COUNTRY" as amended.

Moved by Councilmember Toby Nixon, seconded by Councilmember Jon Pascal

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

Motion to Amend Resolution R-5339, Section 4 to read, "The City Manager is directed to reach out to the District Superintendent to collaborate on a community engagement plan. The engagement plan may start with Kirkland as a pilot, or may include all local jurisdictions within the District. The plan should include actions, timelines, and potential Task Force membership. The City Manager shall report back on these efforts at one of the Council meetings in January of 2019."

Moved by Councilmember Jon Pascal, seconded by Deputy Mayor Jay Arnold

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

11. NEW BUSINESS

a. 2019 Draft Legislative Agenda

Intergovernmental Relations Manager Lorrie McKay provided an overview of the agenda development process and the proposed draft legislative priorities and received Council comment for incorporation into the next draft for Council consideration at their November 7, 2018 special meeting.

b. Ordinance O-4663 and its Summary, Amending Kirkland Municipal Code Chapter 5.88 Regarding the Multifamily Housing Property Tax Exemption

Planning Supervisor Dawn Nelson reviewed the background and content of the proposed ordinance for Council consideration, as well as next steps if the ordinance were approved.

Motion to Approve Ordinance O-4663 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.88 REGARDING THE MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION."

Moved by Councilmember Penny Sweet, seconded by Councilmember Jon Pascal

Vote: Motion carried 6-1

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

No: Councilmember Tom Neir.

Motion to Postpone action on Ordinance O-4663 and its Summary, to the Council's November 7, 2018 special meeting.

Moved by Councilmember Tom Neir, seconded by Councilmember Toby Nixon

Vote: Motion failed 1 - 6

Yes: Councilmember Tom Neir.

No: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

Motion to End debate on the motion.

Moved by Councilmember Penny Sweet, seconded by Councilmember Tom Neir

Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

The City Council recessed for a short break.

- c. Ordinance O-4664, Relating to Zoning, Planning, and Land Use and Amending Chapters 125 and 5 of the Kirkland Zoning Code (Ordinance 3719 As Amended) Regarding Codes that Apply to Land Use Applications Utilizing the Planned Unit Development Chapter 125 and Definitions KZC Chapter 5 and Approving a Summary Ordinance for Publication, File No. CAM18-00380

Senior Planner David Barnes provided a presentation on the recommended revisions to the zoning code and public benefit valuation tool.

Motion to Approve Ordinance O-4664, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE AND AMENDING CHAPTERS 125 AND 5 OF THE KIRKLAND ZONING CODE (ORDINANCE 3719 AS AMENDED) REGARDING CODES THAT APPLY TO LAND USE APPLICATIONS UTILIZING THE PLANNED UNIT DEVELOPMENT CHAPTER 125 AND DEFINITIONS KZC CHAPTER 5 AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. CAM18-00380."

Moved by Councilmember Jon Pascal, seconded by Councilmember Penny Sweet
Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

12. REPORTS

- a. City Council Regional and Committee Reports

Councilmembers shared information regarding the City Hall for All event; the All City Dinner event; a Tourism Development Committee meeting; a Sound Cities Association (SCA) Public Issues Committee meeting and discussion about appointments to various SCA positions; the upcoming VIVA Volunteers! Fair; the Annual Arbor Day Celebration at North Rose Hill Woodlands Park; an upcoming Kirkland Business Roundtable meeting; the upcoming Youth Eastside Services (YES) 50th Anniversary celebration and open house; the upcoming Kirkland Interfaith Network Alternative Gift Fair at Peter Kirk Community Center; the Al

Locke Pavilion dedication ceremony; a King County Metropolitan Solid Waste Advisory Committee meeting; a Cascade Water Alliance meeting; a birthday celebration for Bill Woods at the Kirkland Performance Center; the fundraising luncheon for the Sophia Way; the Hopelink "Reaching Out" Benefit fundraising luncheon; transportation issues luncheon with Cassandra Sage of the Lake Washington School District School Board; a King County Eastside Rail Corridor Advisory Council meeting, the upcoming King County Regional Trails Coalition Summit; an upcoming Eastside Transportation Partnership meeting; a King County-Cities Climate Collaboration meeting; a Puget Sound Regional Council Growth Management Policy Board meeting; the Congregations for the Homeless fundraising luncheon; the Friends of Youth Foundation Legacy Award event; a National Alliance on Mental Illness fundraising event; the Washington Conservation Voters Breakfast of Champions event; and the Kirkland Performance Center's Anniversary Gala.

Motion to Appoint Mayor Walen as the City of Kirkland's voting delegate to the Sound Cities Association annual meeting on December 5, 2018.

Moved by Councilmember Toby Nixon, seconded by Councilmember Jon Pascal
Vote: Motion carried 7-0

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Toby Nixon, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

Motion to Authorize the Mayor to sign the proposed letter to the Environmental Protection Agency regarding Cafe fuel standards on behalf of the City.

Moved by Deputy Mayor Jay Arnold, seconded by Councilmember Tom Neir
Vote: Motion carried 6-1

Yes: Deputy Mayor Jay Arnold, Councilmember Dave Asher, Councilmember Tom Neir, Councilmember Jon Pascal, Councilmember Penny Sweet, and Mayor Amy Walen.

No: Councilmember Toby Nixon.

b. City Manager Reports

City Manager Kurt Triplett shared some remarks about the City Hall for All event as well as upcoming community engagement efforts around a possible bike share program and potential future off-leash dog areas; an informational presentation about the Proposition 1 ballot issue at the upcoming Finn Hill Neighborhood Alliance meeting; and the future implementation of the new constituent management system.

(1) Calendar Update

Councilmember Nixon brought forward a communication from Reverend Lambert of the Kirkland Congregational United Church of Christ requesting that the Council take a formal position in opposition to recent anti-immigrant posters that have been appearing in the downtown area; and Councilmembers discussed a request from Alaska Airlines asking the

City to take a position on allowing flights from Paine Field but declined to take action. City Manager Kurt Triplett reminded the Council of the upcoming budget study session on October 30, 2018.

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of October 16, 2018 was adjourned at 10:25 p.m.

Kathi Anderson, City Clerk

Amy Walen, Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: October 24, 2018
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) Robb Dibble
Representing: 1029 Market, LLC
1029 Market Street
Kirkland, WA 98033

Amount: Over \$250,000.00

Nature of Claim: Claimant states damages were incurred from contaminated soils/cleanup costs resulting from an underground storage tank.

- (2) Darius Wilson
4140 Edgewater Blvd NE
Lacey, WA 98516

Amount: \$150,000

Nature of Claim: Claimant states damages resulted from his detention by Kirkland Police.

- (3) Scott Rubin
12863 NE 145th Place
Kirkland, WA 98034

Amount: Unknown

Nature of Claim: Claimant states personal injury and property damage occurred resulting from his stepping into a crack/hole on a City sidewalk.

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

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marius Eugenio Jr., P.E., Project Engineer
Dave Snider, P.E., Capital Projects Manager
John Starbard, Deputy Director
Kathy Brown, Public Works Director

Date: October 25, 2018

Subject: 2018 CITYWIDE SCHOOL WALK ROUTE ENHANCEMENTS (CNM1887)—
AWARD CONTRACT

RECOMMENDATION:

City Council to award a construction contract for the 2018 Citywide School Walk Route Enhancements Project to the lowest responsible bidder, Kamins Construction Company of Bothell, Washington, in the amount of \$718,617.96.

By taking action on this memo during approval of the consent calendar, City Council is authorizing the award of a construction contract for the Project.

BACKGROUND DISCUSSION:

The 2018 Citywide School Walk Route Enhancements Project ("Project") is intended to complete missing segments of sidewalks that connect to designated school walk routes for Juanita and also Alexander Graham Bell elementary schools (see Attachment A). The purpose of the Project is to promote pedestrian safety, decrease vehicular traffic speeds near schools, and to increase the number of kids walking and biking to and from school. This Project supports goals in the *Active Transportation Plan*, especially goal G4, "Increase the number of children who use active transportation to travel to and from school," and goal G3, "Add facilities for pedestrians;" and it supports goal T-1.6 in the *Transportation Master Plan*, "Make it safe and easy for children to walk to school and other destinations."

This Project will complete locations identified by the 2001 School Walk Route Committee that had the goal to fill sidewalk gaps on at least one side of all school walk routes on collectors and arterials. To date, 32 of the 38 school walk routes on the Committee's list are complete, as represented by green lines on Attachment B. The two that are the subject of this memo are represented by the yellow lines. The remaining four, represented by blue lines, are currently in design and are now scheduled for construction to begin next summer, with final completion planned by the end of 2019.

Through the design process, staff's outreach included reviewing proposed designs with immediately adjacent property owners, and a presentation at a Juanita Neighborhood Association meeting. Of particular interest during those meetings were potential impacts to private property improvements that encroached into the right-of-way, along with concerns about impacts to two mature evergreen trees located in the public right-of-way.

With assistance from the design consultant, the City's arborist, and the Streets and Public Grounds Division of Public Works, staff developed redesign solutions and discussed them with the adjacent property owners and other interested parties. After thorough review, staff and the neighborhood residents concluded that the Project goals could be achieved while preserving the two mature evergreen trees. The current design also minimizes impacts to private improvements along the right-of-way to the extent practicable.

With an engineer's estimate of \$778,500.00 for construction, the Project was first advertised on September 5, 2018 and bids were opened on September 27. A total of four bids were received, with Kamins Construction being the lowest responsive bidder (see Table 1):

Table 1: Bid Summary

CONTRACTOR	TOTAL BID
Kamins Construction	\$718,617.96
Axum General	\$739,431.89
<i>Engineer's Estimate</i>	<i>\$778,500.00</i>
CA Carey	\$1,071,368.00
A1 Landscaping	\$1,399,473.00

With 2018 Project planned soft costs of \$377,382, a construction contingency of \$72,000 (10%) and an award of a construction contract for \$718,618, the total anticipated cost for 2018 is \$1,168,000.

Funding

The six year total funding for the Citywide School Walk Route Enhancements project in the adopted 2017-2022 CIP is \$3,983,200. However, \$300,000 of that amount was unsecured grant funding. Though the City applied for a grant for 2018, the projects on the 2001 list did not align well with grant funding criteria, and no grant funding was received. Staff will continue to seek grant funding for the remaining projects on the list, however, the list was not created with an emphasis on alignment with grant-funding criteria, and the viability of future grant awards for the remaining four projects is questionable. All other funding in the Citywide School Walk Route Enhancements Project is planned from City resources, totaling \$3,683,200 through the end of fiscal year 2019.

- A companion consent calendar item on this agenda is an Acceptance of Work of a school walk route on 126th Avenue N.E. totaling \$355,023 (see Table 2, below).
- The two school walk route segments that are the subject of this staff report are projected to have a total cost of \$1,168,000.
- There then will be four school walk route projects remaining from the 2001 list that are planned for bid award in 2019, with an estimated total cost of \$2,581,000.

These actual and projected expenses total \$4,104,000, though the budgeted funding through 2019 is \$3,683,200. While there are sufficient funds available for this contract award, completing the remaining four school walk routes will likely require additional funding next year, currently estimated at \$420,800. Staff proposes to return to the Council about this potential budget issue in 2019 as more details about current and future projects are known.

Table 2: 2016-2019 School Walk Routes Budget

All budget numbers rounded

Program Year	Segment ID	Funding	Final/Est. Expenses	Difference
2016 *	MT6 (126th Ave NE)	\$1,000,000	\$355,000	\$645,000
2017/18 **	AGB2 (108th Ave NE)	\$1,393,200	\$763,000	\$630,200
2017/18 **	JN2 (94th Ave NE)	\$740,000	\$405,000	\$335,000
2019	MT3 (NE 104th St)	\$212,000	\$991,000	(\$779,000)
2019	MT6A (126th Ave NE Phase 2)	\$74,000	\$350,000	(\$276,000)
2019	PK8 (NE 95th St)	\$161,000	\$758,000	(\$597,000)
2019	PK11 (111th Ave NE)	\$103,000	\$482,000	(\$379,000)
Totals		\$3,683,200	\$4,104,000	(\$420,800)

* See companion 2016 project acceptance staff report on this November 7, 2018 consent calendar

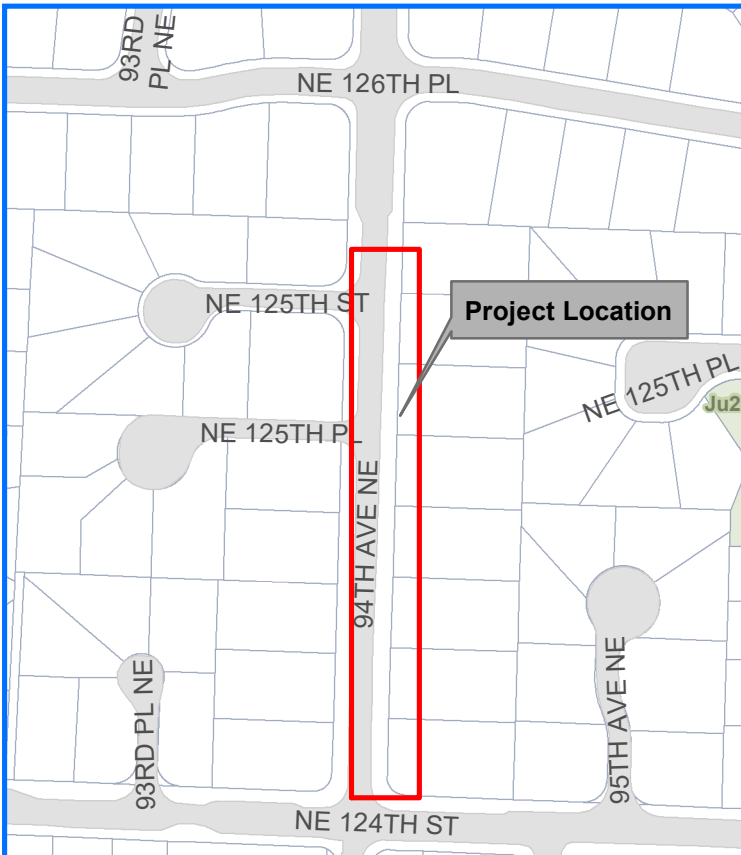
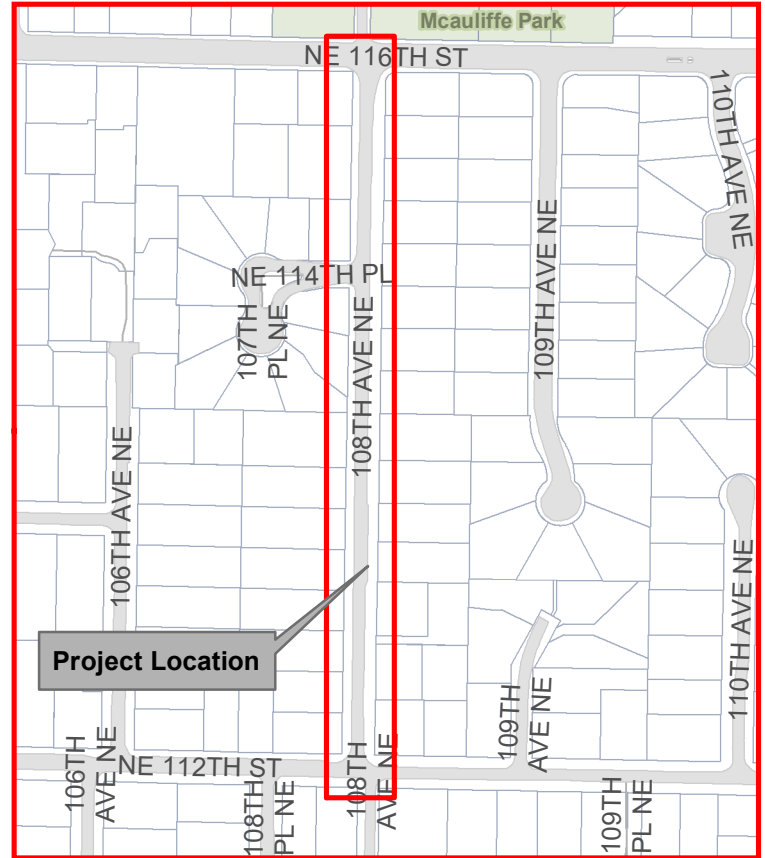
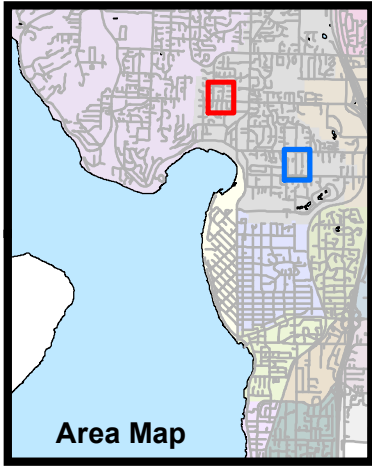
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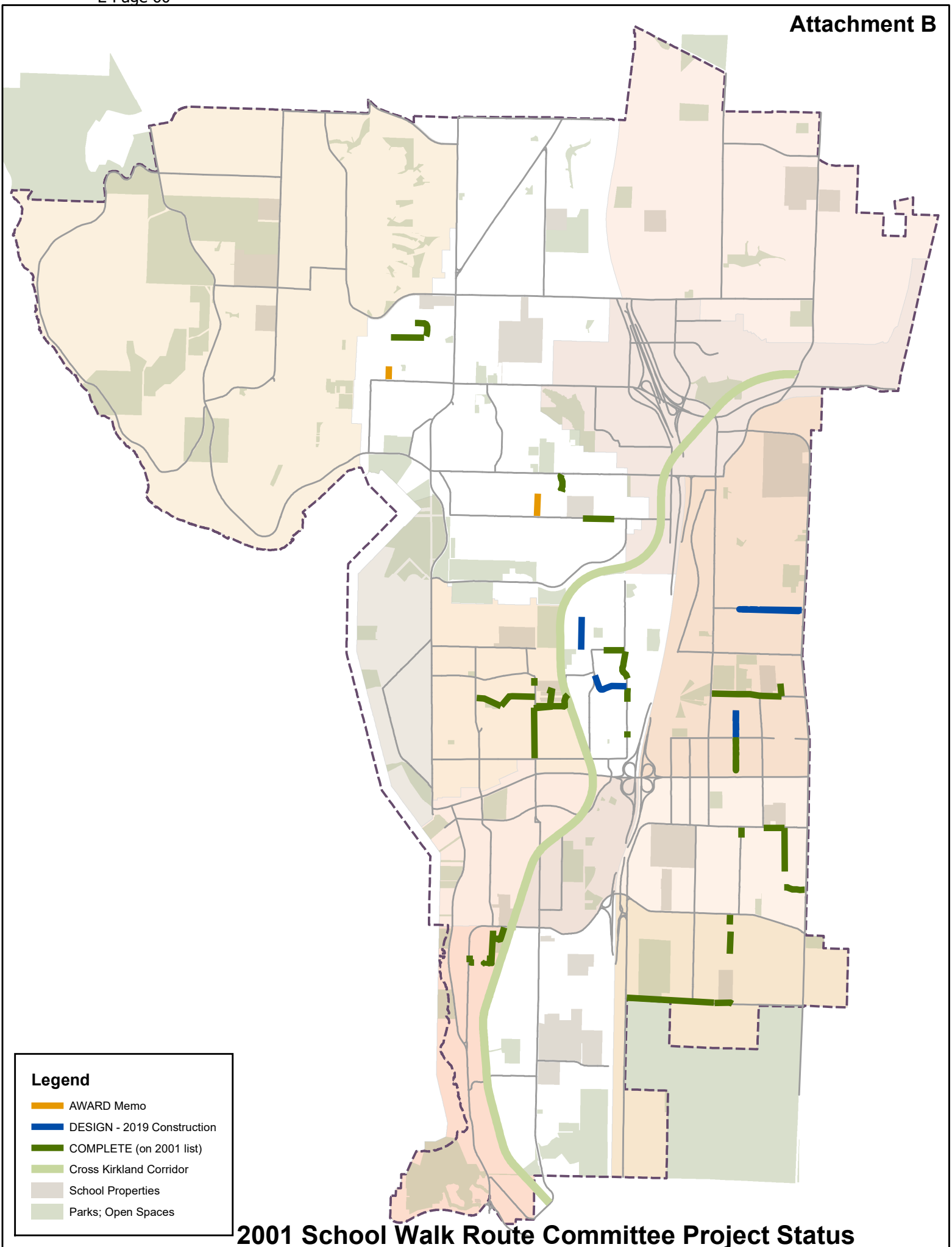
The lowest responsive bidder for the 2018 Project, Kamins Construction, has successfully completed multiple similar sidewalk projects, including the 2016 School Walk Route Enhancements program. With an award of the contract by the City Council at the November 7 meeting, construction is anticipated to start in late November/early December and be completed in spring, 2019. In advance of construction, staff will renew the public outreach process by notifying adjacent property owners with a construction informational mailer providing Project timelines and pertinent contact information. Project information, along with a regularly updated construction schedule, also will be posted on the Project's web site:

[Elementary School Walk Route Enhancements](#)

Attachment A: Vicinity Map

Attachment B: 2001 School Walk Route Committee Project Status





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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marius Eugenio Jr., P.E., Project Engineer
Dave Snider, P.E., Capital Projects Manager
John Starbard, Deputy Director
Kathy Brown, Public Works Director

Date: October 25, 2018

Subject: 2016 CITYWIDE SCHOOL WALK ROUTE ENHANCEMENTS
126th AVENUE N.E. SIDEWALK—ACCEPT WORK

RECOMMENDATION:

City Council to:

- Accept the work performed by Kamins Construction Company, Bothell, Washington for the 2016 Citywide School Walk Route Enhancements 126th Avenue NE Sidewalk ("Project"), thereby establishing the statutory lien period, and
- Authorize the transfer, at the time of Project close-out, of all remaining 2016 Project funds to the 2018 Citywide School Walk Route Enhancement project.

By taking action on this memo during approval of the consent calendar, the City Council is accepting the work for the Project and authorizing the use of remaining funds for the 2018 Citywide School Walk Route Enhancement projects.

BACKGROUND DISCUSSION:

The purpose of the Citywide School Walk Route Program is to promote pedestrian safety, to decrease vehicular traffic speeds near schools, and to increase the number of kids walking and biking to and from school. This Project supports goals in the *Active Transportation Plan*, especially goal G4, "Increase the number of children who use active transportation to travel to and from school," and goal G3, "Add facilities for pedestrians;" and it supports goal T-1.6 in the *Transportation Master Plan*, "Make it safe and easy for children to walk to school and other destinations."

In 2001, staff led an extensive community effort to review and inventory the walkability and safety of the Lake Washington School District's recommended school walk routes. A School Walk Route Committee was formed, which reviewed community input and created a list of recommended projects. That effort resulted in a list of over 55 planned improvements (sidewalk segments, traffic control devices, and maintenance items). A total of 38 of those were

school walk route sidewalk improvements, with the goal being to fill sidewalk gaps on at least one side of all school walk routes on collectors and arterials.

This Project is the first of two phases of "Mark Twain 6" (MT6) on the 2001 School Walk Route Committee's projects list. This first phase completed three missing segments of sidewalk along the western edge of 126th Avenue N.E., between N.E. 85th and N.E. 90th streets, in Kirkland's North Rose Hill Neighborhood (see Attachment A). The second phase of MT6, which currently is in design and is anticipated to be constructed in the summer of 2019, will extend from N.E. 90th Street to N.E. 95th Street.

The Phase I MT6 Project constructed new concrete sidewalks, planter strips, and two ADA-compliant sidewalk ramps in support of Mark Twain Elementary School's Walk Route Map. In addition to the pedestrian amenities, the Project also constructed basic surface water improvements with approximately 550 linear feet of new 12-inch storm pipe and catch basin structures.

At the meeting of May 16, 2017, the City Council awarded a construction contract to Kamins Construction in the amount of \$229,637.80. Construction began on June 26, 2017 and was physically complete on October 12, 2018, which included a one-year plant establishment and maintenance period. Through the management of the contract, one contract change order totaling \$5,478.90 (about 2 percent) was issued to cover various changes, including one driveway reconstruction, additional storm drainage work, and additional fencing. The total earned by the contractor for this Project was \$247,144.09, the difference (about 7.6 percent) is attributable to the change order and variations in estimated quantities. With all project costs accounted for, there remains a current budget surplus of approximately \$15,000. With the addition of the remaining 2016 funding, staff is estimating a rollover of approximately \$645,000 to be used for other school walk route enhancement projects (see Table 1, below).

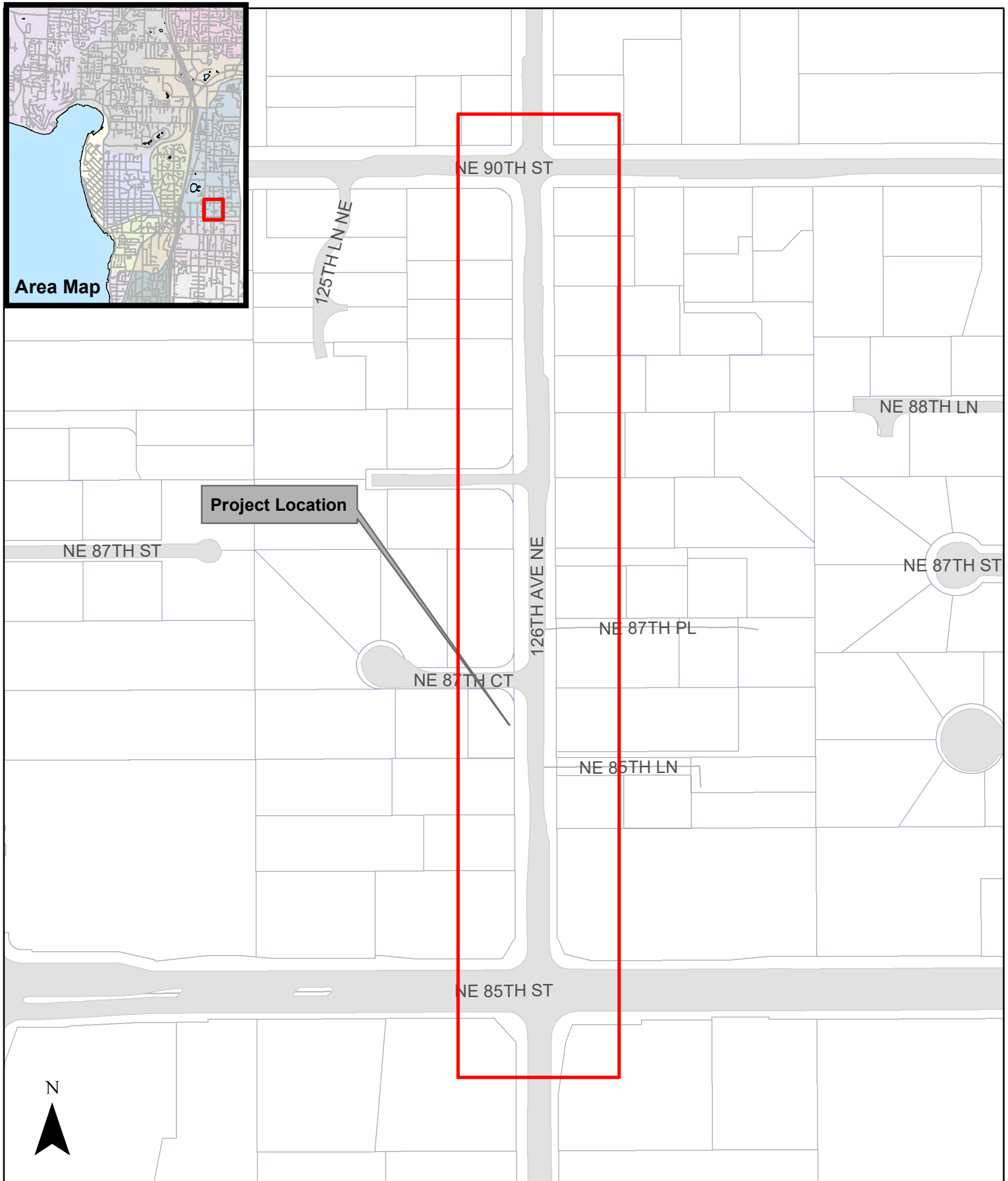
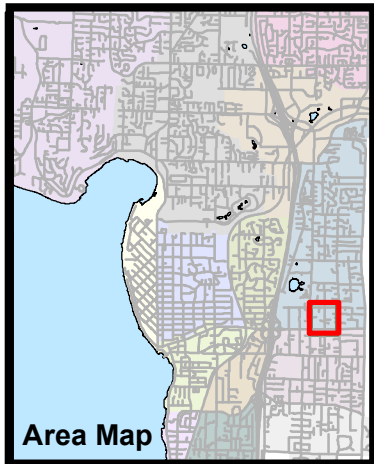
Table 1: School Walk Route Enhancements Project Budget

Category	Award Memo <i>Project Budget Report May 16, 2017</i>	Accept Memo	Difference
Admin/Design/Inspection	\$ 95,000	\$ 107,879	(\$ 12,879)
Construction	\$ 230,000	\$ 247,144	(\$ 17,144)
Contingency	\$ 45,000	\$ -	\$ 45,000
Total Anticipated Expenses	\$ 370,000	\$ 355,023	\$ 14,977

	Funding	Final Expenses	Difference
2016 Program	\$ 1,000,000	\$ 355,023	\$ 644,977

The Citywide School Walk Route Program is an annual one. Staff recommends that the balance of funds from 2016 Project remain in the Citywide School Walk Route Enhancements CIP project (NM-0087) to be applied to future Citywide School Walk Route Enhancement projects, beginning with the 2018 project, the award of which is a companion consent calendar item on the November 7, 2018 City Council Agenda.

Attachment A: Vicinity Map



**CITY OF KIRKLAND**

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Greg Piland, Purchasing Agent

Date: October 25, 2018

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF November 7, 2018.

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of \$50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report dated October 4, 2018 are as follows:

	Project	Process	Estimate/Price	Status
1.	Advance mitigation project, Forbes A & B	Invitation for Bids	\$887,219.30	Contract awarded to OMA Construction, Inc. of Maple Valley, WA.
2.	Citywide school walk route project construction management	Architect and Engineer Roster	\$106,310.00	Contract awarded to Parametrix, Inc. of Spokane, WA based on qualifications per RCW 39.80

Please contact Greg Piland if you have any questions regarding this report.



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Tom Mikesell, Financial Planning Manager

Date: October 25, 2018

Subject: 2019 NORCOM BUDGET APPROVAL

RECOMMENDATION

City Council approves the attached Resolution approving Kirkland's share of the 2019 NORCOM budget.

BACKGROUND

The North East King County Regional Public Safety Communications Agency (NORCOM) was formed in November, 2007 and began dispatch operations on July 1, 2009. The interlocal agreement forming NORCOM calls for each participating agency to approve their portion of NORCOM's budget before the NORCOM budget is adopted, which will occur this year on December 14, 2018 (ILA Section 12(c)). Technically, the City of Kirkland approves NORCOM's budget as part of the adoption of Kirkland's 2019-2020 budget which will occur on December 11, 2018. This resolution will provide NORCOM the documentation it needs to finalize their 2019 budget.

For NORCOM as a whole, user assessments are increasing an average of 1.0%. The Kirkland Fire Department assessment is decreasing by 3.47% in 2019 due to a lower proportion of fire calls compared to all NORCOM fire agencies' calls. Kirkland's fire and emergency medical calls represent 10.7% of all fire and EMS calls to NORCOM. Similarly, the Kirkland Police Department assessment is decreasing by 2.79% due to a lower proportion of total police calls. Kirkland's police calls represent 34.1% of all police calls to NORCOM.

The proposed NORCOM rates are summarized in the table below. Staff is recommending that the City Council approve the 2019 NORCOM Budget at the same level as 2018 adopted budget in anticipation of increased assessments in 2020, applying the savings in 2019 toward the increase in 2020. An update to the 2020 rates will be received in 2019 once NORCOM has prepared their 2020 Budget.

	Kirkland Police	Kirkland Fire	Total
2018 Adopted Budget	2,145,225	507,263	2,652,488
2019 Proposed Budget	2,145,225	507,263	2,652,488
2019 NORCOM Assessment	2,085,295	489,671	2,574,966
Net Change	(59,930)	(17,592)	(77,522)

RESOLUTION R-5340

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
APPROVING THE CITY OF KIRKLAND'S ALLOCATION FOR THE NORTH
EAST KING COUNTY REGIONAL PUBLIC SAFETY COMMUNICATIONS
AGENCY (NORCOM) BUDGET

1 WHEREAS, the North East King County Regional Public Safety
2 Communications Agency (NORCOM) was formed effective November 1,
3 2007; and

4
5 WHEREAS, NORCOM is in the process of adopting its annual
6 budget for 2019; and

7
8 WHEREAS, the NORCOM Interlocal Agreement, to which the City
9 is a party, requires that the City Council approve the City's allocation for
10 NORCOM's budget;

11
12 NOW, THEREFORE, be it resolved by the City Council of the City
13 of Kirkland as follows:

14
15 Section 1. The City of Kirkland's allocation for the North East
16 King County Regional Public Safety Communications Agency (NORCOM)
17 budget, as proposed in the City of Kirkland 2019-2020 Budget, is
18 approved.

19
20 Passed by majority vote of the Kirkland City Council in open
21 meeting this ____ day of _____, 2018.

22
23 Signed in authentication thereof this ____ day of _____, 2018.

Amy Walen, Mayor

Attest:

Kathi Anderson, City Clerk

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

To: Kurt Triplett, City Manager

From: Katy Coleman, Sr. Development Engineering Analyst
Kathy Brown, Public Works Director

Date: October 25, 2018

Subject: RESOLUTION TO RECOGNIZE THE VACATION OF AND RELINQUISH ANY AND ALL OF THE CITY'S INTEREST, EXCEPT FOR A UTILITY EASEMENT, IN UNOPENED RIGHT-OF-WAY VAC18-00569, "SCHWARZ"

RECOMMENDATION:

City Council adopts the attached Resolution recognizing the vacation of and relinquishing any and all interest, except for a utility easement, in the portion of unopened right-of-way abutting the parcel at 415-9th Avenue. Specifically, the subject right-of-way is identified as the north 8 feet of the unopened alley abutting the south boundary of the following described property: Lots 11 and 12, Block 172, Town of Kirkland, as recorded in Volume 6 of Plats, page 53, records of King County, Washington.

Approval of this memo by adopting the Consent Calendar will recognize the vacation of, and authorize relinquishing interest, except for a utility easement, in said right-of-way.

BACKGROUND DISCUSSION:

The unopened portion of the right-of-way abutting the property of 415-9th Avenue (see Attachment A) originally was platted and dedicated in 1890 as Town of Kirkland. The "Five Year Non-User Statute" in Washington State law provides that any street or right-of-way platted, dedicated, or deeded prior to March 12, 1904, which was outside City jurisdiction when dedicated, and which remained unopened or unimproved for five continuous years, is then vacated. This area was part of the incorporation of the City in 1905. The subject right-of-way has not been opened or improved. By operation of law it has been vacated, though it still appears on the City's records as unopened right-of-way.

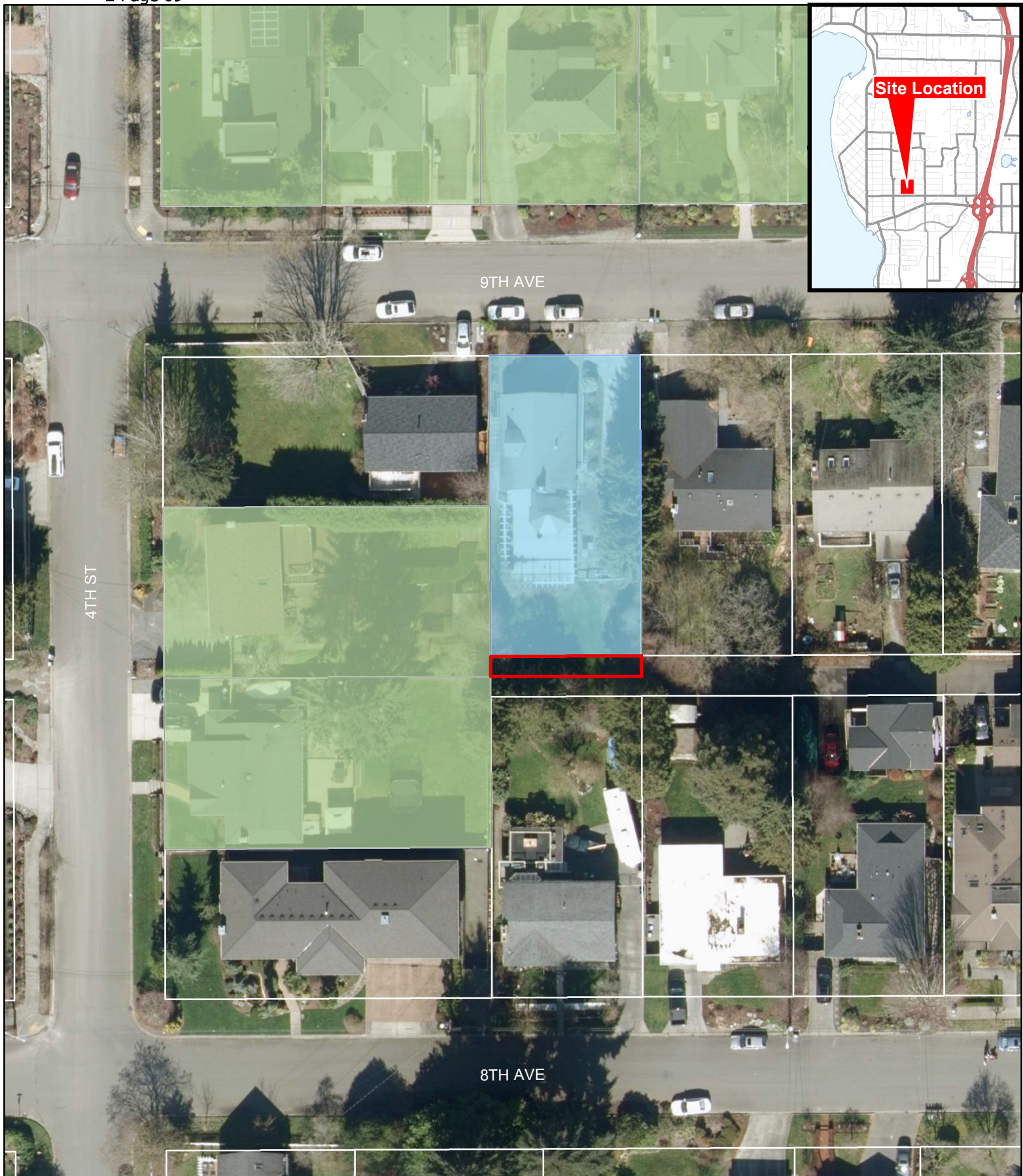
The King County Recorder's Office will not recognize such a de facto right-of-way vacation unless the jurisdiction in which it is located takes legislative action. In Kirkland, when property owners request acknowledgement of such right-of-way vacations, City staff asks for supporting documentation and, if satisfactory, asks the Council to act on a Resolution that recognizes the vacation and relinquishes interest in the property, if any. This method is accepted by King County.

Nathan and Jana Schwarz, owners of the property abutting this unopened right-of-way, submitted information to the City documenting that the right-of-way is subject to the Five Year

Non-User Statute (Vacation by Operation of Law), Laws of 1889, Chapter 19, Section 32. In this case, the City has asked the owners, and the owners have agreed, to grant the City a utility easement within the unopened right-of-way, in order to accommodate an existing side sewer and to provide options in the future for both the City and the property owners.

After reviewing this information, the City Attorney concurs with the owners, and recommends approval of the enclosed Resolution to bring closure to the matter.

Attachment A: Site and Vicinity Map
Attachment B: Proposed Resolution



**Schwarz Property
Non-User Vacation Exhibit
415 9th Avenue**



- Schwarz Property
- Proposed Vacation Recognition
- Non-User Vacations Recognized

Produced by the City of Kirkland.

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

Printed 2018 - Public Works

RESOLUTION R-5341

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE, EXCEPT FOR A UTILITY EASEMENT, IN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS NATHAN AND JANA SCHWARZ

1 WHEREAS, the City has received a request to recognize that any
2 rights to the land originally dedicated in 1890 as right-of-way abutting
3 a portion of Town of Kirkland have been vacated by operation of law;
4 and

5
6 WHEREAS, the Laws of 1889, Chapter 19, Section 32, provide
7 that any county road that remains unopened for five years after
8 authority is granted for opening the same is vacated by operation of law
9 at that time; and

10
11 WHEREAS, the area that is the subject of this request was part
12 of the incorporation of the City of Kirkland in 1905, with the relevant
13 right-of-way having been unopened; and

14
15 WHEREAS, in consideration for reimbursing the administrative
16 costs for doing so and granting the City a utility easement in the vacated
17 area, the City is willing to recognize the vacation may have occurred,
18

19 NOW, THEREFORE, BE IT RESOLVED by the City Council of the
20 City of Kirkland as follows:

21
22 Section 1. As requested by the property owners Nathan and Jana
23 Schwarz, the City Council of the City of Kirkland hereby recognizes that
24 the following described right-of-way may have been vacated by
25 operation of law and relinquishes all interest it may have, except for a
26 utility easement, in that portions of right-of-way described as follows:

27
28 The north 8 feet of the unopened alley, or whatever portion remains
29 for recognition of possible vacation by this Resolution, abutting the
30 south boundary of the following described property: Lots 11 and 12,
31 Block 172, Town of Kirkland, according to the plat thereof, recorded in
32 Volume 6 of Plats, page 53, in King County, Washington.

33
34 Section 2. This resolution does not affect any third party rights
35 in the property, if any.

36
37 Passed by majority vote of the Kirkland City Council in open
38 meeting this ____ day of _____, 2018
39

40 Signed in authentication thereof this _____ day of
41 _____, 2018.

Amy Walen, Mayor

Attest:

Kathi Anderson, City Clerk



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
William Evans, Assistant City Attorney
Chris Dodd, Facilities Services Manager

Date: October 17, 2018

Subject: SURPLUSING AND SALE OF 8411 NE 141ST STREET, KIRKLAND, WA 98034

RECOMMENDATION:

As allowed by RCW 35A.11.010, Council declares the City-owned property at 8411 NE 141st Street, Kirkland, WA 98034 surplus and authorizes the City Manager to execute all documents necessary to complete the sale.

By approving the attached resolution as part of the consent calendar, the Council surpluses the property and authorizes the City Manager to complete the sale.

BACKGROUND DISCUSSION:

When the City of Kirkland ("City") annexed the Finn Hill neighborhood in 2011, it absorbed Fire District 41 and its assets. Fire Station 24 located at 8411 NE 141st Street, Kirkland, WA 98034 was one of those assets.

Built in 1993/1994, the Fire Station was staffed part-time by Fire District 41 crews and volunteers. Most recently, the property was used as a temporary home for crews during the renovation of Fire Station 25. With the Fire Station 25 renovation project coming to a close, the property is now vacant.

The Council has received updates on the relocation of Fire Station 24 located at 9820 NE 132nd Street, Kirkland, WA 98034. In those discussions, it was identified that the sale of Fire Station 24 is a component of the New Fire Station 24 project financing, while satisfying the agreement between the City and Fire District 41 that all funds from the sale of the property would be used to bring better fire rescue services to the former Fire District 41 service area.

The City has received many inquiries about the property over the years. With a very competitive real estate climate, staff decided it would be prudent to hire a real estate professional to introduce the property to as many buyers as possible.

On September 10, 2018, the City entered into an exclusive sales listing agreement with Metropolist to list the property. Metropolist was chosen to represent the City as the property is unique in nature and has a wide range of possibilities. Metropolist has experience soliciting both residential and commercial buyers, creating competition, and bringing multiple offers to the table.

The property was publicly listed in September of 2018, with a call for offers on September 24, 2018 and final offers due September 28, 2018. 6 offers were received with offer prices from \$680,000 to \$715,000 with escalation in several of the offers of up to \$850,000.

Purchase price was only one of many important proposed terms including:

- Escalation clause
- Earnest money
- Feasibility period
- Closing date
- Financing ability for a unique property
- Ability to navigate the change of use with the City and King County

After evaluating the offers with Metropolist, the offer submitted by Lwin-Nemoto Investment Group was deemed to be the strongest offer. The terms offered included: \$737,500, no financing contingencies, \$10,000 in earnest money and a closing date of November 9, 2018. The purchase and sale agreement and addendums for Lwin-Nemoto Investment Group is included as Exhibit A to the enclosed Resolution.

The attached resolution declares the property surplus and authorizes the City Manager to execute all documents necessary to complete the sale. The net proceeds from the sale, minus broker's commission, will go directly to the capital project for constructing a new Fire Station 24. Note that the original financing plan assumed proceeds of \$470,300, so the higher sales price will help defray some of the cost increases due to construction inflation. Note that all proceeds from the sale must be used to improve service to the former Fire District 41 service area.

RESOLUTION R-5342

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
DECLARING THE PROPERTY AT 8411 NE 141ST STREET, KIRKLAND,
WASHINGTON TO BE SURPLUS TO THE NEEDS OF THE CITY AND
AUTHORIZING THE CITY MANAGER TO COMPLETE THE SALE OF THAT
PROPERTY

1 WHEREAS, the City of Kirkland obtained Fire Station 24
2 ("Station") located at 8411 NE 141ST Street, Kirkland, WA from Fire
3 District 41 during the 2011 annexation; and
4

5 WHEREAS, the sale of the Station was identified by Council as a
6 component of the New Fire Station 24 financing in conformity with an
7 annexation agreement between the City and Fire District 41, which
8 requires that former District 41 assets would be used to bring better fire
9 rescue services to District 41's former service area; and
10

11 WHEREAS, now that the Station is vacant, the City finds that the
12 property located at 8411 NE 141ST Street, Kirkland, Washington, is not
13 needed for current or future City purposes and is therefore surplus to
14 its needs; and
15

16 WHEREAS, the City retained the real estate sales firm of
17 Metropolist to market the property on behalf of the City; and
18

19 WHEREAS, in response to a public listing of the property by
20 Metropolist, a total of six purchase offers were received with proposed
21 sales prices ranging from \$680,000 to \$715,000 with escalation clauses
22 in some offers of up to \$850,000 together with other substantive and
23 varying terms, including those related to escalation clauses, earnest
24 money, feasibility periods, closing dates, financing and change of use;
25 and
26

27 WHEREAS, City staff has evaluated the purchase offers and has
28 recommended that the property be sold by the City to the Lwin-Nemoto
29 Investment Group for a purchase price of \$737,500, with no financing
30 contingencies, a \$10,000 earnest money deposit, and a closing dated
31 of November 8, 2018, terms satisfactory to the City; and
32

33 WHEREAS, it is in the public interest for the City to enter into a
34 purchase and sale agreement with the Lwin-Nemoto Investment Group
35 at this time to secure terms which the City desires.
36

37 NOW, THEREFORE, be it resolved by the City Council of the City
38 of Kirkland as follows:
39

40 Section 1. Ownership of the property at 8411 NE 141ST Street is
41 declared surplus to the needs of the City.
42

43 Section 2. The City Manager is hereby authorized and directed
44 to complete the sale of the above described property to the Lwin-
45 Nemoto Investment Group on terms which are substantially similar to
46 those included in the purchase and sale agreement attached hereto as
47 Exhibit A.

48
49 Passed by majority vote of the Kirkland City Council in open meeting
50 this ____ day of _____, 2018.

51
52 Signed in authentication thereof this ____ day of _____,
53 2018.

Amy Walen, Mayor

Attest:

Kathi Anderson, City Clerk

Form 21
Residential Purchase & Sale Agreement
Rev. 2/17
Page 1 of 5



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Northwest Multiple Listing Service
ALL RIGHTS RESERVED

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT SPECIFIC TERMS

1. **Date:** September 24, 2018 **MLS No.:** 1347743 **Offer Expiration Date:** 9/28/2018
2. **Buyer:** Lwin-Nemoto Investment Group
Buyer _____ Buyer _____ Status _____
3. **Seller:** City of Kirkland
Seller _____ Seller _____
4. **Property:** Legal Description attached as Exhibit A. Tax Parcel No(s): 6675500210, _____, _____
8411 NE 141st Street Kirkland King WA 98034
Address _____ City _____ County _____ State _____ Zip _____
5. **Included Items:** ☒ stove/range; ☒ refrigerator; ☒ washer; ☒ dryer; ☒ dishwasher; ☐ hot tub; ☐ fireplace insert;
☐ wood stove; ☐ satellite dish; ☐ security system; ☐ attached television(s); ☐ attached speaker(s); ☐ microwave;
☒ generator; ☐ other _____
6. **Purchase Price:** \$ 700,000.00 Seven Hundred Thousand _____ Dollars
7. **Earnest Money:** \$ 10,000.00 ☒ Check; ☐ Note; ☐ Other _____ (held by ☐ Selling Firm; ☒ Closing Agent)
8. **Default:** (check only one) ☐ Forfeiture of Earnest Money; ☐ Seller's Election of Remedies
9. **Title Insurance Company:** ~~TBD~~ Chicago Title L7 10/10/2018 TD 10/09/2018
10. **Closing Agent:** ~~TBD~~ Paula Adams L7 10/10/2018 TD 10/09/2018
Company _____ Individual (optional) _____
11. **Closing Date:** 10/15/2018; **Possession Date:** ☒ on Closing; ☐ Other _____
12. **Services of Closing Agent for Payment of Utilities:** ☒ Requested (attach NWMLS Form 22K); ☐ Waived
13. **Charges/Assessments Levied Before but Due After Closing:** ☐ assumed by Buyer; ☒ prepaid in full by Seller at Closing
14. **Seller Citizenship (FIRPTA):** Seller ☐ is; ☒ is not a foreign person for purposes of U.S. income taxation
15. **Agency Disclosure:** Selling Broker represents: ☒ Buyer; ☐ Seller; ☐ both parties; ☐ neither party
Listing Broker represents: ☒ Seller; ☐ both parties
16. **Addenda:** 34(Addendum) 22K(Utilities) 22T(Title Contingency) 35(Inspection)

Authentisign 09/24/2018
Lwin-Nemoto Investment Group
09/24/2018 04:28:07 PM PDT Date
Buyer's Signature _____ Date _____
Buyer's Address _____
City, State, Zip _____
Phone No. _____ Fax No. _____
kekoa@lwin-nemoto.com
Buyer's E-mail Address
Caliber Real Estate **2924**
Selling Firm _____ MLS Office No. _____
Ted Marshall **102557**
Selling Broker (Print) _____ MLS LAG No. _____
(425) 320-3204 **(206) 999-9307** **(425) 671-9513**
Firm Phone No. _____ Broker Phone No. _____ Firm Fax No. _____
files@caliberre.com
Selling Firm Document E-mail Address
mybrokerted@outlook.com
Selling Broker's E-mail Address
118688 **19065**
Selling Broker DOL License No. _____ Selling Firm DOL License No. _____

Authentisign
Tracey Dunlap Deputy City Manager
Seller's Signature 10/9/2018 4:44:15 PM PDT Date
Seller's Signature _____ Date _____
123 5th Avenue
Seller's Address _____
Kirkland WA, 98033
City, State, Zip _____
(425) 587-3000
Phone No. _____ Fax No. _____
tdunlap@kirklandwa.gov
Seller's E-mail Address
METROPOLIST **3459**
Listing Firm _____ MLS Office No. _____
Kelly Gaddis **114803**
Listing Broker (Print) _____ MLS LAG No. _____
(206) 623-5118 **(206) 877-2757**
Firm Phone No. _____ Broker Phone No. _____ Firm Fax No. _____
NinjaWorks@metropolistgroup.com
Listing Firm Document E-mail Address
Kellyg@metropolistgroup.com
Listing Broker's E-mail Address
129429 **19557**
Listing Broker DOL License No. _____ Listing Firm DOL License No. _____

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

- a. Purchase Price.** Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement.
- b. Earnest Money.** Buyer shall deliver the Earnest Money within 2 days after mutual acceptance to Selling Broker or to Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Selling Firm must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.
- Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.
- c. Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title before Closing.
- d. Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.
- e. Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy, together with homeowner's additional protection and inflation protection endorsements, if available. The Title Insurance Company

LP

09/24/2018

Buyer's Initials Date

JD

10/09/2018

Seller's Initials Date

Seller's Initials Date

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Selling Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in the Policy and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide insurable title.

- f. Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. Seller shall either repair or replace any system or appliance (including, but not limited to plumbing, heat, electrical, and all Included Items) that becomes inoperative or malfunctions prior to Closing with a system or appliance of at least equal quality. Buyer reserves the right to walk through the Property within 5 days of Closing to verify that Seller has maintained the Property and systems/appliances as required by this paragraph. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. If possession transfers at a time other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.

RCW 19.27.530 requires the seller of any owner-occupied single-family residence to equip the residence with a carbon monoxide alarm(s) in accordance with the state building code before a buyer or any other person may legally occupy the residence following the sale. The parties acknowledge that the Brokers are not responsible for ensuring that Seller complies with RCW 19.27.530. Buyer and Seller shall hold the Brokers and their Firms harmless from any claim resulting from Seller's failure to install a carbon monoxide alarm(s) in the Property.

- g. Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

- h. Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 12, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).

Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 13.

- i. Sale Information.** Listing Broker and Selling Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale.

[L7]

09/24/2018

Buyer's Initials Date

[SD]

10/09/2018

Seller's Initials Date

Seller's Initials Date

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

- j. Seller Citizenship and FIRPTA.** Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
- k. Notices and Delivery of Documents.** Any notice related to this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed delivered only when the notice is received by Seller, by Listing Broker, or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed delivered only when the notice is received by Buyer, by Selling Broker, or at the licensed office of Selling Broker. Documents related to this Agreement, such as NWMLS Form 17, Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, and all other documents shall be delivered pursuant to this paragraph. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses specified on page one of this Agreement; or (ii) Selling Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment). At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document.
- l. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- m. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- n. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- o. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply:
- i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
- ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- p. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party is entitled to reasonable attorneys' fees and expenses.
- q. Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

 LT 09/24/2018

Buyer's Initials Date

 JD 10/09/2018

Seller's Initials Date

Seller's Initials Date

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

- r. Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of or change to Seller's name and Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 172-177
- s. Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn. 178-180
- t. Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency." 181-189
- u. Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement. 190-197
- v. Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 198-200
- w. Information Verification Period.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 201-204
- x. Property Condition Disclaimer.** Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers. 205-223

17 09/24/2018

Buyer's Initials Date

JD 10/09/2018

Buyer's Initials Date

Seller's Initials Date

Seller's Initials Date



ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
 between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
 and City of Kirkland ("Seller") 3
Seller Seller
 concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

PERSONAL PROPERTY: Unless otherwise agreed, Seller shall remove all personal property from the Property prior to the Possession Date. Any personal property remaining on the Property thereafter shall become the property of Buyer, and may be retained or disposed of as Buyer determines. 6-9

~~This transaction is Contingent on the Seller providing documentation 7 days prior to closing that the Property can be used as a single family residence.~~ 10-13

~~This transaction is Contingent on the Seller providing documentation 7 days prior to closing that the Property can be used as a single family residence if the conditions identified by Seller and King County in that documentation are completed by Buyer.~~ 14-18

~~Upon Mutual Acceptance, Seller shall grant permission to Buyer to obtain electrical permit and perform the electrical modifications to the property as detailed in the letter from the City of Kirkland, dated 9/28/18 and attached as Exhibit B. All work shall be performed by licensed and bonded electrical contractors, and shall be paid for at the sole expense of the Buyer.~~ 19-28

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

[Signature] 09/24/2018

Buyer's Initials

Date

Buyer's Initials

Date

[Signature] 10/09/2018

Seller's Initials

Date

Seller's Initials

Date



Form 22K
Identification of Utilities Addendum
Rev. 5/14
Page 1 of 1

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IDENTIFICATION OF UTILITIES ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1

between **Lwin-Nemoto Investment Group** (“Buyer”) 2

and **City of Kirkland** (“Seller”) 3

concerning **8411 NE 141st Street** **Kirkland** **WA 98034** (the “Property”). 4

Pursuant to RCW 60.80, Buyer and Seller request the Closing Agent to administer the disbursement of closing funds necessary to satisfy unpaid utility charges, if any, affecting the Property. The names and addresses of all utilities providing service to the Property and having lien rights are as follows:

WATER DISTRICT:

Name		9
Address		10
City, State, Zip	Fax. No.	

SEWER DISTRICT:

Name		11
Address		12
City, State, Zip	Fax. No.	13

IRRIGATION DISTRICT:

Name	14
Address	15
City, State, Zip	16
Fax. No.	

GARBAGE:

Name	17
Address	18
City, State, Zip	19
Fax. No.	

ELECTRICITY:

Name	20
Address	21
City, State, Zip	22
Fax. No.	

GAS: _____ 23

Name _____

_____ 24
Address

_____ 25
City, State, Zip Fax. No.

SPECIAL DISTRICT(S):
(local improvement districts or
utility local improvement districts)

Name	26
Address	27
City, State, Zip	28
Fax. No.	

If the above information has not been filled in at the time of mutual acceptance of this Agreement, then (1) within _____ days (5 if not filled in) of mutual acceptance of this Agreement, Seller shall provide the Listing Broker or Selling Broker with the names and addresses of all utility providers having lien rights affecting the Property and (2) Buyer and Seller authorize Listing Broker or Selling Broker to insert into this Addendum the names and addresses of the utility providers identified by Seller.

Nothing in this Addendum shall be construed to diminish or alter the Seller's obligation to pay all utility charges (including unbilled charges). Buyer understands that the Listing Broker and Selling Broker are not responsible for, or to insure payment of, Seller's utility charges.

L7 09/24/2018
 JD 10/09/2018

Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date



Form 22T
Title Contingency Addendum
Rev. 7/15
Page 1 of 1

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TITLE CONTINGENCY ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

1. **Title Contingency.** This Agreement is subject to Buyer's review of a preliminary commitment for title insurance, 5
together with any easements, covenants, conditions and restrictions of record. Buyer shall have _____ 6
days (5 days if not filled in) from ☒ the date of Buyer's receipt of the preliminary commitment for title insurance; 7
or ☐ mutual acceptance (from the date of Buyer's receipt, if neither box checked) to give notice of Buyer's 8
disapproval of exceptions contained in the preliminary commitment. 9

Seller shall have _____ days (5 days if not filled in) after Buyer's notice of disapproval to give Buyer 10
notice that Seller will clear all disapproved exceptions. Seller shall have until the Closing Date to clear all 11
disapproved exceptions. 12

If Seller does not give timely notice that Seller will clear all disapproved exceptions, Buyer may terminate this 13
Agreement within 3 days after the deadline for Seller's notice. In the event Buyer elects to terminate the 14
Agreement, the Earnest Money shall be returned to Buyer. If Buyer does not timely terminate the Agreement, 15
Buyer shall be deemed to have waived all objections to title, which Seller did not agree to clear. 16

2. **Supplemental Title Reports.** If supplemental title reports disclose new exception(s) to the title commitment, 17
then the above time periods and procedures for notice, correction, and termination for those new exceptions 18
shall apply to the date of Buyer's receipt of the supplemental title report. The Closing date shall be extended as 19
necessary to accommodate the foregoing times for notices. 20

3. **Marketable Title.** This Addendum does not relieve Seller of the obligation to provide marketable title at Closing 21
as provided for in the Agreement. 22

[L?] 09/24/2018

Buyer's Initials

Date

Buyer's Initials

Date

[JD] 10/09/2018

Seller's Initials

Date

Seller's Initials

Date



Form 35
Inspection Addendum
Rev. 7/15
Page 1 of 2

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INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

1. ☐ a. **INSPECTION CONTINGENCY.** This Agreement is conditioned on Buyer's subjective satisfaction with 5
inspections of the Property and the improvements on the Property. Buyer's inspections may include, at 6
Buyer's option and without limitation, the structural, mechanical and general condition of the 7
improvements to the Property, compliance with building and zoning codes, an inspection of the Property 8
for hazardous materials, a pest inspection, and a soils/stability inspection. The inspection must be 9
performed by Buyer or a person licensed (or exempt from licensing) under Chapter 18.280 RCW. 10

Sewer Inspection. Buyer's inspection of the Property ☐ may; ☐ may not (may, if not checked) include 11
an inspection of the sewer system, which may include a sewer line video inspection and assessment and 12
may require the inspector to remove toilets or other fixtures to access the sewer line. 13

Buyer's Obligations. All inspections are to be (a) ordered by Buyer, (b) performed by inspectors of 14
Buyer's choice, and (c) completed at Buyer's expense. Buyer shall not alter the Property or any 15
improvements on the Property without first obtaining Seller's permission. Buyer is solely responsible for 16
interviewing and selecting all inspectors. Buyer shall restore the Property and all improvements on the 17
Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all 18
damages resulting from any inspection of the Property performed on Buyer's behalf. 19

BUYER'S NOTICE. This inspection contingency SHALL CONCLUSIVELY BE DEEMED WAIVED 20
unless within _____ days (10 days if not filled in) after mutual acceptance of this Agreement (the "Initial 21
Inspection Period"), Buyer gives notice (1) approving the inspection and waiving this contingency; (2) 22
disapproving the inspection and terminating the Agreement; (3) that Buyer will conduct additional inspections; 23
or (4) proposing repairs to the property or modifications to the Agreement. If Buyer disapproves the inspection 24
and terminates the Agreement, the Earnest Money shall be refunded to Buyer. If Buyer proposes repairs to the 25
property or modifications to the Agreement, including adjustments to the purchase price or credits for repairs to 26
be performed after Closing, the parties shall negotiate as set forth in paragraph 1.c, below. The parties may 27
use NWMLS Form 35R to give notices required by this Addendum. 28

ATTENTION BUYER: If Buyer fails to give timely notice, then this inspection contingency shall be 29
deemed waived and Seller shall not be obligated to make any repairs or modifications. 30

b. **Additional Inspections.** If an inspector so recommends, Buyer may obtain further evaluation of any item 31
by a specialist at Buyer's option and expense if, on or before the end of the Initial Inspection Period, 32
Buyer provides Seller a copy of the inspector's recommendation and notice that Buyer will seek additional 33
inspections. If Buyer gives timely notice of additional inspections, Buyer shall have _____ (5 days if 34
not filled in) after giving the notice to obtain the additional inspection(s) by a specialist. 35

c. **Buyer's Requests for Repairs or Modifications.** If Buyer requests repairs or modifications under 36
paragraph 1.a or 1.b. above, the parties shall negotiate as set forth in this paragraph. All requests, 37
responses, and replies made in accordance with the following procedures are irrevocable for the time 38
period provided. 39

(i) **Seller's Response to Request for Repairs or Modifications.** Seller shall have _____ days (3 40
days if not filled in) after receipt of Buyer's request for repairs or modifications to give notice that Seller 41
(a) agrees to the repairs or modifications proposed by Buyer; (b) agrees to some of the repairs or 42
modifications proposed by Buyer; (c) rejects all repairs or modifications proposed by Buyer; or (d) 43
offers different or additional repairs or modifications. If Seller agrees to the terms of Buyer's request for 44
repairs or modifications, this contingency shall be satisfied and Buyer's Reply shall not be necessary. If 45
Seller does not agree to all of Buyer's repairs or modifications, Buyer shall have an opportunity to 46
reply, as follows: 47

17

09/24/2018

Buyer's Initials

Date

Buyer's Initials

Date

JD

10/09/2018

Seller's Initials

Date

Seller's Initials

Date

INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

Continued

(ii) **Buyer's Reply.** If Seller does not agree to all of the repairs or modifications proposed by Buyer, Buyer shall have _____ days (3 days if not filled in) from either the day Buyer receives Seller's response or, if Seller fails to respond, the day Seller's response period ends, whichever is earlier, to (a) accept the Seller's response at which time this contingency shall be satisfied; (b) agree with the Seller on other remedies; or (c) disapprove the inspection and terminate the Agreement, in which event, the Earnest Money shall be refunded to Buyer.

ATTENTION BUYER: These time periods for negotiating repairs or modifications shall not repeat. The parties must either reach a written agreement or Buyer must terminate this Agreement by the Buyer's Reply deadline set forth in paragraph 1.c.ii. Buyer's inaction during Buyer's reply period shall result in waiver of this inspection condition, in which case Seller shall not be obligated to make any repairs or modifications whatsoever AND THIS CONTINGENCY SHALL BE DEEMED WAIVED.

d. **Repairs.** If Seller agrees to make the repairs proposed by Buyer, then repairs shall be accomplished at Seller's expense in a commercially reasonable manner and in accordance with all applicable laws no fewer than _____ days (3 days if not filled in) prior to the Closing Date. In the case of hazardous materials, "repair" means removal or treatment (including but not limited to removal or, at Seller's option, decommissioning of any oil storage tanks) of the hazardous material at Seller's expense as recommended by and under the direction of a professional selected by Seller. Seller's repairs are subject to re-inspection and approval, prior to Closing, by the inspector who recommended the repair, if Buyer elects to order and pay for such re-inspection. If Buyer agrees to pay for any repairs prior to Closing, the parties are advised to seek the counsel of an attorney to review the terms of that agreement.

e. **Oil Storage Tanks.** Any inspection regarding oil storage tanks or contamination from such tanks shall be limited solely to determining the presence or non-presence of oil storage tanks on the Property, unless otherwise agreed in writing by Buyer and Seller.

f. **On-site Sewage Disposal Systems Advisory:** Buyer is advised that on-site sewage disposal systems, including "septic systems," are subject to strict governmental regulation and occasional malfunction and even failure. Buyer is advised to consider conducting an inspection of any on-site sewage system in addition to the inspection of the Property provided by this Form 35 by including an appropriate on-site sewage disposal inspection contingency such as NWMLS Form 22S (Septic Addendum).

2. ☐ **NEIGHBORHOOD REVIEW CONTINGENCY:** Buyer's inspection includes Buyer's subjective satisfaction that the conditions of the neighborhood in which the Property is located are consistent with the Buyer's intended use of the Property (the "Neighborhood Review"). The Neighborhood Review may include Buyer's investigation of the schools, proximity to bus lines, availability of shopping, traffic patterns, noise, parking and investigation of other neighborhood, environmental and safety conditions the Buyer may determine to be relevant in deciding to purchase the Property. If Buyer does not give notice of disapproval of the Neighborhood Review within _____ (3 days if not filled in) of mutual acceptance of the Agreement, then this Neighborhood Review condition shall conclusively be deemed satisfied (waived). If Buyer gives a timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

3. ☐ **PREINSPECTION CONDUCTED.** Buyer, prior to mutual acceptance of this Agreement, conducted a building, hazardous substances, building and zoning code, pest or soils/stability inspection of the Property, and closing of this Agreement is not conditioned on the results of such inspections. Buyer elects to buy the Property in its present condition and acknowledges that the decision to purchase the property was based on Buyer's prior inspection and that Buyer has not relied on representations by Seller, Listing Broker or Selling Broker.

4. ☒ **WAIVER OF INSPECTION.** Buyer has been advised to obtain a building, hazardous substances, building and zoning code, pest or soils/stability inspection, and to condition the closing of this Agreement on the results of such inspections, but Buyer elects to waive the right and buy the Property in its present condition. Buyer acknowledges that the decision to waive Buyer's inspection options was based on Buyer's personal inspection and Buyer has not relied on representations by Seller, Listing Broker or Selling Broker.

[17]

09/24/2018

Buyer's Initials

Date

Buyer's Initials

Date

[JD]

10/09/2018

Seller's Initials

Date

Seller's Initials

Date



EXHIBIT A

Exhibit A

File No: 4209-3116550

File No.: 4209-3116550

City of Kirkland

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KING, STATE OF WA, AND IS DESCRIBED AS FOLLOWS:

LOT 21, EXCEPT THE SOUTH 71 FEET THEREOF, PATRICIA PARK, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 43 OF PLATS, PAGE 31, IN KING COUNTY, WASHINGTON.

EXCEPT THE PORTION CONVEYED TO KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON AS
RECORDED IN DEED UNDER RECORDING NO. [9405101395](#).

667550021006

8411 NE 141st St
Kirkland, Washington 98034

$$[L?]$$

09/24/2018

$$\mathcal{ID}$$

10/09/2018

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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5 Arch Funding Corp.
19800 MacArthur Blvd., Suite 1150
Irvine, CA 92612
949.387.3295

EXHIBIT A

September 24, 2018

Via Email:

Lwin-Nemoto Investment Group
Attn: Mr. Kekoa-Michael Lwin
Email: kekoa@lwin-nemoto.com

**RE: 8411 NE 141st Street
Kirkland WA 98034**

Ladies and Gentlemen:

Lwin-Nemoto Investment Group has met all of 5 Arch Funding Corp.'s qualification requirements for private money funding of unencumbered liquid funds up to \$700,000 to acquire this single family property which was formerly a fire station at 8411 NE 141st Street, Kirkland.

This means that this will be an all-cash at closing sale to the seller.

If you have any questions, please contact Spencer Weaver at (949) 537-3654 or sweaver@5archgroup.com.

Sincerely,

Gene Clark
President

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
 between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
 and City of Kirkland ("Seller") 3
Seller Seller
 concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

A. Purchase price to be raised to \$750,000.00 6

B. Closing date to be 21 days from Mutual Acceptance 7

Wednesday, October 10th, 2018

C. Change Offer Expiration Date to ~~Friday, October 5th, 2018.~~ 8

[JD]

10/09/2018

[L?]

10/10/2018

"This transaction is Contingent on the Seller providing documentation 7 days prior to closing that the Property can be used as a single family residence if the conditions identified by Seller and in that documentation are completed by Buyer to the satisfaction of King County. 10
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Upon Mutual Acceptance Seller shall grant permission to Buyer to obtain electrical permit and perform the electrical modifications to the property as detailed in the letter from the City of Kirkland, dated 9/28/18 and attached as Exhibit B. All work shall be performed by licensed and bonded electrical contractors, and shall be paid for at the sole expense of the Buyer regardless of whether there is a Closing of the purchase and sale." 15
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[JD]

10/11/2018

[L?]

10/12/2018

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

[L?]

09/27/2018

Buyer's Initials

Date

Buyer's Initials

Date

[JD]

10/09/2018

Seller's Initials

Date

Seller's Initials

Date

EXHIBIT B

EXHIBIT A

The logo of the City of Kirkland, Washington, is a circular emblem. It features a stylized sailboat on the water in the foreground, with a bridge and a building in the background. The words "CITY OF KIRKLAND" are written in a circle around the top, and "WASHINGTON" is written around the bottom.
$$[L?$$
$$[\mathcal{ID}]$$

10/11/2018

The following page contains general modifications required, but not limited to, requirements to convert Fire Station 24 into a residential dwelling. Please note the information provided in this document is based on a walk through and is not a complete inspection, other issues could become apparent in a more complete & thorough inspection.

To change the use of Fire Station 24 into a residence, a single family alteration permit application needs to be submitted through MyBuildingPermit.com (MBP) by the new property owner or their agent. The submittal documents need to include plans of the existing layout/uses (which could be based on the plans we have, but may need to be adjusted to depict the true “as-built” existing condition) and plans showing the proposed single family uses along with identifying what changes need to be made to comply with the IRC and the Residential Energy Code. Depending on what other work they propose doing, we may need additional information submitted. Once these submittal materials have been deemed complete and they pay the Intake fee, the permit application will be routed for plan review. Once the plan reviewer(s) determine that the proposed work appears to comply with all codes, the plans are approved, they pay the permit fee and any other applicable fees and the permit is issued. Once issued, the permitted work may progress and inspections requested to check that the approved plans are being implemented properly.

Feel free to contact me if you have any questions involving the change of use process.

Sincerely,

Patrick J. McJunkin,
Plans Examiner, Building Department
City of Kirkland
pmcjunkin@kirklandwa.gov

Subject: Change of use, Fire Station 24

BUILDING DEPARTMENT MODIFICATIONS:

$$\left[\mathcal{I} \mathcal{D} \right]$$

10/11/2018

1. Carbon monoxide detectors required.
2. Show compliance with Washington State Energy Code section R505. Simulated performance is an option to research per section R405.
3. Garage may need to be converted to non-heated to comply with WSEC. This may cause sprinkler system implications.
4. Show compliance with the 2015 IRC including Whole House Ventilation System.
5. Pre-Submittal Meeting is recommend.

ELECTRICAL MODIFICATIONS:

1. Relocate or add receptacles to meet spacing requirements identified in NEC 210.52. These requirements are based on the designation or use of specific rooms and areas.
2. Certain circuit requirements are spelled out in NEC 210.11 (C) addressing (1) Small appliance branch circuits, (2) Laundry, (3) Bathroom receptacles, (4) Garage Branch circuits. It is suspected that the necessary circuits are in place but the circuit directories are not clear to verify.
3. AFCI protection would be required in all the areas specified in NEC 210.12 (A).
4. Tamper resistant receptacles are required in all areas specified in NEC 210.52 ref NEC 406.12.
5. GFCI protection as required in NEC 210.8.
6. Other code violations observed would be required to be addressed. Example would include clearance issues such as HVAC disconnect. Hot water boiler accessibility, etc.

FIRE DEPARTMENT MODIFICATIONS:

Fire Sprinkler & Alarm System

1. To maintain systems, a contract with a yearly I.T.M. (Inspection, Testing & Maintenance) Contractor is required. Buyer to check on costs associated.
2. To convert system to 13D sprinkler, remove Alarm system, interconnected smoke detectors would be required.
3. To decommission system, requires confirmation from NUD that fire flow is greater than requirements for structures >3600 SF. This would also require removing all visual evidence of the system from the structure.
4. Loft in attic may contain dry heads.

PLANNING DEPARTMENT MODIFICATIONS:

1. See previous comments provided by Jeremy McMahan.

PUBLIC WORKS DEPARTMENT MODIFICATIONS:

1. If there is an addition to the building and its Building Code Valuation exceeds \$250,000 then the project would need to put in frontage improvements and underground the power (if not currently) to the building.
2. See previous comments provided by John Burkhalter.

Form 34
Addendum/Amendment to P&S
Rev. 7/10
Page 1 of 1

Addendum B

EXHIBIT A
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ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

This sale shall be closed on November 8, 2018 ("Closing"), unless extended by the agreement of the parties,
which will not be unreasonably withheld. 6
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

[L?]

10/20/2018

Buyer's Initials

Date

Buyer's Initials

Date

[JD]

10/18/2018

Seller's Initials

Date

Seller's Initials

Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 1 of 6

SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

EXHIBIT A
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SELLER: CITY OF KIRKLAND

Seller

Seller

To be used in transfers of improved residential real property, including residential dwellings up to four units, new construction, condominiums not subject to a public offering statement, certain timeshares, and manufactured and mobile homes. See RCW Chapter 64.06 for further information.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property check "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT 8411 NE 141ST STREET, CITY KIRKLAND,

STATE WA, ZIP 98034, COUNTY KING ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

SELLER ☐ IS/ ☒ IS NOT OCCUPYING THE PROPERTY.

I. SELLER'S DISCLOSURES:

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

	YES	NO	DON'T KNOW	NA	
1. TITLE					
A. Do you have legal authority to sell the property? If no, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*B. Is title to the property subject to any of the following?					
(1) First right of refusal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(2) Option	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(3) Lease or rental agreement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(4) Life estate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*C. Are there any encroachments, boundary agreements, or boundary disputes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*D. Is there a private road or easement agreement for access to the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*E. Are there any rights-of-way, easements, or access limitations that may affect the Buyer's use of the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*F. Are there any written agreements for joint maintenance of an easement or right-of-way?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*G. Is there any study, survey project, or notice that would adversely affect the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*H. Are there any pending or existing assessments against the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

JD 10/18/2018

SELLER'S INITIALS

Date

SELLER'S INITIALS

Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 2 of 6

SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

(Continued)

EXHIBIT A
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YES NO DON'T KNOW N/A 52
53

*I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling? ☐ ☒ ☐ ☐ 54
55

*J. Is there a boundary survey for the property? ☐ ☒ ☐ ☐ 56

*K. Are there any covenants, conditions, or restrictions recorded against the property? ☐ ☒ ☐ ☐ 57

PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224. 58
59
60
61

2. WATER 62

A. Household Water 63

(1) The source of water for the property is: ☒ Private or publicly owned water system 64
☐ Private well serving only the subject property *☐ Other water system 65

*If shared, are there any written agreements? ☐ ☐ ☐ ☒ 66

*(2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source? ☐ ☐ ☒ ☐ 67
68

*(3) Are there any problems or repairs needed? ☐ ☒ ☐ ☐ 69

(4) During your ownership, has the source provided an adequate year-round supply of potable water? ..☒ ☐ ☐ ☐ 70

If no, please explain: _____ 71

*(5) Are there any water treatment systems for the property? ☐ ☒ ☐ ☐ 72

If yes, are they: ☐ Leased ☐ Owned 73

*(6) Are there any water rights for the property associated with its domestic water supply, such as a water right permit, certificate, or claim? ☐ ☒ ☐ ☐ 74
75

(a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? ..☐ ☐ ☐ ☒ 76

*(b) If yes, has all or any portion of the water right not been used for five or more successive years? ☐ ☐ ☐ ☒ 77

*(7) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)? ☐ ☒ ☐ ☐ 78

B. Irrigation Water 79

(1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim? ☐ ☒ ☐ ☐ 80
81

*(a) If yes, has all or any portion of the water right not been used for five or more successive years? ☐ ☐ ☐ ☒ 82
83

*(b) If so, is the certificate available? (If yes, please attach a copy.) ☐ ☐ ☐ ☒ 84

*(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed? ...☐ ☐ ☐ ☒ 85

*(2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity?☒ ☐ ☐ ☐ 86
If so, please identify the entity that supplies water to the property: 87

NORTHSHORE UTILITY DISTRICT 88

C. Outdoor Sprinkler System 89

(1) Is there an outdoor sprinkler system for the property?☒ ☐ ☐ ☐ 90

*(2) If yes, are there any defects in the system? ☐ ☐ ☒ ☐ 91

*(3) If yes, is the sprinkler system connected to irrigation water?☒ ☐ ☐ ☐ 92

3. SEWER/ON-SITE SEWAGE SYSTEM 93

A. The property is served by: 94

☒ Public sewer system ☐ On-site sewage system (including pipes, tanks, drainfields, and all other component parts) 95

☐ Other disposal system 96

Please describe: _____ 97

JD 10/18/2018

SELLER'S INITIALS

Date

SELLER'S INITIALS

Date

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

EXHIBIT A
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	YES	NO	DON'T KNOW	N/A	98
B. If public sewer system service is available to the property, is the house connected to the sewer main?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	99
If no, please explain:					100
					101
*C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	102
					103
D. If the property is connected to an on-site sewage system:					104
*(1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	105
(2) When was it last pumped?					106
*(3) Are there any defects in the operation of the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	107
(4) When was it last inspected?			<input type="checkbox"/>	<input checked="" type="checkbox"/>	108
By whom:					109
(5) For how many bedrooms was the on-site sewage system approved? _____ bedrooms			<input type="checkbox"/>	<input checked="" type="checkbox"/>	110
E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	111
If no, please explain:					112
					113
*F. Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	114
G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	115
If no, please explain:					116
					117
*H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	118
					119
					120

NOTICE: IF THIS RESIDENTIAL REAL PROPERTY DISCLOSURE IS BEING COMPLETED FOR NEW CONSTRUCTION WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 (STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES).

4. STRUCTURAL

*A. Has the roof leaked within the last 5 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	121
*B. Has the basement flooded or leaked?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	122
*C. Have there been any conversions, additions or remodeling?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	123
*(1) If yes, were all building permits obtained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	124
*(2) If yes, were all final inspections obtained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	125
D. Do you know the age of the house?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	126
If yes, year of original construction: <u>1994</u>					127
*E. Has there been any settling, slippage, or sliding of the property or its improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	128
*F. Are there any defects with the following: (If yes, please check applicable items and explain)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	129
<input type="checkbox"/> Foundations	<input type="checkbox"/> Decks	<input type="checkbox"/> Exterior Walls			130
<input type="checkbox"/> Chimneys	<input type="checkbox"/> Interior Walls	<input type="checkbox"/> Fire Alarms			131
<input type="checkbox"/> Doors	<input type="checkbox"/> Windows	<input type="checkbox"/> Patio			132
<input type="checkbox"/> Ceilings	<input type="checkbox"/> Slab Floors	<input type="checkbox"/> Driveways			133
<input type="checkbox"/> Pools	<input type="checkbox"/> Hot Tub	<input type="checkbox"/> Sauna			134
<input type="checkbox"/> Sidewalks	<input type="checkbox"/> Outbuildings	<input type="checkbox"/> Fireplaces			135
<input type="checkbox"/> Garage Floors	<input type="checkbox"/> Walkways	<input type="checkbox"/> Siding			136
<input type="checkbox"/> Wood Stoves	<input type="checkbox"/> Elevators	<input type="checkbox"/> Incline Elevators			137
<input type="checkbox"/> Stairway Chair Lifts	<input type="checkbox"/> Wheelchair Lifts	<input type="checkbox"/> Other _____			138
					139
*G. Was a structural pest or "whole house" inspection done?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	140
If yes, when and by whom was the inspection completed?					141
					142
					143
H. During your ownership, has the property had any wood destroying organism or pest infestation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	144
I. Is the attic insulated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	145
J. Is the basement insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	146
					147

 10/18/2018

SELLER'S INITIALS

Date

SELLER'S INITIALS

Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 4 of 6

SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

(Continued)

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5. SYSTEMS AND FIXTURES

*A. If any of the following systems or fixtures are included with the transfer, are there any defects?

If yes, please explain: _____

	YES	NO	DON'T KNOW	N/A	
Electrical system, including wiring, switches, outlets, and service	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	152
Plumbing system, including pipes, faucets, fixtures, and toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	153
Hot water tank	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	154
Garbage disposal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	155
Appliances	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	156
Sump pump	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	157
Heating and cooling systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	158
Security system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	160

*B. If any of the following fixtures or property is included with the transfer, are they leased?

(If yes, please attach copy of lease.)

	YES	NO	DON'T KNOW	N/A	
Security System:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	163
Tanks (type):	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	164
Satellite dish:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	165
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	166

*C. Are any of the following kinds of wood burning appliances present at the property?

	YES	NO	DON'T KNOW	N/A	
(1) Woodstove?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	168
(2) Fireplace insert?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	169
(3) Pellet stove?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	170
(4) Fireplace?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	171

If yes, are all of the (1) woodstoves or (2) fireplace inserts certified by the U.S. Environmental Protection Agency as clean burning appliances to improve air quality and public health?

	YES	NO	DON'T KNOW	N/A	
.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	172

	YES	NO	DON'T KNOW	N/A	
D. Is the property located within a city, county, or district or within a department of natural resources fire protection zone that provides fire protection services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	174

	YES	NO	DON'T KNOW	N/A	
E. Is the property equipped with carbon monoxide alarms? (Note: Pursuant to RCW 19.27.530, Seller must equip the residence with carbon monoxide alarms as required by the state building code.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	176

	YES	NO	DON'T KNOW	N/A	
F. Is the property equipped with smoke alarms?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	178

6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS

	YES	NO	DON'T KNOW	N/A	
A. Is there a Homeowners' Association?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	180
Name of Association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, fining policy, and other information that is not publicly available:					181
					182
					183

	YES	NO	DON'T KNOW	N/A	
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	184
\$ _____ per <input type="checkbox"/> month <input type="checkbox"/> year					185
<input type="checkbox"/> Other:					186

	YES	NO	DON'T KNOW	N/A	
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	187

	YES	NO	DON'T KNOW	N/A	
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	188
					189
					190

7. ENVIRONMENTAL

	YES	NO	DON'T KNOW	N/A	
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	192

	YES	NO	DON'T KNOW	N/A	
*B. Does any part of the property contain fill dirt, waste, or other fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	194

	YES	NO	DON'T KNOW	N/A	
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	195
					196

	YES	NO	DON'T KNOW	N/A	
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	197

	YES	NO	DON'T KNOW	N/A	
*E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	198
					199
					200

	YES	NO	DON'T KNOW	N/A	
*F. Has the property been used for commercial or industrial purposes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	201

JD

10/18/2018

SELLER'S INITIALS

Date

SELLER'S INITIALS

Date

Form 17
Seller Disclosure Statement
Rev. 7/15
Page 5 of 6

SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

(Continued)

EXHIBIT A
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	YES	NO	DONT KNOW	N/A	202
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	203
*H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	206
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	207
*J. Has the property been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	208
*K. Are there any radio towers in the area that cause interference with cellular telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	209
8. LEAD BASED PAINT (Applicable if the house was built before 1978).					210
A. Presence of lead-based paint and/or lead-based paint hazards (check one below):					211
<input type="checkbox"/> Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).					212
<input type="checkbox"/> Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.					214
B. Records and reports available to the Seller (check one below):					215
<input type="checkbox"/> Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).					216
<input checked="" type="checkbox"/> Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.					219
9. MANUFACTURED AND MOBILE HOMES					220
If the property includes a manufactured or mobile home,					221
*A. Did you make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	222
If yes, please describe the alterations:					223
*B. Did any previous owner make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	224
*C. If alterations were made, were permits or variances for these alterations obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	225
10. FULL DISCLOSURE BY SELLERS					226
A. Other conditions or defects:					227
*Are there any other existing material defects affecting the property that a prospective buyer should know about?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	228
B. Verification					230
The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.					231
Authentisign <i>Tracey Dunlap, Deputy City Manager</i>					235
Seller 10/18/2018 3:14:26 PM PDT	Date	Seller	Date		236

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

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Form 17
Seller Disclosure Statement
Rev. 7/15
Page 6 of 6

SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

(Continued)

EXHIBIT A
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II. NOTICES TO THE BUYER

1. SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

2. PROXIMITY TO FARMING

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

III. BUYER'S ACKNOWLEDGEMENT

1. BUYER HEREBY ACKNOWLEDGES THAT:

- Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
- The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.
- Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).
- If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

Authentisign
10/20/2018
Lamin Hemata Investment Group
10/20/2018 9:38:13 AM PDT

Date

Buyer

Date

2. BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

Buyer

Date

Buyer

Date

3. BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

Buyer

Date

Buyer

Date

JD 10/18/2018

SELLER'S INITIALS

Date

SELLER'S INITIALS

Date

Form 22K
Identification of Utilities Addendum
Rev. 5/14
Page 1 of 1

EXHIBIT A
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IDENTIFICATION OF UTILITIES ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1

between Lwin-Nemoto Investment Group ("Buyer") 2

Buyer

Buyer

and CITY OF KIRKLAND ("Seller") 3

Seller

Seller

concerning 8411 NE 141ST STREET KIRKLAND WA 98034 (the "Property"). 4

Address

City

State

Zip

Pursuant to RCW 60.80, Buyer and Seller request the Closing Agent to administer the disbursement of closing funds 5
necessary to satisfy unpaid utility charges, if any, affecting the Property. The names and addresses of all utilities 6
providing service to the Property and having lien rights are as follows: 7

WATER DISTRICT: NORTHSHORE UTILITY DISTRICT 8

Name 9

6830 NE 185TH STREET

Address 10

KENMORE, WA, 98028

City, State, Zip Fax. No. 11

SEWER DISTRICT: NORTHSHORE UTILITY DISTRICT 11

Name 12

6830 NE 185TH STREET

Address 13

KENMORE, WA, 98028

City, State, Zip Fax. No. 14

IRRIGATION DISTRICT: NORTHSHORE UTILITY DISTRICT 14

Name 15

6830 NE 185TH STREET

Address 16

KENMORE, WA, 98028

City, State, Zip Fax. No. 17

GARBAGE: CITY OF KIRKLAND 17

Name 18

123 5th AVE

Address 19

KIRKLAND, WA, 98033

City, State, Zip Fax. No. 20

ELECTRICITY: PSE 20

Name 21

P.O. BOX 91269

Address 22

BELLEVUE, WA 98009-9269

City, State, Zip Fax. No. 23

GAS: PSE 23

Name 24

P.O. BOX 91269

Address 25

BELLEVUE, WA, 98009

City, State, Zip Fax. No. 26

SPECIAL DISTRICT(S): N/A 26

(local improvement districts or 27

utility local improvement districts) 27

Address 28

City, State, Zip Fax. No. 29

If the above information has not been filled in at the time of mutual acceptance of this Agreement, then (1) 29
within _____ days (5 if not filled in) of mutual acceptance of this Agreement, Seller shall provide the Listing 30
Broker or Selling Broker with the names and addresses of all utility providers having lien rights affecting the Property 31
and (2) Buyer and Seller authorize Listing Broker or Selling Broker to insert into this Addendum the names and 32
addresses of the utility providers identified by Seller. 33

Nothing in this Addendum shall be construed to diminish or alter the Seller's obligation to pay all utility charges 34
(including unbilled charges). Buyer understands that the Listing Broker and Selling Broker are not responsible for, or 35
to insure payment of, Seller's utility charges. 36

LT

10/20/2018

JD

10/18/2018

Buyer's Initials

Date

Buyer's Initials

Date

Seller's Initials

Date

Seller's Initials

Date

Form 34
Addendum/Amendment to P&S
Rev. 7/10
Page 1 of 1



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ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

1. Purchase price to be reduced by \$12,500. New price shall be \$737,500. 6
2. Earnest Money shall be deemed non-refundable should Buyer fail to close; however, Earnest Money shall be refundable should Seller fail to close. 7
8
9
10
3. Buyer waives all contingencies and all feasibility is satisfied. 11
12
13
4. Closing date to be changed to Friday, November 9th, 2018. 14
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

L? 11/01/2018

Buyer's Initials Date

JD 11/01/2018

Seller's Initials Date

Seller's Initials Date

**CITY OF KIRKLAND**

City Attorney's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3030
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Joe Sanford, Fire Chief
Heather Kelly, Emergency Manager
Kevin Raymond, City Attorney

Date: October 18, 2018

Subject: RESOLUTION APPROVING A TEMPLATE PROCLAMATION OF EMERGENCY FOR
USE BY THE CITY MANAGER IN AN EMERGENCY OR OTHER DISASTER

RECOMMENDATION:

City Council pass the attached Resolution approving a template "proclamation of emergency" for use by the City of Kirkland ("City"), through its City Manager or designee, in the event of an emergency or other disaster. Actions taken by the City pursuant to a proclamation of emergency would be subject to ratification as soon as practicable by resolution of the Council, perhaps at an emergency meeting called in accordance with the Washington Open Public Meetings Act, specifically RCW 42.30.070. By taking action on this legislation through adoption of the consent calendar, the Council is approving this resolution.

BACKGROUND DISCUSSION:

The City is continuing to take steps to enhance its ability to respond quickly and effectively to the occurrence of an emergency or disaster affecting Kirkland, whether natural, human-made or technological in origin. The development of a template "proclamation of emergency" issued by the City Manager or designee will help the City respond to an emergency promptly. It is anticipated that such a response will be undertaken by City departments and staff under the City Manager's direction and subject to ratification by the Council as soon as possible.

Kirkland Municipal Code ("KMC") Section 3.20.010(a) defines an "emergency or disaster" as "an incident or set of circumstances which: (1) Demands immediate action to preserve public health, protect public property, or to provide relief to any stricken community overtaken by such occurrences, or (2) Reaches a dimension or degree of destructiveness as to warrant the proclamation of a state of emergency." KMC Section 3.20.070 provides that the City "shall have the broadest authority and greatest discretion consistent with state law" in responding to emergencies. In addition, KMC Section 3.20.090 confers on the City Manager "the authority to take action" on behalf of the City in response to an emergency "subject to ratification by the [C]ouncil as soon as practicable."

The attached template "proclamation of emergency" is intended as a framework that can be fine-tuned (e.g. through its "whereas" provisions) to explain and help shape a response to the specific facts and circumstances of a disaster. Be preparing the template now, in advance of an emergency, the template is designed to give the City a "head start" in responding. Without

attempting to be exhaustive, the template sets forth a number of specific authorities conferred on the City by state law and its constitution, the KMC, and relevant case law. In addition to articulating those authorities, their delineation can serve as reminders to the City Manager of the various tools available to the City in responding to an emergency.

The template acknowledges the possible importance of suspending or deferring various requirements of City law that might be impossible or impracticable for third parties and members of the public to meet during an emergency (e.g. business license requirements, parking enforcement, the timely payment of taxes and fees, and required permit application materials). These are intended as suspension and deferrals and not necessarily waivers, however. The template also provides for the imposition by the City Manager of any conditions considered necessary in support of the exercise of emergency response authorities by City staff. Finally, the template provides for Council ratification of any proclamation of emergency as soon as practicable and by resolution.

Attachments: Resolution
Template Proclamation of Emergency

RESOLUTION R-5343

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
APPROVING A TEMPLATE CITY MANAGER PROCLAMATION OF
EMERGENCY

1 WHEREAS, Kirkland Municipal Code ("KMC") 3.20.010(a) defines
2 an "emergency or disaster" as "an incident or set of circumstances
3 which: (1) Demands immediate action to preserve public health, protect
4 public property, or to provide relief to any stricken community overtaken
5 by such occurrences; or (2) Reaches a dimension or degree of
6 destructiveness as to warrant the proclamation of a state of
7 emergency," and

8
9 WHEREAS, KMC 3.20.070 provides that the City of Kirkland
10 ("City") "shall have the broadest authority and greatest discretion
11 consistent with state law" in responding to emergencies or other
12 disasters; and

13
14 WHEREAS, KMC Section 3.20.090 grants the City Manager the
15 authority to take action on behalf of the City in the event of an
16 emergency or other disaster, subject to ratification by the City Council
17 as soon as practicable; and

18
19 WHEREAS, Council approval of a template "proclamation of
20 emergency" conferring on the City Manager the broadest authority and
21 greatest discretion consistent with state and local law in responding to
22 emergencies or other disasters, subject to ratification by the Council,
23 will help the City respond more quickly and comprehensively in the
24 event of an emergency or other disaster.

25
26 NOW, THEREFORE, be it resolved by the City Council of the City
27 of Kirkland as follows:

28
29 Section 1. The attached template "proclamation of emergency"
30 is approved for use by the City Manager in the event of an emergency
31 or other disaster, subject to ratification by the City Council as soon as
32 practicable.

33
34 Passed by majority vote of the Kirkland City Council in an open
35 meeting this ____ day of _____, 2018.

36
37 Signed in authentication thereof this ____ day of _____,
38 2018.

Amy Walen, Mayor

Attest:

Kathi Anderson, City Clerk

PROCLAMATION OF EMERGENCY

WHEREAS, [initial "whereas" provisions describe the facts and circumstances giving rise to the proclamation of emergency and/or disaster by the City Manager or designee]; and

WHEREAS, the facts and circumstances set forth above constitute an emergency [and/or disaster] as defined by Chapter 3.20 of the Kirkland Municipal Code ("KMC") and the City of Kirkland ("City") Comprehensive Emergency Management Plan ("CEMP") and necessitates the utilization of emergency powers granted by applicable state and local law, including but not limited to Chapter 3.20 KMC, KMC Section 3.85.090 and Revised Code of Washington ("RCW") Sections 35.33.081, and RCW 38.52.070(2); and

WHEREAS, KMC Section 3.20.070 provides that the City shall have the broadest authority and greatest discretion consistent with state law with respect to emergency response and operation; and

WHEREAS, KMC Section 3.20.090 grants to the City Manager the authority to take action on behalf of the City in the event of an emergency or disaster, subject to ratification by the City Council as soon as practicable; and

WHEREAS, the City Manager wishes to exercise such authority to proclaim an emergency in order for the City to timely respond to such emergency [and/or disaster] subject to ratification by the City Council as soon as practicable.

NOW, THEREFORE, be it proclaimed by the City Manager that an emergency exists in Kirkland and City departments and relevant staff are hereby authorized and directed to respond to such emergency as follows:

Section 1: Undertake measures in response thereto and without regard to time-consuming procedures and formalities generally applicable under state or local law, subject only to any mandatory constitutional requirements, in connection with one or more of the following:

- (1) Budget law limitations;
- (2) Requirements of competitive bidding and publication of notices;
- (3) Provisions pertaining to the performance of public works;
- (4) Entering into contracts;
- (5) Incurring obligations;
- (6) Employment of temporary workers;
- (7) Rental of equipment;
- (8) Purchase of supplies and materials;

(9) Reduction or waiver of fees and charges, such as those related to permits and other City approvals related to an emergency or disaster; and

(10) Appropriation and expenditure of funds.

Section 2: Enter into agreements and incur obligations necessary to recall City employees from vacation, cancel days off, authorize overtime, or recall selected retired employees in order to help protect the health and safety of persons and property.

Section 3: Undertake such additional measures pursuant to the City's police power authority under Washington Constitution Article XI, Section 11 to protect the public health, safety and welfare, including such measures as are imminently necessary for the protection of life and property, including but not limited to:

- (1) Imposition of general curfews;
- (2) Temporary closures of public places and businesses, including those selling or dispensing alcoholic beverages;
- (3) Rationing or other limitations on the sale or distribution of fuel or other essential materials where demand is expected to exceed supply;
- (4) Evacuation or clearing of debris and wreckage from publicly and privately owned lands and waters;
- (5) Destruction of private property (e.g. unsafe structures), if necessary;
- (6) Temporary suspension or deferral of otherwise applicable City requirements, other than those directly related to public health and life and safety issues, including such requirements as those related to parking enforcement; unclaimed property; timely payment of taxes and fees; business and animal control license requirements; public nuisances; abandoned and unauthorized vehicles; nuisances and debris related to waters and surfacecraft; stormwater, sewer and garbage; tree removal; outdoor burning; obstruction of streets or sidewalks; and building and construction and land use permitting and approval application requirements; and
- (7) Use of volunteer workers provided they are afforded the privileges, benefits and immunities provided by state law and state or federal regulations for registered emergency workers so long as they remain under the direction and control of an authorized official.

Section 4: In implementing the provisions of this proclamation, City departments and staff are not subject to generally applicable departmental and individual expenditure limits; provided, however, that the City Manager or designee may impose such expenditure limits, together with any other terms and conditions, as may be considered necessary.

Section 5: This proclamation shall be subject to ratification by the City Council as soon as practicable. The City Council may meet during the pendency of such emergency in accordance with the special provisions provided therefore under the Washington Open Public Meetings Act, RCW 42.30.070.

Dated this _____ day of _____, 20____.

Kurt Triplett, City Manager



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Michael Olson, Director of Finance and Administration
Date: October 18, 2018
Subject: PUBLIC HEARING ON PRELIMINARY 2019-2020 BUDGET

RECOMMENDATION:

City Council hold a public hearing on the Preliminary 2019-2020 Budget.

BACKGROUND DISCUSSION:

The purpose of this public hearing is to solicit public comment on the Preliminary 2019-2020 Budget as submitted by the City Manager and available to the public on October 23, 2018. The budget document is available at <http://www.kirklandwa.gov/budgetdoc>.

A public hearing on anticipated revenue sources was held on September 18, 2018. RCW 35A.33 requires that a public hearing on the upcoming budget period be held on or before the first Monday in December.

The 2019-2020 Preliminary Budget was discussed at the October 30th City Council Study session. Additional Study sessions are scheduled for November 13th (if needed) and November 20th (if needed). Another public hearing will be held on November 20, 2018. The budget is expected to be adopted at the December 11, 2018 City Council meeting.

At the beginning of the public hearing, staff will provide a summary of Council's discussion to date on the Preliminary 2019-2020 Budget.

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

To: Kurt Triplett, City Manager

From: Lorrie McKay, Intergovernmental Relations Manager

Date: October 26, 2018

Subject: FINAL 2019 STATE LEGISLATIVE PRIORITIES

RECOMMENDATION:

It is recommended that the City Council approves the attached resolution adopting the City's 2019 State Legislative Priorities (Attachment A).

BACKGROUND DISCUSSION:

The City's annual State Legislative Agenda consists of three segments: general principles; top legislative "priorities;" and the "support" agenda, which are selected issues/items of lesser priority which the City may support. This memo only addresses the proposed top legislative priorities for 2019. The priority items on the City's legislative agenda represent the primary focus during session for Council's Legislative Workgroup, the city's Intergovernmental Relations Manager and contract lobbyists.

At Council's October 16, 2018 regular meeting, staff received feedback and requested revisions to the City's DRAFT 2019 Legislative Priorities (Attachment B).

Summary of Council Feedback and Requests on the October 16 Draft Priorities

Councilmember Sweet commented that she supports the draft priorities.

Priority Support for Tools to Address Homelessness and create Affordable Housing

With regard to the City prioritizing explicit support for allowing councilmanic authority for currently authorized sales tax, Councilmember Asher commented that the City was unlikely to use such a tool if it were passed, and he suggested (and council supported) removing this item from the list of priorities for the near-term.

Also related to the homelessness and affordable housing priority, Councilmember Asher mentioned the October 15 outreach from the Seattle/King County Realtors, asking Council to consider adding condominium liability reform to the city's legislative agenda (Attachment C). Mayor Walen and Councilmember Neir encouraged its inclusion within the agenda, and asked the Legislative Workgroup to determine where to include it. Councilmember Asher recommended Council read an article in the September 27th edition of the Seattle Times on the "wave of condos is coming to Seattle and Bellevue for the first time since the housing bust." (Attachment D)

Priority Support for I-405 Express Toll Lanes north of Kirkland

Councilmember Arnold commented that the language of this priority should reflect the City's support for extending and accelerating the express toll lanes north of the City. He also requested the language articulate support for completing the work north of Kirkland and south of Bellevue by 2024, when Sound Transit's voter approved bus rapid transit (BRT) operations are scheduled to begin. Council supported this revision.

Priority Support for Gun Safety Measures

Councilmember Nixon commented that he supports the language as written. He noted however, that because there will likely be some bills introduced during session that may not be supported by some or all of the Council, including this as a priority is not carte blanche to automatically lobby in favor of every gun control bill that gets introduced. Therefore, to ensure bills are reasonable, the integrity of the City's bill review process, combined with consultation with council is essential. Councilmember Neir commented that he likes the prioritization of gun safety and requested that if voters approve statewide Initiative 1639, staff consider how elements of the initiative could be implemented.

Priority Support for Capital and Transportation Budget Funding for Local Projects

Councilmember Nixon observed that the draft project description documents contained some incorrect street names. He encouraged staff to carefully scrub each project document prior to final adoption.

Councilmember Pascal mentioned that he likes project menu concept. He also made some observations about on the philosophy of the City's budget requests, noting that the City tends to lean heavily toward transportation budget requests, even on its capital budget requests. He said while that makes sense for the transportation budget, he'd like to see the City thinking more about park projects. Councilmember Pascal stated that park projects don't have the grant sources that transportation projects have, so the capital budget is a source of partial funding for parks projects across the state for many municipalities. He would like to see the City identify a park project in each legislative district, just in case something moves and funding is available.

Councilmember Pascal also commented that the City should ask for Station Area Plan funding for NE 85th Street.

Councilmember Neir commented that the City should endeavor to define its options for the use of state-owned property at NE 85th Street for housing purposes.

Mayor Walen proposed a language change to this priority to fund local infrastructure projects to provide more flexibility for staff and lobbyists during session.

Additional Feedback and Requests from Councilmembers and Stakeholders

Councilmember Neir indicated that he looks forward to receiving the draft 2019 Support Items Agenda in January. In particular, he noted the King County-Cities Climate Collaboration (K4C) legislative priorities, and the Lake Washington Institute of Technology's capital request, which were briefly mentioned in the staff memo.

Councilmember Neir expressed interest in automated, connected, electric vehicles to serve the eastside, and help the City make some of its last mile connections. He suggested that the City of Bellevue may be leading advocacy in Olympia around potential funding request from the state, and he would like to see the City support Bellevue in trying to engage the state around this.

Councilmember Neir also encouraged the Legislative Workgroup to determine if there is interest among our state delegation members to address climate change more aggressively, even beyond the carbon tax initiative (1631) that is on the November ballot.

Finally, on Wednesday, October 17 the Legislative Workgroup received an email from Sarah Franklin, with Indivisible Kirkland, suggesting a revision to the draft priority supporting gun safety measures. The proposed revision would add the words, "and reduce gun violence" to the priority (Attachment E). At its October 26 meeting, the Legislative Workgroup decided to forward this amended language to the full Council, with a recommendation the language be accepted.

Follow-Up and Response to Feedback and Requests

Revisions to 2019 Legislative Priorities

The following revisions have been made to the list of 2019 legislative priorities.

- Removed explicit support for allowing councilmanic authority for currently authorized sales tax from the list of priorities.
- Language revision: Kirkland supports extending and accelerating the express toll lanes on I-405 north of Kirkland, and implementing express toll lanes on I-405 south of Bellevue, in order to coincide with the 2024 opening of Sound Transit's Bus Rapid Transit operations.
- Language revision: Kirkland supports gun safety measures that promote safe and responsible gun ownership and reduce gun violence.
- Language revision: Kirkland supports capital and transportation budget funding for prioritized local infrastructure projects. *

** Staff are developing an additional project white paper to address the need for NE 85th Street Station Area Plan and Transit Oriented Development funding, as requested by Councilmembers Pascal and Neir. Staff have scrubbed previously drafted Local Community Project white papers, as recommended by Councilmember Nixon (Attachment F).*

Issues to be included on the Draft 2019 Legislative Support Items Agenda

The following will be included on the City's draft Legislative Support Items Agenda, which will be brought before Council for review and comment in January.

- Support for Seattle/King County Realtors' condominium liability reform legislative priority.
- Support for the Recreation and Conservation Office (RCO) capital budget request of \$130 million for the Wildlife and Recreation Program (WWRP).
- Support for select legislative priorities of the County-Cities Climate Collaboration (K4C)
- Support for Lake Washington Institute of Technology's capital request
 - Support funding for a Flexible, Electric, Autonomous, Shared Mobility Network ("CommutePool") to serve the eastside.

Additional Follow-Up

The following information represents additional follow-up and responses to feedback and requests that require additional time and/or research.

- The Legislative Workgroup recommends waiting on additional actions beyond I-1639 until after the election. While ahead of the November 6 election, but in response to Councilmember Neir's request that staff consider how elements of Initiative 1639 could be implemented, staff is including the "matrix of potential Kirkland legislative agenda items" from the staff memo on this subject, that were presented to Council at its September 18 meeting (Attachment G). NOTE: If I-1639 passes, existing state preemptive authority in the field of firearm regulation remains the same. The City gets no additional authority. If it passes and Council wishes to pursue actions not contained in I-1639, staff will need direction on what to include in the legislative agenda.
- Similarly, before taking steps to determine interest among delegation members to address climate change issues beyond what's included I-1631, the Legislative Workgroup recommends waiting for the results of the November 6 election.
- Staff have several points of information responsive to Councilmember Pascal's comments and concerns about funding sources for park projects, and his request to identify park projects in each legislative district.

Funding sources for park projects:

Kirkland's contract lobbyists, Waypoint Consulting, have provided the City with more information about how park capital projects are typically funded by the legislature. The Wildlife and Recreation Program (WWRP) and the Youth Athletic Facilities (YAF) are programs that receive funding from the legislature, through the Capital Budget. The Recreation and Conservation Office (RCO) board submits prioritized lists of projects to the Governor and Legislature for approval and funding. The RCO manages these (and other) grant programs.

The "normal" process for seeking parks and recreation project funding is through open and competitive grants from the WWRP and the YAF. Cities, special purpose districts, state agencies, tribes, non-profits and others may apply for available grant monies. Applications for both WWRP and YAF grants are accepted by the RCO in even years. Citizen committees, made of up experts in recreation and conservation issues, score projects based on objective criteria and submit ranked lists to the board for consideration. Final RCO/YAF grant projects are included in the Capital budget up to the level funded by the legislature. There is rarely a member-requested parks project in the budget from outside this process for reasons explained below.

Identifying park projects in each legislative district:

The Kirkland Parks Department did not have competitive park projects to apply for funding during the 2018 application cycle. That said, the department does include an item to pursue WWRP/YAF/RCO grant funding on their 2019-2020 work plan for the 2020 application cycle.

It's important to note that, while park projects have been added to the YAF project list, via member provisos, the resulting impact to the projects that went through the normal process, is a reduction in the amounts of funding to those project/recipients on the original list. If Kirkland chooses to advocate for YAF funding outside the "normal" competitive process, it would likely create extreme discontent from the Washington Recreation and Parks Association (WRPA), a not-for-profit 501(c)3 professional and public interest organization, comprised of approximately 2,100 members, one of which is

the City of Kirkland. Individual park projects have not been added outside the WWRP process to RCO.

In terms of Local Community Project funding, where the City has typically sought state investment in more traditional capital projects, the City could add some parks projects to its selection of projects for delegation members to choose from. The City Manager will continue working with Parks to determine what projects may be presented in discussions this year, in case something moves and funding is available.

RCO Capital Budget Funding Request - City's 2019 Support Items Agenda:

The Wildlife and Recreation Program (WWRP) provides matching funding to help local jurisdictions with a wide range of possible projects using funds from the capital construction budget. The WWRP 2019-21 biennium Capital Budget funding request is for \$130 million and is aimed at funding local community projects ranging from urban parks to working farms to mountain trails. The Recreation and Conservation Office (RCO) will include \$130 million budget request to the Governor. Staff recommends the City support the RCO's funding request through its 2019 Legislative Support Items Agenda.

- Finally, on behalf of the city's Metro Transit 255 riders, Council's Legislative Workgroup is exploring the possibility of including an item of advocating to WSDOT to keep the Montlake Transit Queue By-Pass (off/on SR 520) open during the Montlake Project construction throughout the entire length of the construction project until completion.

NEXT STEPS:

2019 Legislative Priorities

With these amendments, it is recommended that the City Council adopts the attached resolution adopting the 2019 State Legislative Priorities as final. Additional changes to the agenda can be made at any time at future Council meetings, as issues and events evolve.

Council's Legislative Workgroup will host its annual legislative coffees with the City's state delegation in November and December.

The regular 2019 legislative session is a "long", 105-day session. The session will begin on Monday, January 14 and end on Sunday, April 28. The legislative cutoff calendar will be finalized by the legislature on the first day of session and City staff will provide this to Councilmembers.

Staff will provide Council with regular legislative updates throughout the session.

2019 Legislative Support Items Agenda

The 2019 Support Item Agenda will be prepared for Council's consideration in January, allowing the City's ally organizations time to develop their respective 2019 legislative priorities.

- Attachments:
- A. 2019 Legislative Priorities Agenda
 - B. Redline of DRAFT 2 2019 Legislative Priorities, showing Council amendments
 - C. October 15, 2018 letter from Seattle/King County Realtors
 - D. September 27, 2018 Seattle Times article on wave of condos is coming
 - E. October 17, 2018 email from Indivisible Kirkland
 - F. Local Project Potentials in Legislative Districts 1, 45 & 48
 - G. Gun Safety "matrix of potential Kirkland legislative agenda items" Resolution



CITY OF KIRKLAND 2019 LEGISLATIVE AGENDA

General Principles

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

- Protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.
- Support reestablishing the partnership between cities and the State to ensure that critical mandates are funded and vital services are provided to all of the residents of the state.

City of Kirkland 2019 Legislative Priorities

- Kirkland supports new local funding and policy tools to address homelessness and create more affordable housing, such as:
 - Flexibility on existing REET and potential expansion
 - Provide property tax exemptions for service-connected disabled veterans and senior citizens
 - Funding for research on best practices for shared housing strategies and operations
- Kirkland supports continued sustainable funding to maintain high-quality statewide training for law enforcement officers and corrections officers to ensure no waiting period to get law enforcement and corrections officers trained and in the field.
- Kirkland supports extending and accelerating the express toll lanes on I-405 north of Kirkland, and implementing express toll lanes on I-405 south of Bellevue, in order to coincide with the 2024 opening of Sound Transit's Bus Rapid Transit operations.
- Kirkland supports gun safety measures that promote safe and responsible gun ownership and reduce gun violence.
- Kirkland supports capital and transportation budget funding for prioritized local infrastructure projects.



CITY OF KIRKLAND 2019 LEGISLATIVE AGENDA

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 - Provide property tax exemptions for service-connected disabled veterans and senior citizens
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 - Funding for research on best practices for shared housing strategies and operations
- Kirkland supports continued sustainable funding to maintain high-quality statewide training for law enforcement officers and corrections officers to ensure no waiting period to get law enforcement and corrections officers trained and in the field.
- Kirkland supports ~~extending and accelerating maintaining~~ the express toll lanes on I-405 north of ~~Bellevue~~Kirkland, and implementing express toll lanes on I-405 south ~~of~~ Bellevue, ~~as called for in the I-405 corridor Master Plan in order to coincide with the 2024 opening of Sound Transit's Bus Rapid Transit operations.~~
- Kirkland supports gun safety measures that promote safe and responsible gun ownership ~~and reduce gun violence.~~
- ~~(Placeholder)~~ Kirkland supports capital and transportation budget funding for ~~critical-prioritized~~ ~~(TBD)~~ local ~~community-infrastructure~~ projects.



October 15, 2018

The Honorable Mayor Walen
Members of the Council
City of Kirkland
via electronic mail

RE: New Business section of the October 16 Council agenda.

Dear Mayor Walen and Members of the City Council:

I am writing on behalf of the 6,300 members of the Seattle King County REALTORS to comment on the New Business section of your October 16 Council agenda.

Item 11a: Draft Legislative Agenda

We ask that you consider adding condominium liability reform to the city's legislative agenda.

Possible language:

The City supports reforms to the Washington State Condominium Act that stimulate development of affordable condominiums while preserving reasonable consumer protections.

Rationale:

For cities like Kirkland, condominiums offer the opportunity for first-time buyers and middle-market buyers to afford market-rate ownership housing. Washington state condominium law poses a substantial risk of protracted and costly litigation to condominium developers. This has created a condition in which condominiums built under the current law are available only to the high end of the market. We seek reform that attracts entry-level and middle-market condominium development, while preserving consumer protection.

Item 11b – MFTE Amendments

We encourage your adoption of the proposed amendments to the multi-family tax exemption (MFTE) program. The addition of assisted living facilities is a wise move to address the growing need of affordable care for seniors.

Item 11c – PUD Amendments

We support language in the PUD amendment package that promotes smaller housing types such as cottages, carriage and two or three- unit homes. Smaller units play an important role in ownership and rental housing affordability. Similar to our comments relating to condominium liability reform, smaller units can respond to the need for middle-income earners who are struggle to find housing in the city.

Thank you for your attention to these issues.

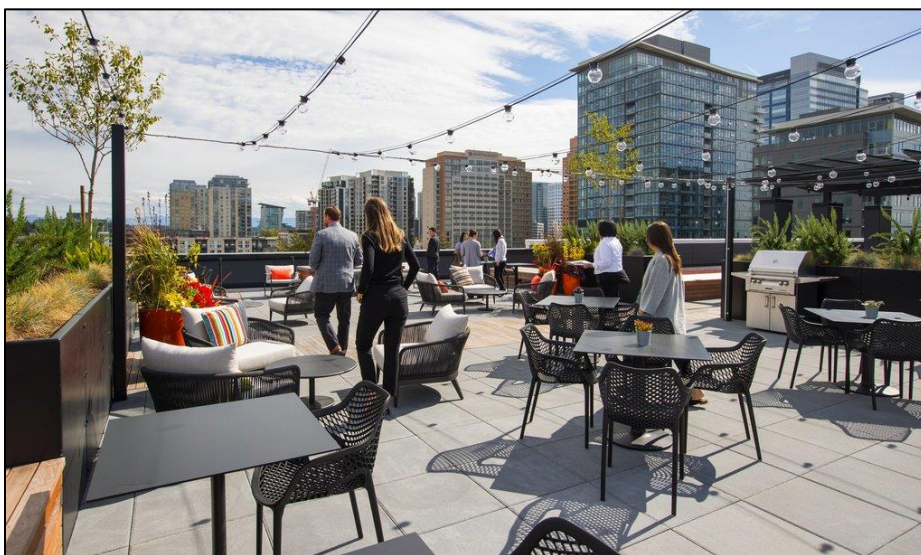
Sincerely,

Randy Bannecker

The Seattle Times

A wave of condos is coming to Seattle and Bellevue for the first time since the housing bust

Originally published September 27, 2018 at 6:00 am Updated September 28, 2018 at 10:11 pm



Prospective buyers check out the rooftop deck at Mira Flats, which features a fire pit and a dog run. About 6,000 condo units are in the pipeline for completion in the Seattle-Bellevue area over the next few years, experts say. (Mike Siegel / The Seattle Times)

After a half-decade of building rental apartments, developers are switching gears to construct for-sale condo projects, which should open up more homeownership options that are less expensive than single-family homes but still not cheap.



By
[Mike Rosenberg](#)
Seattle Times real estate reporter

Seattle's housing builders are starting to party like it's 2005: That's right, condos are back.

Developers who spent the past several years building [just about everything](#) except condos are pivoting back to them for the first time since the housing bust last decade.

The result could be a flood of new homeownership options for buyers in coming years, which would be particularly welcome news for young adults and other first-time buyers who can't afford a single-family house, as well as empty-nesters who want to downsize.

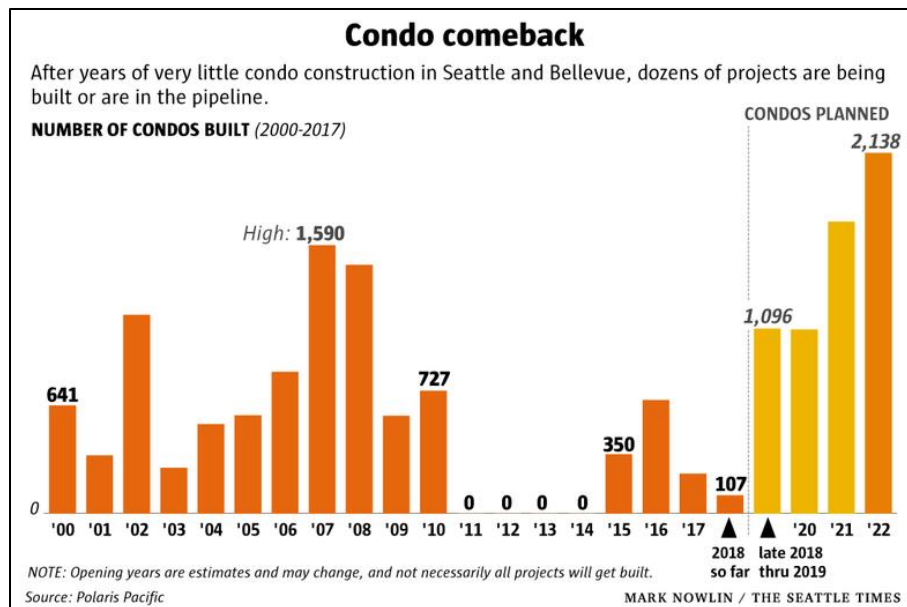
But the new condos still aren't cheap – usually exceeding a half-million dollars for a small one-bedroom. And they can invite more investors who not only drive up prices for regular buyers but also at times park their money in condos while keeping them empty.

In Seattle and Bellevue, only about 2,000 condos have opened so far this decade. But about 6,000 are in the pipeline for completion in the next few years, according to Polaris Pacific, a marketing and sales firm that tracks condos in the region.

More than two-dozen projects totaling 5,000 units are in the works in Seattle alone, many announced just in the past few months.

In some cases, the condo projects are brand new proposals; in other cases, builders have switched plans to turn what they thought would be apartments into condos (the difference being that you rent apartments, and own condos).

Not since the condo boom in the middle of last decade, which preceded the housing bust, has the Seattle area had a case of condo fever like this.



There's even talk now of some existing, opened apartment buildings that might convert their units to condos, a reversal from the post-bust days, when condos that couldn't sell were switched to apartments.

Why the condo comeback?

Although people often comment on "another condo" going up when they pass Seattle construction sites, nearly all of the big housing buildings going up during the construction boom in recent years were apartments, not condos. The [condo shortage got so bad](#) that as recently as late last year, only 350 condos were on the market in all of King County, down from the long-running average of more than 2,000 – driving up condo prices faster than even single-family home costs. There were two main reasons for that:

First, a [state law](#) that makes it fairly easy for condo buyers [to sue developers](#) for potential construction defects has frightened would-be condo builders. Those who do put up condos often get tied up in court and risk big settlement payouts, or have to pay high insurance costs to defend against the risk. Despite some efforts in Olympia this year, the state law hasn't changed.

But the second part of the equation has changed in a big way: For years, housing developers could just build apartments instead of condos because the rental market was on fire. Why bother with the risk of condos when rental apartments were easy money?

But as a flood of tens of thousands of new apartments washed over the Seattle-area market, rents have essentially [stopped rising](#) over the past year.

In some cases, builders sitting on plans for approved apartment projects suddenly can't get construction funding from banks because of the cooling rental market. So they face three options: wait to see if rents surge back up again, sell the development site or switch to condos.

"Developers are kind of like sheep," said Windermere broker Jeff Reynolds, author of UrbanCondoSpaces.com blog. "There's just so much apartment supply now. The next cycle they're seeing is just going condo."

Really, condos are the only attractive housing option left at the moment for developers: In the past year across King County, apartment rents are up 2.5 percent, single-family house prices are up 2.9 percent, and condo prices are up 11.3 percent.

Seattle also has a condo shortage relative to other cities. Just 19 percent of homes for sale in Seattle are condos, lower than other pricey markets such as New York (52 percent), Chicago (48 percent), Washington, D.C. (41 percent), San Francisco (37 percent), San Diego (33 percent), Denver (23 percent), Los Angeles (22 percent) and San Jose (20 percent), according to Zillow.

Pricey condos

While the overall increase in condos would help buyers, the new buildings themselves won't be cheap.

Marc Coluccio, chief operating officer for SolTerra developers in Seattle, said because of land costs, labor shortages, tariffs imposed on construction materials and – most of all – the high standards required for building condos, it is very difficult to build a condo that sells for less than \$1,000 per square foot. In other words, a new 600-square-foot, one-bedroom unit would start around \$600,000.

But in downtown high-rises, the priciest type of construction, condos are being priced even higher.

"It doesn't make sense to build condos without that premium price point," Coluccio said. Otherwise "you can lose money as a developer."

There are generally two types of condo projects getting built: wood-framed buildings that typically top out at about seven stories – the sort of thing you see in neighborhoods outside the downtown core – and steel-and-glass high-rises in the greater downtown area in Seattle and Bellevue.

Coluccio's new 45-unit Solis project in Capitol Hill, recently switched to condos after being planned as apartments, is one of the smaller buildings. Pricing starts at about \$450,000 for a 445-square-foot unit – essentially the size of a studio apartment – and runs to about \$950,000 for an 870-square-foot two-bedroom.

On the luxury end, The One88 tower being built in downtown Bellevue features condos that start at \$825,000 for a one-bedroom and go up past \$3 million for the biggest units.



Mira Flats, a condominium in downtown Bellevue, is showing prospective buyers units for sale. (Mike Siegel / The Seattle Times)

Ahmed Gharib, 27, a project manager at Facebook, has been looking around for a potential new condo in Seattle recently and has taken note of the new supply forthcoming.

"It kind of reminds me of all the apartments being built recently – they're all targeting the same market; the tech worker looking for something high end-ish, but not too high end," Gharib said, noting he's squarely in that target demo. "And they're all the same."

"I still think a lot of them are pretty over-priced," Gharib said, noting some units are priced over \$1 million. "That's like New York-level pricing."

Even older condos aren't the bargain they used to be. Since the market bottomed out in early 2012, condo prices across King County have skyrocketed 137 percent, while single-family home prices soared 112 percent.

Condos are considerably more expensive than renting a similar-sized apartment. If you tried to buy the median

Seattle condo today and put 20 percent down, you'd need to fork over \$100,000 up front and then have a roughly \$2,500 monthly payment for your mortgage, taxes and insurance, plus likely HOA dues [that run](#) over \$500 a month. Compare that to the average Seattle apartment, which costs about \$1,950 a month. (Of course, you can get equity with a condo, and the quality of units is almost always higher with a condo than an apartment.)

But condos generally remain a much more affordable option than single-family homes because they are smaller. Across King County, [the median condo](#) costs \$415,000 compared to \$669,000 for a house. In just the city of Seattle, condos are \$505,000 and houses cost \$760,000.

Building too late?

There are signs that condos could be the next sector of the housing market to cool off, however.

The number of condos on the market in King County has [more than doubled](#) in the past year, while sales have dropped 30 percent. Condo inventory still remains at half the long-term average, but rising inventory and falling sales often foretell drops in actual prices.

The Solis project had an open house earlier this month and received tentative reservations for about half the units, with buyers preferring the cheapest condos. Even six months ago all of the units would have been snapped up immediately, Coluccio said.

Two years ago, about 130 eager buyers lined up, [some camping out](#) a day ahead of time, to secure rare new units in one of the only Seattle condo buildings going up in years; a similar scene played out at another condo sales event [in February](#). But this month, sales previews for four new condo projects produced [only a few people](#) who showed up ahead of time far more people were lined up at a sneaker store nearby, according to condo broker Matt Goyer's [blog](#).

If condo prices do stall, then some of the projects planned today might not get built. Or they could be swapped back to apartments, or in some cases could be switched to offices in the planning stages.

The condo bust is still fresh on many people's minds. A decade ago, a flood of new condos hitting the market coincided with the housing crash and recession, a disastrous outcome for developers. Some condos opened and were [unable to sell](#) any units for months at a time; others [took several years](#) just to get partially full. Thousands of units [were converted](#) to apartments. In all, condo prices plummeted 46 percent in King County over five years, from the peak in 2007 to the low in 2012.

And even with the recent spike in condo plans here, the pipeline for potential future apartments still remains far greater.

"I still think the big guys are going to build apartments because it was such a bad experience (with condos) 15 years ago. And I don't think the smaller guys are going to jump into the condo business, I think they'll tip-toe in," said Elliott Severson, manager of the Neighborhood Collection, a group of three new condo buildings opening soon in Seattle.

"I think (condo) supply will lag demand, no matter what happens," Severson said.

Investor interest

The addition of new condos also presents another challenge for Seattle.

Other pricey cities that have built lots of condos – like [Vancouver, B.C.](#), [Boston](#) and [Miami](#) – have attracted a wave of investors, often from out of the country, buying condos simply to park their money. Usually, those condos are rented out, turning them into de-facto apartments, but in other cases they sit empty.

Seattle has already dealt with an apparent influx [of foreign buyers](#) – although no one knows exactly how many, since homebuyer nationalities are not tracked – gobbling up some single-family homes as investments, sometimes keeping them empty, helping drive up prices for regular buyers.

Dean Jones, who sells condos in several buildings in the region as president of Realogics Sotheby's International Realty, said about 30 to 40 percent of the condos in his buildings are sold to investors. Most rent them out, while some others set them aside as second homes or reserve them for their children.

"It's frustrating for buyers who are basically competing with cash investors," Jones said.

Gharib sees both ends of the market: In addition to shopping for a new condo, he also owns one on Capitol Hill, and knows he could sell it for a healthy gain over what he paid in 2016. He's keeping a close eye on the condo projects set to flood the market with new units in coming years but isn't sure whether it's worth reserving one ahead of time.

"If you're bullish (on the market) it makes sense. If you're not bullish, it doesn't make sense," Gharib said. "I would suspect they're not going to sell out as quickly as they used to. And then it's a question of what's left over and who is willing to make cuts with their pricing."

Lorrie McKay

From: Sarah Franklin <sarah@ikwa.info>
Sent: Wednesday, October 17, 2018 8:16 AM
To: Lorrie McKay; Amy Walen; Jay Arnold; Dave Asher; Kurt Triplett
Cc: Heather McKnight
Subject: 2019 Legislative Priorities

Good morning,

Thank you, Lorrie, for your presentation of the City's potential 2019 legislative priorities last night. As always, I'm impressed by the thought and care that goes into each step of this process.

I have one small suggestion to make around the gun safety language. It currently reads: "Support measures that promote safe and responsible gun ownership." I would add four words to make it: "Support measures that promote safe and responsible gun ownership *and reduce gun violence.*"

There are two reasons to make this change. First, the language I offer more thoroughly aligns with the gun safety resolution the City Council passed on May 1st, R-5312. Additionally, I would argue that this language will give the City more flexibility in responding to gun safety legislation during the session. For example, Jay suggested working towards legislation that allows cities the authority to declare parks and city facilities gun-free zones. Roger Goodman has suggested making daycare facilities and preschools gun-free zones. I'm not sure that these kinds of bills would fall under the heading of "safe and responsible gun ownership," but they are bills aimed at "reducing gun violence."

I would love to hear your thoughts on this.

Thank you!

Warmly,
Sarah Franklin



District 1 - *All projects can be scaled or phased as funding allows.*

1. Street Improvements - 90th Avenue NE/NE 131st Way

Request: \$550,000 to design and construct street improvements on 90th Avenue NE/NE 131st Way.

Project includes design, construction, and project management for 3,000 feet of extruded curb, guardrail repair, and surface water drainage improvements.

90th Avenue NE is a north/south neighborhood collector with high traffic volumes. Many years ago, King County installed sections of extruded curb along the north side of 90th Avenue NE/NE 131st Way as a form of surface water control. The original purpose of the curb was to stop surface water run-off from entering the roadway where it would sheet-flow across to the other side and occasionally freeze in winter months. The curb is now broken in many places and no longer functions as intended. The broken extruded curb also presents a hazard for people walking, biking and driving in the corridor.

As a result of the broken extruded curb, a section of existing automobile guard rail along the south side of 90th Avenue NE is being undermined. The erosion is caused by the water entering the roadway by flowing through the broken extruded curbs and over the opposite side slope, undermining the guardrail. This section of guard rail needs to be replaced.

Timeline: Design and construction is expected to be complete by the end of 2019.

2. Intersection Improvements – Juanita Drive NE/NE 132nd Street and Juanita Drive NE/NE 124th Street

Request: \$1.24M to design and construct intersection improvements on Juanita Drive NE at NE 132nd Street and NE 124th Street.

Project involves the design, construction, and project management for a vehicular turn pocket and pedestrian improvements on Juanita Drive NE at NE 132nd Street and a rapid flashing beacon crossing at Juanita Drive NE at NE 124th Street.

Juanita Drive NE runs south/north between the south Juanita Business District in Kirkland and SR-522 in Kenmore. The corridor is adjacent to many business, parks and residential areas. Juanita Drive NE serves as an alternate route for commuters to downtown Seattle via SR-522 and for those who choose to not pay the tolling on SR-520. It also serves as an active transportation connection to the Burke Gilman Trail in Kenmore and to the SR-520 non-motorized trail via on-street bicycle facility connections through Bellevue.

Along Juanita Drive NE, the existing roadway geometry, multiple driveway access points, and limited sight distance present safety concerns. Data indicates the severity of the collisions on Juanita Drive is higher than the City average. Thirty percent of the collisions have resulted in injuries with three fatalities in the last ten years, two involving bicyclists. Exposure to vehicles is high for bicyclists and pedestrians due to the limited sight distances, speeds, and lack of separation from motor vehicles.

Speed study results show that the majority of drivers exceed the posted speed limit throughout the study area. Speeding is particularly prevalent in the north and central areas of the corridor, where

70% of drivers exceed the posted speed of 35 mph by an average of 7 mph. Several curves do not meet the standards for 40 mph travel. This creates potentially unsafe conditions for motorists and other users, particularly at night and during inclement weather.

The proposed project will improve safety by designing and implementing two auto and pedestrian treatments that target specific identified collision “hot spots.”

Timeline: Design and construction is expected to be complete by the third quarter of 2020.

3. Sidewalk Improvements – NE 134th Street

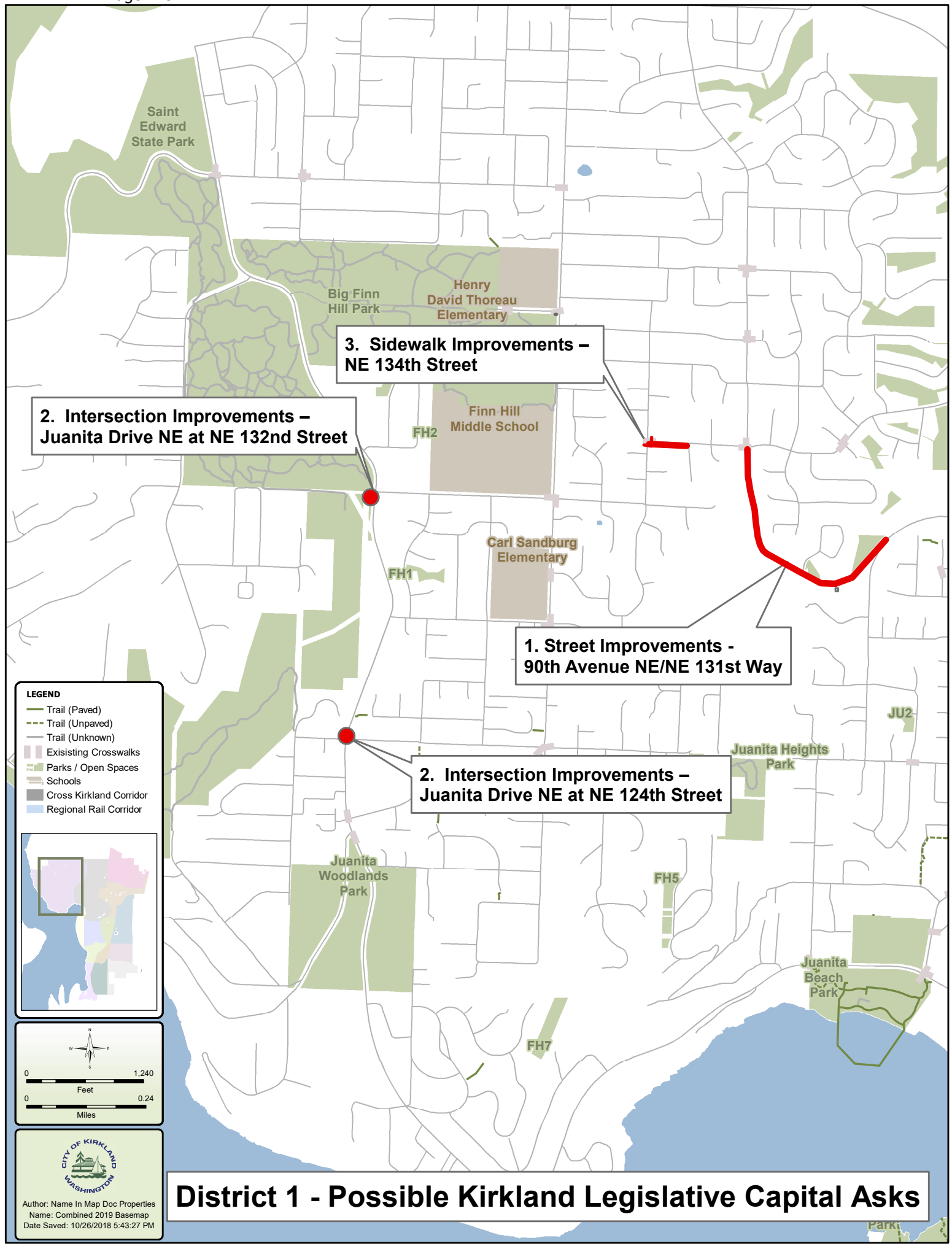
Request: \$500,000 to design and construct 420 feet of curb, gutter, sidewalk, and planter strip along the south side of NE 134th Street between 87th Avenue NE and 88th Place NE.

Project includes design, construction, and project management for a sidewalk on NE 134th Street from 87th Avenue NE and 88th Place NE.

Closing this gap completes the sidewalk on the south side of NE 134th Street and connects children to the school walk route on 87th Avenue NE. The school walk route leads to the three schools along 84 Avenue NE: Thoreau Elementary, Sandburg Elementary, and Finn Hill Middle School. Over 1,500 students attend these three schools (which are within 2 miles of each other).

Benefits of walking to school are well documented, from building strong bones and muscles, decreasing the risk of obesity, lowering risk of diabetes, lowering risk of cardiovascular disease, improving mental health and increasing concentration at school. Additionally, walking to school can significantly decrease traffic congestion and reduces greenhouse emissions. Without adequate sidewalks, children within walking distance end up being driven to school causing traffic congestion and making it even more difficult for those who walk or bike to school.

Timeline: Design and construction is expected to be complete by the first quarter of 2020.





District 45 - *All projects can be scaled or phased as funding allows.*

1. Turf Field, lights, bleachers and fencing – 132nd Square Park

REQUEST: \$1M to construct a synthetic turf multipurpose athletic field including lights, bleachers and fencing. Project can be scaled to include any individual piece of the project: turf field (\$500k), lights (\$250k), bleachers and fencing (\$250k).

Project includes construction and project management for the turf field, lights, bleachers and fencing in 132nd Square Park (at 132nd Avenue NE and NE 132nd Street). The project is currently in the design phase.

The project takes advantage of a stormwater project funded by the Ecology Stormwater Financial Assistance Program and King County Flood District. This project will provide water quality treatment and flow control/infiltration for almost 50 acres of upstream area near 132nd Square Park. The stormwater project will require excavation beneath the fields at the Park. Therefore, the departments of Parks and Community Services and Public Works propose to combine the two projects. The playfield renovation would be constructed after the stormwater project has excavated the site and installed two wet/detention vaults and 21 deep infiltration wells, after which, new turf fields, lights, bleachers and fencing will be constructed on top of those facilities.

132nd Square Park is located close to two identified underserved neighborhoods: North Juanita and Kingsgate. These neighborhoods are listed as a high priority for park acquisition/improvements. While the playfield renovation would not add additional park space, the addition of regulation sized and enhanced multipurpose turf fields will increase the service level as it pertains to access to playfields. The substantial increase in the number of use hours for the community justifies the added investment.



Timeline: Construction of the turf multipurpose athletic field, lights, bleachers and fencing will be done simultaneously with the surfacewater project to gain efficiencies of scale. The total project is expected to be complete by fourth quarter of 2020.

2. **Trail Lighting** – Totem Lake Connector Pedestrian and Bicycle Bridge on the Cross Kirkland Corridor (CKC)

Request: \$650K to design and install lighting on the CKC next to the Totem Lake Connector Pedestrian and Bicycle Bridge.

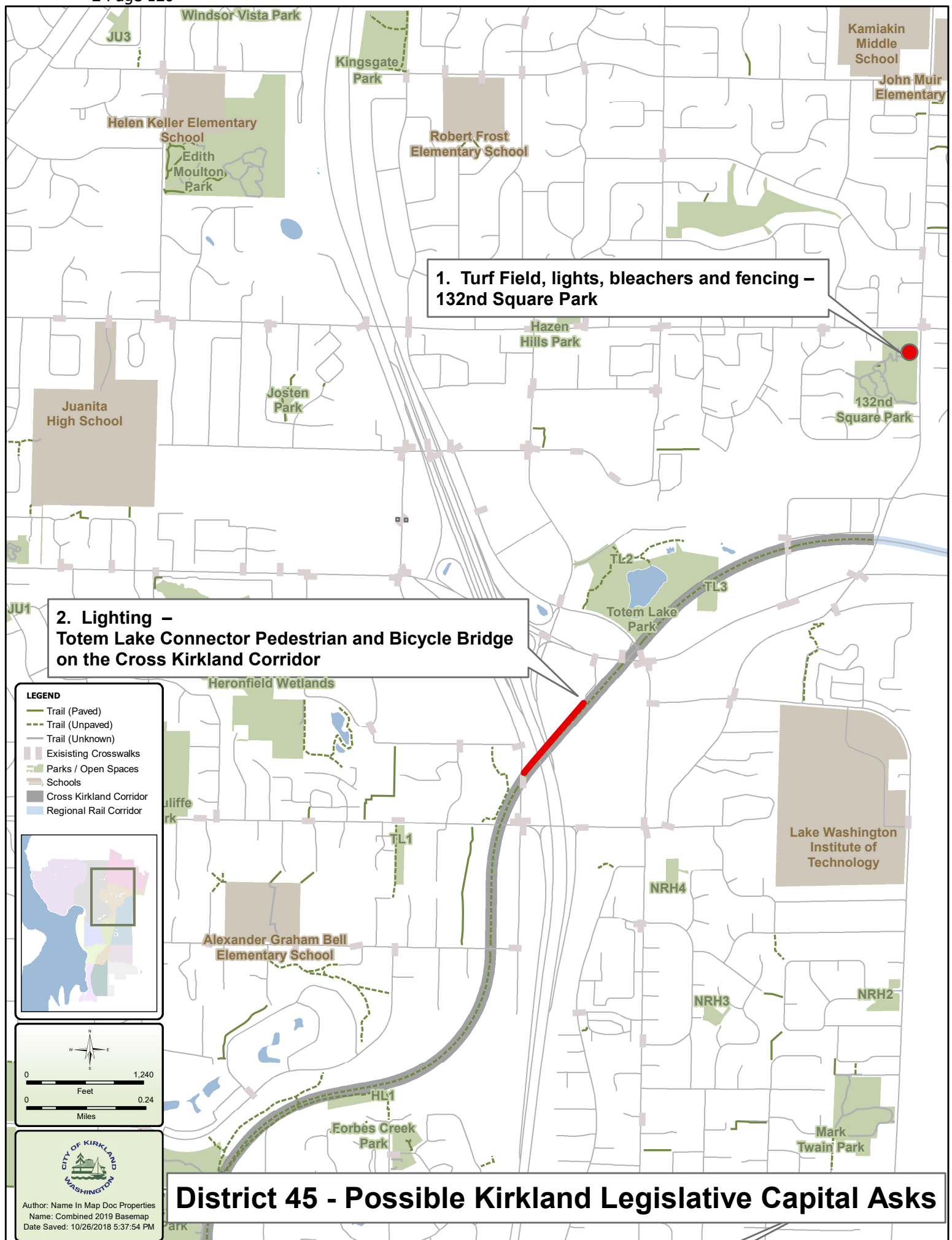
The project includes design, construction, and project management for safety lighting on the CKC from 120th Avenue NE, under the I-405 overpass, to the entrance of the Totem Lake Connector bridge.

The elevated freeway (I-405) over the CKC Trail segregates and isolates this section of the trail. The dark, unlit space through which the corridor passes is often used in ways that are illegal or undesirable, curtailing public use. The CKC Master Plan turns this space into a usable and safe neighborhood asset. The first step in creating a usable space is lighting. Adding lighting to this space under I-405 would link east and west Totem Lake, activate the existing dead space and deter undesirable activities. The proposal installs 12 pedestrian lights and 4 flood lights between 120th Avenue NE and the Totem Lake Connector. Together with the planned aesthetic lighting on the bridge, this section of the trail will provide an important gateway between the residential areas along the CKC to the south and the Totem Lake Urban Center to the north.

Kirkland's Totem Lake Urban Center is experiencing tremendous growth and re-development with more than one million square feet of commercial, office, and institutional space and 3,000 residential units currently in the permitting and/or construction stages. The lighting and bridge will be a catalyst to connect the quadrants of the Totem Lake Urban Center with alternative active transportation options.

As part of the new spine of the Eastside's emerging active transportation network, the Valley Segment of the ERC, and the Redmond Spur will link Kirkland's Totem Lake Urban Center to Woodinville and Redmond as well as complete a key link in the regional trail system connecting the Sammamish River Trail (11 miles), the Burke- Gilman Trail (20 miles), the Redmond Central Connector (2.3 miles), and the Tolt Pipeline Trail (14 miles) with other regional trails such as the ERC/CKC.

Timeline: Design and construction of the lighting is expected to be constructed in conjunction with the Totem Lake Connector bridge and is expected to be complete by the end of 2022.



District 45 - Possible Kirkland Legislative Capital Asks



District 48 - *All projects can be scaled or phased as funding allows.*

1. Non-motorized Improvements – 116th Avenue NE

Request: \$3.1M to design and construct a buffered shared use trail along 116th Avenue NE.

Project includes design, construction, and project management for a new storm water facilities/stream enhancements, bike lanes, and 3,000 linear feet of separated multi-purpose gravel pedestrian/ equestrian pathway. The project connects the Bridle Trails State Park trail system (at approximately 53rd Street) south along 116th Avenue NE to the Bellevue City limits.

116th Avenue NE serves as one of the few north/south non-highway transportation corridors connecting Kirkland and Bellevue. Its location, immediately east of 1-405 provides a convenient, vehicular bypass to 1-405 during peak travel periods and times of freeway congestion.

The project would allow bike and pedestrian commuters to safely and easily get around not only Kirkland, Bellevue and Redmond, but also connect to the Houghton Park and Ride to reach Seattle and other cities with ease. The project will reduce vehicle miles traveled, encourage mode shift from single occupant vehicle; and promote a broader range of transportation options that will lead to reduced vehicle emissions.

Timeline: Design, permitting, and construction is expected to be complete by the end of 2022.

2. Kirkland Scramble – Kirkland Avenue and Lake Street/Lake St S

Request: \$1.2M to design and construct Kirkland's first pedestrian scramble at Kirkland Ave and Lake Street/Lake St S.

The project includes design, construction and project management for the Kirkland Scramble. Specifically, the project will reconstruct and raise the intersection, modify signal timing, add signage, and relocate street furniture in conformance with ADA standards. Traffic channelization changes include realignment of the westbound approach and elimination of the westbound right turn pocket and addition of curb bulb-outs in the northeast corner.

The Kirkland Scramble at Kirkland Avenue and Lake Street allows pedestrians to cross the intersection in every direction, including diagonally, when all vehicular traffic has been temporarily stopped. This intersection has permissive left turns on all approaches which causes frequent conflicts among pedestrians and left turning vehicles. The provision of an exclusive signal timing phase for pedestrians will eliminate such conflicts thereby improving safety for pedestrians.



How the scramble works:

- Pedestrians can cross the intersection in every direction, including diagonally, at the same time while all vehicular traffic is temporarily stopped.
- When north-south and east-west drivers have the right of way, pedestrians moving in those directions will be stopped.

- To ensure no vehicles cross paths with pedestrians, vehicles are not permitted to make right turns when the traffic signal is red.

The plan prioritizes “Vision Zero,” improvements by using education programs and street design to make traffic-related injuries a thing of the past. The scrambles will reduce potential pedestrian-vehicle conflict points, allowing people to cross comfortably during the pedestrian phase while also enabling vehicles to turn effectively during their signal phase.”

In addition to the signal timing, the intersection will be raised to create a speed-bump-like platform that ramp up over the whole intersection. The intersection becomes essentially a speed table like Park Lane and Main Street. The infrastructure works two ways: It boosts pedestrians in the motorist’s perspective by making them taller and it also slows cars down.



Timeline: Design and construction is expected to be complete by the end of 2021.

3. Key Kirkland Sidewalk Repairs – Multiple locations

Request: \$537,000 to make seven critical sidewalk repairs in multiple locations.

Many cities face challenges with the high costs of maintaining sidewalk infrastructure, and in an effort to proactively address these maintenance needs Kirkland conducted a city-wide field survey in 2015 to determine needed sidewalk repairs to restore degraded public sidewalks. The survey included an inventory of the locations, types and magnitudes of the degradation at each site. The total estimated cost for repairing the 50 worst sidewalk segments in the city exceeds \$4 million.

This inventory identified seven key sidewalk segments within District 48 in need of major repairs, totaling \$537,000 in funding needs:

Sidewalk Location	Cost to Repair
6th Ave S - State to 4th St South	\$ 40,000
126th Ave - NE 80th St to NE 81st PL	\$ 43,000
NE 55th St - 108th Ave to 106th Ave	\$ 84,000
NE 68th St - 111th Ave NE to 112th Ave NE	\$ 61,000
132nd Ave - NE 70th St to NE 70th Dr	\$ 103,000
120th Ave - Kirkwood Terrace Frontage	\$ 136,000
122nd Ave - NE 85th St South	\$ 70,000
Total	\$ 537,000

Due to the magnitude of the cost to repair all City sidewalks to new condition, staff has identified the highest priority sidewalks using criteria developed as a part of the City's Transportation Master Plan and the 2035 Comprehensive Plan. Using the “10-minute neighborhood” approach, the City’s sidewalk repair project will address the worst 6% of degraded sidewalks over ten years, totaling \$2 million.

This request for \$537,000 of direct appropriations would represent a significant jump start on this work, and would repair the seven highest priority sidewalks in District 48.

Timeline: Construction of the project is estimated to 2019 through 2020. Construction would start on highest priority sidewalks and can be scaled or phased as funding allows.

4. Sidewalk – NE 104th Street

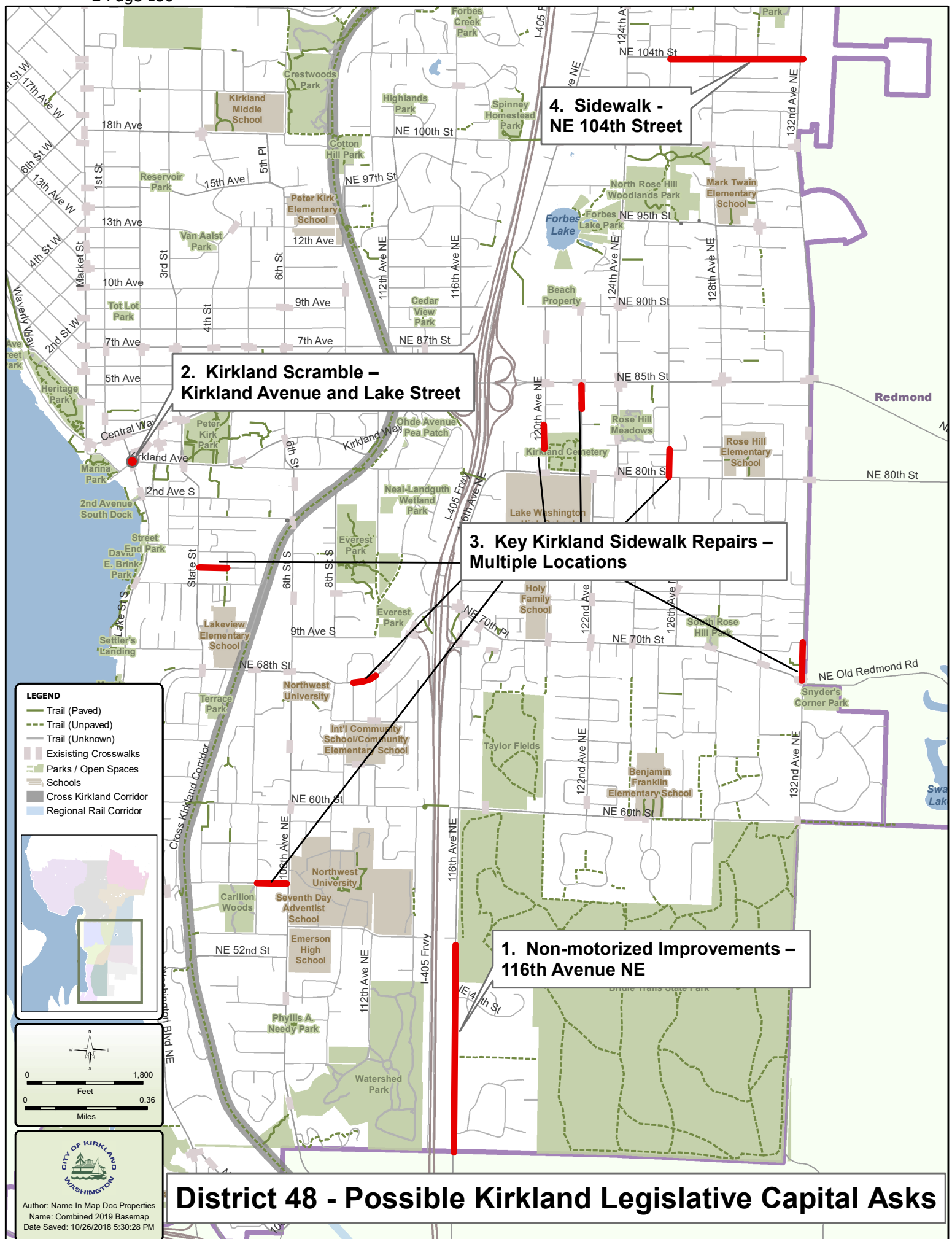
Request: \$1.095M to design and construct a sidewalk on NE 104th Street from 132nd Avenue NE to 126th Avenue NE.

Project includes design, construction and project management for 1,700 linear feet of curb, gutter, sidewalk, planter strip, surface water improvements, ADA ramps, and where possible a bike lane along the south side of NE 104th Street from 132nd Avenue NE and 126th Avenue NE.

The project is a high priority of the community (since 2001) but has not been successful in the State's school walk route grant process. The improvements will complete the missing links of sidewalk, and provide a consistent and continuous safe surface for pedestrians, providing separation between vehicles and pedestrians and improving safety. By adding a bike lane it will connect the bike lane on 124th Ave NE to the one on 132nd Ave NE. By doing so it addresses a gap in the system and adds non-motorized network connectivity. In addition to enhancing the Mark Twain Elementary School's Walk Route, many students walk to the Boys and Girls Club after school and these enhancements would provide a more complete sidewalk route to these afterschool programs.

NE 104th Street is a two lane street with traffic in both directions. Several speed humps have been installed to slow traffic. Currently children walking to school are forced to contend with overgrown brush, plants, parked cars, large open ditches, moving vehicles, and a surface that is not ADA complaint. Lack of infrastructure forces pedestrians to walk along the gravel shoulder where parked cars and other obstacles obstruct the path. Conditions make walking difficult and sometimes dangerous; pedestrians maneuvering around obstacles are forced to walk in the roadway and must contend with moving vehicles. It is difficult, if not impossible, for people using mobility devices as well as people pushing strollers to contend with many of these obstacles.

Timeline: Design and construction is expected to be fast tracked and complete by the last quarter of 2019.



I-1639 LEGISLATIVE MATRIX*

"Top Idea" from Community Engagement	Currently allowed for action by City of Kirkland	Requires legal changes at state or federal level	Expressly contained in I-1639
School Resource Officer Program	Yes	No	No
Firearm Safety Awareness Program	Yes	No	I-1639 contains certain signage requirements (Sec. 6.2)
Firearm Ownership Training Program	Yes, if training program was optional	No, if training program was optional	Yes
Mental Health Awareness Program	Yes	No	No
Mental Health Awareness Program in Schools	In partnership with the Lake Washington School District	No	No
Enforcement Program	No	Yes	No
Ban on Assault Rifles and Semi-Automatic Firearms	No	Yes	No
Required Background Checks	No	Yes	Yes
Ordinance Requiring Firearm Locks and Responsible Storage	Unclear	Unclear	I-1639 creates certain liability for firearm owners regarding improper usage resulting from improper storage (Sec. 5)
Firearm Licensing Program	No	Yes	(Related to Sec. 3.2.a)
Open Carry Law	No	Yes	No
Safe Storage Requirements	No	Yes	I-1639 creates certain liability for firearm owners regarding improper usage resulting from improper storage (Sec. 5)

* If I-1639 passes, existing state preemptive authority in the field of firearm regulation remains the same. The City gets no additional authority. If Council wishes to pursue actions not contained in I-1639, staff will need direction on what to include in the legislative agenda.

RESOLUTION R-5344

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE
ADDRESSED TO THE 2019 SESSION OF THE STATE LEGISLATURE

WHEREAS, actions of the State Legislature in respect to local government issues, services and funding have a profound impact upon the ability of local governments to provide adequate local services; and

WHEREAS, the City Council supports legislation that promotes the Council's goals and protects the City of Kirkland's ability to provide basic municipal services to its residents; and

WHEREAS, the City seeks to protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and to provide new revenue options and flexibility in the use of existing revenues; and

WHEREAS, the City Council supports long-term sustainability efforts related to City financial, environmental and transportation goals; and

WHEREAS, the City Council supports reestablishing the partnership between cities and the State to ensure that critical mandates are funded and vital services are provided to all of the residents of the state; and

WHEREAS, the City Council believes it appropriate to set forth its position as to issues affecting local government operations coming before the State Legislature during its 2019 session, including issues which the City Council requests the State Legislature to consider.

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

Section 1. The "General Principles" and "City of Kirkland 2019 Legislative Priorities" set forth in the "City of Kirkland 2019 Legislative Agenda," attached as Exhibit A and by this reference incorporated, are adopted as the City's recommendations to the State Legislature during its 2019 session.

Section 2. The City administration shall transmit the 2019 Legislative Agenda, including any subsequent changes or updates, to members of the State Legislature representing the legislative districts in which Kirkland is located, together with other members of the State Legislature and to the Association of Washington Cities, the Sound Cities Association and other ally organizations.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2018.

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Signed in authentication thereof this ____ day of _____, 2018.

Amy Walen, Mayor

Attest:

Kathi Anderson, City Clerk



CITY OF KIRKLAND
Department of Parks and Community Services
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Lynn Zwaagstra, Director, Parks and Community Services

Date: November 7, 2018

Subject: Draft Cost Recovery Study Report

RECOMMENDATION

Staff recommends Council receive a presentation from GreenPlay on the draft cost recovery study report. GreenPlay will present an overview of their findings and recommendations. Much of the information that will be presented may be previewed in the 9 page Executive Summary in the draft report (Addendum C). Staff is seeking feedback on any additional items needed for the final report and close-out with project consultants.

BACKGROUND:

In accordance with financial policy and previous practice, staff embarked upon an updated cost recovery study in February 2018. Parks and Community Services (PCS) previously carried out a financial analysis resulting in updated financial guidelines for the Department in 1999, 2002 and 2005.

At the June 5 Kirkland City Council Meeting, staff presented background information and an overview of the current cost recovery study. The goal of this project was to develop a cost recovery philosophy, model and policy that provides a framework for resource allocation, budgeting, pricing, and future planning. This interactive and holistic approach allows the department to be more strategic and make operating decisions based on an articulated rationale. Available existing and potential resources would be aligned with desired level of service to create a long term sustainable financial model. This is especially important as the City prepares for the elimination of the annexation sales tax credit in 2021.

An historical overview on cost recovery and the 2005 study was presented along with the philosophical foundation of cost recovery. More detailed information can be found in the June 5 Council Packet located [here](#).

At the July 17 City Council Study Session, packet located [here](#), staff presented the results of a financial analysis carried out by the financial consulting firm MGT of America Consulting, LLC (MGT). This portion of the study incorporated analyzing true costs for providing parks, recreation and community services by programmatic category. Based on this information, the current cost recovery level for each programmatic category was calculated. See **Addendum A**.

Another component of the study included community engagement to complete a “community benefit” versus “individual benefit” assessment. This component was carried out by the parks and recreation consulting firm GreenPlay, LLC (GreenPlay). Their methodology is based in the Pyramid Model, which allows for the sorting of each programmatic category into the 5 tiers of a pyramid. The bottom of the pyramid is Tier 1, which is understood to have the most community benefit and expected to be supported through tax funding. The top of the pyramid is Tier 5, which is understood to have the most individual benefit and expected to receive the least tax dollar support. Tiers 2 through 4 have both community and individual benefits and would be supported by a mix of tax dollars, fees, and other alternative revenue sources. This model serves as the philosophical foundation of the resource allocation component. The preliminary working draft model is located in **Addendum B**.

One component of the study that was of particular interest to Council was fee benchmarking. GreenPlay completed a fee benchmarking report, located [here](#), which was presented at the October 16 City Council Meeting. Five examples of pyramid models created by other parks and recreation agencies were also compared.

A summary of the process and City Council Presentations is listed below.

- June 5, 2017 – Cost recovery overview, philosophy and methodology
- July 17, 2018 – Financial analysis by MGT and community engagement process on the community versus individual benefit pyramid model
- July 30, 2018 – Special Park Board meeting to present the financial analysis and draft recommended pyramid model
- August 5, 2018 – Draft recommended pyramid model and cost recovery guidelines
- October 16, 2018 – Review of fee benchmarking
- November 7, 2018 – Review of draft cost recovery study report by GreenPlay, LLC
- November 20, 2018 – Council review of recommended cost recovery policy resolution
- December 11, 2018 – Council adopts cost recover policy resolution
- January/February – Council review of recommended, resource allocation and pyramid model, cost recovery guidelines and implementation strategy

GreenPlay compiled its overall findings into a draft final report, located in **Addendum C**. This report contains recommendations and implementation strategies, which will be highlighted during the presentation. GreenPlay will focus on next steps to bring this holistic and proactive management approach to fruition.

Finally, at the October 16 Council Meeting, Council asked about a current resource allocation breakdown. In **Addendum D**, labor effort and expenses from 2017 are shown by programmatic category within each tier, which approximates a resource allocation model.

RECOMMENDATION

Staff is looking to review the draft cost recovery report with Council in preparation for policy discussions scheduled for the final Council meetings of 2018.

Recommended Key Elements of Fiscal Cost Recovery Policy

The elements below were first presented to City Council in July of 2018, and will be incorporated into a resolution for Council review and adoption by the December 11, 2018 Council meeting.

- The Kirkland Parks and Community Services Department provides a basic level of service “free” to the public, in exchange for tax dollars. However, fees, charges and other methods to recover costs (grants, donations, sponsorship) are considered a responsible and necessary means to supplement tax revenue to ensure a sustainable system that meets the community’s need into the future.
- In establishing fees and charges, the Parks and Community Services Department will determine the direct and indirect costs of providing services and establish goals to recover those costs. The appropriate level of cost recovery will be based on an assessment of who is benefiting from the service provided.
- If the benefit is to the community as a whole, it is appropriate to use taxpayer dollars to completely, or primarily fund the service. Examples of services that primarily provide community benefits are play areas, parks, trails and large natural areas. The Parks and Community Services Department may also seek grants, donations, sponsorships and partnerships for these community benefit services as appropriate to help sustain these services.
- As the benefit is increasingly offered to an individual or select group of individuals, it is appropriate to charge fees for the service at an increasing rate of cost recovery. Supervised or instructed programs, facilities that visitors can use exclusively, and products and services that may be purchased, provide examples where user fees are appropriate. Cost recovery ranges will be identified by community versus individual benefit tier levels in the Pyramid Model and revisited as necessary to meet City of Kirkland Fiscal Policy.
- The Parks and Community Services Department should also consider available resources, public need and the community economic climate when establishing fees and charges. In cases where certain programs and facilities are highly specialized by activity and design, and appeal to a select user group, the Department shall additionally consider fees charged by alternative service providers or market rates.
- Fees and charges can be set to recover costs in excess of direct and indirect costs, where appropriate, as a method of supporting other services desired by the community. Revenue generated through fees will generally be returned to the Department to enhance its ability to meet the parks, recreation and community services desired by the community.

- The Department will employ incremental periodic fee increases (often annually); a best practice in the parks and recreation industry to keep up with increasing expenses. Smaller, frequent increases have been found to be less impactful on program participants than larger increases that occur less frequently. Fee increases in excess of 10% will be brought to the attention of City Council.
- The City may subsidize the cost recovery targets for persons with economic need or other targeted populations through tax-supported fee reductions, scholarships, grants, or other methods. The City Council, City Manager or Department Director may also approve exceptional fees or fee waivers upon determination the fee arrangements will benefit the public interest.

Subsequent policy elements that are recommended for review and adoption in early 2019 include:

- Developing both a Partnership Policy and a Sponsorship Policy and philosophy, to serve as guidelines of operating procedures to create equity and consistency while maximizing and leveraging resources of the Department.
- Reviewing and refining the Scholarship Policy to assure easy access, clarifying eligibility requirements, allowable uses, and individual and family limits.
- Reviewing and modifying the Athletic Field Use Agreement Guidelines to address priority of access, disruption of operations and exceptions to the guidelines, based on the Cost of Services Plan and cost recovery goals established by the Council.

Finally, staff is seeking Council feedback on any needed revisions, clarifications or additions to the report to close out the project consultant portion of the study.

Addendum A – Overview of MGT Financial Analysis

Addendum B – Preliminary Pyramid Model

Addendum C – GreenPlay Draft Cost Recovery Study Report

Addendum D – Current Resource Allocation Breakdown

Addendum A

Kirkland Parks and Community Services: Overview of MGT's Financial Analysis for True Costs of Service and Cost Recovery

Programmatic Category	Volunteer Hour Support	Total Cost	Revenue	Full Cost Recovery Rate¹	Cost Recovery (No overhead)²
Private/advanced skill instruction		\$36,288	\$53,735	148%	162%
Long-term leases		\$89,389	\$92,613	104%	106%
Vendors/concessionaires		\$17,201	\$51,608	300%	374%
Marina piers and boat launches		\$159,693	\$168,706	106%	118%
Cemetery funeral services		\$84,957	\$121,187	143%	143%
Facility rentals		\$521,946	\$95,509	18%	19%
Park shelter rentals		\$114,200	\$105,754	93%	103%
Adult classes and sports		\$222,266	\$146,212	66%	75%
50+ classes		\$169,632	\$104,630	62%	70%
Senior field trips		\$36,021	\$19,144	53%	58%
Recreation special events	668	\$85,838	\$32,250	38%	38%
Youth classes and sports	3,086	\$352,882	\$313,304	89%	98%
Preschool classes and sports	1,297	\$641,598	\$397,815	86%	98%
Special events permitted		\$400,190	\$28,332	7%	8%
Youth camps		\$288,603	\$328,321	114%	129%
Athletic field rentals		\$1,390,314	\$69,690	5%	6%
Aquatics public swim	539	\$137,973	\$88,200	64%	66%
50+ partnership programs and services	2,678	\$53,065	\$3,243	6%	7%
Senior transportation program		\$29,226	\$3,009	10%	11%
Green Kirkland Partnership	11,113	\$1,032,590	\$17,238	2%	2%
Park/beach use	1,808	\$4,222,408	\$77,500	2%	2%
Senior services		\$42,594	\$450	1%	0%
Youth services		\$321,587	\$0	0%	0%
Human services		\$1,243,636	\$51,687	4%	4%

1 - MGT calculated cost recovery utilizing full cost methodology, which includes all Department and related City overhead.

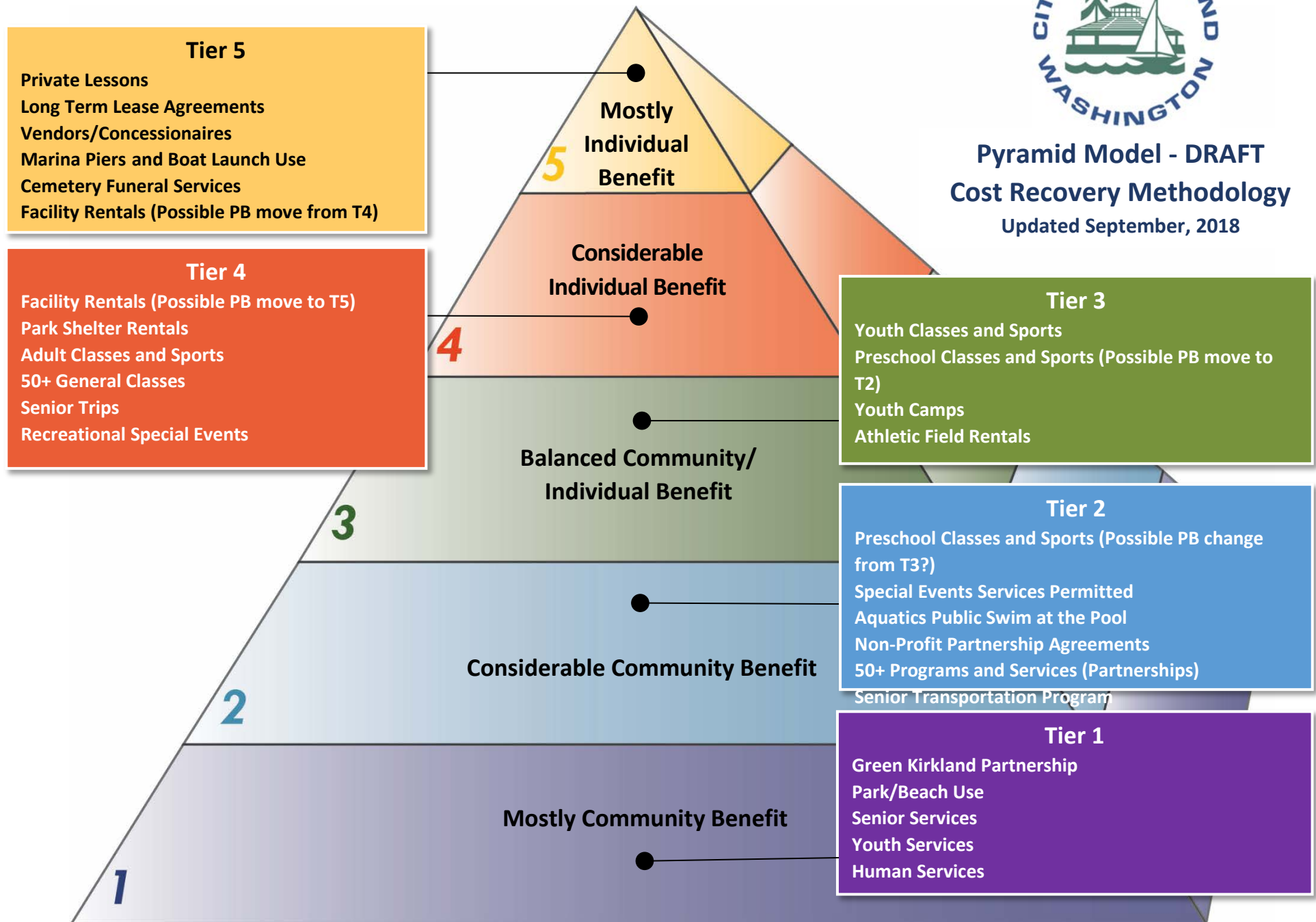
2 – City overhead, department overhead costs removed. Division overhead remains.

Addendum B: Preliminary Draft Pyramid Model



Pyramid Model - DRAFT Cost Recovery Methodology

Updated September, 2018





COST RECOVERY STUDY

**DEPARTMENT OF PARKS AND
COMMUNITY SERVICES**

**NOVEMBER 2018
DRAFT**

Acknowledgements

Mayor & City Council

Mayor Amy Walen
Deputy Mayor Jay Arnold
Councilmember Tom Neir
Councilmember Penny Sweet
Councilmember Toby Nixon
Councilmember Dave Asher
Councilmember Jon Pascal

Park Board

Rosalie Wessels, *Chair*
Kelli Curtis, *Vice Chair*
Kobey Chew, *Youth Representative*
Kevin Quille, *Park Board Member*
Richard Chung, *Park Board Member*
Jason Chinchilla, *Park Board Member*
Uzma Butte, *Park Board Member*
Susan Baird-Joshi, *Park Board Member*

Core Staff Team

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Lynn Zwaagstra, *Director Parks & Community Services*
John Lloyd, *Deputy Director Parks & Community Services*
Heather Lantz-Brazil, *Administrative Assistant*
Linda Murphy, *Recreation Manager*
Jason Filan, *Parks Operations Manager*
Kelsey Hayes, *Recreation Supervisor*
Jairid Hoehn, *Customer Service Supervisor*
Sean Conway, *Recreation Supervisor*
Doug Honma-Crane, *Budget Analyst*

Workshop Participants & Sponsors

123 Valued Community Members
Parks & Community Services Staff Facilitators
Flatstick Pub
BookTree
urban COFFEE lounge
TechCity Bowl
Everyday Athlete
Bottle and Bull

Parks & Community Services Staff Support Team

Tami Cobb, *On-Call Office Specialist*
Jeff Rotter, *Parks Maintenance Supervisor*
Ryan Fowler, *Parks Maintenance Supervisor*
Tracy Harrison, *Program Coordinator*
Betsy Maxwell, *Program Coordinator*
Nicci Osborn, *Program Coordinator*
Kevin Ball, *Parks Accounts Associate*
Lourdes Mansanarez, *Program Assistant*
Michelle Smith, *Program Assistant*
Loni Rotter, *Program Assistant*
Jessi VanDiver, *Program Assistant*
Sudie Elkayssi, *Special Projects Coordinator*

Consultants

Chris Dropinski, *Greenplay LLC*
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For more information about this document please contact:

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Executive Summary

Welcome to the Cost Recovery Study

Cost recovery is a measurement that represents a decision to generate revenues (outside of taxes) by charging fees, or other means, for some, or all, programs and services, relative to the total operational costs to provide them. This document follows the work that has been done to explore this issue in the Department of Parks and Community Services so that cost recovery can be used as a business tool, both for setting appropriate targets and measuring performance against those targets to produce certain outcomes. Cost recovery does not imply that the target is total recovery of the cost; however, a target is established according to a variety of considerations and may range from 0% to more than 100% of costs.

City policy requires “all fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the City.” However, what has not been clear is how the City is to come to determine what would be “deemed appropriate.”

Several factors are driving the need and urgency for this work.

- In 2021, the City will lose the annexation sales tax credit which will have a significant impact on the Department of Parks and Community Services and its ability to sustain its current programs and services into the future.
- Decisions that will need to be made in anticipation of this or any potential economic downturn should be made on a foundation that is fair and equitable to the taxpaying community as well as each individual as they partake of services of the Department. Examining and aligning how resources are allocated ahead of these circumstances will allow decisions to be made confidently with the best interest of all citizens in mind.
- Efficiency within the operations of the Department are hampered without proper performance measures and business tools to support their efforts.

What Did We Set Out to Accomplish?

The goal of this project was to develop a cost recovery philosophy, model and policy that provides a framework for resource allocation, budgeting, pricing, and future planning. This is especially important as the City prepares for the elimination of the annexation sales tax credit. Available existing and potential resources would be aligned with desired level of service to create a long-term sustainable financial model. This interactive and holistic approach allows the department to be more strategic and make operating decisions based on an articulated rationale.

Ultimately, the cost recovery philosophy, model and policy is designed to reflect City Council goals, the mission and vision of the Department, and the values of the community. Recommendations considered industry best practices and an implementation plan, ensuring the Department is moving in the right direction, and in a timely manner, to meet the needs of the Kirkland community.

The Project

The development of a Resource Allocation Philosophy and Cost Recovery Fiscal Policy occurred in parallel with a financial analysis. The community, staff, and Park Board were engaged to gain an understanding of how residents view the more than 50 types of programs and services run by the Department, that were ultimately grouped into 25 Categories of Service. Through community dialogue workshops participants examined the community benefit and individual benefit received through the services offered and helped populate a pyramid model that aligns these benefits while illuminating other related issues that would need attention. And, finally, a resource allocation philosophy and cost recovery fiscal policy that aligns a financial structure with the values identified in the “community and individual” benefit pyramid was created. Additional project components included collecting benchmarking information and assessment of associated policies, such as those addressing partnerships, other relationships, and facility use. The availability of an effective scholarship policy remained paramount to this effort.

How Did We Undertake the Study?

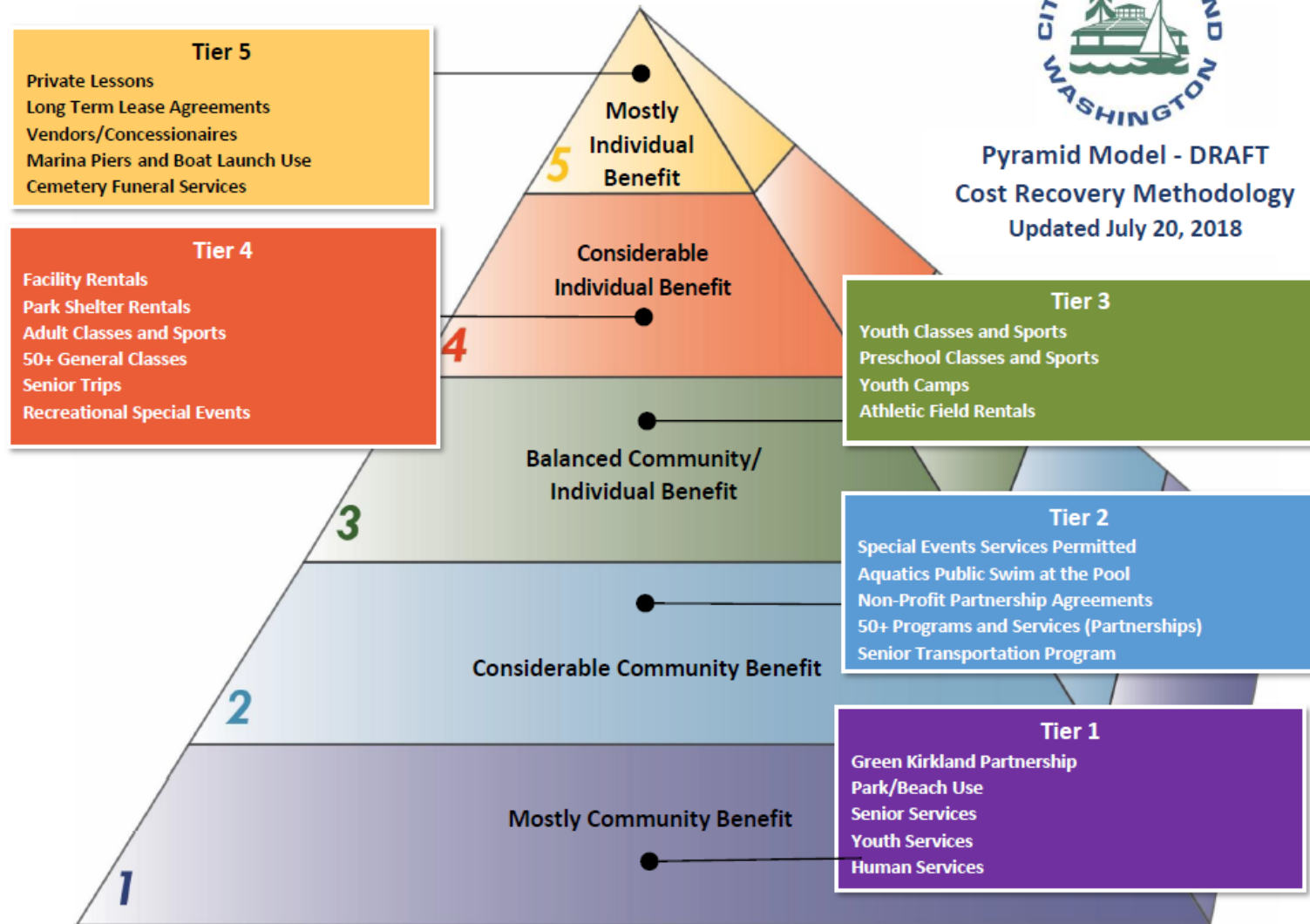
A staff project team guided this study, providing information, handling logistics, identifying costs, and defining categories of services. A series of workshops between April and August of 2018 were used to progress through steps one through six of a ten step process, including the community engagement held in June. This series of workshops and discussions, as well as an activity about the benefits of services provided by the Department, helped to identify how those benefits accrue to individual participants (or individual groups and to the taxpaying community as a whole, setting the foundation for a cost recovery approach. The financial analysis made it possible to assign current level of cost recovery to categories of service and tier levels so that further analysis could be done on alignment with the model.

Council and Park Board feedback was sought along the way with updates and findings presentations in July, August, October and November.

A Model for Kirkland

The Model in Figure 1 illustrates a pricing philosophy based on establishing fees commensurate with the benefit received when a program or service is delivered. Descriptions regarding each level of the pyramid are provided in the main report; however, through this process Kirkland’s categories of service have been placed on tiers of the pyramid with an understanding that the higher level of community benefit received toward the lower end of the pyramid would constitute a higher use of tax subsidy (a lower cost recovery rate) and the rate of cost recovery would increase as you moved up the pyramid tiers. Toward the higher levels of the pyramid, a lower use (or no use) of tax dollars would occur with a higher use of fees reflecting the higher level of individual benefit received by the participant or group partaking in the service.

Figure 1: The Kirkland Parks and Community Service Pyramid Model



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What Did We Learn?

The following key issues have driven recommendations for this study:

This project is building on a solid foundation.

- Staff has done an admirable job with the tools available.
- An organization does not have to be sick to get better.

Policy and guidelines have shortcomings.

- There is no effective cost recovery policy currently in place.
- The scholarship program needs policy support.
- Facility/field use guidelines are often confused with the concept of “partnerships.”
- No written agreements of policies exist for support provided by other affiliated or sanctioned service providers.
- Special events permitting needs to be reviewed for consistency and equitability.

Accounting challenges must be overcome.

- Providing management information is a tedious manual process.
- The fee setting process needs to be better understood, transparent, equitable, and flexible.

Use of fees and charges could be more effective.

- The use of fees may be undervalued.
- Limited criteria exists for the regular evaluation of fees and charges.
- There is a lack of incentive to develop new revenue streams.

There will be implementation sensitivities.

- First year experience with implementation will be critical.
- Evaluation and performance measurements must be well-defined and accurate.

Comparative analysis must be used wisely.

- Benchmark findings information is useful, but not the only tool for setting fees.
- Apples-to-apples comparisons in benchmarking are challenging to achieve.

Short and long-term views are necessary.

- The long-term view creates sustainability and equity. This is especially important when anticipating times of financial instability, and much easier to address before those circumstances are impacting an organization, as mechanisms are being put into place to have the organization on solid footing.
- The short-term view includes having effective mechanism in place to allow accurate performance measurement.

Understanding and communication must be timely.

- Internal education is an important key to success and moving the plan forward.
- External communication will occur through many channels and must be timely.

Where Do We Go from Here?

As a result of this intensive and comprehensive process, the Department will begin implementing strategies to align financial resource allocation in year one. It is likely that some adjustments will be made during or at the end of the first year including:

- Further clarification or addition of categories.
- Movement of a category to a more appropriate tier.
- Movement of a program or service to a different category.
- Reassignment of costs or recalculation of cost recovery.
- Determination of cost recovery targets based on any or all of the items bulleted above

Study recommendations are organized into the following themes:

Theme A: Policy Strategies

Adopted policies, guidelines, and procedures allow staff to achieve cost recovery targets and maximize revenue generation where appropriate, shifting taxpayer investment/subsidy to those areas more foundational on the pyramid. This provides an operating framework for service level decisions and the allocation of resources in both times of economic growth and instability; which could occur in 2021-2022 with the loss of the annexation sales tax credit. Any new or revised policy or guideline as a result of these recommendations will go through existing development, review, and Council recommendation and approval processes.

A1: Seek support and recommendation from the Park Board and then by the City Council, of the overall **Cost Recovery Policy** to include key elements as suggested on page 39. Ensure long-term sustainability and equity by focusing taxpayer funding on those services producing the widest community benefit, using the cost recovery pyramid.

A2: Develop both a Partnership Policy and a Sponsorship Policy and philosophy, to serve as guidelines of operating procedures to create equity and consistency while maximizing and leveraging resources of the Department.

A3: Review and refine the Scholarship Policy to assure easy access, clarifying eligibility requirements, allowable uses, and individual and family limits.

A4: Review and modify the Athletic Field Use Agreement Guidelines. Address priority of access, disruption of operations and exceptions to the guidelines, using the language identified in the Cost of Services Plan and cost recovery goals established through the study.

Theme B: Administrative Strategies

B1: Engage in timely, purposeful, and collaborative discussion with the Finance Department to set up the MUNIS system to provide helpful and organized data to the Department on an ongoing basis for strategic decision-making. If this is not possible, explore other options that would allow you to easily download information from the City's accounting system and from the registration system, using software that aligns the two and allocates indirect and over-head costs in a pre-determined and consistent manner.

- B2:** Simplify the fee approval process, giving the Department the latitude needed to be nimble when making fee adjustments in order to meet customer needs, providing value for their discretionary spending.

Theme C: Revenue Enhancement

- C1:** Establish the right price point for fees by employing best practice strategies including cost recovery fiscal policy that shifts to pricing programs and services for the majority who can afford to pay and subsidizing the limited number who can't.
- C2:** Assure written policy for how and when fees are adjusted is addressed in the overall policy. Review all fees for annual adjustments at the staff level and provide an update to City Council through the annual budget process. All fees should be subject to automatic CPI adjustments. Fees adjustments for services not effected by a restructuring that exceed 10% will be brought to the attention of City Council.
- C3:** Use the criteria provided by this model to evaluate fees and charges while determining where competitive and market pricing best fits with services, along with how partial and full cost recovery fees can best meet targeted cost recovery goals. Establish performance measures including cost recovery targets and conduct periodic fee reviews.
- C4:** Establish the use of Programming Planning and Pricing Worksheets as the means by which program service budgets are identified and revenues are projected to achieve cost recovery targets. Manage program lifecycles through monitoring registration, attendance figures, and cost recovery goals on an ongoing basis. Cancel, retool, and/or replace under-performing services.
- C5:** Expand revenue generation sources by identifying additional funding opportunities, as identified by staff through a funding exercise, for exploration.

Theme D: Cost Savings/Avoidance

- D1:** Continue to review internal management practices to identify cost savings practices. Consider efficiencies, simplifying processes, placing approval/decision-making authority at appropriate levels, and providing periodic management reports using information generated in this process, among other strategies. Review maintenance standards and practices such as reduced mowing schedules and/or area; and consider green measures such as light, water, and motion sensors; energy audits; and use of electric and hybrid vehicles. Consider benefits of flex-scheduling for employees.
- D2:** Continue to maintain current capital and maintenance management plans, appropriately budgeting for ongoing operating expenses to avoid deferring expenses that will multiply in the long run.

Theme E: Implementation Strategies

The following tier-specific recommendations are made to focus the continuation of exploratory efforts based on what was learned from this initial study. After year one, targets and timeline for reaching cost recovery goals can be developed.

Tier 1: Mostly Community Benefit

E1: As the Department continues to operate and grow, remain vigilant with the services provided in this tier as these are most beneficial to the community at large. Explore the potential for donations, establishing a foundation, and/or friends groups, to help contain costs, and continue efforts toward efficiencies.

Tier 2: Considerable Community Benefit

E2a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier.

E2b: As tracking methods are improved, research Aquatic Public Swim expenses to adjust for the methodology of allocating indirect and overhead costs by the size of the personnel budget, that does not fully take into account the high cost of other costs of operating a municipal pool. This will likely result in a lower cost recovery rate in alignment with this tier level.

E2c: As tracking methods are improved, and a partnership policy is adopted, identify expenses associated with the Non-profit Partnership Agreements, not able to be measured or estimated within the current data.

E2d: Seek opportunities to increase funding for the Senior Transportation Program through alternative revenue sources such as sponsorships and partnerships, as well as fee adjustments.

E2e: Examine fees and charges for Special Events (permitted) to ensure equitability with other facility use policies. Consider market rates and best practices in order to streamline processes and the method of assessing fees to the event organizers.

Tier 3: Balanced Individual and Community Benefit

E3a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier

E3b: Work with youth league providers to gain understanding of costs associated with providing facilities and that increased revenue in the Athletic Field Rentals category is directly related to the Department's ability to provide high quality fields. Fee changes will need to be explored, and working with the providers, potential alternative funding sources could be sought to supplement. Incremental fee changes will need to be made over an extended period but could take longer as the cost recovery is very low and the amount of rate increase must be considered on a yearly basis.

Tier 4: Considerable Individual Benefit

E4a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier.

E4b: Consider market rates for Facility Rental to set a baseline fee. Address discounting from those market rates through the Department's Facility Use Guidelines, making eligibility for discounting very clear. Explore the need to incrementally adjust the fee structure for those eligible for discounting.

E4c: Consider fee adjustments for Adult Classes and Sports, and specifically for adult indoor volleyball and adult softball leagues, being mindful of market rates.

E4d: Consider cost saving measures and fee adjustments for 50+ General Classes. Reevaluate age requirements for the senior programs and seek opportunities to decrease expenses such as higher use of volunteer or contracted instructors, renegotiated contracts.

E4e: Consider cost saving measures and fee adjustments for Senior Trips. Reevaluate age requirements for this senior program and explore sponsorships and/or partnerships. Seek opportunities to decrease expenses through contracted services arrangements.

E4f: Evaluate Recreational Special Events, looking for ways to increase revenues, particular through sponsorships and partnerships, and vendor fees. Reevaluate participant fees.

Tier 5: Mostly Individual Benefit

E5a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier. Although categories appear to be in alignment with high cost recovery rates, this tier level has the ability to generate revenue above costs, is least related to the mission of the department, and revenues in this tier should be maximized.

E5b: Although Private Lessons and Advanced Skill Lessons as a whole category is measuring at a high cost recovery rate, Private Lessons are well below 100% cost recovery. Fee adjustments for this specialized service should be considered.

Theme F: Evaluation and Performance Measures

F1: In addition to eventual cost recovery targets, use evaluation tools and performance measures in first year implementation that will allow staff to see the effects of the overall cost recovery approach and reveal factors unknown at this time.

F2: Proactively prepare for the needs of a changing community through a variety of community engagement strategies keeping the community and political leaders apprised of the continuing efforts and results as the Model is refined throughout the process.

Conclusion

The extensive effort undertaken during this study has brought to light key findings that are critical to addressing financial goals, cost recovery targets, and fee setting and decision-making. Through these recommendations, the Kirkland Parks and Community Services Department is taking on a very healthy goal of an intensive review of service delivery, programming, and use of non-tax revenues to offset the cost of providing those services and programs. Although not possible at this time to responsibly set cost recovery targets in all areas, much has been learned, clearly setting out the next steps to occur over the upcoming year to more fully understand what is driving expenditures and how to maximize resource allocation to best meet the needs of the community.

Having broken down the financial picture to the activity level will allow all Department staff responsible for budgeting for the services they deliver to be proactively engaged in reaching the desired result. The City will need to remain flexible in setting and refining targets as systems for tracking expenditures will provide a more accurate picture as each year goes by, especially the shift from the first to the second year. The Pyramid model has allowed the aligning of service benefits with the form of revenue best suited to support the service, whether taxes, fees, or other forms of revenue.

It has been our pleasure to assist the City and work with the Parks and Community Services Department to evolve its sustainability efforts.

I. Cost Recovery Study

About the Study

Introduction

Cost Recovery is a complex subject. Essentially, it represents a decision to generate revenues (outside of taxes) by charging fees, or through other means, for some, or all programs and services, relative to the total operational costs to provide them. *Cost of Service* is an identification and calculation of what is required financially to produce or operate a service. Cost recovery does not imply that the target is total recovery of the cost; however, a target is established according to a variety of considerations and may range from 0% to more than 100% of direct costs. As cost is defined differently in nearly every organization, this document discusses *Cost Recovery* as it relates to Kirkland Parks and Community Services.

The City of Kirkland has defined fiscal policies that are reaffirmed every two years through the adoption of the biennial budget. The key fiscal policy related to Parks cost recovery is:

“All fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the City.”

What is not clear is how the City is to come to determine what would be “deemed appropriate.”

In accordance with City policy, the goal of a cost recovery study is to articulate and illustrate a comprehensive resource allocation philosophy and cost recovery fiscal policy in order to ensure a sustainable system into the future by using tax revenues and fees in the most appropriate ways.

Background

The City of Kirkland last conducted a full cost recovery study for Parks and Community Services in 2005 using 2004 budget actuals, that served as an update to a previous study conducted in 1999. The study determined actual costs by programmatic area and established a pricing policy based on determining the level of community benefit (to be funded by taxes) versus individual benefit (to be funded by fees) provided by recreation and community services programs. The study also conducted benchmarking on fees charged by several surrounding jurisdictions and made recommendations for specific fee changes.

Since that time, the City experienced the Great Recession that resulted in significant changes to the City’s financial structure and levels of service. Parks and Community Services implemented service level and staffing reductions. Also, in order to save some valuable recreation programs, fees were increased to market rates versus the previously established cost recovery levels. In 2011, the City annexed the North Juanita, Finn Hill and Kingsgate areas. In 2012, a Park Levy was initiated by the community to restore some park maintenance service levels and establish funding for the Green Kirkland Partnership program. The combination of these factors along with many incremental changes in service levels since that time, render the 2005 cost recovery policies obsolete.

In 2015, the Department completed an update of its own comprehensive plan, called the Parks, Recreation and Open Space (PROS) Plan through extensive community outreach involving community surveys, stakeholder meetings and open houses. This plan articulated the levels of service to the community, community needs and priorities and a capital facilities plan. Through analysis of the community feedback and an extensive industry and department review, the PROS Plan outlined strategic goals for the next 6-year period.

Community surveys conducted through this process showed that nearly 9 in 10 respondents said that parks and recreation were “important” or “essential” to the quality of life in Kirkland. The parks and recreation system generally received high ratings; however, the community also indicated a desire for more. The PROS Plan acknowledged limited resources to meet this need and made recommendations to pursue partnerships, fees for services and rentals, and alternative revenue sources in order to fund the articulated needs. A key policy area in the PROS Plan called for use of “traditional and new funding sources to adequately and cost-effectively maintain and enhance the quality of Kirkland’s park and recreation system.”

Policy area 9.5 Funding (PROS Plan p. 35) then articulated several specific actions to achieve this goal, which included pursuit of grants, donations, partnerships and sponsorships; revenue generated from fees and charges for services and new revenue-generating programs and facilities; continued support from the City’s General Fund; and potential voter initiatives. While the PROS Plan identifies the need to generate new revenue, this project is intended to address a strategic approach to doing so.

The Goal

The goal of this project is to develop a cost recovery philosophy, model and policy that provides a framework for future planning, budgeting, pricing, and resource allocation for the City’s parks, recreation and community services. An interactive and holistic approach will reflect the City Council goals, the mission and vision of the Department, and the values of the community. The project seeks alignment of available and future resources with services and commitments to include desired level of service, sustainable fiscal stewardship, and industry best practices in order to develop an implementation plan that will ensure that the Department is moving in the right direction to meet the needs of the Kirkland community.

The Project

The cost recovery study involved two main components which occurred in parallel, carried out by two consulting firms.

Resource Allocation Philosophy and Cost Recovery Fiscal Policy

GreenPlay, LLC (GreenPlay), a nationally renowned parks and recreation consulting firm, chosen due to its expertise in developing cost recovery models conducted a “community benefit” versus “individual benefit” assessment and worked with the Department to develop a resource allocation philosophy and cost recovery fiscal policy. GreenPlay has provided over 450 assessments, plans and cost recovery studies for parks and recreation departments around the country since 1999.

Financial Analysis

MGT of America Consulting, LLC (MGT), selected due to its extensive municipal finance experience and expertise with a methodology similar to that used with the development services fee studies, conducted an analysis of the current financial condition of the Parks and Community Services Department. This portion of the study incorporated analyzing true costs for providing parks, recreation and community services. This data was used to provide equity of costing among the program and service offerings and to measure true costs that will allow setting targets for use of tax subsidy to meet the needs of the community.

GreenPlay engaged the community, staff, and Park Board to gain an understanding of how residents view the more than 50 types of programs and inter-related core services run by the Department. Participants through community dialogue workshops examined the community benefit and individual benefit received through the services offered and helped populate a pyramid model that aligns these benefits.

The final stage of the cost recovery study was the creation of a resource allocation philosophy and cost recovery fiscal policy that aligns a financial structure with the values identified in the “community and individual” benefit pyramid model created through the community involvement process. Additional components included collecting benchmarking information, such as market rate of fees for service, and assessment of associated policies, such as those addressing scholarship, partnerships, and facility use.

II. Philosophy, a Model, and a Policy

Having a Resource Allocation and Cost Recovery Philosophy, Model, and Policy assists in answering challenging questions such as:

- Are our programs priced fairly and equitably?
- Are we using funding in a responsible manner?
- Is there a methodology for the distribution of the tax investment?
- Does the way we charge for services (facilities, programs, etc.) support our values, vision, and mission?

Resource Allocation and Cost Recovery Defined

Resource allocation is how tax dollars and alternative sources of funding are used. Cost recovery is the amount of the annual operating budgeted expense that can be offset by funding from sources other than general taxpayer investment (whether derived from property, sales, or other sources).

Does “cost recovery” mean that we need to recover all of the costs of a program or activity through fees?

No – in most cases where fees are appropriate, the cost recovery target will be set to recover a portion of (or

all of) the “direct” cost. In some cases where the individual benefit is very high, the cost recovery target will be set to cover more than 100% of the direct cost. Cost recovery can also be accomplished through other forms of revenue such as grants, donations, sponsorships, etc.

Although fee adjustments are possible, the goal is not to simply generate new revenues through fees, but to ensure a sustainable and equitable system by using tax revenues and fees in the most appropriate ways, supplemented where possible by grants, donations, partnerships, and other sources of alternative revenues. Paying taxes typically supports “core services,” whereas fees and charges usually account for activities and services that benefit individuals. This practice allows the agency to allocate its resources wisely and provide valuable information for decision making and setting priorities for improvements and changes to the system.

Who Expects to Benefit?

General Fund

\$ Taxes

Those who **INVEST** expect to benefit

Fees and Charges

\$ Program Fees

\$ Permits

\$ Rentals

Those who **PAY** expect to benefit

Alternative Funding

\$ Grants

\$ Donors

\$ Sponsors

Those who **CONTRIBUTE** expect to benefit

Supplementing Taxes with Fees

Parks and Recreation services provide value to the community in terms of economic, environmental, and social benefits. Tax dollars support these “core services.” Beyond those benefits realized by all residents, the agency is also able to provide specific activities and services that benefit individuals. There are not adequate tax dollars to completely support this level of activity, and it is appropriate and common to charge at least minimally for these services. For example, if an individual takes a swimming lesson or participates in a senior trip, there are certain levels of skill building, social engagement, or entertainment that accrue to that person, but it can still be argued there is a benefit to the community as a whole by teaching people safety around water, and through the social capital and health gained by keeping seniors active and in touch. This warrants covering at least a portion of the cost of a program or activity through an individual fee. Other opportunities, such as the rental of a space for a private party, warrant a fee to cover the entire cost of providing that space.

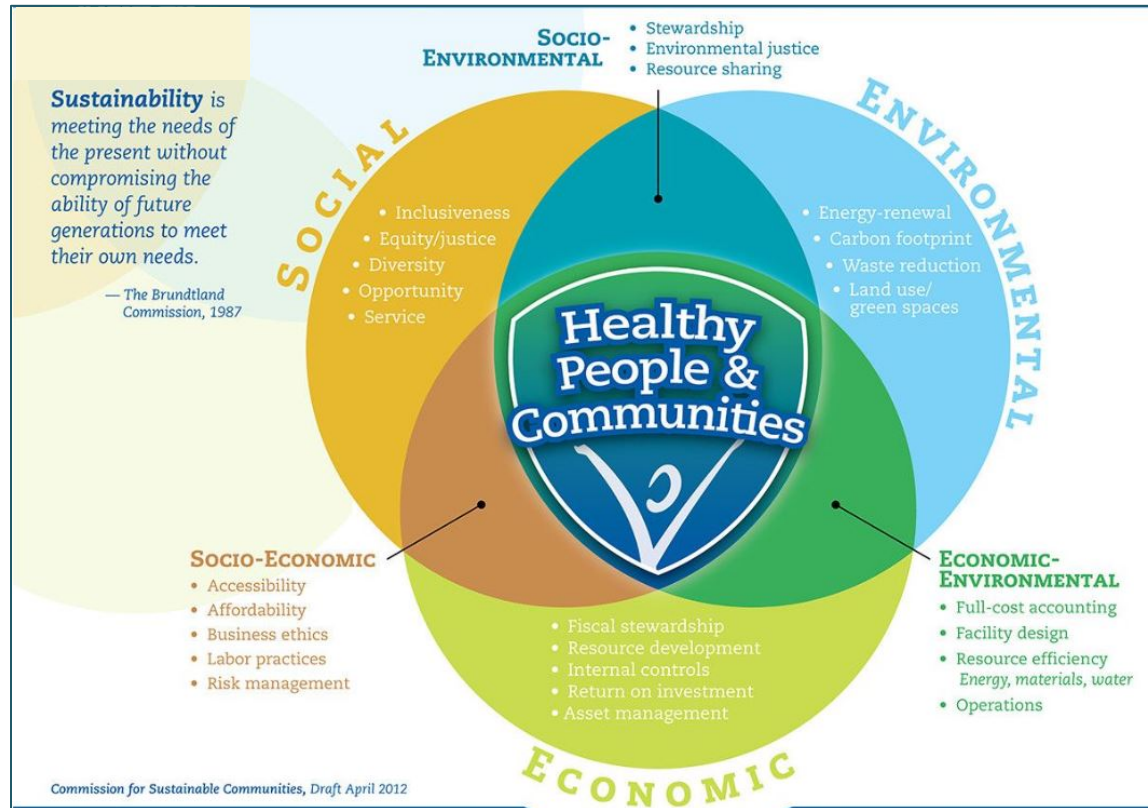
Core Services

Core services satisfy an agency’s mission and vision, typically benefiting all community members. It is not necessary that an individual participate in a specific recreational or cultural activity, or even step into a park setting to receive benefit. For example, having a nice park and trail system with trees, open space, and recreational amenities available in the community adds to home values and a quality living environment. Core services also provide opportunity for partaking in activity, contribute to clean air, and provide relief from urban density. To achieve these and other outcomes, an agency invests its tax dollars in these core services.

A Sustainable and Equitable System

The sustainability and equitability of the Parks and Community Services Department is influenced by the ability to satisfy community demand, use tax revenues equitably and provide specialized, high-quality services when they are justified by community participation.

Sustainability is a very popular and perhaps overused word. Often, the users have in mind only one of the three basic elements of sustainability – Financial or Economic, Environmental, and Social or Recreational – making it very challenging to come to any kind of consensus when others may be focusing on one of the other elements. In order to manage the system of parks and recreation, all elements of sustainability must be balanced. The financial resources must be adequate to maintain the system into the future, the environment we love so dearly cannot be “loved to death,” and the people must be allowed appropriate use of the system to properly connect to and understand the value represented, creating stewardship while promoting the other benefits of physical activity and mental/emotional engagement. When all three are attended to, a dynamic, yet sustainable system is possible.

Figure 2: Sustainability Elements

Equitability means fairness to all residents, and access to parks and recreation programs for low income residents is particularly important. In the past, parks, recreation and community services organizations assessed low fees for everyone so that the 20% of the population who can't afford to pay for services would be able to participate. This was equitable, but not financially sustainable in light of the need for services. Best practice includes cost recovery fiscal policy that shifts to pricing programs and services for the 80% who can afford to pay and subsidizing the 20% that can't.

Taking Care of Those Who Cannot Afford to Pay a Fee

The sustainability model above mentions accessibility, affordability and equity. In this cost recovery approach, options are always available for those with economic need. The cost recovery fiscal policy is a defined strategy to allocate resources and assess fees for programs and services according to who benefits as set forth in the Pyramid Model. Accommodating those with economic need is accomplished through associated policies, such as a scholarship policy.

A Best Practice Tool

This comprehensive effort and approach to providing services is undertaken to introduce and implement strong “best practice” tools to the Department. Parks and community services are varied and make up many smaller “businesses” that each have their unique place in the market, and appeal to the population in myriad ways. The goal of this plan is to provide a framework for allocation of resources, budgeting, pricing, and future planning for a vibrant community. Examining policies and rules that affect desired outcomes is necessary to achieve these goals. Having measures of performance are the indicator that you are accomplishing the goals you set out to achieve.

A Common Language

In order to fully understand and discuss the philosophy, model and policy, we must have a common language. Definitions of key terms are found in the side bar, and a complete glossary of cost recovery terms is found in Appendix B.

Determining the Cost of a Program or Activity

Dollars spent are accounted for specifically by programs and services offered. “Direct” costs include easily tracked expenses such as the cost of an instructor, including benefits, supplies needed, equipment rented, services needed for that particular service, etc. “Indirect” and “overhead” costs within the Department are shared among several programs or services within a division.

Indirect costs are costs related to general support of programs within the section. Overhead costs are costs incurred by the Department or the City for overall administration and management of the Department. These costs are allocated to each activity/program according to the size of the program’s budget based on the largest cost category of personnel (i.e., costs are allocated on a “percentage of budget” basis).

Definitions

ACTUAL EXPENDITURES AND REVENUES: FISCAL YEAR REPORTING FROM A COMPLETED FISCAL YEAR.

BUDGETED EXPENDITURES AND FORECAST OF REVENUES: PROJECTION OF ANTICIPATED EXPENDITURES AND REVENUES FOR A FISCAL YEAR.

CATEGORY OF SERVICE: A COLLECTION OF ACTIVITIES COMBINED BASED ON SIMILARITY IN TYPE OF ACTIVITY, TARGET MARKET, AND/OR DESIRED OUTCOME.

COST: SPECIFIC, IDENTIFIABLE EXPENSES (FIXED AND VARIABLE) ASSOCIATED WITH PROVIDING A SERVICE.

DIRECT COSTS: BUDGETED COSTS ASSOCIATED WITH PROVIDING PROGRAMS:

INDIRECT COSTS: COSTS RELATED TO GENERAL SUPPORT OF PROGRAMS WITHIN THE SECTION, AND OTHER GENERAL COSTS THAT ARE SPECIFICALLY RELATED TO PROGRAM ACTIVITIES.

OVERHEAD COSTS: COSTS INCURRED BY THE DEPARTMENT OR THE CITY FOR OVERALL ADMINISTRATION AND MANAGEMENT OF THE DEPARTMENT. THESE COSTS ARE ALLOCATED TO ALL DEPARTMENTAL PROGRAMS AND ACTIVITIES, BASED ON SIZE OF THE PERSONNEL BUDGET.

COST RECOVERY RATE: THE PERFORMANCE METRIC FOR COST RECOVERY, EXPRESSED AS A PERCENTAGE (REVENUE DIVIDED BY EXPENSE)

COST RECOVERY TARGET: A GOAL SET FOR THE PERFORMANCE METRIC, SUCH AS PERCENTAGE OF COST RECOVERY.

FEE OR PRICE: THE AMOUNT CHARGED TO THE CUSTOMER FOR THE SERVICE.

RESOURCE ALLOCATION: HOW APPROPRIATED TAX DOLLARS AND ALTERNATIVE SOURCES OF FUNDING ARE DETERMINED TO BE USED FOR DELIVERY OF SERVICES.

SUBSIDY: TAXES AND OTHER VEHICLES USED TO FINANCIALLY SUPPORT SERVICES INCLUDING PROGRAMS, FACILITIES AND PARKS. SUBSIDY DOLLARS PROVIDE FOR SERVICE COSTS (DIRECT AND/OR INDIRECT) THAT ARE NOT COVERED BY USER OR PARTICIPANT FEES, OR OTHER FORMS OF ALTERNATIVE FUNDING.

SCHOLARSHIP: REGISTRATION SUBSIDIES TO INCOME-ELIGIBLE RESIDENTS TO FACILITATE THEIR PARTICIPATION IN LIMITED PROGRAMS AND ACTIVITIES

TIERS: LEVELS THAT PROVIDE THE FRAMEWORK FOR THE COST RECOVERY MODEL THAT FUNCTION TO DEFINE CATEGORIES OF ACTIVITIES BY OUTCOMES OR BENEFITS AND TARGET MARKETS.

BENEFIT: DEGREE TO WHICH SERVICES (INCLUDING PROGRAMS, FACILITIES AND PARKS) IMPACT THE PUBLIC (INDIVIDUAL AND COMMUNITY), OR IN OTHER WORDS, THE RESULTS OR OUTCOMES OF SERVICES.

COMMUNITY BENEFIT: ECONOMIC, ENVIRONMENTAL, SOCIAL VALUE; MAINTAINS OR IMPROVES QUALITY OF LIFE FOR THE TAXPAYING COMMUNITY IN GENERAL

INDIVIDUAL BENEFIT: SKILL BUILDING, ENTERTAINMENT, EXCLUSIVE USE, RELATIONSHIP BUILDING, FINANCIAL GAIN, ETC.

III. About Kirkland Parks and Community Services

Who We Are

Kirkland Parks and Community Services is a department within the City of Kirkland municipal government. Kirkland is located in King County in the Seattle metropolitan area, on the eastern shore of Lake Washington, approximately 10 miles east of downtown Seattle. Kirkland was incorporated in 1905 and has a population of approximately 87,000 and occupies about 17 square miles.

Within the City of Kirkland there is a diverse system of over 600 acres of parks, open space and trails that are owned or maintained by the City that comprise 54 parks that are made up of 46 developed, 6 natural and 2 non-City owned but City operated parks. These areas provide access to parks, beaches, lakes and other opportunities. The City also owns and operates two community centers and a pool.

Research conducted through the City's recent planning efforts (PROS Plan, Kirkland 2035, Citizen Surveys, etc.) has indicated that nearly nine in ten residents believe that parks and recreation are "important" or "essential" to the quality of life in Kirkland. While the parks and recreation system generally receives high ratings; the community has also indicated a desire for more in terms of indoor recreation infrastructure, athletic fields and multi-use trails. This has been especially true regarding the availability of swimming pools. Articulated needs included indoor recreation space, pool access, sports courts, sports fields, synthetic turf fields, trails and trail connectors, and new active recreation amenities such as bike parks, skate parks, bouldering walls and outdoor parkour features.

While many of these identified community needs are related to capital projects, there are many needs that can be met through annual operational funding. These types of facility enhancements were also identified in the PROS Plan and include trail and park signage and wayfinding, interpretive signage and shoreline improvements. In addition to facility needs, the PROS Plan identified a desire for expanded recreation opportunities such as educational programming, youth sports, summer camps and after school programs.

Additionally, staff receive requests for service on a daily basis, which indicates that the balance of social, environmental and economic factors has become unbalanced. Current demands for service are outstripping the resources available to provide those services. Additional City funding for Parks and Community Services must compete with other City priorities such as police, fire and public works investments.

An articulated resource allocation and cost recovery fiscal policy will help ensure the provision of core services and rebalance the assessment of fees for programs and services that have more individual benefit.

Our Mission and Goals

Mission and goals represent principles that create a philosophical framework to guide and direct, and serve as the foundation for all organizational decisions and processes. They also help determine those community conditions that the Department wishes to impact, guiding often-difficult management decisions, substantiating them, and making them justifiable and transparent.

The Department has established a current mission and goals statements that guide the Department.

Mission

Support a healthy and sustainable community by providing high quality parks and recreation services, ensuring a collaborative community response to basic human needs, and protecting our natural areas.

- *We will preserve and maintain park lands and open spaces to create safe places for people to visit.*
- *We will conserve and sustain natural areas for the benefit and enjoyment of current and future generations.*
- *We will provide comprehensive year-round recreation opportunities to enhance physical, mental and social well-being.*
- *We will establish partnerships to ensure a comprehensive system of programs, facilities and services are available to meet the recreation and human service needs of the Kirkland community.*

Goals

- *Acquire, develop, and renovate a system of parks, recreational facilities, and open spaces that are attractive, safe, functional, and available to all segments of the population.*
- *Enhance the quality of life in the community by providing services and programs that offer positive opportunities for building healthy productive lives.*
- *Protect and preserve publicly owned natural resource areas.*

Our Accounting Structure

The City of Kirkland utilizes the following types of taxing funds to support the Parks and Recreation Department: the City's General Fund, a Parks Maintenance Fund, a Park Levy Fund, and the Cemetery Fund. The City's General Fund provides the funding for basic recreation services, operations, and customer service intended to be accessible and of benefit to everyone, including general maintenance of park lands and the Cemetery. The Parks Maintenance Fund and the Parks Levy Fund were each established by a vote of the citizens to account for monies collected to be used to support maintenance and operations of assets acquired or developed with a 2002 bond, and a 2012 levy, respectively. The Cemetery Fund is monies collected and used for operations and maintenance of the Cemetery, above and beyond general maintenance. All Funds are described in more detail below.

General Fund

General government operating fund for services to the public including public safety, street maintenance, land use, parks, recreation, human services and administrative functions. Taxes, fees and charges, and contributions from other governments are the primary financing sources for general government functions.

125 Parks Maintenance Fund

Special revenue fund voted by the citizens to fund parks maintenance associated with acquired and/or developed with a park bond passed in November 2002. Parks include Juanita Beach Park, Carillon Woods, North Rose Hill Woodlands Park and select Lake Washington School District school playfields. The fund accounts for all landscape and horticulture services, athletic field maintenance and renovations, ball field scheduling and coordination, restroom and park amenity services, trail maintenance, park rentals, and other repair and construction projects of these properties.

128 Parks Levy Fund

Special revenue fund voted by the citizens to fund maintenance and operations of park properties acquired and/or developed with the revenues from the 2012 park levy for "City parks, maintenance, restoration and enhancement". The mission of the fund is to restore and enhance funding for park maintenance and beach lifeguards, acquire park land and open space and to maintain, renovate and enhance docks, park facilities, trails and playfields. The levy restores maintenance and beach lifeguards at Houghton, Waverly and Juanita beaches and restores maintenance at neighborhood parks including restroom operations and repairs. The levy also provides for maintenance of O.O. Denny Park, the Cross Kirkland Corridor, and provides ongoing funding for the Green Kirkland Partnership. The levy includes annual capital funding for restoration of docks and park facilities, playfields and open space acquisition.

Cemetery Fund

The Cemetery Operating Fund is responsible for operating and maintaining the City of Kirkland Cemetery. Parks maintenance crews provide for the operation and maintenance of the cemetery and services for interment procedures, including ongoing maintenance service such as mowing, edging, weeding, installation of markers, and verification of gravesites. General maintenance is accounted for in the General Fund and direct expenses, including labor, for funeral services are charged to the Cemetery Fund.

IV. Project Approach

Project Team

A project team was established to review existing policy, guidelines, and practices; to become familiar with the Pyramid Methodology; to work with citizen stakeholders to understand community values; and to recommend the best cost recovery practices. The Project Team identified typical and measurable direct costs associated with providing programs and services, determined appropriate methodology for allocation of overhead and indirect cost, defined categories of programs and services, and participated in sorting workshops to place Categories of Services on appropriate Pyramid Tiers. Ultimately, the project team acknowledged current cost recovery levels and will use them to determine and recommend appropriate target cost recovery levels.

Project Schedule

The project was accomplished through a 2018 Workshop Series, each preceded and followed with intensive staff work to understand, gather data, discover, engage with citizen stakeholders, sort, and strategize.

Strategic Kick-Off	April 9-10
<u>Workshop Series</u>	
Workshop I Creating the Categories of Service	May 21-22
Workshop II Sorting Workshops	June 4-6
Workshop III Pricing Strategies Cost Recovery Targets, Goals & Objectives	July 17-18
Presentation of Findings and Recommendations	
City Council Briefing	June 5
City Council Briefing	July 17
Park Board Presentation	July 31
City Council Presentation- Cost Recovery Update	August 6
City Council Presentation- Benchmarking	October 16
City Council Action	November 7

This series of workshops and discussions, as well as an activity about the benefits of services provided by the Department, helped to identify how those benefits accrue to the individual or group participants and to the taxpaying community as a whole, setting the foundation for a cost recovery approach.

Staff and Stakeholder Engagement

The Department hosted five workshops between June 4-6, 2018 with the goal to gather input from staff, board, stakeholders, and the community for the development of a taxpayer investment/resource and cost recovery philosophy and model. At the workshops, participants were asked to identify where Department programs and core services fit within the pyramid model using a benefits filter that gauged the benefit of the program or service based on assessing the community wide benefit along with the benefit received by an individual or individual group partaking of the service.

The engagement occurred through community values-based dialogue. Participants took part in discussions, along with an activity about balancing the community benefits and individual benefits of programs and services provided by the Department. The approach allowed staff to understand which programs and services are considered to have mostly community benefits, which ones have mostly individual benefits, and which ones have a balance of benefits in between. It also allowed participants to better understand their fellow participants' perspectives through open dialogue and discussion, and illuminated other issues that would need attention.

By using feedback from the community to look at programs and services in this way, staff can set a program's cost-recovery goal relative to the amount of community benefit a category of service provides. Programs and services considered to have higher individual benefits will be recommended to have a higher cost recovery ratio.

The Cost Recovery Pyramid Methodology

The Pyramid methodology used in development of the Cost Recovery Model is built on a foundation of understanding who is benefiting from park and recreation services to determine how the costs for service should be paid.

The Model illustrates a pricing philosophy based on establishing fees commensurate with the benefit received. Descriptions regarding each level of the pyramid are provided; however, the model is intended as a discussion point and is very dependent on agency philosophies to determine which programs and services belong on each level. Cultural, regional, geographical, and resource differences play a large role in this determination. The resulting pyramid is unique to each agency that applies this methodology.

Application of the pyramid methodology begins with the Mission of the organization, but must also address other considerations:

- Who benefits from the service, the community in general or only the individual or group receiving the service?
- Does the individual or group receiving the service generate the need (and therefore the cost) of providing the service?
- Will imposing the full cost fee pose a hardship on specific users? (The ability to pay is different than the benefit and value of a program, activity, or service, and therefore, should be dealt with during the implementation phase of pricing, discounted fees, and marketing.)
- Do community values support taxpayer investment for the cost of service for individuals with special needs (for example, people with disabilities or low-income)?
- Will the level of the fee affect the demand for the service?
- Is it possible and desirable to manage demand for a service by changing the level of the fee?
- Are there competing providers of the service in the public or private sector?

The application of the model is broken down into the following steps:

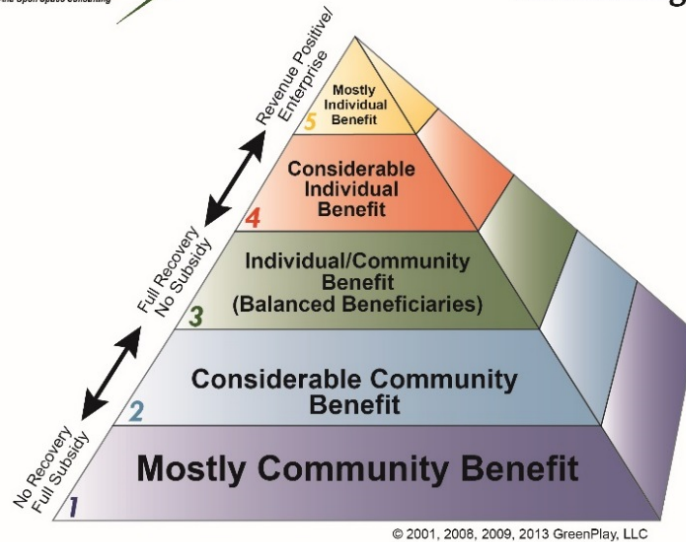
- Step 1: Building on your organization's values, vision, and mission
- Step 2: Understanding the Pyramid Methodology, the benefits filter, and secondary filters
- Step 3: Developing the organization's Categories of Service
- Step 4: Sorting the Categories of Service onto the Pyramid
- Step 5: Defining Direct and Indirect Costs
- Step 6: Determining (or confirming) current tax investment/cost recovery levels
- Step 7: Establishing cost recovery/tax investment goals
- Step 8: Understanding and Preparing for Influential Factors and Considerations
- Step 9: Implementation
- Step 10: Evaluation

Step 1: Building on Your Organization's Values, Vision, and Mission

Critical to this philosophical undertaking is the support and buy-in of elected officials and advisory board members, staff, and ultimately, citizens. Whether or not significant changes are called for, the organization should be certain that it philosophically aligns with its constituents. The development of a financial resource allocation philosophy and policy is built upon a very logical foundation, based upon the theory that those who benefit from parks and recreation services ultimately pay for services. Envision a pyramid sectioned horizontally into five levels.



The Pyramid Methodology



A brief description of the process follows, and a full description of the Pyramid Methodology is provided in **Appendix B**.

Step 2: Understanding the Pyramid Methodology, Benefits Filter, and Secondary Filters

The creation of a cost recovery and tax investment allocation philosophy and policy is a key component to maintaining an agency's financial control, equitably pricing offerings, and helping to identify core services including programs and facilities.

The principal foundation of the Pyramid is the **Benefits Filter**. Conceptually, the base level of the pyramid represents the core services of a public parks and recreation system. Services appropriate to higher levels of the pyramid should only be offered when the preceding levels below are comprehensive enough to provide a foundation for the next level. The foundation and upward progression are intended to represent public parks and recreation's core mission, while also reflecting the growth and maturity of an organization as it enhances its service offerings. Each level of the Pyramid from the bottom to the top is described below. Secondary filters are described in **Appendix B**.

MOSTLY COMMUNITY Benefit

The foundational level of the Pyramid is the largest, and encompasses those services including programs and facilities that **MOSTLY** benefit the **COMMUNITY** as a whole. These services may increase property values, provide safety, address social needs, and enhance quality of life for residents. The community generally pays for these basic services via tax support. These services are generally offered to residents with no fee or at a minimal charge. A large percentage of the agency's tax support would fund this level of the Pyramid.

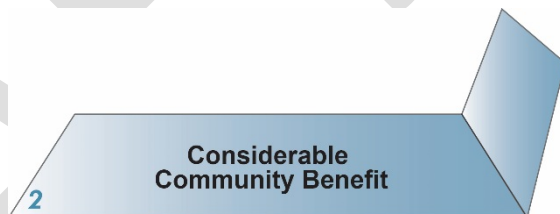


Examples of these services could include: the existence of the community parks and recreation system, the ability to visit facilities on an informal basis, park and facility planning and design, park maintenance, or others.

NOTE: All examples given are generic – individual agencies vary in their determination of which services belong in the foundation level of the Pyramid based upon agency values, vision, mission, demographics, goals, etc.

CONSIDERABLE COMMUNITY Benefit

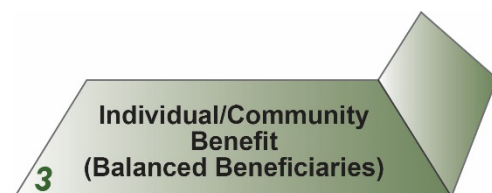
The second level of the Pyramid represents services that promote individual physical and mental well-being, and may begin to provide skill development. They are generally traditionally expected services and/or beginner instructional levels. These services are typically assigned fees based upon a specified percentage of direct (and may also include indirect) costs. These costs are partially offset by both a tax investment to account for **CONSIDERABLE COMMUNITY** benefit and participant fees to account for the **Individual** benefit received from the service.



Examples of these services could include: staff facility and park use, therapeutic recreation programs and services, special events, etc.

BALANCED INDIVIDUAL/COMMUNITY Benefit

The third level of the Pyramid represents services promoting individual physical and mental well-being, and provides an intermediate level of skill development. The level provides balanced **INDIVIDUAL** and **COMMUNITY** benefit and should be priced accordingly. The individual fee is set to recover a higher percentage of cost than those services falling within lower Pyramid levels.



Examples of these services could include: camps and after school programs, beginning level instructional programs and classes, teen programs, youth leagues, etc.

CONSIDERABLE INDIVIDUAL Benefit

The fourth level of the Pyramid represents specialized services generally for specific groups, and those that may have a competitive focus. Services in this level may be priced to recover full cost, including all direct expenses.



Examples of these services could include: trips, adult classes, competitive leagues, etc.

MOSTLY INDIVIDUAL Benefit

At the top of the Pyramid, the fifth level represents services that have potential to generate revenues above costs, may be in the same market space as the private sector, or may fall outside the core mission of the agency. In this level, services should be priced to recover full cost in addition to a designated profit percentage.



Examples of these activities could include: private lessons, company picnic rentals, other facility rentals for weddings or other services, concessions and merchandise for resale, restaurant services, etc.

Step 3: Developing the Organization's Categories of Service

Prior to sorting each program and service onto the Pyramid, the project team took on the daunting task of reviewing, analyzing, and sifting through many individual programs and services in an effort to create the Department's **Categories of Services**, including definitions and examples. "Narrowing down" facilities, programs, and services and placing them in categories (groups of like or similar service) that best fit their descriptions allowed a reasonable number of items to be sorted onto the pyramid tiers using the Individual and Community Benefit filter.

Categories were identified and the staff and citizen stakeholders were both charged to sort the categories onto appropriate levels of the pyramid model based on who they benefited (the benefit filter). Those categories ranged from mostly benefiting the **Community as a Whole**, to programs and services mostly providing an **Individual** benefit.

Step 4: Sorting the Categories of Service onto the Pyramid

The sorting process is where ownership is created for the philosophy, while participants discover the current and possibly varied operating histories, cultures, missions, and values of the organization. The process develops consensus and allows everyone to land on the same page. The effort must reflect the community and align with the mission of the Department.



The sorting process was a challenging step and was led by objective and impartial facilitators in order to hear all viewpoints. The process generated discussion and debate as participants discovered what others had to say about serving the community, about adults versus youth versus seniors, about advanced versus intermediate and beginning programs, about special events, athletic fields, and rentals involving the general public, non-profit and for-profit entities, etc. It was important to push through the “what” to the “why” to find common ground. More important than where activities landed on the pyramid tiers was the discussion and reasoning that illuminated related issues that would need to be resolved in other ways.

Step 5: Defining Costs

The definition of direct and indirect costs can vary from agency to agency. The most important aspect to understand is that all costs associated with directly running a program or providing a service are identified and consistently applied across the system. Direct costs typically include the specific, identifiable expenses (fixed and variable) associated with providing a service. These expenses would not exist without the service and may be variable costs.

Indirect costs and Department overhead are costs that are shared among programs and services and are therefore allocated in an appropriate manner in order to identify the true cost of providing services.

Step 6: Determining (or Confirming) Current Tax Investment/Cost Recovery Levels

This establishes the expectation that the agency will confirm or determine current cost recovery and subsidy allocation levels by category of services based upon the definition of costs. Consideration of revenue sources and services costs is included in this step. For example, in an agency the size of the City of Kirkland, staff may not be cost accounting consistently, and these inconsistencies become apparent. Results of this step identify what it costs to provide services to the community, whether staff has the capacity or resources necessary to account for and track costs, whether accurate cost recovery levels can be identified, and whether cost centers or general ledger line items align with how the agency may want to track these costs in the future.

The overall tax investment/cost recovery level is comprised of the average of everything in all of the tiers together as a whole. This step identifies what the current tax investment level is for the programs sorted into each tier. There may be quite a range within each tier, and some programs could overlap with other tiers of the pyramid. This will be rectified as implementation of recommendations occurs.

Step 7: Establishing Cost Recovery/Tax Investment Targets

The Project Team has worked to align who is benefiting from programs and services with the sources of funding used to pay for them. The tax investment is used in greater amounts at the bottom levels of the pyramid, reflecting the benefit to the **Community** as a whole. As the pyramid is climbed, the percentage of tax investment decreases, and at the top levels, it may not be used at all, reflecting the **Individual** benefit.

Targets take into account current cost recovery levels. As costing of services and matching revenues is a very revealing process, realistic and feasible targets will be recommended to align with the pyramid model and also to meet specific financial objectives for recovery of direct and indirect cost.

Step 8: Understanding and Preparing for Influential Factors and Considerations

Inherent to sorting programs onto the Pyramid model using the Benefits and other filters is the realization that other factors come into play. This can result in decisions to place services in other levels than might first be thought. These factors can aid in determining core services versus ancillary services. These factors are described in **Appendix B** and include participant commitment, trends, political issues, marketing, relative cost to provide the service (cost per participant), current economic conditions, and financial goals.

Step 9: Implementation

The Department will set its goals based upon values, vision, mission, stakeholder input, funding, and/or other criteria. Upon completion of steps 1-8, the Department will have positioned itself to illustrate and articulate where it has been and where it is heading from a financial perspective. Some recommendations are scheduled to occur immediately, and others will take time to put into place, while some will be implemented incrementally. It is important that fee change tolerance levels are considered.

Step 10: Evaluation

This process has been undertaken in order to articulate a philosophy, train staff on a best practice ongoing approach to cost recovery in public parks and recreation, and enhance financial sustainability. Performance measures have been established through cost recovery targets, specific recommendations have been made for services found to be out of alignment, and evaluation of goal attainment is recommended to take place annually.

V. The Kirkland Parks and Community Services Cost Recovery Pyramid Model

The Kirkland Service Offering

Initially thirty-three (33) categories of service were identified and used as the basis of discussion by staff, stakeholders, and citizens. As a result of the discussion, some categories were combined and twenty-five (25) are present in the model. A full listing and description of each category are found in **Appendix C**, and examples of specific activities found within a category are provided.

The Kirkland Pyramid Model

A consensus pyramid from the sorting discussion process was created with each category of service placed in the appropriate tier of the pyramid based on the benefits filter and other filters (Figure 2). Current cost recovery percentages were calculated based on a more specific and consistent definition of direct, overhead, and indirect costs identified during this process.

Current Cost Recovery

Based on fiscal year (FY) 2017 year-end actuals, current cost recovery was measured by accounting for revenues associated with each category of service, and dividing by the total cost-to-produce the activities within each of those categories of service, resulting in a percentage of cost recovery. The cost-to-produce includes the direct costs plus appropriate allocations of indirect and overhead costs for each category of service.

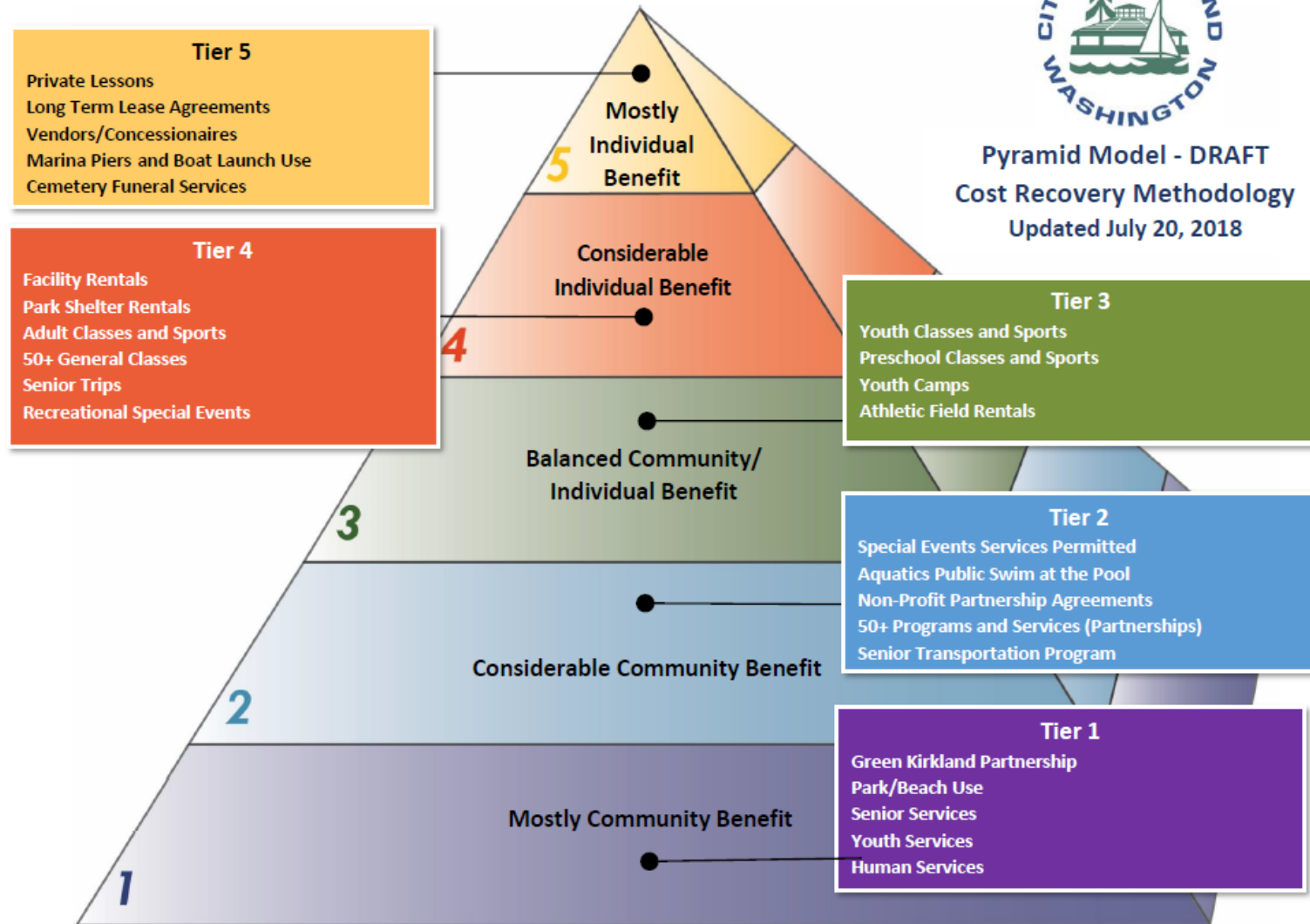
Preliminary measurement of current cost recovery percentage (the aggregate of each tier level), shown in Table 1 below, ranges from 2% on Tier 1 at the bottom of the pyramid to 126% on tier 5 at the top of the pyramid. Current cost recovery will be refined over the first year of implementation as steps are taken to more accurately account for revenues and expenditures by service area.

The percentage of Department Total Costs by Tier shown in the right-hand column of Table 1 is the percentage of the Department's budget, including direct, indirect and overhead costs, that represents the total of all services assigned to each tier as a percentage of the Department's total budget. In other words, it represents the "volume" of activity occurring on each tier of the pyramid.

Table 1: Current Target Cost Recovery by Tier and Tier as a Percentage of Total Budget

Categories of Service	Current Cost Recovery %	% of Department Total Costs by Tier
Tier 5	126%	3%
Tier 4	44%	10%
Tier 3	45%	21%
Tier 2	20%	5%
Tier 1	2%	61%
Total All Tiers	20%	100%

Figure 3: Kirkland Pyramid Model – Working Draft



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We expect with the model that the cost recovery percentages will increase as you move from the bottom to the top of the pyramid. In this case Tier 4 would appear to be lower than expected. Since each tier is comprised of all of the categories within the tier, and represents cost recovery by the total expenses and revenues of the tier, we must also look at the cost recovery by category (**Table 2**).

Table 2: Current Cost Recovery by Category of Service

PRELIMINARY City of Kirkland Parks and Community Services Current Cost Recovery	Tier Level	Current Cost Recovery % (Total Cost) by Category	Current Cost Recovery by Tier	Tier as % of Total Expense
Total Cost				
Private or Advanced Skill Lessons	5	148%	126%	3%
Long-Term Lease Agreements	5	104%		
Vendors/Concessionaires	5	300%		
Marina Piers and Boat Launch Use	5	106%		
Cemetery Funeral Services	5	143%		
Tier 5 Cost Recovery		126%		
Facility Rentals	4	18%	44%	10%
Park Shelter Rentals	4	93%		
Adult Classes and Sports	4	66%		
50+ General Classes	4	62%		
Senior Trips	4	53%		
Recreational Special Events	4	38%		
Tier 4 Cost Recovery		44%		
Youth Classes and Sports	3	89%	45%	21%
Preschool Classes and Sports	3	86%		
Youth Camps	3	114%		
Athletic Field Rentals	3	5%		
Tier 3 Cost Recovery		45%		
Special Events Services Permitted	2	7%	20%	5%
Aquatic Public Swim at the Pool	2	64%		
Non-Profit Partnership Agreements	2	n/a		
50+ Programs and Services (Partnerships)	2	6%		
Senior Transportation Program	2	10%		
Tier 2 Cost Recovery		20%		
Senior Services	1	1%	2%	61%
Youth Services	1	0%		
Human Services	1	4%		
GreenKirkland Partnership	1	2%		
Park/Beach Use	1	2%		
Tier 1 Cost Recovery		2%		

Tier 1: As you would expect, the percentage of cost recovery on the Tier 1 is very low and the volume of activity represents over half of the Department's budget. Revenues are negligible. This is very typical of public park and recreation agencies as this tier represents services with mostly community benefit.

Tier 2: Non-profit Partnership Agreements, although a specific category of service, was not able to be measured or estimated within the current tracking system. This will be attended to with changes in how expenditures are tracked in the future. Aquatic Public Swim appears high, however, more research will likely reveal that the methodology of allocating indirect and overhead costs by the size of the personnel budget, does not fully take into account the high cost of other costs of operating a municipal pool, which would result in a lower cost recovery.

Tier 3: Athletic Field Rentals are well below the norm in this category. The use of the fields represents youth sports associations using the fields for youth programming, typical of other programs on this tier.

Tier 4: Facility Rentals make up the majority of this tier and are well below expectations for cost recovery, bringing the overall cost recovery of the tier much lower than it would be otherwise. However, all categories on this tier appear to be below expectations for this level.

Tier 5: Categories appear to be in alignment with the results of the model.

Cost Recovery Targets

Initial research carried out during this project, using the information represented above, brought a clear conclusion that more specific research by category of service will be needed in order to better understand categories that appear to be out of alignment, before cost recovery targets are set. A finer look at expenses assigned to the category, consideration of capacity issues, scheduling, the fee structure and how revenues are collected, how the service is designed all play a role in determining and adjusting cost recovery.

Tier targets may be set as a minimum percentage for every category within the tier, or by the average of all categories within the tier, or a target may be set for both. Eventually, these targets will be identified for each tier level of the Pyramid to assist in future planning and determination of appropriate pricing. This determination will be made to reflect the Kirkland community and align with the thinking of policy makers regarding broad picture financial goals and objectives. It will also consider the value of the offering and what the community will think is reasonable, as well as current cost recovery levels. Within each tier, each category of service will be evaluated to bring it into alignment within the tier target.

A plan to take on each category of service, focused on those most out of alignment, should be put into motion during the first year of implementation of the policy.

Implication of Cost Recovery Targets

Once actual cost recovery targets are determined, it is anticipated that a plan will be formulated to reach cost recovery targets through a combination of cost savings, new revenue streams, restructuring of the program or service, and fee adjustments. Resulting need for fee adjustments could then be made for the upcoming budgeting cycle, and if necessary, phased in over the next several years. It is important that fee payers have the opportunity to adjust to fee increases, so implementation should be communicated with advanced notice to users.

VI. Establishing Fees and Charges

Developing a Pricing Strategy

As the final step in the development of this methodology, pricing strategies were considered. Pricing of services must be done on a service-by-service basis. A training on pricing was provided to staff and information is included as **Appendix D** in this document. Definition of *costs* and *fees* as discussed are provided here and followed by *Criteria for Establishing Fees and Charges* that align with pyramid levels.

Costs are defined as:	Fees are defined as:
<p>Direct Cost: Budgeted costs associated with providing programs including:</p> <ul style="list-style-type: none"> • Instructor(s) or Program leader(s) (contract and/or staff) • Supervision of the program staff and/or contractor(s) • Supplies (office and disposable/consumable) • Telephone, Postage & Duplicating (specifically identified) • Vehicle leases/rentals and local mileage reimbursement • Division or section management • Special training <p>Overhead Cost: Costs incurred for the overall administration and management of the Department. These costs are allocated to all departmental programs and activities, based on size of the budget, and include:</p> <ul style="list-style-type: none"> • Department Director and Managers • Department Administrative Support Services (Clerical, Budget, Finance, HR, and Special Projects) • Departmental portion of shared costs Civic Center Maintenance and Operations; Telephone, Postage and Duplicating; Strategic Technology Plan <p>Indirect Cost: Costs related to general support of programs within the section, and other general costs that are specifically related to program activities. Costs included at this level are allocated to each activity/program according to the size of the program's personnel budget (i.e., costs are allocated on a "percentage of budget" basis).</p> <ul style="list-style-type: none"> • Division or section Administrative Support staff • Advertising and Publications • Public information and assistance • Registration handling/processing • Facility maintenance (including associated other Department costs) 	<p>Partial Cost Fee: A fee recovering something less than the full cost. This could be a percentage of direct costs, all direct costs, or some combination. The remaining portion of the costs will be subsidized.</p> <p>Full Cost Fee: A fee based on a traditional price-cost relationship; recovers the total cost of a service or program including all direct costs, enabling the break-even point to be reached. Full-cost recovery is often used as a strategy for services perceived as "private," benefiting only users while offering no external benefits to the general community.</p> <p>Market Rate Fee: Fee based on demand for a service or facility. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (i.e. private sector providers, other municipalities, etc.), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.</p>

Criteria for Establishing Fees and Charges

Low or No Cost Recovery/High or Full Tax investment:

This criteria applies to the **Mostly Community Benefit** Tier (1) of the pyramid. The following criteria are used to determine if a service should be included in the tier, keeping in mind that a service does not have to meet every criterion:

- The service is equally available to everyone in the community and should benefit everyone.
- Because the service is basic, it is difficult to determine benefits received by one user.
- The level of service attributable to a user is not known.
- Administrative costs of imposing and collecting a fee exceed revenue expected from the fee.
- Imposing the fee would place the agency at a serious competitive disadvantage.
- The service is primarily provided by the public sector.

Partial Cost Recovery/Partial Tax investment:

This criteria applies to the **Considerable Community** (2) and **Balanced Community/Individual Benefits** (3) tiers of the pyramid. Users fees may recover only partial cost for those services for which the agency desires to manage demand.

- User fees may recover only partial cost from those individuals who cannot pay full cost due to economic hardship.
- A user fee may recover only partial cost if competitive market conditions make a full cost fee undesirable.
- The following criteria are used to determine if a service should be included in these tiers, keeping in mind that a service does not have to meet every criterion:
 - ✓ Services benefit those who participate but the community at large also benefits.
 - ✓ The level of service use attributed to a user is known.
 - ✓ Administrative costs of imposing and collecting the fee are not excessive.
 - ✓ Imposing a full cost fee would place the agency at a competitive disadvantage.
 - ✓ The service may be provided by the public sector, but may also be provided by the private sector.

Substantial Cost Recovery:

This criteria applies to the **Considerable Individual Benefit** tier (4) of the pyramid.

- User fees should recover the substantial cost of services benefiting specific groups or individuals.
- User fees should recover the substantial cost for those services provided to persons who generate the need for those services.
- The following criteria are used to determine if a service should be included in this tier, keeping in mind that a service does not have to meet every criterion:
 - ✓ The individual or group using the service is the primary beneficiary.
 - ✓ The level of service use attributed to a user is known.
 - ✓ Administrative costs of imposing and collecting the fee are not excessive.
 - ✓ Imposing a substantial cost fee would not place the agency at a competitive disadvantage.
 - ✓ The service is usually provided by the private sector, but may also be provided by the public sector.

Full Cost Recovery/No Tax investment:

This criteria applies to the **Mostly Individual Benefit** tier (5) of the pyramid.

- User fees should recover the full cost or more for a service in order to subsidize other services provided to the community.
- The following criteria are used to determine if a service should be included, keeping in mind that a service does not have to meet every criterion:
 - ✓ Individuals or groups benefit from the service and there is little community benefit.
 - ✓ The level of service use attributable to a user is known.
 - ✓ There is excess demand for the service; therefore, allocation of limited services is required.
 - ✓ Administrative costs of imposing and collecting the fee are not excessive.
 - ✓ The service is provided at market price by the private sector.

Comparative Analysis

Comparative analysis (benchmarking) allows for comparison of certain attributes of the Department's management practices and fee structure. This process creates deeper understanding of alternative providers, an agency's place in the market, and varying fee methodologies which may be used to enhance and improve the service delivery of parks and recreation. Suggested criteria are found in **Appendix E** for future reference.

A fee comparison was undertaken with the cities of Bellevue, Bothell, Issaquah, and Redmond. A full report exists as a separate stand-alone document and was presented to the City Council in October. Programs that were most prominent for the Kirkland Parks and Community Services to compare included ball field rentals, moorage, special events, multi-purpose room rentals, sports leagues, and day camps.

The study found that Kirkland has some fees that are below those of the surrounding communities as well as some other fees that were within or above the average of the fees compared against. Kirkland would benefit by reevaluating each program, facility, or service fee individually and analyze for a more "apples to apples" comparison. Information from the analysis will be used during the first year of implementation as specific categories of service are examined.

...And it isn't Only About Program and Service Fees

Meeting cost recovery targets can be accomplished through other means than adjusting program fees. Other avenues of revenue generation and cost avoidance or containment in use by public park, recreation, and community services agencies across the country were considered as part of this study. Some of these strategies may help shift tax dollars to other priorities within the Department.

The most promising strategies for further exploration include:

- Flexible fee structure
- Equipment rental fees
- Parking fees
- Avoiding costs/efficiencies
- Increased funding toward preventative maintenance

Other strategies to be considered that may require a more significant effort to explore and pursue include:

- Park land dedication/impact fee ordinance
- Outsourcing of tasks that can be proven to save expenditure while still meeting established standards
- Exploring or furthering partnerships with the Boys and Girls Club, youth and adult sports associations, churches (rentals or leases), and professional sports teams/organizations
- Advertising sales and corporate sponsorships; naming rights
- Additional grants
- Philanthropic giving – conservancy; friends association; gift catalogue; adopt-a-park or trail; neighborhood watch; remainder trusts, life estates, maintenance endowments; raffling
- Capital improvement fee or development surcharge
- Processing fee
- Recreation service fee and/or recreation surcharge fee on sports and entertainment tickets, classes, credit cards
- Residency cards
- Merchandising sales or services
- Catering permits and services; filming rights; manufacturing product testing and display
- Recreation and natural areas easements
- Cost savings measures including changing maintenance standards and practices, contract renegotiation, and cost avoidance
- Green practices – light, water, and motion sensors, updates to energy efficient ballasts, motors, appliances; use of electric and hybrid vehicles
- Purchasing better equipment requiring less maintenance
- Practice sustainable stewardship – reanalyze and revise practice and standards, monitor and report results, seek available grant funding and initiative awards

Programming Planning and Pricing Worksheets

Programming Planning and Pricing Worksheets have been developed for the Department and are now being refined for implementation in 2019. The worksheets are designed so that staff can estimate and plan for costs as they have been defined through this study, as well as project the revenues that offset those costs based on anticipated participation and assigned fees. This is a powerful planning tool that is used to project how the overall budget allocation for the Department is anticipated to be used in any given year. When cost recovery targets are determined, they will be used in the Worksheets to provide guidance for necessary fee adjustments, along with exploration of efficiencies in providing each service.

DRAFT

VII. Key Findings

The extensive effort undertaken during this study has brought to light key findings that are critical to addressing financial goals, cost recovery targets, fee setting and decision-making. Key findings have been grouped into the following themes:

This Project is Building on a Solid Foundation

Staff Has Done an Admirable Job with the Tools Available

Kirkland is fortunate to have a very passionate and dedicated staff providing quality programs and services to the Kirkland community. Despite limited management tools, staff has done an admirable job of planning and delivering, and creating collaborative relationships within the City and the community. Staff has a sincere interest in evolving to the next level and understands the benefits of data-driven decision making. They have willingly and significantly contributed to this study, and are encouraged by the guidance and equity possible through the implementation of the resulting recommendations.

An Organization Does Not Have to be Sick to Get Better

With a solid foundation in place, the remainder of the findings of this study are focused on areas where the Department could be more effective, given adequate tools. This is not to indicate in any way that the Department has not done the best job possible with limited tools. This comprehensive cost recovery approach, while specifically intended to guide the pricing of public services, must also address mechanisms that allow tracking and performance measurement; updating and developing related policies, guidelines and practices; performance measurement; efficiencies, and incentives for action.

Policy and Guidelines Have Shortcomings

There is No Effective Cost Recovery Policy Currently in Place

The 2005 attempt at a cost recovery policy became obsolete due to ramifications from the recession and other factors that occurred leaving the Department without a comprehensive fiscal policy regarding cost recovery and pricing; however, it does have various policies and practices addressing certain elements of cost recovery and pricing including:

- Athletic Field Use
- Facility Rentals
 - Athletic Fields
 - Marina
 - Parks
 - Pools
 - Facilities
- Scholarship
- Special Events and Permits
- Vendors/Concessions

Each of these policies, guidelines, and/or practices is useful in establishing fees; however, they do not articulate an underlying philosophy and leave the Department vulnerable in times of economic crisis. The Department would benefit from an articulated philosophy and overarching policy that reflects the values of the Kirkland community, establishes cost recovery as a driver for achieving the goals of the plan, and lays the foundation for the more specific policies. These should be evaluated on an annual basis to evolve implementation as tracking and program delivery strategies are refined. Recommended Key Elements of Fiscal Cost Recovery Policy (first presented to City Council in July of 2018):

- The Kirkland Parks and Community Services Department provides a basic level of service “free” to the public, in exchange for tax dollars. However, fees, charges and other methods to recover costs (grants, donations, sponsorship) are considered a responsible and necessary means to supplement tax revenue to ensure a sustainable system that meets the community’s need into the future.
- In establishing fees and charges, the Parks and Community Services Department will determine the direct and indirect costs of providing services and establish goals to recover those costs. The appropriate level of cost recovery will be based on an assessment of who is benefiting from the service provided.
- If the benefit is to the community as a whole, it is appropriate to use taxpayer dollars to completely, or primarily fund the service. Examples of services that primarily provide community benefits are play areas, parks, trails and large natural areas. The Parks and Community Services Department may also seek grants, donations, sponsorships and partnerships for these community benefit services as appropriate to help sustain these services.
- As the benefit is increasingly offered to an individual or select group of individuals, it is appropriate to charge fees for the service at an increasing rate of cost recovery. Supervised or instructed programs, facilities that visitors can use exclusively, and products and services that may be purchased, provide examples where user fees are appropriate. Cost recovery ranges will be identified by community versus individual benefit tier levels in the Pyramid Model and revisited as necessary to meet City of Kirkland Fiscal Policy.
- The Parks and Community Services Department should also consider available resources, public need and the community economic climate when establishing fees and charges. In cases where certain programs and facilities are highly specialized by activity and design, and appeal to a select user group, the Department shall additionally consider fees charged by alternative service providers or market rates.
- Fees and charges can be set to recover costs in excess of direct and indirect costs, where appropriate, as a method of supporting other services desired by the community. Revenue generated through fees will generally be returned to the Department to enhance its ability to meet the parks, recreation and community services desired by the community.
- The Department will employ incremental periodic fee increases (often annually); a best practice in the parks and recreation industry to keep up with increasing expenses. Smaller, frequent increases have been found to be less impactful on program participants than larger increases that occur less frequently. Fee increases in excess of 10% will be brought to the attention of City Council.
- The City may subsidize the cost recovery targets for persons with economic need or other targeted populations through tax-supported fee reductions, scholarships, grants, or other methods. The City Council, City Manager or Department Director may also approve exceptional fees or fee waivers upon determination the fee arrangements will benefit the public interest.

The Scholarship Program Needs Policy Support

The Department provides fee assistance to those with economic need as outlined in its Scholarship Application (found in **Appendix F**). This important program needs to be revisited to assure it is being sensitive to residents' circumstances, especially as a more aggressive cost recovery program is put into place. A scholarship policy is very important for the community, providing access to residents with economic need. The funding source and limitations for scholarship support should be identified, eligibility should be clarified, along with programs and services to which scholarship support may be applied.

Facility/Field Use Guidelines are Often Confused with the concept of “Partnerships”

The Department currently employs various policies and guidelines for establishing fees and eligibility for fee discounting in regard to facility rentals, use of athletic fields, and services that benefit outside providers, users, and special events promoters in the community. These guidelines are intended to serve a different type of relationship than a true “partner.” A separate partnership policy would clearly identify a mutually beneficial relationship and differentiate partners from a simple use agreement, or any other type of affiliation. Partnership terms are negotiated to the benefit of each party. When partnerships are removed from use policies and guidelines in favor of a negotiated partnership agreement subject to a partnership policy, the use guidelines become much clearer and straightforward when determining eligibility for discounted fees and charges.

No Written Agreements of Policies Exist for Support Provided by Other Affiliated or Sanctioned Service Providers

During the Great Recession economic downturn, various recreation program fees were increased in order to save valuable programs from elimination. The goal was to achieve closer to 100% cost recovery. This approach allowed many programs to continue; however, non-revenue generating programs were eliminated or shifted to non-profit organizations who were willing to continue their offering. Examples of programs that were eliminated included the Polar Bear Plunge and Outdoor Movies at Juanita Beach Park. Other programs that were shifted under another organization included the Summer Concert Series, which shifted to the Kirkland Downtown Association, Easter Egg Hunt, which shifted to the Kiwanis Club of Kirkland, and senior transportation services, which shifted to the Northshore Senior Center.

Because of the variety of programs and services shifted to non-profit organizations, many of those organizations have been provided with City support or facility/park space with no fee. Additionally, many organizations have received this same support as a result of various City priorities, such as the welcoming and inclusive initiative. No written agreements or policies exist on these fee exemptions, meaning there are no formal performance expectations, evaluation timelines, or other criteria for continued evaluation to justify the City support.

Special Events Permitting Needs to be Reviewed for Consistency and Equitability

The current special event policy indicates that the City is to recover all costs, including indirect costs, of supporting special events; however, the Parks and Community Services Department has been directed over the years not to charge event organizers for their facility use or Parks labor to support the event. Other departments charge for their costs (e.g., PW, PD, Fire). This results in inequitable practice between departments and to city residents in that those residents have to pay for those spaces but event organizers do not. From an efficiency perspective, the Department also needs a computerized special event software so the application and processing effort is not all done manually on paper and as well provides a streamlined method for collection of fees, charges and processing payments; all done via check in-person currently.

Accounting Challenges Must Be Overcome

Providing Management Information is a Tedious Manual Process

Use of several different funding “pots” likely came about due to a successful strategy of assuring voters that specific funding they were being asked to approve would be used for specific purposes. While effective for establishing the funding source, this makes for a challenging and cumbersome budgeting and tracking process. Complicating this is that typically, general accounting structures are not designed as management tools for park, recreation, and community service agencies as the focus is on keeping the integrity of the Funds and not on tracking and providing management reports to be used for data-driven decision-making for effective operations.

In addition, over time, revenues from fees and charges have become an important and significant mechanism for conveying value for the Department’s services, creating a sense of commitment from participants who partake of the services, and allowing the Department to expand services and improve quality to meet the needs and desires of the community. However, as these fee-for-service revenues are deposited into the General Fund with no alignment with the expenditures made to provide the services, there is little to no incentive for the concept of cost recovery for services because it is difficult to measure and the increased revenue may or may not be used to support the Department.

This study included only a “snapshot-in-time” measurement of cost recovery for the Department, and required a tedious manual methodology approach in an attempt to assign costs and offsetting revenues to service categories. This also required pulling information from the previous accounting software and from the Department’s registration software, two separate systems that do not talk to each other.

The recent shift to the MUNIS software system may provide some opportunity to address this issue, if the general ledger code structure for expenditures could be applied to revenues received. This is an urgent matter, and the timeline is immediate, as implementation of MUNIS is already in motion and exploring this potential has a relatively short window. It will take purposeful, collaborative discussion with the Finance Department and strategic decisions in order to provide helpful data to the Department on an ongoing basis. If this is not possible, it would be wise to explore other options that have recently entered the market place, as this is a common problem among park and recreation agencies. The goal is to be able to easily download information from the City’s accounting system, and from the registration system, using software that aligns the two and allocates indirect and over-head costs in a pre-determined and consistent manner, year after year, essentially removing the “tedious,” “manual,” and therefore costly methodology.

As the Department moves forward with implementation of a cost recovery policy, an accounting structure that allows the Department to assign expenses and revenues to specific services, and a software application or other mechanism that can link the two systems and automatically track cost recovery by service area on an annual basis would be a valuable asset.

The Fee Setting Process Needs to be Better Understood, Transparent, Equitable, and Flexible

Programming and fee setting are very dynamic processes with implications from restructuring offerings, to changing costs, intensifying experiences to meet customer desires, etc., and keeping up with increasing expenses due to inflating costs. One outcome of this process is to create a better understanding by all of how fee setting occurs and goals for cost recovery based on a benefits filter and also market fluctuations. As a result of this understanding there is a desire to simplify the fee approval process, giving the Department the latitude needed to be nimble when making fee adjustments in order to meet customer needs, providing value for their discretionary spending.

Use of Fees and Charges Could be More Effective

The Use of Fees May be Undervalued

Over 300 different fees are associated with recreation programs, 13 with park facility rentals, 13 with ballfield rentals, 9 with facility/room rental, along with a variety of service fees (moorage, damage fees, deposits, set-up, clean-up, boat launch, etc.). Recreation program fees are set twice per year during the brochure cycle, and ongoing throughout the year as classes are added or class formats are changed. The various facility rental fees and service fees are set annually; typically updated in winter and rolled out in early spring, corresponding with primary use patterns for facilities and services.

Fees are a legitimate funding mechanism to meet the recreational demands of a community in an equitable and sustainable way. Responsible use of fees:

- Allows the provision of services that would not exist with reliance solely upon tax payer revenue
- Provides a financial resource to keep up with growing costs
- Allows expansion of services to keep up with growing demand
- Matches who pays for a service with who receives the benefit of the service
- Demonstrates fiscal responsibility to the taxpayer by aligning taxpayer resources with services that are of most benefit to the community and individual contribution when the benefit is limited to an individual or an individual group (or combination thereof)
- Creates a commitment by the participant (i.e., market research demonstrates “free” services have a high no-show rate, which diminishes as fees are assessed)
- Correlates price with the value of the service (i.e., market research on the psychology of pricing or price perception)
- Helps balance amenity use (e.g., fee differential for peak times or amenities can shift some use to the off-peak times or other amenities)

Establishing the right price point for fees is often hampered by a desire to assure that no one is excluded due to an economic inability to pay. Best practice includes cost recovery fiscal policy that shifts to pricing programs and services for the majority who can afford to pay and subsidizing the limited number that can't.

Limited Criteria Exists for the Regular Evaluation of Fees and Charges

Municipal Codes address the Department's duty to set and assess fees and charges for programs and services. Currently, the Department does not manage to specific cost recovery targets. While some fees are based on historical rates, over the past several years staff has monitored market rates and made some fee adjustment recommendations based on this information in order to meet the desire for increased quality where possible.

A philosophy, cost recovery model, and policy will provide the criteria by which to evaluate fees and charges while determining where competitive and market pricing best fits with services, along with how partial and full cost recovery fees can best meet targeted cost recovery goals. Periodic fee reviews, including resource identification, comparative analysis criteria, and benchmark data can be used when staff is preparing Programming Planning and Pricing Worksheets.

There is a Lack of Incentive to Develop New Revenue Streams

Although opportunities for new revenue present themselves from time to time and are considered and acted upon, a more proactive approach should provide alternatives to supplement fee adjustments. During this study the Department participated in an exercise that allowed staff to identify various revenue opportunities to be further explored over time that could be used to help meet cost recovery goals.

There Will be Implementation Sensitivities

First Year Experience With Implementation will be Critical

During the evaluation of the first year of implementation, it is possible that some services may be better defined and moved to more appropriate categories. This may result in Target Tier minimums and averages being adjusted for year two, while still accomplishing the same goals. Recommendations for cost recovery adjustments through decreasing expenses and/or increasing revenues can then be strategically made.

Evaluation and Performance Measurements Must be Well-Defined and Accurate

During the study all programs and services have been examined from a cost recovery perspective, determining current cost recovery levels so that targets may be set based on community and individual benefit received. This establishes a financial performance measure for the future; however, other performance measures must be considered as well, including alignment with mission, desired outcomes, participant numbers and retention, among others.

This year-one implementation of study recommendations will include communication of the philosophy and overarching policy, refinement of the Categories of Service, and clarification of relationships and eligibilities, so that cost recovery targets can be determined. It will also allow for staff to see the implications for overall cost recovery; identify any currently unknown market, historical, and political filters; and allow staff to experience using the methodology.

Comparative Analysis Must be Used Wisely

Benchmark Findings Information is Useful, But Not the Only Tool for Setting Fees

A comparative analysis of surrounding communities identifying fees for programs and services was carried out to provide an understanding of where its fees fall in comparison to similar public services. At times users search for lower cost opportunities to participate in programs, use fields, or offer services through contracts and user agreements.

No specific conclusion can be drawn from the analysis. Some City of Kirkland fees are below the average of surrounding cities, while other fees are within or above the average. The City of Kirkland offers a great variety of recreation programs and other services, much of which is through partnership with the Lake Washington School District and use of their facilities. Kirkland's unique situation on Lake Washington allows an expanded focus on parks and waterfront amenities not offered by surrounding cities. Conversely, Kirkland does not operate a year-round aquatic facility or offer synthetic turf fields.

Apples-to-Apples comparisons in Benchmarking are Challenging to Achieve

Though benchmarking provides information for comparing fees, not all communities use the same definitions for costs nor do they follow and share the same cost recovery targets and goals, and services may differ in what is offered and/or their target markets. Comparative analysis is just one tool and each program, facility or service fee should be examined individually, analyzing service level and intended audience.

Short and Long-Term Views are Necessary

The Long-Term View Creates Sustainability and Equity

A tremendous amount has been learned throughout the course of this study about the Department's capacity to implement a cost recovery approach due to the limited tools to manage such an effort. This includes the ability to establish cost recovery targets with such limited information. However, much insight has been gained regarding next steps and areas on which to focus in order to expeditiously build understanding and capacity and be in a position to fully implement.

Relationships with current and potential users and participants, and other providers, are critical to success. These must be clarified and documented to insure integrity and fairness, and create a healthy and fruitful path forward.

The Short-Term View Includes Having Effective Mechanism in Place to Allow Accurate Performance Measurement

Accurate measurements will provide data on which to make decisions leading to the long-term view of sustainability and equity.

Understanding and Communication Must be Timely

Internal Education is an Important Key to Success and Moving the Plan Forward

With any new policy or procedure, internal staff education and communication is a key factor in implementing and creating a successful plan. The cost recovery study must become a priority goal for the department, with all staff educated to the importance of the process and the keys factors to make it a success, and must be provided an opportunity for feedback and discussion. In addition, the identification of a project “champion,” and using this document as a training tool will keep this effort in the forefront

External Communication Will Occur Through Many Channels and Must be Timely

Understanding and expectations are critical, especially with other providers of service that use City facilities to deliver that service. The Department’s ability to provide quality and well-maintained facilities is directly tied to having an adequate financial resource. This is not possible through tax resources alone. As fees must regularly be increased to keep up with increasing expenses, fee adjustments must be communicated in a timeframe that allows other providers to communicate to their participants, so that all can adjust. Front line staff, all the way through policy makers must convey that fee adjustments are a vehicle to maintaining high quality levels.

VIII. Strategic Recommendations

As a result of this intensive and comprehensive process, the Department will begin implementing strategies to align financial resource allocation in year one. It is likely that some adjustments will be made during or at the end of the first year including:

- Further clarification or addition of categories.
- Movement of a category to a more appropriate tier.
- Movement of a program or service to a different category.
- Reassignment of costs or recalculation of cost recovery.
- Determination of cost recovery targets based on any or all of the items bulleted above

Study recommendations are organized into the following themes.

Theme A: Policy Strategies

Adopted policies, guidelines, and procedures allow staff to achieve cost recovery targets and maximize revenue generation where appropriate, shifting taxpayer investment/subsidy to those areas more foundational on the pyramid. This provides an operating framework for service level decisions and the allocation of resources in both times of economic growth and instability; which could occur in 2021-2022 with the loss of the annexation sales tax credit. Any new or revised policy or guideline as a result of these recommendations will go through existing development, review, and Council recommendation and approval processes.

A1: Seek support and recommendation from the Park Board and then by the City Council, of the overall **Cost Recovery Policy** to include key elements as suggested on page 39. Ensure long-term sustainability and equity by focusing taxpayer funding on those services producing the widest community benefit, using the cost recovery pyramid.

A2: Develop both a Partnership Policy and a Sponsorship Policy and philosophy, to serve as guidelines of operating procedures to create equity and consistency while maximizing and leveraging resources of the Department.

A3: Review and refine Adjust the Scholarship Policy to assure easy access, clarifying eligibility requirements, allowable uses, and individual and family limits.

A4: Review and modify the Athletic Field Use Agreement Guidelines. Address priority of access, disruption of operations and exceptions to the guidelines, using the language identified in the Cost of Services Plan and cost recovery goals established through the study.

Theme B: Administrative Strategies

B1: Engage in timely, purposeful, and collaborative discussion with the Finance Department to set up the MUNIS system to provide helpful and organized data to the Department on an ongoing basis for strategic decision-making. If this is not possible, explore other options that would allow you to easily download information from the City's accounting system and from the registration system, using

software that aligns the two and allocates indirect and over-head costs in a pre-determined and consistent manner.

- B2:** Simplify the fee approval process, giving the Department the latitude needed to be nimble when making fee adjustments in order to meet customer needs, providing value for their discretionary spending.

Theme C: Revenue Enhancement

- C1:** Establish the right price point for fees by employing best practice strategies including cost recovery fiscal policy that shifts to pricing programs and services for the majority who can afford to pay and subsidizing the limited number who can't.
- C2:** Assure written policy for how and when fees are adjusted is addressed in the overall policy. Review all fees for annual adjustments at the staff level and provide an update to City Council through the annual budget process. All fees should be subject to automatic CPI adjustments. Fees adjustments for services not effected by a restructuring that exceed 10% will be brought to the attention of City Council.
- C3:** Use the criteria provided by this model to evaluate fees and charges while determining where competitive and market pricing best fits with services, along with how partial and full cost recovery fees can best meet targeted cost recovery goals. Establish performance measures (including cost recovery targets and conduct periodic fee reviews.
- C4:** Establish the use of Programming Planning and Pricing Worksheets as the means by which program service budgets are identified and revenues are projected to achieve cost recovery targets. Manage program lifecycles through monitoring registration, attendance figures, and cost recovery goals on an ongoing basis. Cancel, retool, and/or replace under-performing services.
- C5:** Expand revenue generation sources by identifying additional funding opportunities, as identified by staff through a funding exercise, for exploration.

Theme D: Cost Savings/Avoidance

- D1:** Continue to review internal management practices to identify cost savings practices. Consider efficiencies, simplifying processes, placing approval/decision-making authority at appropriate levels, and providing periodic management reports using information generated in this process, among other strategies. Review maintenance standards and practices such as reduced mowing schedules and/or area; and consider green measures such as light, water, and motion sensors; energy audits; and use of electric and hybrid vehicles. Consider benefits of flex-scheduling for employees.
- D2:** Continue to maintain current capital and maintenance management plans, appropriately budgeting for ongoing operating expenses to avoid deferring expenses that will multiply in the long run.

Theme E: Implementation Strategies

The following tier-specific recommendations are made to focus the continuation of exploratory efforts based on what was learned from this initial study. After year one, targets and timeline for reaching cost recovery goals can be developed.

Tier 1: Mostly Community Benefit

E1: As the Department continues to operate and grow, remain vigilant with the services provided in this tier as these are most beneficial to the community at large. Explore the potential for donations, establishing a foundation, and/or friends groups, to help contain costs, and continue efforts toward efficiencies.

Tier 2: Considerable Community Benefit

E2a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier.

E2b: As tracking methods are improved, research Aquatic Public Swim expenses to adjust for the methodology of allocating indirect and overhead costs by the size of the personnel budget, that does not fully take into account the high cost of other costs of operating a municipal pool. This will likely result in a lower cost recovery rate in alignment with this tier level.

E2c: As tracking methods are improved, and a partnership policy is adopted, identify expenses associated with the Non-profit Partnership Agreements, not able to be measured or estimated within the current data.

E2d: Seek opportunities to increase funding for the Senior Transportation Program through alternative revenue sources such as sponsorships and partnerships, as well as fee adjustments.

E2e: Examine fees and charges for Special Events (permitted) to ensure equitability with other facility use policies. Consider market rates and best practices in order to streamline processes and the method of assessing fees to the event organizers.

Tier 3: Balanced Individual and Community Benefit

E3a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier

E3b: Work with youth league providers to gain understanding of costs associated with providing facilities and that increased revenue in the Athletic Field Rentals category is directly related to the Department's ability to provide high quality fields. Fee changes will need to be explored, and working with the providers, potential alternative funding sources could be sought to supplement. Incremental fee changes will need to be made over an extended period but could take longer as the cost recovery is very low and the amount of rate increase must be considered on a yearly basis.

Tier 4: Considerable Individual Benefit

E4a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier.

E4b: Consider market rates for Facility Rental to set a baseline fee. Address discounting from those market rates through the Department's Facility Use Guidelines, making eligibility for discounting very clear. Explore the need to incrementally adjust the fee structure for those eligible for discounting.

E4c: Consider fee adjustments for Adult Classes and Sports, and specifically for adult indoor volleyball and adult softball leagues, being mindful of market rates.

E4d: Consider cost saving measures and fee adjustments for 50+ General Classes. Reevaluate age requirements for the senior programs and seek opportunities to decrease expenses such as higher use of volunteer or contracted instructors, renegotiated contracts.

E4e: Consider cost saving measures and fee adjustments for Senior Trips. Reevaluate age requirements for this senior program and explore sponsorships and/or partnerships. Seek opportunities to decrease expenses through contracted services arrangements.

E4f: Evaluate Recreational Special Events, looking for ways to increase revenues, particular through sponsorships and partnerships, and vendor fees. Reevaluate participant fees.

Tier 5: Mostly Individual Benefit

E5a: Seek cost and revenue accounting refinement to more accurately express revenues and expenditures for all categories in this tier. Although categories appear to be in alignment with high cost recovery rates, this tier level has the ability to generate revenue above costs, is least related to the mission of the department, and revenues in this tier should be maximized.

E5b: Although Private Lessons and Advanced Skill Lessons as a whole category is measuring at a high cost recovery rate, Private Lessons are well below 100% cost recovery. Fee adjustments for this specialized service should be considered.

Theme F: Evaluation and Performance Measures

F1: In addition to eventual cost recovery targets, use evaluation tools and performance measures in first year implementation that will allow staff to see the effects of the overall cost recovery approach and reveal factors unknown at this time.

F2: Proactively prepare for the needs of a changing community through a variety of community engagement strategies keeping the community and political leaders apprised of the continuing efforts and results as the Model is refined throughout the process.

IX. Conclusion

The extensive effort undertaken during this study has brought to light key findings that are critical to addressing financial goals, cost recovery targets, and fee setting and decision-making. Through these recommendations, the Kirkland Parks and Community Services Department is taking on a very healthy goal of an intensive review of service delivery, programming, and use of non-tax revenues to offset the cost of providing those services and programs. Although not possible at this time to responsibly set cost recovery targets in all areas, much has been learned, clearly setting out the next steps to occur over the upcoming year to more fully understand what is driving expenditures and how to maximize resource allocation to best meet the needs of the community.

Having broken down the financial picture to the activity level will allow all Department staff responsible for budgeting for the services they deliver to be proactively engaged in reaching the desired result. The City will need to remain flexible in setting and refining targets as systems for tracking expenditures will provide a more accurate picture as each year goes by, especially the shift from the first to the second year. The Pyramid model has allowed the aligning of service benefits with the form of revenue best suited to support the service, whether taxes, fees, or other forms of revenue.

It has been our pleasure to assist the City and work with the Parks and Community Services Department to evolve its sustainability efforts.

Appendix A: Glossary of Key Cost Recovery Terms

Ability to Pay: wherewithal to exchange cash for service based on an individual's financial circumstances; it is not related to who benefits from programs and services.

Activity: specific program or service offered by the Department.

Actual expenditures and revenues: fiscal year reporting from a completed fiscal year of operation.

Alternative Funding: other ways to increase cost recovery in addition to fees and charges; may include grants, sponsorships, partnerships, fundraising, and volunteers.

Benchmarking: comparison of certain attributes of the Department's management practices, fee structure, and fees; also known as comparative analysis.

Benefit: degree to which services (including programs, facilities and parks) impact the public (individual and community), or in other words, the results or outcomes of services.

- **Community Benefit:** economic, environmental, social value; maintains or improves quality of life for the taxpaying community in general
- **Individual Benefit:** skill building, entertainment, exclusive use, relationship building, financial gain, etc.

Benefits Filter: a set of criteria, used in cost recovery models to evaluate services, that delineates between the value that accrues to the community as a whole and the value that accrues to an individual or individual group when a service is received.

Best Practice: professional procedures that are accepted or prescribed as being correct or most effective.

Budgeted expenditures and forecast of revenues: projection of anticipated expenditures and revenues for a fiscal year.

Category of Service: a collection of activities offered through the Community Services Department combined based on similarity in type of activity, target market, and/or desired outcome.

Comparative Analysis: comparison of certain attributes of the Department's management practices, fee structure, and fees; also known as benchmarking.

Competitive Pricing: setting the price of a product or service based on what the competition or alternative providers are charging.

Core services: activities and services that satisfy an agency's mission and vision, typically benefiting all community members.

Cost: specific, identifiable expenses (fixed and variable) associated with providing a service.

- **Direct Costs:** budgeted costs associated with providing programs including:
 - Instructor(s) or Program leader(s) (contract and/or staff)
 - Supervision of the program staff and/or contractor(s)
 - Supplies (office and disposable/consumable)
 - Telephone, Postage & Duplicating (specifically identified)
 - Vehicle leases/rentals and local mileage reimbursement
 - Division or section management
 - Special training
- **Indirect Costs:** costs related to general support of programs within the section, and other general costs that are specifically related to program activities. Costs included at this level are allocated to each activity/program according to the size of the program's budget based on the largest cost category of personnel (i.e., costs are allocated on a "percentage of budget" basis).
 - Division or section Administrative Support staff
 - Advertising and Publications
 - Public information and assistance
 - Registration handling/processing
 - Facility maintenance (including associated other Department costs)
- **Overhead Costs:** costs incurred by the Department or the City for the overall administration and management of the Department. These costs are allocated to all departmental programs and activities, based on size of the personnel budget, and might include:
 - Department Director and Managers
 - Department or City Administrative Support Services (Clerical, Budget, Finance, HR and Special Projects)
 - Departmental portion of shared costs of the Facilities Fund and Operations; Telephone, Postage and Duplicating; Strategic Technology Plan
- **Full Cost or True Cost** Department's direct, indirect, and overhead cost
- **Net Cost:** a calculation of expenses minus revenue generated by a service or collection of services.

Cost Recovery Model: a framework with a philosophical underpinning that guides the Department's pricing for programs and services.

Cost Recovery Rate: the performance metric for cost recovery, expressed as a percentage (revenue divided by expense).

Cost Recovery Target: a goal set for the performance metric, such as percentage of cost recovery.

Exclusive Use: scheduled, planned or programmed use of a facility or space that is limited or restricted to an identified individual or group for a specified period of time.

Fee or Price: the amount charged to the customer for the service.

Fee Reduction: a waiver or discount in fee, allowed by policy, to best fulfill the mission of the City and its residents.

Gross Revenue: all of the income from a transaction or delivery of a service before any commission is recognized and/or before a supplier receives some of the sales revenue, such as when a contractor receives the total (gross) revenue and passes along the percent of that amount owed to the City by contract.

Market Rate Fee: fee based on demand for a service or facility. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (i.e. private sector providers, other municipalities, etc.), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.

Marketplace Comparisons: identification of what other public agencies and/or private companies charge for the same or similar programs or activities.

Mission: a clear and concise formal summary of the purpose, aims and values of the organization.

Non-Resident: A person who does not meet a verification qualification or test established by the jurisdiction.

Non-Fee-Based Programs: activities for which it has been determined that no fee will be charged.

Outcome-Based Activities: activities designed with goals to be achieved; by the end of the recreational or educational experience, each participant should have achieved the goals.

Performance Measures: quantifiable evaluations of the organization's key performance areas on a pre-determined set of criteria measured over time. The agreed upon standard performance measures allows the organization to judge its progress over time (internal and external benchmarking) and identify areas of strength and weakness.

Performance Metric: an agreed upon standard for measurement of performance such as a cost recovery rate.

Pricing Philosophy: theoretical reasoning behind the structural model used to assign fees to activities.

Resource Allocation: how appropriated tax dollars and alternative sources of funding are determined to be used by an agency in its delivery of services.

Revenue Streams: the variety of sources from which revenue is generated to support all operations of an organization; may include property, sales, or other tax sources, as well as fees and charges, grants, donations, partnerships, and other alternatives.

Scholarship: registration subsidies to income-eligible residents to facilitate their participation in limited programs and activities.

Services Assessment: a detailed look at services and service delivery strategies to assist in determining what activities should be advanced, affirmed, changed, or divested (discontinued by the agency).

Special Populations: groups of people with unique needs to which the Department may target services such as seniors, people with disabilities, economically disadvantaged, etc.

Subsidy: taxes and other vehicles that are used to financially support Department services including programs, facilities and parks. Subsidy dollars provide for service costs (direct and/or indirect) that are not covered by user or participant fees, or other forms of alternative funding.

Subsidy Allocation: how appropriated tax dollars are determined to be used by an agency in its delivery of services.

Target Market: a particular segment of the population at which a product or service is aimed.

Tiers: levels that provide the framework for the cost recovery model that function to define categories of activities by outcomes or benefits and target markets.

Appendix B: The Pyramid Methodology

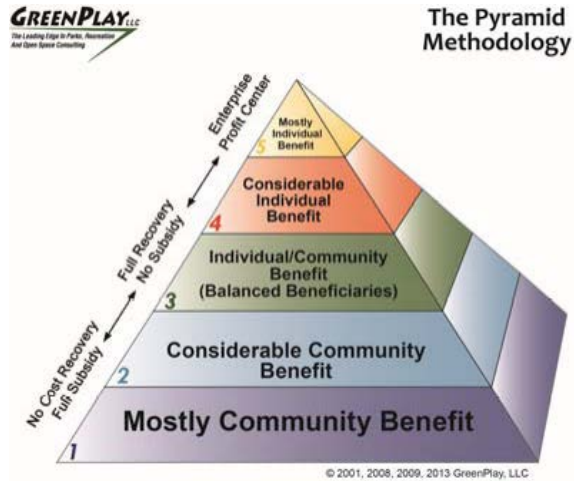
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THE PYRAMID METHODOLOGY: COST RECOVERY AND SUBSIDY ALLOCATION PHILOSOPHY

The creation of a cost recovery and subsidy allocation philosophy and policy is a key component to maintaining an agency's financial control, equitably pricing offerings, and helping to identify core services including programs and facilities.

Critical to this philosophical undertaking is the support and buy-in of elected officials and advisory boards, staff, and ultimately, citizens. Whether or not significant changes are called for, the organization should be certain that it philosophically aligns with its constituents. The development of a financial resource allocation philosophy and policy is built upon a very logical foundation, based upon the theory that those who benefit from parks and recreation services ultimately pay for services.



The development of a financial resource allocation philosophy can be separated into the following steps:

Step 1 – Building on Your Organization's Values, Vision, and Mission

The premise of this process is to align agency services with organizational values, vision, and mission. It is important that organizational values are reflected in the vision and mission. Oftentimes, mission statements are a starting point and further work needs to occur to create a more detailed common understanding of the interpretation of the mission and a vision for the future. This is accomplished by engaging staff and community members in a discussion about a variety of Filters.

Step 2 – Understanding the Pyramid Methodology, the Benefits Filter, and Secondary Filters

Filters are a series of continuums covering different ways of viewing service provision. **Filters** influence the final positioning of services as they relate to each other and are summarized below. The **Benefits Filter**, however, forms the **foundation** of the **Pyramid Model** and is used in this discussion to illustrate a cost recovery philosophy and policies for parks and recreation organizations.

Filter	Definition
Benefit	Who receives the benefit of the service? (Skill development, education, physical health, mental health, safety)
Access/Type of Service	Is the service available to everyone equally? Is participation or eligibility restricted by diversity factors (i.e., age, ability, skill, financial)?
Organizational Responsibility	Is it the organization's responsibility or obligation to provide the service based upon mission, legal mandate, or other obligation or requirement?
Historical Expectations	What have we always done that we cannot change?
Anticipated Impacts	What is the anticipated impact of the service on existing resources? On other users? On the environment? What is the anticipated impact of not providing the service?
Social Value	What is the perceived social value of the service by constituents, city staff and leadership, and policy makers? Is it a community builder?

THE BENEFITS FILTER

The principal foundation of the Pyramid is the **Benefits Filter**. Conceptually, the base level of the pyramid represents the mainstay of a public parks and recreation system. Services appropriate to higher levels of the pyramid should only be offered when the preceding levels below are comprehensive enough to provide a foundation for the next level. This foundation and upward progression is intended to represent public parks and recreation's core mission, while also reflecting the growth and maturity of an organization as it enhances its service offerings.

It is often easier to integrate the values of the organization with its mission if they can be visualized. An ideal philosophical model for this purpose is the pyramid. In addition to a physical structure, *pyramid* is defined by Webster's Dictionary as "an immaterial structure built on a broad supporting base and narrowing gradually to an apex." Parks and recreation programs are built with a broad supporting base of core services, enhanced with more specialized services as resources allow. Envision a pyramid sectioned horizontally into five levels.

MOSTLY COMMUNITY Benefit

The foundational level of the Pyramid is the largest, and includes those services including programs and facilities which **MOSTLY** benefit the **COMMUNITY** as a whole. These services may increase property values, provide safety, address social needs, and enhance quality of life for residents. The community generally pays for these basic services via tax support. These services are generally offered to residents at a minimal charge or with no fee. A large percentage of the agency's tax support would fund this level of the Pyramid.

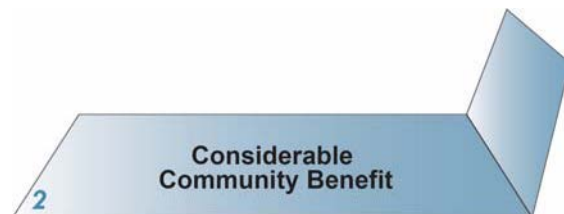


Examples of these services could include: the existence of the community parks and recreation system, the ability for youngsters to visit facilities on an informal basis, low-income or scholarship programs, park and facility planning and design, park maintenance, or others.

NOTE: All examples above are generic – individual agencies vary in their determination of which services belong in the foundation level of the Pyramid based upon agency values, vision, mission, demographics, goals, etc.

CONSIDERABLE COMMUNITY Benefit

The second and smaller level of the Pyramid represents services which promote individual physical and mental well-being, and may begin to provide skill development. They are generally traditionally expected services and/or beginner instructional levels. These services are typically assigned fees based upon a specified percentage of direct (and may also include indirect) costs. These costs are partially offset by both a tax subsidy to account for **CONSIDERABLE COMMUNITY** benefit and participant fees to account for the **Individual** benefit received from the service.



Examples of these services could include: the capacity for teens and adults to visit facilities on an informal basis, ranger led interpretive programs, beginning level instructional programs and classes, etc.

BALANCED INDIVIDUAL/COMMUNITY Benefit

The third and even smaller level of the Pyramid represents services that promote individual physical and mental well-being, and provide an intermediate level of skill development. This level provides balanced **INDIVIDUAL** and **COMMUNITY** benefit and should be priced accordingly. The individual fee is set to recover a higher percentage of cost than those services that fall within lower Pyramid levels.



Examples of these services could include: summer recreational day camp, summer sports leagues, year-round swim team, etc.

CONSIDERABLE INDIVIDUAL Benefit

The fourth and still smaller Pyramid level represents specialized services generally for specific groups, and those which may have a competitive focus. Services in this level may be priced to recover full cost, including all direct and indirect expenses.



Examples of these services could include: specialty classes, golf, and outdoor adventure programs.

MOSTLY INDIVIDUAL Benefit

At the top of the Pyramid, the fifth and smallest level represents services which have profit center potential, may be in an enterprise fund, may be in the same market space as the private sector, or may fall outside the core mission of the agency. In this level, services should be priced to recover full cost in addition to a designated profit percentage.



Examples of these activities could include: elite diving teams, golf lessons, food concessions, company picnic rentals, and other facility rentals such as for weddings or otherservices.

Step 3 – Developing the Organization’s Categories of Service

In order to avoid trying to determine cost recovery or subsidy allocation levels for each individual agency service including every program, facility, or property, it is advantageous to categorize agency services into like categories. This step also includes the development of category definitions that detail and define each category and service inventory “checks and balances” to ensure that all agency services belong within a developed category. *Examples of Categories of Service could include: Beginner Instructional Classes, Special Events, and Concessions/Vending.*

Step 4 – Sorting the Categories of Service onto the Pyramid

It is critical that this sorting step be done with staff, governing body, and citizen representatives involved. This is where ownership is created for the philosophy, while participants discover the current and possibly varied operating histories, cultures, and organizational values, vision, and mission. It is the time to develop consensus and get everyone on the same page – the page that is written together. Remember, this effort must reflect the community and must align with the thinking of policy makers.

Sample Policy Development Language:

XXX community brought together staff from across the department, agency leadership, and citizens to sort existing programs into each level of the Pyramid. The process was facilitated by an objective and impartial facilitator in order to hear all viewpoints. It generated discussion and debate as participants discovered what different people had to say about serving culturally and economically varied segments of the community, about historic versus active-use parks, about the importance of adult versus youth versus senior activities, and other philosophical and values-based discussions. This process gets at both the “what” and “why” with the intention of identifying common ground and consensus.

Step 5 – Defining Direct and Indirect Costs

The definition of direct and indirect costs can vary from agency to agency. What is important is that all costs associated with directly running a program or providing a service are identified and consistently applied across the system. Direct costs typically include all the specific, identifiable expenses (fixed and variable) associated with providing a service. These expenses would not exist without the service and may be variable costs. Defining direct costs, along with examples and relative formulas is necessary during this step.

Indirect costs typically encompass overhead (fixed and variable) including the administrative costs of the agency. These costs would exist without any specific service but may also be attributed to a specific agency operation (in which case they are direct expenses of that operation). If desired, all or a portion of indirect costs can be allocated, in which case they become a direct cost allocation.

Step 6 – Determining (or Confirming) Current Subsidy/Cost Recovery Levels

This step establishes the expectation that the agency will confirm or determine current cost recovery and subsidy allocation levels by service area based on the new or revised definition of direct and in-direct costs. This will include consideration of revenues sources and services costs or expenses. Typically, staff may not be cost accounting consistently, and these inconsistencies will become apparent. Results of this step will identify whether staff members know what it costs to provide services to the community, whether staff have the capacity or resources necessary to account for and track costs, whether accurate cost recovery levels can be identified, and whether cost centers or general ledger line items align with how the agency may want to track these costs in the future.

Step 7 – Establishing Cost Recovery/Subsidy Goals

Subsidy and cost recovery are complementary. If a program is subsidized at 75%, it has a 25% cost recovery, and vice-versa. It is more powerful to work through this exercise thinking about where the tax subsidy is used rather than what is the cost recovery. When it is complete, you can reverse thinking to articulate the cost recovery philosophy, as necessary.

The overall subsidy/cost recovery level is comprised of the average of everything in all of the levels together as a whole. This step identifies what the current subsidy level is for the programs sorted into each level. There may be quite a range within each level, and some programs could overlap with other levels of the pyramid. This will be rectified in the final steps.

This step must reflect your community and must align with the thinking of policy makers regarding the broad picture financial goals and objectives.

Examples

Categories in the bottom level of the Pyramid may be completely or mostly subsidized, with the agency having established limited cost recovery to convey the value of the experience to the user. An established 90-100% subsidy articulates the significant community benefit resulting from these categories.

The top level of the Pyramid may range from 0% subsidy to 50% excess revenues above all costs, or more. Or, the agency may not have any Categories of Service in the top level.

Step 8 – Understanding and Preparing for Influential Factors and Considerations

Inherent to sorting programs onto the Pyramid model using the Benefits and other filters is the realization that other factors come into play. This can result in decisions to place services in other levels than might first be thought. These factors also follow a continuum; however, do not necessarily follow the five levels like the Benefits Filter. In other words, a specific continuum may fall completely within the first two levels of the Pyramid. These factors can aid in determining core versus ancillary services. These factors represent a layering effect and should be used to make adjustments to an initial placement on the Pyramid.

THE COMMITMENT FACTOR: What is the intensity of the program; what is the commitment of the participant?



THE TRENDS FACTOR: Is the program or service tried and true, or is it a fad?



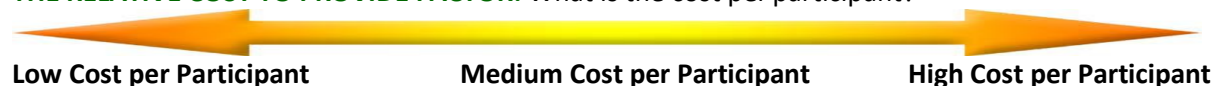
THE POLITICAL FILTER: What is out of our control?

This filter does not operate on a continuum, but is a reality, and will dictate from time to time where certain programs fit in the pyramid

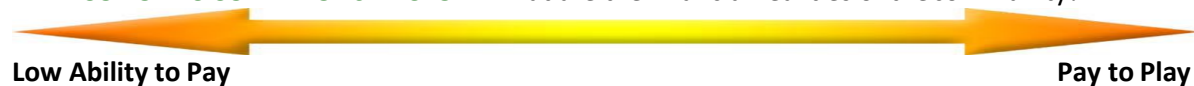
THE MARKETING FACTOR: What is the effect of the program in attracting customers?



THE RELATIVE COST TO PROVIDE FACTOR: What is the cost per participant?



THE ECONOMIC CONDITIONS FACTOR: What are the financial realities of the community?



FINANCIAL GOALS FACTOR: Are we targeting a financial goal such as increasing sustainability, decreasing subsidy reliance?



Step 9 – Implementation

Across the country, ranges in overall cost recovery levels can vary from less than 10% to over 100%. The agency sets their goals based upon values, vision, mission, stakeholder input, funding, and/or other criteria. This process may have been completed to determine present cost recovery levels, or the agency may have needed to increase cost recovery levels in order to meet budget targets. Sometimes, simply implementing a policy to develop equity is enough without a concerted effort to increase revenues. Upon completion of steps 1-8, the agency is positioned to illustrate and articulate where it has been and where it is heading from a financial perspective.

Step 10 – Evaluation

The results of this process may be used to:

- Articulate and illustrate a comprehensive cost recovery and subsidy allocation philosophy
- Train staff at all levels as to why and how things are priced the way they are
- Shift subsidy to where it is most appropriately needed
- Benchmark future financial performance
- Enhance financial sustainability
- Recommend service reductions to meet budget subsidy targets, or show how revenues can be increased as an alternative
- Justifiably price new services

*This **Cost Recovery/Subsidy Allocation Philosophy: The Pyramid Methodology** Outline is provided by:*



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Appendix C: Cost of Service Methodology

The Department's categories are sorted onto appropriate levels of the pyramid model based on who they benefit (the benefit filter). These categories range from programs and services mostly benefiting the **Community as a Whole (Tier 1)**, to mostly providing an **Individual** benefit (**Tier 5**).

2018 Categories of Service	
Category Name	Category Description
Tier 5: Mostly Individual Benefit	
Private or Advanced Skill Lessons	Lessons arranged for one student of any age with a specific instructor and/or time (examples: swim, tennis, computers, etc.) and group advanced skill level activities (example: swim team)
Long Term Lease Agreements	Exclusive use of facility spaces for ongoing or multiple time-periods by a private individual, group, non-profit, or for-profit business (examples: rental houses)
Vendors/Concessionaries	Use of City property for sale of goods and services sold for individual use that are offered by for profit businesses (examples: Paddleboard, sea kayak, food truck, concession stand, etc.).
Marina Piers and Boat Launch Use	Drop-in use of a marina piers and boat launch which is monitored by city staff (examples: touch and goes, general moorage, boat launch, etc.)
Cemetery Funeral Services	Plot and niche sales, burials and internments at the Kirkland Cemetery.

Tier 4: Considerable Individual Benefit	
Facility Rentals	Rental of Peter Kirk Community Center, North Kirkland Community Center, Heritage Hall, and Peter Kirk Pool for exclusive use of full or partial facility on a one-time basis by the general public or organization (examples: pool and room rentals, birthday parties, etc.)
Park Shelter Rentals	Rentals for exclusive use of spaces and/or facilities on a one-time basis by the general public or organization (examples: picnic areas, shelters, pavilions)
Adult Classes and Sports	Group or individual programs and activities for adults operated, taught, or managed by the City through staff or contract (examples: dance, arts and crafts, fitness, swim lessons, aqua aerobics, lifeguard/CPR certs, Ikebana, painting, guitar, computer workshops, self-defense, real estate, voice talent, softball, volleyball, beach volleyball league, tennis instruction, golf instruction, ice skating etc.)
50+ General Classes	Group or individual special interest programs and activities for 50+ operated, taught, or managed by the City through staff or contract (examples: arts, crafts, dance, ballet, yoga, welcome wagon, book club, etc.)
Senior Trips	Day and extended trips that provide opportunities for age 50+ participants to visit selected destinations (examples: out for lunch, whale watching, history museum, etc.)
Recreational Special Events	Annual activities and events that are typically offered on a one-time or seasonal basis (examples: Mermaid Ball, Monster Bash, Kids Tri, Spray Park, Friday Market)

Tier 3: Balanced Community/Individual Benefit	
Youth Classes and Sports	Group or individual special interest programs and activities for youth ages operated, taught, or managed by the City through staff or contract (examples: self-defense, cooking, guitar, dance, ballet, tap, art, language, youth hockey, tennis, basketball, swim lessons, stroke lessons, lifeguard/CPR certs etc.)
Preschool Classes and Sports	Group or individual special interest programs and activities for preschool ages operated, taught, or managed by the City through staff or contract (examples: move and grow, boogie woogie, cooking, art, language, indoor playground, drawing, piano, kids in motion, pee wee soccer, pee wee basketball, pee wee t-ball, ice skating, swim lessons etc.)
Youth Camps	Recreational weekly camps, school break programs, and after school programs with a social and/or recreational focus which may include field trips (examples: after school, sports and fitness, cheerleading, skateboarding, sailing, paddleboard, ice skating, etc.)
Athletic Field Rentals	Rental and scheduling for exclusive use of athletic fields (examples: Little League, Kirkland Baseball Club, Lake Washington Youth Soccer, etc.)

Tier 2: Considerable Community Benefit	
Special Events Services (permitted)	Support for all permitted events planned and implemented by outside organizations, running through the City permit process and utilizing public space (examples: Summerfest, Shamrock Run, Oktoberfest, NAMI Walk, Concert Series, Uncorked, Turkey Trot, Little League World Series)
Aquatics Public Swim at the Pool	Access to aquatic facility that is actively managed or attended by City staff (examples: open swim, lap swim)
Non-Profit Partnership Agreements	Agreement with non-profit organization to provide community services for ongoing or multiple time-periods using City property (examples: Kirkland Teen Union Building/YMCA, Kirkland Performance Center, Youth Eastside Services, Tilth Alliance Farms & Gardens)
50+ Programs and Services (partnerships)	Group or individual services and programs for 50+ operated, taught, or managed through contract or outside agencies (Evergreen health and wellness, nutrition, foot care, oral health care, Meals on Wheels, SHIBA, Chinese Services, Latino Services, legal services, financial services, etc.)
Senior Transportation Program	Contracted transportation program for 50+ age group for services (examples: grocery shopping, daily van transportation)

Tier 1: Mostly Community Benefit	
Green Kirkland Partnership	Preserving, protecting and restoring healthy forested and natural parklands through engagement of the community and creation of volunteer and educational experiences
Parks/Beach Use	Drop-in use of park amenities that is non-registered and non-instructed (examples: use of beach, use of trails, open lawns, landscaped areas, dog parks, playgrounds, etc.)
Senior Services	Volunteer community service program that acts in an advocacy role supported by City staff (senior council work program)
Youth Services	Community service and youth development programs and opportunities supported by the City (examples: Kirkland Teen Union Building, youth council activities, youth summit, etc.)
Human Services	Grant program to the non-profit service providers to meet basic human needs, focusing on inclusivity, diversity, and social issues, managed by City staff (Human Services Commission)

Appendix D: Developing a Pricing Strategy

As the final step in the development of the **Cost Recovery Study**, pricing strategies were considered. This discussion should continue in the future, and the following topic areas should be included and applied.

1. Understanding financial trends

The increasing complexity and resulting shifts of our society's economy have led to what can be deemed as constant fiscal change in government. Public sector administrators and managers must be prepared to respond to the fiscal realities that have resulted from these economic shifts. Trends impacting fiscal and pricing decisions include:

- Increased governmental accountability
- Increased demand for people's "leisure dollar"
- Ongoing or increased demand for services with no/limited additional funding, or decreased funding
- Disinterest in service reductions or increased fees and charges
- Increased operating expenses (utilities, fuel, personnel, supplies, etc.)

2. Understanding the budget process and fiscal year cycle

Budgets are viewed as annual financial plans and include planning and forecasting, establishing priorities, and a way to monitor fiscal process. This overview allows for an abbreviated look at the process and how it is impacted by pricing.

3. Understanding the costs of service provision

Prior to making pricing decisions, it is important to understand the different types of service provision costs. Having knowledge of the various types of costs allows staff to make better informed pricing decisions. The different types of service provision costs are as follows:

- Direct costs
 - Fixed costs
 - Changing fixed costs
 - Variable costs
- Indirect Costs

4. Understanding the purpose of pricing

There are many reasons to develop service fees and charges. These include, but are not limited to, the following:

- Recover costs
- Create new resources
- Establish value
- Influence behavior
- Promote efficiency

5. **Pricing strategies – differential pricing**

Differential pricing is grounded in the notion that different fees are charged for the same service when there is no real difference in the cost of providing the service. There may be many reasons the Department may wish to consider this pricing strategy including:

- To stimulate demand for a service during a specified time
- To reach underserved populations
- To shift demand to another place, date, or time

6. **Alternative funding sources**

In general, there has been a decrease in the amount of tax support available to public parks and recreation agencies across the nation. The Department is forward thinking in its planning. As such, the need to look at alternative funding sources as a way to financially support services has become commonplace. Alternative funding sources are vast and can include:

- Gifts
- Grants
- Donations
- Sponsorships
- Collaborations
- Volunteer contributions

7. **Examining the psychological dimensions of pricing**

In addition to the social and environmental issues surrounding pricing, the human elements of pricing must be considered. Regardless of how logical a price may seem, customer reactions and responses are their own and can be vastly different than what one might expect. The psychological dimensions of pricing includes:

- Protection of self-esteem (pricing in such a way as to not offend certain users)
- Price-quality relationship (value received for every dollar spent)
- Establishing a reference point (worth of service in comparison to others)
- Objective price (price has a basis in fact, is real, and impartial)
- Subjective price (price is not biased or prejudiced)
- Consistency of image (perception of the brand and identification with product or service)
- Odd pricing (perception of arbitrary or incongruent pricing)

8. **Establishing initial price**

Establishing an actual price for a program can be based upon a variety of strategies including:

- Arbitrary pricing: basing fees on a general provision such as raising all fees \$.25 to meet budget goals which ignores market conditions and cost recovery goals. Arbitrary pricing is not encouraged, as it is impossible to justify.
- Market pricing: a fee based on demand for a service or facility or what the target market is willing to pay for a service. The private and commercial sectors commonly use this strategy. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (Examples: private sector providers, municipalities, etc.), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.

- Competitive pricing: a fee based on what similar service providers or close proximity competitors are charging for services. One consideration for establishing a competitive fee is determined by identifying all providers of an identical service (Examples: private sector providers, municipalities, etc.), and setting the mid-point or lowest fee.
- Cost recovery pricing: a fee based on cost recovery goals within market pricing ranges.

9. Understanding price revisions

Once a price is established, there may be the need to periodically review it and examine the need for revision. In some cases, “revised” may be viewed as “increased”; therefore, a systematic approach to pricing revision is important. Factors to consider in pricing revision include:

- Customer tolerance: the degree to which small increases in price will not encounter client resistance.
- Adjustment period: the period of time where the value of the service is assessed by the customer in relation to the price increase. The value of the service from the customer’s perspective must meet or exceed the impact of the increased cost. Adjustment periods may lead to diminished participation or termination of participation altogether based upon customer loyalty and other factors.
- Customers’ perceived value of the service: the degree to which services including programs, facilities, and parks impact the public (individual and community), or in other words, the results or outcomes of services. Value is the judgment or perception of worth or the degree of usefulness or importance placed on a service *by personal opinion*. The intent or intention of a service is the purpose, aim, or end.

10. The pricing process – developing a method

Staff participating in the series of workshops engaged in interactive exercises that applied the cost recovery goals of their respective service areas. The workshops prompted discussions leading to recommended changes to selected current pricing practices with the intention of attaining recommended cost recovery and tax investment allocation goals and establishing a new method for setting fees and charges. This method is based upon using cost recovery goals as a primary pricing strategy, followed by either market pricing (for services with low alternative coverage – few if any alternative providers) or competitive pricing (for services with high alternative coverage – other alternative providers offer similar or like services).

Appendix E: Comparative Analysis Criteria

Limits of Comparative Data and Analysis

Comparative analysis (benchmarking) is an important tool that allows for comparison of certain attributes of the Department's management practices and fee structure. This process creates a deeper understanding of alternative providers, your place in the market, and varying fee methodologies, which may be used to enhance and improve the service delivery of parks and recreation.

It is very difficult to find exact comparable communities, because each has its own unique identity, ways of conducting business, and differences in the populations that it serves. The political, social, economic, and physical characteristics of each community make the policies and practices of each parks and recreation agency unique. It is important to keep in mind that while many park and recreation agencies primarily serve residents, others serve a large portion of non-residents, while others cater to tourists.

Despite efforts to promote uniformity in comparison, organizations often have slightly different fee structures and associated benefits. For example, some parks and recreation agencies may not report all benefits associated with the purchase of a center membership, or may not explain their breadth of indoor recreation spaces they have in the same way as another. The availability of detailed information may also be limited.

Additionally, organizations do not typically define the expenditures of parks, trails, facilities, and maintenance the same way. Agencies also vary in terms of how they organize their budget information, and it may be difficult to assess whether or not the past year's expenses are typical for the community. Despite these inherent limitations, the comparative analysis and fee comparisons criteria should be used as a catalyst for the Department to continue to research fees, market position, and best practices for more specific areas when they are needed.

Comparative Analysis Data Sought

The communities selected for benchmarking data should be chosen primarily for their proximity and perceived similarities to the Department.

Fee Comparison Considerations

To compare fees, other factors should be considered along with the price or fee charged for a program, rental, admission, pass, or other services. Be sure to include comparative data for each fee as applicable:

- Program contact hours
- Program session length
- Student/teacher ratio
- Contractor or in-house instructional staff
- Instructor qualifications
- Program quality
- Materials included or additional fees
- Set up/tear down and preparation time included
- Facility amenities included in admission or pass
- Programs included with admission or pass
- Towel service, locker, equipment usage included or extra
- Hours of operation or availability of service
- Peak or off peak pricing
- Packaging
- Value added amenities or services
- Service area demographics
- Tax investment versus cost recovery goals
- Use of alternative funding

Appendix F: Scholarship Policy and Application for Recreation Classes

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CITY OF KIRKLAND
PARKS & COMMUNITY SERVICES DEPARTMENT
 505 MARKET STREET - KIRKLAND, WASHINGTON 98033-6189 - (425) 587-3330

Scholarship Application for Recreation Classes

It is part of the mission of the Parks and Community Services Department to offer Kirkland residents of all ages and abilities the opportunity to participate in diverse, challenging, and high-quality recreation programs that are accessible and affordable. We try to make every opportunity available, regardless of income. We offer scholarship opportunities to those who might not be able to participate because of income. All information provided is confidential.

To be eligible for a scholarship you must meet the family size/yearly income requirements indicated below. You may be requested to submit proof of income. This will only be used for determining eligibility. Applicants meeting the eligibility guidelines may be awarded a scholarship for one class/program per quarter per person, based on availability.

Participant name: _____ Age: _____

Parent/guardian's name (if participant is under age 18): _____

Address: _____

Phone: (cell) _____ (other day phone) _____ (evening) _____

Please indicate: Family size (#) _____ Yearly income (before taxes) _____

Class name: _____ Class number: _____

If Your Family Size is (number of persons)		1	2	3	4	5+
You are eligible for a 25% scholarship	If your Annual Income is	\$48,550 or less	\$55,450 or less	\$62,400 or less	\$69,300 or less	\$74,850 or less
You are eligible for a 50% scholarship	If your Annual Income is	\$31,650 or less	\$36,150 or less	\$40,650 or less	\$45,150 or less	\$48,800 or less

Scholarship eligibility levels are determined by Seattle-Bellevue, WA HUD Metro FMR Area Income Limit Summary

Example: If your family size is 3 persons and your annual income (before taxes) is \$40,650 or less, you are eligible for a 50% scholarship. If you have other personal circumstances pertinent to this application, please describe briefly:

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Original class fee: \$ _____ Scholarship granted: ☐ 25% = \$ _____
☐ 50%

Amount due from participant: \$ _____ Supervisor approval: _____

Comments: _____

Participant notified of scholarship status on ____/____/____ by _____

Addendum D

Resource Allocations by Recommended Pyramid Layer

October 30, 2018

Recommended Category	Programmatic Category	Division	Full Time Labor Hours	Est. Seasonal Hours (Note 1)	Total Estimated Hours	Full Cost	Annual Revenue	Annual Subsidy	Current Recovery %
N/A	City-mandated committees & workgroups	N/A	367	0	367	\$121,874	\$0	\$121,874	0.0%
N/A	Park Planning	Administration	1,640	0	1,640	\$175,245	\$0	\$175,245	0.0%
5	Vendors/Concessionaires	Recreation & Community Services	108	0	108	\$17,201	\$51,608	-\$34,407	300.0%
5	Private Lessons (e.g. private one-on-one instruction)	Recreation & Community Services	116	809	926	\$36,288	\$53,735	-\$17,447	148.1%
5	Cemetery - Services (Note 2)	Parks	0	0	0	\$84,957	\$121,187	-\$36,230	142.6%
5	Long Term Lease Agreements	Parks	72	0	72	\$89,389	\$92,613	-\$3,225	103.6%
5	Marina & Boat Launch	Parks and Recreation	701	2,957	3,658	\$159,693	\$168,706	-\$9,013	105.6%
4	Senior Trips	Recreation & Community Services	125	0	125	\$36,021	\$19,144	\$16,877	53.1%
4	Recreation Special Events (Dept planned)	Recreation & Community Services	513	698	1,211	\$85,838	\$32,250	\$53,588	37.6%
4	Park Rentals	Parks and Recreation	439	531	970	\$114,200	\$105,754	\$8,445	92.6%
4	50+ General Classes	Recreation & Community Services	789	103	892	\$169,632	\$104,630	\$65,002	61.7%
4	Adult Programs and Sports	Recreation & Community Services	1,151	2,134	3,285	\$222,266	\$146,212	\$76,054	65.8%
4	Facility Rentals (PKCC, NKCC, Pool)	Parks and Recreation	403	5,017	5,421	\$521,946	\$95,509	\$426,437	18.3%
3	Youth Camps	Recreation & Community Services	1,290	1,879	3,170	\$288,603	\$328,321	-\$39,717	113.8%
3	Youth Classes and Sports	Recreation & Community Services	1,297	3,151	4,448	\$352,882	\$313,304	\$39,577	88.8%
3	Preschool Classes and Sports	Recreation & Community Services	2,267	3,362	5,629	\$461,599	\$397,815	\$63,783	86.2%
3	Sports Fields & Courts	Parks and Recreation	9,933	1,240	11,173	\$1,390,314	\$66,961	\$1,323,353	4.8%
2	Senior Transportation Program	Recreation & Community Services	108	0	108	\$29,226	\$3,009	\$26,217	10.3%
2	50+ Programs & Services - Partnerships	Recreation & Community Services	287	0	287	\$53,065	\$3,243	\$49,822	6.1%
2	Aquatics - Public Swim at the Pool	Recreation & Community Services	179	2,468	2,647	\$137,973	\$88,200	\$49,773	63.9%
2	Special Event Services (permitted)	Special Events	2,328	0	2,328	\$400,190	\$28,332	\$371,858	7.1%
1	Senior Services/Council	Human Services	358	0	358	\$42,594	\$450	\$42,144	1.1%
1	Youth Services/Council	Human Services	1,039	0	1,039	\$321,587	\$0	\$321,587	0.0%
1	Green Kirkland Partnership	Parks	6,272	193	6,465	\$1,032,590	\$17,238	\$1,015,351	1.7%
1	Human Services	Human Services	3,244	7	3,250	\$1,243,636	\$51,687	\$1,191,950	4.2%
1	General Park/Beach Use	Parks	29,289	2,899	32,188	\$4,222,408	\$77,500	\$4,144,908	1.8%
Totals			64,314	27,449	91,763	\$11,811,218	\$2,367,409	\$9,443,809	20.0%

Note 1 - Calculated by dividing seasonal dollars by an assumed average salary of \$18 per hour plus 20% for variable benefits and \$1.50 in fixed benefits

Note 2 - Cemetery Fund is only charged for overtime costs for services. Remaining time is treated as park maintenance.