

City of Kenmore



City of Kenmore - 18120 68th Avenue NE - PO Box 82607, Kenmore WA 98028 - Phone: 425-398-8900 - Fax: 425-481-3236

City of Kenmore
City Council Regular Meeting Agenda
7:00 p.m., Monday, November 28, 2011
Kenmore City Hall
18120 68th Ave. NE, Kenmore, WA 98028

AGENDA ITEMS ARE SUBJECT TO CHANGE up to and including the time of the meeting; items may be added or dropped. Please call the City Clerk if you have any questions or to confirm the agenda items prior to the meeting at (425) 398-8900, or stop by City Hall at 18120 68th Avenue NE, Kenmore. The agendas are also available on our website at: www.kenmorewa.gov. Our public meetings are accessible to all members of the public. If you require special accommodations, please call the City Clerk at least three (3) days prior to the meeting.

I. CALL TO ORDER REGULAR MEETING

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. CONSENT AGENDA

- A. Minutes of the November 14, 2011 Regular Council Meeting.
- B. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.
- C. Accept October 2011 Financial Reports for the City of Kenmore - Joanne Gregory, Finance Director
- D. Authorize the City Manager to Execute a Settlement Agreement and Purchase and Sale Agreement to Acquire the 71,438 Square Foot Parcel at 18804 73rd Ave. NE with Surface Water Management Funds in the Amount of \$410,000 - Ron Loewen, City Engineer
- E. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C780 with Alcalde and Fay, Extending the Contract Duration Date to December 31, 2012 and Amending the Contract Amount to an Amount not to Exceed

V. CONSENT AGENDA

\$229,500 - Fred Stouder, City Manager

- F. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C816 with Gordon Thomas Honeywell, Extending the Contract Duration Date to December 31, 2012 and Amending the Contract Amount to an Amount not to Exceed \$128,700 - Fred Stouder, City Manager
- G. Motion to Schedule a Special Council Meeting for Review of Council Policies and Procedures for Monday, December 5, 2011, 7:00 p.m.
- H. Motion to Cancel the Regularly Scheduled Council Meetings for December 12, 2011; December 19, 2011; and December 26, 2011.

VI. CITIZEN COMMENTS

This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

VII. PUBLIC HEARING

- A. Public Hearings on Fixing the Amount of Tax Levies Necessary to Meet Authorized Tax Supported Estimated Expenses for the Year 2012 and Proposed Mid-Biennial Modifications to the 2011-2012 Budget – Fred Stouder, City Manager and Joanne Gregory, Finance Director

VIII. BUSINESS AGENDA

- A. Adoption of Ordinance No. 11-0332 of the City of Kenmore, Washington, Relating to the 2012 Regular Property Tax Levy; Providing for Severability; and Establishing an Effective Date – Fred Stouder, City Manager and Joanne Gregory, Director of Finance
- B. Adopt Ordinance No. 11-0331 of the City of Kenmore, Washington, Amending Ordinance No. 10-0319, Adopting the 2011-2012 Biennial Budget; To Adjust Revenues and Appropriations for the General Fund, the Street Fund, the Arterial Street Fund, the Transportation Impact Fee Fund, the Municipal Capital Fund, the Capital Projects Fund, and the Surface Water Management Fund – Joanne Gregory, Director of Finance
- C. Continuation and Possible Action of the City's Review of the Department of Ecology's Required and Suggested Changes to the Shoreline Master Program (SMP) - Debbie Bent, Director of Planning and Community Development, and

VIII. BUSINESS AGENDA

Lauri Anderson, Senior Planner

- D. Presentation and Discussion of Final Report on King County Sheriff Police Services Contract – Fred Stouder, City Manager

IX. COUNCILMEMBER COMMENTS/REPORTS

X. ADJOURNMENT

XI. RECOGNITIONS

- A. Please Join Us, After the Council Meeting, for a Social Gathering Recognizing Outgoing Councilmember John Hendrickson, New Councilmember Brent Smith, Deputy Mayor Milton Curtis and Mayor David Baker for Serving as Deputy Mayor & Mayor for the Years 2010 and 2011.

REFRESHMENTS WILL BE SERVED.

Upcoming Meetings:

December 5, 2011 7:00 p.m. Special Council Meeting
December 12, 2011 - CANCELED
December 19, 2011 - CANCELED
December 26, 2011 - CANCELED

DRAFT
City of Kenmore
City Council Regular Meeting
Minutes
November 14, 2011

CALL TO ORDER - Mayor David Baker called the meeting to order at 7:00 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Milton Curtis, Councilmembers Bob Hensel, *John Hendrickson, Laurie Sperry, Allan Van Ness, and Glenn Rogers.

Councilmembers excused: Deputy Mayor Milton Curtis and Councilmember Glenn Rogers

Staff present: Fred Stouder, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance Director; Ron Loewen, City Engineer; Debbie Bent, Director of Community Development; Lauri Anderson, Senior Planner; Jennifer Gordon, Public Works Operations Manager; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Lynn Suskin, City Clerk

FLAG SALUTE

Mayor David Baker led the flag salute

AGENDA APPROVAL

The agenda was approved as submitted.

CONSENT AGENDA

Due to the lack of a supermajority of Councilmembers being present to vote, Mayor David Baker had to pull Item D “Adopt Ordinance No. 11-0325 Extending the Franchise Agreement for Cable Services Between the City of Kenmore and Comcast of Washington IV, Inc. and Comcast of California/Texas/Washington, Inc. and Jointly Known as Comcast Cable, Inc. to June 30, 2012 and Establishing an Effective Date,” from the consent agenda.

Councilmember Bob Hensel moved to approve the consent agenda as amended. Councilmember Laurie Sperry seconded the motion to approve the Minutes of the September 29, 2011 Executive Session/Regular Council Meeting, October 3, 2011 Special Regular Council Meeting, October 10, 2011 Regular Council Meeting; Approve Claim Nos. 24763 - 24873 in the Amount of \$885,500.51 for the Period Ending November 2, 2011; and Accept September 2011 Financial Reports for the City of Kenmore. The consent agenda was approved unanimously with Mayor David Baker Councilmember Laurie Sperry Councilmember Allan Van Ness and Councilmember Bob Hensel voting aye.

* Councilmember John Hendrickson arrived at 7:09.

CITIZEN COMMENTS

Dave Crawford, 7534 NE 175th St., Kenmore, was present to state his concerns relating to Surface Water Management, Traffic and Impact fees.

Matthew Hinck, CALPORTLAND Representative, was present to support the proposed LakePointe SR520 project.

Eric Adman, 7815 NE 192nd St., Kenmore, was present to state that he supports the proposed LakePointe SR520 project, if the environmental and other community issues are addressed/resolved. He submitted a letter of his concerns relating to the LakePointe site usage, monitoring, and the Shoreline Master Program into the record.

Diane Bates, 6239 NE 204th Pl., Kenmore, was present to request that Council consider having their meetings televised.

Elizabeth Mooney, 5934 NE 201st St., Kenmore, was present to state her concerns relating to the LakePointe SR520 project. She submitted a letter of her concerns into the record.

Dennis Mendrey, 6410 NE 182nd St., Kenmore, was present to state his concerns relating to the LakePointe SR520 project. He submitted a letter of his concerns into the record.

PRESENTATION

Present Pancreatic Awareness Proclamation to Kenmore Resident Jennifer Donahue – Mayor David Baker read the proclamation into the record and, on behalf of the entire Council, presented the proclamation to Jennifer Donahue.

BUSINESS AGENDA

Review of, and Possible Direction of, Kenmore City Manager Recruitment Profile and Schedule - Lynn Stokesbary, Prothman & Associates, was present to review the city manager recruitment profile and the recruitment schedule. He was also available to answer any questions.

Review and Discussion of 2011-2012 Mid Biennium Budget Amendments - Fred Stouder, City Manager, was present to provide a report in which he stated that tonight, this is an introduction of the proposed amendments to the 2011-2012 Biennial Budget. He was also available to answer any questions.

Joanne Gregory, Finance Director, provided a brief summary of the proposed amendments. She was also available to answer any questions.

Continuation of Discussion and Possible Direction of the City's Review of the Department of Ecology's Proposed Changes to the Shoreline Master Program (SMP) as Proposed by the Department of Ecology - Debbie Bent, Director of Planning and Community Development, and Lauri Anderson, Senior Planner, were present to continue the discussion on the City's review of the Department of Ecology's (DOE) proposed changes to the Shoreline Master Program (SMP) as proposed by the Department of Ecology. They were also available to answer any questions.

City of Kenmore - Regular Council Meeting Minutes
November 14, 2011

Councilmember Laurie Sperry moved to approve Alternative 1. Councilmember Bob Hensel seconded the motion. The motion failed 2-3 with Councilmember John Hendrickson, Councilmember Allan Van Ness and Mayor David Baker voting no.

It was the consensus that this item would be continued for further discussion and possible direction at the November 21, 2011 Council Meeting.

Fred Stouder, City Manager, asked that any of the Council that should have any questions, to please provide them to staff so that they can be addressed at the next council meeting.

COUNCILMEMBER COMMENTS/REPORTS

Councilmember John Hendrickson summarized and submitted into the record his concerns relating to the Council's perceived "Corporate Culture" and the proposed Council Rules and Procedures.

Councilmember Allan Van Ness provided an overview of a recent conference he attended.

Mayor David Baker provided an overview of his recent National League of Cities dinner meeting he attended in Washington D.C. where he met President Obama. He stated that while he was in D.C., he also met with the Department of Army Corps of Engineers to discuss dredging in Kenmore/Lake Washington.

ADJOURNMENT

Mayor David Baker adjourned the regular meeting at 8:50 p.m.

Mayor David Baker

ATTEST:

Lynn Suskin, City Clerk

City of Kenmore Voucher Certification and Approval

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the following claims, paid by checks 24874- 24962 which total \$752,200.31 are just, due, and unpaid obligations against the City of Kenmore/King County/Washington, and that I am authorized to authenticate and certify to said claims.


11/18/11

 City Manager Date


11-18-11

 Finance Director Date

Check #	Name	Description	Net Amount
24874	NATIONWIDE FINANCIAL 401a	Payroll Entry	\$ 9,722.39
24875	NATIONWIDE RETIREMENT SOLUTIONS 457	Payroll Entry	1,570.00
24876	ICMA RETIREMENT TRUST 457 - 304745	Payroll Entry	2,219.22
24877	DRS 457	Payroll Entry	1,706.66
24878	CITY OF KENMORE FS	Payroll Entry	176.96
24879	BANK OF AMERICA 941	Payroll Entry	11,357.44
24880	DEPARTMENT OF RETIREMENT SYSTEMS	Payroll Entry	9,023.08
24881	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Entry	275.00
24882	SIMPSON, ARTHUR	SWM Property Research Document	824.00
24883	PETTY CASH CUSTODIAN	Petty Cash Reimbursement	418.73
24884	JORVE CORPORTATION	Sr. Center Roofin Project Balance	16,614.40
24885	NATIONWIDE FINANCIAL 401a	Payroll Entry	8,594.42
24886	NATIONWIDE RETIREMENT SOLUTIONS 457	Payroll Entry	1,570.00
24887	ICMA RETIREMENT TRUST 457 - 304745	Payroll Entry	2,219.22
24888	DRS 457	Payroll Entry	1,706.66
24889	AFLAC	Payroll Entry	742.87
24890	CITY OF KENMORE FS	Payroll Entry	176.96
24891	BANK OF AMERICA 941	Payroll Entry	11,340.96
24892	AWC EMPLOYEE BENEFITS	Payroll Entry	33,709.20
24893	WA GUARANTEED EDUCATION TUITION	Payroll Entry	415.00
24894	DEPARTMENT OF RETIREMENT SYSTEMS	Payroll Entry	9,012.49
24895	DEPARTMENT OF LABOR AND INDUSTRIES	Payroll Entry	3,093.52
24896	UNITED WAY OF KING COUNTY	Payroll Entry	92.00
24897	NATIONAL LIFE OF VERMONT	Payroll Entry	328.34
24898	AMERICAN GENERAL	Payroll Entry	491.18
24899	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Entry	275.00
24900	SUSKIN, LYNN	Reimburse Label Maker/ Supplies	186.11
24901	CITY OF BELLEVUE	Qtr 3 2011 MBP Surcharge	76,431.64

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

24902 ALLIED WASTE SERVICES #172	Solid Waste - City Hall	218.71
24903 EMPLOYMENT SECURITY DEPT	3rd Qtr 2011 Unemployment Ins.	3,754.40
24904 EVERETT STEEL	Vehicle Maintenance - Sweeper	191.98
24905 FIRST AMERICAN TITLE	61st/ 181st Signal ROW	1,021.12
24906 FRUHLING SAND & TOPSOIL	Topsoil 17721 80th Ave. NE	32.30
24907 HAMMOND COLLIER WADE LIVINGSTONE	SR522 PH 1 ST 2 Construction	720.00
24908 HOME DEPOT CREDIT SERVICES	Parks Cleanup Tools/ Equipment	450.11
24909 INSLEE, BEST, DOEZIE & RYDER, P.S.	Sept. 2011 Retainer	29,895.57
24910 KING COUNTY W.L.R.D.	2nd Trimester 2011	2,208.67
24911 KING COUNTY W.L.R.D.	3rd Qtr 2011 Interlocal Agreement	70,908.32
24912 KING COUNTY ANIMAL SVCS	Oct. 2011 Pet Licenses	345.00
24913 KING COUNTY FINANCE	Qtr 3 2011 Alcohol Treatment Svcs	1,090.16
24914 VOID	VOID	-
24915 KING COUNTY FINANCE	ROW2011-0509 Permit Cancelled	206.00
24916 KING COUNTY SHERIFF	Oct. 2011 Police Services	225,121.50
24917 LIGHTHOUSE CONSULTING INC	Oct. 2011 IT Services	1,346.30
24918 NEXTEL COMMUNICATIONS	Cell Phone Services 9/25-10/24	887.67
24919 NORTSHORE FIRE DEPT	Fire Marshal Plan Review Oct.	200.00
24920 NORTSHORE SCHOOL DISTRICT	Inglesmoore Ice Cream Socials	999.11
24921 NORTSHORE UTILITY DIST	Fleet Maintenance - October, 2011	4,044.10
24922 OFFICE TEAM	Temp. Office Employee-11/4/11	380.34
24923 OTAK	Prof. Svcs. NE 181st St. Culvert	28,356.58
24924 PEOPLES STORAGE	Dec. 2011 Storage Unit Rent	177.00
24925 PUGET SOUND ENERGY	Street Lights Trans from K.C.	786.52
24926 RUEB, DAVID	Cash Deposit Ref. Rec. #9184	1,440.61
24927 STEWART BEALL MACNICHOLS	Public Defense Svc - Oct. 2011	3,000.00
24928 WASHINGTON STATE DEPT OF INFO SERV	Oct. 2011 ListServ Service	210.00
24929 WASHINGTON STATE O.M.W.B.E.	2011 Annual Dues	200.00
24930 WELLS FARGO BANK	11/10-12/10/11 Copier Lease	1,680.23
24931 OAC SERVICES, INC	Professional Services - Oct. 2011	870.00
24932 KING COUNTY RECORDER'S OFFICE	Rec.Fee \$63 & Certified Mail \$2	65.00
24933 SOUND LAW CENTER	Legal Svc - Thompson S.P. Appeal	682.50
24934 BANNER BANK CS	Jump Starter & Jr. High Dance	1,472.93
24935 BANNER BANK DB	Seminar, Parking, Meals, Lodging	1,046.83
24936 QUALITY BUSINESS SYSTEMS	Oct., 2011 Photocopier Usage	1,132.93
24937 BANNER BANK JG	Computer Supplies	17.96
24938 SHATTUCK, NANCY	Oct. 2011 DV Advocate	800.00
24939 ALCALDE & FAY	Govt. Affairs Retainer 10/15-11/15	5,016.29
24940 KOMPAN, INC	Play Equipment Repair - Log Boom	345.64
24941 MAGEE, STEVEN	Ref. bal. of cash dep. FSP2004-078	9,192.00
24942 COMCAST	Nov. 2011 Internet Services	109.90
24943 GORDON THOMAS HONEYWELL	Oct. 2011 Govt. Affairs Svcs.	3,071.00
24944 TOWNE CENTRE HARDWARE	Small Tools/ Supplies	33.98
24945 INTEGRA TELECOM	Nov. 2011 Phone Services	738.80
24946 FRONTIER	Oct. 2011 CH Elevator Phone	853.81
24947 PAWS	Animal Sheltering Svc - Oct. 2011	640.00
24948 SNOHOMISH COUNTY SHERIFF'S OFFICE	Jail Service Fees - Oct. 2011	31,648.38

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

24949 SNOHOMISH COUNTY SHERIFF'S OFFICE	Oct. 2011 Inmate Medical Billing	49.18
24950 DEVRIES, DENIS	Oct. Mileage Police Dept. Volunteer	41.63
24951 STEPHENS, MARY	Oct. 2011 Public Defender	1,250.00
24952 JURASSIC PARLIAMENT	Professional Svcs Oct. 2011	884.72
24953 JORVE CORPORTATION	Senior Center Gutters/ Versaguard	6,405.75
24954 NORTH COAST ELECTRIC	Facility Maintenance Supplies	33.01
24955 RONGERUDE, JOHN	Conflict Public Defender Svcs	150.00
24956 RCS VALUATION CORP	Prof. Svcs. - Downtown Develop	1,000.00
24957 KENMORE AIR	Refund Deposit & Audio/ Visual	275.00
24958 ALTA MAXINE MELVIN	SR 522 Ph 1 St. 2 Improvements	85,200.00
24959 TRANE U.S. INC.	Maintenance - Contract	7,912.61
24960 WESTERN METAL ART & SIGN	Council Chamber's Nameplate	122.37
24961 BRAVO ENVIRONMENTAL SERVICE	Drainage Svcs - Contract 09-C805	6,904.60
24962 KING COUNTY FINANCE	Oct. 2011 Disposal Fees	67.74
		\$ 752,200.31

PRIOR VENDOR ACTIVITY

Previous YTD

3CMA	\$	375.00
A+ CONFERENCING		203.79
AA PARTY RENTALS		3,070.92
ABBOTT, CARRIE		250.00
ACTION ENTERTAINMENT		1,090.00
ACTIVE SHOOTER TRAINING LLC		815.90
ADT SECURITY SERVICES		1,092.76
ADVANCE TESTING & SERVICE INC		459.00
AFLAC		9,602.60
ALCALDE & FAY		60,503.01
ALLIANCE OF PEOPLE W/ DISABILITIES		2,636.25
ALLIED WASTE SERVICES #172		8,564.99
ALPHA COURIER SERVICES		33.60
AM TEST, INC		1,495.00
AMERICAN ASSOC OF CODE ENFORCEMENT		75.00
AMERICAN GENERAL		4,643.97
AMERICAN PLANNING ASSOCIATION		1,501.00
AMERICAN PUBLIC WORKS ASSOCIATION		503.42
AMERICAN REPROGRAPHICS COMPANY		127.43
AMERICAN SOCIETY OF COMPOSERS		305.00
AMES2BFIT		50.00
ANDERSON, LAURI		193.19
ANDONIADIS INC		1,742.90
APPLIED PROFESSIONAL SERVICES INC		1,536.93
ARGENS		15.88
ARTS OF KENMORE		500.00

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

ASP, ANGELA	210.00
ASSOCIATION OF WA CITIES	13,970.00
AT WORK	1,855.25
AURORA RENTS	2,518.04
AWC EMPLOYEE BENEFITS	366,978.95
BABB, MICHELLE	186.92
BADGLEY'S LANDSCAPE LLC	2,190.00
BAKER, DAVID	2,785.46
BANK OF AMERICA 941	259,933.44
BANNER BANK BH	463.61
BANNER BANK CS	5,582.62
BANNER BANK DB	1,230.49
BANNER BANK JG	7,570.93
BANNER BANK JGORDON	13,369.96
BANNER BANK KENMORE	31,690.63
BANNER BANK LB	2,120.28
BANNER BANK LD	6,021.80
BANNER BANK NO	5,520.85
BARCLAY DEAN ARCHITECTUAL PRODUCTS	711.75
BASTYR UNIVERSITY	220,783.70
BAYLES, GREGORY	50.00
BEEGEE TOLPA	700.00
BEKINS NORTHWEST	303.45
BENNETT, STUART	29.36
BIG BUBBA DOG LLC	1,500.00
BIS	4,335.00
BLACKBAUD	4,956.23
BLUE WAVE CONSTRUCTION, INC	24,671.83
BODINE CONSTRUCTION SERVICES, INC	383.25
BOTHELL SKI & BIKE	120.44
BOWHEAD ENVIRONMENTAL & SAFETY	414.59
BRABEC, MARY	3,500.00
BRADY, DAVID	84.00
BRAVO ENVIRONMENTAL SERVICE	134,854.87
BULGER SAFE & LOCK, INC.	98.55
C. ANDERSON & CO.	1,209.98
CALIBRE HOMES, INC	7,500.00
CALPORTLAND COMPANY	4,740.98
CANOPIES BY FRED	647.15
CARLSON, THOMAS G.	1,193.31
CASCADE PEST CONTROL	1,812.26
CATHOLIC COMMUNITY SERVICES	6,012.75
CEMEX	7,370.05
CENTER FOR HUMAN SERVICES	31,940.00
CHAMPION COURIER	78.25
CHILDERS, MARK	1,069.96
CITY OF BELLEVUE	451,110.65

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

CITY OF CLYDE HILL	583.00
CITY OF KENMORE FS	3,964.99
CITY OF LAKE FOREST PARK	663,970.72
CITY OF RENTON	980.00
CITY OF SHORELINE	993.76
CLARITY SIGNS	2,602.28
CLUB NORTHWEST	30.00
CLYDE/WEST	1,215.87
COASTAL WEAR PRODUCTS INC	2,701.02
COASTWIDE LABORATORIES	5,906.58
CODE 4 PUBLIC SAFETY EDUCATION	198.00
CODE PUBLISHING COMPANY	547.50
COFFMAN, JON	183.00
COLUMBIA BANK	11,099.56
COLUMBIA FORD	26,352.28
COLUMBIA RIDGE LANDFILL	18,935.23
COMCAST	1,318.80
COMMERCIAL SOUND, INC.	17,539.67
CONSEJO COUNSELING & REF	3,875.00
CONSOLIDATED PRESS	5,043.08
CONTECH STORMWATER SOLUTIONS, INC	15,444.98
CORNERSTONE ROOFING	98.50
COSTCO RETAIL SERVICES	27.62
COX PRINTING & SIGNS	533.82
CPSWQ	100.00
CROWN PRODUCTS	2,042.85
CSAT, LLC	1,600.00
CURRY, ROSS	183.00
CUSTER SPORTSMEN'S CLUB, INC	150.00
DAILY JOURNAL OF COMMERCE	1,772.20
DANSOUND INC	6,487.89
DAS MANUFACTURING, INC.	10,413.75
DBM CONTRACTORS, INC	215,717.62
DELL MARKETING L.P.	4,275.06
DEPARTMENT OF ECOLOGY	5,082.52
DEPARTMENT OF LABOR AND INDUSTRIES	30,784.12
DEPARTMENT OF LICENSING	10.00
DEPARTMENT OF RETIREMENT SYSTEMS	173,945.48
DEVRIES, DENIS	159.95
DIAMOND TRAFFIC PRODUCTS	190.36
DIGITAL REPROGRAPHICS SERVICES INC.	1,591.79
DISSTON, GALEN	1,500.00
DOWL HKM	12,595.00
DRS 457	36,588.02
DUNN LUMBER COMPANY	1,759.14
DURRANT, JEFF	879.25
EARTHCORPS	15,204.18

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

EAST JORDAN IRON WORKS	1,152.48
EDGE CONCRETE CONSTRUCTION, LLC	1,250.00
EFFICIENCY INC	949.37
EMERGENCY FEEDING PROGRAM	3,125.00
EMERGENCY SERVICE COORDINATING AGCY	56,137.00
EMPLOYMENT SECURITY DEPT	1,602.62
ENTERTAINMENT FIREWORKS INC	12,025.00
ENVIRONMENTAL SYSTEMS RESEARCH INST	2,554.01
ESA ADOLFSON	12,384.89
ESPRESSO WORKS	75.00
EVANS, C. WILLIAM	5,247.00
EVERGREEN PRINT SOLUTIONS	655.54
EVERGREEN SAFETY COUNCIL	175.00
EVER-MARK, LLC	1,320.33
EXTREME PROMOTIONS	522.00
FAZZARI MARKETING	1,689.29
FEARON, CLINTON	2,000.00
FEASEL, ROBERT	665.00
FEDEX OFFICE	26.61
FERGUSON ENTERPRISES INC	19,204.64
FIRE PROTECTION, INC	3,506.16
FRONTIER	60,845.31
FRUHLING SAND & TOPSOIL	2,128.31
FULL MAINTENANCE GARDENING	4,180.90
GATES, JANICE	71.96
GEOENGINEERS INC	40,853.30
GIBBONS & RIELY, PLLC	750.00
GORDON DERR	6,066.00
GORDON THOMAS HONEYWELL	33,973.06
GOVERNMENT FINANCE OFFICERS ASSOC	190.00
GRAHAM CONTRACTING LTD.	443,599.44
GRAINGER	6,478.57
GRAY & OSBORNE, INC	17,705.88
GREGORY, JOANNE	1,021.66
GREYSTONE COMMERCIAL SERVICE LP	174.79
GRIESEL, LEONARD	5,849.50
H.W. LOCHNER, INC.	259,423.96
HAMMOND COLLIER WADE LIVINGSTONE	1,050.00
HANSON CONSULTING SERVICES	1,269.00
HARRIS COMPUTER SYSTEMS	6,317.06
HARRIS, LESLIE	864.67
HDR	198,947.75
HEARTLAND	22,920.97
HEATERMEALS	1,193.21
HEISSLER, ANDREW	1,800.00
HERO HOUSE	1,548.75
HICKS, KATHLEEN	97.64

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

HOME DEPOT	893.20
HONEY BUCKET	1,020.40
HOPELINK	52,105.25
HOPKINS, CRAIG	433.54
HORIZON DISTRIBUTORS INC	680.48
HULQUIST HOMES	7,500.00
ICMA RETIREMENT TRUST 457 - 304745	50,292.06
iCOMPASS TECHNOLOGIES, INC.	16,600.00
INDEPENDENT STATIONERS	5,730.38
INFRASOURCE CONTRACTING LLC	29.36
INGLEWOOD GOLF COURSE	2,475.00
INSLEE, BEST, DOEZIE & RYDER, P.S.	231,813.01
INSTITUTE FOR FAMILY DEVELOPMENT	12,938.00
INSTRUMENTATION NORTHWEST INC.	1,560.58
INTEGRA TELECOM	8,937.24
INTERNATIONAL CITY/CNTY MGMT ASSOC	2,154.43
INTERNATIONAL INST OF MUNI CLERKS	560.00
IRIS WINDOW COVERINGS NW, INC.	1,382.81
iWORQ SYSTEMS	8,600.00
J&K ASSOCIATES	10,789.04
J. MURPHEY CONSTRUCTION	42.67
JACOBSON, BETTS & COMPANY	1,664.00
JBS INSTRUMENTS	3,360.75
JET CITY PRINTING	4,415.01
JOHN E. REID & ASSOCIATES	580.00
JONES & STOKES	129.31
JORVE CORPORTATION	13,129.16
JRW ENTERPRISES	413.36
JURASSIC PARLIAMENT	2,421.35
KCDA PURCHASING COOP	9,328.55
KEEP POSTED INC	173.00
KELLY PRINTING & GRAPHICS	6,799.97
KELLY THOMAS, INC.	11,587.29
KENMORE ELEMENTARY PTA	5,666.67
KENMORE HERITAGE SOCIETY	25.00
KENYON DISEND, PLLC	14,104.37
KEY EQUIPMENT FINANCE	2,697.00
KING COUNTY	1,672.65
KING COUNTY W.L.R.D.	274,487.30
KING COUNTY ANIMAL SVCS	4,835.00
KING COUNTY ARCHIVES	82.90
KING COUNTY DEPT OF CONST PROP SVCS	1,503.57
KING COUNTY DISTRICT COURT	35,497.00
KING COUNTY FINANCE	1,274,657.81
KING COUNTY FIRE DISTRICT	850.00
KING COUNTY FLEET ADMIN	441.31
KING COUNTY LIBRARY SYS	33,440.00

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

KING COUNTY PARKS	5,339.21
KING COUNTY PUBLIC DEFENSE	9,329.94
KING COUNTY RADIO COMM SERVICES	9,463.52
KING COUNTY RECORDER'S OFFICE	686.00
KING COUNTY SHERIFF	2,520,486.78
KING COUNTY TREASURY	38,810.75
KONICA MINOLTA BUSINESS SOLUTIONS	7,876.41
KUKER-RANKEN INC	536.98
KUSTOM SIGNALS, INC.	500.33
LACHAPELLE, NATALIE	300.00
LEE, MYUNG	2,252.00
LIGHTHOUSE CONSULTING INC	32,305.02
LOEWEN, RON	76.00
LONGFELLOW, JONATHAN	420.00
LORBIECKI, GLENN	50.00
LYONS, KEN	6,687.40
MAACO	368.96
MAAS, NORMAN	2,520.00
MAIL FINANCE	3,021.66
MATRIX CONSULTING GROUP	40,000.00
McKEE & SCHALKA	5,500.00
MICHAEL TERRY'S TRAPPING	960.00
MIDMOUNTAIN CONTRACTORS, INC	82,850.60
MILNE ELECTRIC, INC	24,991.83
MINZGHOR, NICHOLAS	1,411.92
MOBILE ELECTRICAL DISTRIBUTORS INC	35.30
MR. T'S TROPHIES	1,136.14
NAMI EASTSIDE	400.00
NATIONAL ALLIANCE ON MENTAL ILLNESS	1,481.50
NATIONAL ASSOC OF PARLIAMENTARIANS	85.00
NATIONAL BARRICADE CO	2,943.91
NATIONAL LEAGUE OF CITIES	5,439.00
NATIONAL LIFE OF VERMONT	4,162.13
NATIONWIDE FINANCIAL 401a	219,539.10
NATIONWIDE RETIREMENT SOLUTIONS 457	27,360.00
NEBC	195.00
NetVersant	9,959.70
NEXTEL COMMUNICATIONS	8,962.36
NEXXPOST	287.31
NORTH COAST ELECTRIC	1,021.37
NORTH CREST DEVELOPMENT CORP.	1,794.00
NORTHSHORE FIRE DEPT	8,042.60
NORTHSHORE PAVING INC	537.90
NORTHSHORE SENIOR CENTER	18,250.00
NORTHSHORE UTILITY DIST	96,693.15
NORTHSHORE YOUTH & FAMILY SERVICES	32,500.00
OAC SERVICES, INC	44,469.71

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

OAKSTONE WELLNESS	128.07
OFFICE CLEANING CREW	7,862.85
OFFICE DEPOT	917.01
OFFICE TEAM	12,813.71
OLYMPIC ENVIRONMENTAL RESOURCES	46,276.89
OM WORKSPACE	5,418.58
OSTROM DRUGS	557.40
OTAK	143,425.80
OUSLEY, NANCY	1,240.36
PACE ENGINEERS, INC.	3,057.50
PACIFIC NW TITLE CO OF WA, INC	1,171.00
PACIFIC TOPSOILS	9,196.68
PASSPORT TRAVEL AND TOURS	5,130.80
PAWS	8,745.00
PENDLETON CONSULTING LLC	10,044.47
PEOPLES STORAGE	2,068.00
PERKINS COIE	10,805.59
PETTY CASH CUSTODIAN	1,566.83
PHOTOTAINMENT	876.00
PHSI PURE WATER FINANCE	1,207.56
PLATT	506.41
PRIME PACIFIC BANK	60.00
PROTHMAN COMPANY	6,166.67
PRO-VAC	15,817.98
PRSA	277.00
PRUDENTIAL	1,492.52
PUGET SOUND BUSINESS JOURNAL	94.00
PUGET SOUND CLEAN AIR AGENCY	10,989.00
PUGET SOUND ENERGY	690,391.54
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
PUGET SOUND REFRIGERATION	2,207.52
PUGET SOUND REGIONAL COUNCIL	7,390.00
PURDY, MICHAEL E.	150.00
PURE WATER TECH OF PUGET SOUND	136.88
QUALITY BUSINESS SYSTEMS	15,273.16
RANDALL, BRIAN	296.37
RICHARD & SHARON ARKLEY LIVING TRUS	2,300.00
RODGERS, MICHAEL	184.00
ROGERS, GLENN	2,512.74
RON KASPRISIN AIA	902.29
ROUNDY, CASSANDRA	50.00
S & S UPHOLSTERY	2,135.25
SAFRIN, PATTY	979.57
SARAH ROBERTS	101,400.00
SCHINDLER ELEVATOR CORPORATION	1,243.37
SCHLOTZHAUER FIRM PS	13,080.00
SEATTLE TIMES	5,699.98

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

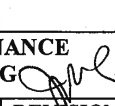
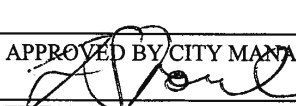
SECRETARY OF STATE	55.00
SEES TREES AND EXCAVATION INC	3,131.70
SEMIAMMOO RESORT	520.56
SERVICE ELECTRIC	869.08
SHARAM FAMILY	19,444.40
SHATTUCK, NANCY	8,000.00
SHORELINE PUBLIC SCHOOLS	450.00
SHRED-IT	594.00
SMITH, JARRETT	50.35
SNOHOMISH COUNTY	78,742.06
SNOHOMISH COUNTY SHERIFF'S OFFICE	42,274.39
SOUND LAW CENTER	14,129.50
SOUND PUBLISHING, INC.	5,259.30
SPECIAL ASPHALT PRODUCTS	5,996.09
SPERRY, LAURIE	250.00
ST EDWARD STATE PARK	9,465.22
STAPLES ADVANTAGE	7,273.19
STAR NORTHWEST, INC	56,941.47
STARLIGHT CHILDRENS FOUNDATION	190.00
STATE AUDITOR'S OFFICE	20,279.22
STATE OF FLORIDA DISBURSEMENT UNIT	1,375.00
STEPHENS, MARY	10,000.00
STEWART BEALL MACNICHOLS	38,300.00
STOUDER, FRED	1,359.01
STRIPE RITE, INC.	1,215.45
SUBURBAN CITIES ASSOC	11,829.87
SUNBELT	4,489.23
SUSKIN, LYNN	804.10
SUSSMAN/PREJZA & CO, INC	51,668.59
TACOMA SCREW PRODUCTS, INC.	159.70
TELESYSTEMS WEST	914.33
THE KIPLINGER TAX LETTER	89.00
THE PIN CENTER	920.00
THE WILDERS	2,000.00
TIGER CONSTRUCTION & EXCAVATION	5,950.00
TIMEMARK INCORPORATED	106.76
TITAN OUTDOOR, LLC	862.00
TOTAL LANDSCAPE CORP	80,814.42
TOWN & COUNTRY FENCE, INC	427.05
TOWNE CENTRE HARDWARE	822.87
TRAFFIC COUNT CONSULTANTS, INC	5,250.00
TRAN, SHAUN & DINH LIEU	415.80
T-TRAN LANDSCAPING & CONCRETE	8,760.00
ULI/SEATTLE DISTRICT CNCL	45.00
UNITED STATES POSTMASTER	1,798.44
UNITED WAY OF KING COUNTY	1,265.00
UNIVERSAL FIELD SERVICES	19,881.35

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

UNIVERSITY OF WASHINGTON	1,210.00
URBAN LAND INSTITUTE	225.00
US POSTAL SERVICE (HASLER)	8,228.32
VAN NESS, ALLAN	3,109.89
VAUGHAN, KENT	76.00
W.S.S.R.O.A.	450.00
WA ASSOC FOR FLOODPLAIN MANAGEMENT	100.00
WA ASSOC OF CODE ENFORCEMENT	40.00
WA CITIES INSURANCE AUTHORITY	124,502.00
WA FINANCE OFFICERS ASSOCIATION	450.00
WA GUARANTEED EDUCATION TUITION	4,772.50
WA RECREATION & PARK ASSOCIATION	129.00
WA STATE DEPARTMENT OF AGRICULTURE	33.00
WA STATE DEPT OF LABOR & INDUSTRIES	120.20
WA STATE DEPT OF RETIREMENT SYS	154.70
WA STATE DEPT OF TRANSPORTATION	5,472.01
WA STATE PARKS & RECREATION	2,700.00
WARDS NATURAL SCIENCE	1,237.95
WARNER, LOUIS	1.02
WASHINGTON CITY/COUNTY MGMT ASSOC	160.00
WASHINGTON ENERGY SERVICES	120.70
WASHINGTON MILITARY DEPARTMENT	5,009.34
WASHINGTON MUNICIPAL CLERKS ASSOC	75.00
WASHINGTON STATE DEPT OF INFO SERV	14,276.91
WASHINGTON STATE DEPT OF REVENUE	5,003.62
WASHINGTON STATE OFFICE CASH MGMT	769.50
WASHINGTON TREE SERVICE INC	2,847.00
WEINSTEIN AU	22,005.11
WELLS FARGO BANK	803.43
WELLS FARGO FINANCIAL	4,435.70
WONDERLAND DEVELOPMENT	14,290.00
YAKIMA COUNTY DEPT. OF CORRECTIONS	59,400.05
YAMASATO, JON	1,750.00
YAZDIDOOST, KAMRAN	4,305.60
ZESBAUGH, INC.	423.77
ZONAR SYSTEMS	525.33
ZORNES, GARY	230.00
ZUMAR	456.90

\$	11,662,709.87
----	---------------

VB. Approval of Claim Nos. 24874 - 24962 in the Amount of \$752,200.31 for the Period Ending November 16, 2011.

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Accept October 2011 Financial Reports for the City of Kenmore, Washington			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Finance	Joanne Gregory	Joanne Gregory	425-398-8900
COST OF PROPOSAL: N/A		ACCOUNT NUMBER: Various	
AMOUNT BUDGETED: 2011-2012 Adopted City Budget \$37,128,075		NAME AND FUND #: All Funds	
ATTACHMENT(S) TO AGENDA PACKET ITEM: 1. October 2011 Financial Reports for the City of Kenmore, Washington			
SUMMARY STATEMENT: The October monthly financial report is submitted for Council review and adoption. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's year to date revenues and expenditures in comparison to the City's 2011-2012 adopted biennial budget. It also provides an early opportunity to identify any potential variances or fluctuations from the adopted budget. October is the tenth month (41.6%) of the current biennium. Sales tax and real estate excise tax (REET) revenues remain low, especially when compared to already low results in 2009 and 2010. In the General Fund, sales tax revenue is about \$100,000 below projections at this point in the year. Development revenues overall, including impact fees, and gas taxes are not showing any improvement; property tax collections are on target. On the national level, the unemployment rate dropped slightly to 9.0% in October from 9.1% in September. The Dow Jones closed in October at 11,955, an increase from 10,913 reported in September.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: Kenmore Budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Accept October 2011 Financial Report for the City of Kenmore, Washington			
REVIEWED BY FINANCE DIRECTOR: JMG 		REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 
TODAY'S DATE: November 17, 2011	REVISION DATE(S):		FILE NAME & PATH (HYPERLINK) i:\admin & finance\monthly reports\2011\oct ab summary.docx

I:\Admin & Finance\Monthly Reports\2011\Oct AB Summary.docx



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM]

TO: Frederick C. Stouder, City Manager
FROM: Joanne Gregory, Finance Director
DATE: November 8, 2011
RE: October 2011 Financial Reports for the City of Kenmore, Washington

October 2011 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- All Funds Cash Summary
- Other Funds Monthly Activity
- Cash and Investment Report
- Schedule of Investments
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- SR 522 Phase I Revenue and Expenditure History
- SR 522 Phase II Revenue and Expenditure History

If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

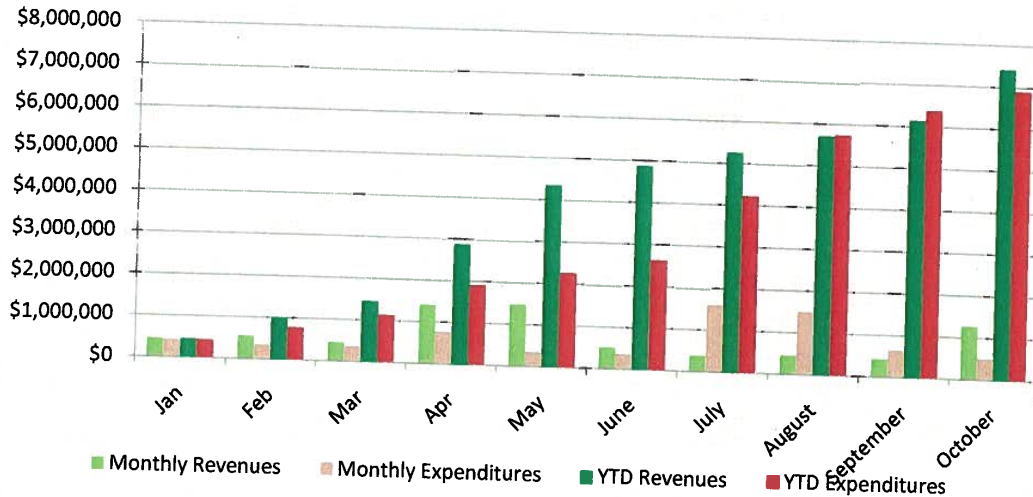
The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service.

In the context of the biennial budget, October is the tenth month (41.6%) of the 2011-2012 biennial budget period.

For the month of October, revenues exceeded expenditures in the General Fund by **\$773,438**.

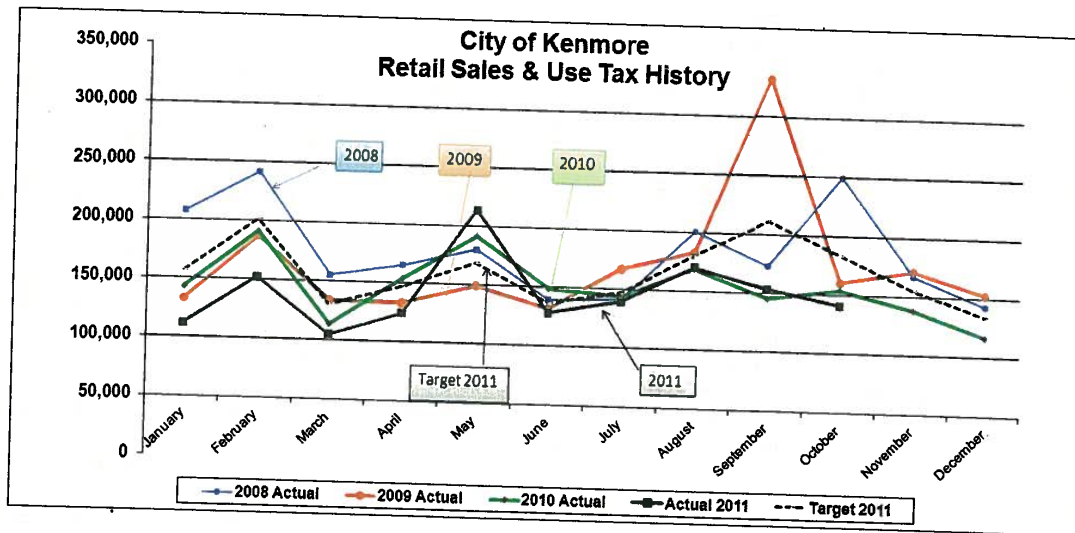
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through October, 2011.

City of Kenmore, Washington
Monthly Financial Report
October 2011



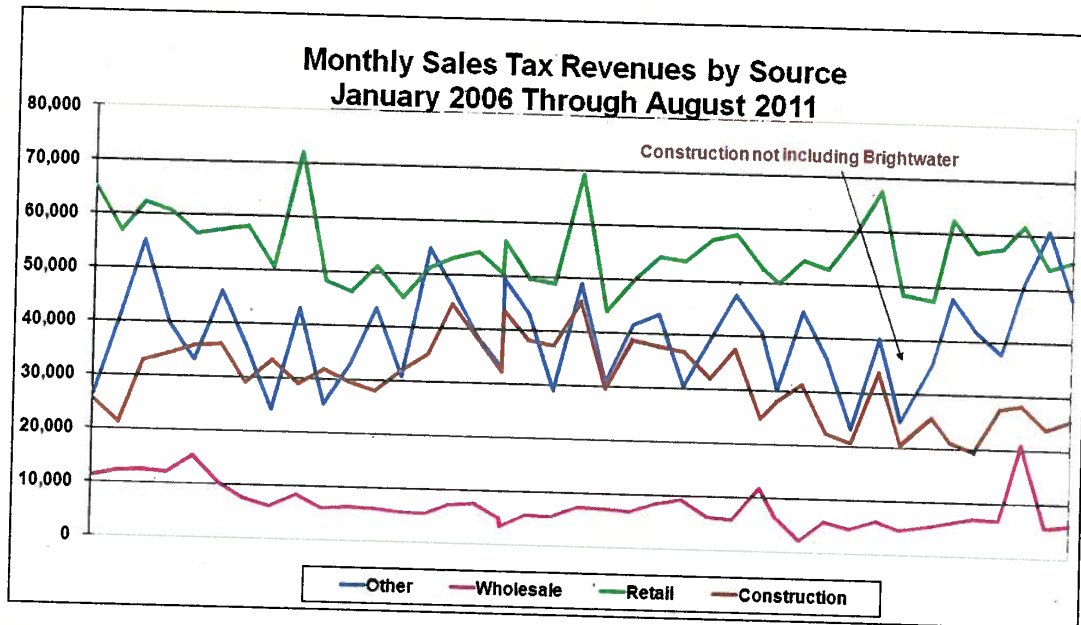
Total **revenues** for the month were **\$1,281,276**. Year to date the revenues are \$7,424,444 which is 39.4% of the biennial budgeted revenues of \$18,833,596. Primary sources of revenue for the month included property taxes in the amount of \$836,291, retail sales and use taxes in the amount of \$140,804, and utility taxes in the amount of \$93,027. Note that year to date franchise fees are unusually high because two of the 2010 quarterly payments (total of \$121,674) were remitted to the City in early 2011.

A summary of sales tax revenues received in October is attached. These receipts are based on August sales activity and have been tracking lower each month than the previous three years. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2011 line is a monthly sales tax average of actual receipts by month during 2008, 2009, and 2010. The solid black line represents 2011 actual receipts.

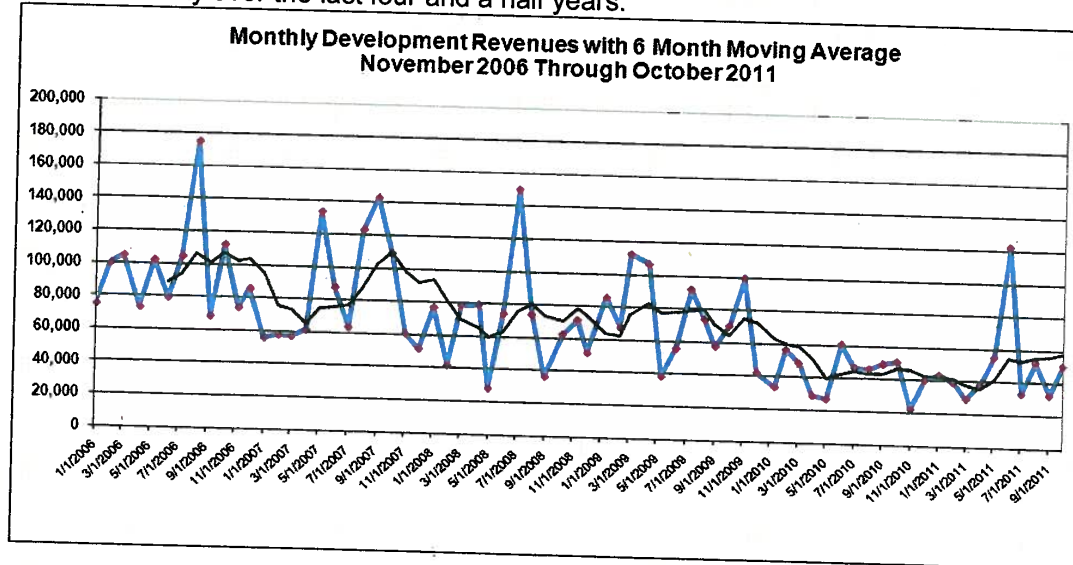


City of Kenmore, Washington
Monthly Financial Report
October 2011

The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2006 through August 2011. Construction sales taxes are shown without the benefit of the Brightwater construction project and are declining. This category previously had the benefit of the city hall, Bastyr dorms, fire station and library construction projects which have been completed. Other segments have not yet experienced significant, prolonged downturns; however wholesale and manufacturing receipts have definitely fallen off.



Development revenues are also declining noticeably. The following chart illustrates the revenue activity over the last four and a half years.



October 2011 expenditures were **\$507,838**. Year to date expenditures are \$6,888,028 which is 35.8% of the biennial budget expenditures of \$19,256,668. During this month, no unusual transactions were noted.

The General Fund 2011-2012 budgeted beginning fund balance is \$4,941,884. This is a substantial reserve and represents 53% of the budgeted 2011 expenditures. The City's Financial Policy 3) Contingent Accounts prescribes that the minimum General Fund balance reserve should be \$1,876,990 for 2011. The City Council will provide policy direction regarding the additional reserve of \$3,064,894.

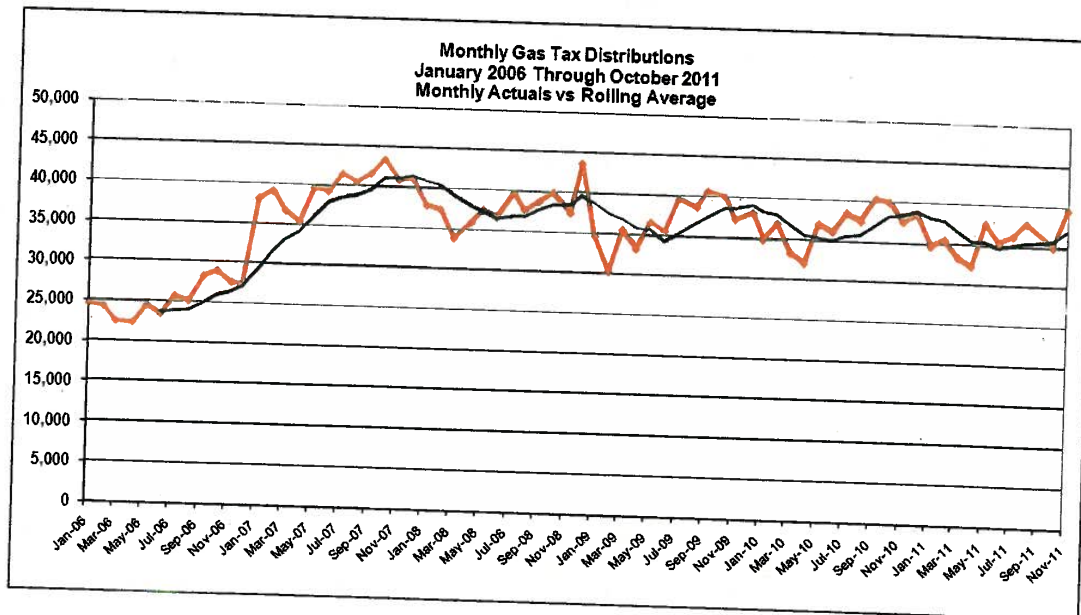
OTHER FUNDS

The October cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash and investments, at the end of October, totaled \$16,825,042. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2011-2012 biennial budget.

Other than the following, there were no significant transactions or unusual activities noted during the month of October. Total other fund (non General Fund) revenues were \$388,067 and total other fund (non-General Fund) expenditures were \$272,745.

In the **Street Fund** revenue from gas tax distributions was \$39,623.

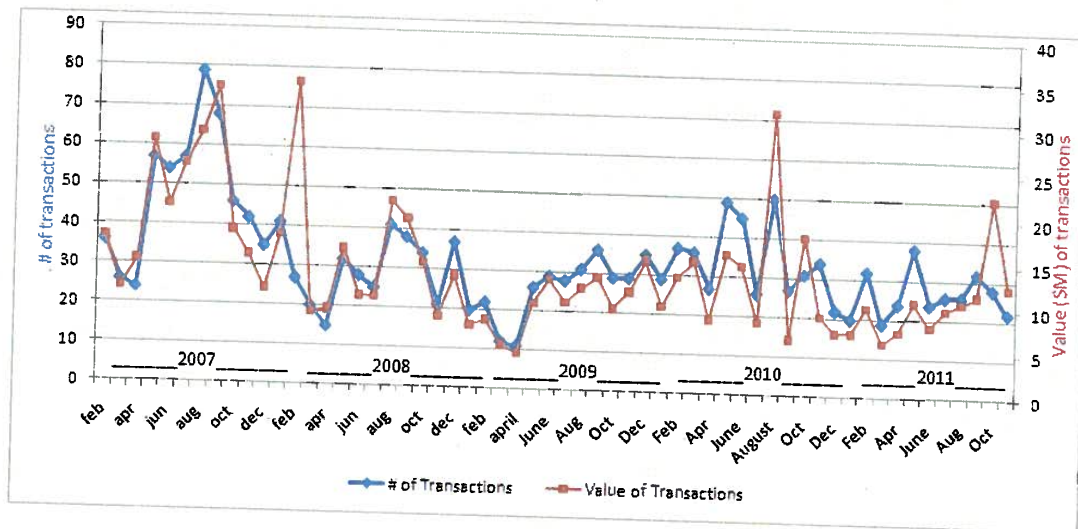
The following chart shows recent gas tax receipts through October, 2011. The price of gas seems to have stabilized although revenues are not expected to rise due to economizing by the public and increased use of fuel efficient vehicles.



In the **Arterial Street Fund**, \$14,034 was expended on SR 522 Phase I and Phase II; \$16,981 was spent on various other transportation projects including the slide repair on 61st Place NE.

The **Municipal Capital Fund** received \$61,805 of real estate excise taxes (REET) in October from sales activity that occurred in September. 22 transactions were reported this month.

The attached Real Estate Excise Tax Report shows the monthly activity since 2007. Below is a chart that shows both the number of real estate transactions and the value of those transactions for the years 2007, 2008, 2009, 2010, 2011. It is evident that there are a stable number of monthly transactions but not at the peak level experienced in 2007.



SUMMARY

This concludes the financial report for the City of Kenmore as of **October 31, 2011**. Thank you for taking the time to review the materials. I appreciate your feedback and encourage you to contact the City Manager if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
October 31, 2011



	CURRENT PERIOD 2011-2012				PRIOR PERIOD 2009-2010		
	MONTH October	YEAR TO DATE 2011	% of BUDGET	BIENNIUM BUDGET 2011-2012	CURRENT October-2010	YEAR TO DATE 2010	BIENNIUM BUDGET 2009-2010
REVENUES							
Beginning Fund Balance		4,941,884		4,941,884			3,883,966
Property Taxes	836,291	3,126,873	37.9%	8,254,387	700,024	2,918,325	7,870,521
Sales and Use Taxes	174,606	1,783,436	41.1%	4,339,202	186,083	1,880,372	4,486,179
Utility Taxes	93,027	1,196,226	39.8%	3,002,082	99,416	1,195,690	3,001,932
Other Taxes	603	22,014	21.1%	104,104	0	22,015	145,900
Development Fees & Permits	51,032	498,819	34.7%	1,439,095	50,944	450,464	1,803,313
Franchise Fees	57,135	387,556	72.0%	538,588	0	190,068	466,900
Intergovernmental and Grants	60,570	325,794	42.8%	761,476	46,196	375,677	760,841
Investment Interest	5,605	64,676	115.5%	56,000	3,614	5,712	180,000
Fines and Forfeitures	0	664	0.0%	0	0	-13,622	0
Transfers and Other Revenues	2,408	18,386	5.4%	338,662	258	145,383	235,220
Total Revenues	1,281,276	7,424,444	39.4%	18,833,596	1,086,535	7,170,085	18,950,806
Total Revenues & Beginning Fund Balance		12,366,328		23,775,480			22,634,772

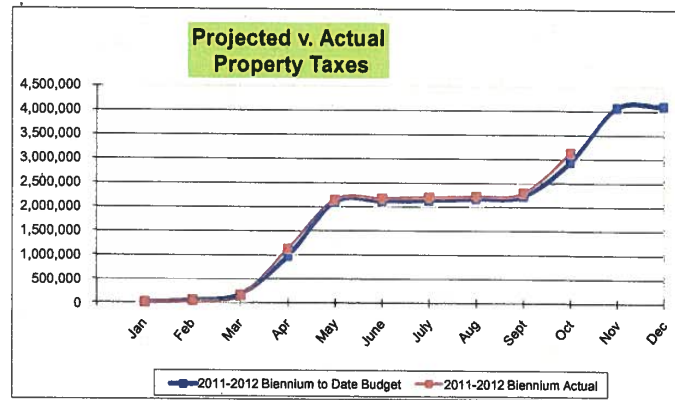
	CURRENT PERIOD 2011-2012				PRIOR PERIOD 2009-2010		
	MONTH October	YEAR TO DATE 2011	% of BUDGET	BIENNIUM BUDGET 2011-2012	CURRENT October-2010	YEAR TO DATE 2010	BIENNIUM BUDGET 2009-2010
EXPENDITURES							
Cost Center							
City Council	7,735	89,916	41.3%	217,644	7,863	115,126	184,307
City Manager	59,919	734,016	43.6%	1,684,600	81,447	762,891	1,576,240
City Clerk	18,740	207,900	38.8%	536,261	20,589	200,280	503,323
Finance	29,210	226,184	35.4%	639,213	19,842	209,887	484,516
Legal	20,378	224,658	54.5%	412,000	15,122	220,897	415,000
Non-Departmental	7,430	540,467	35.3%	1,532,818	94,340	767,815	1,774,827
Interfund Transfers	0	600,000	37.0%	1,623,013	0	0	3,296,095
Public Safety	288,400	2,575,066	33.6%	7,664,363	440,391	2,702,736	6,969,090
Engineering	40,250	401,955	37.4%	1,074,935	32,119	354,880	1,197,788
Planning & Community Dev	25,636	267,567	35.8%	747,632	99,246	1,132,704	3,358,755
Land Dev & Permitting	43,201	449,396	28.6%	1,571,147	0	0	0
Parks & Facility Maintenance	-33,062	570,902	36.8%	1,553,042	214,111	632,633	1,001,942
Total Expenditures	507,838	6,888,028	35.8%	19,256,668	1,025,070	7,099,848	20,761,883
Ending Fund Balance		5,478,299		4,518,812			1,872,888
Total Expenditures and Ending Fund Balance		12,366,328		23,775,480			22,634,771

**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2011**

PROPERTY TAXES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	10,862	10,090
Feb	53,674	48,396
Mar	178,078	158,944
Apr	977,365	1,129,979
May	2,104,307	2,148,453
June	2,128,886	2,176,581
July	2,141,268	2,199,227
Aug	2,178,622	2,221,494
Sept	2,234,210	2,290,582
Oct	2,939,254	3,126,873
Nov	4,071,083	
Dec	4,106,660	
2011	4,106,660	

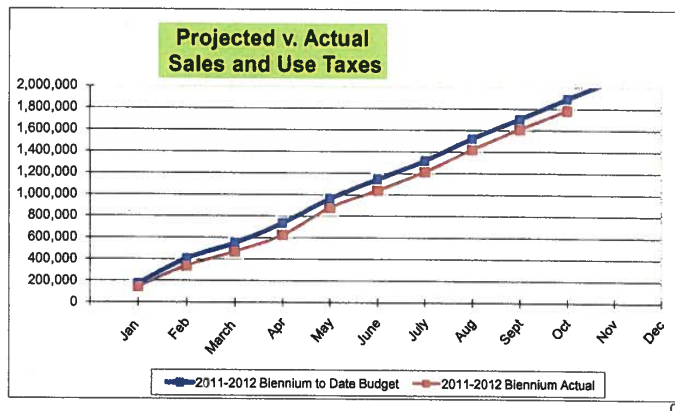
Year To Date
Actual v. Projected 106.38%



SALES, USE, CRIM JUSTICE TAXES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	174,792	143,734
Feb	408,586	337,267
March	552,562	470,750
Apr	738,057	624,068
May	964,931	877,898
June	1,145,610	1,039,289
July	1,320,155	1,212,465
Aug	1,526,322	1,420,527
Sept	1,706,765	1,608,830
Oct	1,894,218	1,783,436
Nov	2,069,709	
Dec	2,219,601	
2011	2,219,601	

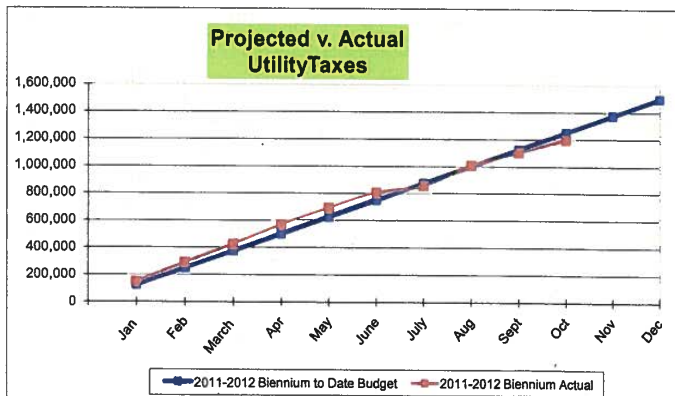
Year To Date
Actual v. Projected 94%



UTILITY TAXES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	125,087	145,824
Feb	250,173	289,238
March	375,260	425,114
Apr	500,347	567,667
May	625,433	690,623
June	750,520	803,249
July	875,607	858,371
Aug	1,000,693	1,006,409
Sept	1,125,780	1,103,199
Oct	1,250,867	1,196,226
Nov	1,375,953	
Dec	1,501,040	
2011	1,501,040	

Year To Date
Actual v. Projected 96%

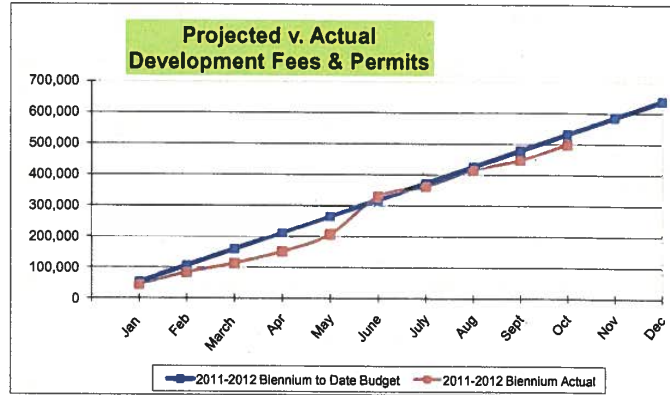


**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2011**

DEVELOPMENT FEES & PERMITS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	53,274	43,730
Feb	106,549	83,138
March	159,823	112,539
Apr	213,097	151,023
May	266,372	206,368
June	319,646	328,915
July	372,920	382,254
Aug	426,195	414,990
Sept	479,469	447,787
Oct	532,743	498,819
Nov	586,018	
Dec	639,292	
2011	639,292	

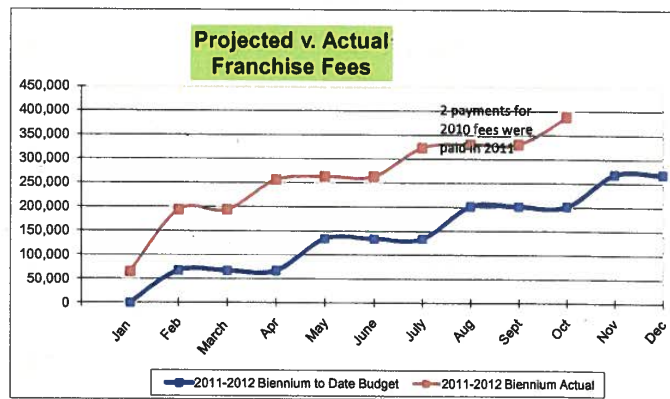
Year To Date
Actual v. Projected 94%



FRANCHISE FEES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	0	64,328
Feb	67,324	193,553
March	67,324	193,553
Apr	67,324	255,526
May	134,647	263,275
June	134,647	263,275
July	134,647	323,165
Aug	201,971	330,421
Sept	201,971	330,421
Oct	201,971	387,556
Nov	269,294	
Dec	269,294	
2011	269,294	

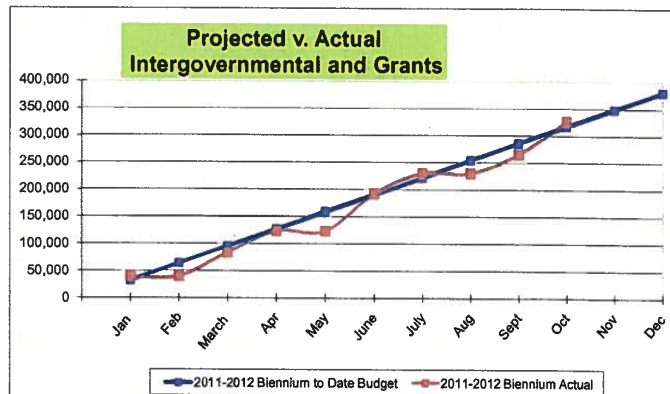
Year To Date
Actual v. Projected 192%



INTERGOVERNMENTAL & GRANTS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	31,728	39,034
Feb	63,456	39,034
March	95,185	83,130
Apr	126,913	122,950
May	158,641	122,950
June	190,369	191,908
July	222,097	229,826
Aug	253,825	229,826
Sept	285,554	265,224
Oct	317,282	325,794
Nov	349,010	
Dec	380,738	
2011	380,738	

Year To Date
Actual v. Projected 103%

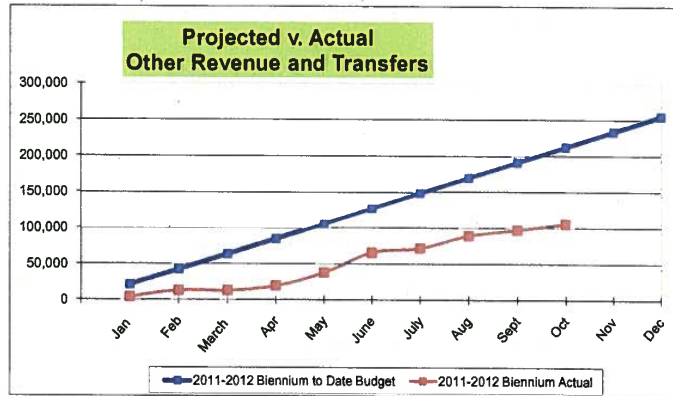


**City of Kenmore, Washington
General Fund Revenue Graphs
October 31, 2011**

OTHER REVENUES AND TRANSFERS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	21,279	3,527
Feb	42,558	12,958
March	63,836	12,742
Apr	85,115	19,440
May	106,394	37,647
June	127,673	65,709
July	148,951	71,702
Aug	170,230	89,107
Sept	191,509	97,124
Oct	212,788	105,740
Nov	234,066	
Dec	255,345	
2011	255,345	

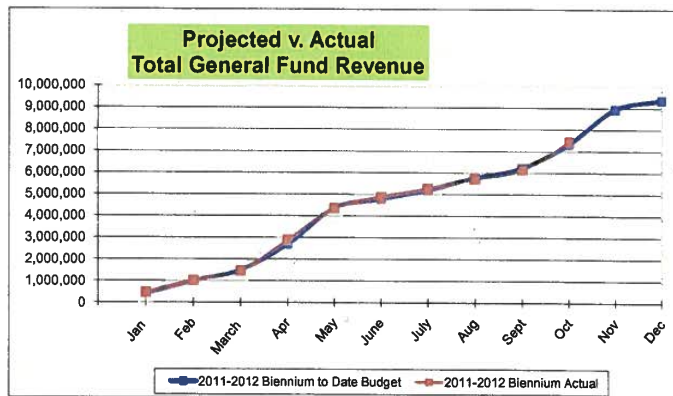
Year To Date
Actual v. Projected 50%



TOTAL GENERAL FUND REVENUE

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	417,023	450,267
Feb	992,321	1,003,584
March	1,492,068	1,456,772
Apr	2,708,218	2,870,653
May	4,360,726	4,347,214
June	4,797,351	4,868,926
July	5,215,646	5,257,010
Aug	5,757,859	5,712,774
Sept	6,225,257	6,143,167
Oct	7,349,123	7,424,444
Nov	8,955,134	
Dec	9,371,971	
2011	9,371,971	

Year To Date
Actual v. Projected 101.02%

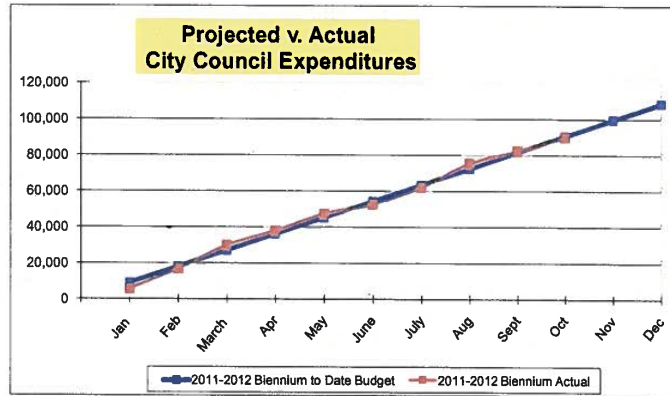


**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2011**

CITY COUNCIL

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	9,066	5,667
Feb	18,133	16,802
March	27,199	29,707
Apr	36,266	37,836
May	45,332	47,279
June	54,399	52,709
July	63,465	62,098
Aug	72,531	75,252
Sept	81,598	82,181
Oct	90,664	89,916
Nov	99,731	
Dec	108,797	
2011	108,797	

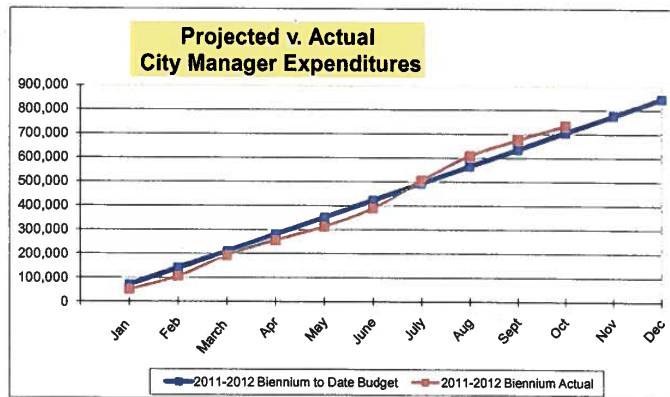
Year To Date
Actual v. Projected 99%



CITY MANAGER

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	70,645	50,407
Feb	141,289	105,614
March	211,934	193,272
Apr	282,578	255,744
May	353,223	313,496
June	423,867	389,432
July	494,512	504,572
Aug	565,156	607,849
Sept	635,801	674,097
Oct	706,445	734,016
Nov	777,090	
Dec	847,734	
2011	847,734	

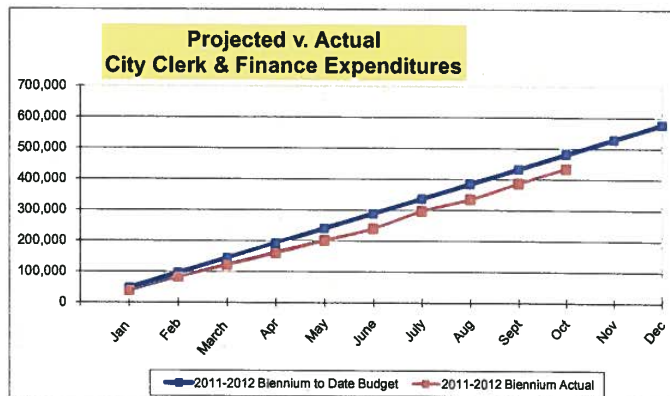
Year To Date
Actual v. Projected 104%



CITY CLERK & FINANCE

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	48,098	38,133
Feb	96,197	82,263
March	144,295	121,368
Apr	192,394	160,428
May	240,492	200,582
June	288,591	239,473
July	336,689	295,925
Aug	384,787	334,297
Sept	432,886	386,134
Oct	480,984	434,085
Nov	529,083	
Dec	577,181	
2011	577,181	

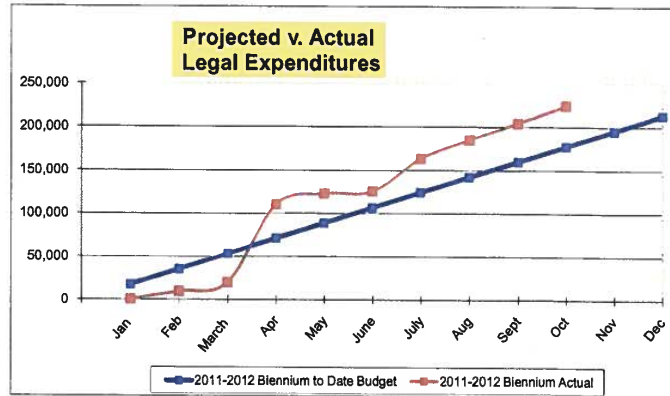
Year To Date
Actual v. Projected 90%



**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2011**

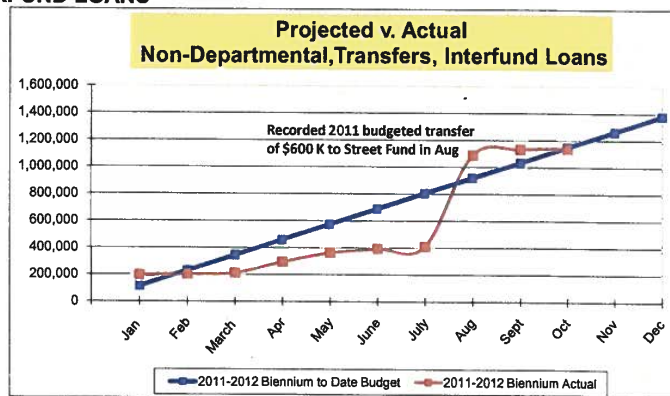
LEGAL

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	17,792	0
Feb	35,583	9,472
March	53,375	19,947
Apr	71,167	110,349
May	88,958	122,937
June	106,750	125,740
July	124,542	163,560
Aug	142,333	185,238
Sept	160,125	204,280
Oct	177,917	224,658
Nov	195,708	
Dec	213,500	
2011	213,500	
Year To Date		
Actual v. Projected		126%



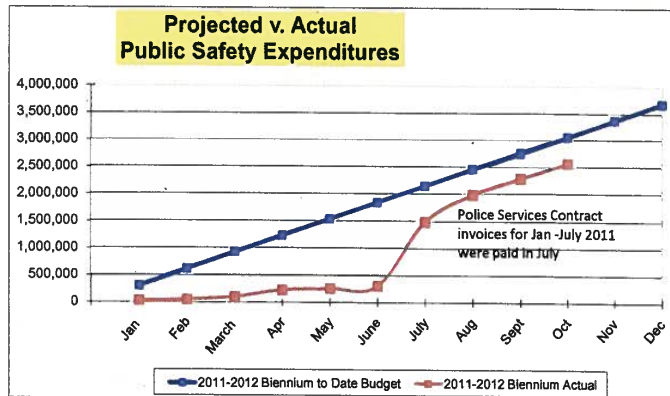
NON-DEPARTMENTAL, TRANSFERS, INTERFUND LOANS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	115,185	194,427
Feb	230,369	203,114
March	345,554	211,943
Apr	460,738	293,277
May	575,923	361,357
June	691,107	392,134
July	806,292	409,875
Aug	921,476	1,088,378
Sept	1,036,661	1,133,037
Oct	1,151,845	1,140,467
Nov	1,267,030	
Dec	1,382,214	
2011	1,382,214	
Year To Date		
Actual v. Projected		99%



PUBLIC SAFETY

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	308,742	30,467
Feb	613,484	45,647
March	920,227	101,426
Apr	1,226,969	225,914
May	1,533,711	253,770
June	1,840,453	303,077
July	2,147,195	1,482,515
Aug	2,453,937	1,982,156
Sept	2,760,680	2,286,667
Oct	3,067,422	2,575,066
Nov	3,374,164	
Dec	3,680,906	
2011	3,680,906	
Year To Date		
Actual v. Projected		84%

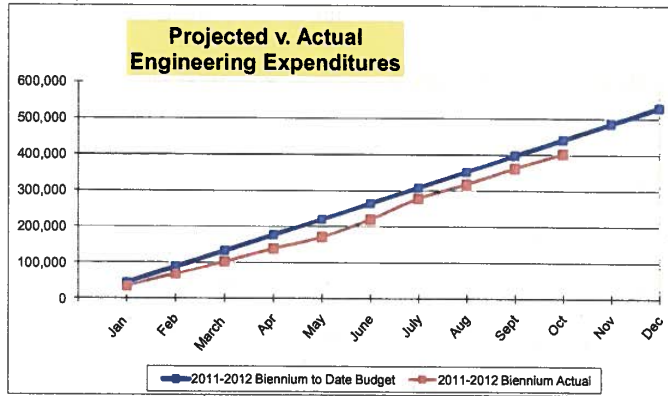


**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2011**

ENGINEERING

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	44,213	33,890
Feb	88,426	67,607
March	132,639	101,292
Apr	176,852	137,709
May	221,065	170,320
June	265,278	219,589
July	309,490	277,509
Aug	353,703	317,607
Sept	397,916	361,705
Oct	442,129	401,955
Nov	486,342	
Dec	530,555	
2011	530,555	

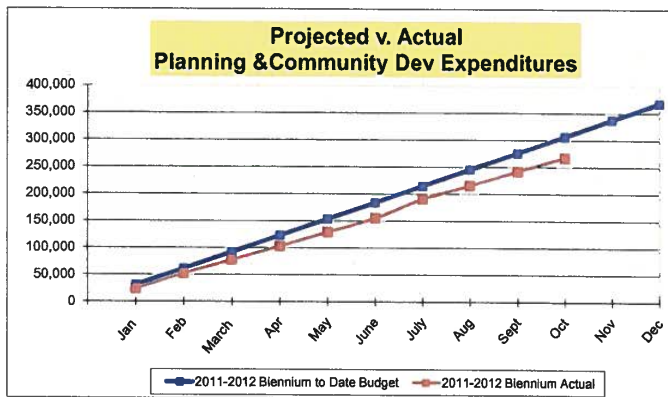
Year To Date
Actual v. Projected 91%



PLANNING & COMMUNITY DEV

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	30,740	23,392
Feb	61,480	52,442
March	92,220	77,462
Apr	122,959	102,864
May	153,699	128,864
June	184,439	155,152
July	215,179	190,246
Aug	245,919	215,483
Sept	276,659	241,931
Oct	307,398	267,567
Nov	338,138	
Dec	368,878	
2011	368,878	

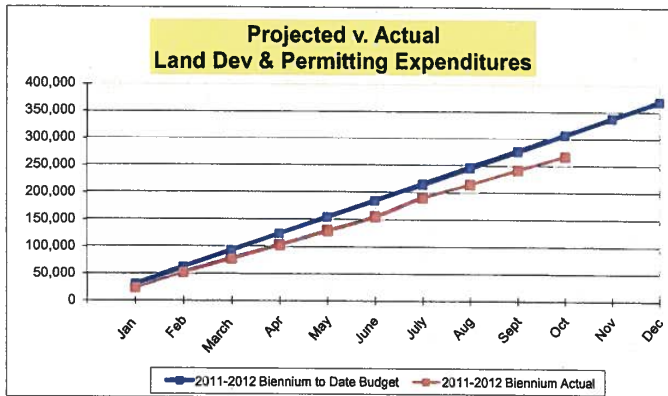
Year To Date
Actual v. Projected 87%



LAND DEV & PERMITTING

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
Jan	64,315	39,962
Feb	128,630	81,679
March	192,946	122,785
Apr	257,261	163,379
May	321,576	203,960
June	385,891	260,010
July	450,206	318,402
Aug	514,521	359,625
Sept	578,837	406,195
Oct	643,152	449,396
Nov	707,467	
Dec	771,782	
2011	771,782	

Year To Date
Actual v. Projected 70%



**City of Kenmore, Washington
General Fund Expenditure Graphs
October 31, 2011**

PARKS & FACILITY MAINT

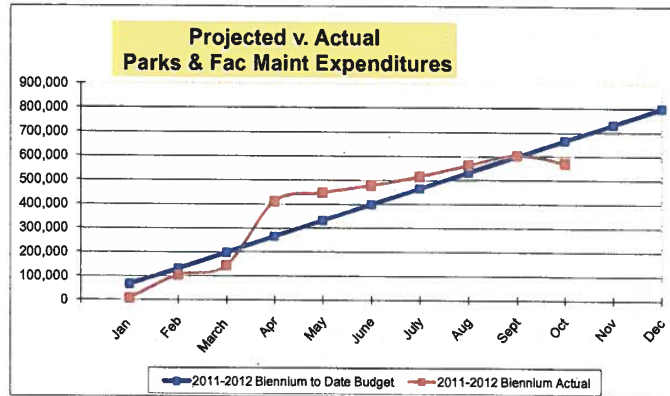
	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
--	---	---------------------------------

Jan	66,665	6,230
Feb	133,329	103,546
March	199,994	144,923
Apr	266,659	411,504
May	333,323	448,660
June	399,988	479,517
July	466,653	517,159
Aug	533,317	564,547
Sept	599,982	603,964
Oct	666,647	570,902
Nov	733,311	
Dec	799,976	
2011	799,976	

Year To Date

Actual v. Projected

86%



TOTAL GENERAL FUND EXPENDITURES

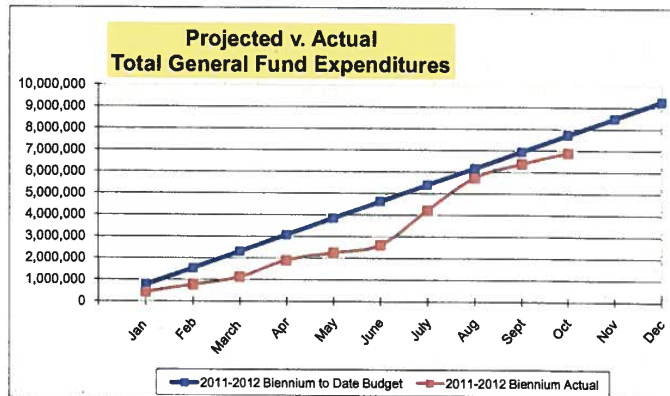
	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
--	---	---------------------------------

Jan	773,460	422,575
Feb	1,546,921	768,186
March	2,320,381	1,124,125
Apr	3,093,841	1,899,004
May	3,867,301	2,251,225
June	4,640,762	2,616,833
July	5,414,222	4,221,861
Aug	6,187,682	5,730,432
Sept	6,961,142	6,380,191
Oct	7,734,603	6,888,028
Nov	8,508,063	
Dec	9,281,523	
2011	9,281,523	

Year To Date

Actual v. Projected

89%



City of Kenmore, Washington
All Funds Cash Summary
October 31, 2011



	2009-2010		2011-2012
	BIENNIUM	BUDGET	OCTOBER BIENNIUM TO DATE
GENERAL FUND			
Beginning Cash	2,748,258	4,941,884	4,941,884
Interfund Loan Repayment	6,850,000	0	0
Revenues	18,944,234	18,833,595	1,281,276
Total Sources	28,542,492	23,775,479	1,281,276
Interfund Loans	5,350,000	0	0
Expenditures	18,262,703	19,256,668	507,838
Ending Cash	4,929,789	4,518,811	5,478,299
Total Uses	28,542,492	23,775,479	12,366,328
STREET FUND			
Beginning Cash	228,568	2,040,582	2,040,582
Interfund Loan	3,550,000	0	0
Revenues	8,568,320	2,347,724	39,623
Total Sources	12,346,888	4,388,306	39,623
Interfund Loan Repaid	6,150,000	0	0
Expenditures	4,156,306	3,113,790	46,379
Ending Cash	2,040,582	1,274,516	1,995,252
Total Uses	12,346,888	4,388,306	2,993,029
ARTERIAL STREET FUND			
Beginning Cash	1,432,272	1,209,197	1,209,197
Interfund Loan	8,300,000	0	0
Revenues	23,393,136	5,556,577	0
Total Sources	33,125,408	6,765,774	0
Interfund Loan Repaid	10,500,000	0	0
Expenditures	21,416,211	5,282,641	31,015
Ending Cash	1,209,197	1,483,133	28,256
Total Uses	33,125,408	6,765,774	1,486,107
PUBLIC ART FUND			
Beginning Cash	67,378	68,244	68,244
Revenues	130,857	3,979	0
Total Sources	198,235	72,223	0
Expenditures	129,991	1,000	0
Ending Cash	68,244	71,223	67,744
Total Uses	198,235	72,223	68,244
PARK IMPACT FEE FUND			
Beginning Cash	976,339	1,354,455	1,354,455
Revenues	396,799	440,942	0
Total Sources	1,373,138	1,795,397	0
Expenditures	18,683	700,000	0
Ending Cash	1,354,455	1,095,397	1,410,755
Total Uses	1,373,138	1,795,397	0
TRANSPORTATION IMPACT FEE FUND			
Beginning Cash	146,087	545,655	545,655
Revenues	1,280,266	943,962	0
Total Sources	1,426,353	1,489,617	0
Expenditures	880,698	1,367,532	0
Ending Cash	545,655	122,085	474,729
Total Uses	1,426,353	1,489,617	0
SWAMP CREEK BASIN FUND			
Beginning Cash	0	1,762,640	1,762,640
Revenues	1,762,640	35,619	0
Total Sources	1,762,640	1,798,259	0
Expenditures	0	0	0
Ending Cash	1,762,640	1,798,259	1,762,640
Total Uses	1,762,640	1,798,259	0

\\Admin & Finance\Monthly Reports\2011\Oct.xlsx All Funds

City of Kenmore, Washington
All Funds Cash Summary
October 31, 2011

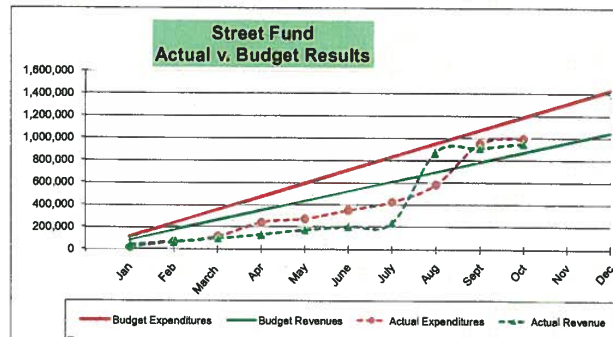


	2009-2010		2011-2012	
	BIENNIUM	BUDGET	OCTOBER	BIENNIUM TO DATE
MUNICIPAL CAPITAL RESERVE FUND				
Beginning Cash	2,402,043	1,866,318		1,866,318
Interfund Loan Repayment	8,800,000	0		0
Revenues	1,493,254	2,038,341	62,842	557,206
Total Sources	12,695,297	3,904,659	62,842	2,423,523
Interfund Loan	5,500,000	0		0
Expenditures	5,328,980	3,346,018	84,960	85,139
Ending Cash	1,866,318	558,641		2,338,384
Total Uses	12,695,297	3,904,659	84,960	2,423,523
CAPITAL PROJECTS FUND				
Beginning Cash	12,016,588	60,725		60,725
Revenues	4,693,262	191,078	4,991	74,023
Total Sources	16,709,850	251,803	4,991	134,748
Expenditures	16,636,626	190,820	1,861	385,554
Ending Cash	73,223	60,983		(250,806)
Total Uses	16,709,850	251,803	1,861	134,748
SURFACE WATER MANAGEMENT FUND				
Beginning Cash	3,865,039	1,590,280		1,590,280
Revenues	2,824,196	3,128,748	272,439	1,157,246
Total Sources	6,689,235	4,719,028	272,439	2,747,526
Expenditures	5,098,954	3,726,109	107,601	1,337,016
Ending Cash	1,590,280	992,919		1,410,510
Total Uses	6,689,235	4,719,028	107,601	2,747,526
STRATEGIC RESERVE FUND				
Beginning Cash	1,057,632	1,264,464		1,264,464
Interfund Loan Repayment	1,000,000	0		0
Revenues	206,832	0	0	0
Total Sources	2,264,464	1,264,464	0	1,264,464
Interfund Loans	1,000,000			0
Expenditures	0	0	0	0
Ending Cash	1,264,464	1,264,464		1,264,464
Total Uses	2,264,464	1,264,464	0	1,264,464
EQUIPMENT REPLACEMENT FUND				
Beginning Cash	510,358	524,310		524,310
Revenues	111,198	161,520	0	56,851
Total Sources	621,556	685,830	0	581,161
Expenditures	97,246	143,497	0	11,385
Ending Cash	524,310	542,333		569,776
Total Uses	621,556	685,830	0	581,161
TRUST AND AGENCY (NON BUDGETED FUND)*				
Beginning Cash	269,109	278,859		278,859
Revenues	144,107	0	8,172	72,400
Total Sources	413,216	278,859	8,172	351,259
Expenditures	134,357	0	929	76,222
Ending Cash	278,859	278,859		275,037
Total Uses	413,216	278,859	929	351,259
TOTALS				
Beginning Cash	25,719,671	17,507,613		17,507,613
Interfund Loan	28,500,000	0	0	0
Revenues	63,949,101	33,682,085	1,669,343	10,824,432
Total Sources	118,168,772	51,189,698	1,669,343	28,332,046
Interfund Loan	28,500,000	0	0	0
Expenditures	72,160,756	37,128,075	780,583	11,507,004
Ending Cash	17,508,016	14,061,623		16,825,041
Total Uses	118,168,772	51,189,698	780,583	28,332,046

I:\Admin & Finance\Monthly Reports\2011\Oct.xlsx All Funds

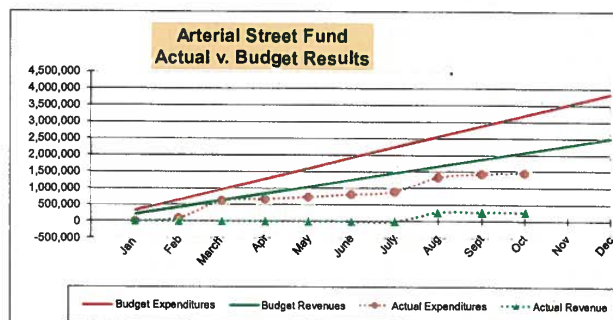
**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2011**

STREET FUND				
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	119,005	18,288	87,562	34,676
Feb	238,011	68,162	175,125	70,210
March	357,016	113,125	262,687	98,562
Apr	476,021	239,310	350,250	133,365
May	595,027	273,622	437,812	173,982
June	714,032	348,628	525,375	203,911
July	833,037	425,081	612,937	240,096
Aug	952,043	582,201	700,499	877,865
Sept	1,071,048	951,398	788,062	912,824
Oct	1,190,053	997,777	875,624	952,447
Nov	1,309,059	963,187		
Dec	1,428,064	1,050,749		
2011-2012	3,113,790		2,347,724	
Total Actual to Date vs Total Budget		32%		41%



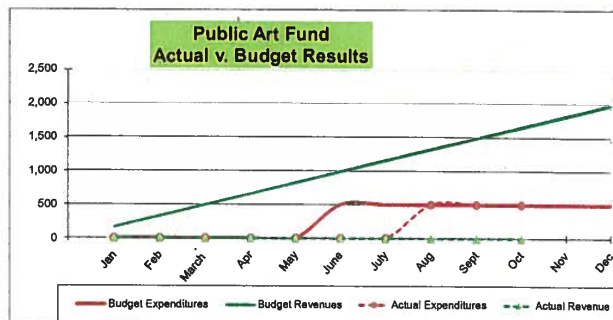
The Street Fund accounts for street maintenance operations, funded by the State's fuel tax and transfers from the General Fund.

ARTERIAL STREET FUND				
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	319,542	0	209,710	0
Feb	639,083	87,039	419,419	0
March	958,625	615,104	629,129	0
Apr	1,278,166	662,062	838,838	0
May	1,597,708	728,886	1,048,548	0
June	1,917,250	805,365	1,258,257	0
July	2,236,791	892,203	1,467,967	0
Aug	2,556,333	1,328,032	1,677,676	276,910
Sept	2,875,874	1,426,836	1,887,386	276,910
Oct	3,195,416	1,457,851	2,097,095	276,910
Nov	3,514,957		2,306,805	
Dec	3,834,499		2,516,514	
2011-2012	5,282,641		5,556,577	
Total Actual to Date vs Total Budget		28%		5%



The Arterial Street Fund accounts for capital improvements to the City's streets and SR 522, funded by various grants plus City resources from real estate excise tax and transportation impact fees. All phases of improvements to SR 522 are now accounted for in this fund. There is a time lag between project expenditures and reimbursements from grants; this accounts for the lower revenues compared to the expenditures.

PUBLIC ART FUND				
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	0	0	165	0
Feb	0	0	330	0
March	0	0	496	0
Apr	0	0	661	0
May	0	0	826	0
June	500	0	991	0
July	500	0	1,156	0
Aug	500	500	1,321	0
Sept	500	500	1,487	0
Oct	500	500	1,652	0
Nov	500		1,817	
Dec	500		1,982	
2011-2012	1,000		3,979	
Total Actual to Date vs Total Budget		50%		0%

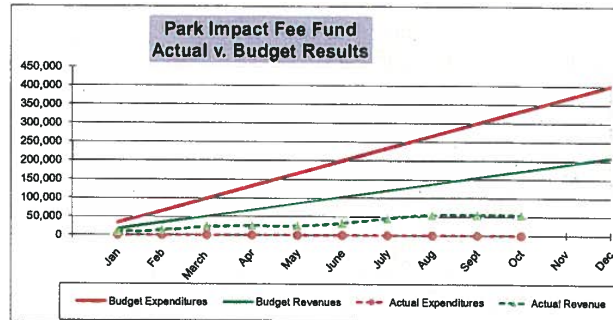


This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2011**

PARK IMPACT FEE FUND

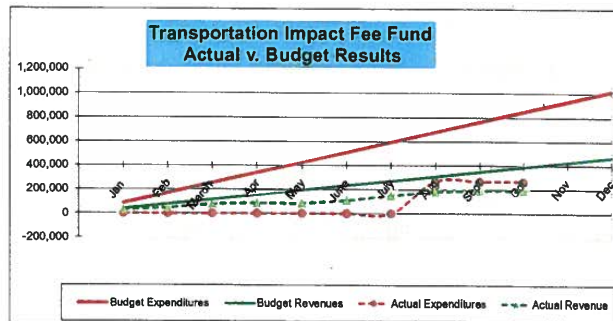
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	33,333	0	17,432	9,852
Feb	66,667	0	34,864	14,478
March	100,000	0	52,296	24,130
Apr	133,333	0	69,728	26,543
May	166,667	0	87,160	26,543
June	200,000	0	104,592	33,841
July	233,333	0	122,023	45,984
Aug	266,667	0	139,455	55,714
Sept	300,000	0	156,887	56,300
Oct	333,333	0	174,319	56,300
Nov	366,667		191,751	
Dec	400,000		209,183	
2011-2012	700,000		440,942	
Total Actual to Date vs Total Budget		0%		13%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements. In the 2011-2012 budget, expenditures represent transfers to Municipal Capital Fund for improvements to City parks.

TRANSPORTATION IMPACT FEE FUND

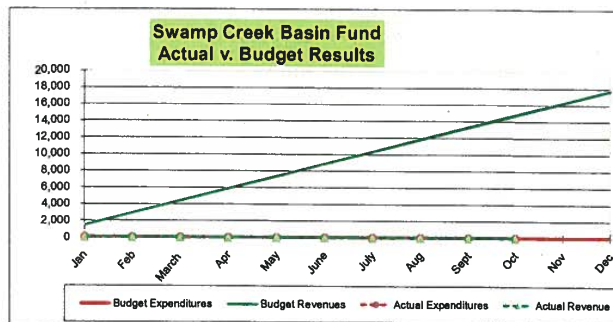
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	84,794	0	39,172	32,089
Feb	169,589	0	78,345	48,133
March	254,383	0	117,517	80,222
Apr	339,177	0	156,689	88,244
May	423,972	0	195,861	88,244
June	508,766	0	235,034	112,502
July	593,560	0	274,206	152,869
Aug	678,355	267,532	313,378	185,214
Sept	763,149	267,532	352,550	196,606
Oct	847,943	267,532	391,723	196,606
Nov	932,738		430,895	
Dec	1,017,532		470,067	
2011-2012	1,367,532		943,962	
Total Actual to Date vs Total Budget		20%		21%



This fund accounts for City imposed transportation impact fees on new development. Expenditures are for public transportation improvements.

SWAMP CREEK BASIN FUND

	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	0	0	1,477	0
Feb	0	0	2,954	0
March	0	0	4,430	0
Apr	0	0	5,907	0
May	0	0	7,384	0
June	0	0	8,861	0
July	0	0	10,337	0
Aug	0	0	11,814	0
Sept	0	0	13,291	0
Oct	0	0	14,768	0
Nov	0		16,244	
Dec	0		17,721	
2011-2012	0		35,619	
Total Actual to Date vs Total Budget		0%		0%

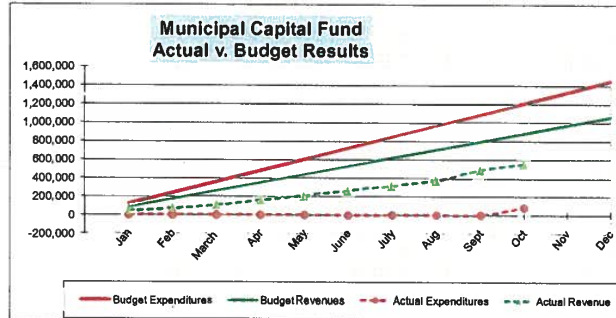


This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2011**

MUNICIPAL CAPITAL FUND

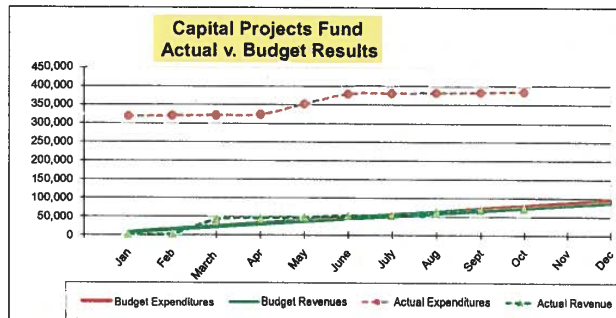
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	120,622	0	88,632	48,679
Feb	241,245	0	177,264	76,105
March	361,867	0	265,896	113,307
Apr	482,489	0	354,527	164,931
May	603,112	0	443,159	218,284
June	723,734	(3,166)	531,791	271,718
July	844,356	97	620,423	324,983
Aug	964,979	179	709,055	382,538
Sept	1,085,801	179	797,687	494,364
Oct	1,206,223	85,139	886,318	557,206
Nov	1,326,846		974,950	
Dec	1,447,468		1,063,582	
2011-2012	3,346,018		2,038,341	
Total Actual to Date vs Total Budget		3%		27%



The Municipal Capital Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include park improvements and transfers to the Arterial Street Fund for transportation improvements.

CAPITAL PROJECTS FUND

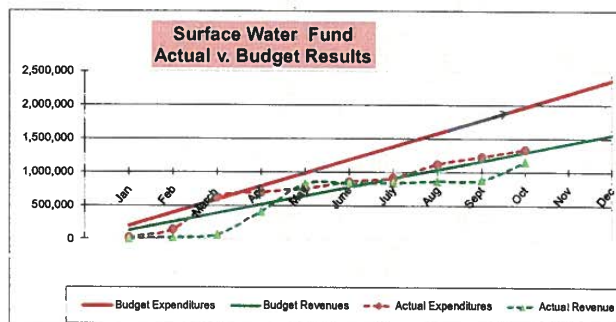
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	7,951	319,303	7,401	2,738
Feb	15,902	321,118	14,802	4,264
March	23,853	322,887	22,203	42,431
Apr	31,803	325,215	29,604	47,157
May	39,754	352,611	37,005	49,144
June	47,705	379,257	44,407	53,808
July	55,656	380,619	51,808	54,558
Aug	63,607	382,421	59,209	64,041
Sept	71,558	383,693	66,610	69,032
Oct	79,508	385,554	74,011	74,023
Nov	87,459		81,412	
Dec	95,410		88,813	
2011-2012	190,819		191,078	
Total Actual to Date vs Total Budget		202%		39%



The Capital Projects Fund accounts for leasing activity within Kenmore Village and contributions to ARCH (A Regional Coalition for Housing).

SURFACE WATER MANAGEMENT FUND

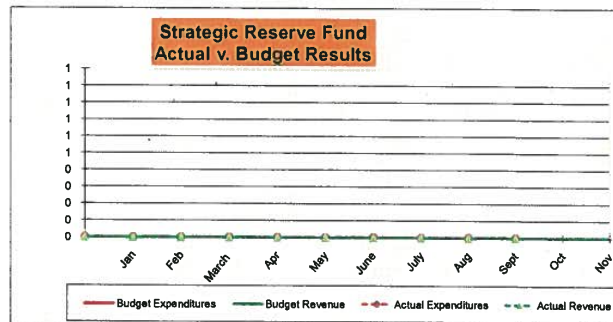
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	197,009	21,232	129,837	3,070
Feb	394,019	144,148	259,673	23,504
March	591,028	623,844	389,510	69,576
Apr	788,037	699,033	519,346	411,501
May	985,047	752,925	649,183	826,993
June	1,182,056	855,025	779,019	834,249
July	1,379,065	912,933	908,856	839,150
Aug	1,576,075	1,116,748	1,038,692	864,767
Sept	1,773,084	1,229,415	1,168,529	884,807
Oct	1,970,093	1,337,016	1,298,365	1,157,246
Nov	2,167,103		1,428,202	
Dec	2,364,112		1,558,038	
2011-2012	3,726,109		3,128,748	
Total Actual to Date vs Total Budget		36%		37%



This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.

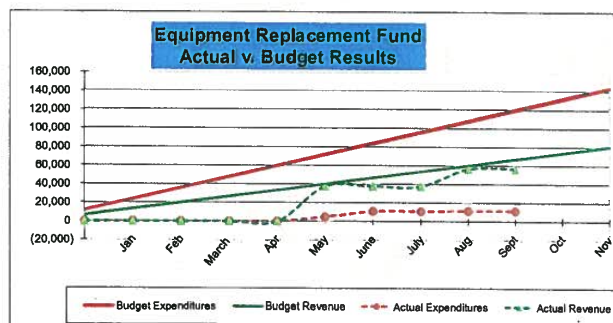
**City of Kenmore, Washington
Other Funds Monthly Activity
October 31, 2011**

STRATEGIC RESERVE FUND				
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0	0	0	0
Nov	0	0	0	0
Dec	0	0	0	0
2011-2012	0	0	0	0
Total Actual to Date vs Total Budget		0%		0%



This fund was created to serve as the City's emergency reserve fund. Per State Statute, the fund cannot exceed \$.375 per \$1,000 of the City's assessed value and is fully funded at \$1,264,464 for 2011. No expenditures are anticipated or have been budgeted at this time.

EQUIPMENT REPLACEMENT FUND				
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
Jan	11,958	0	6,756	0
Feb	23,916	0	13,512	0
March	35,874	0	20,268	0
Apr	47,832	0	27,024	0
May	59,790	0	33,780	0
June	71,749	4,878	40,536	37,901
July	83,707	10,935	47,292	37,901
Aug	95,665	10,935	54,048	37,901
Sept	107,623	11,385	60,804	56,851
Oct	119,581	11,385	67,560	56,851
Nov	131,539		74,316	
Dec	143,497		81,072	
2011-2012	143,497		161,520	
Total Actual to Date vs Total Budget		8%		35%



This fund is used to maintain a reserve for future replacement of equipment, including, but not limited to furniture, computers and vehicles. Payments are received from various operating departments and funds that benefit from or use the assets.

**City of Kenmore, Washington
Cash and Investment Report
October 31, 2011**



Fund	Beg. Cash & Inv.	Monthly	Monthly	End. Cash & Inv.
	from Prev. Mo.	Revenues	Expenditures	Current Month
General	\$4,705,629	\$1,281,276	\$507,838	\$5,479,067
Street	2,002,007	39,623	46,379	1,995,251
Arterial Street	.59,272	0	31,015	28,257
Public Art	67,745	0	0	67,745
Park Impact Fee	1,410,757	0	0	1,410,757
Transp Impact Fee	474,730	0	0	474,730
Swamp Creek Basin	1,762,640	0	0	1,762,640
Municipal Capital	2,360,501	62,842	84,960	2,338,383
Capital Projects	(253,939)	4,991	1,861	(250,809)
Capital Projects-Retainage	0	0	0	0
Surface Water Mgt.	1,245,673	272,439	107,601	1,410,510
Strategic Reserve	1,264,465	0	0	1,264,465
Equipment Replacement	569,775	0	0	569,775
Trust & Agency	267,791	8,172	929	275,034
Totals	\$15,937,046	\$1,669,343	\$780,583	\$16,825,806

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	\$701,441	\$4,777,260	\$5,478,701
Street	1,145,251	850,000	1,995,251
Arterial Street	28,257	0	28,257
Public Art	52,745	15,000	67,745
Park Impact Fee	480,757	930,000	1,410,757
Transp Impact Fee	444,731	30,000	474,731
Swamp Creek Basin	362,640	1,400,000	1,762,640
Municipal Capital	2,338,383	0	2,338,383
Capital Projects	(700,809)	450,000	(250,809)
Surface Water Mgt.	900,511	510,000	1,410,511
Strategic Reserve	414,465	850,000	1,264,465
Equipment Replacement	119,776	450,000	569,776
Trust & Agency	175,034	100,000	275,034
Totals	\$6,463,182	\$10,362,260	\$16,825,442

City of Kenmore, Washington
Schedule of Investments
October 31, 2011



		Average Yield to Maturity-Securities					Overall Average Yield		0.44%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	Yield Equivalents
Piper Jaffray									
	313371PC4	FHLB	12/12/2014	6/7/2011	0.88%	1.13%	no call	991,238.90	11,201.00
	3134G14C5	FHLMC	3/7/2013	3/7/2011	1.00%	1.00%	3/7/2012	1,000,000.00	10,000.00
Total Piper Jaffrey Purchases								1,991,238.90	10,000.00
Seattle Northwest Securities	3134G1N75	FHLMC	12/21/2015	8/22/2011	2.25%	0.30%	12/21/2011	1,010,248.17	3,030.74
Time Value Investments									
	313586QR3	FNMA	7/5/2014	6/7/2011	1.00%	1.00%	no call	998,858.37	9,988.58
	31398A6K3	FNMA	11/29/2013	3/1/2011	0.80%	0.80%	11/29/2011	989,229.77	7,913.84
	3134G1K60	FHLMC	12/28/2015	12/28/2010	2.05%	2.05%	12/28/2011	1,000,000.00	20,500.00
	31398A4N9	FNMA	10/15/2013	12/8/2010	1.00%	1.00%	4/15/2011	999,990.00	9,999.90
Total TVI Purchases								3,988,078.14	38,413.74
Wells Fargo Bank									
	313374CY4	FHLB	12/30/2014	6/30/2011	.75-3.0	0.75%	3/30/2012	1,000,000.00	7,500.00
Total Wells Fargo Purchases								1,000,000.00	7,500.00
Banner Bank CD's									
	5740005425	CD	2/6/2012	2/6/2011	0.80%	0.80%		1,132,694.88	9,061.56
Total Banner Bank CD's								1,132,694.88	9,061.56
Sound Community Bank CD's									
	18299229	CD	8/11/2012	2/11/2011	0.55%	0.55%		1,000,000.00	5,500.00
Total Sound Community Bank CD's								1,000,000.00	5,500.00
Opus Bank CD's									
	280128104	CD	3/15/2012	3/16/2011	0.89%	0.89%		90,000.00	801.00
	280131082	CD	3/9/2012	3/10/2011	0.65%	0.65%		150,000.00	975.00
Total Cascade Bank CD's								240,000.00	1,776.00
TOTAL ALL SECURITIES								\$ 10,362,260.09	\$ 64,751.30
Banner Checking and Savings					0.20% Banner			\$1,224,431.50	2,448.86
Opus Bank					0.25%			11,057.96	27.64
Cash								1,005.00	-
Local Government Investment Pool					0.13% LGIP			\$5,226,687	6,794.89
Total Accounts								\$ 16,825,441.40	74,022.50

I:\Admin & Finance\Monthly Reports\2011\Oct.xlsx\rv\Sch

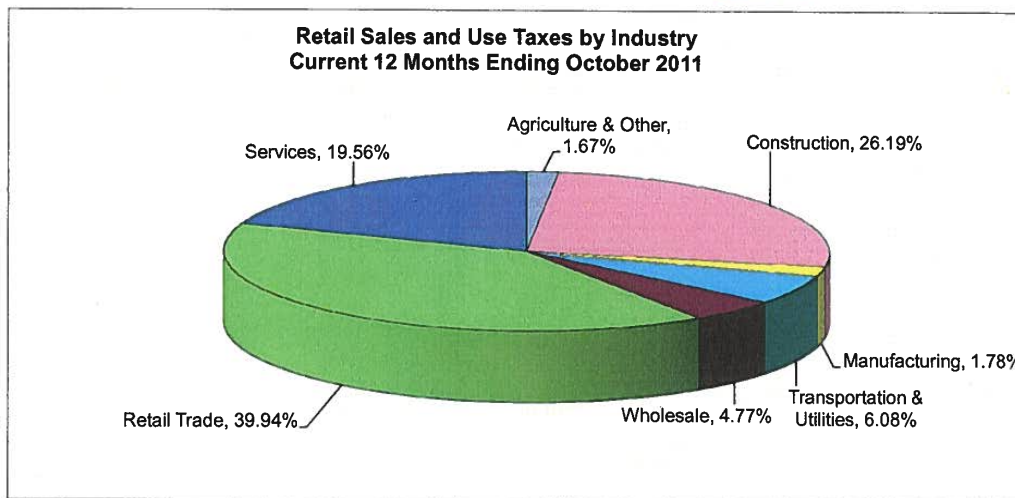
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 October 2011

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	2,064.93	5.30	2,070.23	1.5%
CONSTRUCTION	28,595.67	2,846.66	31,442.33	22.3%
MANUFACTURING	3,041.10	9.17	3,050.27	2.2%
TRANSPORTATION & UTILITIES	8,624.33	1,536.13	10,160.46	7.2%
WHOLESALE	5,849.93	74.75	5,924.68	4.2%
RETAIL TRADE	54,899.85	347.07	55,246.92	39.2%
SERVICES	29,345.03	663.65	30,008.68	21.3%
PUBLIC SERVICES	93.85	2,806.33	2,900.18	2.1%
	<u>132,514.69</u>	<u>8,289.06</u>	<u>140,803.75</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
October 31, 2011



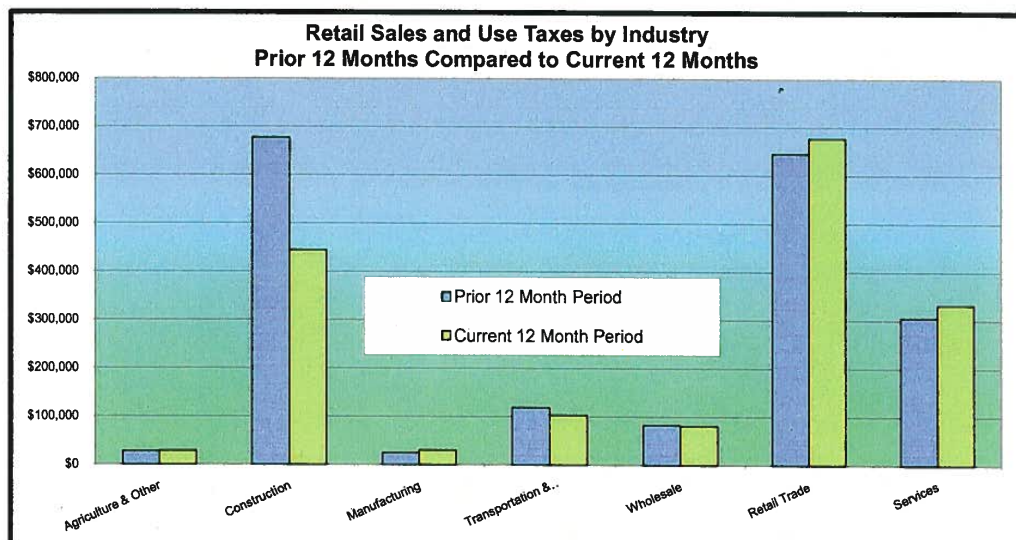
<u>Industry</u>	<u>Prior 12 Months ending October 2010</u>	<u>Current 12 Months ending October 2011</u>	<u>% Increase/ (Decrease)</u>	<u>% of Total</u>
Agriculture & Other (Landscaping, Animal Hospitals)	\$27,328	\$28,341	3.71%	1.67%
Construction	676,528	443,860 *	-34.39%	26.19%
Manufacturing (Printing, Publishing, Other Manuf.)	24,365	30,179	23.86%	1.78%
Transp/Comm/Utilities (Telecomm., Air Transport.)	118,479	103,061	-13.01%	6.08%
Wholesale (Lumber, Other Wholesale)	82,895	80,888	-2.42%	4.77%
Retail Trade (Eating, Merchandise, Food Stores)	645,113	676,950	4.94%	39.94%
Services (Auction, Recreation, Auto Repair, Financial)	304,951	331,464	8.69%	19.56%
Totals	\$1,879,658	\$1,694,742	-9.84%	100%
Increase/(Decrease)		(\$184,916)	-9.84%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

* Approximately 10% of this is due to the Brightwater project.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City



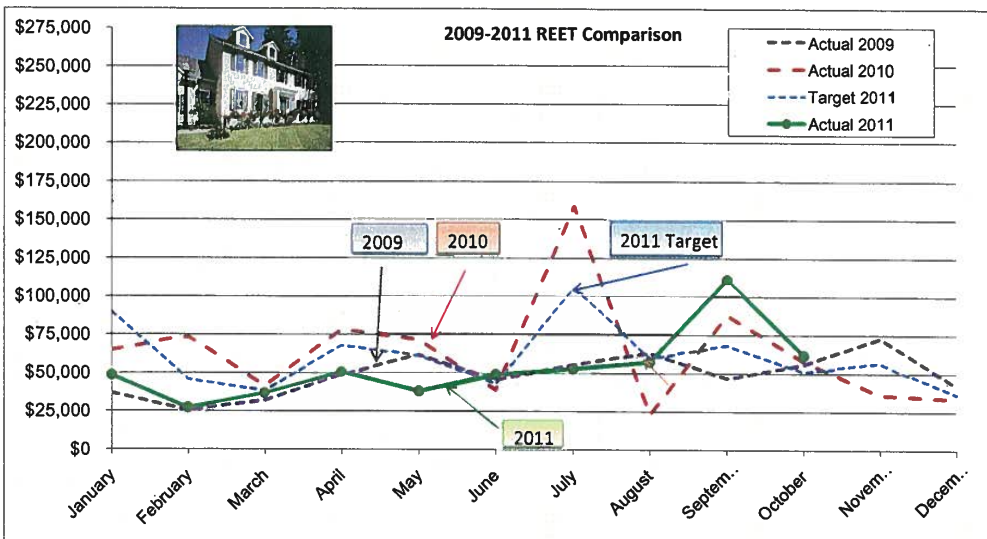
**City of Kenmore, Washington
Real Estate Excise Tax Report
October 31, 2011**



	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Target 2011
January	167,796	36,640	64,792	48,679	89,743
February	39,354	25,466	73,383	27,294	46,068
March	42,409	31,468	41,445	36,507	38,441
April	75,958	48,355	78,233	50,463	67,515
May	50,369	61,743	71,622	37,671	61,245
June	45,084	45,639	38,919	48,938	43,214
July	102,721	55,328	158,221	53,012	105,423
August	93,364	63,161	23,033	57,471	59,853
September	68,457	46,508	87,734	111,107	67,566
October	39,607	55,905	57,761	61,805	51,091
November	60,295	72,456	35,585		56,112
December	34,608	41,723	32,962		36,431
	\$820,021	\$584,392	\$763,689	\$532,947	\$722,701

For 2011, Taxes are \$162,195 less than the same period last year and below the 2011 target by \$97,212

	2008	2009	2010	2011	Taxes from > \$500,000 Sale Amounts			
					2008	2009	2010	2011
January	28,479,285	3,809,950	3,790,500	1,046,085	140,972	18,859	18,763	5,178
February	4,994,900	2,819,838	4,805,000	547,257	24,725	13,958	23,785	2,709
March	6,016,500	2,923,000	1,149,000	1,100,000	29,782	14,469	5,688	5,445
April	9,089,830	3,942,750	1,779,000	1,075,000	44,995	19,517	8,806	5,321
May	4,285,470	7,254,950	1,859,000	2,372,000	21,213	35,912	9,202	11,741
June	5,868,926	560,000	540,000	2,605,000	29,051	2,772	2,673	12,895
July	15,533,779	3,739,900	18,013,000	3,354,950	76,892	18,513	89,164	16,607
August	12,492,130	3,857,600	1,020,000	3,045,950	61,836	19,095	5,049	15,077
September	6,504,602	2,275,000	11,276,760	15,691,044	32,198	11,261	55,820	77,671
October	3,397,877	5,949,213	610,000	7,873,950	16,819	29,449	3,020	38,976
November	5,851,865	6,393,000	1,020,000		28,967	31,645	5,049	0
December	619,950	1,855,348	2,178,000		3,069	9,184	10,781	0
	\$103,135,114	\$45,380,549	\$48,040,260	\$38,711,236	\$510,519	\$224,634	237,800	191,620



* NOTE THE 2011 TARGET IS BASED ON A 3-YEAR AVERAGE (2008-2010) OF ACTUAL RECEIPTS.

**City of Kenmore, Washington
Monthly Report for Kenmore Village
October 31, 2011**



Revenues

Lease Income USPS (6700 Building)
Return of Security Deposit
Other Rent Income
Insurance Proceeds
Leasehold Excise Returned

Total Revenues

October Activity	Biennium-to- Date	Biennium Budget
\$4,241	\$ 31,319	\$ 88,266
0	\$ 3,257	0
750	\$ 5,250	0
0	\$ 19,672	0
0	\$ 2,025	0
<u>4,991</u>	<u>61,523</u>	<u>88,266</u>

Expenditures

6700 Building Improvements
Utilities and Insurance - Kenmore Village

Total Expenditures

Net Income (Loss)

1,861	13,062	40,820
0	50,589	0
<u>1,861</u>	<u>63,651</u>	<u>40,820</u>
<u>\$ 3,130</u>	<u>\$ (2,127)</u>	<u>\$ 47,446</u>

City of Kenmore, Washington
SR 522 Phase I Revenue and Expenditure History
as of October 31, 2011

		Actuals Received on Cash Basis					
Phase I							
Stage 3 Burke Gilman Trail @73rd Ave NE-nearing completion							
Stage 1 SR 522 Central Segment 65th to 73rd and other improvements, in construction							
Stage 2 SR 522 West Segment 57th to 65th and other improvements, pending funding							
		Cumulative through 2008	2009	2010	October 2011	Year to Date 2011	Life to Date
Revenues:							
Secured:							
Wa State Transportation Improve. Board:							
to Street Fund	5,047,000	851,786	0	0	0	0	851,786
to Arterial Street Fund	0	148,214	2,545,308	1,501,692	0	0	4,195,214
Wa State Gas Tax	4,863,620	3,119,047	1,765,416	0	0	0	4,884,463
Federal Surface Transportation Prog	12,045,444	1,708,895	8,535,460	1,781,817	0	0	12,026,172
Brightwater	15,000	15,000	0	0	0	0	15,000
Federal: Wa State Dept of Trans Signal	357,914	0	0	546,862	0	0	546,862
King County Parks	906,500	514,616	201,467	0	0	0	716,083
King County Roads	350,000	350,000	0	0	0	0	350,000
Northshore Utility District Reimb	432,400	80,559	0	0	0	0	80,559
Puget Sound Energy Reimb	264,100	0	0	0	0	0	0
Northshore School Dist Reimb	22,258	0	0	0	0	0	0
Library Reimb	10,000	0	0	0	0	0	0
Comcast Reimb	168,800	88,620	0	0	0	0	88,620
Urban Partners	75,000	0	25,000	54,438	0	0	79,438
Fire District Reim	49,000	0	0	0	0	0	0
City Art Fund	126,486	0	0	0	0	0	0
City Funds:	5,607,250	0	0	0	0	0	0
Transfer from REET Muni Cap		1,083,250	0	3,290,000	0	0	4,373,250
Transfer from Street Fund		0	0	521,870	0	0	521,870
Stage 1/181st		0	334,000	0	0	0	334,000
Stage 2	700,000	0	700,000	0	0	0	700,000
Transfer from Trans Impact Fees		900,000	0	0	0	267,532	1,167,532
Total Revenues	30,840,772	8,859,987	14,106,651	7,696,679	0	267,532	30,930,849
Expenditures:							
Street Fund		15,148,961	1,090	0	0	0	15,150,051
Street-Interfund Loan Interest		0	0	0	0	0	0
1% Art Fund		0	0	0	0	0	0
Arterial Street Fund		253,860	11,708,313	2,874,519	1,051	143,927	14,980,620
Stage 2 Design			483,830	435,358	0	65,633	984,821
Arterial Street Fund							
Muni Cap Fund		46,782	0	0	0	0	46,782
Total Expenditures		15,449,603	12,193,233	3,309,877	1,051	274,610	31,162,274

City of Kenmore, Washington
SR 522 Phase II Revenue and Expenditure History
as of October 31, 2011

Phase II

SR 522 East Segment, 73rd to 83rd, nearing completion

****Actuals Received on Cash Basis****

Revenues:

	Secured:	Cumulative through 2008	2009	2010	October 2011	Year to Date 2011	Life to Date
Wa State Transportation Improve. Board:	3,450,000	3,145,975	131,526	172,500	0	0	3,450,000
Sound Transit	8,192,307	8,192,307	0	0	0	0	8,192,307
Brightwater	250,000	0	0	0	0	0	0
Federal Grant via WSDOT	697,312	578,381	91,120	0	0	6,683	676,184
Federal: WSDOT Signal/Overlay	683,608	185,272	498,322	0	0	0	683,594
Regional Mobility WSDOT	1,800,000	1,441,827	358,173	0	0	0	1,800,000
King County Metro	400,000	0	0	400,000	0	0	400,000
Wa State Gas Tax Grant	8,336,380	4,636,717	2,951,182	439,620	0	0	8,027,519
Comcast Reimb	147,770	92,680	0	55,090	0	0	147,770
Northshore Utility District Reimb	1,621,486	1,024,376	441,836	0	0	0	1,466,212
Northshore School District Reimb	28,914	0	0	0	0	2,694	2,694
PSE Reimbursement	150,000	0	0	0	0	0	0
City: Art Fund	161,006	0	0	0	0	0	0
City:	2,870,793	0	0	0	0	0	0
Investment Earnings		92,191	15,331	2,532	0	0	110,054
Fuel Tax		274,153	0	0	0	0	274,153
Transfer of Trans Impact Fees		512,000	430,698	450,000	0	0	1,392,698
Transfer from Street Fund		0	0	1,000,000	0	0	1,000,000
Transfer of REET		1,096,420	0	0	0	0	1,096,420
Total Revenues	28,789,576	21,272,299	4,918,188	2,519,742	0	9,377	28,719,606

Expenditures:

Arterial Street	22,497,211	4,671,626	1,068,152	12,983	635,706	28,872,694
Interfund Loan Interest	127,175	0	0	0	0	127,175
Art 1%	0	0	0	0	0	0
Transportation Impact Fee Fund	100,000	0	0	0	0	100,000
Total Expenditures	22,724,386	4,671,626	1,068,152	12,983	635,706	29,099,869

CITY OF KENMORE, WASHINGTON																			
AGENDA BILL SUMMARY																			
AGENDA TITLE			MEETING DATE																
Authorize the City Manager to execute a settlement agreement and purchase and sale agreement to acquire the 71,438 square foot parcel at 18804 73 rd Ave NE with Surface Water Management Funds in the amount of \$410,000.			November 28, 2011																
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE																
Engineering	Ron Loewen	Ron Loewen	425-398-8900																
COST OF PROPOSAL: <table border="0"> <thead> <tr> <th>Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Property Acquisition</td> <td>\$345,000</td> </tr> <tr> <td>Acquisition Fees</td> <td>\$ 13,900</td> </tr> <tr> <td>Site Restoration</td> <td>\$ 35,000</td> </tr> <tr> <td>Settlement Agreement</td> <td>\$ 65,000</td> </tr> <tr> <td>Staff Costs</td> <td>\$ 5,000</td> </tr> <tr> <td>Contingency</td> <td>\$ 4,000</td> </tr> <tr> <td>Total</td> <td>\$467,900</td> </tr> </tbody> </table>		Item	Amount	Property Acquisition	\$345,000	Acquisition Fees	\$ 13,900	Site Restoration	\$ 35,000	Settlement Agreement	\$ 65,000	Staff Costs	\$ 5,000	Contingency	\$ 4,000	Total	\$467,900	ACCOUNT NUMBER: 4100 6354	
Item	Amount																		
Property Acquisition	\$345,000																		
Acquisition Fees	\$ 13,900																		
Site Restoration	\$ 35,000																		
Settlement Agreement	\$ 65,000																		
Staff Costs	\$ 5,000																		
Contingency	\$ 4,000																		
Total	\$467,900																		
AMOUNT BUDGETED: 2011 – 2012 Mid Biennium Budget \$878,000 6 Year Capital Improvement Plan \$900,000		NAME AND FUND #: Fund #41Surface Water Management Fund																	
ATTACHMENT(S) TO AGENDA PACKET ITEM: 1) Site location map 2) Settlement Agreement 3) Purchase and Sale Agreement																			
SUMMARY STATEMENT: As part of the 73rd Street bridge rehabilitation, Council established a policy to purchase residences in the floodplain when the flood elevation was within one foot of the floor elevation of the habitable space and the owner was a willing seller. This 71,438 square foot parcel is consistently flooded during the winter and the residents are required to use a boat at times to access the residence. The owners approached the City for inclusion in the program as willing sellers. Based on the difficult access to the residence during the winter the policy should be extended to include the acquisition of this parcel. Additionally the parcel is adjacent to several other City owned parcels. This acquisition would increase the City's contiguous ownership at this location from 13 Acres to 14.6 Acres. See attached site location map. The property will also help to increase wetland functions and improve fish and wildlife habitat. Following discussions with the property owner, they agreed to sell their property to the City. An appraisal report was prepared to establish fair market value for the property. Universal Field Services was contracted for \$12,926 to assist with purchase negotiations. The owner has tentatively agreed to the purchase price of \$345,000 and an additional \$65,000 to resolve claim issues. The total compensation amount includes all closing costs. Closing is scheduled for December.																			

VD. Authorize the City Manager to Execute a Settlement Agreement and Purchase and Sale Agreement to Acquire the 71,438 Square Foot Parcel at 18804 73rd Ave. NE with Surface Water

Once the property has been acquired, the residence will be removed and the housing site graded and seeded. Site restoration is estimated to cost \$35,000.

The funds for the settlement agreement and purchase sale agreement are included in 2011-2012 Budget and as amended by the 2011-2012 Mid Biennium Budget Amendment. The proposed 6-year Surface Water Management Fund budget includes \$900,000 dollars for property acquisitions within the Swamp Creek Basin. These funds include a Washington State Cities Risk Pool reimbursement of \$10,000 as part of the settlement resolution.

The City will pursue a Conservative Futures Tax (CFT) funds grant application which may reimburse the City for up to half of the acquisition cost. Previous purchases of property along Swamp Creek have been approved to receive CFT funds and it is expected that funds would be approved for this parcel as well.

CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:

Comprehensive Plan Policy SW 42.1.5 Pursue a regional system for managing surface water in the Swamp Creek Basin that addresses overall planning, development regulations, funding, enforcement of rules, acquisition of significant properties, and construction of capital facilities.

Authorize the City Manager to execute a settlement agreement and purchase and sale agreement to acquire the 71,438 square foot parcel at 18804 73rd Ave NE with Surface Water Management Funds in the amount of \$410,000.

**REVIEWED BY FINANCE
DIRECTOR:**

**REVIEWED BY CITY
ATTORNEY:**

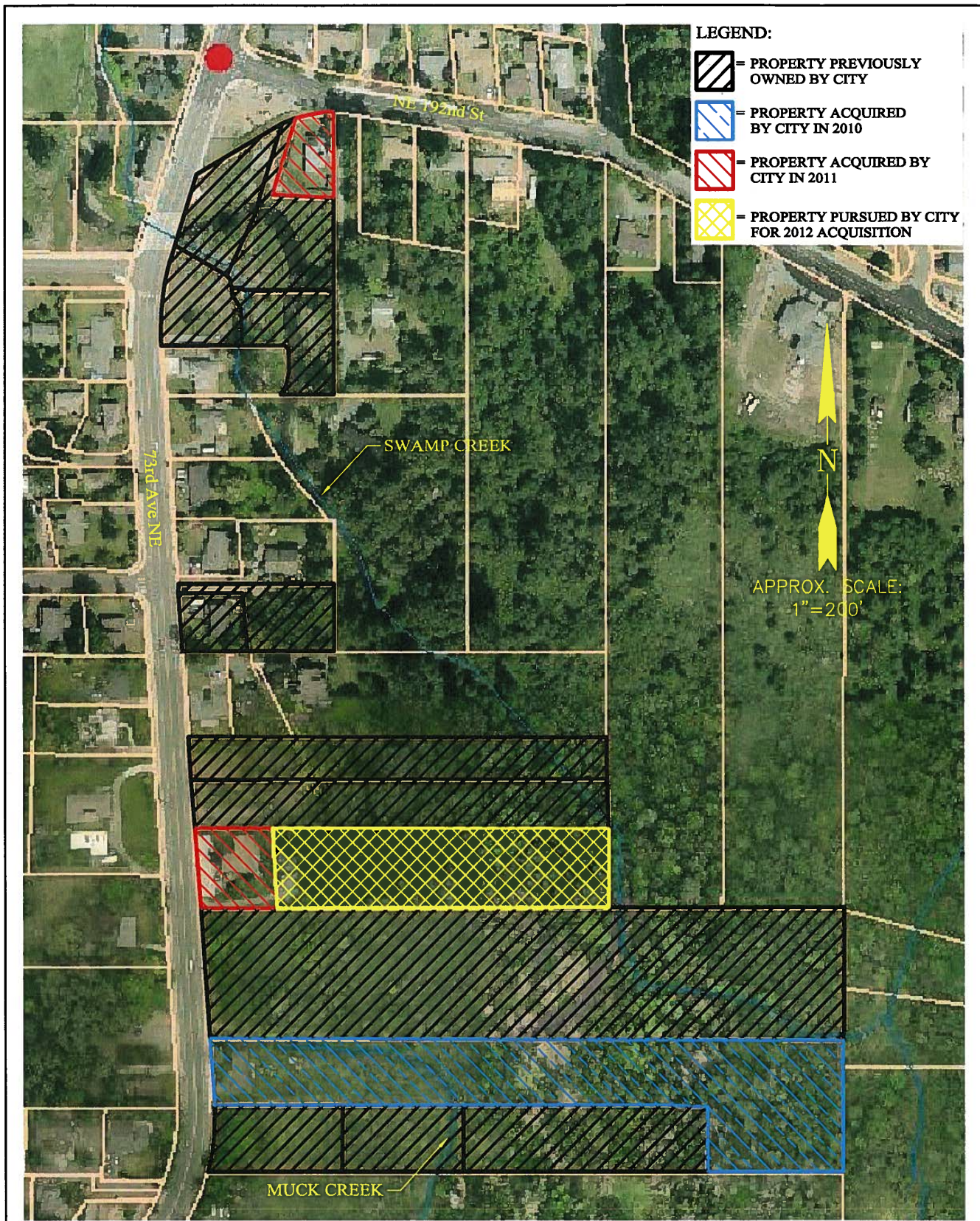
APPROVED BY CITY MANAGER:

TODAY'S DATE:
November 14, 2011

REVISION DATE(S):

FILE NAME & PATH (HYPERLINK):
S:\0165 Abagobez Property Acquisition\City
Council\November Agenda Bill 11-15-11.docx

VD. Authorize the City Manager to Execute a Settlement Agreement and Purchase and Sale Agreement to Acquire the 71,438 Square Foot Parcel at 18804 73rd Ave. NE with Surface Water



City of Kenmore
ENGINEERING DEPARTMENT
 18020 68th Ave NE - PO Box 82607, Kenmore WA 98028
 425-398-8900 - Fax: 425-481-3236

SWAMP CREEK FLOOD REDUCTION PROPERTY ACQUISITION EXHIBIT

Sheet No.
 1
 1
 Of Total

VD. Authorize the City Manager to Execute a Settlement Agreement and Purchase and Sale Agreement to Acquire the 71,438 Square Foot Parcel at 18804 73rd Ave. NE with Surface Water

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This Settlement and Release of Claims (hereinafter referred to as this "Settlement Agreement") is made and entered into this _____ day of _____, 2011, by and between the "settling parties" as defined in Section I below, and is based on the recitals and terms set forth in Sections II and III.

I. SETTLING PARTIES

The parties to this Settlement Agreement are as follows: Habtu Habtu & Genet Abagobez, individually and as husband and wife (hereinafter referred to as "the Plaintiffs") and the City of Kenmore (hereinafter referred to as the "City"), a municipality organized under the laws of the State of Washington.

II. RECITALS

WHEREAS the Plaintiffs, individually and as husband and wife, are or claim to be the owners of residential property located at 18804 73rd Avenue NE, Kenmore, County of King, State of Washington.

WHEREAS the Plaintiffs have filed a lawsuit against the City in the Superior Court of the State of Washington for King County under Cause No. 11-2-19374-8 (hereinafter referred to as the "lawsuit") and in the Complaint in that lawsuit generally allege that the City was responsible, by action or inaction, for flooding, inundation, pooling, saturation, or flowing of storm water or flood water on the Plaintiff's property. The Plaintiffs further allege causes of action based upon negligence, continuing nuisance, intentional, negligent or strict liability, inverse condemnation and injunction, all of which claims are set forth more specifically in the Complaint for Damages and Injunctive Relief on file in the lawsuit. A copy of the Complaint for Damages and Injunctive Relief is attached hereto and marked as **Exhibit A**.

WHEREAS, the City denies all fault and liability for the allegations of the Plaintiffs in the lawsuit or claims related to the lawsuit. The City is willing to participate in a Settlement Agreement without admission of fault or liability and in an effort to avoid litigation.

NOW, THEREFORE, in consideration of the mutual promises set forth below, and for other good and valuable consideration, the parties hereby stipulate, acknowledge and agree as follows:

III. TERMS AND CONDITIONS

A. In consideration of the Plaintiffs entering into this Settlement Agreement and providing the Release to the City set forth below, transferring to the City ownership of the Plaintiffs' property as set forth in detail in the Purchase and Sale documents between the City and the Plaintiffs and executed contemporaneously with this Settlement Agreement and Release of All Claims, the City agrees to pay to the Plaintiffs \$410,000 (the "Total Settlement Amount"),

in accordance with terms set forth herein. In consideration of the payment and receipt of the Total Settlement Amount in accordance with this Agreement, , the Parties agree as follows:

1. Release. The undersigned, Habtu Habtu & Genet Abagobez, individually and as husband and wife, as Plaintiffs in the lawsuit, being of lawful age for the consideration expressed in this Settlement Agreement as indicated herein, the receipt of which is hereby acknowledged, and for their heirs, executors, administrators, successors and assigns, hereby release, acquit, and forever discharge the City and its agents, employees, officers, successors, heirs, executors, administrators and elected officials, of and from any and all claims, actions, expenses or compensation whatsoever which the Plaintiffs now have or which may develop or which they may become aware of on account of or in any way growing out of all known and unknown, foreseen and unforeseen bodily injuries and personal injuries and/or property damage and the consequences thereof resulting or the result from or related to, any flooding, inundation, pooling, saturation or flowing of storm water or flood water or waters of any kind on the property owned by the Plaintiffs located at 18804 73rd Avenue NE, Kenmore, County of King, State of Washington. This Release specifically includes but is not limited to all claims set forth in the Plaintiffs Complaint for Damages and Injunctive Relief filed in the lawsuit.

This Release includes, but is not limited to, all claims asserted by the Plaintiffs or which could have been asserted by the Plaintiffs in the Complaint for Damages and Injunctive Relief, and it includes but is not limited to economic loss of any kind, including loss or diminution of fair market value of the Plaintiffs' property and includes any claim by the attorneys for attorneys fees and costs in pursuing the lawsuit and includes any claim arising out of or based on contract, statute, tort, regulatory taking, inverse condemnation or any other theory of law or damages whatsoever. It is understood and agreed that this settlement is a compromise of a disputed claim and that the payment made is not construed as an admission of liability on the part of the party or parties hereby released and that said releasees deny liability therefrom and intend to merely avoid litigation by their peace and to acquire the Plaintiffs' property.

In consideration of the payment of funds and City's purchase of the Plaintiffs' property, the Plaintiffs represent, warrant and agree that they are their legal representatives for satisfying any and all lien claims and subrogation claims, if any, against the above sum, from any source, including but not limited to their insurers and for further consideration of the actions of the City. The Plaintiffs agree to indemnify the City and the parties released herein and their attorneys of record agree to hold the same harmless against any claim, suit, action or demand asserting a lien and/or subrogation claim against said sum, including the reasonable expense of investigation, reasonable attorneys fees and costs for litigation.

This Release shall be effective immediately and without further action of the parties upon Closing (as defined in the Real Estate Purchase and Sale Agreement described below) and the Escrow Officer's correlating disbursement to Plaintiffs of the Total Settlement Amount, less Plaintiff's share of closing costs (as described more fully in the Real Estate Purchase and Sale Agreement).

2. Dismissal of Lawsuit. In further consideration of the actions by the City expressed herein, the Plaintiffs agree that within five business days after the Closing Date (as

defined in the Real Estate Purchase and Sale Agreement) Plaintiffs will dismiss the lawsuit pending against the City with prejudice and without attorneys' fees or costs to either party.

3. Purchase and Sale of Plaintiffs' Property. As a condition to this Settlement Agreement, the Plaintiffs agree to transfer ownership of their real property located at 18804 - 73rd Avenue NE, Kenmore, County of King, State of Washington (the "Real Property"), to the City in accordance with and pursuant to the Real Estate Purchase and Sale Agreement (the "REPSA") which is attached to this Settlement Agreement as **Exhibit B**, is incorporated by this reference and is executed by the parties concurrently herewith. From the Total Settlement Amount to be paid to the Plaintiffs by the City as expressed in this Settlement Agreement, \$345,000 is attributable to the purchase price for the Real Property.

B. Entire Agreement. This Settlement Agreement is fully integrated and constitutes the complete and final agreement between the parties hereto. Except for the REPSA, any previous agreements, offers, counter-offers and/or negotiations are hereby merged herein. Except for the REPSA, there is no further or other agreement between the parties and this Settlement Agreement cannot be modified or amended in any way except in writing, signed by the duly authorized representative of each of the settlement parties. The terms of this Settlement Agreement are contractual and have been bargained for and are not merely recitals.

C. Open Public Meeting Act Compliance. The parties hereby acknowledge that to be enforceable against the City of Kenmore, this Settlement Agreement must be approved by the City Council of the City of Kenmore in an open public meeting.

D. Attorneys Fees and Costs. The parties to this Settlement Agreement understand and agree that except as specifically provided by this settlement Agreement, each party shall be responsible for its own attorneys' fees and costs incurred in resolving this dispute and entering into this Settlement Agreement.

E. Enforcement of Agreement. The parties agree that the King County Superior Court shall have jurisdiction to interpret and enforce this Settlement Agreement and the REPSA. The King County Superior Court shall have discretion to award reasonable attorneys fees and costs of the prevailing party incurred in any subsequent legal action necessary to enforce the terms of this Settlement Agreement. The parties shall attempt to resolve any dispute through non-binding mediation before filing suit.

F. No Admission of Liability by the City. The parties understand and agree that this Settlement Agreement represents a compromise of a disputed claim or claims and neither this Settlement Agreement nor performance of any terms under this Settlement Agreement constitutes or should be construed as constituting admission of liability, fault or responsibility or as an admission as to the existence or extent of any damages or losses alleged by the Plaintiffs. It is further understood and agreed that this Settlement Agreement itself is not admissible and should not be used as evidence of or as an admission of liability, fault or responsibility on the part of the City in any subsequent legal proceedings or for any purposes except in an action to enforce specific terms of this Settlement Agreement itself.

G. Further Acts. Each of the settling parties agrees to perform further acts and to execute any other documents necessary or desirable to effectuate the terms of this settlement Agreement.

H. Knowledge of Contents of Agreement. In entering into this Settlement Agreement, the parties represent that they have relied upon legal advice of their attorneys and the terms of this Settlement Agreement have been completely explained to them by their attorneys and the parties fully understand and voluntarily accept those terms and all parties acknowledge that they have read in entirety this Settlement Agreement and have signed the same as their own free and voluntary act. All parties hereto acknowledge they have cooperated in the drafting and preparation of this Settlement Agreement and as such this Settlement Agreement shall not be construed against any party.

I. Effect on Successors. This Settlement Agreement and all other terms and provisions herein shall inure to the benefit of and be legally binding upon the heirs, successors, assigns and personal representatives of the parties hereto.

THE UNDERSIGNED HAVE READ THE FOREGOING SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS AND FULLY UNDERSTAND IT.

Habtu Habtu

Genet Abagobez

CITY OF KENMORE

By: _____

Its _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Habtu Habtu, being first duly sworn upon oath, deposes and says that he is one of the Plaintiffs in the above-entitled action, that he has read the foregoing; knows the contents thereof; and believes the same to be true and accurate to the best of his knowledge.

Habtu Habtu

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2011.

PRINTED NAME: _____
NOTARY PUBLIC in and for the State of
Washington residing at: _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Genet Abagobez, being first duly sworn upon oath, deposes and says that she is one of the Plaintiffs in the above-entitled action, that she has read the foregoing; knows the contents thereof; and believes the same to be true and accurate to the best of her knowledge.

Genet Abagobez

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2011.

PRINTED NAME: _____
NOTARY PUBLIC in and for the State of
Washington residing at: _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

_____, being first duly sworn upon oath, deposes and says that he is
the _____ of the City of Kenmore; that he is authorized to sign on behalf of the
City; that he has read the foregoing; knows the contents thereof; and believes the same to be true
and accurate to the best of his knowledge.

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2011.

PRINTED NAME: _____
NOTARY PUBLIC in and for the State of
Washington residing at: _____
My Commission Expires: _____

EXHIBIT A

Complaint for Damages and Injunctive Relief

[See Attached]

Ex-A

EXHIBIT B

Real Estate Purchase and Sale Agreement

[See Attached]

Ex-B

VD. Authorize the City Manager to Execute a Settlement Agreement and Purchase and Sale Agreement to Acquire the 71,438 Square Foot Parcel at 18804 73rd Ave. NE with Surface Water

REAL ESTATE PURCHASE AND SALE AGREEMENT

18804 73rd Avenue NE
Kenmore, Washington 98028

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "**Agreement**") is executed and entered into by and between **CITY OF KENMORE**, a Washington municipal corporation ("**Purchaser**"), and **GENET ABAGOBEZ**, and **HABTU HABTU**, wife and husband (collectively, "**Seller**").

1. **Agreement to Sell/Purchase Real Property.** Seller hereby agrees to sell and Purchaser hereby agrees to purchase, all in accordance with the following terms, provisions, and conditions, that certain real property commonly known as 18804 73rd Avenue NE, Kenmore, King County, Washington 98028, and all improvements and fixtures attached thereto together with all rights, privileges and easements appurtenant to the real property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances to the extent owned by Seller on and under the real property, as well as all development rights, air rights, water, and water rights relating to the real property, and any rights-of-way or other easements or appurtenances thereto, and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the real property (collectively the "**Real Property**"). Said Real Property is legally described as follows:

Parcel A:

Lot 2, King County Short Plat No. 1085026, recorded under Recording Number 8712140373, records of King County, Washington.

Parcel B:

An easement for ingress and egress as established in Recording Number 8704091204 and in King County Short Plat No. 1085026, recorded under Recording Number 8712140373;

Except any portion lying within said Parcel A above.

2. Situate in the County of King, State of Washington **Purchase Price.** The purchase price (the "**Purchase Price**") for the Real Property is THREE HUNDRED FORTY-FIVE DOLLARS AND NO/100THS (\$345,000.00).

3. **Conveyance and Condition of Title to Real Property.** Title to the Real Property shall be conveyed by Seller to Purchaser at Closing by Statutory Warranty Deed (the "**Deed**"), free and clear of all liens, encumbrances or defects except those approved by Purchaser as provided in Paragraph 5 below; provided, that for this purpose, the general exceptions contained in the Preliminary Commitment will not be deemed approved exceptions to be shown on the Statutory Warranty Deed even though certain general exceptions will be included as a part of the Title Policy to be issued to Purchaser at Closing.

4. **Title Insurance.** At Closing, Seller shall cause Stewart Title, 18000 International Blvd. Suite 401, SeaTac, WA 98188 (the "**Title Company**") to issue an ALTA standard form owner's policy of title insurance to Purchaser in an amount equal to the total Purchase Price of

the Property; and insuring the Real Property to be free and clear of all liens and encumbrances except for the Permitted Exceptions approved by Purchaser as provided below, and except the printed general exceptions which are part of the ALTA extended form policy of title insurance (the "Title Policy"). .

The parties acknowledge and agree that Seller has caused the Title Company to issue to Purchaser a preliminary commitment for such title insurance policy, dated effective June 7, 2011, together with full legible copies of any exceptions set forth therein (the "**Preliminary Commitment**"). Within five (5) business days after mutual acceptance of this Agreement, Purchaser shall cause the Title Company to issue a supplemental to the Preliminary Commitment, with an updated effective date confirming that no additional encumbrances other than those listed in the Preliminary Commitment have been recorded against the Real Property since the effective date of the Preliminary Commitment.

Purchaser has reviewed the Preliminary Commitment and expressly objects to the monetary encumbrances set forth in Special Exceptions Nos. 1 – 6 (other than real estate taxes which are to be prorated) and to Special Exception No. 7. All such exceptions must be removed by Seller at or before Closing as a condition to Closing. Purchaser further reserves the right to review the supplemental commitment required by this Paragraph. Purchaser shall have five (5) business days after delivery of said supplemental commitment to object in writing to any additional Special Exceptions listed thereon. If the supplemental commitment does not contain any Special Exceptions other than those listed in the Preliminary Commitment, or if Purchaser fails to object to any new Special Exceptions within the time period set forth herein, then Purchaser shall be deemed to have approved the exceptions not otherwise objected to herein.

Seller shall have five (5) business days from mutual acceptance of this Agreement to notify Purchaser, in writing, that Seller will cause the disapproved exceptions to be removed from the policy of title insurance to be issued in favor of Purchaser on or before Closing. Seller shall have five (5) business days of written disapproval by Purchaser of any exceptions or defects set forth in the supplemental commitment to notify Purchaser, in writing, that Seller will cause the disapproved exception to be removed from the policy of title insurance to be issued in favor of Purchaser on or before Closing

If Seller does not notify Purchaser, in writing, that Seller will cause the disapproved exceptions to be eliminated on or before Closing, then this Agreement shall terminate, and neither Purchaser nor Seller shall have any further rights, duties, or obligations hereunder; unless within three (3) business days of the earlier of (i) the expiration of said five (5) business day period, or (ii) the date that Seller notifies Purchaser that Seller will not eliminate the disapproved exceptions, Purchaser waives its prior disapproval and elects to proceed with Closing subject to the disapproved exceptions. The title exceptions approved as provided herein are referred to as the "**Permitted Exceptions.**"

The foregoing notice and response procedures shall be repeated for any title exceptions first appearing after Purchaser's receipt of the Preliminary Commitment.

5. Mutual Contingency. Purchaser's obligation to purchase, and Seller's obligation to sell, is expressly contingent upon the respective parties' execution and performance of that

Settlement Agreement and Release of All Claims executed concurrently herewith (the "Settlement Agreement").

6. **Closing of Sale.** The sale shall be closed at the offices of Stewart Title, 18000 International Blvd. Suite 401, SeaTac, Washington 98188 (the "Closing Agent") on or before _____ (the "Closing").

6.1 **Seller's Deliveries.** On or before the Closing Date, Seller shall deliver in escrow to the Closing Agent the following:

6.1.1 **Deed.** The Deed in that form attached hereto as **Exhibit A**, executed and acknowledged by Seller, and conveying title to the Real Property to Purchaser subject only to the Permitted Exceptions.

6.1.2 **FIRPTA.** A Foreign Investment in Real Property Tax Act affidavit executed by Seller.

6.1.3 **Additional Documents.** Any additional documents that the Closing Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement.

6.2 **Purchaser's Deliveries.** On or before the Closing Date, Purchaser shall deliver in escrow to the Closing Agent the following:

6.2.1 **The Settlement Agreement.** A conformed copy of the mutually-executed Settlement Agreement.

6.2.2 **The Total Settlement Amount.** The Total Settlement Amount, which, as defined in the Settlement Agreement is \$410,000 and includes the Purchase Price, plus or minus all applicable prorations and closing costs.

6.2.3 **Additional Documents.** Any additional documents that the Closing Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement.

6.3 **Closing Statement.** At Closing, Seller and Purchaser shall deposit with the Closing Agent executed closing statements consistent with this Agreement in the form required by the Closing Agent. Such closing statements shall reflect the Purchase Price and include a separate "Additional Settlement Amount" line item, reflecting the additional \$65,000 of the Total Settlement Amount to be disbursed to the Plaintiffs in connection with the Settlement Agreement.

6.4 **Possession.** Seller shall deliver possession of the Real Property to Purchaser at Closing.

6.5 **Closing Costs.**

6.5.1 Seller shall pay: The real estate excise tax associated with Seller's sale of the Real Property.

6.5.2 Purchaser shall pay: The closing costs associated with this transaction, including the title insurance premium attributable to the ALTA owner's standard form policy of title insurance, the cost for recording the Deed, and the escrow fees.

7. Prorations. Real property taxes for the current year, the current portion of assessments, if any, and utilities shall be prorated between Purchaser and Seller as of the date of Closing. For this purpose, any assessment made against the Real Property shall be deemed due and payable in installments over the longest period of time as permitted by the governmental authority making such assessment.

8. Representations and Warranties. As a material inducement to Purchaser to execute this Agreement and consummate this transaction, Seller represents and warrants to Purchaser as follows:

8.1 Hazardous Materials. To Seller's knowledge, no hazardous or toxic waste or other hazardous materials have been deposited or spilled on or under the Real Property or exist on or under the Real Property. For purposes of this Agreement, "Hazardous Material" shall mean any material which is defined as hazardous, toxic or radio active in any federal, state or local statute, regulation, ordinance or law applicable to the Real Property, or which is otherwise publicly regulated for reasons of human health or the environment, including, without limitation, asbestos and petrochemicals.

8.2 Notices of Violation. To Seller's knowledge, the Real Property is not in violation of any applicable covenant, condition or restriction or any applicable statute, ordinances, regulation, order, permit, rule or law, including, without limitation, any building, zoning or environmental restriction or requirement concerning filling, use, construction, maintenance, repair, replacement, operation or occupancy, and Seller has not received from any governmental agency any notice of the existence of any such violations

8.3 Pending Actions. Apart from the lawsuit which is the subject of the Settlement Agreement, there is no action or proceeding pending or, to Seller's knowledge, threatened against Seller or the Real Property, including but not limited to condemnation proceedings which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement in accordance with its terms.

8.4 Assessments. Except as shown on the Preliminary Commitment, to Seller's knowledge, there are no assessments for public improvements pending or existing or, to Seller's knowledge, proposed with respect to the Real Property.

8.5 Seller's Performance. Seller is not in default under any agreement, lease or contract concerning the Real Property to which Seller is a party, and to Seller's knowledge there exists no event, condition or occurrence which, after notice or lapse of time, or both, would constitute such a default by Seller of any of the foregoing.

8.6 Non-foreign Status. Pursuant to Section 1445 of the Internal Revenue Code, Seller is not a foreign person or nonresident alien as defined within that section. Seller understands that the Purchaser may disclose this warranty to the Internal Revenue Service.

Seller agrees to indemnify, defend and hold Purchaser harmless from any and all costs or expenses (including reasonable attorney's fees) incurred by Purchaser on account of the untruth or inaccuracy of any of the foregoing representations, warranties and covenants.

9. Condition of Property. Purchaser acknowledges that after the due diligence period and at Closing, Seller is selling the Property "as is, where is and with all faults" without representation, warranty or covenant (express or implied) except as specifically set forth herein. Seller has not made and shall not be deemed to have made any representation, warranty or covenant (express or implied) and shall not have any liability whatsoever as to the title, value, habitability, use, design, operation, or fitness for use of the Real Property, except as specifically set forth herein. Seller shall not be liable for any latent, hidden or patent defect in the Property.

10. Default and Damages. If either party defaults in its respective obligation(s) to sell or purchase the Real Property pursuant to this Agreement, the non-defaulting party shall have all of the rights and remedies available at law or in equity including, but not limited to the right to specific performance. The Closing of this Agreement is a condition precedent to the parties' respective obligations under the Settlement Agreement.

11. Miscellaneous.

11.1 Time is of the Essence. Time is of the essence of this Agreement.

11.2 Incorporation by Reference. All of the exhibits attached hereto are incorporated herein by this reference, and are made a part hereof as if set forth in full.

11.3 Non-Merger. The terms, conditions, and provisions of this Agreement (including, but not limited to, Seller's representations, warranties, and indemnification obligations) shall not be deemed merged into the deed, and shall survive the Closing and continue in full force and effect.

11.4 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be sent U.S. certified mail, return receipt requested, or by personal service, or by facsimile transmission addressed as set forth below:

All notices to be given to Purchaser shall be addressed as follows:

Genet Abazobez and Habtu Habtu

All notices to be given to Seller shall be addressed as follows:

City of Kenmore
Attn: _____
18120 68th Avenue NE
Kenmore, WA 98028

Either party hereto may, by written notice to the other, designate such other address for the giving of notices as being necessary. All notices shall be deemed given on the day such notice is personally served, or on date of the facsimile transmission, or on the third day following the day such notice is mailed in accordance with this paragraph.

11.5 Binding Effect. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.

11.6 Date of Mutual Acceptance. For purposes of this Agreement, the phrases "date of mutual acceptance of this Agreement" or the "date of this Agreement" shall mean the last date on which the parties hereto have executed this Agreement as indicated below.

11.7 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Washington. Venue for any dispute arising hereunder shall be King County, Washington.

11.8 Oral Agreements and Representations. There are no verbal or other agreements, including, but not limited to any representations or warranties, which modify or effect this Agreement. Purchaser acknowledges to Seller that in entering into this Agreement, Purchaser is not relying on any warranties except those expressly set forth in this Agreement.

11.9 Dispute Costs. In the event of any conflict, claim or dispute between the parties hereto and arising out of or relating to the subject matter of this Agreement, whether or not such conflict, claim or dispute has its basis in law or in equity, the prevailing party shall be entitled to receive from the non-prevailing party(is) all reasonable costs and expenses of every sort whatsoever including, but not limited to, arbitrators fees, mediation fees, deposition costs, expert witness fees, accounting expenses relating thereto, and actual attorneys fees incurred or expended whether or not arbitration or court proceedings are initiated, and including all such costs or expenses incurred or expended in arbitration, in trial, on appeal or in any bankruptcy or receivership proceeding.

11.10 No Real Estate Commissions. Seller and Purchaser each represent and warrant to the other that they have not engaged the services of a Real Estate Broker or Agent in connection with this transaction. Seller shall indemnify, defend and save Buyer harmless from and against any claims, fees (including attorneys' fees) or costs arising out of any claim made by any other broker or agent claiming a commission is due by or through Seller. Buyer shall indemnify, defend and save Seller harmless from and against any claims, fees, or costs (including attorneys' fees and costs) arising out of any claim made by any other broker or agent claiming a commission is due by or through Buyer. The indemnifications set forth in this Section shall survive Closing.

11.11 Counterparts and Facsimile Transmission. This Agreement may be executed in multiple counterpart copies and by facsimile transmission. Each counterpart shall

constitute an original of this Agreement, but all such counterparts shall constitute but a single Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of mutual acceptance of this Agreement.

“SELLER”:

Genet Abagobez

Dated: _____

Habtu Habtu

Dated: _____

“PURCHASER”:

CITY OF KENMORE, a Washington
municipal corporation

By _____

Its: _____

Dated: _____, 2011

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Motion to Authorize the City Manager to execute Amendment No. 1 to Contract No.09-C780 with Alcalde and Fay, extending the contract duration date to December 31, 2012 and amending the contract amount to an amount not to exceed \$229,500.			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Executive	Frederick Stouder	Frederick Stouder	425-398-8900
COST OF PROPOSAL: \$122,400 for 2011-2012		ACCOUNT NUMBER: 01.13.5401	
AMOUNT BUDGETED: \$160,000 for Government Relations 2011-2012 Budget General Consulting/City Manager Cost Center		NAME AND FUND #: General Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: Proposed Amendment No. 1 and Contract No. 09-C780			
SUMMARY STATEMENT: This contract amendment extends the contract for federal government relations services with Alcalde and Fay at the present rate of \$5000 per month retainer and a maximum of \$1200 per year for associated expenses or a maximum of \$61,200 per year. The initial contract term was March 15, 2009 through March 31, 2010. This will extend the contract through December 31, 2012. The firm assisted the City of Kenmore on transportation funding, Army Corps of Engineers discussions on project funding for dredging and restoration projects, and United States Postal Service discussions on retaining the Kenmore Post Office; as well as the federal efforts particularly at Congressional committee levels with professional staffs for SR522 funding. The efforts have kept the City's needs in the forefront even in these times when searches for federal funds are challenging. The importance and time this effort may require in 2012 and beyond is critical as the City will be in transition with the recruitment of a new City Manager and City Engineer.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: The City Council authorized the City Manager to execute Contract No. 09-C780 with Alcalde and Fay for federal government relations services in March, 2009.			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize the City Manager to execute Amendment No. 1 to Contract No. 09-C780 with Alcalde and Fay, extending the contract duration date to December 31, 2012 and amending the contract amount to an amount not to exceed \$229,500. The 2012 state and federal legislative focus and costs should be a topic for the 2012 January Council Retreat.			
REVIEWED BY FINANCE DIRECTOR: 	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 	
TODAY'S DATE: November 18, 2011	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK): I:\janice gates\agenda preparation\agenda bills 2011\ab 28 nov 2011 alcalde fay amendment.doc	

VE. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C780 with Alcalde and Fay, Extending the Contract Duration Date to December 31, 2012 and Amending the

**Contract No. 09-C780
Amendment No. 1**

The following sections of the federal government relations services contract dated March 10, 2009, between the City of Kenmore and Alcalde & Fay is amended to read in its entirety as set forth below. All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 2. Compensation and Method of Payment. The City shall pay the Consultant:

An annual sum not to exceed \$61,200, based on a \$5000 monthly retainer, and monthly expenses not to exceed \$1200 per year.

☒ A sum not to exceed \$229,500

Section 3: Duration of Agreement. The Agreement shall be in full force and effect for a period commencing on March 15, 2009 and ending on December 31, 2012, unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

DATED this ____ day of _____, 20__.

CITY OF KENMORE:

CONSULTANT:

BY: _____
Frederick C. Stouder
Title: City Manager

By: _____
Title: _____

Address: _____

Attest/Authenticated:

Lynn Suskin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

VE. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C780 with Alcalde and Fay, Extending the Contract Duration Date to December 31, 2012 and Amending the

CONTRACT FOR CONSULTANT SERVICES

Contract No. 09-C780

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Alcalde & Fay, whose principal office is located at 2111 Wilson Boulevard, 8th Floor, Arlington, VA 22201 ("Consultant").

WHEREAS, the City desires to have certain services performed for its citizens; and

WHEREAS, the City has selected the Consultant to perform such services pursuant to certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

1. Scope of Services to be Performed by Consultant. Services include federal advocacy services, assistance and support in achieving City of Kenmore's federal legislative and administrative objectives and federal Congressional authorization and appropriations to achieve City Priority projects. These include federal authorization to include and subsequent finance the final phase of State Road 522, potential assistance in shoreline and surface water objectives, and other transportation, surface water, open space and parks, and public facility capital projects.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant: An amount not to exceed & \$61,200 based on a \$5,000 monthly retainer, and monthly expenses not to exceed \$1,200 for the 12-month period.

[Check applicable method of payment]

___ According to the rates set forth in Exhibit "B".

___ A sum not to exceed \$ 61,200.

___ Other (describe):

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number," prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on March 15, 2009 and ending March 15, 2010, unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents. Any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials produced by the Consultant in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

5. Independent Contractor. The Consultant and the City agree that the Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, subconsultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties.

6. Indemnification.

A. The Consultant shall protect, defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, suits, losses or liabilities of any nature, including attorneys' fees, arising out of or in connection with the negligent acts or omissions of the Consultant, its officers, employees and agents in performing this Agreement.

B. The City shall protect, defend, indemnify and save harmless the Consultant, its officers, employees and agents from any and all costs, claims, suits, losses or liabilities of any nature, including attorneys' fees, arising out of or in connection with the negligent acts or omissions of the City, its officers, employees and agents in performing this Agreement.

7. Insurance.

The Consultant shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives or employees.

A. Minimum Scope of Insurance.

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO)

form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance.

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions.

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability, and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance or insurance pool coverage maintained by the City shall be in excess of the Consultant's insurance and shall not contribute with it.

2. The Consultant's insurance shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Verification of Coverage.

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

8. Record Keeping and Reporting.

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement, unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

9. Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City during the performance of this Agreement.

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon seven (7) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than fourteen (14) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

11. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, or presence of any sensory, mental or physical disability.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

13. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

15. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

16. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

17. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Manager
City of Kenmore
P.O. Box 82607
Kenmore, Washington 98028-0607

And copies to the same address in care of the City Clerk.

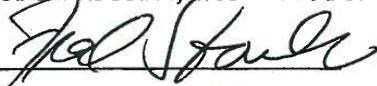
Notices to the Consultant shall be sent to the following address:

Paul Schlesinger
Alcalde & Fay
211 Wilson Boulevard
8th Floor
Arlington, VA 22201

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

19. Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

CITY OF KENMORE, WASHINGTON

By: 

Title: City Manager

Date: March 10, 2009

CONSULTANT

By: 

Title: Partner, Alcalde & Fay

Date: 3-17-09

ATTEST AS TO FORM:


Rod Kasaguma, City Attorney

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following:

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:

EXHIBIT C
City of Kenmore
Billing Invoice

To: City of Kenmore
486 228th Avenue NE
Kenmore, Washington 98074
Phone: (425) 898-0660
Fax: (425) 898-0669

Invoice Number: _____ Date of Invoice: _____

Consultant: _____
Mailing Address: _____

Telephone: () _____

Contract Period: _____ Reporting Period: _____

Amount requested this invoice: \$ _____

Attach itemized description of services provided.

Specific Program: _____

Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	\$ _____
Previous payments	\$ _____
Current request	\$ _____
Balance remaining	\$ _____

Approved for Payment by: _____ Date: _____

EXHIBIT D
CITY OF KENMORE
486 228th Avenue NE
Kenmore, WA 98074
Phone: (425) 898-0660
Fax: (425) 898-0669

TAX IDENTIFICATION NUMBER

In order for you to receive payment from the City of Kenmore, the must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Service Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires the City to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of Kenmore prior to or along with the submittal of the first billing invoice.

Please check the appropriate category:

☐ Corporation ☐ Partnership ☐ Government Consultant
☐ Individual/Proprietor ☐ Other (explain)

TIN No.: _____

Social Security No.: _____

Print Name: _____

Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

Date

Authorized Signature (Required)

From the Desk of:

PAUL SCHLESINGER

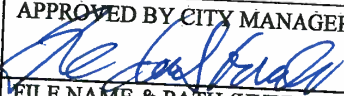
The enclosed is for your general information

Thanks so much for entrusting
us with this work.

We understand how important
this project is to the City,
& will work our hardest
to make certain we don't
let you

RECEIVED
MAR 23 2009

CITY OF KENNEMORE
Alcalde & Fay, 2111 Wilson Boulevard, Suite 2201
Phone: (703) 841-0626 Fax: (703) 243-2874
e-mail: schlesinger@alcalde-fay.com

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Motion to Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C816 with Gordon Thomas Honeywell, extending the contract term to December 31, 2012 and amending the contract maximum to an amount not to exceed \$128,700.			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Executive	Frederick Stouder	Frederick Stouder	425-398-8900
COST OF PROPOSAL: \$79,200: \$3000 monthly retainer plus allowable expenses up to a maximum of 10% of the contract amount, or \$39,600 per year.		ACCOUNT NUMBER: 01.13.5401	
AMOUNT BUDGETED: \$160,000 for Government Relations 2011-2012 Budget General Consulting/City Manager Cost Center		NAME AND FUND #: General Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: 1) Amendment No. 1 and Contract No. 09-C816			
SUMMARY STATEMENT: The proposed amendment extends the contract for state government relations services with Gordon Thomas Honeywell through 2012 at the same rate of \$3,000 per month retainer and maximum \$3600 (10% of the contract amount) for associated expenses for an annual total of \$39,600. The firm assists the City in working with the State Legislatures, the Governor's Office and State agencies on transportation funding and other City legislative priorities. The original contract term was through December 31, 2010. This will extend the contract through December 31, 2012. The efforts by Gordon Thomas Honeywell have been key in importance in obtaining state funds and federal pass thru funds for the SR 522 project. The Mayor and other Councilmembers, thru the support and assistance of Thomas Honeywell personnel have organized, set schedules and local tours and briefings of not only the City's district legislative representatives, but other legislative members on key staff, House and State Senate committees.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: The City Council approved Contract No.09-C816 with Gordon Thomas Honeywell for an amount not to exceed \$49,500 on September 28, 2009.			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize the City Manager to execute Amendment No. 1 to Contract No. 09-C816 with Gordon Thomas Honeywell, extending the contract duration date to December 31, 2012 and amending the contract amount to an amount not to exceed \$128,700. The 2012 state and federal legislative focus and costs should be a topic for the 2012 January Council Retreat.			
REVIEWED BY FINANCE DIRECTOR: 		REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 
TODAY'S DATE: November 18, 2011	REVISION DATE(S):		FILE NAME & PATH (HYPERLINK): I:\janice gates\agenda preparation\agenda bills 2011\28 nov 2011 gth amendment.doc

VF. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C816 with Gordon Thomas Honeywell, Extending the Contract Duration Date to December 31, 2012 and

**Contract No. 09-C816
Amendment No. 1**

The following section of the government relations services contract dated September 29, 2009, between the City of Kenmore and Gordon Thomas Honeywell is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 2. Compensation and Method of Payment. Total contract amount not to exceed \$128,700

Section 3. Duration of Agreement. The contract shall be in effect from October 1, 2009 through December 31, 2012

Section 17. Notices. Notices to the City of Kenmore shall be sent to the following address:

Frederick Stouder, City Manager
City of Kenmore, Washington
PO Box 82607
Kenmore, WA 98028-0607

With copies to:

City Clerk
City of Kenmore, Washington
PO Box 82607
Kenmore, WA 98028-0607

DATED this ____ day of _____, 20__.

CITY OF KENMORE:

CONSULTANT:

BY: _____
Frederick C. Stouder
Title: City Manager

By: _____
Title: _____

Address: _____

Attest/Authenticated:

Lynn Suskin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

VF. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C816 with Gordon Thomas Honeywell, Extending the Contract Duration Date to December 31, 2012 and

CONTRACT FOR CONSULTANT SERVICES
Contract No. 09-C816

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Gordon Thomas Honeywell, whose principal office is located at Tacoma, WA ("Consultant").

WHEREAS, the City desires to have certain services performed for its citizens; and

WHEREAS, the City has selected the Consultant to perform such services pursuant to certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

1. Scope of Services to be Performed by Consultant. The Consultant shall perform the services described in Exhibit "A" of this Agreement. In performing the services, the Consultant shall comply with all federal, state and local laws and regulations applicable to the services. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

[Check applicable method of payment]

☒ x According to the rates set forth in Exhibit A

☐ A sum not to exceed \$

☐ Other (describe): _____

The Consultant shall complete and return to the City Exhibit "D," Tax Identification Number," prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on October 1, 2009 and ending

December 31, 2010 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents. Any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials produced by the Consultant in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

5. Independent Contractor. The Consultant and the City agree that the Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, subconsultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties.

6. Indemnification.

A. The Consultant shall protect, defend, indemnify and save harmless the City, its officers, employees and agents from any and all costs, claims, suits, losses or liabilities of any nature, including attorneys' fees, arising out of or in connection with the negligent acts or omissions of the Consultant, its officers, employees and agents in performing this Agreement.

B. The City shall protect, defend, indemnify and save harmless the Consultant, its officers, employees and agents from any and all costs, claims, suits, losses or liabilities of any nature, including attorneys' fees, arising out of or in connection with the negligent acts or omissions of the City, its officers, employees and agents in performing this Agreement.

7. Insurance.

The Consultant shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives or employees.

A. Minimum Scope of Insurance.

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

B. Minimum Amounts of Insurance.

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$1,000,000 general aggregate.

C. Other Insurance Provisions.

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability, and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance or insurance pool coverage maintained by the City shall be in excess of the Consultant's insurance and shall not contribute with it.

2. The Consultant's insurance shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Verification of Coverage.

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

8. Record Keeping and Reporting.

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement, unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

9. Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City during the performance of this Agreement.

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon seven (7) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than fourteen (14) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

11. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, or presence of any sensory, mental or physical disability.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

13. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

15. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

16. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

17. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Clerk
City of Kenmore
P.O. Box 82607
Kenmore, Washington 98028-0607

Notices to the Consultant shall be sent to the following address:

1201 Pacific Avenue, Suite 2100
Tacoma, WA 98401

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to

its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

19. Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

CITY OF KENMORE, WASHINGTON

By: 
Frederick C. Stouder
Title: City Manager

Date: Sept 29, 2009

CONSULTANT

By: 
Title: President

Date: 10/8/09

ATTEST AS TO FORM:

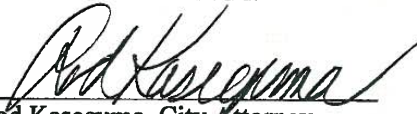

Rod Kaseguma, City Attorney

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following: See Attached

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:



MEMO

TO: Fred Stouder, City Manager, City of Kenmore
FROM: Tim Schellberg, Gordon Thomas Honeywell Governmental Affairs
DATE: September 10, 2009
SUBJECT: Governmental Affairs Contract

Gordon Thomas Honeywell Governmental Affairs welcomes the opportunity to represent the City of Kenmore. To initiate our partnership, we have provided additional information on a scope of work, manager arrangement, fees, expenses, and term.

Scope of Work:

1. Work with the City of Kenmore to develop and refine a legislative agenda. This includes refining the transportation appropriation request for SR 522.
2. Develop policy papers and other informational materials on priority legislative agenda items, including the transportation appropriation request for SR 522.
3. Identify and track all relevant legislation introduced to the Washington State Legislature.
4. Continually meet with legislators on behalf of the City of Kenmore, including the legislative delegation, committee and party leadership, and others.
5. Engage in additional grassroots outreach, media, and public relations as necessary to bolster support for the City's transportation appropriation request and other issues.
6. Provide the City with weekly reports and tracking lists during the legislative session and provide the City with monthly reports during the legislative interim.
7. Participate in the Association of Washington Cities on behalf of the City of Kenmore.
8. Participate in the Washington Highway Users Federation on behalf of the City of Kenmore.

1201 Pacific Ave, Suite 2100
Tacoma, WA 98401
Phone: (253) 620-6500
Fax: (253) 620-6565

www.gth-gov.com

203 Maryland Ave., NE
Washington, DC 20002
Phone: (202) 544-2681
Fax: (202) 544-5763

9. Attend all relevant legislative hearings, meetings, and stakeholder groups.
10. Coordinate City officials to testify at relevant legislative hearings and to meet with the City's legislative delegation in Olympia and during the interim.
11. Lobby to amend, defeat, or pass legislation or budgets that affect the City of Kenmore's interests.
12. Coordinate with the City's federal lobbyists to provide reasonable levels of assistance with the Washington State Congressional delegation as requested.

Manager Arrangement:

Tim Schellberg, President of Gordon Thomas Honeywell Governmental Affairs, will serve as both the contract and project manager for the City of Kenmore. He will be assisted by Briahna Taylor.

Fees:

Gordon Thomas Honeywell Governmental Affairs will provide the above scope of work for a monthly fee of \$3,000.

Expenses

In addition to the fee above, Gordon Thomas Honeywell Governmental Affairs will expense for communication expenses not to exceed 10% of the contract.

Term:

The duration of the contract between the City of Kenmore and Gordon Thomas Honeywell Governmental Affairs will be from October 1, 2009 through December 31, 2010.

1201 Pacific Ave, Suite 2100
Tacoma, WA 98401
Phone: (253) 620-6500
Fax: (253) 620-6565

www.gth-gov.com

203 Maryland Ave., NE
Washington, DC 20002
Phone: (202) 544-2681
Fax: (202) 544-5763

EXHIBIT C
City of Kenmore
Billing Invoice

To: City of Kenmore
6700 NE 181st
PO Box 82607
Kenmore, Washington 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

Invoice Number: _____ Date of Invoice: _____

Consultant: _____

Mailing Address: _____

Telephone: () _____

Contract Period: _____ Reporting Period: _____

Amount requested this invoice: \$ _____

Attach itemized description of services provided.

Specific Program: _____

Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	\$ _____
Previous payments	\$ _____
Current request	\$ _____
Balance remaining	\$ _____

Approved for Payment by: _____ Date: _____

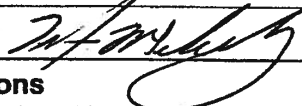
Form W-9 (Rev. October 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.	
Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) Gordon Thomas Honeywell Governmental Affairs		
	Business name, if different from above Same as above		
	Check appropriate box: ☐ Individual/Sole proprietor ☒ Corporation ☐ Partnership ☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ☒ Exempt payee ☐ Other (see instructions) ▶		
	Address (number, street, and apt. or suite no.) P.O. Box 1677	Requester's name and address (optional)	
	City, state, and ZIP code Tacoma WA 98401		
List account number(s) here (optional) N/A			
Part I Taxpayer Identification Number (TIN)			
Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.			
		Social security number N/A	
		or Employer identification number 20-5719042	
Part II Certification			
Under penalties of perjury, I certify that:			
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below).			
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.			
Sign Here	Signature of U.S. person ▶ 	Date ▶ 1/5/2009	
General Instructions			
Section references are to the Internal Revenue Code unless otherwise noted.			
Purpose of Form			
A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.			
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:			
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued), 2. Certify that you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.			
Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.			
Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:			
• An individual who is a U.S. citizen or U.S. resident alien, • A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, • An estate (other than a foreign estate), or • A domestic trust (as defined in Regulations section 301.7701-7).			
Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.			
The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:			
• The U.S. owner of a disregarded entity and not the entity,			

EXHIBIT D
CITY OF KENMORE
6700 NE 181st Street
P.O. Box 82607
Kenmore, WA 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

TAX IDENTIFICATION NUMBER

In order for you to receive payment from the City of Kenmore, the must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Service Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires the City to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of Kenmore prior to or along with the submittal of the first billing invoice.

Please check the appropriate category:

☒ Corporation ☐ Partnership ☐ Government Consultant
☐ Individual/Proprietor ☐ Other (explain)

TIN No.: 20-5719042

Social Security No.: N/A

Print Name: Tim Schellberg

Title: President

Business Name: ~~GORDON THOMAS HONEYWELL~~

Business Address: GOVERNMENTAL AFFAIRS

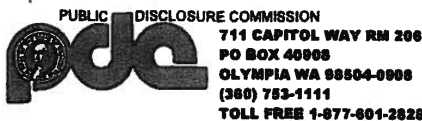
1201 Pacific Ave., Suite 2100

Tacoma, WA 98401

Business Phone: (253) 620-6239

10/12/2009
Date

Timothy M. Schellberg
Authorized Signature (Required)



LOBBYIST REGISTRATION

L1	THIS SPACE FOR OFFICE USE
	(12/03)

1. Lobbyist Name Gordon Thomas Honeywell Governmental Affairs		Business Telephone Numbers Permanent (253) 620-6639 Temporary () Cell Phone (253) 209-8818 or Pager	
Permanent Business Address 1201 Pacific Avenue, Suite 2100		E-Mail Address tims@gth-gov.com	
City Tacoma	State WA	Zip 98401	
2. Temporary Thurston County address during legislative session n/a		Employer's occupation, business or description of purpose of organization Municipal Government	
3. Employer's name and address (person or group for which you lobby) City of Kenmore ATTN: Nancy Ousley 3700 NE 181st Street PO BOX 82607 Kenmore, WA 98028-0607		E-Mail Address hsanders@gth-gov.com	
4. Name and address of person having custody of accounts, receipts, books or other documents which substantiate lobbyist reports. (Person responsible for producing the annual L3 report) Hallee Sanders 1201 Pacific Avenue, Suite 2100 Tacoma, WA 98401			
5. What is your pay (compensation) for lobbying? \$ 3,000.00 per month (hour, day, month, year) Other: Explain: Jan 08 - Dec 08		Description of employment (check one or more boxes) ☐ Full time employee ☐ Part time or temporary employee ☒ Contractor, retainer or similar agreement ☐ Unsalared officer or member of group ☐ Sole duty is lobbying ☐ Lobbying is only a part of other duties	
6. Are you reimbursed for lobbying expenses? Explain which expenses. ☐ Yes: \$ per ☒ Yes: I am reimbursed for expenses. ☐ No: I am not reimbursed for expenses.		Does employer pay any of your lobbying expenses directly? If yes, explain which ones.	
7. How long do you expect to lobby for this organization? ☐ Permanent lobbyist ☐ Only during legislative session ☐ Other, Explain:			
8. Is your employer a business or trade association or similar organization which lobbies on behalf of its members? If "yes," attach a list showing the name and address of each member who has paid the association fees, dues or other payments over \$500 during either of the past two years or is expected to pay over \$500 this year. ☒ No ☐ Yes. However, no member has paid, pays, or is expected to pay over \$500. ☐ Yes. The list is attached			
9. Does your employer have a connected, related or closely affiliated political action committee which will provide funds for you to make political contributions including purchase tickets to fund raising events? If so, list the name of that political action committee. ☒ No ☐ Yes. Name of the committee is:			
10. If lobbyist is a company, partnership or similar business entity which employs others to perform actual lobbying duties, list name of each person who will lobby. (See WAC 390-20-143 and 144 for instructions.) Tim Schellberg, Noah Reandeau, Briahna Taylor, Bryce Yadon, Megan Schrader			

11. Areas of interest. Lobbying is most frequent before legislative committee members or state agencies concerned with following subjects:		Remarks:	
CODE SUBJECT 01 ☐ Agriculture 02 ☐ Business and consumer affairs 03 ☐ Constitutions and elections 04 ☐ Education 05 ☒ Energy and utilities 06 ☒ Environmental affairs - natural resources - parks 07 ☐ Financial institutions and insurance 08 ☒ Fiscal	CODE SUBJECT 09 ☐ Higher education 10 ☒ Human services 11 ☒ Labor 12 ☒ Law and justice 13 ☒ Local government 14 ☐ State government 15 ☒ Transportation 16 ☐ Other - Specify:		
CERTIFICATION: I hereby certify that the above is a true, complete and correct statement.		EMPLOYER'S AUTHORIZATION: Confirming the employment authority to lobby describe in this registration statement.	
12. LOBBYIST'S SIGNATURE	DATE	EMPLOYER'S SIGNATURE NAME TYPED OR PRINTED, AND TITLE	DATE
		Nancy Ousley, Assistant City Manager	5 OCT 20

NOT VALID UNLESS SIGNED BY BOT

VF. Authorize the City Manager to Execute Amendment No. 1 to Contract No. 09-C816 with Gordon Thomas Honeywell, Extending the Contract Duration Date to December 31, 2012 and

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Public Hearing to Receive Public Testimony Regarding the 2011-2012 Mid Biennium Budget Amendments and Setting the 2012 Property Tax Levy			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Finance	Joanne Gregory	Joanne Gregory	425-398-8900
COST OF PROPOSAL: \$4,210,036 Increase in Budgeted Expenditures \$3,108,172 Increase in Projected Revenues		ACCOUNT NUMBER: Various	
AMOUNT BUDGETED: All Funds Expenditure Budget: \$37,128,077 All Funds Projected Revenues: \$33,682,086		NAME AND FUND #: All Funds	
ATTACHMENT(S) TO AGENDA PACKET ITEM: - Memorandum of October 31, 2011, Regarding Recommended Mid Biennium Budget Amendments, reviewed at the November 14, 2011 Council meeting, Revised November 16, 2011 - Memorandum of November 14, 2011 Regarding City of Kenmore 2012 Property Tax Levy and Previous Levy History			
SUMMARY STATEMENT: On November 22, 2010 the City of Kenmore adopted the biennial budget for 2011-2012. The budget included revenue (\$33,682,086) and expenditure (\$37,128,077) estimates for both years as well as departmental work programs. This action represents the mid biennial review of the 2011-2012 biennial budget; as prescribed by State law. Per RCW 35A.34.130, cities that budget on a biennial basis must adopt an ordinance providing for a mid-biennial review and any modifications of the biennial budget. This must occur no sooner than eight months after the start (September 1, 2011) and no later than the end of the first year of the biennium (December 31, 2011). Another requirement of the mid biennial review process is a public hearing to receive public testimony, which is scheduled for this evening, November 28, 2011. There was also a hearing on November 21, 2011. In past years, an updated salary plan for the upcoming year has been presented, along with the budget or budget amendment, to the City Council for adoption. At this time it is recommended that the salary plan adopted for 2011 remain in effect for 2012 pending the outcome of the Position Description and Compensation study currently underway. It is anticipated that the study and recommendations will be ready for Council review in January 2012. The adopted 2011-2012 Biennial Budget included no increase to the property tax levy for 2011 or 2012. The City has not raised the tax levy by the statutorily allowable 1% since 2004, resulting in a cumulative loss of revenue of \$999,183 through 2011. Although a 1% increase for 2012 would only result in an additional \$41,281, not raising the levy will continue to have a cumulative effect on future year's property tax revenue. Cumulative inflation, or cost of living, has been almost 17% since that time. After the public hearing is closed, the first items on the Business Agenda will be an ordinance to pass the proposed mid biennium budget amendments and an ordinance to set the property tax levy for 2012.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:			

VIIA. Public Hearings on Fixing the Amount of Tax Levies Necessary to Meet Authorized Tax Supported Estimated Expenses for the Year 2012 and Proposed Mid-Biennial Modifications to the

Per RCW 35A.34.130, cities that budget on a biennial basis must adopt an ordinance providing for a mid-biennial review and any modifications of the biennial budget and schedule a public hearing to receive public testimony on the budget modifications. A public hearing is also required prior to setting the property tax levy for the upcoming year.

RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:

Public Hearing to Receive Public Testimony Regarding the 2011-2012 Mid Biennium Budget Amendments and Setting the 2012 Property Tax Levy.

REVIEWED BY FINANCE
DIRECTOR: JMG 

REVIEWED BY CITY
ATTORNEY:

APPROVED BY CITY MANAGER:


TODAY'S DATE:
November 16, 2011

REVISION DATE(S):

FILE NAME & PATH (HYPERLINK)
i:\admin & finance\budget\2011-2012\mid
biennium\ab public hearing mid bi amend nov
28.doc



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Mayor, Members of the City Council

FROM: Frederick Stouder, City Manager;
Joanne Gregory, Finance Director

DATE: October 31, 2011
Revised November 16, 2011

RE: Recommended 2011-2012 Mid Biennium Budget Amendments

This memo has been revised to recognize that the General Fund expenditure budget amendments were overstated by \$57,000. This item is for the balance of the design contract for the Wayfinding Signage and Banner Project and was included in both the General Fund budget and the capital budget for the project. The changes have been noted with strikeouts and highlights.

On November 22, 2010, the City of Kenmore adopted the 2011-2012 biennial budget. The budget included revenue (\$33,682,086) and expenditure (\$37,128,077) estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates. This is the mid biennial review of the biennial budget as prescribed by State law. Per RCW 35A.34.130, cities that budget on a biennial basis must adopt an ordinance providing for a mid biennial review and any modifications of the biennial budget. This must occur no sooner than eight months after the start (September 1, 2011) and no later than the end of the first year of the biennium (December 31, 2011). Another requirement of the mid biennial review process is a public hearing at a City Council meeting, which is scheduled for November 21, 2011. There will be an additional hearing on November 28 at which time a budget amendment ordinance will be presented for approval by the City Council.

Even in these uncertain economic times, the City is able to add ~~\$257,528~~ **\$314,528** to the fund balance reserves, bringing the projected General Fund cash reserve balance at the end of 2012 to ~~\$4,776,748~~ **\$4,833,748**. This does not include the \$1,264,465 Strategic Reserve Fund balance which is at the statutory maximum. In all funds, the proposed expenditure adjustments represent an increase of ~~\$4,324,036~~ **\$4,210,036** to the 2011-2012 adopted biennial expenditure budget of \$37,128,077, bringing the total amended expenditure budget to ~~\$41,452,113~~ **\$41,338,113**. The proposed revenue adjustments represent an increase of ~~\$3,165,172~~ **\$3,108,172** from the 2011-2012 projected revenues of \$33,682,086, bringing the total adjusted revenues, for all funds, to ~~\$36,847,258~~ **\$36,790,258**. The difference between adjusted expenditures and adjusted revenues is ~~\$4,604,855~~ **\$4,547,855** which is supported and funded by accumulated reserves in the street maintenance, surface water, and various capital project funds.

A result of the biennial budget is the time and resources conserved by not preparing two annual budgets. The budgetary outcomes would probably not have been much different if two independent budgets had been prepared, yet significant time savings allows concentration on the many municipal responsibilities.

The management team has reviewed the budgets and recommends the adjustments outlined below. During the course of the current year, the City Council has discussed and authorized certain actions, including acknowledgement of the costs, not yet budgeted, which should now be adopted as budget amendments. The recommended adjustments will be reviewed at the November 14 meeting. At that time discussion, questions, and direction can be provided prior to the public hearings later in the month.

General Fund revenues, budgeted at \$18,833,595, have not shown dramatic declines and have been stable and close to projections due to conservative estimates. Pressures from the recession, and particularly unemployment, remain a threat to the local economy, and may for several years; therefore, the City must continue to be conservative, vigilant, and prepared to make reductions in services and expenditures. General Fund expenditures, budgeted at \$19,256,668, have increased in some unanticipated areas, but reductions in other areas, due to conservative budget estimates as well as careful spending, offset these increases.

At adoption, the General Fund budget was balanced with \$18,833,595 in budgeted revenues and \$19,256,668 in budgeted expenditures, the only difference being \$423,073 budgeted as a potential transfer, if needed, to the SR522 Transportation capital project. New federal funds approved for the project will make that transfer unnecessary and it is recommended to be removed from the budget. With the recommended \$112,000 adjustment, General Fund budgeted revenues will be \$18,945,595. General Fund budgeted expenditures, with the recommended decrease of \$145,528 ~~\$202,528~~, will be \$19,111,140 ~~\$19,054,140~~. Overall, the total of the proposed adjustments to the General Fund has a positive net impact to the budgeted ending fund balance, increasing the reserves by ~~\$257,528~~ ~~\$314,528~~. Most of this is a result of savings and cost reductions in the Police budget and contract services with the King County Sheriffs Office.

Throughout the year, the City Council has been advised that the economic climate, and particularly the depressed real estate market, have had an adverse effect on the capital funds, which have experienced prolonged declines in park and transportation impact fee revenues and real estate excise tax revenues. As currently budgeted, no revenue adjustments are proposed at this time to those capital funds.

The 2011-2012 biennial budget will continue to be closely monitored as the City moves into the second year of the biennium. With the continued uncertainty of an economic recovery and the nature of the ongoing projects and work programs, additional budget adjustments may be required or proposed in 2012.

All adjustments recommended at this time are presented in the tables that follow. The adjustments are grouped by fund, beginning with the General Fund, and followed by the Arterial Street Fund, the Street Fund, the Transportation Impact Fee Fund, the Municipal Capital Fund, the Capital Projects Fund, and the Surface Water Management Fund.

Those adjustments already authorized for action at a City Council meeting are identified by an asterisk * and 22 of the 52 noted adjustments proposed below fall into this category. This formal adoption process at the mid biennium period just completes, for municipal accounting and budgeting purposes, actions presented to the Council that the Council has already discussed and approved. Also, each adjustment indicates if the item is a one-time or ongoing adjustment. A one-time adjustment means the expenditure is not expected to occur or affect future budgets; an ongoing adjustment generally means the increase or decrease will have a lasting impact on future budgets (as an example: ongoing salaries and benefits). For each fund, the effect on the budgeted ending fund balance is noted.

GENERAL FUND

Proposed adjustments to the General Fund are as follows. The numbers provide a reference to the notes and explanations in the table. An asterisk * identifies adjustments already authorized for action at a City Council meeting.

1. \$112,000 in cable franchise fees, due in 2010, was received in 2011. Therefore the revenue budget for franchise fees may be increased to recognize the additional revenue in this budget period.
2. *In 2009 the City Council adopted an Economic Development Plan and Strategy which included the Wayfinding Signage and Banner project. The City entered into a contract (10-C891) with Sussman Prejza in the amount of \$73,000 of which only \$14,657 was spent by the end of the budget period. The 2011-2012 budget did not anticipate the balance to be carried forward to 2011; therefore a budget amendment is proposed in the amount of \$62,000 for the balance of the contract (\$57,000) plus marketing and site selection strategy work (\$5,000) toward developing a business incubator with UW Bothell.
3. An increase in the City Manager General Consulting budget is proposed in the amount of \$50,000 to provide for core sampling and materials analysis in anticipation of potential dredging of the Kenmore commercial channel by the Army Corps of Engineers. This proposal is a result of recent discussions with the District US Army Corps staff.
4. An increase in the Legal budget is proposed to recognize the final costs and disbursements associated with the Star Northwest litigation which included a refund of legal fees to Star Northwest in the amount of \$56,941 (paid in April, 2011, US District Court Case No. C05-2133 MJP Order on Attorney's Fees) and associated city attorney expenditures of \$25,344 for a total of \$82,285.
5. The City has a contract with King County District Court. Annually a reconciliation of court costs versus court fees and expenses is performed which generally results in a payment due to the Court. In the prior biennium, the reconciliation payments (\$209,917) were significantly higher than previous years therefore the 2011-2012 budget was prepared with a cautiously high estimate of \$300,000. The 2011 reconciliation payment was \$35,497, not as high as expected. Allowing for a 2012 reconciliation payment of up to \$70,000 would indicate that the budget could be lowered by \$204,800 to \$100,000.
6. The Police Services Contract budget may be lowered by \$315,000 to \$5,815,030 as the reconciled costs were not as significant as anticipated, considering the addition of one deputy. A proposed adjustment to reduce the budget by \$315,000 is recommended.

7. Due to cost saving measures implemented by the King County Sheriff Department, the local precinct office will close and the officers will be housed in the City Hall building. Tenant improvements and furniture are estimated to be \$35,000 and a proposed adjustment is included below.
8. Land use expenditures have been reduced significantly due to the economic conditions as well as reviews performed in house. It is recommended that this budget be reduced by \$75,000.
9. Abatement actions have become desirable on some private properties in the City. No funds have been budgeted for this work and a budget of \$50,000 is recommended. The nature of this program would also allow the funds used to ultimately be returned to the City by placing liens on the properties.
10. *A lease for the use of ballfields was entered into with Bastyr University in 2009 (C09-824). According to the terms of the lease, \$135,000 was to be paid to Bastyr upon completion of the fields. This was expected to occur prior to the close of the 2010 budget; however this final payment was not made until May, 2011. The 2011-2012 budget did not include an appropriation for this expenditure and an adjustment in the amount of \$135,000 is recommended.
11. *Estimated costs for reroofing the senior center building are \$37,000. This expenditure was not provided for in the 2011-2012 budget and a proposed amendment is included. The City Council approved the \$32,068 bid on September 26, 2011 (see minutes at Exhibit A attached). An additional \$5,000 budget appropriation is recommended due to the discovery of additional work on the Center's ceilings that was not foreseen when the bid documents were prepared.
12. *On March 8, 2010, the City entered into an amended and restated interlocal agreement with ARCH (Contract 10-C866). One outcome of the agreement was that the City of Bellevue would keep in trust and administer the accumulated funds annually set aside by the City which totaled \$317,000. ARCH and the City of Bellevue did not request these funds until 2011 and the transaction was not provided for in the adopted 2011-2012 budget. The proposed amendment transfers the cash from the General Fund to the Capital Projects Fund where the ARCH contributions are recorded.
13. * On June 27, 2011, the City Council reviewed and accepted Project T26 for Wayfinding Signage and Banners as part of the Capital Improvement Program (attached as Exhibit B, page v). This project would be funded with General Fund reserves transferred to the Street Fund in the amount of ~~\$104,000~~ 47,000.
14. A transfer of \$423,013 from the General Fund to the Arterial Street Fund was included in the adopted 2011-2012 budget to complete the budgeted SR522 transportation projects nearing completion. Further analysis and additional federal allocations have made this transfer unnecessary.

Note	General Fund Revenues:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.	Cable Franchise Fees	\$538,588	\$112,000	One-time	\$650,588
	Net Revenue Increase		\$112,000		
2.*	City Manager Economic Development	\$24,800	\$62,000	One-time	\$86,800

3.	City Manager General Consulting	\$210,000	\$50,000	One-time	\$260,000
4.	Legal: Star Northwest	\$0	\$82,285	One-time	\$82,285
5.	King County Court	\$304,800	(\$204,800)	Ongoing	\$100,000
6.	Police Services Contract	\$6,130,030	(\$315,000)	Ongoing	\$5,815,030
7.	Public Safety Furniture and Equipment	\$0	\$35,000	One-time	\$35,000
8.	Land Use Review	\$115,000	(\$75,000)	Ongoing	\$40,000
9.	Abatement	\$0	\$50,000	Ongoing	\$50,000
10.*	Bastyr Ballfields Lease	\$100,000	\$135,000	One-time	\$235,000
11.*	Senior Center Facility Repair	\$46,000	\$37,000	One-time	\$83,000
12.*	Transfer to Capital Projects Fund	\$0	\$317,000	One-time	\$317,000
13.*	Transfer to Street Fund	\$1,200,000	\$104,000 \$47,000	One-time	\$1,304,000 \$1,247,000
14.	Transfer to Arterial Street Fund	\$423,013	(\$423,013)	One-time	\$0
.	Net Expenditure Decrease		(\$145,528) (\$202,528)		
	Ending Fund Balance	\$4,519,220	\$257,528 \$314,528		\$4,776,748 \$4,833,748

ARTERIAL STREET FUND

Adjustments are also proposed for the Arterial Street Fund. The adjustments are the result of the analysis and budget refinements recommended during the City Council review and adoption of the Capital Improvement Program on June 27, 2011 and subsequent notification of a federal allocation of \$2,500,000 for right of way acquisition. An asterisk * identifies adjustments already authorized for action at a City Council meeting.

1. *Revenue (reimbursements) of \$55,000 from the Northshore Utility District, regarding the 145th Street Signal project is proposed to be added to the budget. This represents work performed on behalf of NUD which will be fully reimbursed and offsets a \$55,000 increase in the project budget below. This was reviewed by the City Council at the June 27, 2011 meeting (Exhibit H) and the September 12, 2011 meeting (Exhibit F).
2. *The adopted budget included an estimate of a federal allocation of \$600,000 for the 61st Ave NE/NE 181st St. Signal Project T7. The actual federal funds are estimated to increase \$50,000 to \$650,000 per the Local Agency Agreement with the Department of Transportation authorized by the City Council on September 26, 2011 (attached as Exhibit E).
3. *The adopted budget did not anticipate a federal allocation of \$2,500,000 for SR522. This new revenue will be programmed for purchase of right of way for Phase I Stage 2 of the SR 522 Transportation Project T34 (see attached Exhibit G).
4. Due to the federal allocation of \$2,500,000 noted in item 3 above, the project budgets for the right of way acquisition and the 61st Ave NE/NE 181st St. Signal have been amended which results in a decrease of \$146,277 (from \$1,367,532 to \$1,221,255) to be transferred from transportation impact fees.
5. Due to the federal allocation of \$2,500,000 noted in item 3 above, the project budgets for the right of way acquisition and the 61st Ave NE/NE 181st St. Signal have been amended which results in eliminating the transfer from the General Fund of \$423,013.

6. Due to the federal allocation of \$2,500,000 noted in item 3 above, the project budgets for the right of way acquisition and the 61st Ave NE/NE 181st St. Signal have been amended which results in a reduction of \$18,124 (from \$2,271,018 to \$2,252,894) to be transferred from real estate excise taxes in the Municipal Capital Fund.
7. *A review of the project budget for T2 SR 522 Phase I Stage II Design indicates the budget may be reduced by \$161,000 (from \$261,000 to \$100,000). This amendment was accepted as part of the Capital Improvement Program review by the City Council on June 27, 2011 (attached as Exhibit B, page iv).
8. *A review of the project budget for T3 SR 522 Phase II indicates the budget needs to be increased by \$672,775 to \$1,526,775. This amendment was accepted as part of the Capital Improvement Program review by the City Council on June 27, 2011 (attached as Exhibit B, page ii).
9. *A review of the project budget for T33 181st Street Frontage Improvements indicates the budget may be reduced by \$57,000 to \$250,000. This amendment was accepted as part of the Capital Improvement Program review by the City Council on June 27, 2011 (attached as Exhibit B, page ii).
10. *A review of the project budget for T12 145th Street Traffic Signal indicates the budget needs to be increased \$105,000 to \$420,000. The projected increase includes \$55,000 of reimbursable work for Northshore Utility District, as described in the note above, and \$50,000 due to an increase in scope for improvements such as sidewalks, revisions to storm drainage facilities, as discussed at the June 29, 2011 meeting (Exhibit H) and the September 12, 2011 City Council meeting (attached as Exhibit F).
11. *A review of the project budget for T7 61st Ave NE/NE 181st Traffic Signal indicates the budget may be reduced by \$72,350 to \$1,976,200. This amendment was due to actions discussed and accepted by the City Council on June 27, 2011 (attached as Exhibit C), September 12, 2011 (attached as Exhibit D), and September 26, 2011 (Exhibit E).
12. *A review of the project budget for T27 Sidewalk Program indicates the budget should be reduced by \$650,000 to \$100,000. This amendment was accepted as part of the Capital Improvement Program review by the City Council on June 27, 2011 (attached as Exhibit B, page v).
13. *The adopted budget did not anticipate the 61st Place NE slide (project T32) brought on by last winter's storms. The project was discussed and approved by the City Council as part of the Capital Improvement Program review on June 27, 2011 (attached as Exhibit B, page iii). The current project cost estimate is \$410,000 which would be funded from real estate excise tax.
14. *Due to the federal allocation of \$2,500,000 noted in item 3 above, the City will be able to purchase right of way for the SR522 Phase I Stage 2 Project T34 with a total estimated cost of \$2,890,174. This project was reviewed and accepted by the City Council at the October 10, 2011 Council meeting.

Note	Arterial Street Fund Revenues:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.*	Reimbursement from Northshore Utility District Project T12 145 th Street Signal	\$0	\$55,000	One-time	\$55,000

2.*	Federal Allocation: Project T7 61 st Ave NE/181 st St Signal	\$600,000	\$50,000	One-time	\$650,000
3.*	Federal Allocation: Project T34 Right of Way SR522 Ph I Stage II	\$0	\$2,500,000	One-time	\$2,500,000
4.	Transfer from Transportation Impact Fee Fund	\$1,367,532	(\$146,277)	One-time	\$1,221,255
5.	Transfer from General Fund	\$423,013	(\$423,013)	One-time	\$0
6.	Transfer from Municipal Capital Fund	\$2,271,018	(\$18,124)	One-time	\$2,252,894
	Net Revenue Increase		\$2,017,586		
	Arterial Street Fund Expenditures:				
7.*	Project T2, SR522 Phase I Stage II Design	\$261,000	(\$161,000)	One-time	\$100,000
8.*	Project T3, SR 522 Phase II	\$854,000	\$672,775	One-time	\$1,526,775
9.*	Project T33, 181 st St Frontage Improvements	\$307,000	(\$57,000)	One-time	\$250,000
10.*	Project T12, 145 th Street Traffic Signal	\$315,000	\$105,000	One-time	\$420,000
11.*	Project T7, 61 st Ave NE/181 st Traffic Signal	\$2,048,550	(\$72,350)	One-time	\$1,976,200
12.*	Project T27, Sidewalk Program	\$750,000	(\$650,000)	One-time	\$100,000
13.*	Project T32, 61 st Place Slide	\$0	\$410,000	One-time	\$410,000
14.*	Project T34, SR522 Phase I Stage II Right of Way	\$0	\$2,890,174	One-time	\$2,890,174
	Net Expenditure Increase		\$3,137,599		
	Ending Fund Balance	\$1,483,134	\$1,120,013		\$363,121

STREET FUND

Proposed adjustments to the Street Fund are as follows. An asterisk * identifies adjustments already authorized for action at a City Council meeting.

1. * On June 27, 2011, the City Council reviewed and accepted Project T26 for Wayfinding Signage and Banners as part of the Capital Improvement Program (attached as Exhibit B, page v). This project would be funded with General Fund reserves in the amount of ~~\$104,000~~ **\$47,000**.

This adjustment to both the revenue and the expenditure budget has no impact on the budgeted ending fund balance of \$1,274,515.

Note	Street Fund Revenues:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.*	Transfer from General Fund	\$0	\$104,000 \$47,000	One-time	\$104,000 \$47,000

	Street Fund Expenditures:				
1.*	Project T26, Wayfinding Signage and Banners	\$0	\$104,000 \$47,000	One-time	\$104,000 \$47,000
	Ending Fund Balance	\$1,274,515	\$0		\$1,274,515

TRANSPORTATION IMPACT FEE FUND

The proposed adjustment to the Transportation Impact Fee Fund is as follows:

1. Due to the federal allocation of \$2,500,000, the project budgets for the right of way acquisition and the 61st Ave NE/NE 181st St. Signal have been amended which results in a decrease of \$146,277 (from \$1,367,532 to \$1,221,255) to be transferred from transportation impact fees

This revenue adjustment increases the projected ending fund balance by \$146,277 to \$268,362.

Note	Transportation Impact Fee Fund Expenditures:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.	Transfer to Arterial Street Fund	\$1,367,532	(\$146,277)	One-time	\$1,221,255
	Ending Fund Balance	\$122,085	\$146,277		\$268,362

MUNICIPAL CAPITAL FUND

Proposed adjustments to the Municipal Capital Fund are as follows. An asterisk * identifies adjustments already authorized for action at a City Council meeting.

1. Due to the federal allocation of \$2,500,000 the project budgets for the right of way acquisition and the 61st Ave NE/NE 181st St. Signal have been amended which results in a reduction of \$18,124 (from \$2,271,018 to \$2,252,894) to be transferred from real estate excise taxes in the Municipal Capital Fund to the Arterial Street fund.
2. Project P16, the 0056 Outfall and Restoration Project, is nearly complete with a cost of \$85,000 therefore the budget may be reduced by \$65,000.

These adjustments increase the \$558,638 budgeted ending fund balance by \$83,124 resulting in an adjusted ending fund balance of \$641,762.

Note	Municipal Capital Fund Expenditures:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.	Transfer to Arterial Street Fund	\$2,271,018	(\$18,124)	One-time	\$2,252,894
2.	P16, 0056 Outfall and Restoration Project	\$150,000	(\$65,000)	One-time	\$85,000
	Ending Fund Balance	\$558,638	\$83,124		\$641,762

CAPITAL PROJECT FUND

Proposed adjustments to the Capital Project Fund are as follows. An asterisk * identifies adjustments already authorized for action at a City Council meeting.

1. *On March 8, 2010, the City entered into an amended and restated interlocal agreement with ARCH (Contract 10-C866). One outcome of the agreement was that the City of Bellevue would keep in trust and administer the accumulated funds annually set aside by the City which totaled \$317,000. ARCH and the City of Bellevue did not request these funds until 2011 and the transaction was not provided for in the adopted 2011-2012 budget. The \$317,000 that had been set aside for this purpose by the City has now been transferred to the ARCH Housing Trust Fund at the City of Bellevue.

This adjustment to both the revenue and the expenditure budget has no impact on the budgeted ending fund balance of \$60,981.

Note	Capital Projects Fund Revenues:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.*	Transfer from General Fund	\$0	\$317,000	One-time	\$317,000
	Capital Projects Fund Expenditures:				
1.*	ARCH Contribution	\$150,000	\$317,000	One-time	\$467,000
	Ending Fund Balance	\$60,981	\$0		\$60,981

SURFACE WATER MANAGEMENT FUND

Proposed adjustments to the Surface Water Management Fund are as follows. An asterisk * identifies adjustments already authorized for action at a City Council meeting.

1. *King County Conservation Futures Grants have been awarded for the purchase of the Simons property (\$130,000) (Exhibit I) and are likely to be awarded for the Schmitt and Longfellow property purchases.
2. *Funds were awarded for Squires Landing Restoration in the prior biennium from King County Conservation Futures and King County Flood District, in the total amount of \$100,000. In 2010, \$90,000 was received and the remaining \$10,000 is proposed to be added to the 2011-2012 budget and will be remitted to the City when the restoration project is complete.
3. A Department of Ecology Stormwater Capacity Grant was awarded for 2011 in the amount of \$124,586 (see attached Exhibit J).
4. The City's Surface Water staff performed an analysis of King County's surface water billing calculations which revealed errors that, when corrected, are expected to result in a net increase of approximately \$50,000 in fee revenue per year.
5. A new Surface Water Technician position is requested pending completion of the position description and compensation study currently underway. The position would be funded by a reduction in services performed by King County such as public and private facility inspections.
6. A budget amendment for \$10,000 for additional inspection tools is requested due to the additional inspection functions performed by City staff.
7. An increase in the King County system maintenance budget is proposed due to an unexpected bill in early 2011 for \$85,700 which the County explained was a result of their

- accounting error in 2010 (the charges were from 2010). A portion was for the Swamp Creek sediment pond and the rest was for King County system maintenance.
8. An increase in the Swamp Creek Maintenance budget is proposed due to unanticipated costs and additional work performed.
 9. *An increase in the property acquisitions budget is proposed to provide for recently acquired (Schmitt, Longfellow) and potential future property acquisitions.
 10. An increase in the property demolition budget is proposed to provide for demolition and clean up of acquired properties.
 11. An increase in the property utility budget is proposed to provide for utility and other property charges associated with acquired properties.
 12. A reduction in King County Engineering Services for 2012 is anticipated with the approval of the City Surface Water Technician position.
 13. A reduction in King County Private Facility Inspections for 2012 is anticipated with the approval of the City Surface Water Technician position.
 14. A reduction in King County Public Facility Inspections for 2012 is anticipated with the approval of the City Surface Water Technician position.
 15. Project P5 was included in the Capital Improvement Program, in the amount of \$50,000, to continue the restoration work begun at Squire's Landing and funded with King County Conservations Futures and Flood District funds which totaled \$100,000. A budget of \$50,000 is requested which represents the amount not spent in the prior biennium.
 16. A budget of \$50,000 is proposed to purchase asset management software for the surface water system. This purchase would be funded with Department of Ecology grant funds.
 17. A budget of \$20,000 is proposed for aerial imaging. This purchase would be funded with Department of Ecology grant funds.

These adjustments reduce the budgeted ending fund balance of \$992,919 by \$525,780 resulting in an adjusted ending fund balance of \$467,139.

Note	Surface Water Management Fund Revenues:	Original 2011-2012 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2011-2012 Budget
1.*	King County Conservation Futures Grants; Property Purchases	\$0	\$430,000	One-time	\$430,000
2.*	King County Conservation Futures and Flood District Grant for Squires Landing Restoration	\$0	\$10,000	One-time	\$10,000
3.	Department of Ecology Grant	\$0	\$124,586	One-time	\$124,586
4.	Surface Water Billings	\$3,060,878	\$50,000	Ongoing	\$3,110,878
	Net Revenue Increase		\$614,586		
	Surface Water Management Fund Expenditures:				
5.	New Surface Water Technician Position Salaries, Wages, Benefits	\$257,440	\$85,582	Ongoing	\$343,022
6.	Small Tools and Equipment	\$0	\$10,000	One-time	\$10,000

7.	King County System Maintenance	\$150,000	\$58,184	One-time	\$208,184
8.	Swamp Creek Maintenance	\$110,000	\$75,000	One-time	\$185,000
9.	Property Acquisition	\$74,000	\$804,000	One-time	\$878,000
10.	Property Demolition	\$0	\$75,000	One-time	\$75,000
11.	Property Utilities	\$0	\$11,000	One-time	\$11,000
12.	King County Engineering Services	\$28,000	(\$13,000)	Ongoing	\$15,000
13.	King County Private Inspections	\$50,800	(\$25,400)	Ongoing	\$25,400
14.	King County Public Inspections	\$100,000	(\$60,000)	Ongoing	\$40,000
15.	Project P5; Swamp Creek Park Restoration	\$0	\$50,000	One-time	\$50,000
16.	Surface Water Asset Management Software	\$0	\$50,000	One-time	\$50,000
17.	Aerial Imaging	\$0	\$20,000	One-time	\$20,000
	Net Expenditure Increase		\$1,140,366		
	Ending Fund Balance	\$992,919	(\$525,780)		\$467,139

The proposed expenditure adjustments, for all funds, represent an increase of \$4,324,036 **\$4,210,036** to the 2011-2012 adopted biennial expenditure budget of \$37,128,077, bringing the total amended expenditure budget to \$41,452,113 **\$41,338,113**.

Interfund transactions of (\$166,414) **(\$223,414)** are included in the proposed expenditure adjustments.

The proposed revenue adjustments represent an increase of \$3,165,172 **\$3,108,172** from the 2011-2012 projected revenues of \$33,682,086, bringing the total adjusted revenues, for all funds, to \$36,847,258 **\$36,790,258**.

Interfund transactions of (\$166,414) **(\$223,414)** are included in the proposed revenue adjustments.

This represents the first amendment to the adopted 2011-2012 biennial budget. Going forward into 2012, the budget will continue to be closely monitored, and additional adjustments to the budget may be required or recommended. If economic conditions do not improve, revenues may decline further than projected and expenditures may need to be reduced. It is not unusual to modify a biennial budget at least once during the second year of the biennium, prior to closing the period as the City did in 2010.

Please let me know if there are questions that can be addressed prior to the November 14, 2011 City Council meeting.



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Mayor David Baker, Deputy Mayor Milton Curtis,
Councilmembers John Hendrickson, Bob Hensel, Glenn Rogers,
Laurie Sperry, and Allan Van Ness
FROM: Frederick C. Stouder, City Manager
Joanne Gregory, Finance Director
DATE: November 14, 2011
RE: City of Kenmore 2012 Property Tax Levy and Previous Levy History

The 2011-2012 biennial budget was prepared and approved with the assumption that there would be no increase in the property tax levy for 2011 and 2012, other than increases that King County will add for new construction. A levy increase is limited to the lesser of inflation (defined by the implicit price deflator (IPD) or 1% per RCW 84.55.005 and WAC 458-19-005.

For tax year 2012, the IPD limit factor is 2.76%; therefore the limit on the property tax levy is 101% of the 2011 levy. The 2011 levy was \$4,128,098. Applying the 1% increase would result in a 2012 levy of \$4,169,379, an increase of \$41,281, before adding in the benefit of new construction. Only about \$18 million in new construction is expected to be added to the tax rolls in 2012, the lowest in many years. A simple majority vote is required to approve the ordinance increasing the levy by the allowable 1%.

In order to provide the context for future policy considerations on revenue alternatives to meet citywide needs and community expectations, it may be helpful to understand the cumulative effect of the State allowable 1% increase in the City property tax levy.

The 2003 and 2004 annual budgets included and approved a 1% increase in the property tax levy; however the City Council has not approved a levy increase since that time. This has resulted in approximately \$999,183 in lost revenue over the last seven years:

Year	Annual	Cumulative
0% 2005:	\$34,651	\$34,651
0% 2006:	70,732	105,384
0% 2007:	108,140	213,525
0% 2008:	146,802	360,328
0% 2009:	187,039	547,367
0% 2010:	213,275	760,642
0% 2011	238,540	999,183

I:\Admin & Finance\BUDGET\2011-2012\Mid Biennium\CCmemo 2012 tax levy.doc

The 1% increase in the property tax levy does not have a dramatic increase on the tax that a homeowner pays. In fact, the significant increases in city wide assessed valuation, prior to last two years, compared to the 1% increase in the levy, have had the effect of **reducing** the annual tax rate over time. The 2011 tax liability on a \$373,500 home in Kenmore, the now the average home value, was \$4,691. Only \$555 of this tax bill went to the City of Kenmore.

In 2002 the tax rate was set at \$1.85 and the rate declined annually to its 2009 lowest level of \$1.199. For the first time the rate **increased** in 2010 due to the 16% **decrease** in the assessed valuation of real property in the City. The current economic conditions and deflation in the housing market continued to devalue real property in the City by another 6.8% this year.

With no action taken to increase the tax levy, the tax rate will increase from \$1.48 to about \$1.59 per \$1,000 of assessed value; the City will lose \$41,281; and this will have a cumulative effect on future years. Increasing the tax levy by 1% would result in a tax rate of approximately \$1.61 and the City would gain the \$41,281 in additional tax revenue and increase the base for future years.

As the Council knows, basic city public works/infrastructure needs require continual maintenance and rebuilding. Expenditures for basic service levels continue to increase. Revenue opportunities are limited, and state and federal grants are also becoming more limited and more competitive. The City's ability to contribute to street maintenance, balance the general fund operational budget, and maintain healthy reserves is in jeopardy. If the City had taken and directed a 1% increase to capital improvements or maintenance, an additional \$999,813 could have been accumulated over the past seven years.

If you have any questions, please do not hesitate to contact City Manager Fred Stouder at fstouder@kenmorewa.gov.

**City of Kenmore
City Council Regular Meeting
Minutes
September 26, 2011**

CALL MEETING TO ORDER – Mayor David Baker called the meeting to order at 6:30 p.m.

EXECUTIVE SESSION – Mayor David Baker adjourned the regular meeting at 6:30 p.m. to an executive session to discuss Property Acquisition pursuant to RCW 42.30110(1)(b). He stated that the executive session will last for approximately 30 minutes and that no action is anticipated when the meeting is reconvened back to regular session.

EXECUTIVE SESSION WAS EXTENDED FOR AN ADDITIONAL 15 MINUTES.

RECONVENE BACK TO REGULAR SESSION – Mayor David Baker reconvened the meeting back to regular session at 7:15 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Milton Curtis, Councilmembers Bob Hensel, John Hendrickson, Glenn Rogers, and Laurie Sperry.

Councilmembers excused: Councilmember Allan Van Ness

Staff present: Fred Stouder, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance Director; Debbie Bent, Director of Community Development; Lauri Anderson, Senior Planner; Ron Loewen, City Engineer; Cliff Sether, Police Chief; Rod Kaseguma, City Attorney; and Janice Gates, Acting City Clerk.

FLAG SALUTE

Mayor David Baker led the flag salute.

AGENDA APPROVAL

The agenda was approved as submitted.

CONSENT AGENDA

Councilmember John Hendrickson moved to pull Item E from the consent agenda for separate consideration.

Councilmember Laurie Sperry moved to approve the consent agenda as amended, Councilmember Glenn Rogers seconded the motion to Approve the Minutes of the August 15, 2011 Special Regular Council Meeting; August 22, 2011 Special Council Meeting and September 7, 2011 Special Council Meeting; Approve Claim Nos. 24493 – 24580 in the Amount of \$404,359.87 for the period ending September 13, 2011; Set a Special Council Meeting/Workshop on Meeting Procedures and Robert's Rules of Order for Monday, October 3, 2011, 6:30 p.m.; and Authorize the City Manager to Execute Contract No. 11-C963 with Prothman to Assist in

the Recruitment of the Next City Manager. Motion passed 5 – 1, with Councilmember John Hendrickson voting no.

CONSENT AGENDA ITEM E: Authorize City Manager to Execute Contract No. 11-C964 with the Jorve Corporation in the Amount of \$32,068.32 for the Roofing and Gutter Replacement Project at the Senior Center.

Discussion followed.

Councilmember Laurie Sperry moved to Authorize City Manager to Execute Contract No. 11-C964 with the Jorve Corporation in the Amount of \$32,068.32 for the Roofing and Gutter Replacement Project at the Senior Center. Councilmember Glenn Rogers seconded the motion. The motion passed 5 – 1, with John Hendrickson voting no.

CITIZEN COMMENTS

Gareth Jeffers, Kenmore Senior Center, 6910 NE 170th, Kenmore, was present to thank the City Council for the approval of the new roof for the Senior Center.

Dean Phillips, 7112 NE 168th Street, Kenmore, was present to state that the LakePointe site would make a good park and that the City should build a Community Center on the Kenmore Village property.

Mayor David Baker summarized the citizen comments.

BUSINESS AGENDA

Authorize the City Manager to Execute Local Agency Agreement No. 11-C962 for 61st Avenue NE and NE 181st Traffic Signal Construction Funding with the Washington Department of Transportation in the Amount of \$650,000 - Ron Loewen, City Engineer, and Fred Stouder, City Manager, were all present to discuss and answer any questions.

Discussion followed.

Councilmember Glenn Rogers moved to Authorize the City Manager to Execute Local Agency Agreement No. 11-C962 for 61st Avenue NE and NE 181st Traffic Signal Construction Funding with the Washington Department of Transportation in the Amount of \$650,000. Councilmember Bob Hensel seconded the motion. The motion passed unanimously.

Consideration of Amendments to the Shoreline Master Program (SMP) as Required and Suggested by the Department of Ecology – Debbie Bent, Director of Community Development, and Lauri Anderson, Senior Planner, were present to discuss and answer any questions.

Discussion followed

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Review and Discussion of the Adopted 2011-2016 Capital Improvement Program with Emphasis on the Transportation Element			June 27, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Engineering & Finance	Ron Loewen Joanne Gregory	Fred Stouder City Manager	
COST OF PROPOSAL: Previous Development Costs: Staff Time 256 hours Contracted \$1,000 Additional Development Costs: Staff Time 15 hours 2011-2016 Program Costs: \$26,191,773		ACCOUNT NUMBER: Various	
AMOUNT BUDGETED 2011-2012: \$7,565,998		NAME AND FUND #: Various	
ATTACHMENT(S) TO AGENDA PACKET ITEM: • Memo from City Engineer and Finance Director to the City Manager • Adopted 2011-2016 Transportation portion of the Capital Improvement Program • April 11, 2011 CIP Adoption Agenda Bill			
SUMMARY STATEMENT: During the adoption of the 2011-16 Capital Improvement Program (CIP) several issues were discussed that may need clarification, particularly the transportation element, in order to be sure of City Council's understanding of the next steps in implementing the Capital Improvement Program decisions in the immediate future.			
Capital improvement programs serve at least two basic objectives: first, it is the document that implements the City's vision and comprehensive plan; second, it guides budgetary and financial decisions and allocations. A third objective or purpose, it places on the official document, for State and Federal financing eligibility, the potential of grant and loan awards. Any state or federal funding always requires any project to be consistent with a jurisdiction's plans, needs, and priorities. While the CIP is not necessarily a final budget document, it is also not just a "wish list" or a statement of good intentions, although in many communities historically the CIP has never been more than just a "wish list" more or less consistent with a Comprehensive Plan that can't be fully implemented because of lack of funding. City Management's objective is to be sure the City Council understands, and management is clear, of what dollars are here today and tomorrow, at least in the two year adopted budget period, and what dollars for Transportation Projects are depending on revenue forecasts this year and next, and what projects are in later years even more dependent on revenues coming in, or federal or state funds. Of course, future City Council's can make decisions at that time and such sources as bond issues, local improvement districts, and other financing tools can be considered. A two year CIP consistent with a two year budget document approval, should reflect cash in hand. The attached memo describes which projects are on hold, which have appropriations included in the 2011 - 2012 Budget, and which projects require significant grant or other monies to be completed. Some projects would require budget amendments and transfers, but the dollars are or will be in place. As the City Council knows, the City has increased the cash reserves, and the City Council of course can use the cash reserves to fund or accelerate the implementation of a transportation project. The City can also "loan" money from one fund to another, then allocate General Fund or other revenues			

back to the fund that is the source of the loan. City management is focused on a conservative approach to build and maintain the unrestricted cash reserve during the continuing economic uncertainties. The Council has also indicated interest in setting criteria for the use of the new cash reserves which are estimated to be as noted in the adopted budget in the amount of \$4,941,884.

The management recommendation is to proceed only with projects that are FULLY FUNDED as identified in the attached memorandum.

The attached memo from the City Engineer and Finance Director describes which projects are currently on hold, which have appropriations included in the 2011-12 City Budget and which projects require significant grant money to be completed.

CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:
City of Kenmore 2011 City Council Goals:

- To seek funds and move forward on the 522 project.
- To implement the Economic Development Plan
- To implement a parks improvement and financing plan
- To establish a 20 to 30 year sidewalk plan
- To address Swamp Creek flooding and restoration (inter-jurisdictional relationships, purchasing property, diagnosis and treatment)
- To address watershed issues affecting the City
- To establish a six year financial plan

RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:

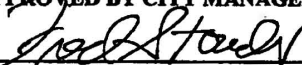
Review and Discussion of the Adopted 2011-2016 Capital Improvement Program with Emphasis on the Transportation Element

**REVIEWED BY FINANCE
DIRECTOR:**



**REVIEWED BY CITY
ATTORNEY:**

APPROVED BY CITY MANAGER:



TODAY'S DATE:
June 16, 2011

REVISION DATE(S):

FILE NAME & PATH (HYPERLINK):
S:\TTP\February 2011 CIP\City Council\June
2011\110523_Agenda Bill.doc



The City of Kenmore

18120 68TH AVENUE NE, KENMORE, WA 98028

MEMORANDUM

To: Fred Stouder
From: Joanne Gregory and Ron Loewen
Date: June 7, 2011
Subject: Capital Improvement Program – Transportation Programs

As requested the following provides a more detailed description of the activities to be performed on Transportation projects included in the recently approved Capital Improvement Program (CIP). Additionally, as requested, we have recommended a means of funding each of the 2011-12 budgeted projects, where required, with other cash resources rather than relying on future REET collections or Traffic Impact Fees as was contemplated in the adopted 2011-16 CIP. The projects are listed in priority order.

The CIP should be considered a programming document with the City of Kenmore adopted Budget being the document that actually appropriates funds for project activities. Since the projects in the last four years of the CIP will not be funded until subsequent budget years we have concentrated on those projects funded in the current budget. Table A of the attachments is a summary of anticipated project expenditures over 2011 and 2012 showing current cost estimates and transportation program revenues. This sheet shows that anticipated expenditures for the two year period have been reduced by \$2,049,900 through project deferrals and updated cost estimates. All 2011-12 budgeted projects are funded with available cash.

The following attached documents are the documents prepared for the CIP discussion and adoption on April 11, 2011 with some revisions. Table B of the attachments is a revised summary of the Transportation Capital Improvement Program with anticipated project expenditures, transportation program revenue and anticipated additional maintenance expenditures with completion of the projects. The subsequent pages are the individual project description sheets.

1. T 1 SR 522 Phase I Stages 1 & 3 (65th Avenue NE to 73rd Avenue NE and the Burke-Gilman Trail underpass at 73rd Avenue) **FULLY FUNDED** – The CIP planned expenses are \$578,798 for 2011. The CIP anticipated revenue sources included \$157,468 of REET funds, \$267,532 of Traffic Impact Fees and \$153,798 from various utilities as reimbursement for work performed for them on the project which totals \$578,798.

The 2011-12 Budget appropriated \$578,798. This project is fully funded.

The remaining construction activities on this project include: completing the punch list, restoration of landscaping that was lost this past winter, modifications to wheel chair ramps, reimbursement of Puget Sound Energy (PSE) for undergrounding of aerial lines, and restoration of sidewalks where utility poles have been removed. Once this is done we need to complete the administrative close out process and invoice utilities and other jurisdictions that participated in the project. The project close out should be completed by November 2011. The project manager is Ron Loewen and construction observation services are being provided by HDR Inc, a consultant. See Pages 2 and 3 for project details.

2. **T 3 SR 522 Phase II (73rd Avenue NE to 83rd Avenue NE) – FULLY FUNDED WITH COUNCIL APPROVED BUDGET AMMENDMENT-** The CIP programmed expenses are \$854,000 for 2011 however recent contractor claim settlement discussions have increased the anticipated expenditure to \$1,054,000. The CIP anticipated revenue sources included \$414,000 of REET funds, \$400,000 of Traffic Impact Fees and \$40,000 from various utilities as reimbursement for work performed for them on the project which totaled \$854,000. An additional \$200,000 would be required to meet anticipated expenditures as a result of the settlement. In addition, the 2009-10 Budget provided for reimbursing PSE for their costs however this payment was not made until 2011. This will require a budget amendment in the amount of \$472,775 by the City Council from REET funds carried over from 2010. This amendment of \$472,775, plus the additional \$200,000 above, increases the total project cost to \$1,526,775. The 2011-12 Budget appropriated \$854,000.

The recommended funding has been revised as follow: \$472,775 of REET funds, \$775,000 of Traffic Impact Fees, \$40,000 from various utilities as noted above, and \$239,000 from the General Fund cash reserves.

The project would be fully funded if the City Council approves a budget amendment to this effect.

The remaining construction activities on this project include completing the punch list, resolution of disputes with the contractor and one adjustment to the Burke-Gilman Trail. Once this is done we need to complete the administrative close out process and invoice utilities and other jurisdictions that participated in the project. The project close out process, assuming resolution of contractor disputes in June, should be completed in November 2011. The project manager is Ron Loewen and construction observation services are being provided by HDR Inc, a consultant. See Pages 6 and 7 for project details.

3. **T 33 NE 181st Street Frontage (Between the King County Library and 67th Avenue NE)** **FULLY FUNDED** - The CIP programmed expenses are \$307,000 for 2011, however the project is nearly complete and actual expenses are anticipated to be \$250,000. The CIP anticipated using \$307,000 of REET funds for this project.

The 2011- 12 Budget appropriated \$307,000 for this project. This project is fully funded.

This project would construct curb, gutter and sidewalk along the south side of NE 181st Street between the King County Library and 67th Avenue NE and underground the overhead aerial utilities in the same location and along 67th Avenue NE from NE 181st Street to SR 522. The project manager is Kent Vaughan and the City is providing construction observation. See Pages 24 and 25 for project details.

4. **T 32 61st Place Landslide – FULLY FUNDED WITH A CITY COUNCIL APPROVED USE OF OTHER CASH RESOURCES AND BUDGET AMENDMENT** - The CIP programmed expenses are \$665,500 for 2011 however a more current estimate anticipates total expenses will be \$500,000. The recently adopted CIP anticipated REET funds would be used to fund this project however we recommend that General Fund Cash Reserve be used to the fund the project.

The 2011-12 Budget did not appropriate funds for this project. A budget amendment will be required. This project will be fully funded with a City Council approval of a budget amendment to use General Fund Cash Reserve.

This project was not anticipated when the draft CIP was prepared last summer or the 2011 –12 Budget as it was adopted in December 2010. Thus the CIP and the 2011-12 Budget did not provide a project or design engineer or program funds. The City Council has subsequently declared it an emergency. Design is 100% complete and bids have been received. Construction would take place in June of 2011. The project manager is Kent Vaughan with design services being provided by a HDR Inc., consultant. See Pages 22 and 23 for project details.

5. **T 7 61st Ave NE & NE 181st Traffic Signal – FULLY FUNDED WITH A CITY COUNCIL APPROVED USE OF OTHER CASH RESOURCES AND BUDGET AMMENDMENT** - The CIP programmed expenses are \$3,338,300 for 2011 and 2012, a more recent cost estimate projects expenditures of \$2,771,900. The CIP anticipated revenue sources included \$1,348,550 of REET funds, \$1,389,750 of Traffic Impact Fees and \$600,000 of a State or Federal grant which totals \$3,338,300. The City recently learned that the Federal grant amount will be \$650,000.

The 2011- 12 Budget appropriated \$2,048,550. To provide the total estimated project costs this will require a budget amendment in the amount of \$723,350 by the City Council. We recommend that the anticipated Sidewalk Program project for 2011-12 be deferred and the REET programmed funds be used for this project. Assuming the City Council approves the budget amendment and delay to the sidewalk project this project would be fully funded with \$1,675,645 of REET, \$446,255 of Traffic Impact Fees and \$650,000 from the grant. *je*

This project is currently being designed and right of way is being acquired. The project will be advertised for bids in January 2012, under construction by April 2012 and will be completed by the end of 2012. The project costs have increased, from the draft CIP of last summer from \$1,200,000 to \$2,771,900 a \$2,138,300 increase. The increases have been for additional right of way acquisitions along SR 522 that would provide for

future improvements and make projects T 6 and T 8 "shovel ready". The acquisition of additional right of way, \$795,700, was approved by the City Council in September. The right of way cost estimate was also increased to provide a more conservative contingency value based on preliminary discussions with property owners. \$324,327 and the construction costs were increased to include a retaining wall and a more conservative contingency value, \$955,323. Recent cost evaluations suggest the construction estimate is very conservative and actual costs could be significantly less, approximately \$500,000. However if the project includes undergrounding of aerial utility lines the amount would likely be only a \$200,000 reduction. The City Council will be presented with options at the meeting in June to discuss budget reduction options. The project manager is Phil Thordarson and will become Kent Vaughan when Phil leaves. The design services are being provided by H W Lochner, a consultant. See Pages 10 and 11 for project details.

6. **T 2 SR 522 Phase I Stage 2 (60th Avenue NE to 65th Avenue NE) – FULLY FUNDED WITH A CITY COUNCIL APPROVED USE OF OTHER CASH RESOURCES** - The CIP programmed expenses are \$261,000 for 2011, however the 2011 funding need is only anticipated to be \$100,000. The CIP programmed \$261,000 of REET funds for this project.

The 2011-12 Budget appropriated \$261,000. Funding of this project would require the use of other available cash of \$100,000. We recommend that the proposed Sidewalk Program project for 2011-12 be deferred and the programmed funds be used for this project. Assuming the City Council approves the deferral of the Sidewalk Program project this project would be fully funded.

The project has reached 95% design completion. The remaining design tasks include right of way negotiations and plan revisions. The project has been placed on hold except for some specific tasks until right of way acquisition funds and/or construction funds have been identified. The specific tasks include plan revisions requested by King County Parks in conjunction with obtaining a permit to use the Burke-Gilman Trail during construction and right of way negotiation for 3 parcels: King County Parks, Jack and the Box and Uplake Town Center. The property compensation costs for these three parcels have been budgeted as part of Project T 7 61st Avenue NE and NE 181st Street Traffic Signal. The project manager has been Phil Thordarson however when Phil leaves no project manager will be assigned as the project has been placed on hold. The design services are being provided by H W Lochner, a consultant. See Pages 4 and 5 for project details.

7. **T 12 NE 145th Street Signal – FULLY FUNDED** - The CIP programmed expenses are \$365,000 for 2011 and 2012. The CIP anticipated revenue sources included \$29,000 of REET funds and the remainder will be funds provided by Bastyr University. \$159,500 has been received thus far.

The 2011-12 Budget appropriated \$315,000 for this project with \$50,000 having been spent in 2010. This project is fully funded.

This project is at 60% design with advertising for bids scheduled for September 2011. Construction will be completed by April of 2012. The project manager is Kent Vaughan. The design services are being provided by H W Lochner, a consultant. See Pages 16 and 17 for project details.

8. **T 26 Wayfinding Signage and Banners – FULLY FUNDED WITH COUNCIL APPROVED BUDGET AMMENDMENT** - The CIP programmed expenses are \$199,000 for 2011 through 2016. The CIP anticipated \$199,000 of General Fund Cash Reserve would be used as the revenue source.

The 2009-2010 Budget appropriated \$73,000 for design of which \$58,343 was not spent. The 2011-12 Budget did not carryover these funds nor did it appropriate funds for activities in 2011 and 2012. This will require a budget amendment of \$104,000 by the City Council using General Fund cash reserve. Assuming the City Council approves the budget amendment the project would be fully funded.

Design has been completed on this project and bid specifications are being prepared. The CIP anticipates installation of some signs and banners in 2011 with annual expenditures of \$20,000 over the next 6 years for additional signs and banners. The project manager is Nancy Ousley and design services are being provided by a consultant in combination with the City. See Pages 18 and 19 for project details.

9. **T 27 Sidewalk Program – FULLY FUNDED WITH FUTURE REET COLLECTIONS** - The CIP planned expenses are \$1,140,000 for two projects one in 2012 and the other in 2016. The CIP anticipated REET funds set aside in previous years for a sidewalk program would be used along with future REET collections for this project. We are recommending that most of the programmed 2011-12 project be deferred and the remaining existing accumulated REET funds be used to fund other 2011-12 projects.

The 2011-12 Budget appropriated \$650,000 for this project. Only \$100,000 of the appropriation would be used to repair a sidewalk on 61st Avenue NE and a stairway on NE 190th Street. REET funds may be available under current revenue projections when the next project is scheduled in 2015. The decision to appropriate funds would be considered as part of the 2015-16 Budget.

This program would construct sidewalks in prioritized locations throughout the City. The City Council will be presented with a priority array in late June to discuss project selection. The program will also include repair of sidewalks or stairways in several locations throughout. Kent Vaughan is the project manager and design services will be provided by the City. See Pages 20 and 21 for project details.

10. **T 8 SR 522 57th to 61st with BGT Wall – FULLY FUNDED WITH FUTURE REET COLLECIONS, TRAFFIC IMPACT FEES AND GRANTS** -The CIP programmed expenses are \$12,479,800 for 2013, 2014, and 2015. The CIP anticipated revenue sources included \$675,970 of REET funds, \$523,698 in Traffic Impact Fees and the remainder in grant funds.

This project has not been included in the 2011-12 Budget and there has been no appropriation of funds. The REET and Traffic Impact Fees may be available under current revenue projections when the project is scheduled to begin again 2013. The decision to appropriate the funds would be considered as part of the 2013-14 Budget.

This project is currently at 95% design completion and on hold until additional funding is secured. The CIP anticipated completing design and initiating right of way activities in 2013 with construction in 2015. The project manager has been Phil Thordarson however when Phil leaves no project manager will be assigned as the project has been placed on hold, the design services are being provided by H W Lochner, a consultant. See Pages 12 and 13 for project details.

11. **T 6 SR 522 61st Ave NE (175th to NE 181st) – FULLY FUNDED WITH FUTURE REET COLLECIONS, TRAFFIC IMPACT FEES AND GRANTS** -The CIP programmed expenses are \$2,666,300 for 2015 and 2016. The CIP anticipated revenue sources included \$510,250 of Traffic Impact Fees and the remainder in grant funds.

This project has not been included in the 2011-12 Budget and there has been no appropriation of funds. The local funds may be available under current revenue projections when the project is scheduled to begin again 2015. The decision to appropriate the funds would be considered as part of the 2015-16 Budget.

The project reached 95% design under project T 2. The project has been put on hold until additional right of way and construction funds have been secured. As the project is on hold there is no assigned project manager. The project manager has been Phil Thordarson however when Phil leaves no project manager will be assigned as the project has been placed on hold. The design services are being provided by a consultant. See Pages 8 and 9 for project details.

12. **T 10 SR 522 from 61st to 63rd Avenue NE – FULLY FUNDED WITH FUTURE REET COLLECIONS, TRAFFIC IMPACT FEES AND GRANTS** -The CIP programmed expenses are \$3,808,200 in 2014, 2015, and 2016. The CIP anticipated revenue sources included \$579,700 of REET funds and the remainder in grant funds.

This project has not been included in the 2011-12 Budget and there has been no appropriation of funds. The local funds may be available under current revenue projections when the project is scheduled to begin again in 2014. The decision to appropriate the funds would be considered as part of the 2013-14 Budget.

This project is currently at 95% design completion and on hold until additional funding is secured. The CIP anticipated completing design and initiating right of way activities in 2013 with construction in 2015. The project manager has been Phil Thordarson however when Phil leaves no project manager will be assigned as the project has been placed on hold, the design services are being provided by H W Lochner, a consultant. See Pages 14 and 15 for project details.

S:\TIP\February 2011 CIP\Transp Proj _Fred_060311.doc

CITY OF KENMORE, WASHINGTON
TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2011-2016 **Table B**

Project Description	2011 Proposed	2012 Proposed	2013 Proposed	2014 Proposed	2015 Proposed	2016 Proposed	2011-2016 Totals
T 1 SR 522 Phase I Stages I & 3	\$578,798	\$0	\$0	\$0	\$0	\$0	\$578,798
T 2 SR 522 Phase I Stage II Design	100,000	0	0	0	0	161,000	261,000
T 3 SR 522 Phase II	1,526,775	0	0	0	0	0	1,526,775
T 6 SR 522 61st Ave NE (NE 175 to NE 181)	0	0	0	0	165,700	2,500,600	2,666,300
T 7 61st Ave NE & 181st Traffic Signal and NB Left turn Lane	1,607,600	1,164,300	0	0	0	0	2,771,900
T 8 SR 522 57th to 61st with BGT Wall	0	0	523,000	421,100	11,535,700	0	12,479,800
T 10 SR 522 61st to 63rd	0	0	0	100,000	366,700	3,341,500	3,808,200
T 12 NE 145th St Traffic Signal	315,000	0	0	0	0	0	315,000
T 26 Wayfinding Signage and Banners	84,000	20,000	20,000	20,000	20,000	20,000	184,000
T 27 Sidewalk Program	100,000	0	0	0	100,000	650,000	850,000
T 32 61st Pl NE Landslide	500,000	0	0	0	0	0	500,000
T 33 NE 181st St Frontage Improvements	250,000	0	0	0	0	0	250,000
Total Project Costs	\$5,062,173	\$1,184,300	\$543,000	\$541,100	\$12,188,100	\$6,673,100	\$26,191,773
Funding:							
Real Estate Excise Tax	\$1,840,938	\$0	\$20,000	\$100,000	\$746,170	\$550,500	\$3,257,608
Real Estate Excise Tax - Set Aside Sidewalks	200,000	743,950	0	0	100,000	650,000	1,693,950
Impact Fee Revenue	1,488,787	0	200,000	200,000	123,698	510,250	2,522,735
State/TIB	0	0	303,000	221,100	1,475,900	0	2,000,000
General Fund	823,000	20,000	20,000	20,000	20,000	20,000	923,000
Other Agencies	193,798	0	0	0	0	0	193,798
Contributions	18,500	18,500	18,500	18,500	18,500	18,500	111,000
Federal STP	0	0	0	0	5,208,200	0	5,208,200
SR 520 Tolling Mitigation	0	0	0	0	2,444,200	3,076,156	5,520,356
SR 522 Federal Allocation	0	650,000	0	0	2,071,932	1,864,194	4,586,126
Total Project Funding	\$4,565,023	\$1,432,450	\$561,500	\$559,600	\$12,208,600	\$6,689,600	\$26,016,773
Estimated Annual Maintenance on Completed Projects:							
T 1 SR 522 Phase I Stages I & 3	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$132,000
T 3 SR 522 Phase II	22,000	12,000	12,000	12,000	12,000	12,000	82,000
T 7 61st Ave NE & 181st Traffic Signal	0	0	600	1,600	1,600	1,600	5,400
T 8 SR 522 57th to 61st with BGT Wall	0	0	0	0	0	19,750	19,750
T 12 NE 145th St Traffic Signal	0	1,100	1,100	1,100	1,100	1,100	5,500
T 26 Wayfinding Signage and Banners		13,000	20,000	20,000	20,000	20,000	93,000
Total Annual Maintenance	\$44,000	\$48,100	\$55,700	\$56,700	\$56,700	\$76,450	\$337,650

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Discussion of 61 st Avenue NE and NE 181 st Street Signal Improvement Project scope of work and right-of-way requirements.			June 27, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Engineering	Ron Loewen	Ron Loewen	425 398 8900
COST OF PROPOSAL: <u>Staff Cost:</u> Preparing agenda bill 5 hours Administering design agreement 240 hours <u>Contract Services:</u> Design, Right of Way, Construction: \$2,771,900		ACCOUNT NUMBER: 09 00 7097 61 st Ave/NE 181 st Signal	
AMOUNT BUDGETED: Adopted 2011-12 Budget \$2,048,550 Approved 2011-16 CIP \$3,338,300		NAME AND FUND #: Arterial Street Fund No. 09	
ATTACHMENT(S) TO AGENDA PACKET ITEM: • Table: 61st Avenue and NE 181st Street Signal Project Options • September 27, 2010 Agenda Bill • July 26, 2010 Agenda Bill • February 8, 2010 Agenda Bill			
SUMMARY STATEMENT: The City Council approved this project on September 27, 2010 with the acquisition of additional right of way and modified the budget as part of the 2011-16 Capital Improvement Program (CIP) adoption in April. During the CIP adoption City staff suggested the project scope be discussed in further detail as the cost estimate had increased from \$2,048,550 to \$3,338,300. Staff is recommending Alternative 4 as described below which is estimated to cost \$2,771,900. The funds are available from Real Estate Excise Tax (REET) in the amount of \$1,675,645, Traffic Impact Fees in the amount of \$446,255, and a Federal Grant in the amount of \$650,000 (not yet received). The adopted 2011-2012 budget appropriated \$2,048,550 for this project, therefore Council action to amend and increase the budget in the amount of \$723,350 would be required. The additional REET funds would be borrowed from existing cash set aside for the sidewalk program which would result in the sidewalk program being delayed for at least two years. Where funds are noted as available, this assumes that the revenue as budgeted in the adopted 2011-2012 biennial budget will be realized. The following is a discussion of the project scope and cost estimates. BACKGROUND The proposed SR 522 Phase I Stage 2 Corridor Improvement Project, from 57th Avenue NE to 65th Avenue NE (the last section) was divided into segments in February 2010, to allow more favorable			

funding proposals. In July of 2010 the Council received word that Senator Murray intended to sponsor the direct allocation of \$600,000 to the SR 522 project. On July 26th the Council authorized the design of the signal improvements at NE 181st Street and 61st Avenue NE with the provision that right-of-way acquisition and improvements be consistent with the overall SR 522 project. The City has also now learned that a Federal Grant allocation has been made by the Washington State Legislature in the amount of \$650,000.

DISCUSSION

During the City Council discussion authorizing the project in September, the City Council decided to pursue the additional right of way. During revisions to the 2011-16 CIP, concern arose over the increase in project cost estimates from the approved \$2,058,550 to \$3,338,300. Since then more detailed cost estimates for the retaining wall and updated right of way estimates have been received. This has resulted in reductions to the 2011-16 CIP estimate, however the project cost estimate remains higher than previously approved. Additionally an estimate for undergrounding aerial facilities has been provided for consideration. The alternatives presented in this agenda bill provide the City Council with 4 distinct project scopes of work with increasing right-of-way acquisition and improvements.

ALTERNATIVES

City staff have prepared 4 alternative project scopes of works and cost estimates for discussion. These are very similar to the project alternatives discussed in September of last year. Several of the alternatives have the same right-of-way acquisition but all vary the extent of construction.

Alternative 1 - This alternative would construct only the traffic signal at 61st Avenue NE and NE 181st Street and acquire right of way at the intersection for future improvements. Under this alternative, right of way would be acquired from 4 parcels and construction would only include the traffic signal and ADA ramps. Total cost is estimated at \$975,400 and would be funded with the Federal Grant of \$650,000 and Traffic Impact Fee funds of \$325,400 which are available. The cost of this Alternative is less than the adopted 2011-2012 biennial budgeted amount of \$2,048,550 and does not require Council action to amend or increase the project budget.

In summary, **Alternative 1** is a minimal project and would provide a traffic signal but no left turn pockets. This would improve circulation and use of NE 181st Street and possibly allow the closure of the 60th Avenue NE left turn from SR 522.

Alternative 2 - This alternative would construct the traffic signal and left turn pockets at NE 181st Street and some curbs along 61st Avenue NE. Aerial facilities would remain. Under this alternative right of way would be acquired from 4 parcels and construction would include the traffic signal, storm drainage, sidewalks, landscaping, ADA ramps, and pavement. Total cost is estimated at \$1,675,900 and would be funded with the Federal Grant of \$650,000, Traffic Impact Fee funds of \$446,255, and \$579,645 of REET of which \$200,000 would be "borrowed" from the sidewalk program funds set aside and which are available. The cost of this Alternative is less than the adopted 2011-2012 biennial budgeted amount of \$2,048,550 and does not require Council action to amend or increase the project budget. This estimate is higher than the September Alternative 2 estimate due to revised right of way estimates and updated costs for the retaining wall.

In summary, **Alternative 2** matches the City Council's stated project scope. Circulation along NE 181st Street would be improved and the left turn at 60th Avenue NE on SR 522 could be eliminated.

Alternative 3 - This alternative would construct the traffic signal and left turn pockets at NE 181st Street and some curbs along 61st Avenue NE. Aerial facilities would remain.

Under this alternative right of way would be acquired from 8 parcels and construction would include the traffic signal, storm drainage, sidewalks, landscaping, ADA ramps and pavement. Total cost is estimated at \$2,471,900 and would be funded with the Federal Grant of \$650,000, Traffic Impact Fee funds of \$446,255, and \$1,375,645 of REET of which \$650,000 would be "borrowed" from the sidewalk program funds set aside and which are available. The cost of this Alternative is \$423,350 greater than the adopted 2011-2012 biennial budgeted amount of \$2,048,550 and would require Council action to amend and increase the project budget. This alternative was chosen by the City Council in September. The additional costs, (the September cost estimate was \$2,058,550), are the result of updated right of way and retaining wall estimates. The additional right of way acquisition would secure several significant pieces of right of way for a portion of the last segment of the SR 522 project.

In summary, **Alternative 3** matches the City Council's stated project scope and direction at the September meeting of including right of way for future SR 522 projects.

Alternative 4 - This alternative would construct the traffic signal and left turn pockets at NE 181st Street and some curbs along 61st Avenue NE and underground aerial facilities. Under this alternative right of way would be acquired from 8 parcels and construction would include the traffic signal, storm drainage, sidewalks, landscaping, ADA ramps, undergrounding of aerial facilities and pavement. Total cost is estimated at \$2,771,900 and would be funded with the Federal Grant of \$650,000, Traffic Impact Fee funds of \$446,255, and \$1,675,645 of REET of which \$950,000 would be "borrowed" from the sidewalk program funds set aside and which are available. The cost of this Alternative is \$723,350 greater than the adopted 2011-2012 biennial budgeted amount of \$2,048,550 and would require Council action to amend and increase the project budget. This alternative is new as previous alternatives did not consider undergrounding aerial facilities.

In summary, **Alternative 4** matches the City Council's stated project scope and direction at the September meeting of including right of way for future SR 522 projects. In addition it provides undergrounding of aerial facilities at the intersection.

RECOMMENDATION

City staff recommends **Alternative 4** which is consistent with the previous City Council direction and provides for undergrounding at the intersection. Undergrounding would allow for the removal of wood poles and aerial facilities now rather than waiting until a future SR 522 project.

The cost of this Alternative is \$723,350 greater than the adopted 2011-2012 biennial budgeted amount of \$2,048,550 and will require Council approval to amend and increase the project budget from \$2,058,000 to \$2,771,900. The project would be funded with the Federal Grant of \$650,000, Traffic Impact Fee funds of \$446,255, and \$1,675,645 of REET of which \$950,000 would be "borrowed" from the sidewalk program funds set aside and which are available. 2011-16 CIP provides adequate financial resources for the project by delaying other SR 522 project segments.

CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:

Council set a priority for SR 522 in 2008 and reaffirmed in 2009 with council action on December 1, 2008 - Agenda title: Consider Projects for Federal Stimulus Package and Potential Action for Authorization to Design and Right of way Acquisition for SR 522 Phase I Stage 2.

City Council action on July 26th, authorizing the design and right of way acquisition for the 61st Avenue NE and NE 181st Street signal.

City Council action on September 27, 2010 selecting an alternative authorizing the design and right of way acquisition for the 61st Avenue and NE 181st signal project.

RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize City staff to proceed with 61 st Avenue NE and NE 181 st Street Signal Improvement Project scope of work and right-of-way acquisition as described in Alternative 4.		
REVIEWED BY FINANCE DIRECTOR: 	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 
TODAY'S DATE: June 8, 2011	REVISION DATE(S):	FILENAME & PATH (HYPERLINK): S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\110620_agenda_bill.doc

City of Kenmore

Washington

SR 522 Phase I Stage 2

61st Avenue NE and NE 181st Street Signal Project Options

Alternative	Description	City Funds	Grant Funds	Total
Alternative 1	Signal only	\$ 325,400	\$ 650,000	\$ 975,400
Alternative 2	Signal and widening	\$ 1,025,900	\$ 650,000	\$ 1,675,900
Alternative 3	Signal, widening and additional right of way	\$ 1,821,900	\$ 650,000	\$ 2,471,900
Alternative 4	Signal, widening, additional right of way and undergrounding	\$ 2,121,900	\$ 650,000	\$ 2,771,900
Approved CIP	Signal, widening and additional right of way	\$ 2,738,300	\$ 600,000	\$ 3,338,300

June 7, 2011

S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\110520_Table Project Options.docx

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Adopt Ordinance No 11-0324 authorizing by condemnation or negotiation of real property interests necessary for the 61st Avenue NE & NE 181st Street Traffic Signal Project			September 12, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Engineering	Ron Loewen 	Ron Loewen	425 398 8900
COST OF PROPOSAL: <u>Right of Way Activities</u> <u>Staff Cost:</u> Preparing agenda bill: 6 hours Administering right of way acquisition: 40 hours <u>Contract Services:</u> Design/Legal Description: \$ 27,200 Appraisals: \$ 37,400 Negotiations: \$ 39,900 Compensation: <u>\$204,800</u> Total \$309,300		ACCOUNT NUMBER: 09 00 7097 61 st Ave/NE 181 st Signal	
AMOUNT BUDGETED: <u>Right of Way Budget:</u> \$1,105,000 <u>Overall Project Budget:</u> Project Budget: \$2,771,900 Expended Budget as of July 22: \$ 131,354 Obligated ¹ Budget as of July 31: \$ 226,815 Remaining Budget ² as of July 31: \$2,435,085 Estimated Remaining Expenditures \$1,639,385 (Over) / Under Budget ³ : \$ 795,700 ¹ Obligated includes funds spent and obligated through signed agreements. ² Remaining Budget is the total budget less the obligated amount. ³ See explanation in Summary Statement		NAME AND FUND #: Arterial Street Fund No. 09	
ATTACHMENT(S) TO AGENDA PACKET ITEM: Exhibit A - Ordinance No 11-0324 Exhibit B - Right of Way Graphic Exhibit C - Example Notification Letter Exhibit D - June 27, 2011 Agenda Bill Exhibit E - September 27,2010 Agenda Bill			

S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\Agenda Bill - Condemnation Ord..doc

SUMMARY STATEMENT:

The City has initiated right of way activities on the 61st Avenue NE and NE 181st Street traffic signal project. Appraisals have been completed and formal offer letters have been submitted to all property owners. Each property owner has been contacted multiple times and negotiations are proceeding on an amicable basis on all. However in order to meet our schedule of starting construction early next year we may need to proceed with condemnation on one or more properties. The condemnation ordinance, see Exhibit A, authorizes the City Manager to pursue condemnation if negotiations are at an impasse.

A public hearing has been scheduled to hear public testimony prior to considering the adoption of the ordinance. Notice has been provided on the City's web site, in the official paper and certified letters sent to the affected property owners.

DISCUSSION:

The 61st Avenue NE and NE 181st Street traffic signal project will be acquiring street right of way from 4 parcels, see Exhibit B, at an estimated cost of \$309,300. Parcel acquisitions areas and locations have been identified based on design drawings and are included in a right of way map. Appraisals are completed and the acquisition will include the following real property rights: fee simple, right of way easement, permanent utility easements, and temporary construction easements. The right of way process for this project must comply with State and Federal regulations. The process is as follows:

- Preparation of a right of way plan based on design plans.
- Preparation of either appraisals or administrative offer worksheets in lieu of an appraisal, based on market research. Administrative offer worksheets are completed when the value of the acquisition, during the project funding estimate phase, is anticipated to be less than \$25,000. This is typically the case for very small acquisitions or easements. If the property owner requests a full appraisal, then one will be prepared.
- An independent review appraiser reviews the appraisals. The reviewer will either agree or recommend a revised amount. Based on the reviewer's recommendation, the City approves the amount of just compensation to the property owner.
- Offers to property owners are made in person. All offers are explained in detail including the legal instruments that need to be signed. The initial offer is followed by several additional contacts to resolve issues and answer questions. We will make every reasonable effort to negotiate settlement of the acquisition.
- Upon settlement, the City will reimburse property owner's expenses for evaluating offers, up to \$750 upon submission of a bill or paid receipt.
- During negotiations, and if necessary, we will ask for voluntary possession and use of property to be acquired for the project. This will allow the City to construct the project while we continue to discuss the value of the real property rights needed.
- If we are unable to reach a settlement then the City will file a condemnation action in King County Superior Court. The proposed condemnation ordinance will give the City Manager the authority to file the condemnation action.
- Prior to trial we will once again request a possession and use agreement. The condemnation process will be in two parts, first a court hearing of "Use and Necessity" and secondly a court trial to determine the value of the property acquisition.
- Once the court case is resolved or if the property owner signs the agreements closing and escrow

S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\Agenda Bill - Condemnation Ord..doc

will proceed and the City will deposit a check for the agreed upon amount.

- Prior to construction, the Washington State Department of Transportation will review right of way property acquisition files and certify the process. The Department of Transportation certification is required before bid advertising.

During the negotiations we will make every reasonable effort to reach agreement on acquisition. The right of way consultants understand Federal and State acquisition requirements and the need to provide property owners with the time to consider offers and ask questions. They are available on short notice and prepared to answer questions. If issues arise the project designers are also available to discuss modifications or explain design decisions. We will also share appraisal information with property owners upon request. However there are times when negotiations reach an impasse and condemnation is necessary.

We are recommending the City Council authorize the City manager to file a condemnation action if acquisition negotiations reach an impasse. Authorizing condemnation now avoids delays to the project and demonstrates the City's intent to acquire land and proceed with the project. Without the condemnation ordinance at this time we would wait until the impasse and then schedule consideration of an ordinance. This process would interject several months into the project schedule and delay the bid advertising date. In addition the ordinance would likely be repeated several times for each parcel as negotiations reach an impasse adding expense to the project and consuming Council agenda time.

As part of the legal requirements each property owner was sent a letter, see Exhibit C, advising them of the City Council's consideration of the condemnation ordinance. These letters were sent two weeks prior to the hearing date certified mail. Additionally each property owner or their representatives were verbally advised of the condemnation process and the hearing.

During the City Council discussion authorizing the project in September 2010, the City Council decided to pursue the additional right-of-way needed for the SR522 Phase I, Stage 2 project (Jack in the Box, Uplake Town Center, and Burke-Gilman Trail). The right-of-way budget for those 3 parcels and the 4 required for the 61st Avenue NE and NE 181st Street Signal Project totaled \$1,105,000 of which \$795,700 was allocated for the 3 Stage 2 parcels. Since then the City was awarded a \$2.5 million Federal Surface Transportation grant for acquisition of Stage 2 right of way. If we were to proceed with acquisition on these parcels, make an offer or authorize condemnation the acquisition costs would not be eligible for Federal grant reimbursements. Therefore the acquisition process for these 3 parcels has been placed on hold until an agreement for the Federal grant can be executed sometime in late September. This will reduce the signal project budget by \$795,700.

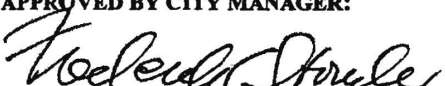
As a footnote, the \$2.5 million grant requires a match amount \$337,500 saving the City \$458,200 while allowing the acquisition of all right of way for the Stage2 project.

Since the last time the City Council reviewed the right of way acquisition requirements there have been some changes:

- The parcel on the northeast corner of the intersection is a condominium. In order to acquire fee title for the right of way all condominium owners would be required to authorize acquisition. However the Home Owners Association has the authority to grant easements. We are therefore requesting a right of way easement rather than fee title which will reduce the acquisition time and project costs.
- Based on discussions with the owner of the parcel on the southwest corner of the intersection the acquisition requirements have been reduced to reduce the impacts on their business and existing improvements. This will also reduce the project costs.

With respect to the overall project, the City issued a SEPA determination of non-significance (DNS) on August

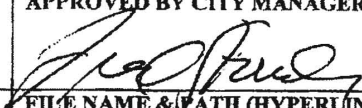
S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\Agenda Bill - Condemnation Ord..doc

24, 2011.		
RECOMMENDATION:		
City staff recommends the adoption of Ordinance 11-0324 authorizing the acquisition by negotiation or condemnation of real property interests needed for the 61 st Ave NE and NE 181 st Street traffic signal project.		
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:		
Council set a priority for SR 522 in 2008 and reaffirmed in 2009 with council action on December 1, 2008 - Agenda title: Consider Projects for Federal Stimulus Package and Potential Action for Authorization to Design and Right of way Acquisition for SR 522 Phase I Stage 2.		
City Council action on September 27, 2010 selecting an alternative authorizing the design and right of way acquisition for the 61 st Avenue and NE 181 st signal project.		
City Council action on June 27, 2011 selecting an alternative authorizing the design and right of way acquisition for the 61 st Avenue and NE 181 st signal project.		
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:		
Adopt Ordinance No 11-0324 authorizing by condemnation or negotiation of real property interests necessary for the 61 st Avenue NE & NE 181 st Street Traffic Signal Project		
REVIEWED BY FINANCE DIRECTOR: 	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 
TODAY'S DATE: August 24, 2011	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK): S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\Agenda Bill - Condemnation Ord..doc

S:\0159 61st Ave NE and NE 181st St Traffic Signal\Council\Agenda Bill - Condemnation Ord..doc

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Authorize the City Manager to execute an interlocal agreement with the Washington State Department of Transportation for the construction of the 61 st Ave NE and NE 181 st Street Traffic Signal in the amount of \$650,000			September 26, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Engineering	Ron Loewen	Ron Loewen	425 398 8900
COST OF PROPOSAL: <u>Staff Cost</u> Preparing Agenda Bill 2 hours Grant preparation and administration 80 hours <u>WSDOT Reimbursable Costs</u> Providing a CA Engineer \$ 5,000 Construction Costs Complying with Federal Specifications \$15,000 Total \$20,000		ACCOUNT NUMBER: 09 00 7097 – 61 st Ave/NE 181 st Signal	
AMOUNT BUDGETED: <u>Construction Budget:</u> \$1,501,000 <u>Overall Project Budget:</u> Project Budget: \$2,771,900 Expended Budget as of July 22: \$ 131,354 Obligated ¹ Budget as of July 31: \$ 226,815 Remaining Budget ² as of July 31: \$2,435,085 Estimated Remaining Expenditures \$1,639,385 (Over) / Under Budget: \$ 795,700 ¹ Obligated includes funds spent and obligated through signed agreements. ² Remaining Budget is the total budget less the obligated amount.		NAME AND FUND #: Arterial Street Fund No. 09	
ATTACHMENT(S) TO AGENDA PACKET ITEM: • Local Agency Agreement • Kenmore's 2011-13 Transportation Budget Request for the 61st Ave NE & NE 181st Street signal project. • WSDOT letter dated May 16, 2011 informing the City of project selection for funding. • September 12, 2011 Agenda Bill • June 27, 2011 Agenda Bill			

S:\0159 61st Ave NE and NE 181st St Traffic Signal\WSDOT\AgendaBill - WSDOT Local Agency Agreement.doc

SUMMARY STATEMENT:		
As part of the City's efforts to secure funding for the SR 522 Corridor projects the State Legislature was approached regarding a smaller improvement that would both begin corridor improvements and ease the burden of SR 520 tolling on the citizens of Kenmore. A grant proposal was made for \$650,000 to assist with the construction funding of the 61st Avenue NE and NE 181st Street Traffic Signal. The City was successful and received a \$650,000 federal funding grant from the States 2011-13 Transportation Budget. These funds are available at 100 percent and require no local match. In order for the City to receive these funds and the State to obligate them the City must enter into a Local Agency Agreement and agree to adhere to the "Local Agency Guidelines".		
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:		
Council action on June 27, 2011, discussion of 61st Avenue NE and NE 181st Street Signal Improvement Project scope of work and right-of-way requirements. City Council action on September 27, 2010 selecting an alternative authorizing the design and right of way acquisition for the 61st Avenue and NE 181st signal project.		
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:		
Authorize the City Manager to execute an interlocal agreement with the Washington State Department of Transportation for the construction of the 61st Ave NE and NE 181st Street Traffic Signal in the amount of \$650,000		
REVIEWED BY FINANCE DIRECTOR:	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER:
		
TODAY'S DATE:	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK):
9.15.2011		S:\0159 61st Ave NE and NE 181st St Traffic Signal\WSDOT\AgendaBill - WSDOT Local Agency Agreement.doc

S:\0159 61st Ave NE and NE 181st St Traffic Signal\WSDOT\AgendaBill - WSDOT Local Agency Agreement.doc



Local Agency Agreement

Agency City of Kenmore
 Address 18120 68th Avenue NE
P.O. Box 82607
Kenmore, WA 98028

CFDA No. **20.205**
 (Catalog of Federal Domestic Assistance)
 Project No. _____
 Agreement No. _____
 For OSC WSDOT Use Only

The Local Agency having complied, or hereby agreeing to comply, with the terms and conditions set forth in (1) Title 23, U.S. Code Highways, (2) the regulations issued pursuant thereto, (3) Office of Management and Budget Circulars A-102, A-87 and A-133, (4) the policies and procedures promulgated by the Washington State Department of Transportation, and (5) the federal aid project agreement entered into between the State and Federal Government, relative to the above project, the Washington State Department of Transportation will authorize the Local Agency to proceed on the project by a separate notification. Federal funds which are to be obligated for the project may not exceed the amount shown herein on line r, column 3, without written authority by the State, subject to the approval of the Federal Highway Administration. All project costs not reimbursed by the Federal Government shall be the responsibility of the Local Agency.

Project Description

Name 61st Avenue NE & NE 181st Street Traffic Signal Project Length 0.09 miles
 Termini 61st Avenue NE from 200 feet south of NE 181st Street to 300 feet north of NE 181st Street

Description of Work

Installation of a traffic signal at the intersection and the widening of 61st Avenue NE approaches to facilitate opposing left-turn lanes. Work will also include sidewalk and illumination improvements for pedestrians and upgraded drainage improvements. The right-of-way will be acquired by Agency forces and the project is expected to go out for bid in January 2012

Type of Work		Estimate of Funding		
		(1) Estimated Total Project Funds	(2) Estimated Agency Funds	(3) Estimated Federal Funds
PE ____ % Federal Aid Participation Ratio for PE	a. Agency			
	b. Other			
	c. Other			
	d. State			
	e. Total PE Cost Estimate (a+b+c+d)			
Right of Way ____ % Federal Aid Participation Ratio for RW	f. Agency			
	g. Other			
	h. Other			
	i. State			
	j. Total R/W Cost Estimate (f+g+h+i)			
Construction 100 % Federal Aid Participation Ratio for CN	k. Contract	1,005,563.00	355,563.00	650,000.00
	l. Other Construction Management	177,041.00	177,041.00	
	m. Other Utility Undergrounding	300,000.00	300,000.00	
	n. Other Public Art	9,288.00	9,288.00	
	o. Agency			
	p. State	10,000.00	10,000.00	
	q. Total CN Cost Estimate (k+l+m+n+o+p)	1,501,892.00	851,892.00	650,000.00
	r. Total Project Cost Estimate (e+j+q)	1,501,892.00	851,892.00	650,000.00

Agency Official

By _____
 Title Frederick Stouder, City Manager

Washington State Department of Transportation

By _____
 Director of Highways and Local Programs
 Date Executed _____

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Authorize the City Manager to Execute Interlocal Agreement No.11-C958 with Washington State Parks for Saint Edward State Park Perpetual Easement for Ingress, Egress and Traffic Light Signal, and Temporary Construction Easement (#E687000CIT1).			September 12 th , 2011
DEPARTMENT	DIRECTOR	MEETING ATTENDEES	PHONE
Engineering	Ron Loewen <i>Lon</i>	Ron Loewen	(425) 398-8900
COST OF PROPOSAL: <u>Preparation of Agenda Bill:</u> Staff Time 3 hours \$300 <u>Agreement Costs:</u> State Application Fee \$2,700 Staff Time 20 hours \$2,000 City Attorney \$525 Exhibit Preparation - Consultants \$300 Total \$5,825		ACCOUNT NUMBER: 0900 7095	
AMOUNT BUDGETED: Right-of-way Budget: \$10,000 Overall Project Budget: Project Budget: \$365,000 Expended Budget as of July 31: \$ 60,408 Obligated ¹ Budget as of July 31: \$ 81,135 Remaining Budget ² as of July 31: \$283,865 Estimated Remaining Expenditures: \$422,155 (Over) / Under Budget ³ : (\$138,290) ¹ Obligated includes funds spent and obligated through signed agreements. ² Remaining Budget is the total budget less the obligated amount. ³ See explanation in Summary Statement		NAME AND FUND #: Arterial Street Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: City of Kenmore – Washington State Parks Easement Agreement (11-C958) Agenda Bill from May 24 th , 2010 City Council Meeting			
SUMMARY STATEMENT: A permanent easement over the private access road entrance to Saint Edward State Park and Bastyr University is necessary to construct and maintain the new traffic signal at NE 145 th Street and Juanita Drive NE. Proposed signal improvements within the permanent easement area include new curb & gutter, sidewalk, ADA ramps, pavement widening, traffic detection loops, traffic signal pole, traffic control cabinet, electric service cabinet, and pedestrian pole. The temporary construction easements outside the permanent easement will allow the contractor some flexibility in grading slopes behind the sidewalk to match existing conditions.			

Staff has worked with the Washington State Parks Lands Program over the past year to acquire the necessary easements (including temporary construction easements) to construct the new traffic signal. The State Parks Commission Board approved the easements on May 19th, 2011. State Parks waived their application fee (\$125) and the easement acquisition costs. The City however did pay a non-refundable \$2,700 processing fee.

The easement agreement has been reviewed and approved by the City Attorney's office. Staff requests that City Council authorize the City Manager to execute the proposed easement agreement with Washington State Parks (Contract 11-C958) at this time.

The current project estimate exceeds the project budget. The increase in the estimate is the result of \$55,000 of reimbursable work for the Northshore Utility District and an increase in the project scope including the addition of sidewalks and landing areas for pedestrians, a retaining wall on the east side of Juanita Drive to provide a landing area for pedestrians and placement of the signal pole consistent with future improvements, and revisions to storm drainage facilities. Once construction bids have been submitted a budget amendment will be proposed along with a funding source as part of the awarding of the construction contract.

CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:

**City of Kenmore Capital Improvement Program
Bastyr's Settlement and Release Agreement with the City of Kenmore (July 2009)**

RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:

Authorize the City Manager to Execute Interlocal Agreement No. 11-C958 with Washington State Parks for Saint Edward State Park Perpetual Easement for Ingress, Egress and Traffic Light Signal, and Temporary Construction Easement (#E687000CIT1).

REVIEWED BY FINANCE
DIRECTOR:

REVIEWED BY CITY
ATTORNEY:

APPROVED BY CITY MANAGER:

TODAY'S DATE:
August 24, 2011

REVISION DATE(S):

FILE NAME & PATH (HYPERLINK):
S:\0148 NE 145th ST-Juanita Drive Traffic
Signal\City Council\110809-NE145th-Traffic
Signal AB-Easement Agreement with WA State
Parks.doc

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Authorize the City Manager to execute a local agency agreement (Contract No. 11-C965) for the SR522 Phase 1 Stage 2 project property acquisition with Washington State Department of Transportation in the amount of \$2,890,174.			October 10, 2011
DEPARTMENT	DIRECTOR	MEETING ATTENDEES	PHONE
Engineering	Ron Loewen	Ron Loewen	(425) 398-8900
COST OF PROPOSAL: <u>Staff Cost:</u> Administering right of way acquisition \$ 53,750 <u>Contract Services:</u> Design/Legal Description: \$ 30,500 Appraisals: \$ 216,000 Negotiations: \$ 318,750 WSDOT \$ 6,250 Compensation: \$2,264,924 Total \$2,890,174		ACCOUNT NUMBER: New project: SR522 Ph 1 Stage 2 Right of Way	
AMOUNT BUDGETED: 2011-12: \$795,700 (in the Right of Way Acquisition Budget for T-7: 61 st Avenue NE and NE 181 st Street Signal Project. See Agenda Bill dated September 12, 2011). Mid Biennium Budget Amendment will update the Project Budget.		NAME AND FUND #: Arterial Street Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: Local Agency Agreement Puget Sound Regional Council Letter to the City of Kenmore dated August 4 th , 2011 Agenda Bill September 12, 2011			
SUMMARY STATEMENT: On August 4th, 2011 the City received notification from the Puget Sound Regional Council (PSRC) that the City was awarded \$2,500,000 in grant funds for the SR522 Phase 1 Stage 2 right of way acquisition. In order for the City to receive the grant funds and the State to obligate them, the City must enter into a Local Agency Agreement with WSDOT and agree to adhere to the "Local Agency Guidelines." The total right of way acquisition costs have been estimated at \$2,890,174. The match requirement is 13.5%, making the City's contribution \$390,174. During the City Council discussion in September 2010, the City Council elected to pursue a portion of the right of way needed for the SR522 Phase 1, Stage 2 project (Jack in the Box, Uplake Town Center, and Burke-Gilman Trail), as part of the 61st Avenue NE and NE 181st Street Signal Project. The updated right of way budget for right of way was \$1,105,000 of which \$309,300 was allocated for the four parcels needed for the Signal Project. The balance remaining for the three SR522			

parcels was \$795,700 which would use Real Estate Excise Tax (REET) revenues. With a match requirement of only \$390,174, the City will spend \$405,526 less of REET funds than anticipated at that time. A budget amendment will be presented during the Mid Biennium Budget Review to adjust the budgets for both the 61st Avenue Signal Project and this SR 522 Phase I Stage II Right of Way Acquisition.

Staff recommends that City Council authorize the City Manager to execute the attached Local Agency Agreement with WSDOT.

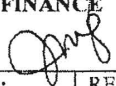
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:

Council set a priority for SR 522 in 2008 and reaffirmed in 2009 with council action on December 1, 2008 - Agenda title: Consider Projects for Federal Stimulus Package and Potential Action for Authorization to Design and Right of way Acquisition for SR 522 Phase I Stage 2.

2011-2012 City Council Goal "To seek funds and move forward on the SR522 Transportation Project"

RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:

Authorize the City Manager to execute a local agency agreement for the SR522 Phase 1 Stage 2 project property acquisition with Washington State Department of Transportation in the amount of \$2,890,174.

REVIEWED BY FINANCE DIRECTOR: 	REVIEWED BY CITY ATTORNEY: 	APPROVED BY CITY MANAGER: 
TODAY'S DATE: September 26, 2011	REVISION DATE(S): 	FILE NAME & PATH (HYPERLINK): S:\0050.51 SR 522 Phase 1, Stage 2 Right-of-Way\110913-Agenda Bill.doc



Local Agency Agreement

Agency City of Kenmore
 Address 18120 68th Avenue NE
P.O.Box 82607
Kenmore, WA 98028

CFDA No. 20.205
 (Catalog of Federal Domestic Assistance)

Project No. _____

Agreement No. _____

For OSC WSDOT Use Only

The Local Agency having complied, or hereby agreeing to comply, with the terms and conditions set forth in (1) Title 23, U.S. Code Highways, (2) the regulations issued pursuant thereto, (3) Office of Management and Budget Circulars A-102, A-87 and A-133, (4) the policies and procedures promulgated by the Washington State Department of Transportation, and (5) the federal aid project agreement entered into between the State and Federal Government, relative to the above project, the Washington State Department of Transportation will authorize the Local Agency to proceed on the project by a separate notification. Federal funds which are to be obligated for the project may not exceed the amount shown herein on line r, column 3, without written authority by the State, subject to the approval of the Federal Highway Administration. All project costs not reimbursed by the Federal Government shall be the responsibility of the Local Agency.

Project Description

Name SR522 Multimodal Corridor Improvements Ph 1 Stg 2 57th-65th Ave NE Length 0.69 Miles

Termini Mile Post 6.30 - Mile Post 6.99 (SR522 from 57th Avenue NE to 65th Avenue NE)

Description of Work

Right-of-way acquisition for SR 522 Phase I, Stage 2 project improvements (57th Avenue NE – 65th Avenue NE). Future project improvements will include widened travel and Business Access and Transit (BAT) lanes, additional turning lanes at the key intersection, signal improvements, illumination, access management, medians, sidewalks, retaining walls, drainage improvements, landscaping, and over head utility conversion to underground.

Type of Work		Estimate of Funding		
		(1) Estimated Total Project Funds	(2) Estimated Agency Funds	(3) Estimated Federal Funds
PE % Federal Aid Participation Ratio for PE	a. Agency			
	b. Other			
	c. Other			
	d. State			
	e. Total PE Cost Estimate (a+b+c+d)			
Right of Way 86.5 % Federal Aid Participation Ratio for RW	f. Agency	53,750.00	7,256.25	46,493.75
	g. Other Acquisition & Relocation	2,830,174.00	382,074.00	2,448,100.00
	h. Other			
	i. State	6,250.00	843.75	5,406.25
	j. Total R/W Cost Estimate (f+g+h+i)	2,890,174.00	390,174.00	2,500,000.00
Construction % Federal Aid Participation Ratio for CN	k. Contract			
	l. Other			
	m. Other			
	n. Other			
	o. Agency			
	p. State			
	q. Total CN Cost Estimate (k+l+m+n+o+p)			
r. Total Project Cost Estimate (e+j+q)		2,890,174.00	390,174.00	2,500,000.00

Agency Official

By _____

Title Fredrick Stonder

City Manager

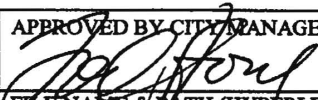
Washington State Department of Transportation

By _____

Director of Highways and Local Programs

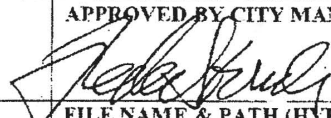
Date Executed _____

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Authorize the City Manager to execute an interlocal agreement (Contract 11-C951) with Northshore Utility District with an estimated value of \$55,000 for sewer improvements to be completed as part of the NE 145th Street Signal project.			June 27, 2011
DEPARTMENT	DIRECTOR	MEETING ATTENDEES	PHONE
Engineering	Ron Loewen	Ron Loewen	(425) 398-8900
COST OF PROPOSAL: Preparation of Agenda Bill and Agreement: Staff Time 8 hours Agreement Costs: Professional Services \$ 7,320 Construction Contract \$47,680 Total \$55,000		ACCOUNT NUMBER: 0900 7095	
AMOUNT BUDGETED: 2011-2012 Traffic Signal Budget: \$315,000 Expended Budget as of April 30: \$12,951 Remaining Balance: \$302,048 Budget to design and construct the new sanitary sewer line: \$55,000 Design and Construction costs incurred by the City will be reimbursed by Northshore Utility District		NAME AND FUND #: Arterial Street Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: • City of Kenmore – Northshore Utility District Interlocal Agreement (11-C951) • Contract 10-C878 Amendment #2 with HW Lochner, Inc.			
SUMMARY STATEMENT: An existing Northshore Utility District (NUD) sanitary sewer pipe was recently discovered within the City's NE 145th Street traffic signal project limits. This sanitary sewer line passes underneath a proposed rockery wall that will be constructed along Juanita Drive NE. NUD would like to replace the sanitary sewer line under the new rockery and has requested that this work be administered through an interlocal agreement between the two public agencies and included in the City's NE 145th Street traffic signal project. The proposed interlocal agreement between NUD and the City (attached) requires NUD to reimburse the City for the additional design and construction costs incurred by the City as a result of the sanitary sewer pipe replacement work. To complete the sewer design, the City will execute Amendment #2 in the amount of \$7,320 with HW Lochner, Inc., which will increase the overall contract amount with HW Lochner, Inc. from \$59,849 to \$67,079.			

The 2011-12 Budget will increase from \$315,000 to \$370,000. This will require a budget amendment to be submitted at a future date. City Staff recommends approval of the proposed interlocal agreement with NUD (Contract 11-C951) and Contract 10-C878 Amendment #2 at this time.		
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: Revised Code of Washington, RCW Chapter 39.34 Interlocal Cooperation Act; Bastyr's Settlement and Release Agreement with the City of Kenmore (July 2009)		
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize the City Manager to execute an interlocal agreement (Contract 11-C951) with Northshore Utility District with an estimated value of \$55,000 for sewer improvements to be completed as part of the NE 145th Street Signal project.		
REVIEWED BY FINANCE DIRECTOR: 	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 
TODAY'S DATE: June 9, 2011	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK): S:\0148 NE 145th ST-Juanita Drive Traffic Signal\City Council\110608-NE145th-Traffic Signal AB-Amendment 2 and Interlocal Agreement with NUD.doc

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Authorize the City Manager to execute an Amendment 'C' to the existing Conservation Futures Interlocal Cooperation Agreement (Contract 04-C363) with King County for the receipt of Conservation Futures Tax (CFT) funds associated with the acquisition of 18546 73rd Avenue NE.			October 10, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Engineering	Ron Loewen	Zack Richardson	425 398 8900
COST OF PROPOSAL: Staff Cost Preparing Agenda Bill 2 hours Grant preparation and administration 4 hours		ACCOUNT NUMBER: 41 00 6347 Simon Property	
AMOUNT BUDGETED: <u>2010 Overall Project Expenditures:</u> Project Expenditures in 2010: \$ 250,218 Expected Project Costs Remaining: \$ 0 Expected CFT Funds: \$ (120,549) Total Project Cost: \$ 129,669 The City was approved for up to \$130,000 in CFT funds; however the project costs were below initial estimates additionally only eligible expenses are reimbursable. The amount shown is the estimated amount of CFT funds the City expects to receive.		NAME AND FUND #: Surface Water Management Fund No. 41	
ATTACHMENT(S) TO AGENDA PACKET ITEM: • Conservation Futures Interlocal Cooperation Agreement (Contract No. 04-C363) • Amendment 'C' to the Interlocal Cooperation Agreement • June 21, 2010 Agenda Bill • November 15, 2010 Agenda Bill • Aerial map of 18546 73rd Avenue NE			
SUMMARY STATEMENT: As a continuation of the Swamp Creek Flood Reduction Improvement Project policy of acquiring properties along 73 rd Avenue NE under certain conditions the City acquired the property at 18546 73 rd Avenue NE. To assist in funding the property acquisition the City applied for and received a King County Conservation Futures Tax grant for up to \$130,000. An addendum to an existing interlocal agreement with King County is required in order to receive the funds that the City has been awarded. In 2010, the City expended \$250,218 associated with this project, and the grant will reimburse the City for up to half of the acquisition cost. Because the project was completed for less than originally estimated and additionally only eligible expenses are reimbursable, the City will not receive the full \$130,000 in CFT funds. We estimate the actual funds to be received at \$120,549.			

S:\0149 Simon Property Acquisition\City Council\Agenda Bill 091311.doc

CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION:		
Council action on June 21, 2010 approved the acquisition of the property at 18546 73 rd Ave NE for \$234,300 with a total project budget of \$345,000.		
Council action on November 15, 2010 approved an additional \$52,800 to be used for demolition and removal of all structures on the property with an updated total project budget of \$339,900.		
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:		
Authorize the City Manager to execute an Amendment 'C' to the existing Conservation Futures Interlocal Cooperation Agreement (Contract 04-C363) with King County for the receipt of Conservation Futures Tax (CFT) funds associated with the acquisition of 18546 73 rd Avenue NE.		
REVIEWED BY FINANCE DIRECTOR:	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER:
		
TODAY'S DATE:	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK):
		S:\0149 Simon Property Acquisition\City Council\Agenda Bill 091311.doc

S:\0149 Simon Property Acquisition\City Council\Agenda Bill 091311.doc

ATTACHMENT C

**2011 CONSERVATION FUTURES LEVY
CITY OF KENMORE ALLOCATION**

<u>Jurisdiction</u>	<u>Project</u>	<u>Allocation</u>
Kenmore	Swamp Creek Acquisition	\$130,000
TOTAL		\$130,000

Project Description:**315803 City of Kenmore - Swamp Creek Acquisition**

This is a two parcel, 4.12 acre open space acquisition project located on 73rd Avenue NE near NE 185th Street in Kenmore. The property is located near the Kenmore Heronry and contains wetlands and a portion of Swamp Creek.

**MUNICIPAL STORMWATER CAPACITY GRANTS PROGRAM
FUNDING AGREEMENT BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
CITY OF KENMORE**

THIS is a binding agreement entered into, by, and between the state of Washington Department of Ecology (DEPARTMENT), and the City of Anacortes (RECIPIENT). The purpose of this agreement is to provide funds to the RECIPIENT to carry out the requirements described herein.

PART I. GENERAL INFORMATION

Project Title:	Municipal Stormwater Capacity Grant Program
State Fiscal Year:	FY2011
Grant Number:	G1100052
RECIPIENT Name:	City of Kenmore
Mailing Address:	18120 68th Ave. NE Kenmore, WA 98028
RECIPIENT Federal ID Number:	91-1912254
Total Eligible Cost (\$70,000 plus per capita calculated amount):	\$124,586
DEPARTMENT Funding Sources:	
State Toxics Control Account:	\$54,586
Local Toxics Control Account:	\$70,000
Referendum ##:	\$
Referendum ##:	\$
DEPARTMENT Share:	\$124,586
DEPARTMENT Maximum Percentage:	100%

CITY OF KENMORE

DRAFT

WASHINGTON

ORDINANCE NO. 11-0331

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AMENDING ORDINANCE NUMBER 10-0319, ADOPTING THE 2011-2012 BIENNIAL BUDGET, TO ADJUST REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, THE STREET FUND, THE ARTERIAL STREET FUND, THE TRANSPORTATION IMPACT FEE FUND, THE MUNICIPAL CAPITAL FUND, THE CAPITAL PROJECT FUND, AND THE SURFACE WATER MANAGEMENT FUND, PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "Council") of the City of Kenmore, Washington (the "City"), is required by applicable state law to finalize its biennial budget prior to the commencement of the first fiscal year of the biennium; and

WHEREAS, the City is required by applicable state law to conduct a mid-biennial review of the budget prior to the end of the first fiscal year of the biennium; and

WHEREAS the amount of revenue and appropriations can only be estimated at the time of finalization of the budget; and

WHEREAS, the City Council scheduled and held a Public Hearing on the amendments to the 2011-2012 Biennial Budget on November 21, 2011 and November 28, 2011; and

WHEREAS, the City Council finds it in the best interest of the City of Kenmore to adjust revenues and appropriations in the General Fund, the Street Fund, the Arterial Street Fund, the Transportation Impact Fee Fund, the Municipal Capital Fund, the Capital Projects Fund, and the Surface Water Management Fund;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Funds Appropriated. The 2011-2012 biennial budget, adopted by Ordinance No. 10-0319, for the period January 1, 2011 through December 31, 2012, is hereby amended by fund to reflect the adjustments to revenues and appropriations as follows:

FUND	Original Adopted 2011-2012 Revenues	Change	Amended 2011- 2012 Budgeted Revenues
General Fund	\$ 18,833,595	\$112,000	\$18,945,595
Street Fund	2,347,724	47,000	2,394,724
Arterial Street Fund	5,556,577	2,017,586	7,574,163

Public Art Fund	3,979	0	3,979
Park Impact Fee Fund	440,942	0	440,942
Transportation Impact Fee Fund	943,962	0	943,962
Swamp Creek Basin Fund	35,619	0	35,619
Municipal Capital Reserve Fund	2,038,341	0	2,038,341
Capital Projects Fund	191,079	317,000	508,079
Surface Water Management Fund	3,128,748	614,586	3,743,334
Strategic Reserve Fund	0	0	0
Equipment Replacement Fund	161,520	0	161,520
Total Budget	\$33,682,086	\$3,108,172	\$36,790,258

FUND	Original Adopted 2011-2012 Expenditures	Change	Amended 2011- 2012 Budgeted Expenditures
General Fund	\$19,256,668	(\$202,528)	\$19,054,140
Street Fund	3,113,790	47,000	3,160,790
Arterial Street Fund	5,282,641	3,137,599	8,420,240
Public Art Fund	1,000	0	1,000
Park Impact Fee Fund	700,000	0	700,000
Transportation Impact Fee Fund	1,367,532	(146,277)	1,221,255
Swamp Creek Basin Fund	0	0	0
Municipal Capital Reserve Fund	3,346,018	(83,124)	3,262,894
Capital Projects Fund	190,820	317,000	507,820
Surface Water Management Fund	3,726,109	1,140,366	4,866,475
Strategic Reserve Fund	0	0	0
Equipment Replacement Fund	143,497	0	143,497
Total Budget	\$37,128,075	\$4,210,036	\$41,338,111

The City Manager is hereby authorized and instructed to effectuate the necessary changes to the 2011-2012 biennial budget, adopted by Ordinance Number 10-0319, and make any necessary and appropriate line item entries and adjustments in order to reflect the amendments in this ordinance.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28th DAY OF NOVEMBER, 2011.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Lynn Suskin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.:
Date of Publication:
Effective Date:

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Adoption of Ordinance No. 11-0332 of the City of Kenmore, Washington, Relating to the 2012 Regular Property Tax Levy; Providing for Severability; and Establishing an Effective Date			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Finance	Joanne Gregory	Joanne Gregory	425-398-8900
COST OF PROPOSAL: Currently budgeted as a 0% increase. A 1% levy increase in 2012 would provide \$41,281.		ACCOUNT NUMBER: 01 00 4001	
AMOUNT BUDGETED: Property Tax Revenues for 2012: \$4,147,727		NAME AND FUND #: General Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: 1. Memorandum dated November 14, 2011 to the City Council Regarding City of Kenmore 2012 Property Tax Levy and Previous Levy History			
SUMMARY STATEMENT: Public hearings on the City of Kenmore 2012 property tax levy were held on November 21 and November 28, 2011 to receive public comment and testimony. A property tax ordinance must be adopted to include either a zero percent (0%) increase or up to a one percent (1%) increase (\$41,281) in the levy (except for new construction and other adjustments). New construction added to the tax rolls for 2012 is expected to be about \$18.5 million, the lowest since at least 2001, and only adds \$27,300 to the tax levy. The City has not raised the tax levy by the statutorily allowable 1% since 2004, resulting in a cumulative loss of revenue of approximately \$999,183 through 2011.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: The property tax levy must be set by November 30 of each year per RCW 84.52.070			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Adoption of Ordinance No. 11-0332 of the City of Kenmore, Washington, Relating to the 2012 Regular Property Tax Levy; Providing for Severability; and Establishing an Effective Date			
REVIEWED BY FINANCE DIRECTOR: JMG <i>[Signature]</i>		REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: <i>Niko R. F. Strider</i>
TODAY'S DATE November 16, 2011	REVISION DATE(S):		FILE NAME & PATH (HYPERLINK) i:\admin & finance\budget\2011-2012\mid biennium\ab tax levy 2012.doc



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Mayor David Baker, Deputy Mayor Milton Curtis,
Councilmembers John Hendrickson, Bob Hensel, Glenn Rogers,
Laurie Sperry, and Allan Van Ness
FROM: Frederick C. Stouder, City Manager
Joanne Gregory, Finance Director
DATE: November 14, 2011
RE: City of Kenmore 2012 Property Tax Levy and Previous Levy History

The 2011-2012 biennial budget was prepared and approved with the assumption that there would be no increase in the property tax levy for 2011 and 2012, other than increases that King County will add for new construction. A levy increase is limited to the lesser of inflation (defined by the implicit price deflator (IPD) or 1% per RCW 84.55.005 and WAC 458-19-005.

For tax year 2012, the IPD limit factor is 2.76%; therefore the limit on the property tax levy is 101% of the 2011 levy. The 2011 levy was \$4,128,098. Applying the 1% increase would result in a 2012 levy of \$4,169,379, an increase of \$41,281, before adding in the benefit of new construction. Only about \$18 million in new construction is expected to be added to the tax rolls in 2012, the lowest in many years. A simple majority vote is required to approve the ordinance increasing the levy by the allowable 1%.

In order to provide the context for future policy considerations on revenue alternatives to meet citywide needs and community expectations, it may be helpful to understand the cumulative effect of the State allowable 1% increase in the City property tax levy.

The 2003 and 2004 annual budgets included and approved a 1% increase in the property tax levy; however the City Council has not approved a levy increase since that time. This has resulted in approximately \$999,183 in lost revenue over the last seven years:

Year	Annual	Cumulative
0% 2005:	\$34,651	\$34,651
0% 2006:	70,732	105,384
0% 2007:	108,140	213,525
0% 2008:	146,802	360,328
0% 2009:	187,039	547,367
0% 2010:	213,275	760,642
0% 2011	238,540	999,183

I:\Admin & Finance\BUDGET\2011-2012\Mid Biennium\CCmemo 2012 tax levy.doc

The 1% increase in the property tax levy does not have a dramatic increase on the tax that a homeowner pays. In fact, the significant increases in city wide assessed valuation, prior to last two years, compared to the 1% increase in the levy, have had the effect of **reducing** the annual tax rate over time. The 2011 tax liability on a \$373,500 home in Kenmore, the now the average home value, was \$4,691. Only \$555 of this tax bill went to the City of Kenmore.

In 2002 the tax rate was set at \$1.85 and the rate declined annually to its 2009 lowest level of \$1.199. For the first time the rate **increased** in 2010 due to the 16% **decrease** in the assessed valuation of real property in the City. The current economic conditions and deflation in the housing market continued to devalue real property in the City by another 6.8% this year.

With no action taken to increase the tax levy, the tax rate will increase from \$1.48 to about \$1.59 per \$1,000 of assessed value; the City will lose \$41,281; and this will have a cumulative effect on future years. Increasing the tax levy by 1% would result in a tax rate of approximately \$1.61 and the City would gain the \$41,281 in additional tax revenue and increase the base for future years.

As the Council knows, basic city public works/infrastructure needs require continual maintenance and rebuilding. Expenditures for basic service levels continue to increase. Revenue opportunities are limited, and state and federal grants are also becoming more limited and more competitive. The City's ability to contribute to street maintenance, balance the general fund operational budget, and maintain healthy reserves is in jeopardy. If the City had taken and directed a 1% increase to capital improvements or maintenance, an additional \$999,813 could have been accumulated over the past seven years.

If you have any questions, please do not hesitate to contact City Manager Fred Stouder at fstouder@kenmorewa.gov.

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Adopt Ordinance No. 11-0331 of the City of Kenmore, Washington, Amending Ordinance Number 10-0319, Adopting the 2011-2012 Biennial Budget; To Adjust Revenues and Appropriations for the General Fund, the Street Fund, the Arterial Street Fund, the Transportation Impact Fee Fund, the Municipal Capital Fund, the Capital Projects Fund, and the Surface Water Management Fund			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Finance	Fred Stouder	Joanne Gregory	425-398-8900
COST OF PROPOSAL: \$4,210,036 Increase in Budgeted Expenditures \$3,108,172 Increase in Projected Revenues		ACCOUNT NUMBER: Various	
AMOUNT BUDGETED: All Funds Expenditure Budget: \$37,128,077 All Funds Projected Revenues: \$33,682,086		NAME AND FUND #: All Funds	
ATTACHMENT(S) TO AGENDA PACKET ITEM: ORDINANCE NO. 11-0331			
SUMMARY STATEMENT: On November 22, 2010, the City of Kenmore adopted the 2011-2012 biennial budget. The budget included revenue (\$33,682,086) and expenditure (\$37,128,077) estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates. This is the mid biennial review of the biennial budget as prescribed by State law which includes adjustments resulting from proposed and Council authorized changes to the adopted budget. Per RCW 35A.34.130, cities that budget on a biennial basis must adopt an ordinance providing for a mid biennial review and any modifications of the biennial budget. This must occur no sooner than eight months after the start (September 1, 2011) and no later than the end of the first year of the biennium (December 31, 2011). The budget amendments have been presented for Council review and deliberation on November 14, November 21, and November 28, 2011. It is also required that public hearings be held which occurred November 21 and November 28, 2011.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: Per RCW 35A.34.130, cities that budget on a biennial basis must adopt an ordinance providing for a mid-biennial review and any modifications of the biennial budget.			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Adopt Ordinance No. 11-0331 of the City of Kenmore, Washington, Amending Ordinance Number 10-0319, Adopting the 2011-2012 Biennial Budget; To Adjust Revenues and Appropriations for the General Fund, the Street Fund, the Arterial Street Fund, the Transportation Impact Fee Fund, the Municipal Capital Fund, the Capital Projects Fund, and the Surface Water Management Fund			
REVIEWED BY FINANCE DIRECTOR: JMG 		REVIEWED BY CITY ATTORNEY:	
		APPROVED BY CITY MANAGER:  NKG  F. Stouder	
TODAY'S DATE November 16, 2011	REVISION DATE(S):		FILE NAME & PATH (HYPERLINK) i:\admin & finance\budget\2011-2012\mid biennium\ab mid bi amend nov 28.doc

VIIIB. Adopt Ordinance No. 11-0331 of the City of Kenmore, Washington, Amending Ordinance No. 10-0319, Adopting the 2011-2012 Biennial Budget; To Adjust Revenues and Appropriations

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 11-0331

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AMENDING ORDINANCE NUMBER 10-0319, ADOPTING THE 2011-2012 BIENNIAL BUDGET, TO ADJUST REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, THE STREET FUND, THE ARTERIAL STREET FUND, THE TRANSPORTATION IMPACT FEE FUND, THE MUNICIPAL CAPITAL FUND, THE CAPITAL PROJECT FUND, AND THE SURFACE WATER MANAGEMENT FUND, PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "Council") of the City of Kenmore, Washington (the "City"), is required by applicable state law to finalize its biennial budget prior to the commencement of the first fiscal year of the biennium; and

WHEREAS, the City is required by applicable state law to conduct a mid-biennial review of the budget prior to the end of the first fiscal year of the biennium; and

WHEREAS the amount of revenue and appropriations can only be estimated at the time of finalization of the budget; and

WHEREAS, the City Council scheduled and held a Public Hearing on the amendments to the 2011-2012 Biennial Budget on November 21, 2011 and November 28, 2011; and

WHEREAS, the City Council finds it in the best interest of the City of Kenmore to adjust revenues and appropriations in the General Fund, the Street Fund, the Arterial Street Fund, the Transportation Impact Fee Fund, the Municipal Capital Fund, the Capital Projects Fund, and the Surface Water Management Fund;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Funds Appropriated. The 2011-2012 biennial budget, adopted by Ordinance No. 10-0319, for the period January 1, 2011 through December 31, 2012, is hereby amended by fund to reflect the adjustments to revenues and appropriations as follows:

FUND	Original Adopted 2011-2012 Revenues	Change	Amended 2011- 2012 Budgeted Revenues
General Fund	\$ 18,833,595	\$112,000	\$18,945,595
Street Fund	2,347,724	47,000	2,394,724
Arterial Street Fund	5,556,577	2,017,586	7,574,163

Public Art Fund	3,979	0	3,979
Park Impact Fee Fund	440,942	0	440,942
Transportation Impact Fee Fund	943,962	0	943,962
Swamp Creek Basin Fund	35,619	0	35,619
Municipal Capital Reserve Fund	2,038,341	0	2,038,341
Capital Projects Fund	191,079	317,000	508,079
Surface Water Management Fund	3,128,748	614,586	3,743,334
Strategic Reserve Fund	0	0	0
Equipment Replacement Fund	161,520	0	161,520
Total Budget	\$33,682,086	\$3,108,172	\$36,790,258

FUND	Original Adopted 2011-2012 Expenditures	Change	Amended 2011- 2012 Budgeted Expenditures
General Fund	\$19,256,668	(\$202,528)	\$19,054,140
Street Fund	3,113,790	47,000	3,160,790
Arterial Street Fund	5,282,641	3,137,599	8,420,240
Public Art Fund	1,000	0	1,000
Park Impact Fee Fund	700,000	0	700,000
Transportation Impact Fee Fund	1,367,532	(146,277)	1,221,255
Swamp Creek Basin Fund	0	0	0
Municipal Capital Reserve Fund	3,346,018	(83,124)	3,262,894
Capital Projects Fund	190,820	317,000	507,820
Surface Water Management Fund	3,726,109	1,140,366	4,866,475
Strategic Reserve Fund	0	0	0
Equipment Replacement Fund	143,497	0	143,497
Total Budget	\$37,128,075	\$4,210,036	\$41,338,111

The City Manager is hereby authorized and instructed to effectuate the necessary changes to the 2011-2012 biennial budget, adopted by Ordinance Number 10-0319, and make any necessary and appropriate line item entries and adjustments in order to reflect the amendments in this ordinance.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28th DAY OF NOVEMBER, 2011.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Lynn Suskin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.:
Date of Publication:
Effective Date:

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Continuation of the City's Review of the Department of Ecology's Required and Suggested Changes to the Shoreline Master Program (SMP)			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Community Development	Debbie Bent	Debbie Bent	425-398-8900
COST OF PROPOSAL: ESA Adolfson consultant contract \$188,900 (Contract 07-C632 with amendments #1, 2, and 3). Planning Commission and Citizen Advisory Committee volunteer time to attend approximately 18+ meetings from 2007 through January 2010. Community Development staff support for project management, review of materials, meeting attendance, and mailings.		ACCOUNT NUMBER: 01 58 5506	
AMOUNT BUDGETED: Consultant costs (\$188,900) are reimbursed from the Department of Ecology Shoreline Grant (\$146,200). Consultant costs not reimbursed from the DOE grant are reimbursed from the City's General Fund (\$42,700). The 2007 budget included \$25,000; the 2008 budget included \$38,000; the 2009 budget included \$38,000; the 2010 budget included \$11,000; and the 2011-2012 budget includes \$5,000.		NAME AND FUND #: General Fund No. 01	
ATTACHMENT(S) TO AGENDA PACKET ITEM: 1. Memo dated 11/18/11 from Debbie Bent and Lauri Anderson providing responses to Council questions on the required and suggested changes to the 2010 SMP requested by the Department of Ecology (Ecology). This memo includes 1 attachment that describes each of Ecology's proposed changes and the associated staff recommendation, with rationale. Four "alternative proposals" are presented for Council consideration.			
SUMMARY STATEMENT: The City Council approved two ordinances in September 2010 adopting an updated Shoreline Master Program for the city after reviewing the Planning Commission recommendation and conducting a public hearing. The approved ordinances were sent to the Department of Ecology (Ecology) for their review and approval as they must give final approval to the Shoreline Master Program before it can become effective. In a letter dated July 25, 2011, Ecology provided a list of required changes to the SMP that would make it "approvable." Ecology also has provided several suggested changes. The City Council considered possible "alternative proposals" to Ecology's changes on September 26 and November 14, 2011, and requested additional information from staff. By November 30, 2011, the City must respond to Ecology with any alternative proposals. These alternative proposals can be provided to Ecology in the form of a letter signed by the Mayor. Staff is recommending four alternative proposals, including one suggested by CalPortland and another formalizing an alternative already approved by Ecology. Once Ecology has acted on any alternative proposals, staff will bring forward an ordinance for Council adoption.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: Council included the update of the SMP on the 2008 and 2009 dockets and forwarded the docket work program item to the Planning Commission for review and recommendation. At the 2/25/10 Council meeting, the Planning Commission presented their final recommendation on the SMP to the Council. The Council opened a public hearing on the draft SMP on 3/29/10, continued it to 5/27/10, and then agreed to continue it to 9/13/10. The Council considered amendments to the Planning Commission's recommendation at several meetings (July 8, July 13 and July 26). The Council adopted two ordinances (10-0312 and 10-0313) approving the City's Shoreline Master Program on 9/13/10—to be effective upon Department of Ecology's approval.			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Council motion to authorize staff to prepare a letter to the Department of Ecology describing "alternative proposals" as requested by			

VIIIC. Continuation and Possible Action of the City's Review of the Department of Ecology's Required and Suggested Changes to the Shoreline Master Program (SMP) - Debbie Bent, Director

Required Changes	Ecology's Request	Staff Recommendation
Required Change #1: Channel Migration Zone on Swamp Creek	ADD Section 16.50.100 to read: <u>A. The Channel Migration Zone shall include:</u> <u>1. The 500-year floodplain of Swamp Creek within shoreline jurisdiction, and</u> <u>2. All area within 112.5 feet of Swamp Creek.</u> <u>B. Within the Channel Migration Zone:</u> <u>1. There shall be no subdivision of land within the channel migration zone except for the purpose of creating permanent, non-buildable open space tracts.</u> <u>2. Fill shall not be allowed that impairs channel migration within the channel migration zone.</u> <u>3. No new development is allowed where future stabilization, including bank stabilization as well as structural flood hazard reduction would be necessary.</u> <u>4. Existing structures can be protected but must use natural stabilization unless proven a scientifically and technically valid study that the natural stabilization measures will not work.</u> <u>5. Existing legal uses in the Swamp Creek floodplain can be repaired and maintained, provided that such actions do not cause significant ecological impacts, increase flood hazards to other uses, and is consistent with other relevant laws.</u> <u>6. Before new structural flood hazard reduction measures in shoreline jurisdiction can be approved, it must be demonstrated by a scientific and engineering analysis that they are necessary to protect existing development, that nonstructural measures are not feasible, that impacts on ecological functions and priority species and habitats can be successfully mitigated so as to assure no net loss of ecological function, and that appropriate vegetation conservation actions are undertaken.</u> <u>C. A project proponent may have a channel migration zone study completed by a qualified professional hydrogeologist to be reviewed by the City. If the study demonstrates that the entirety of the development property is outside of the channel migration zone, then this section will not further apply to the project.</u> MODIFY subsection KMC 16.45.010.B.12: All development activities shall be located and designed to minimize or prevent the need for shoreline defense and stabilization measures and flood protection works such as bulkheads, other bank stabilization, landfills, levees, dikes, groins, jetties or substantial site regrades. All development in the floodplain shall also include an assessment of potential effects the project would have on channel migration, and incorporate measures to mitigate any adverse impacts on channel migration. MODIFY KMC 16.65.020.B.7 to read: Additional height may be permitted under the following conditions: a. The structures would not obstruct the view of a substantial number of residences, and b. The structures are located in an area designated area on Map 1(Shoreline Environment Designations) as allowing these additional heights, and c. The structure height complies with the allowable height of the underlying zone and the following additional height limits within the shoreline, and <u>d. The additional height of the structures would not impair the ecological functions of the stream, lake, wetland, or the required buffer. In particular, the effects of shading and light impacts on the viability of vegetation in the buffer shall be considered when making this determination, and</u>	ADOPT Ecology's amendments. <i>Rationale: The 112.5' distance from Swamp Creek correlates to the smallest allowable buffer in the city's critical area rules without a variance. New development is not expected in this area. As most of the area in the 500-year floodplain is in wetlands/buffers and/or public ownership, the overall impact of this change would be minor.</i>
Required Change #2: Height Limits- H-3 and H-4 Areas	MODIFY KMC 16.65.020.B.7 to read: Additional height may be permitted under the following conditions: a. The structures would not obstruct the view of a substantial number of residences, and b. The structures are located in an area designated area on Map 1(Shoreline Environment Designations) as allowing these additional heights, and c. The structure height complies with the allowable height of the underlying zone and the following additional height limits within the shoreline, and <u>d. The additional height of the structures would not impair the ecological functions of the stream, lake, wetland, or the required buffer. In particular, the effects of shading and light impacts on the viability of vegetation in the buffer shall be considered when making this determination, and</u>	ADOPT Ecology's amendments. <i>Rationale: The shoreline buffer area between 0' and 112.5' from the ordinary high water mark where the height limitation is proposed is not developable except through a variance approved by the Department of Ecology. For this reason, the actual impact of the height change would be minor.</i>

e. <u>Be outside of the floodway in effect at the time of permit application, and</u> f. <u>Not be within a wetland or wetland buffer as regulated by 18.55 KMC.</u>																							
	<table><tr><th>Distance from Structure to Ordinary High Water Mark</th><th>Maximum Height Allowed Area H-1</th><th>Maximum Height Allowed Area H-2</th><th>Maximum Height Allowed Areas H-3 and H-4</th></tr><tr><td>Less than 50 feet</td><td>35 feet</td><td>35 feet</td><td>35 feet</td></tr><tr><td>50 to 100 feet</td><td>50 feet</td><td>45 feet</td><td><u>35-45 feet</u></td></tr><tr><td>100 to <u>112.5</u> 200 feet</td><td>50 feet</td><td>75 feet</td><td><u>35-65 feet</u></td></tr><tr><td><u>112.5 to 200</u> feet</td><td><u>50 feet</u></td><td><u>75 feet</u></td><td><u>65 feet</u></td></tr></table>	Distance from Structure to Ordinary High Water Mark	Maximum Height Allowed Area H-1	Maximum Height Allowed Area H-2	Maximum Height Allowed Areas H-3 and H-4	Less than 50 feet	35 feet	35 feet	35 feet	50 to 100 feet	50 feet	45 feet	<u>35-45 feet</u>	100 to <u>112.5</u> 200 feet	50 feet	75 feet	<u>35-65 feet</u>	<u>112.5 to 200</u> feet	<u>50 feet</u>	<u>75 feet</u>	<u>65 feet</u>		
Distance from Structure to Ordinary High Water Mark	Maximum Height Allowed Area H-1	Maximum Height Allowed Area H-2	Maximum Height Allowed Areas H-3 and H-4																				
Less than 50 feet	35 feet	35 feet	35 feet																				
50 to 100 feet	50 feet	45 feet	<u>35-45 feet</u>																				
100 to <u>112.5</u> 200 feet	50 feet	75 feet	<u>35-65 feet</u>																				
<u>112.5 to 200</u> feet	<u>50 feet</u>	<u>75 feet</u>	<u>65 feet</u>																				
	<u>The burden to demonstrate that the proposal meets the criteria of this section is on the applicant.</u> <u>The director may require technical studies as necessary to demonstrate compliance.</u> The Director has the authority to require a person seeking additional structure require a person seeking additional structure height to submit an analysis performed by a qualified expert which demonstrates compliance with subsection 7-a.																						
Required Change #3: Expansion of Nonconforming Dock	MODIFY KMC 16.75.050.D to read: 16.75.050 Alteration or reconstruction of nonconforming use or development. D. Expansion of a nonconforming dock may be allowed by the director when the applicant demonstrates the following: 1. The expansion would not increase the existing overwater coverage of the dock by more than 25 percent; and 1. <u>The existing nonconformance results from noncompliance with the standards in KMC 16.55.050 B6, B8, B9 or B15, and</u> 2. <u>The proposed expansion meets all other applicable standards in KMC 16.55.050, and</u> 3. <u>The proposed expansion would not increase the existing overwater coverage of the dock to more than the existing condition or by the limits established in KMC 16.55.050.F, whichever is greater, and</u> 24. The expanded dock project would reduce the impacts of the existing dock on critical fish habitat as demonstrated through the habitat management plan for the development, and 35. The proposed expansion would not cause adverse impacts on adjacent shoreline uses.			ADOPT Ecology's amendments. <i>Rationale: Despite efforts by staff, no alternative proposal acceptable to the Department of Ecology could be developed. The Department will not consider any alternative allowing a nonconforming dock to be expanded beyond its current size (or the maximum allowable size, if that were greater). Other incentives still exist for other dock standards and for replacing non-conforming bulkheads when a pocket cove or beach is provided.</i>																			
Required Change #4: Accessory uses counted as part of a water-dependent use	MODIFY KMC 16.50.030.B.2.i to read: Part of a mixed-use development that includes a water-dependent use and in which at least fifty percent of the land area within the shoreline jurisdiction on the project site is in a water-dependent use <u>or water-related use (including uses accessory to a water dependent use that are fully incidental and subordinate to the water-dependent use),</u> dedicated public access, or substantial shoreline			ADOPT Ecology's amendments. <i>Rationale: This change clarifies the intent of the proposed regulation.</i>																			

	habitat enhancement consistent with KMC 16.50.010;	
Required Change #5: Shoreline Designations North of St. Edward State Park	DESIGNATE King County Tax Parcels 1426049013 and 1426049014 as Natural on the shoreline environment designation map.	ADOPT Ecology's amendments. <i>Rationale: The change to a Natural designation would mean that construction of a single-family residence within the 200' shoreline jurisdiction would require a conditional use permit, rather than being allowed outright, the shoreline setback would be 150' rather than 115', and the height limit would be 30' rather than 35'. Given the large size of these two parcels (6 and 9+ acres), there would continue to be opportunities for development on these properties outside of the 200' area along the shoreline.</i>
Required Change #6: Alternative Pier Design	MODIFY KMC 16.55.050 to read: 16.55.050 Docks, piers, moorage, buoys, floats or launching facilities. <u>A.</u> Any dock, pier, moorage, buoy, float or launching facility authorized by this chapter shall not interfere with navigation and. <u>B.</u> Any dock, pier, moorage, buoy, float or launching facility authorized by this chapter shall be subject to the following requirements; or must demonstrate that the project provides an equal or greater degree of protection of ecological functions and anadromous species habitat for the purposes of meeting this requirement, the director will review the required habitat management plan to determine whether the project is adequately protective.; <u>Docks, piers, moorage, buoys, floats or launching facilities serving more than four single-family residences must also meet the standards in KMC 16.50.050.</u> <u>1.</u> Docks, piers, moorage, buoys, floats or launching facilities shall not exceed the minimum size necessary to serve the use for which they are designed (see 16.55.030.B.4). <u>Docks, piers, moorage, buoys, floats or launching facilities serving more than four single family residences must also meet the standards in KMC 16.50.050.</u> <u>A3.</u> Only joint use boat lift, dock, pier, moorage, buoys, float or launching facilities may be permitted for multiple family dwelling unit development proposals. <u>B4.</u> Only one boat lift, dock, pier, moorage, buoy, float and launching facility may be permitted for each parcel developed with a single detached residential unit and only if the applicant demonstrates there is no other feasible option for shared use facilities. However, installation or retention of additional watercraft lifts beyond one, without a canopy, at a single residential use waterfront structure is allowed. A maximum of three lifts are allowed at a single residential use overwater structure. However, only two lifts can be ground-based, all other lift(s) must be floating or suspended lift(s). <u>C5.</u> Only joint use docks or piers are allowed on lots with less than 50 feet of waterfront except when lots abutting both sides of the subject lot already have a dock or pier. <u>D6.</u> The only structures permitted in the first 30 feet waterward of the ordinary high water mark are piers and ramps. All floats and ellis must be at least 30 feet waterward of the ordinary high water mark. <u>E7.</u> No skirting is allowed on any structure. <u>F8.</u> Surface coverage (includes all overwater portions of the floats, ramps, and ellis) shall be limited as follows: <u>1a.</u> Moorage facilities serving only one residential waterfront lot shall not exceed 480 square feet; <u>2b.</u> Moorage facilities serving two residential waterfront lots shall not exceed 700 feet; and	<u>C.</u> Proposals that do not meet the requirements of subsections B.6, 8, 9 or 15 of this section and that are designed to support a commercial or manufacturing water-dependent use, or to provide public access, or to serve residential uses, may be considered by the director. For any alternative proposal, the applicant must demonstrate that the proposed deviation is the minimum necessary to meet the needs of the specific use proposed, and provides an equal or greater degree of protection of ecological functions and anadromous species habitat than would strict adherence to the standards. For purposes of meeting this requirement, the director will review the required habitat management plan to determine whether the project is adequately protective. <i>Rationale: Ecology's amendments provide more detail on modifying dock and pier standards. They clarify that only some standards are subject to modification, and that modifications should only occur for residential and commercial or manufacturing water-dependent uses, or to provide public access. The Alternative Proposal was requested by CalPortland because they are concerned that it is not clear that their loading/off-loading barging facility (related to their manufacturing use) is a "commercial use."</i>

	<u>3c.</u> Moorage facilities serving three or more residential waterfront lots shall not exceed 1,000 square feet. <u>6g.</u> To protect anadromous salmon habitat, the following shall apply: <u>1a.</u> Docks with configurations that do not include any or all of the following elements shall be subject to the overall length and square footage limitations of this section and no portion of the dock shall exceed four feet in width, unless allowed in this subsection; <u>2b.</u> Piers shall not exceed four feet wide and shall be fully grated; <u>3c.</u> Ramps shall not exceed three feet wide and shall be fully grated; <u>4d.</u> Ells are allowed only over water with depths of nine feet or greater at the landward end of the ell; ells may be up to 6 feet wide by 20 feet long with a 2-foot-wide strip of grating down the center; or ells may be up to 6 feet wide by 26 feet long with grating over the entire ell; <u>5e.</u> Floats are allowed only over water with depths of 10 feet or greater at the landward end of the float; and floats may be up to 6 feet wide by 20 feet long with a 2-foot-wide strip of grating down the center; <u>6f.</u> In no case may any moorage facility extend more than 150 feet waterward of the ordinary high water mark; <u>7g.</u> The first (nearest shore) piling shall be steel, 4-inch piling and at least 18 feet waterward of the ordinary high water mark. Piling sets beyond the first are not required to be steel, shall be spaced at least 18 feet apart and shall not be greater than 12 inches in diameter; <u>8h.</u> Piles shall not be treated with pentachlorophenol, creosote, chromated copper arsenate or comparably toxic compounds. If ammoniacal copper zinc arsenate pilings are proposed, the applicant will meet all of the Best Management Practices, including a post-treatment procedure, as outlined in the amended Best Management Practices of the Western Wood Preservers; and <u>9i.</u> When steel piles are installed, approved sound attenuation measures must be used. <u>H10.</u> Existing habitat features (e.g., large and small woody debris, substrate material, etc.) shall be retained and new or expanded moorage facilities placed to avoid disturbance of such features. <u>I11.</u> Invasive aquatic weeds may be removed with nonchemical means only, except that milfoil may be removed using chemicals provided that the chemicals are applied by a licensed applicator and approved for aquatic use. <u>J12.</u> In order to mitigate the impacts of new or expanded commercial moorage facilities, the applicant shall plant emergent vegetation (if site-appropriate) and a buffer of vegetation a minimum of ten feet wide along the entire length of the lot immediately landward of the ordinary high water mark. Planting shall consist of native shrubs and trees and, when possible, emergent vegetation. At least five native trees will be included in a planting plan containing one or more evergreen trees and two or more trees that like wet roots (e.g., willow species), per every 100 lineal feet of shoreline. Such planting shall be monitored for a period of five years according to an approved monitoring plan. This subsection is not intended to prevent reasonable access through the shoreline critical area buffer to the shoreline, or to prevent recreational use of the shoreline critical area. This requirement may be waived or reduced for water-dependent transportation uses where it is demonstrated that vegetation could result in safety or navigation hazards. <u>K13.</u> No private moorage or other structure waterward of the ordinary high water mark,	
--	--	--

	including structures attached thereto, shall be closer than twelve feet to any adjacent property line except when there is a mutual agreement of adjoining property owners. Excepted from the requirements of this section are boat lifts or portions of boat lifts that do not exceed thirty inches in height measured from ordinary high water mark. 14. <u>14.</u> Proposals to repair existing legally established moorage facilities where the nature of the repair is not described in KMC 16.55.030 of this section shall be considered minor repairs and are permitted, consistent with any applicable standards of this Title, Title 18 and any other applicable codes or regulations. M15. <u>15.</u> No covered boat lift, dock, pier, covered moorage, covered float, or other covered structure is permitted waterward of the ordinary high water mark, except as provided below: 1a. <u>1a.</u> Submerged, free-standing mechanical boat lifts associated with single detached residential docks or piers and recreational watercraft may be covered with a canopy, provided: ai. <u>ai.</u> No canopy shall be more than twenty-five feet in length or wider than fifteen feet; bi. <u>bi.</u> No portion of the canopy shall exceed a height of twelve feet above the ordinary high water mark; ei. <u>ei.</u> The canopy shall at no time have any side partly or wholly enclosed; di. <u>di.</u> The highest portion of the canopy shall be located below the lowest grade point on the waterward side of the existing homes on surrounding properties; ey. <u>ey.</u> Canopies shall be made out of canvas or other such non-toxic materials; fy. <u>fy.</u> Canopies shall be of a translucent material to allow light transmission; svii. <u>svii.</u> The total overwater coverage of the piers, floats, ramps, ellis, and canopy for a single family residence with a single-use moorage shall not exceed 600 square feet ; and hvi. <u>hvi.</u> Only one boat lift canopy per single detached residence shall be allowed. 2b. <u>2b.</u> Covered moorage may be provided for commercial boat repair facilities. N16. <u>16.</u> No dwelling unit may be constructed on a dock or pier. 917. <u>17.</u> Buoys shall meet the following conditions: 1a. <u>1a.</u> Buoys shall not impede navigation; 2b. <u>2b.</u> The use of buoys for moorage of recreational and commercial vessels is preferred over pilings or float structures; 3c. <u>3c.</u> Buoys shall be located and managed in a manner that minimizes impacts to aquatic habitat; 4d. <u>4d.</u> No more than four buoys per acre are allowed. <u>C.</u> <u>Proposals that do not meet the requirements of subsections B.6, 8, 9 or 15 of this section and that are designed to support a commercial water-dependent use, or to provide public access, or to serve residential uses, may be considered by the director. For any alternative proposal, the applicant must demonstrate that the proposed deviation is the minimum necessary to meet the needs of the specific use proposed, and provides an equal or greater degree of protection of ecological functions and anadromous species habitat than would strict adherence to the standards. For purposes of meeting this requirement, the director will review the required habitat management plan to determine whether the project is adequately protective.</u>	
--	--	--

Required Change #7: Definition of Critical Areas	REVISE KMC 16.10.110 as follows: 16.10.110 Critical areas. The definitions for “critical areas” in KMC 18.20 shall apply in shorelines. <u>“Critical areas” means any of the following areas or ecosystems: aquifer recharge areas, fish and wildlife habitat areas of importance, frequently flooded areas, geologically hazardous areas, streams, and wetlands, as defined in Chapter 36.70A RCW and this chapter. [Ord. 06-0244 § 21.]</u>	ADOPT Ecology’s amendments. <i>Rationale: This amendment adds the definition of critical areas to the shoreline code (previously, this section referenced the definition in KMC Title 18).</i>																								
Required Change #8: Wetland Definition	MODIFY KMC 16.10.640 as follows: 16.10.640 Wetlands. “Wetlands” means those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas to mitigate the conversion of wetlands. For identifying and delineating a wetland, local government shall use the Washington State Wetland Identification and Delineation Manual (1997)	ADOPT Ecology’s amendments. <i>Rationale: This amendment modifies the definition of “wetlands” so that it exactly matches the definition in State law.</i>																								
Required Change #9: Wetland Mitigation Ratios	MODIFY KMC 18.55.330.G.1 as follows: Acreage Replacement Ratios. The following ratios shall apply to creation or restoration that is in-kind, o same class, timed prior to or concurrent with alteration, and has a high probability of success. These rat apply to remedial actions resulting from unauthorized alterations; greater ratios shall apply on a case-b basis. These ratios do not apply to the use of credits from a state-certified wetland mitigation bank. The number specifies the acreage of replacement wetlands and the second specifies the acreage of wetland Class 1 3 to 1 Class 2 2 to 1 Class 3 1 to 1 Wetland Mitigation Ratios: <table><tr><th>Category and Type of Wetland</th><th>Creation or Reestablishment (C/R)</th><th>Creation (C) or Reestablishment (R) plus Enhancement (E)</th><th>Enhancement (E) Only</th></tr><tr><td>Class 1</td><td>3:1</td><td>1:1 C/R plus 6:1 E</td><td>Not Allowed</td></tr></table>	Category and Type of Wetland	Creation or Reestablishment (C/R)	Creation (C) or Reestablishment (R) plus Enhancement (E)	Enhancement (E) Only	Class 1	3:1	1:1 C/R plus 6:1 E	Not Allowed	PROPOSE an Alternative Proposal as follows: AMEND KMC 16.65.010.C as follows: C. For development in critical areas and critical area buffers, the applicable provisions of Section<u>Chapter 18.55 KMC</u> apply unless a specific exception is provided in the shoreline code. 1. Because Lake Washington, the Sammamish River, and Swamp Creek are all fish and wildlife habitats of importance, a habitat management plan is required for any in-water or overwater development or activity, per KMC 18.55.520. 2. Within the shoreline jurisdiction, the required acreage replacement ratios for wetlands shall be as follows: Wetland Mitigation Ratios: <table><tr><th>Category and Type of Wetland</th><th>Creation or Reestablishment (C/R)</th><th>Creation (C) or Reestablishment (R) plus Enhancement (E)</th><th>Enhancement (E) Only</th></tr><tr><td>Class 1</td><td>3:1</td><td>1:1 C/R plus 6:1 E</td><td>Not Allowed</td></tr><tr><td>Class 1 (Mature Forested)</td><td>6:1</td><td>1:1 C/R plus 20:1 E</td><td>Not Allowed</td></tr><tr><td>Class 2</td><td>2:1</td><td>1:1 C/R plus 4:1 E</td><td>Not Allowed</td></tr></table>	Category and Type of Wetland	Creation or Reestablishment (C/R)	Creation (C) or Reestablishment (R) plus Enhancement (E)	Enhancement (E) Only	Class 1	3:1	1:1 C/R plus 6:1 E	Not Allowed	Class 1 (Mature Forested)	6:1	1:1 C/R plus 20:1 E	Not Allowed	Class 2	2:1	1:1 C/R plus 4:1 E	Not Allowed
Category and Type of Wetland	Creation or Reestablishment (C/R)	Creation (C) or Reestablishment (R) plus Enhancement (E)	Enhancement (E) Only																							
Class 1	3:1	1:1 C/R plus 6:1 E	Not Allowed																							
Category and Type of Wetland	Creation or Reestablishment (C/R)	Creation (C) or Reestablishment (R) plus Enhancement (E)	Enhancement (E) Only																							
Class 1	3:1	1:1 C/R plus 6:1 E	Not Allowed																							
Class 1 (Mature Forested)	6:1	1:1 C/R plus 20:1 E	Not Allowed																							
Class 2	2:1	1:1 C/R plus 4:1 E	Not Allowed																							

	<table><tr><td>Class 1 (Mature Forested)</td><td>6:1</td><td>1:1 C/R plus 20:1 E</td><td>Not Allowed</td></tr><tr><td>Class 2</td><td>2:1</td><td>1:1 C/R plus 4:1 E</td><td>Not Allowed</td></tr><tr><td>Class 3</td><td>1.5:1</td><td>1:1 C/R plus 2:1 E</td><td>6:1</td></tr></table>	Class 1 (Mature Forested)	6:1	1:1 C/R plus 20:1 E	Not Allowed	Class 2	2:1	1:1 C/R plus 4:1 E	Not Allowed	Class 3	1.5:1	1:1 C/R plus 2:1 E	6:1	<table><tr><td>Class 3</td><td>1.5:1</td><td>1:1 C/R plus 2:1 E</td><td>6:1</td></tr></table>	Class 3	1.5:1	1:1 C/R plus 2:1 E	6:1
Class 1 (Mature Forested)	6:1	1:1 C/R plus 20:1 E	Not Allowed															
Class 2	2:1	1:1 C/R plus 4:1 E	Not Allowed															
Class 3	1.5:1	1:1 C/R plus 2:1 E	6:1															
Class 3	1.5:1	1:1 C/R plus 2:1 E	6:1															
	AMEND KMC Section 18.55.330.G.1 to provide cross-referencing as follows: G. Mitigation Ratios. 1. Acreage Replacement Ratios. The following ratios shall apply to creation or restoration that is in-kind, on-site, the same class, timed prior to or concurrent with alteration, and has a high probability of success. These ratios do not apply to remedial actions resulting from unauthorized alterations; greater ratios shall apply on a case-by-case basis. These ratios do not apply to the use of credits from a state-certified wetland mitigation bank. The first number specifies the acreage of replacement wetlands and the second specifies the acreage of wetlands altered. <table><tr><td>Class 1</td><td>3 to 1</td></tr><tr><td>Class 2</td><td>2 to 1</td></tr><tr><td>Class 3</td><td>1 to 1</td></tr></table> The required acreage replacement ratios for wetlands within the jurisdiction of the Kenmore Shoreline Master Program are different from these standards. See KMC 16.65.010.C for required wetland mitigation ratios in the shoreline jurisdiction.	Class 1	3 to 1	Class 2	2 to 1	Class 3	1 to 1	Rationale: The concern over mitigation ratios was raised by Ecology after the City Council adoption of the proposed SMP in 2010. Ecology initially asked that the city use the Department's 4-tier classification and mitigation ratios, although the city presently uses a 3-tier system. After an analysis of city conditions, best available science and the application of the City's adopted critical area regulations, Ecology agreed to a modified mitigation ratio proposal reflecting the city's 3-tier classification system. The alternative proposal to Required Change #9 provides clarification that the modified mitigation proposal is only applicable to wetlands within the shoreline jurisdiction.										
Class 1	3 to 1																	
Class 2	2 to 1																	
Class 3	1 to 1																	
Required Change #10: Measurement of Wetland Buffers	MODIFY KMC 18.55.320.F.2 as follows: Measurement of Wetland Buffers. Wetland buffers shall be measured from the wetland edge as delineated and marked in the field using the 1987 1997 U.S. Army Corps of Engineers Wetland Delineation Manual and current Regional Supplements Washington State Wetland Identification and Feekogyl or as may be revised in WAC 173-22-035 and WAC 173-22-080 or the most recent approved federal manual and regional supplements.	ADOPT Ecology's amendments. Rationale: This amendment updates standards for defining the wetland edge consistent with state law.																
Required Change #11: Mitigation Standards	MODIFY KMC 18.55.330.A as follows: Mitigation Shall Achieve Equivalent or Greater Ecological Functions. Mitigation for alterations to wetlands and buffers shall achieve equivalent or greater ecologic functions than exist in the impacted wetland and buffer. Mitigation plans shall be generally consistent with the Department of Ecology Guidelines found in Wetland Mitigation in Washington State - Part 1, Version 1, March 2006, Publication #06-060-011a and Wetland Mitigation in Washington State - Part 2, Version 1, March 2006, Publication #06-060-011b. for Developing Freshwater Wetlands Mitigation Plans and Proposals, 1994, as revised.	ADOPT Ecology's amendments. Rationale: This section updates the Ecology citation to their guidelines related to wetland mitigation plans.																

Required Change #12: Mitigation Sequencing	MODIFY KMC 18.55.210 as follows: Applicants shall demonstrate that all reasonable efforts have been examined with the intent to avoid and minimize impacts to critical areas. When an alteration to a critical area is proposed, such alteration shall be avoided, minimized, or compensated for as outlined by WAC 197-11-768, in the following order of preference: A. Avoiding the impact altogether by not taking a certain action or parts of actions; B. Minimizing impacts by limiting the degree or magnitude of the action and its implementation: <u>by using appropriate technology or by taking affirmative steps to avoid or reduce impacts.</u> C. Rectifying the impact by repairing, rehabilitating, or restoring the affected environment; D. Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action; and/or E. Compensating for the impact by replacing or providing substitute resources or environments; and/or <u>F. Monitoring the impact and the compensation projects and taking appropriate corrective measures.</u> Mitigation for individual actions may include a combination of the above measures. [Ord. 06-0244 § 59 (Exh. 1).]	ADOPT Ecology's amendments. <i>Rationale: This section brings the city's mitigation sequencing language into conformance with State requirements.</i>
Required Change #13: Clarification of applicable standards	MODIFY KMC 16.65.010 as follows: 16.65.010 Interpretation of shoreline density and dimensions table. A. The shoreline density and dimensions table in KMC 16.65.020 establishes the shoreline standards within each of the shoreline environments. The shoreline environment is located on the vertical column and the density and dimensions standard is located on the horizontal row of the table. The table should be interpreted as follows: 1. If the cell is marked with a Z in the box at the intersection of the column and the row, the shoreline does not impose a specific buffer requirement on that use, although the standards for the underlying zoning apply. In some cases, no standard is provided because the use is prohibited under KMC 16.450. 2. If the cell has a number in the box at the intersection of the column and the row, that number is the density or dimension standard for that shoreline environment. 3. If the cell has a parenthetical number in the box at the intersection of the column and the row, that parenthetical number identifies specific conditions listed in KMC 16.65.020.B that are related to the density and dimension standard for that environment. B. The density and dimensions enumerated in this section apply to any lot within the shoreline jurisdiction. If there is a conflict between the density and dimension standards in this section and the underlying zoning regulations, the more restrictive standard shall apply. C. For development in critical areas and critical area buffers, the applicable provisions of Section 18.55 apply unless a specific exception is provided in the shoreline code. Because Lake Washington, the Sammamish River, and Swamp Creek are all fish and wildlife habitats of importance, a habitat management plan is required for any in-water or overwater development	ADOPT Ecology's amendments. <i>Rationale: This amendment corrects a code citation in the SMP.</i>

	or activity, per KMC 18.55.520.					
Required Change #14: Buffers listed in shoreline modification table	MODIFY KMC 16.65.020.A as follows: 16.65.020 Shoreline density and dimensions table and development conditions. A. Shoreline Density And Dimensions Table					ADOPT Ecology's amendments. <i>Rationale: This amendment corrects an oversight in the buffer standards, adding missing buffer dimensions in four places.</i>
		DOWNTOWN WATERFRONT	SHORELINE RESIDENTIAL	URBAN CON-SERVANCY	NATURAL	AQUATIC
	Standards					
	Shoreline Buffers from OHWM on Lake Washington					
	Water-dependent commercial development	20 ft (1)	Z	115 ft (1) Z	Z	0
	Water-related commercial development	20 (1) ft	Z	115 ft (1) Z	Z	0
	Non-water-dependent and non-water-related commercial development	50 ft (1)	Z	150 ft	Z	Z
	Government services	20 ft (6)	20 ft (6)	20 ft (6)	20 ft (6)	0
	Single family residential development	Z	25 ft (2)	115 ft (2)	150 ft (2)	Z
	Multifamily residential development	50 ft	75 ft	115 ft	Z	Z
	Water-dependent and water-related manufacturing and industrial use	20 ft (1) (3)	Z	115 ft (1) (3) Z	Z	0

	Non-water-related manufacturing and industrial use	50 ft	Z	Z	Z	Z	
	Parks and recreation	50 ft (4)	75 ft (4)	115 ft (4)	115 ft (4)	0	
	Accessory Surface Parking	100 ft	100 ft	115 ft	150 ft Z	0	
	Utilities and regional land uses	50 ft (5)	75 ft (5)	115 ft (5)	115 ft (5)	Z	
Building Setback from the Shoreline Buffer							
	Single Family uses	15 ft	25 ft (2)	15 ft	15 ft	Z	
	All uses except Single Family uses	15 ft	15 ft	15 ft	15 ft	Z	
Building Height							
	Base height	35 ft	35 ft	35 ft	30 ft	35 ft	
	Additional height allowed when permitted in underlying zoning	Yes (7)	Yes (7)	Yes (7)	No	No	

Suggested Changes	Ecology's Request	Staff Recommendation
Suggested Change #1: Land Divisions	MODIFY Section 16.50.60 (first paragraph) to read: Public access, shall be required for public projects and development on public lands (KMC 16.45.010.B.16), commercial and manufacturing uses (KMC 16.50.030.B2), boating facilities and marinas (KMC 16.50.050), multifamily development (KMC16.50.090.A.1), and subdivisions land divisions of more than four lots (KMC16.50.090.A.2). For development on private property, public access shall be required when such development would either generate or increase demand for public access and/or would impair existing legal access opportunities or rights.	ADOPT Ecology's amendments. <i>Rationale: This change clarifies that public access is required for all "land divisions" of more than four lots, regardless of whether or not the project is a subdivision or short subdivision.</i>
Suggested Change #2: Minimum building setback	MODIFY KMC16.65.020.B.2.a to read: 2. Single family residential development shall provide buffers and setbacks as follows: a. On Lake Washington in Shoreline Residential areas: i. A minimum shoreline buffer of 25 feet from the ordinary high water mark shall be provided as a vegetation conservation area. ii. The minimum building setback of 25 feet from the shoreline buffer may be reduced to five (5) zero (0) feet if vegetation in the required buffer is reestablished or enhanced, according to the standards in KMC 16.60.010.0.	ADOPT Ecology's amendments. <i>Rationale: Having a building setback from a buffer is consistent with standards for other critical areas that require a 5' building setback from a critical area buffer to leave space around possible structures for maintenance work to occur outside of the buffer.</i>
Suggested Change #3: Identification of Restoration Priorities	IDENTIFY the relative priority for restoration activities listed in Chapter 4, Restoration Actions. This can include applying the Restoration Plan priorities to activities listed in Table 3, beginning on page 25 and expansion of the discussion in the implementation section on pages 32 and 33.	REJECT Ecology's suggestion. <i>Rationale: The Restoration Plan, as written, allows restoration projects to be considered individually as opportunities arise.</i>
Suggested Change #4: Identification of Swamp Creek Wetland #4 as high quality habitat	IDENTIFY Swamp Creek Wetland No. 4 as high quality habitat on Map 4 of the Restoration plan	REJECT Ecology's suggestion. <i>Rationale: This wetland is outside of the shoreline jurisdiction and is not, therefore, appropriately addressed in the Shoreline Master Program Restoration Plan.</i>
Suggested Change #5: Minor grammatical correction	MODIFY KMC 18.55.120.B to read: First sentence of subsection, the word "association" should be replaced with "associated".	ADOPT Ecology's amendments. <i>Rationale: This change fixes a minor grammatical error.</i>
Suggested Change #6: Public access	MODIFY KMC 16.50.060 to read: 16.50.060 Public Access. Public access shall be required for public projects and development on public lands (KMC 16.45.010.B.16), commercial and manufacturing uses (KMC 16.50.030.B2), boating facilities and marinas (KMC 16.50.050), multifamily development (KMC16.50.090.A.1), and subdivisions of more than four lots (KMC16.50.090.A.2). For development on private property, public access shall be required when such development would either generate or increase demand for public access and/or	ADOPT Ecology's amendments. <i>Rationale: This change adds a cross-reference to required vegetation management standards for public access improvements.</i>

	would impair existing legal access opportunities or rights. A. Where public access is required, it shall: 1. Connect to other public and private public access and recreation facilities on adjacent parcels along Lake Washington and the Sammamish River shorelines whenever feasible; 2. Be sited to ensure public safety; 3. Be open to the general public and accessible directly from a public right-of-way or by an easement granted to the City for public access; 4. Enhance access and enjoyment of the shoreline and provide features in scale with the development such as, but not limited to: a. View points; b. Places to congregate in proportion to the scale of the development; c. Benches and picnic tables; d. Beach or water access for boats; and e. Pathways for pedestrians and bicycles. B. Where public access is required, the area dedicated and improved for public access shall be roughly proportional to the scale and character of the proposed development and its impacts. C. Where public access is required, the Director shall prepare written findings demonstrating that the conditions imposed are consistent with the principles of nexus and rough proportionality, the Act and all relevant constitutional and other legal limits on regulation of private property. D. Public access improvements shall be designed to be compatible with the purpose and intent of the shoreline environment in which they are constructed. E. Trails and other public access improvements are subject to the standards for recreational uses in section KMC 16.65.020 <u>and the vegetation management standards in KMC 16.60.020.B.</u> F. The provisions of this section do not apply to the following: 1. Short plats of four or fewer lots; 2. Where public access is demonstrated to be infeasible due to reasons of incompatible uses, safety, security, or impact to the shoreline environment; or 3. Where constitutional or other legal limitations apply.	
--	--	--

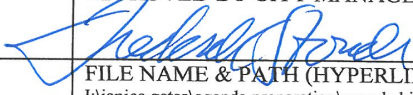
Suggested Change #7: Vegetation management	MODIFY KMC 16.60.020.B to read: <u>B.</u> Vegetation management standards established in KMC 18.55.420 for streams and their buffers shall apply within Sammamish River and Swamp Creek shorelines. <u>In addition to</u> Provisions for recreational uses in KMC 16.65.020 allowing limited modifications to critical area buffers for the purposes of public access improvements, <u>the following standards shall apply in shorelines:</u> <u>1. In Swamp Creek Park, public access trails may be located within critical areas and required buffers, when planned along with a habitat restoration project and it is demonstrated that the ecological functions of the overall standard stream buffer area would be substantially improved. Trails in Swamp Creek Park roughly paralleling the shoreline of the Sammamish River or Swamp Creek shall generally be located at least 50 feet from the ordinary high water mark, but trails may extend closer to the water if necessary to reduce impacts on critical areas or adjacent properties, or access a pedestrian bridge across Swamp Creek. Spur trails may be extended to the water's edge but such access areas should be limited in order to protect ecological functions of the stream buffer and wetlands.</u> <u>B2. When public access is being provided as a part of mixed use development allowed in the Urban Conservancy environment under KMC 16.50.030.B.2.a.ii, the director may allow public access trail development within the buffer in order to link with adjacent shoreline access, provided any new trail is farther from the shoreline than the waterward extent of existing development on the site and the proposed trail plan is accompanied by a plan demonstrating that the ecological functions of the overall required buffer area on a project site would be substantially improved.</u> MODIFY KMC 16.65.020.B.4 to read: 4. New public access improvements shall comply with the requirements of KMC 18.55, provided that new public access improvements may be allowed within critical areas, or shoreline or critical area buffers if impacts are mitigated consistent with the requirements in KMC 18.55.190-220, 18.55.330 and 18.55.430 such that there is no net loss of shoreline ecological processes or functions, and the public access improvements meet the following standards: a. In order to encourage public access improvements and improved shoreline habitat in the Downtown Waterfront shoreline, a public access trail may be located within the stream buffer required in KMC 18.55.420, when accompanied by a plan demonstrating that the ecological functions of the overall required buffer area on a project site would be substantially improved. Trails paralleling the shoreline of the Sammamish River in the Downtown Waterfront environment shall be located at least 50 feet from the ordinary high water mark. Spur trails may be extended to the water's edge but such access areas should be limited in order to protect ecological functions of the buffer. b. In order to allow for a waterfront promenade area along the inner harbor area of the <th data-bbox="292 1662 1709 2716"> ADOPT Ecology's amendments. <i>Rationale: These changes relocate public access standards for Swamp Creek Park and mixed use development in the Urban Conservancy environment. Previously, these standards were found in an unrelated section discussing buffers to Lake Washington. The standards, themselves, are unchanged.</i> </th>	ADOPT Ecology's amendments. <i>Rationale: These changes relocate public access standards for Swamp Creek Park and mixed use development in the Urban Conservancy environment. Previously, these standards were found in an unrelated section discussing buffers to Lake Washington. The standards, themselves, are unchanged.</i>
---	---	--

	Downtown Waterfront environment, public access improvements may extend to the water's edge when accompanied by a plan demonstrating that the ecological functions of the overall required buffer area on a project site would be substantially improved. e. In Swamp Creek Park, public access trails may be located within critical areas and required buffers, when planned along with a habitat restoration project and it is demonstrated that the ecological functions of the overall standard stream buffer area would be substantially improved. Trails in Swamp Creek Park roughly paralleling the shoreline of the Sammamish River or Swamp Creek shall generally be located at least 50 feet from the ordinary high water mark, but trails may extend closer to the water if necessary to reduce impacts on critical areas or adjacent properties, or access a pedestrian bridge across Swamp Creek. Spur trails may be extended to the water's edge but such access areas should be limited in order to protect ecological functions of the stream buffer and wetlands. d. When public access is being provided as a part mixed use development allowed in the Urban Conservancy environment under KMC 16.50.030.B.2.a, if the director may allow public access trail development within the buffer in order to link with adjacent shoreline access, provided any new trail is farther from the shoreline than the waterward extent of existing development on the site and the proposed trail plan is accompanied by a plan demonstrating that the ecological functions of the overall required buffer area on a project site would be substantially improved.	
Suggested Change #8: Standards for water dependent uses	MODIFY KMC 16.65.020.B.1 to read: Development conditions (Footnotes to Shoreline Density And Dimensions Table KMC 16.65.020.A). 1. New water-dependent uses may be allowed within a shoreline buffer only if impacts are mitigated consistent with the requirements in KMC 18.55.190-220, 18.55.330 and 18.55.430 such that there is no net loss of shoreline ecological processes or functions. The director may allow non-water-dependent uses within the shoreline buffer along the inner harbor portion of the Downtown Waterfront area at the northeast end of Lake Washington, <u>only</u> if: a. The uses are developed in conjunction with a public access promenade adjacent to the water, <u>and</u> b. The uses do not interfere with public access or preclude the use of the shoreline for water dependent uses, <u>and</u> c. Mitigation is provided consistent with the requirements in KMC 18.55.190-220, 18.55.330 and 18.55.430 such that there is no net loss of shoreline ecological processes or functions.	ADOPT Ecology's amendments. <i>Rationale: This change clarifies that all criteria in the section allowing non-water-dependent uses within the shoreline buffer along the inner harbor must be satisfied, not just a single criterion.</i>

Suggested Change #9: Standards for water dependent uses	MODIFY KMC 16.65.020.B.3 to read: 3. Outdoor storage for water-dependent manufacturing and industrial uses must be at least 20 feet from the ordinary high water mark <u>in the Downtown Waterfront environment and is prohibited in all other environments.</u>	ADOPT Ecology's amendments. <i>Rationale: This change clarifies allowable locations for outdoor storage.</i>
Suggested Change #10: Nonconforming uses and structures	MODIFY KMC 16.75.050.C to read: C. Expansion of a nonconforming use or structure may be approved through the provisions of KMC 16.75.040 when the applicant demonstrates the following. 1. The project would substantially reduce the impacts of the existing use or structure on shoreline ecological functions, and 2. The proposed expansion would not cause adverse impacts on adjacent shoreline uses. <u>3. A nonconforming structure shall not be expanded closer to the shoreline.</u>	PROPOSE an Alternative Proposal to 16.75.050.C as follows: C. Expansion of a nonconforming use or structure may be approved through the provisions of KMC 16.75.040 when the applicant demonstrates the following. 1. The project would substantially reduce the impacts of the existing use or structure on shoreline ecological functions, and 2. The proposed expansion would not cause adverse impacts on adjacent shoreline uses. <u>3. A nonconforming structure shall not be expanded closer to the shoreline. For a nonconforming structure located on land, any waterward expansion of the structure into the required setback would be offset by removal of another nonconforming structure of equal or greater footprint area in the shoreline setback, and the shoreline setback area would be restored with native riparian vegetation.</u> <i>Rationale: The change proposed by Ecology would add a new, restrictive standard addressing expansion of nonconforming structures. The Alternative Proposal would preserve the incentive to significantly improve the shoreline in exchange for expansion of a nonconforming structure. As this is a suggested change, the Council could also choose not to adjust the language adopted last September in Ordinance 10-0313 or to adopt the Ecology recommendation verbatim.</i>
Suggested Change #11: Mapping of H-4 Special Height Area to exclude wetlands	REVISE the H-4 area on the Shoreline Environment Designations Map to exclude mapped wetlands.	ADOPT Ecology's amendments. <i>Rationale: This change clarifies that development in the wetlands is to be avoided. This is a corollary change to the adjustment to height regulations in Required Change #2.</i>

Other Changes	Ecology's Request	Staff Recommendation
Alternative Proposal	Not applicable. This change is proposed by city staff.	PROPOSE an Alternative Proposal as follows: 18.55.530 Performance standards — Specific habitats. A. Endangered, Threatened, and Sensitive Species. 1. No development shall be allowed within a fish and wildlife habitat of importance or buffer with which state or federally endangered, threatened, or sensitive species have a primary association <u>except as otherwise approved through this chapter, except that, if or fish habitat of importance on lands regulated under the Kenmore Shoreline Master Program, development that also must meet the use and development requirements of the Kenmore Shoreline Master Program may be allowed.</u> <i>Rationale: In September 2010, the City Council approved Ordinance No. 10-0313 which adopted the SMP Update, and forwarded it to Ecology for review. In July 2011, the Council adopted a minor change to KMC 18.55.530. Ecology staff indicated that this change should be brought forward as an alternative proposal since 18.55.530 is adopted into the SMP by reference. The revised language clarifies that development could occur within a fish and wildlife habitat of importance or buffer through procedures outlined in Chapter 18.55. The text continues to make a distinction for lands regulated under the SMP.</i>

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Presentation and Discussion of Final Report on King County Sheriff Police Services Contract			November 28, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Executive	Fred Stouder City Manager	Fred Stouder City Manager	425-398-8900
COST OF PROPOSAL: Not to exceed \$40,000		ACCOUNT NUMBER: 01 13 5401	
AMOUNT BUDGETED: \$30,000		NAME AND FUND #: General Fund	
ATTACHMENT(S) TO AGENDA PACKET ITEM: 1. Assessment of Contracted Police Services Phase II of II, Final Report, November 2011 2. Assessment of Contracted Police Services Phase II of II, Final Report with markups, November 2011 3. Assessment of Contracted Police Services Phase I of II, Final Report, July 2011 4. Agenda Bill Summary from the February 14, 2011 Council Meeting without attachments.			
SUMMARY STATEMENT: Attached is the final report from Matrix Consulting Services on the review of Kenmore Police Services provided by the King County Sheriff's office. City Management began a review of contract services in 2008 and 2009 as part of the assessment of service delivery costs and efficiencies. It is standard and common for recently incorporated cities to provide services through intergovernmental arrangements with surrounding jurisdictions, through contracts, or continuation of pre-incorporation services by the County. These arrangements are often then from time to time reviewed as the City matures and municipal needs and resources are better understood. As the City of Kenmore celebrated its ten year anniversary and as it was becoming more apparent the City would soon have one location instead of three or more for Kenmore governmental offices and public meeting space, the review of contract method for delivery of most all services was timely. The last major contract to be reviewed was the King County Policing Services contract. After request for qualifications was publicly advertised and sent to various professional firms, and after interviews were conducted by the management technical review team consisting of City Manager, Fred Stouder, Finance Director, Joanne Gregory, Assistant City Manager, Nancy Ousley, Bastyr University Chief of Staff, Gregory Goode, Maple Valley City Manager, David Johnston, and the City's Organization Development Consultant, Michael Pendleton. Matrix Consulting Services, Richard Brady as Project Manager and Principal, was recommended to the City Council. The City Council authorized the contract and scope of services on February 14, 2011, see attached agenda bill. Greg Mathews will be present to discuss the report and address Council questions. City management has no immediate expectations or recommendations for specific changes in the contract or contract delivery. Management recommendation would be to request what if any additional research objectives or information the Council may wish, and to again discuss the various options during the 2013/14 budget discussions.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: City Council Top Five Policy Priorities			

RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION:		
Review and discussion of Final Report on King County Sherriff's Police Services Contract and Possible Direction on additional research objectives or information as may be requested by the City Council		
REVIEWED BY FINANCE DIRECTOR:	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER:
		
TODAY'S DATE: November 18, 2011	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK): I:\janice gates\agenda preparation\agenda bills 2011\ab Matrix Consulting final Police SVS report

Assessment of Contracted Police Services Phase II of II

CITY OF KENMORE, WASHINGTON

FINAL



721 Colorado Avenue, Suite 101
Palo Alto, CA 94303
v.650.858.0507 f.650.858.0509

November, 2011

TABLE OF CONTENTS

	Page
1. INTRODUCTION AND EXECUTIVE SUMMARY	1
2. ALTERNATIVE SERVICE DELIVERY – EXTERNAL OPTIONS	7
3. ALTERNATIVE SERVICE DELIVERY – INTERNAL OPTIONS	44

1. INTRODUCTION AND EXECUTIVE SUMMARY

This document is the Phase II assessment of contracted police services performed by the Matrix Consulting Group (MCG) for the City of Kenmore Police Department. This first chapter provides an introduction and an executive summary of the Phase II report. This summary delineates key findings, conclusions and recommendations.

1. EXECUTIVE SUMMARY.

The following alternative service delivery findings conclusions and recommendations are summarized below. It should be noted in this Phase II report, the KCSO objected more strongly to some of the findings, conclusions, recommendations and analysis of this phase than the minimal concerns addressed in Phase I. While some of these have been addressed, the majority result in an “agree to disagree” outcome. For transparency purposes, the primary concerns noted by KCSO have been attached in the appendices for reference. Prior to this executive summarization, one particular point must be emphasized, cost savings provided throughout this chapter are based on various operational and cost allocation models provided by the project team, data from KCSO, etc. Such modeling exercises are valuable; however, modifications to various operating assumptions can potentially have significant results on various costs and savings estimates¹. By example, the project team received at least three KCSO contract service cost estimates for Kenmore for the most recent fiscal year as, predictably, data often is in flux. Ultimately, beyond modeling exercises, two or more

¹ By example, the Matrix Consulting Group and KCSO choose to use different operating year contractual numbers for varied reasons, leading to one of the primary concerns of KCSO with respect to “comparison validity.”

agencies can agree on any contractual terms and conditions that would be perceived as favorable to the involved entities. In effect, actual agreements where all parties believe they are treated fairly can, and should, supersede any modeling exercise performed by consultants, accountants, attorneys or other professionals involved in various contracting services.

- With regard to the adjoining communities of Bothell, Kirkland and Lake Forest Park, only Lake Forest Park has significant interest in exploring alternative police service delivery options with Kenmore.
- While there would be limited, if any, operational savings if Lake Forest Park PD replicated the number of full-time equivalent positions currently provided by KCSO to Kenmore, there is potentially substantial savings if a joint Lake Forest Park/Kenmore policing agency were developed. A detailed analysis of joint staffing needs is beyond this report; however, based on our respective knowledge of both police agencies, it is likely that Lake Forest Park PD would only need to add twelve (12) sworn and civilian staff to address the law enforcement service needs of both Lake Forest Park and Kenmore.
- Based on the above staffing model, it is estimated that such positions would cost Lake Forest Police Department \$1.486M per year. This would result in a total annual budget of approximately \$4,567,361 (based on 2010 budget information) for Lake Forest Park and Kenmore police services. Using a calls-for-service based cost allocation model Kenmore would save approximately \$419,000 per year compared to the KCSO contract if services were provided by Lake Forest Park. It should be noted that such savings do not incur in the first year as one-time start-up costs for capital equipment, new officer training, etc. (e.g. patrol units for Kenmore) would be required and potentially would be sizable. A broad but conservative estimate is first year savings could be partially or wholly deferred due to start-up cost investments.
- Based on a KCSO proposal for contractual services to the adjoining communities of Kenmore, Lake Forest Park, and Shoreline, it is proposed the KCSO could save the three communities collectively approximately \$780,000 to \$1.4 million annually based on the proposed models. This does not address the political feasibility of such service modifications, only the calculated savings to the varied municipalities.
- An in-house Kenmore Police Department is cost-prohibitive, with little service level benefits likely obtained compared to other options. The greatest qualitative benefit usually derived from local police departments is the local control the citizenry has over service levels. Such local control is regularly perceived as so

beneficial that numerous small agencies throughout the nation choose to have their own police departments instead of pursuing contract service delivery options. It is estimated, based on the methodology used, that an in-house KPD's annual operating costs would run from \$3.5M to \$4.2M each year. This ranges from \$765K to \$1.54M annually higher than the 2011 KCSO contract with Kenmore. Given the comparatively exorbitant annual operating costs for an in-house PD, developing details for start-up costs is not relevant, particular since such costs could run in the several millions of dollars if facility needs are included.

With respect to retaining existing KCSO service delivery to Kenmore, the following is offered.

- The twelve hour shift program for Kenmore patrol services appears a viable option compared to the existing 4/10 shift program. Modifying the schedule will allow KPD to reduce staff from 10 to 8 patrol officers. While this will increase overtime the savings resulting from the elimination of two officer positions is approximately \$170K annually.
- If the twelve hour shift is implemented, reinstitute the dedicated traffic car using a portion of the aforementioned savings. This will result in the deployment of 8 patrol officers and one dedicated traffic unit during Day Shift.
- If the twelve hour shift program is not implemented, revise the existing 4/10 shift schedule to better match personnel resources to calls for service workload. This will include modifications to days off as well as revised shift overlaps.
- Kenmore should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

The following exhibit provides a list of the principal recommendations in this report. The chapters within this report should be accessed for a detailed discussion and analysis of each issue and the background behind each recommendation.

Recommendation: If continuation of the KCSO contract with Kenmore is desired in the short-term, re-explore alternative police service delivery models with both Kirkland and Bothell after 36-months.
--

Recommendation: Take additional strategic planning and feasibility steps to explore law enforcement service delivery being provided to Kenmore by the City of Lake Forest Park. This would include comprehensive and detailed financials with respect to start-up costs, a thorough sworn and civilian staffing plan to effectively and efficiently service both communities, and a governance and fiscal model where both communities believe their respective service and financial needs are appropriately addressed. Calculated potential savings is approximately \$419K per year to Kenmore compared to the existing KCSO contract at 12 additional LFPPD staff and \$623K at 10 staff.
Recommendation: If Lake Forest Park is amiable to contracting with the KCSO for policing services, strongly encourage the KCSO to develop a staffing/deployment and contract model around a regionalized policing approach of the three communities rather than treating such municipalities as three fully independent entities.
Recommendation: Suspend further exploration of developing an in-house Kenmore Police Department in the short to mid-term. Costs for such an operation are prohibitive—ranging from an additional \$765K to \$1.54M annually-- and there is no evidence there would be demonstrable service level increases compared to other options.
Recommendation: Adopt the 12-hour shift program for Kenmore PD patrol. Reduce Patrol Staffing from 10 to 8 officers on such a schedule. Overtime will increase however net savings is estimated at \$170,000 per annum.
Recommendation: If the 12-hour shift is adopted, utilize some resulting savings and reinstitute the dedicated Traffic Car on Day Shift.
Recommendation: If the 12-hour shift is not adopted, revise the existing 4/10 schedule consistent with methods discussed in this report.
Recommendation: The City should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

2. ALTERNATIVE SERVICE DELIVERY – EXTERNAL OPTIONS

This chapter focuses on alternative police service delivery scenarios for the City of Kenmore, specifically with regard to optional law enforcement service providers as opposed to operational changes within the King County Sheriff's Office. Potential operational modifications will be specifically discussed in the following chapter. With regard to optional service providers, the analysis hereafter will be of varied detail, largely based upon the practicality of actually implementing varied service delivery options. The reasons to dispense with a comprehensive analysis of some alternative scenarios will be discussed in the following sections.

1. BASELINE COST AND SERVICE-LEVEL DATA

There are two fundamental decision-points with respect to selecting an approach to municipal services, whether law enforcement or other local government program: the desired service levels associated with the program and the associated costs of such service. In effect, barring extenuating circumstances, the service delivery option that provides the highest service at the most reasonable cost should be selected. There are many quantitative as well as qualitative considerations, in addition to objective and subjective data that must be weighed when making these service delivery decisions. The following information summarizes important data presented in the Phase I report that is foundational to an alternative service delivery analysis. These data are certainly not all-inclusive, but demonstrative of the types of information to be considered.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

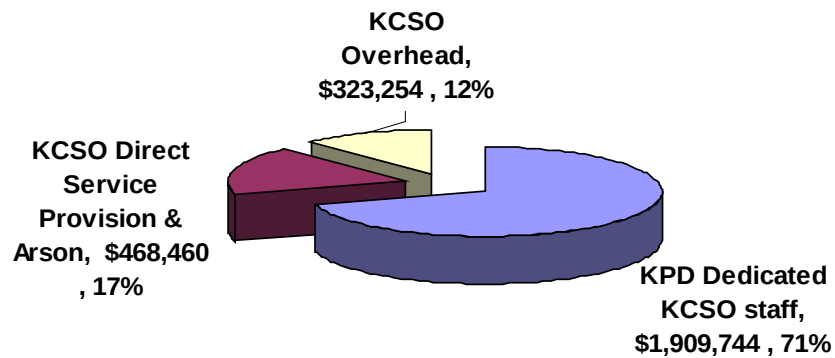
Item	KPD Operational Elements												
Staffing Allocation	The Full-time Equivalent Staffing Allocation for Kenmore Police Department as provided by the King County Sheriff's Office (KCSO) is 19.09 FTE for the 2011 Operational Year.² The allocation of such staff is reflected below. Dedicated staff represent on-site personnel such as Chief, patrol deputies, etc. Direct services represent off-site staff such as Criminal Investigation Division person detectives, dispatch operations, etc. Police support services represent allocated portions of off-site commissioned and non-commissioned personnel providing services to include: budget, accounting and payroll; crime analysis, recruiting; firing range; computer resources staff; evidence and supply; internal investigations; personnel staffing services; contracting support; criminal intelligence; legal advisor; photo lab; records, polygraph; and training unit. A letter of intent has been sent from Kenmore to KCSO to add one FTE to dedicated staff that will result in 20.09 FTEs if instituted. Full-time Equivalent Employee Allocation for Kenmore Police Department <table><caption>Full-time Equivalent Employee Allocation for Kenmore Police Department</caption><thead><tr><th>Category</th><th>FTE</th><th>Percentage</th></tr></thead><tbody><tr><td>KPD Dedicated KCSO staff</td><td>13</td><td>68%</td></tr><tr><td>KCSO Direct Service Provision</td><td>4.22</td><td>22%</td></tr><tr><td>KCSO Police Support Svc</td><td>1.87</td><td>10%</td></tr></tbody></table>	Category	FTE	Percentage	KPD Dedicated KCSO staff	13	68%	KCSO Direct Service Provision	4.22	22%	KCSO Police Support Svc	1.87	10%
Category	FTE	Percentage											
KPD Dedicated KCSO staff	13	68%											
KCSO Direct Service Provision	4.22	22%											
KCSO Police Support Svc	1.87	10%											

² In the original draft profile data from the 2011 Cost Book had not yet been finalized. These reflect final numbers.

**FY 2011
KPD
Budget**

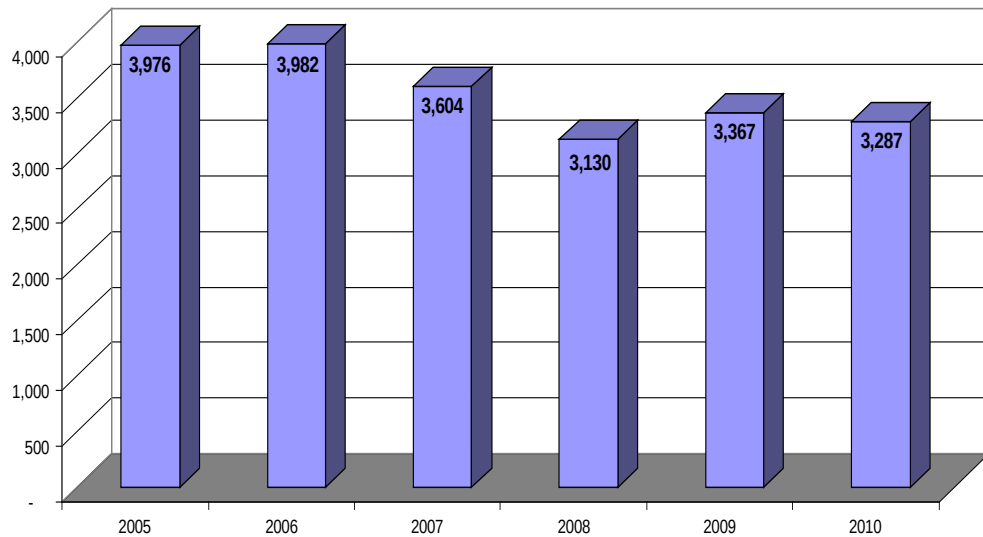
Based on information provided, the Kenmore PD annual budget (excluding any internal Kenmore costs unrelated to the KCSO contract) is approximately \$2.70 million. Seventy-one percent of this budget is dedicated to on-site staff operating within the City. This is approximately \$93,000 less than the annual estimated budget in FY 2010.

2011 Cost Allocation for Kenmore PD (budget)

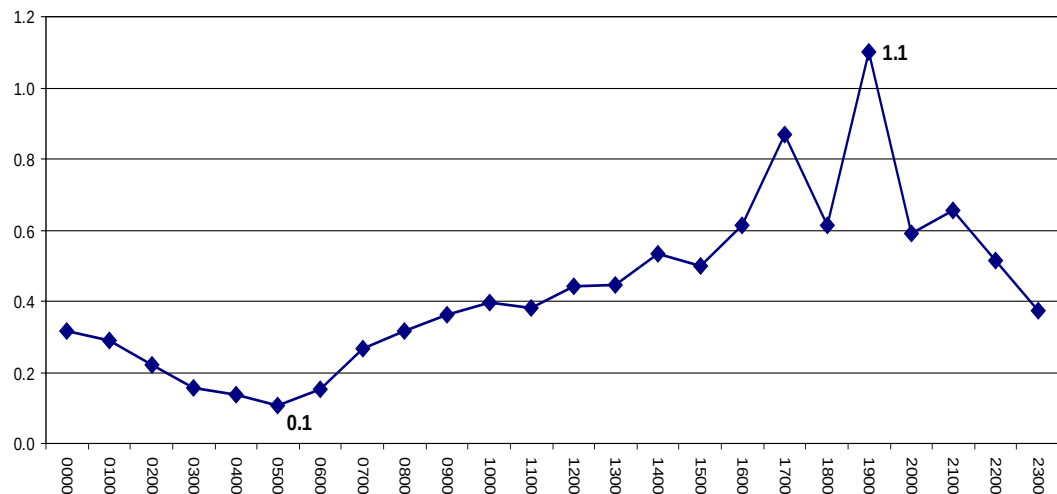


**KPD
Service
Metrics**

Dispatched Calls for Service by Year



Average Calls for Service Per Hour (2009-10)



KPD Service Metrics (cont.)	Proactive Time by KPD Shift		
	Day Shift	Swing Shift	Graveyard Shift
	66%	56%	75%
	These data, and others presented in Phase I, lead to the following broader conclusions: Kenmore is a very safe community with minimal law enforcement issues of significance. As such, this generally results in fewer police resources needed when compared to busier communities of similar population and geographic character. In consideration for potential officer safety issues and back-up availability, the proportion of proactive time available cannot serve as the exclusive driver in developing patrol staffing levels. Despite high levels of proactive time, Kenmore policing staff levels should largely be driven in consideration of officer safety needs and other qualitative and subjective factors beyond field workload which often drives resource needs in larger law enforcement agencies.		

These data are useful to acknowledge and should be considered a framework for considering various law enforcement service delivery options.

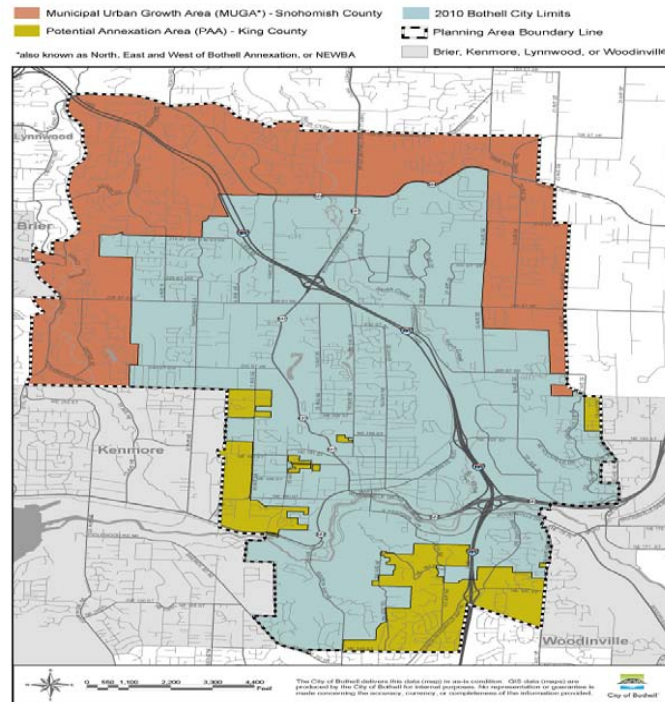
2. SCENARIO 1 – ALTERNATIVE CONTRACT AGENCIES.

In addition to a County Sheriff operation other municipal organizations throughout the United States are involved in providing law enforcement contract services to adjoining cities. As such, other cities could represent viable options for contract service delivery to Kenmore.

The project team, after advisement with the Steering Committee, contacted the adjoining communities of Bothell, Kirkland and Lake Forest Park to solicit their potential interest in providing law enforcement services to the City of Kenmore. Based on the results of their feedback, certain operational scenarios are more viable than others as summarized by the following:

- **City of Bothell** – The City of Bothell, population 35,500, lies to the east of Kenmore. For comparative purposes, as of 2009 data reported to the FBI indicate the Bothell Police Department has 84 staff—58 of which are sworn personnel. In a meeting with the City Manager, Police Chief and other staff, Bothell indicated that their interest in contracting to Kenmore for police services was likely in the mid-to-longer term timeframes. In November 2011 Bothell will undergo an election for annexation of selected areas surrounding Bothell (blue) noted in the map below.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II



With the pending annexation, and the apparent likelihood voters will approve such, Bothell will annex a significant geographic area that they must serve beginning the fourth quarter of 2012. As such, the resulting growth in service requirements precludes Bothell from seriously considering other significant service delivery options such as providing police services to Kenmore. Consequently, Bothell has no interest in pursuing these contract service delivery options in the short-term unless the annexation fails (which is perceived as very unlikely). In sum, Bothell would not seriously entertain police contract service delivery to Kenmore for 36-48 months. As a result, no further detailed analysis is warranted related to this service delivery scenario.

- **City of Kirkland** – The City of Kirkland, population 48,800, lies to the south of Kenmore. For comparative purposes, as of 2009 data reported to the FBI indicate the Kirkland Police Department had 92 staff—66 of which are sworn personnel. However, due to Kirkland's recent successful annexation of county area that now abuts Kenmore, Kirkland PD intends to add 37 additional sworn personnel to service the annexed area which included an additional 35,000 population. Because of the very recent requirement to service the annexed area beginning in June 2011, and the extensive and new service requirements related thereto, Kirkland is not in a viable position to consider police contract service delivery options to Kenmore in the short-term. In order to adjust their service

models to effectively address operational issues resulting from the new annexation, Kirkland city management and police executive staff feel they are not in a position to seriously explore a contract with Kenmore for approximately 24-36 months. As a result, no further detailed analysis is warranted related to this service delivery scenario.

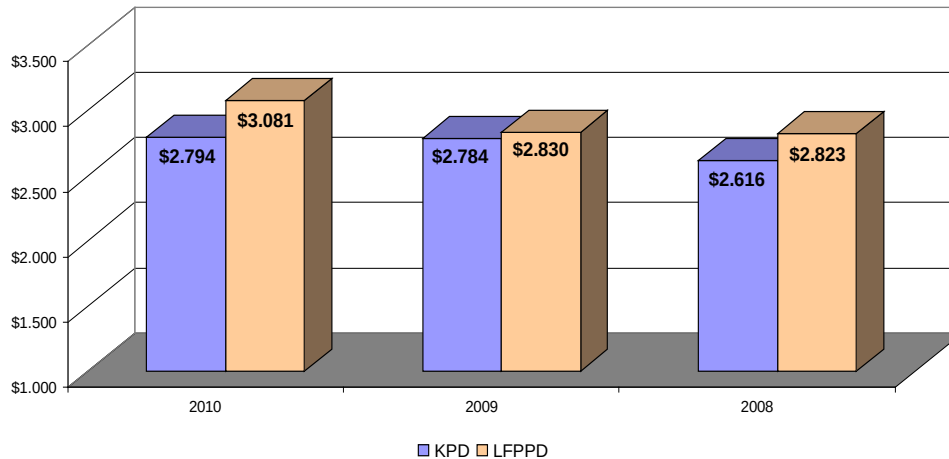
- **City of Lake Forest Park**– The City of Lake Forest Park, population 12,600, lies to the west of Kenmore. For comparative purposes, as of 2009 data reported to the FBI indicate the Lake Forest Park Police Department had 23 staff—19 of which are sworn personnel. Unlike the municipalities of Bothell and Kirkland, Lake Forest Park is not undergoing some major service level transitions. Based on discussions with the City Manager, Police Chief and other managers within Lake Forest Park, there is significant interest in exploring police service delivery options with Kenmore. It was regularly cited that Kenmore and Lake Forest Park have already developed successful partnerships in other service areas such as Public Works, and as such has developed relationships that can likely facilitate future successful partnerships in such areas as law enforcement service delivery. As a result of this significant level of interest on the part of Lake Forest Park, further alternative service delivery analysis for police services is warranted.

(1) Cost Comparisons of Kenmore PD and Lake Forest Park PD.

To frame an understanding of police service delivery costs, a comparison of Kenmore Police Department costs (i.e. Sheriff contract) and Lake Forest Park Police Department costs is informative. The following reflect different approaches to examining these costs. Unless otherwise noted, these are based on 2010 data provided by LFPPD, KCSO, and Kenmore.

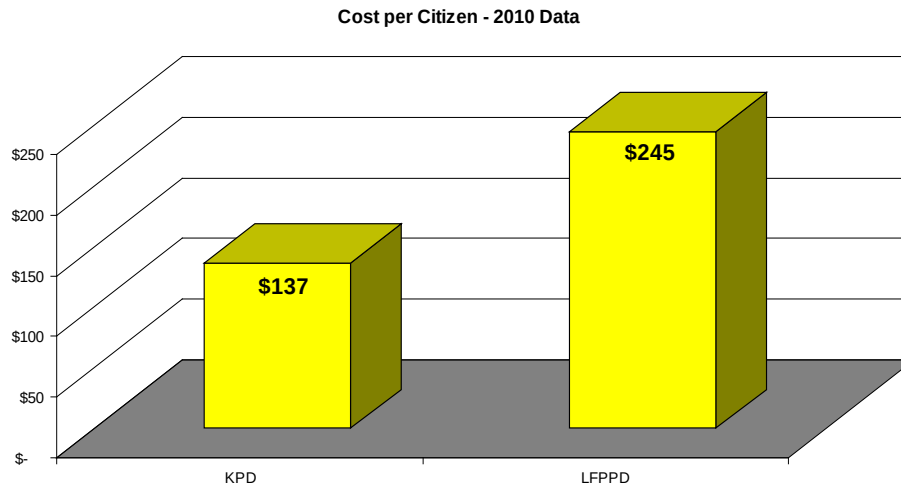
CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

KPD and LFPPD Comparative Police Costs (in Millions) - 3-Years



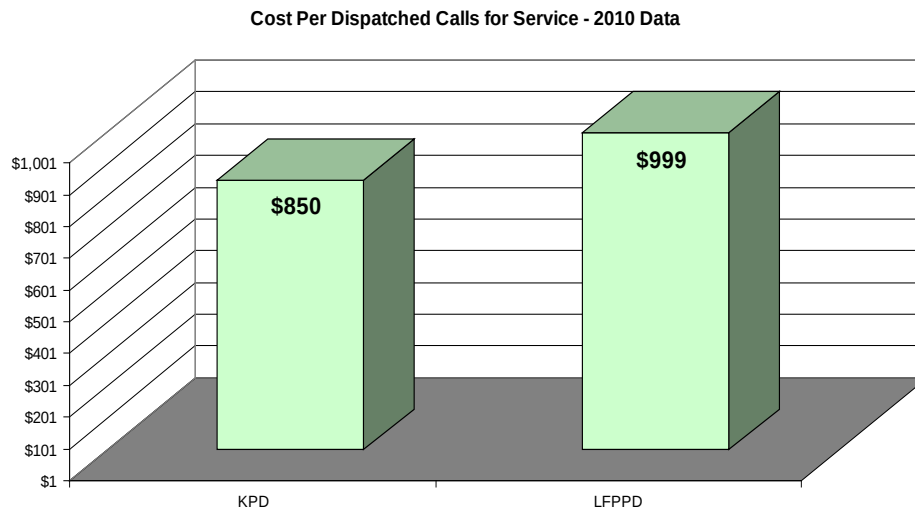
The above data compares KPD and LFPPD law enforcement costs, juxtaposing the Sheriff's contract with the annual Lake Forest Park PD budget information provided.³ As noted, Lake Forest Park PD costs are marginally more expensive than Kenmore PD costs over the three year period.

³ Note this data is unaudited. Furthermore it does not include such minor costs for KPD such as direct monthly invoices for School Resource Officer overtime.



Based on 2010 census and budgetary data⁴, the cost per citizen is significantly higher in Lake Forest Park as compared to Kenmore. The cost differential results in approximately 79% higher costs on a per-citizen in Lake Forest Park when compared to Kenmore.

⁴ KPD: \$2,794,414/20,460 population = \$137. LFPPD: \$3,081,331/12,598 population = \$245. Data is based on KCSO provided and LFPPD 2010 Police Expenditures Budget. Note that graphs and much data in this report are NOT based on 2011 budgetary or other data as some metrics (such as calls for service, 2010 census information) are also available for 2010; using 2010 data for all metrics ensures consistency in evaluation.



Based on 2010 dispatched calls for service information⁵, the cost per call for service is only somewhat higher in Lake Forest Park when compared to Kenmore, essentially reflecting an 18% additional cost using this particular metric.

While interesting comparisons, these metrics are only illustrative, representing a snap-shot in time. As budgets change, calls for service increase or decrease, or as staffing levels rise and decline these metrics can portray a different picture from year-to-year. Consequently while such information is intriguing, it only portrays the situation during a specific time period. Different data, which is certain to occur in the history of each police organization, will lead to different results; these are data associated with calendar 2010—not history prior or at some point in the future. While this data provides some introductory benchmarks to costs of service; to help ensure a more accurate

⁵ KPD: \$2,794,414/3,287 calls = \$850. LFPPD: \$3,081,331/3,083 calls = \$999. Data is based on KCSO provided and LFPPD 2010 Police Expenditures Budget. Note that calls for service data for LFPPD was questioned by KCSO; however LFPPD assures such CFS data is accurate.

'apples to apples' comparison both broader observations and more specific data assumptions will be discussed throughout the remainder of this report.

(2) Service Level Observations Linked to Kenmore PD and Lake Forest Park PD.

Different levels of service are provided by varied policing organizations throughout the United States. The project team's experience is that there is truly a vast array of services provided by law enforcement agencies and an equally diverse service level expectation of a community. Level of service is both a quantitative as well qualitative assessment as various metrics and perceptions as to quality can be employed. To frame a "level of service" discussion the following broader qualitative and quantitative observations are noted with respect to both larger and smaller police agencies:

- Contracting to any large policing agency, such as many County sheriff organizations or large metropolitan agencies similar to KCSO, provides access to a variety of resources, particularly in exigent situations, that are periodically not available from smaller policing agencies. These resources include specialized units (e.g. Marine Unit, Dive Team, SWAT, Crime Analysis), additional field resources that can be effectively cross-dispatched in emergency situations, the perception of quality of service given vast resources available (e.g. dedicated detective units) and other ancillary and economy-of-scale benefits derived from association with a large law enforcement organization. Many small policing agencies cannot benefit from such resources except in mutual aide situations or, alternately, through development of various "law enforcement consortiums." Of particular interest, however, that helps alleviate some of these potential "specialized service" issues for Lake Forest Park PD: LFPPD belongs to the 15-agency CSCPA, a consortium of local police agencies that combine their resources in special needs situations to include regional detective unit, Special Operations Team, etc.
- While large organizations have the aforementioned benefits, they regularly have the disadvantage of being perceived as rigid in contract relationships, service negotiations, etc. By example, during the course of our research Kenmore representatives indicated they had discussed an interest, along with other contracted agencies, to be present at KCSO union bargaining meetings. This did not transpire. Requests to large organizations to refine service delivery to meet

small local needs (e.g. adoption of a 12-hour shift program) can, and often is, contradictory to well-established organizational policies and procedures, and as such, flexibility with such organizations can often be perceived as lacking. Conversely, contracting with smaller organizations is often perceived as more a partnership than a provider-recipient relationship, and the qualitative benefits associated with a partnership are often perceived favorably by municipal executives, policy-makers and the citizenry. This is not to suggest either KCSO or Lake Forest Park regularly demonstrate these particular characteristics of large and small agencies; rather, this is reflective of typical relationships experienced throughout the nation.

- Various quantitative metrics can be examined to determine service levels and service outcomes. Representative metrics that have been made available from both King County Sheriff's and Lake Forest Park PD include the following:
 - The calendar 2008-2010 Traffic Enforcement Index for Lake Forest Park PD was 1-to-63; the equivalent TEI for Kenmore PD was 1-to-39. Both TEI indexes are exceptional.
 - For 2009-2010 assigned Kenmore PD field staff generated 3,807 citations. For the same period Lake Forest Park PD generated 4,081 citations. Citation generation impacts the TEI noted above.
 - For 2009-2010 training received by Kenmore PD officers approximated 90 hours annually⁶; for Lake Forest PD officers it averaged 102 hours annually. Both training regimens exceed the desirable standard of two weeks per annum.
 - An often used metric (though one not strongly favored by the project team), Lake Forest Park deployed 20 sworn personnel in 2010 for 12,598 population, while KCSO deployed an FTE equivalent of 15.94 sworn for 20,460 population in Kenmore. This results in 1.59 and 0.78 sworn personnel per 1,000 population for LFPPD and Kenmore, respectively.

In sum, based on various data available, there is no evidence to suggest that either KCSO or Lake Forest Park PD would provide substantially different core law enforcement service levels to Kenmore as both agencies are more than capable service providers. One highlight, however, is the LFPPD does deploy a proportionally larger contingent of patrol staff (officers and sergeants) for its call for service workload

⁶ This is regular time training, not overtime training. Overall training per year is slightly higher.

compared to Kenmore PD. The obvious result is there are more immediate field resources available in LFPPD per call for service but at an increased cost per call.

(3) Service Level Options Related to Lake Forest Park PD.

While the analysis above suggests there would be somewhat insubstantial difference between Lake Forest Park and KCSO with respect to law enforcement services as it relates to cost and service delivery under existing operational and equivalent staffing models, the inclusion of the City of Kenmore with Lake Forest Park in policing for both communities provides various valid options. The most cost-effective service delivery model would be for LFPPD to service both cities as one service region, not differentiating deployment based solely upon “city limit lines.” Broadly, both municipalities could benefit from the advantages of economies-of-scale, and in effect a joint Lake Forest Park/Kenmore PD could be downsized and streamlined compared to present independent police operations. In sum, based on the Matrix Consulting Group’s various workload and service models, it would not take 19-20 additional staff (the current KCSO FTE contingent to Kenmore) if Kenmore were to join Lake Forest Park to deliver law enforcement services. And while a detailed operational audit of LFPPD is beyond the scope of this report, and needs to preface any joint Kenmore/Lake Forest Park police organization, the following relevant observations are made with respect to probable LFPPD operations in a joint policing model:

- Lake Forest Park PD deploys more field patrol officers compared to staff assigned to Kenmore PD despite having approximately 12% less calls for service than Kenmore. As a result, it is very likely Lake Forest Park PD has very high, or higher proactive time available than Kenmore PD. As detailed in the Phase I report Kenmore PD requires high levels of proactive time related to potential officer safety issues as opposed to workload requirements. This is very likely the case in Lake Forest Park. As such, a combination of both agencies allows more

field resource flexibility, thereby allowing field resources to be deployed with greater emphasis on workload needs as opposed to officer safety needs.

- Lake Forest Park PD deploys one field sergeant on each 12-hour shift for a total of four patrol sergeants. Kenmore has the current advantage of using both the Chief (a KCSO sergeant deployed during days), as well as share sergeant resources with the community of Shoreline. Adding Kenmore as a police service area would not require the addition of more field sergeants as such personnel could handle the additional field staff dedicated to Kenmore. In many police organizations field sergeant handle from 5-9 patrol staff on their team; currently Lake Forest Park patrol sergeants are overseeing 2-3 officers. Their span of control could increase with no observable impact on service delivery.
- Lake Forest Park PD deploys two detectives and one administrative sergeant who has a moderate investigative caseload. Kenmore PD deploys the equivalent of 1.6 detective staff. At 147 assigned cases in 2010 for LFPPD detectives, combined with the workload observations of KCSO detectives assigned to Kenmore as described in the Phase I report, there appears opportunity for detective streamlining if Kenmore and Lake Forest Park provided law enforcement service jointly.
- In calendar 2010 approximately 3.0 KCSO FTEs were dedicated to supporting Kenmore PD based upon (appropriate) contract modeling, in 2011 this was reduced to approximately 2.5. This excludes approximately 2.5 FTEs for dispatch services, 0.6 FTEs for major crime investigations, and approximately 0.1 staff for marine services. In addition, approximately 1/3rd FTEs provide a variety of staff support resources ranging from payroll to recruiting. Given LFPPD staffs four civilians to include one Police Services Manager, one Property Officer, and two Records Clerks, it is unlikely three more non-sworn positions would be added if Kenmore received service from Lake Forest Park; rather, two positions would likely prove satisfactory thereby saving 0.5-1.0 FTE “overhead position” compared to the KCSO contract.
- Both KPD and LFPPD have a Police Chief position. Only one would be necessary under a joint operation law enforcement model.

In summary, while there would be limited, if any, operational savings if Lake Forest Park PD replicated the number of FTE's currently provided by KCSO to Kenmore, there is potentially substantial savings if a joint Lake Forest Park/Kenmore policing agency were developed. Reiterating, a detailed analysis of joint staffing needs is beyond this report; however, based on our respective knowledge of both police

agencies, the following is a likely staffing augmentation scenario that would be required if Lake Forest Park provided policing services to Kenmore.

Potential New FTE Positions Required in Lake Forest Park/Kenmore Joint Police Operations

New LFPPD Position Type	No. of Staff Required
Sergeant	1
Patrol Officer	6
Traffic Officer	1
Detective	1
SRO / Storefront Officer	1
Civilian Clerical Support	2
TOTAL FTE staff needed	12

The following is noted with respect to the above staffing table:

- The Sergeant position above is functionally not necessary in Patrol in the current 12-hour shift program of LFPPD. Despite this, the addition of 11 line staff often incurs the perceived need to add a supervisor position for a variety of reasons, including span of control, promotional opportunities, etc. This sergeant could be used in a variety of functions, including providing “floater coverage” during scheduled and unscheduled absenteeism for the four LFPPD patrol sergeants, etc. The project team has chosen to add this supervisory position, although it could be eliminated dependent upon an alternative organizational structure developed, thereby incurring additional operational savings if the position were excluded.
- Six (6) Patrol Officers provide sufficient staffing to field one additional patrol position 24/7 in the Lake Forest Park and Kenmore service area.
- The Traffic Officer position could be considered unnecessary and eliminated. For the most recent fiscal year, the City of Kenmore decided, due largely to budgetary reasons, to cease a dedicated traffic unit. While the project team understands this, we are proponents of dedicated Traffic Officers. Although traffic complaint data from Kenmore suggests that most complaints are based on abandoned vehicles and parking-related issues, dedicated Traffic Officers historically have significantly higher output metrics (e.g. citations) than patrol officers. And while patrol officers can be given a traffic-emphasis work direction, our analytical experience suggests that dedicated traffic enforcement typically outperforms their patrol counterparts by several-fold. As a result, a dedicated Traffic Officer is included; however, it could be eliminated dependent upon an alternative organizational structure developed, thereby incurring additional operational savings if the position were excluded.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

- Based on detective workload it is estimated only one (1) additional detective would be necessary in the LFPPD detective unit to support the Lake Forest Park and Kenmore service area.
- The SRO/Storefront Officer is a dedicated position currently assigned to Kenmore and thus included in an LFPPD service model.
- The project team estimates two additional clerical support may be required in a joint Lake Forest Park and Kenmore police service delivery model.

Utilizing the estimated number of 12 additional personnel noted above, and abstracting information salaries and benefits information provided by LFPPD, the following table is developed:

Estimated Annual Cost of Additional Staff for Kenmore Police Services – 2010 Budget

<u>Position</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>	<u># Staff</u>	<u>Total Cost</u>
Sergeant	\$ 80,834	\$ 27,318	\$ 108,152	1	\$ 108,152
Officers	\$ 62,740	\$ 21,236	\$ 83,976	8	\$ 671,809
Detective	\$ 71,455	\$ 29,595	\$ 101,050	1	\$ 101,050
Records Clerk	\$ 47,128	\$ 18,876	\$ 66,004	2	\$ 132,008
TOTAL:				12	\$ 1,013,019

This \$1,013,019 provides a baseline of annual operating costs related to personnel that must be “loaded” with other relevant costs. One such relevant cost is internal overhead. The LFPPD annual operating budget (for 2010) is allocated as follows:

LFPPD Operating Budget by Major Line Item - 2010

<u>2010 Budget Category</u>	<u>Budget</u>
Salaries and Benefits	\$ 2,310,580
Other Law Enforcement Costs (Overhead)	\$ 352,570
Crime Watch/Community Policing (Overhead)	\$ 9,150
Emergency Management (Overhead)	\$ 27,000
Traffic Safety Camera Program (Overhead)	\$ 216,000
Dispatch Services (Overhead)	\$ 166,031
TOTAL POLICE SERVICES	\$ 3,081,331
TOTAL SALARIES AND BENEFITS	\$ 2,310,580
OVERHEAD %⁷	33.36%

The internal loaded overhead rate of 33.36% must be added to the salaries and benefits of the twelve staff's salary and benefits noted previously, resulting in an approximate \$338K additional costs per annum.

In addition to internal overhead, there is external overhead—those services provided by the City outside of the police department (e.g. IT, Legal, etc.). Lake Forest Park does not use an internal cost allocation process to charge-back operating departments for such services; however, based on interview, Lake Forest Park executive staff would likely emulate the existing contract with Kenmore for Public Works services, and thus charge an additional overhead fee of 10% per year. This would result in an additional cost of approximately \$135K annually.

Based on fully loaded costs for twelve additional positions to service the Lake Forest Park and Kenmore service areas, it is estimated that such positions would cost Lake Forest Police Department \$1.486M per year in fully-loaded costs. This would

⁷ Loaded overhead rate is calculated $\$3,081,331 / \$2,310,580 = 1.3336$

result in a total annual budget of approximately \$4,567,361 (based on 2010 budget information) for Lake Forest Park and Kenmore police services.

An appropriate cost allocation model would need to be developed which allocates the costs to both municipalities based on fundamentally sound principles. One method would be based on calls for service arising from both communities. The following table shows the results of this cost allocation based on 2010.

	Dispatched CFS	% CFS	Allocated Cost
Kenmore	3,287	52%	\$2,375,027
Lake Forest Park	3,083	48%	\$2,192,333
TOTAL	6,370	100%	\$ 4,567,361

Based on the cost allocation and staffing model above, Kenmore would save approximately \$419,000 per year compared to the KCSO contract if services were provided by Lake Forest Park. Interestingly, through the above cost allocation process, Lake Forest Park PD would reduce their overall costs by approximately \$889K per year.

Reiterating, this is one cost allocation model based on one proposed staffing/service level model; there are others that would result in a different distribution in costs. By example, if only ten staff were added in-lieu of twelve (e.g. eliminating the sergeant and traffic officer positions noted) then potential savings to Kenmore would increase to an approximate \$623,000 per year.

It should be noted that such savings do not incur in the first year as one-time start-up costs for capital equipment, new officer training, etc. (e.g. patrol units for Kenmore) would be required. These could be potentially sizable particular given possible capital investments. A broad but conservative estimate is first year savings could be partially or wholly deferred due to start-up cost investments.

In conclusion, an optional police service delivery model resulting from a joint Lake Forest Park and Kenmore police operation could result in substantive savings for both communities.

3. SCENARIO 2 – ALTERNATIVE POLICING APPROACHES.

While examining alternative cities providing policing services to Kenmore on a contract basis is one viable option, there are other potential operational alternatives that are possible. At issue, however, is the political viability of such scenarios. As noted in the Phase I report, both Kenmore and Shoreline are serviced by the King County Sheriff office. The city of Lake Forest Park lies in-between both communities and must be traversed to provide cross-dispatch support between Kenmore and Shoreline sheriff patrol units. A regionalized police approach, of the cities of Kenmore, Lake Forest Park, and Shoreline is one possibility, with all communities being serviced by the KCSO.

The exhibits following this sub-section represent a due-diligence effort on the part of KCSO to examine the above possibility of the Sheriff contracting with all three adjoining communities in a variety of service delivery options. These include:

- Scenario 1 - The cost and savings impact of each community (Lake Forest Park, Shoreline and Kenmore) individually contracting with KCSO.
- Scenario 2 - The cost and savings impact of a joint Lake Forest Park/Kenmore police department contracting with KCSO.
- Scenario 3 - The cost and savings impact of a regional “police department” of Lake Forest Park, Kenmore and Shoreline contracting with KCSO.

By example, in Scenario 1 the method used for model development the primary beneficiary in savings is Lake Forest Park, experiencing an estimated annual savings of

over \$606K per year. Kenmore saves insignificantly of approximately \$59K per year and thus has little incentive to support this model under the current framework.

The largest impediment to the above service models is the strong probability that Lake Forest Park does not wish to dissolve its police department. While recent trends suggest this dissolution is occurring nation-wide, with police agencies regionalizing or contracting to sheriff's departments for service, it is nevertheless unlikely Lake Forest Park would consider this police service delivery option under the present political and community environment.

KCSO DRAFT Scenario #1:
IF BOTH Kenmore and Lake Forest Park Contracted with KCSO
(w/Shoreline, Kenmore and LFP individual police departments)

	2011 (As reported)	2011 (If Added Lake Forest Park)	Estimated Cost Savings If Added Lake Forest Park
Lake Forest Park	Costs 3,012,605	Costs 2,406,615	#FTE's 11.5
Kenmore	Costs 2,701,458	Costs 2,642,847	#FTE's 12.5
Shoreline	Costs 9,766,076	Costs 9,651,992	#FTE's 52.8
			(605,989)
			(58,611)
			(114,084)

Potential Savings For Lake Forest Park

	Current 2011 Budget	Estimated 2011 Costs If w/KCSO	Estimated Savings
Law Enforcement	2,713,559		
Add'l Indirect Costs (budgeted in other categories) Est. 5.5% **	149,246		
Dispatch	149,800	2,406,615	
Draft Exhibit B		\$2,406,615	\$605,989 *
TOTAL	\$3,012,605		

* Assumptions used in this DRAFT are a conservative estimate. Final cost savings to Lake Forest Park may be higher.

** Indirect costs (not typically included in a City's Law Enforcement budget), are estimated at 5.5% in this scenario. This is based on the % identified in the Berk Burien study for Marysville & Puyallup (for functions such as payroll, HR, Data, Records, etc.). This estimate is just a place-holder until more firm numbers can be obtained from the City.

Lake Forest Park (Staffing)

	Current 2011 Budget	DRAFT Exhibit
Police Chief	1.0	1.0
Police Manager	1.0	0.0
Records Specialist	2.0	0.0
Sergeant	4.0	0.0
Police Officer	12.0	10.0
Administrative Sergeant	1.0	0.0
Detective	2.0	0.5
Property Officer	1.0	0.0
	24.0	11.5

Assumptions:

Costs based on a 3-City Model w/Shoreline providing Precinct oversight
Based upon the above Dedicated Staffing levels
Based upon the Chief with a rank of Sergeant
Will further explore if a one-time reconciliation credit (for year 1 only) can be provided for vehicles already owned by City (this possible credit is not yet reflected in Exhibit).
Shoreline to provide the following to Kenmore & Lake Forest Pk:
- Precinct Command (50 hrs/yr for Major and 25 hrs for Captain) and Precinct Support (25 hrs/yr for Admin work)
- Patrol Supervision based on each City's %DCPS (of 3 cities combined) x 75%
Workload assumptions:
- Based on Kenmore's DCPS and MARR counts (conservative estimate)
- Based on WASPC data for Major Crimes counts
- Based on HNT workload of 2, and SWAT callout of 1
- SET usage is a flat fee of \$10,000
Major, Captain, Admin and SET charges to be re-evaluated at year-end

AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Lake Forest Park

Exhibit B

Precinct East Pct
 Cost Book: Adopted
 Draft or Final: DRAFT
 Date: 31-Aug-11

DRAFT 2011 Adopted Exhibit - Assuming Separate Police Depts for Shoreline, Kenmore & LFP

Dedicated Police Services	Units	Salary	Benefits	Adjustmt	Total Cost	FTEs
Police Chief *	1.0	\$113,966	\$38,144	0	\$152,110	1.00
Officers *	10.0	\$86,906	\$34,656	0	\$1,215,018	10.00
Detectives	0.5	\$90,322	\$35,097	0	\$62,709	0.50
Overtime					\$77,244	--
Cost of Dedicated Personnel, Subject to Reconciliation					\$1,507,682	11.50
Uniform, Equipment, and Supplies					\$24,690	--
Additional Wireless Cards	1			\$540	\$540	--
Vehicles					\$137,263	--
Insurance, 800 MHz, etc.					\$56,836	--
Subtotal, Dedicated Police Services					\$1,727,010	11.50
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Precinct Command Staff	4.30%	\$256,411	\$72,067	\$26,111	\$15,249	0.13
Patrol Supervision	18.71%	\$738,924	\$256,425	\$183,426	\$138,200	0.82
SET Detectives	2.87%	\$46,590	\$22,678	\$0	\$10,000	0.03
Precinct Support Staff	3.09%	\$4,338,884	\$1,797,270	-\$1,935	\$189,689	2.32
Communications/Dispatch	5.94%	\$6,037	\$1,788	\$2,523	\$615	0.01
Hostage Negotiation Team	0.74%	\$2,349,763	\$909,900	\$683,407	\$29,340	0.20
Major Crimes Investigation	4.53%	\$512,569	\$188,570	\$300,991	\$8,978	0.05
Marine Unit	3.39%	\$619,212	\$239,232	-\$268,218	\$20,015	0.24
SWAT (TAC-30) Team	1.99%	\$318,483	\$116,611	\$138,445	\$11,395	0.07
Subtotal, Additional Police Services					\$426,465	3.87
Police Support Services						
Payroll, crime analysis, evidence, recruiting	Per All FTE			\$11,653	\$171,071	1.29
computers, records, personnel, etc.	Per Sworn FTE			\$3,817	\$45,872	0.35
Training, firing range, data					\$15,103	
Police Support Services - provided by						
Shoreline					\$232,047	1.65
Subtotal, Police Support Services					\$20,216	0.00
Additional Credits and Charges						
Overhead Charges					\$0	
Facility Charges					\$20,216	
Subtotal, Additional Credits and Charges					\$2,404,738	17.01
Total, Police Services					\$1,877	
Fire Investigation charge						
TOTAL CONTRACT COST, WITH FIRE INVESTIGATION					\$2,406,615	17.01

Notes: Items highlighted in yellow, represent transfers to Shoreline for services provided.
 12 Positions marked with * include wireless card & access.
 Total Wireless Cards:

\\kenmore\contract\Exhibit\2011 Exhibit\Vanita Analysis\WhatIf Lake Forest Park Contract\2011 Adopted ExhB_Lake Forest Park.xls AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Kenmore

Exhibit B

Precinct East Pct
 Cost Book: Adopted
 Draft or Final: DRAFT
 Date: 31-Aug-11

DRAFT 2011 Adopted Exhibit - Assuming Separate Police Depts for Shoreline, Kenmore & LFP

Dedicated Police Services		Units	Salary	Benefits	Adjustmt	Total Cost	FTEs
Police Chief *		1.0	\$113,966	\$38,144		\$152,110	1.00
Officers *		11.0	\$86,906	\$34,656	0	\$1,337,180	11.00
Detectives		0.5	\$90,322	\$35,097	0	\$62,709	0.50
Overtime						\$83,961	
Cost of Dedicated Personnel, Subject to Reconciliation							\$1,635,960
Step 6							
Uniform, Equipment, and Supplies		1			\$540	\$26,837	
Additional Wireless Cards						\$540	
Vehicles		Y			-\$2,952	\$149,455	
Vehicle Adjustments						-\$2,952	
Insurance, 800 MHz, etc.						\$61,775	
Subtotal, Dedicated Police Services							\$1,871,614
Additional Police Services							
Precinct Command Staff	Units	4.30%	\$256,411	\$72,057	\$26,111	\$15,249	0.13
Patrol Supervision		18.71%	\$738,924	\$259,426	\$183,426	\$138,200	0.82
SET Detectives		2.87%	\$46,690	\$22,678	\$0	\$1,986	0.03
Precinct Support Staff		3.09%	\$4,339,884	\$1,797,270	-\$1,935	\$189,689	2.32
Communications/Dispatch		3.96%	\$6,037	\$1,788	\$2,523	\$410	0.00
Hostage Negotiation Team		2.17%	\$2,349,763	\$909,900	\$683,407	\$85,469	0.59
Major Crimes Investigation		7.17%	\$612,569	\$188,900	\$300,591	\$14,219	0.08
Marine Unit		3.39%	\$618,212	\$239,232	-\$268,218	\$20,015	0.24
SWAT (TAC-30) Team		1.99%	\$316,463	\$116,611	\$138,445	\$11,395	0.07
Subtotal, Additional Police Services							\$486,631
Police Support Services							
Payroll, crime analysis, evidence, recruiting	Per All FTE				\$11,653	\$187,782	1.41
computers, records, personnel, etc.	Per Sworn FTE				\$3,817	\$51,074	0.38
Training, firing range, data						\$15,103	
Police Support Services - provided by						\$253,959	1.80
Subtotal, Police Support Services							\$253,959
Additional Credits and Charges							
Overhead Charges						\$23,274	
Subtotal, Additional Credits and Charges							\$23,274
Total, Police Services							
Fire Investigation charge						\$2,635,478	18.57
TOTAL CONTRACT COST, WITH FIRE INVESTIGATION							\$2,642,847
Notes: Items highlighted in yellow, represent transfers to Shoreline, per the Kenmore/Shoreline agreement (see Attachment 1).							
In 2011 Fraud, DV, and Shared Detective Services removed and added Dedicated Detective.							
Total Wireless Cards: 13 Positions marked with * include wireless card & access.							

\\kcs018\contract\Exhibit\2011 Exhibit\Anita Analysis\What-If Lake Forest Park Contract\RAFT 2011 Adopted ExhB_Lake Forest Park.xls
 AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Shoreline

Exhibit B

Precinct
 Cost Book:
 Draft or Final:
 Date:
 31-Aug-11

DRAFT 2011 Adopted Exhibit - Assuming Separate Police Depts for Shoreline, Kenmore & LFP

Dedicated Police Services	Units	Salary	Benefits	Step 6 Adjustmt	Total Cost	FTEs
Police Chief	1.0	\$136,083	\$36,369		\$172,452	1.00
Police Sgt	1.0	\$100,563	\$25,637		\$126,200	1.00
Patrolman Admin Sergeants * (7 Patrol & 1 Adm.)	8.0	\$100,563	\$25,637		\$1,164,024	8.00
Detective Sergeants	1.0	\$108,977	\$37,501		\$1,464,478	1.00
Street Crimes Sergeant	1.0	\$108,977	\$37,501		\$1,464,478	1.00
Officers * (22 Patrol, 5 Traffic & 2 Storefront)	29.0	\$86,906	\$34,056	\$2,245	\$3,590,408	29.00
School Resource Officers	1.0	\$86,906	\$34,056	\$2,245	\$1,122,375	1.00
Detectives	4.0	\$90,322	\$35,087	\$2,245	\$510,657	4.00
Street Crimes Detectives	4.0	\$90,322	\$35,087	\$2,245	\$510,657	4.00
Community Service Officer	1.0	\$57,579	\$24,842		\$82,421	1.00
Clerical Staff, AS III	0.0	\$49,996	\$23,119		\$0	0.00
Clerical Staff, AS II	1.8	\$46,590	\$22,678		\$127,906	1.80
Overtime					\$341,229	
Cost of Dedicated Personnel, Subject to Reconciliation					\$7,048,050	52.80
Uniform, Equipment, and Supplies					\$112,588	
Additional Wireless Cards	5			\$540	\$2,702	
Vehicles	Y			\$97	\$60,416	
Vehicle Adjustments					\$87	
Insurance, 500 MHz, etc					\$257,386	
Subtotal, Dedicated Police Services					\$7,981,543	52.80
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Communications/Dispatch	10.34%	\$4,339,884	\$1,797,270	\$1,935	\$634,417	7.76
Hostage Negotiation Team	5.94%	\$6,037	\$1,788	\$2,523	\$615	0.01
Major Crimes Investigation	8.35%	\$2,349,763	\$909,900	\$683,407	\$329,121	2.28
SWAT (TAC-30) Team	4.64%	\$318,483	\$116,611	\$138,445	\$26,588	0.16
Subtotal, Additional Police Services					\$990,740	10.21
Police Support Services	Per All FTE					
Payroll, crime analysis, evidence, recruiting				\$11,653	\$745,571	5.31
computers, records, personnel, etc.	Per Sworn FTE			\$3,817	\$198,936	1.31
Training, firing range, data					\$944,506	6.62
Subtotal, Police Support Services						
Additional Credits and Charges						
Overhead Charges					\$83,451	
Credit for use of city facility by county staff					-\$1,452	
Credit for telephone and copiers					-\$33,552	
Credit for Police Support Services (and associated overhead) provided to Lake Forest Park					-\$180,537	
Credit for Police Support Services (and associated overhead) provided to Kenmore					-\$180,537	
Subtotal, Additional Credits and Charges					-\$312,627	0.00
Total, Police Services					\$9,604,163	69.63
Fire Investigation charge					\$47,629	
TOTAL CONTRACT COST, WITH FIRE INVESTIGATION					\$9,651,992	69.63

Note: Items highlighted in yellow represent transfers from Kenmore and Lake Forest Park for services provided.
 50 Positions marked with * include wireless card & access. However, extra wireless cards purchased by city are allocated to other positions as needed.

\\ksa\ppl\contract\Exhibit\2011 Exhibit\Vanita Analyze\What-If Lake Forest Park Contract\Draft 2011 Adopted ExhB_Lake Forest Park.xls

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

KCSO DRAFT Scenario #2:
IF "Joint" Kenmore/Lake Forest Park Police Department
(w/Shoreline providing precinct oversight)

Shoreline	2011 (As reported) Costs	#FTE's	2011 (If Joint Kenmore/Lake Forest Park Police Dept. Costs	#FTE's	Estimated Cost Savings
	9,766,076	51.80	9,652,839	52.80	(113,237)

Potential Savings:

	Current 2011 Budget	Estimated 2011 Costs if "Joint" 2- City model	Estimated Savings
Lake Forest Park:			
Current 2011 Costs - LFP	2,713,559		
Add'l Indirect Costs (budgeted in other LFP categories) Est. 5.5% *	149,246		
Current LFP Dispatch Costs	149,800		
Sub-total	3,012,605		
Kenmore:			
Exhibit B	2,701,458		
TOTAL	5,714,063	4,708,797	\$1,005,266

* Indirect costs (not typically included in a City's Law Enforcement budget), are estimated at 5.5% in this scenario. This is based on the % identified in the Berk Burien study for Marysville & Puyallup (for functions such as payroll, HR, Data, Records, etc.). This estimate is just a place-holder until more firm numbers can be obtained from the City to do a more accurate comparison.

Kenmore/Lake Forest Park "Joint City" (Staffing):

	DRAFT Exhibit
Police Chief - (Captain) for Kenmore	1.0
Police Chief - (Sergeant) for Lake Forest Park	1.0
Police Officers	17.0
Storefront Officer	1.0
Detective	1.0
School Resource Officer	22.0

Assumptions:

Based on "Joint" Police Department for Kenmore & Lake Forest Park
 Based on Shoreline providing Precinct Command of 100 hrs/yr for Major, 50 hrs/yr for Captain, and 50 hrs/year for admin support. SET usage is a flat fee of \$20,000. Major, Captain, Admin and SET charges to be re-evaluated at year-end.
 Based on Kenmore Sharing a Dedicated Detective w/Lake Forest Park
 Patrol Supervision provided by Shoreline, based on each of the 3 Cities relative DCFS x 75%
 Will further explore if a one-time reconciliation credit (for year 1 only) can be provided for vehicles already owned by LFP (this possible credit is not yet reflected in Exhibit).
 Additional savings could possibly be achieved by adopting the 12 hour shift, recommended by Matrix. This scenario did not incorporate this operational change.
Workload Assumptions: Uses Kenmore's DCFS and MAAR counts for modeling Lake Forest Park (for a conservative estimate).
 Major crime counts for LFP based on WASPC data.
 LFP HNT based on workload of 2 and SWAT callout of 1

\\kcsopis\contracts\Exhibits\2011 Exhibits\Antia Analysis\What-If Joint Lk Forest Park_Kenmore model\Impact to Cities IF Joint LFP_Kenmore Contract.xls
 AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Kenmore / Lake Forest Park

Exhibit B

Proiect: East Pct
 Cost Book: Adopted
 Draft or Final: DRAFT
 Date: 31-Aug-11

DRAFT 2011 Adopted Exhibit - "JOINT" Kenmore/Lake Forest Park Police Dept.

Dedicated Police Services	Units	Salary	Benefits	Adjustment	Total Cost	FTEs
Police Chief *	1.0	\$120,328	\$35,698		\$156,026	1.00
Patrol or Admin Sergeants *	1.0	\$113,966	\$38,144		\$152,110	1.00
Officers *	18.0	\$86,906	\$34,656		\$121,562	18.00
School Resource Officers	1.0	\$85,637	\$34,493	0	\$120,130	1.00
Detectives	1.0	\$90,322	\$35,097	0	\$125,419	1.00
Clerical Staff, AS III	0.0	\$49,996	\$23,119		\$73,115	0.00
Overtime					\$141,054	0.00
Cost of Dedicated Personnel, Subject to Reconciliation					\$2,882,851	22.00
Uniform, Equipment, and Supplies	1			\$540	\$47,232	
Additional Wireless Cards				\$540	\$540	
Vehicles	Y			\$2,952	\$2,952	
Vehicle Adjustments					\$2,952	
Insurance, 800 MHz, etc.					\$108,589	
Subtotal, Dedicated Police Services					\$3,292,704	22.00
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Precinct Command Staff	8.60%	\$256,411	\$72,057	\$26,128	\$30,498	0.26
Patrol Supervision	37.42%	\$738,924	\$259,425	\$183,486	\$276,413	1.64
SET Detectives	5.73%	\$46,590	\$22,678	\$0	\$20,000	0.06
Precinct Support Staff	6.18%	\$4,349,884	\$1,797,270	\$1,284	\$379,418	4.64
Communications/Dispatch	9.80%	\$6,037	\$1,788	\$2,524	\$1,025	0.01
Hostage Negotiation Team	2.80%	\$2,349,763	\$908,900	\$683,673	\$113,966	0.79
Major Crimes Investigation	1.70%	\$1,490	\$580	\$23,159	\$23,159	0.12
Major Unit (Kenmore & LFP)	1.55%	\$610,212	\$238,232	\$208,428	\$22,347	0.15
MARR Unit	3.00%	\$318,483	\$116,611	\$138,473		0.15
SWAT (TAC-30) Team						
Subtotal, Additional Police Services					\$909,471	8.10

Police Support Services

Payroll, crime analysis, evidence, recruiting
 computers, records, personnel, etc.

Training, firing range, data

Police Support Services - provided by

Shoreline

Subtotal, Police Support Services

Additional Credits and Charges

Overhead Charges

Subtotal, Additional Credits and Charges

Total, Police Services

Fire investigation charge (Kenmore & Lake Forest Park)

TOTAL CONTRACT COST, WITH FIRE INVESTIGATION

Note: Items highlighted in yellow, represent transfers to Shoreline, per the Kenmore/Shoreline agreement (see Attachment 1).
 Facility charges owed to Shoreline (not reflected in this exhibit), are approximately \$6K/year.

\\kenmore\contracts\Exhibits\2011 Exhibit\Vanita Analysis\What-If Joint Lk Forest Park_Kenmore model\2011 Adopted ExhB_Joint
 LFP_Kenmore.xls

KCSO DRAFT Scenario #3:
IF "Joint" (3-City) Police Department
Shoreline / Kenmore / Lake Forest Park

Potential Savings:

Lake Forest Park:	Current 2011 Budget	Estimated 2011 Costs if "Joint" KCSO Contract	Estimated Savings
Add'l indirect costs (budgeted) other LFP categories) Est. 5.5% *	149,246		
Current LFP Dispatch Costs	149,800		
Sub-total	3,012,603		
Kenmore: Exhibit B	2,701,458		
Shoreline: Exhibit B	9,766,076		
Joint 3 City Exhibit B		12,833,100	
Estimated Add'l Costs for SRO, CSO, Sheriff, Admin, Marine, FIU & MARR:			
Lake Forest Park		200,596	
Kenmore		212,249	
Shoreline		818,330	
TOTAL	15,480,139	14,064,275	\$1,415,864

* Indirect costs (not typically included in a City's Law Enforcement budget), are estimated at 5.5% in this scenario. This is based on the % identified in the Bark Buren study (for functions such as payroll, HR, Data, Records, etc.). This estimate is just a place-holder until more firm numbers can be obtained from the City.

Shoreline/Kenmore/Lake Forest Park "Joint City" (Staffing)

	Staffing Levels
Police Chief - (Major)	1.0
Captain	2.0
Admin. Sergeant	1.0
Patrol Sergeant	7.0
Detective Sergeant	1.0
Street Crimes Sergeant	1.0
Patrol Officers	42.0
Detective	5.0
SET Detective	4.0
Total	64.0

Note: Contrast the above 64 staff with the current FTE's for Shoreline, Kenmore and Lake Forest Park (46+11+19=76 respectively). For comparative purposes, current numbers listed here exclude SRO's CSO's Sheriff, Admin, Marine, FIU & MARR.

Assumptions:

Based on "Joint" Police Department for Shoreline, Kenmore & Lake Forest Park
Assumes that School Resource Officers, Community Service Officers, Sheriff, Admin, Marine, FIU & MARR are charged separately to each city. The cost of these dedicated staff, are **Not** included in the 3 City Exhibit.
Assumes Marine, Fire Investigation, and MARR would be charged separately to each City, because these are individual elections as well.
Division of cost (of the 3 City Police Department), could be done based upon their DCF's relative to one another. But other means of allocation could be explored if so desired.
Assumes a 7 person minimum staffing level per shift.
A special group consisting of members from all 3 cities, would need to be created to provide guidance to the Chief and new personnel. This group would be considered in decisions made.
Additional savings could possibly be achieved by adopting the 12 hour shift, recommended by Matrix, as this was not incorporated into this scenario.
Will further explore if a one-time reconciliation credit (for year 1 only) can be provided for vehicles already owned by LFP (this possible credit is not yet reflected in Exhibit).
Workload Assumptions: Uses Kenmore's DCF's and MARR counts for modeling Lake Forest Park's piece (for a conservative estimate).
Major crime counts for LFP based on WASPC data.
LFP HNT based on workload of 2 and SWAT callout of 1

Worksheet: Kenmore/Lake Forest Park/2013 Exhibit: Matrix Analysis: Joint Police Department, Kenmore, LFP 3-city model: Impact if 3 City Joint PD - Shoreline, LFP, Kenmore Contractable

AC 8/31/2013

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

DRAFT 3 City Police Department (using 2011 costs)
(Shoreline / Kenmore / Lake Forest Park)

Total (3 City) Exhibit B Cost \$12,833,100 A

Estimate of Add'l Charges to these 3 cities:

Storefront Officers (2)	334,812
School Resource Officer	166,184
Community Service Officer	118,027
Admin II (1.8 FTE's)	151,455
FIU	47,852
MARR (billed on SDR basis)	TBD
Shoreline Add'l Costs =	818,330

Kenmore:	
Storefront Officer	167,406
Marine	16,705
FIU	7,373
MARR	20,765
Kenmore Add'l Costs =	212,249

Lake Forest Park:	
Traffic or Storefront Officer	167,406
Marine	10,547
FIU	1,878
MARR	20,765
Lake Forest Park Add'l Costs =	200,596

Total Estimated Add'l Costs (Not included in Exhibit B) \$1,231,175 B

Total Exhibit B PLUS Add'l Estimated Costs (A+B) = \$14,064,275

3 City Model Total Cost =	14,064,275
Less: Current Shoreline Exhibit	(9,766,076)
Less: Current Kenmore Exhibit	(2,701,458)
Add'l Revenue to County	1,596,741

Note: All numbers are 2011 costs.

\\kcsorplis\contracts\Exhibits\2011 Exhibits\Antia Analysis\What-If Joint Shoreline_Kenmore_LFP 3-city model\DRAFT 2011 Adopted
 ExhB_3 City Joint PD - Shoreline_LFP_Kenmore.xls AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Shoreline / Kenmore / Lake Forest Park

Precinct: **Shoreline Pct**
 Cost Book: **Adopted**
 Draft or Final: **DRAFT**
 Date: **31-Aug-11**

DRAFT 2011 Adopted Exhibit - "JOINT" Shoreline / Kenmore / Lake Forest Park Police Dept

Dedicated Police Services	Units	Salary	Benefits	Step 6 Adjustmt	Total Cost	FTEs
Police Chief	1.0	\$136,083	\$36,359		\$172,442	1.00
Capitains	2.0	\$120,328	\$35,698		\$312,054	2.00
Patrol or Admin Sergeants * (7 Patrol & 1 Adm.)	8.0	\$105,561	\$37,061		\$1,140,971	8.00
Detective Sergeants	1.0	\$108,977	\$37,501		\$146,479	1.00
Street Crimes Sergeant	1.0	\$108,977	\$37,501		\$146,479	1.00
Officers	42.0	\$85,906	\$34,656	\$2,245	\$5,199,901	42.00
Detectives	5.0	\$90,322	\$35,097	\$2,245	\$638,321	5.00
Street Crimes Detectives	4.0	\$90,322	\$35,097	\$2,245	\$510,657	4.00
Overtime					\$409,729	--
Cost of Dedicated Personnel, Subject to Reconciliation					\$8,677,030	64.00
Uniform, Equipment, and Supplies					\$137,404	--
Additional Wireless Cards	6			\$640	\$3,242	--
Vehicles					\$713,036	--
Insurance, 800 MHz, etc.					\$318,334	--
Subtotal, Dedicated Police Services					\$9,849,048	64.00
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Precinct Support Staff	64.00	Per Precinct FTE		\$3,014	\$192,877	1.82
Communications/Dispatch	16.52%	\$4,339,684	\$1,797,270	-\$648	\$1,013,974	12.39
Hostage Negotiation Team	15.84%	\$6,037	\$1,788	\$2,524	\$1,639	0.02
Major Crimes Investigation	11.26%	\$2,348,763	\$909,900	\$683,851	\$443,980	3.08
SWAT (TAC-30) Team	8.61%	\$318,483	\$116,611	\$138,492	\$49,382	0.29
Subtotal, Additional Police Services					\$1,701,852	17.60
Police Support Services						
Payroll, crime analysis, evidence, recruiting						
computers, records, personnel, etc.				Per All FTE	\$11,714	6.91
Training, firing range, data				Per Sworn FTE	\$3,847	1.72
Subtotal, Police Support Services					\$1,210,472	8.63
Additional Credits and Charges						
Overhead Charges					\$106,731	
Credit for use of city facility by county staff					-\$1,452	
Credit for telephone and copiers					-\$33,552	
Subtotal, Additional Credits and Charges					\$71,727	0.00
Total, Police Services					\$12,833,100	90.22
TOTAL EXHIBIT B CONTRACT COST					\$12,833,100	90.22

Note: In this Model, Marine, FIU, MARR, SRO's, CSO's, Admin & Storefront FTE's are NOT included on this exhibit, but will be charged separately.

\\cseopis\contracts\Exhibits\2011 Exhibits\Anita Analyze\What-If Joint Shoreline_Kenmore_LFP 3-city model\DRAFT 2011 Adopted
 ExhB_3 City Joint PD - Shoreline_LFP_Kenmore.xls
 AC 8/31/2011

4. SCENARIO 3 – INDEPENDENT KENMORE POLICE DEPARTMENT.

A final relevant scenario for alternative police operations is the development of an in-house police department. One of the clear advantages of this kind of operation is the complete local control associated with operating an independent police department. Such local control is regularly perceived as so beneficial that numerous small agencies throughout the nation choose to have their own police departments instead of pursuing contract service delivery options. Generally, however, the costs for smaller police departments are often higher than larger law enforcement agencies as illustrated in the earlier sections of this chapter. Smaller departments cannot take advantage of economies-of-scale, and typically have executive and middle-management leadership/supervision regardless of their size. Furthermore, given the variety of functions a police agency performs, administrative staff such as records clerks, property/evidence clerks, etc. must also be hired.

There are a significant number of factors that influence how an internal police department is staffed. These include crime rate; community expectations; budget availability; union contracts impacting wages, salaries and working conditions; use of civilian staff in-lieu of sworn staff, diversification of assignments in order to promote recruitment and retention; and numerous other factors. Given these variables, constructing an in-house Kenmore Police Department could potentially take many forms. One reasonable method is making certain fundamental assumptions with respect to a Kenmore PD organization.

(1) Methodological Approach for Developing an In-house Police Department.

While the Matrix Consulting Group has strongly noted that we are not proponents of officers-per-thousand population when developing detailed patrol deployment staffing levels, investigative service personnel required, etc., this benchmark does offer some utility in a broader context. The 2010 population of Kenmore according to census information is 20,460. The project team examined two sets of information to derive potential in-house PD staffing requirements for Kenmore: 1) Officers-per-thousand and Civilian personnel-per-thousand for all Pacific Northwest communities⁸ ranging from 15K-25K population, and 2) the same metric for communities ranging from 20K-29.9K. The results were somewhat similar although the latter analysis had an overall lower “staff-per-thousand” result. Given Kenmore is a generally a quiet community falling at the low end of the 20K-29.9K range, this resultant will be used instead of the higher 15K-25K averages. The following table shows the results of this staff-per-thousand analysis.

Staff-per-Thousand: Pacific Northwest Police Departments with Population 20K-29.9K

City	Population	Total PD Staff	Total Sworn Staff	Total Civilian Staff	Sworn Per Thousand	Civilian Per Thousand
Mukilteo	21,057	32	28	4	1.33	0.19
Bainbridge Island	22,061	26	21	5	0.95	0.23
Oak Harbor	23,098	40	27	13	1.17	0.56
Mercer Island	24,411	34	31	3	1.27	0.12
Issaquah	25,019	58	31	27	1.24	1.08
SeaTac	25,886	46	43	3	1.66	0.12
Pullman	27,141	40	28	12	1.03	0.44
Des Moines	28,667	60	45	15	1.57	0.52
Milwaukie	20,732	41	37	4	1.78	0.19
Roseburg	20,741	42	37	5	1.78	0.24
Forest Grove	21,333	33	29	4	1.36	0.19
Ashland	21,611	35	28	7	1.30	0.32
Woodburn	23,103	39	32	7	1.39	0.30
West Linn	25,568	37	31	6	1.21	0.23
Redmond	25,856	52	37	15	1.43	0.58
Newberg-Dundee	26,669	35	22	13	0.82	0.49
Tualatin	26,903	42	34	8	1.26	0.30

⁸ Communities included those cities within Washington, Oregon and Idaho. Data taken from 2009 FBI Uniform Crime Reporting information.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Moscow	24,604	42	34	8	1.38	0.33
Post Falls	27,603	62	37	25	1.34	0.91
AVERAGE	24,319	42	32	10	1.31	0.34

(2) In-house Kenmore PD Staffing Result.

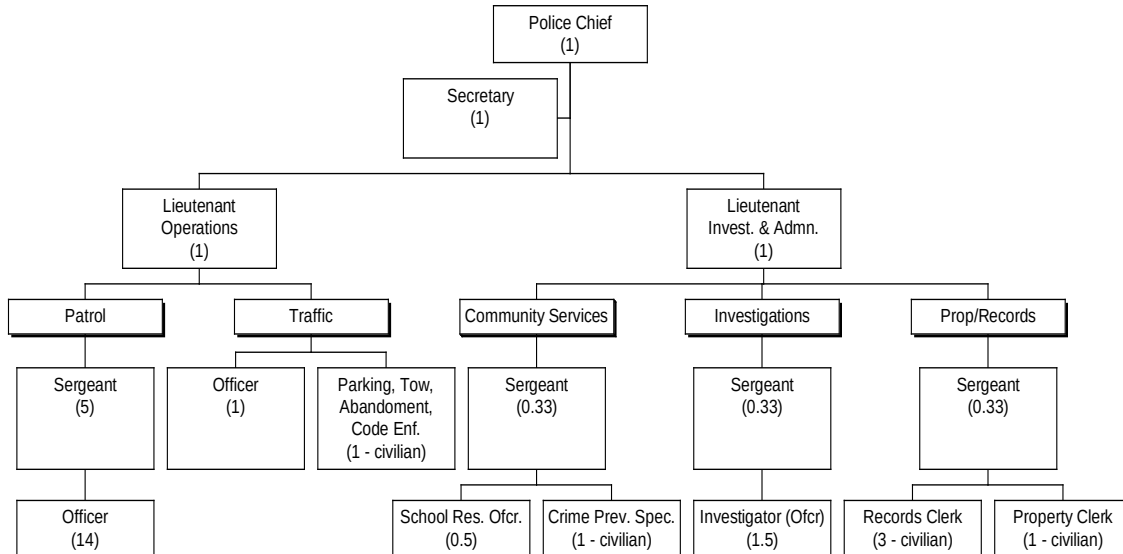
Based on the above data and formula, the City of Kenmore could potentially field a police department composed of:

- Thirty-three (33) total staff positions.
- Twenty-six (26) sworn personnel, ranging from a Police Chief to line officers.
- Seven (7) civilian personnel performing a variety of law enforcement-related functions.

Interestingly, for comparison purposes, if the same staff-per-thousand exercise were performed for Lake Forest Park in the (higher) 15K – 25K population range, this results in 19 sworn and 5 civilians compared to 20 sworn and 4 civilians actually deployed by LFPPD.

This Kenmore staffing numbers resulting from the above exercise could result in the following reasonable organizational structure, one of many organizations that could be developed with the noted staffing contingent.

Potential In-house Kenmore Police Department Organizational Structure



In conclusion, while a variety of approaches exist to developing an in-house staffing model, the aforementioned methodology results in a reasonable police organization structure for an in-house Kenmore Police Department.

(3) In-house Kenmore PD Costing Estimate.

As it relates to the cost of such an organization, there are two primary elements associated with costs: 1) Start-up costs which include the significant capital investment for facility and rolling stock (e.g. police units) and 2) on-going annual costs associated with annual operations. With regard to the latter, the following analytical approach is offered:

- In a previous section fully-loaded operating costs were shown, by staff position, for KCSO Kenmore PD personnel and Lake Forest Park PD personnel. Projected overall police operating budgets for an in-house Kenmore PD can be linked to a similar metric.
- With respect to calculating loaded costs by position, this can be accomplished using the same loaded cost as LFPPD, or a derivative related to this, since it is a

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

reasonable comparator given its adjacency to Kenmore, and similar community profile. It should be noted, however, that with respect to salaries which represent approximately half of such loaded costs, Lake Forest Park pays their officers on the lower end of the scale—approximately 12%—lower when compared to all King County communities. This is shown in the table below:

2010 Salary Comparison (Per 2010 AWC Report)

Community	Top Step Monthly Salary	Top Step Annual Salary (\$)
King County	6,379	76,551
Algona	5,110	61,320
Auburn	6,074	72,888
Beaux Arts	6,379	76,551
Bellevue	6,327	75,924
Black Diamond	6,611	79,332
Bothell	6,223	74,676
Burien	6,379	76,551
Carnation	5,536	66,432
Clyde Hill	5,645	67,740
Covington	6,379	76,551
Des Moines	6,991	83,892
Duvall	5,536	66,432
Edmonds	6,113	73,356
Everett	6,280	75,360
Federal Way	6,417	77,004
Issaquah	5,988	71,856
Kenmore	6,379	76,551
Kent	6,094	73,128
Kirkland	6,635	79,620
Lake Forest Park	5,413	64,956
Lynnwood	6,382	76,584
Maple Valley	6,379	76,551
Medina	6,155	73,860
Mercer Island	6,290	75,480
Mill Creek	5,901	70,812
Mukilteo	5,971	71,652
Newcastle	6,379	76,551
Normandy Park	5,819	69,828
North Bend	6,379	76,551
Puyallup	6,165	73,980
Redmond	6,114	73,368
Renton	6,046	72,552
Sammamish	6,379	76,551
SeaTac	6,379	76,551
Seattle	6,991	83,892
Shoreline	6,379	76,551
Skokomish	6,379	76,551
Snoqualmie	5,857	70,284
Sumner	6,045	72,540
Tacoma	6,113	73,356
Tukwila	6,176	74,112
Average	6,180	74,163

- Despite the potentially lower costs by using Lake Forest Park PD as a benchmark, the following table calculates the estimated annual operating costs of an in-house Kenmore Police Department utilizing this fully-loaded baseline and incremental reductions related to that baseline. These incremental reductions are based on two different approaches: reducing the loaded cost and reducing the calculated number of staff attributed to an in-house Kenmore PD. While costs could actually be higher than that which is shown below, these estimates are reasonable. The following table is noted:

Cost Method	Cost	# of FTEs: In-house Kenmore PD	Total Estimated Annual Operating Cost
Loaded Cost/FTE	\$128,389	33	\$4,236,830
Loaded Cost -5%	\$121,969	33	\$4,025,988
Loaded Cost -10%	\$115,550	33	\$3,814,147
Loaded Cost/FTE	\$128,389	31	\$3,980,053
Loaded Cost/FTE	\$128,389	29	\$3,723,275
Loaded Cost/FTE	\$128,389	27	\$3,466,497

As shown by the table, it is estimated, based on the methodology, that an in-house Kenmore Police Department's annual operating costs would run from \$3.5M to \$4.2M each year. This ranges from \$765K to \$1.54M annually higher than the most recent 2011 KCSO contract with Kenmore.

Given the comparatively exorbitant annual operating costs for an in-house PD, developing details for start-up costs is not relevant, particular since such costs could run in the several millions of dollars if facility needs are included.

In conclusion, of all alternative service delivery options, an in-house Kenmore PD is the most expensive and likely would provide no demonstrable service provision benefits compared to the KCSO or LFPPD.

5. ALTERNATIVE SERVICE DELIVERY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

Based on our data collection, review, and analysis, the following externally-related alternative service delivery findings conclusions and recommendations are summarized below.

- With regard to the adjoining communities of Bothell, Kirkland and Lake Forest Park, only Lake Forest Park has significant interest in exploring alternative police service delivery options with Kenmore.
- While there would be limited, if any, operational savings if Lake Forest Park PD replicated the number of full-time equivalent positions currently provided by KCSO to Kenmore, there is potentially substantial savings if a joint Lake Forest Park/Kenmore policing agency were developed. A detailed analysis of joint staffing needs is beyond this report; however, based on our respective knowledge of both police agencies, it is likely that Lake Forest Park PD would only need to add twelve (12) sworn and civilian staff to address the law enforcement service needs of both Lake Forest Park and Kenmore.
- Based on the above staffing model, it is estimated that such positions would cost Lake Forest Police Department \$1.486M per year. This would result in a total annual budget of approximately \$4,567,361 (based on 2010 budget information) for Lake Forest Park and Kenmore police services. Using a calls-for-service based cost allocation model Kenmore would save approximately \$419,000 per year compared to the KCSO contract if services were provided by Lake Forest Park. Reducing staffing levels to ten (10) additional personnel would save approximately \$623,000 annually. It should be noted that such savings do not incur in the first year as one-time start-up costs for capital equipment, new officer training, etc. (e.g. patrol units for Kenmore) would be required and potentially sizable. A broad but conservative estimate is first year savings could be partially or wholly deferred due to start-up cost investments.
- Based on a KCSO proposal for contractual services to the adjoining communities of Kenmore, Lake Forest Park, and Shoreline, it is proposed the KCSO could save the three communities collectively approximately \$780,000 to \$1.4 million annually based on the proposed models. This does not address the political feasibility of such service modifications, only the calculated savings to the varied municipalities.
- An in-house Kenmore Police Department is cost-prohibitive, with little service level benefits likely obtained compared to other options. It is estimated, based on the methodology used, that an in-house KPD's annual operating costs would run from \$3.5M to \$4.2M each year. This ranges from \$765K to \$1.54M annually higher than the most recent 2011 KCSO contract with Kenmore. Given the comparatively exorbitant annual operating costs for an in-house PD, developing details for start-up costs is not relevant, particular since such costs could run in the several millions of dollars if facility needs are included.

Based on the above, the following recommendations are made.

Recommendation: If continuation of the KCSO contract with Kenmore is desired in the short-term, re-explore alternative police service delivery models with both Kirkland and Bothell after 36-months.

Recommendation: Take additional strategic planning and feasibility steps to explore law enforcement service delivery being provided to Kenmore by the City of Lake Forest Park. This would include comprehensive and detailed financials with respect to start-up costs, a thorough sworn and civilian staffing plan to effectively and efficiently service both communities, and a governance and fiscal model where both communities believe their respective service and financial needs are appropriately addressed. Calculated potential savings is approximately \$419K per year to Kenmore compared to the existing KCSO contract at 12 additional LFPPD staff and \$623K at 10 staff.

Recommendation: If Lake Forest Park is amiable to contracting with the KCSO for policing services, strongly encourage the KCSO to develop a staffing/deployment and contract model around a regionalized policing approach of the three communities rather than treating such municipalities as three fully independent entities.

Recommendation: Suspend further exploration of developing an in-house Kenmore Police Department in the short to mid-term. Costs for such an operation are prohibitive—ranging from an additional \$765K to \$1.54M annually--and there is no evidence there would be demonstrable service level increases compared to other options.

3. ALTERNATIVE SERVICE DELIVERY – INTERNAL OPTIONS

This chapter focuses on internal service delivery changes that can occur related to the present method of conducting policing business with the King County Sheriff Office. While such changes will not reflect the potentially significant savings associated with other police service delivery options as discussed in the prior chapter, such modifications can potentially enhance service delivery and/or reduce costs.

1. THE TWELVE HOUR SHIFT SCHEDULE SHOULD BE CONSIDERED FOR KENMORE PATROL.

Various shift schedules can be implemented in a Department, from a 5-day, 8-hour work week, to the four-day, 10-hour work week to the 12-hour deployment schedule. The most cost effective are those schedules that are equally divisible in a 24-hour period. The staffing requirements for a 9-, 10- or 11-hour schedule increases the number of staff needed on duty, and where some effectiveness might be gained by the shift overlaps provided in these types of schedules, it is more costly and thus potentially less *efficient* than schedules equally divisible in a 24-hour time period. The 12-hour deployment schedule is obtaining increased popularity with many law enforcement agencies. The nearby community of Lake Forest Park uses a 12-hour shift program for their patrol deployment. The project team believes that implementation of a 12-hour shift program for Kenmore Patrol will address various operational issues and cost issues.

The following beneficial generalities can be noted about the twelve hour shift schedule. This information coincides with a recent study performed by Lincoln,

Nebraska, including an officer survey of LPD patrol regarding potential issues associated with their implementation of a 3/12 schedule. The survey noted:

- 100% of the respondents felt they were able to perform all police functions on the 3/12 schedule.
- 87% disagreed that they had become so tired during a shift that they were unable to function normally or safely.
- When asked about how rested they felt after returning from days off, 82% of officers said they were “very rested,” 9% percent felt “somewhat rested,” and an additional 9% found no difference from previous scheduling alternatives.
- When queried about their ability to work additional hours beyond a 12-hour shift, 42% felt there was no difference, 40% said they were “somewhat less able” to work, and 18% were “significantly less able” to work overtime.
- Positive mood and disposition changes had been noticed by the families of 77% of the respondents.⁹

The following provides an example of a 12-hour schedule's impact on proactive time. The importance of proactive time was discussed in some detail in the Phase I report. The example deploys a contingent of 8 total patrol officers—2 less than the existing patrol contingent on the 4/10 plan—with two officers on each of four shifts. The following table shows the amount of proactive time calculated based upon the modeling exercise:

⁹ All results found in the August, 2008 article from *The Police Chief* magazine.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Proactive Time Levels – 3/12 Schedule, 2 KPD Officers Deployed in Two Shifts/Four Squads (8 Total Officers)								
Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat	AVERAGE
0000	63%	87%	76%	79%	82%	81%	71%	77%
0100	72%	83%	83%	82%	85%	79%	69%	79%
0200	67%	87%	88%	92%	94%	86%	74%	84%
0300	83%	91%	92%	92%	95%	88%	81%	89%
0400	83%	90%	91%	96%	90%	92%	88%	90%
0500	93%	90%	92%	95%	92%	91%	92%	92%
0600	92%	88%	87%	89%	86%	92%	91%	89%
0700	90%	81%	81%	75%	75%	80%	83%	81%
0800	81%	76%	75%	72%	79%	78%	78%	77%
0900	78%	72%	76%	72%	76%	76%	67%	74%
1000	73%	67%	76%	75%	68%	70%	71%	71%
1100	76%	76%	74%	70%	70%	70%	71%	72%
1200	72%	72%	71%	70%	64%	60%	69%	68%
1300	67%	71%	69%	67%	65%	74%	62%	68%
1400	65%	51%	64%	51%	75%	63%	62%	61%
1500	72%	55%	67%	58%	59%	67%	69%	64%
1600	71%	54%	61%	57%	46%	47%	55%	56%
1700	63%	45%	52%	35%	17%	25%	24%	37%
1800	65%	71%	51%	51%	50%	53%	49%	56%
1900	38%	39%	28%	16%	2%	13%	8%	20%
2000	55%	69%	56%	56%	57%	59%	51%	57%
2100	57%	56%	62%	49%	53%	45%	47%	53%
2200	66%	53%	69%	67%	68%	49%	67%	63%
2300	76%	79%	70%	76%	82%	66%	62%	73%
AVERAGE:	71%	71%	71%	68%	68%	67%	65%	
OVERALL WEEKLY AVG:					69%			

This data is juxtaposed against proactive time information based on the 4/10 work schedule and detailed in that Phase I report.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Proactive Time Levels – Recent 4/10 Schedule, 3 KPD Officers Deployed Per Shift (9 Total Officers)¹⁰

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat	AVERAGE
0000	80%	93%	74%	89%	81%	90%	84%	85%
0100	70%	82%	64%	81%	68%	78%	67%	73%
0200	65%	87%	75%	92%	87%	85%	73%	80%
0300	81%	90%	82%	92%	90%	87%	79%	86%
0400	82%	89%	81%	96%	78%	92%	87%	86%
0500	93%	90%	91%	95%	84%	90%	84%	89%
0600	91%	87%	86%	88%	69%	91%	81%	85%
0700	89%	79%	80%	73%	47%	79%	64%	73%
0800	80%	75%	73%	70%	56%	76%	54%	69%
0900	76%	70%	75%	70%	49%	74%	30%	64%
1000	71%	64%	74%	73%	32%	68%	38%	60%
1100	75%	74%	72%	68%	35%	68%	38%	61%
1200	70%	70%	69%	68%	23%	57%	33%	56%
1300	65%	69%	67%	64%	25%	72%	20%	55%
1400	62%	47%	61%	47%	47%	60%	18%	49%
1500	70%	52%	29%	55%	13%	65%	67%	50%
1600	69%	51%	17%	54%	-16%	43%	52%	38%
1700	61%	41%	-2%	30%	-78%	20%	19%	13%
1800	62%	69%	-4%	48%	-7%	50%	46%	38%
1900	67%	67%	24%	55%	-5%	53%	51%	45%
2000	76%	83%	52%	76%	54%	78%	74%	70%
2100	77%	77%	59%	73%	50%	71%	72%	68%
2200	82%	75%	67%	83%	65%	73%	83%	75%
2300	87%	89%	68%	87%	81%	82%	80%	82%
AVERAGE:	75%	74%	60%	72%	43%	71%	58%	
OVERALL WEEKLY AVG:					65%			

Of further comparative analysis, proactive time is shown in the three present “shift time blocks” for the 4/10 and 3/12 shift program, respectively.

Proactive Time by KPD Shift

Shift Program	Day Shift (0500 Start)	Swing Shift (1300 Start)	Graveyard Shift (2100 start)
4/10	66%	56%	75%
3/12	75%	52%	69%

¹⁰ Since the development of the Phase I report ten officers, rather than nine, are now deployed as primary calls for service responders, now foregoing a specialized traffic unit, as a result of the Kirkland annexation.

Finally, the following table portrays additional information regarding proactive time and patrol staffing requirements based on the various schedules:

Proactive Time Information by Shift Type

SHIFT TYPE:	# Officers	Avg. Proactive Time	# of Time Blocks Proactive Time Exceeds 50%	# of time Blocks Proactive Time is Negative %
10-hour Shift	9	65%	19 of 24	4
12-hour Shift	8	69%	22 of 24	0

The following is noted regarding the information in the tables:

- Proactive time is marginally higher overall on the 12-hour program when compared to the existing 4/10 shift program.
- Proactive time is marginally lower in both Graveyard and Swing periods, but higher during Daytime periods. All proactive time is above the highly desirable 50% range.
- Proactive time exceeds the 50% margin in more time blocks on the 12-hour program when compared to the 4/10 shift program; this is during the Daytime period.
- There is no calculated negative proactive time on the 12-hour shift program.
- The 12-hour program provides the noted proactive benefits field one less patrol officer than the comparative 4/10 model and two less officers than is presently deployed in KPD.

In order to cover for hours lost due to scheduled and unscheduled absenteeism, as well as compensate officers for the additional 104 hours they will work annually on a 12-hour shift program, additional overtime must be paid to ensure 2 officers are deployed 24/7/365. It is estimated each of the 8 patrol officers would be paid 360 hours overtime annually, resulting in a cost of approximately \$161,000 annually—approximately \$73,000 more than the present overtime budget for 2011. Yet while

overtime costs increases, two officers ($10 - 2 = 8$) could potentially be eliminated from the Kenmore contract, saving the City approximately \$170,000 net annually.

The development of a 3/12 shift schedule that meets the specific needs of the KCSO and Kenmore is beyond the scope of this report; there are numerous alternatives that can be designed. Changing work schedules must be performed in consultation with bargaining units to help ensure acceptance and a smooth transition. However, the following is representative of some varied approaches that can be taken when designing a 3/12 shift schedule:

- A 3/12 shift schedule can be developed that allows for rotating days off, thereby allowing all officers to have some weekend time off. One schedule would be: work two days, then take two days off, then work three days, and then take two days off, then work two days again, and then take three days off. The cycle then begins again.
- A 3/12 shift schedule can be developed that allows for fixed days off, thereby allowing officers to have a consistent time-off schedule. By example, one team works three consecutive days the first week with four days off and four consecutive days the second week with three days off. A counterpart team works in the opposite fashion (four work days, followed by three work days the second week). This results in an 84 hour schedule every two weeks, whereby the extra four hours are paid on overtime (as assumed earlier); banked to allow for extra leave time; etc.

There are numerous 3/12 shift schedules that can be designed to meet the unique needs of KPD. Through a collaborative effort between management and union representatives, this 3/12 shift schedule can be developed accordingly.

In summary, based upon the totality of data provided herein, what ultimately results is that, barring any other variables, an equal or improved level of production can be achieved with fewer staff resources in a 12-hour shift than other shifts of different lengths. This holds true in any industry, including law enforcement. It is for this reason

that many municipalities are implementing 12-hour shift programs in their law enforcement agencies, particularly those departments of smaller size.

2. IF THE TWELVE HOUR SHIFT SCHEDULE IS IMPLEMENTED, REASSIGN A DEDICATED TRAFFIC UNIT.

The City of Kenmore had to eliminate the dedicated Traffic Unit to deploy assigned personnel to a primary calls for service unit as a result of losing cross-dispatch capability caused by the Kirkland annexation. Implementation of the twelve hour shift schedule and the resultant savings would provide sufficient financial resources to re-institute the dedicated traffic unit. As discussed in the Phase I report, traffic-related issues are a priority for Kenmore citizens. Additionally, many of the complaints received focus on parking issues which a dedicated traffic unit can address.

The project team recommends reassigning the dedicated traffic unit if the twelve hour shift program is implemented from the resulting savings in reduced patrol staff. This will result in 8 patrol officers and one dedicated traffic unit. Overall savings will still be incurred but be limited to approximately \$48K per year. This figure could be revised somewhat downward if the traffic unit provided coverage for absenteeism in certain situations instead of using overtime to bring in coverage.

3. IF THE TWELVE HOUR SHIFT SCHEDULE IS NOT IMPLEMENTED, REVISE THE PRESENT 4/10 SCHEDULE.

The ideal purpose of a patrol schedule is to deploy resources at the highest calls for service volumes both during times of the day and days of the week. With respect to days of the week, KCSO has not scheduled staff in some instances during the higher/highest calls for service workload days as noted by the table below.

% of Calls for Service by Shift Compared to Patrol Staff Deployed

	Sun	Mon	Tue	Wed	Thr	Fri	Sat
CFS % Day	12%	15%	14%	15%	16%	15%	14%
TOT. Deploy	2	2	2	2	1	2	1
CFS % Swing	11%	13%	13%	15%	16%	15%	16%
TOT. Deploy	2	2	1	2	1	2	2
CFS % Grave	17%	13%	13%	12%	11%	16%	18%
TOT. Deploy	2	2	1	2	1	2	2

As shown by the table, the busiest day on Day Shift and Swing Shift is Thursday; however KCSO is only deploying one officer during those shifts during that time. This suggests opportunity for modifying officers' days-off schedule to better accommodate workload patterns.

In addition, with respect to shift overlap, the 4/10 shift program provides one substantive benefit in that additional personnel can be deployed in heavy workload periods using the shift overlap period. The current Kenmore PD shift schedules include – Day – 0500-1500 hours; Swing – 1500-0100 hours; Graveyard – 1900-0500. These shift periods miss one of the highest workload periods from 1600-1800 hours by failing to overlap during this time frame. As such, proactive time during this period is abysmal, and could result in various operational issues that might otherwise be addressed through an improved schedule.

4. AUGMENT INVOLVEMENT OF KENMORE EXECUTIVES/MANAGERS IN ASSIGNMENT POSITIONS AT KPD.

While KCSO appropriately involves the community in the selection of a contract Police Chief, this does not occur for all positions assigned to the municipality. Kenmore should be more directly involved in the selection of officers to the Kenmore community. This can be accomplished by having a pool of candidates desirous of transferring to

Kenmore be interviewed by select Kenmore executives and managers. Subsequent selections would also consider the advisement of the KCSO assigned Police Chief. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

5. ALTERNATIVE SERVICE DELIVERY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

Based on our data collection, review, and analysis, the following internally-related alternative service delivery findings conclusions and recommendations are summarized below.

- The twelve hour shift program for Kenmore patrol services appears a viable option compared to the existing 4/10 shift program. Modifying the schedule will allow KPD to reduce staff from 10 to 8 patrol officers. While this will increase overtime the savings resulting from the elimination of two officer positions is approximately \$170K annually.
- If the twelve hour shift is implemented, reinstitute the dedicated traffic car using a portion of the aforementioned savings. This will result in the deployment of 8 patrol officers and one dedicated traffic unit during Day Shift.
- If the twelve hour shift program is not implemented, revise the existing 4/10 shift schedule to better match personnel resources to calls for service workload. This will include modifications to days off as well as revised shift overlaps.
- Kenmore should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

Based on the above, the following recommendations are made.

Recommendation: Adopt the 12-hour shift program for Kenmore PD patrol. Reduce Patrol Staffing from 10 to 8 officers on such a schedule. Overtime will increase however net savings is estimated at \$170,000 per annum.

Recommendation: If the 12-hour shift is adopted, utilize some resulting savings and reinstitute the dedicated Traffic Car on Day Shift.

Recommendation: If the 12-hour shift is not adopted, revise the existing 4/10 schedule consistent with methods discussed in this report.

Recommendation: The City should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

APPENDIX
(KCSO Comment Summaries)

(Sheriff) Sue's Rough Notes on Kenmore Study

Discussion of about Staff needs - On page 4, and repeated several times in the report, the statement, "detailed analysis of joint staffing needs is beyond this report..." So estimates are made based on "experience and knowledge."

- o What assumptions are they making based on their experience and knowledge?

- o What factors are they considering?

Start-Up Costs- On page 4, and repeated in other places, "start up costs would be substantial." But no estimate is attempted.

- o Why not? What factors should be considered?

- o What is the assumption about the ability of either city to raise funding to cover the start up costs in this difficult economy, and in light of the 80% "no" vote on LFP's public safety levy last year?

Comparisons including a 3-city partnership with KCSO- One page 4 why not include reference numbers on page 4 to the range and distribution of savings based on KCSO modeling that is to be included in a attachment?

Calls for Service Chart- Need context when a "peak" call load is one call per hour.

- o With such small numbers, what is the validity of percentage comparisons? (pg. 10)

Service Level Comparisons- Beginning on page 17 the Consortium of Small Cities Police Agencies is addressed.

- o First, there are services incorrectly included in the list of what they can provide. (Marine patrol, dive team)

- o More importantly, there is no discussion of the effectiveness or track record of that approach.

- o There is no discussion of the sustainability of that approach.

- o The statement that the CSCPA "somewhat mitigates" the differing capacities between LFP and KCSO is not defined.

- o What does "somewhat mitigates" mean?

o Can they cite even ONE example?

o Were any inquiries made of the prosecutor's office or the risk managers of the cities involved?

Perceptions of Large to Small agency relationships -The final paragraph on pg. 17, and going into pg. 18 is one of the most surprising sections in the report. Statements like, "... perceived as a heavyweight" referring to a large police agency, and "... request for refinement (and the responsiveness of large agency) ... perceived as lacking ..." These statements are made about "perceptions that exist across the nation" with a follow-up that says there's no evidence that this is the case in King County.

o What's the point of making that statement?? (It simply feeds the mythology that has led this country to develop 18,000 separate police departments at a tremendous cost to the tax payers!)

Traffic Enforcement Index- On pg. 18 the statement is made that "a high number is better."

o What does that mean?

o Why is it better? (It seems to me that the number reflects the focus and resources devoted to traffic enforcement.)

"Better or worse law enforcement levels"- On pg.18 the statement is made, "... no evidence... better or worse law enforcement service levels... between LFPPD and KCSO." Better or worse based on what factors? Again, no consultation with prosecutor's office, in terms of effective enforcement, and no consultation with risk management based using CSCP.

Proportional use of Patrol - on pg.18 there is a reference that LFPPD uses a proportionately larger contingent of patrol staff. The implication is that this is positive but there is no context or explanation. This could be used as a negative observation as they only use one strategy (patrol) for addressing all problems ...

Only one police chief would be necessary... - The statement is made on page 20 that only one police chief would be necessary in a joint LFPDD, KPD model.

o This begs the question, "Necessary for what?" It is quite debatable whether or not one chief could meet the expectations of two city councils and two city managers.

o How does KPD maintain local control when they are second seat to the police chief of another city?

Final Draft - Phase II Kenmore Report
KCSO Staff's Key Concerns:

1. The Draft report does not make clear "apples-to-apples" comparisons.
 - a. The report compares the Lake Forest Park (LFP) "Joint" City model against KCSO single city (status quo) model. But never compares the LFP Joint city model against the KCSO Joint City model. Whether or not LFP is interested in discussing a joint model with KCSO, the comparison of two differing models leads to misleading conclusions.
 - b. Data used in the Lake Forest Park scenarios are 2010, whereas KCSO scenarios are based on 2011 data.
 - c. One cannot directly compare the Lake Forest Park model with that of KCSO, without calculating start-up costs, amortizing these costs, and adding them to the equation.
 - d. Many areas of the report point to costs savings as a result of decreased FTE counts created by economies of scale with a dual KPD-LFPPD department, as well as a redeployment of patrol assets to the benefit of the Kenmore community. The report does not highlight, however the current flexibility and options Kenmore has to increase/decrease FTEs or redeploy and change direct services as it desires. As well, to point (a.), if a KCSO joint model had been compared, we would see similar or greater cost savings due to increased economies of scale for both cities.
2. Cost estimates used in comparisons are vague in several places. It is difficult to tell if the same line items are included in costs for both the LFP model and the KCSO models. The Draft implies that it is beyond the scope of this engagement to identify such detail. But in order to do an accurate comparison, one must go to these lengths. Otherwise the conclusions drawn, may be unreliable.
 - a. The Draft states that in the LFP estimates, overhead support services (ie: legal, IT, communications/911) are estimated at an additional 10% (or \$135K annually) to the law enforcement budget. Without seeing the basis of the 10% rule, we are unsure if costs for these support services are adequately reflected in the cost that LFP estimated they needed for expansion to service Kenmore. Therefore, we feel the Lake Forest Park estimated additional cost to add Kenmore of \$1.486M may be understated by about \$200K, for items such as dispatch, plus cars, radios, and numerous supplies and services.
3. A "Joint" Kenmore/LFP Police Department (under the direction of LFP) is discussed in the Draft. However, nowhere is there mention of how this would work operationally (e.g. how this would be managed). This is an important detail, regardless of whether it is under the oversight of the Sheriff's office or LFPPD. If a Joint City model were under KCSO direction, we would recommend a panel of representatives from each city be chosen to provide guidance to the Chief (to ensure that both City's interests are properly represented).

a. Under the LFPPD "Joint" City model, who would the Chief report to? It could be challenging for a Chief to have two City Councils and two City Managers to report to. Additionally, where would residents of Kenmore go with complaints? b. If loss of control is a major concern for Kenmore, then wouldn't joining the Lake Forest Park police department, be moving away from that goal? If a "Joint" City model were under the direction of KCSO, it is more likely that we would be impartial and not favor one city over the other.

c. Only KCSO can offer a 3 City model (including Shoreline in the mix). With a large "regional" model, would come even greater economies of scale, and policing would be more seamless, resulting in a more coordinated effort across the borders of these 3 cities. Sharing the same radio frequency and dispatch, would lend itself to better coordination as well.

4. Lake Forest Park capability to take over?

a. LFP is almost Y, the size of Kenmore (population 12,598 vs. 20,460).

b. Per WASPC, Kenmore had 67.5% more total crime index offenses (402 and 240), 460% more violent crimes (28 and

5), and 59.1% more property crime (374 and 235) in 2010 than LFP.

Assessment of Contracted Police Services Phase II of II

CITY OF KENMORE, WASHINGTON

FINAL



721 Colorado Avenue, Suite 101
Palo Alto, CA 94303
v.650.858.0507 f.650.858.0509

November, 2011

TABLE OF CONTENTS

	Page
1. INTRODUCTION AND EXECUTIVE SUMMARY	1
2. ALTERNATIVE SERVICE DELIVERY – EXTERNAL OPTIONS	7
3. ALTERNATIVE SERVICE DELIVERY – INTERNAL OPTIONS	44

1. INTRODUCTION AND EXECUTIVE SUMMARY

This document is the Phase II assessment of contracted police services performed by the Matrix Consulting Group (MCG) for the City of Kenmore Police Department. This first chapter provides an introduction and an executive summary of the Phase II report. This summary delineates key findings, conclusions and recommendations.

1. EXECUTIVE SUMMARY.

The following alternative service delivery findings conclusions and recommendations are summarized below. It should be noted in this Phase II report, the KCSO objected more strongly to some of the findings, conclusions, recommendations and analysis of this phase than the minimal concerns addressed in Phase I. While some of these have been addressed, the majority result in an “agree to disagree” outcome. For transparency purposes, the primary concerns noted by KCSO have been attached in the appendices for reference. Prior to this executive summarization, one particular point must be emphasized, cost savings provided throughout this chapter are based on various operational and cost allocation models provided by the project team, data from KCSO, etc. Such modeling exercises are valuable; however, modifications to various operating assumptions can potentially have significant results on various costs and savings estimates¹. By example, the project team received at least three KCSO contract service cost estimates for Kenmore for the most recent fiscal year as, predictably, data often is in flux. Ultimately, beyond modeling exercises, two or more

¹ By example, the Matrix Consulting Group and KCSO choose to use different operating year contractual numbers for varied reasons, leading to one of the primary concerns of KCSO with respect to “comparison validity.”

agencies can agree on any contractual terms and conditions that would be perceived as favorable to the involved entities. In effect, actual agreements where all parties believe they are treated fairly can, and should, supersede any modeling exercise performed by consultants, accountants, attorneys or other professionals involved in various contracting services.

- With regard to the adjoining communities of Bothell, Kirkland and Lake Forest Park, only Lake Forest Park has significant interest in exploring alternative police service delivery options with Kenmore.
- While there would be limited, if any, operational savings if Lake Forest Park PD replicated the number of full-time equivalent positions currently provided by KCSO to Kenmore, there is potentially substantial savings if a joint Lake Forest Park/Kenmore policing agency were developed. A detailed analysis of joint staffing needs is beyond this report; however, based on our respective knowledge of both police agencies, it is likely that Lake Forest Park PD would only need to add twelve (12) sworn and civilian staff to address the law enforcement service needs of both Lake Forest Park and Kenmore.
- Based on the above staffing model, it is estimated that such positions would cost Lake Forest Police Department **\$1.486M** per year. This would result in a total annual budget of approximately **\$4,567,361** (based on 2010 budget information) for Lake Forest Park and Kenmore police services. Using a calls-for-service based cost allocation model Kenmore would save approximately **\$419,000** per year compared to the KCSO contract if services were provided by Lake Forest Park. It should be noted that such savings do not incur in the first year as one-time start-up costs for capital equipment, new officer training, etc. (e.g. patrol units for Kenmore) would be **required and potentially would be sizable. A broad but conservative estimate is first year savings could be partially or wholly deferred due to start-up cost investments.**
- Based on a KCSO proposal for contractual services to the adjoining communities of Kenmore, Lake Forest Park, and Shoreline, it is proposed the KCSO could save the three communities collectively approximately \$780,000 **to \$1.4 million annually based on the proposed models. This does not address the political feasibility of such service modifications, only the calculated savings to the varied municipalities.**
- An in-house Kenmore Police Department is cost-prohibitive, with little service level benefits likely obtained compared to other options. **The greatest qualitative benefit usually derived from local police departments is the local control the citizenry has over service levels. Such local control is regularly perceived as so**

beneficial that numerous small agencies throughout the nation choose to have their own police departments instead of pursuing contract service delivery options. It is estimated, based on the methodology used, that an in-house KPD's annual operating costs would run from \$3.5M to \$4.2M each year. This ranges from \$765K to \$1.54M annually higher than the 2011 KCSO contract with Kenmore. Given the comparatively exorbitant annual operating costs for an in-house PD, developing details for start-up costs is not relevant, particular since such costs could run in the several millions of dollars if facility needs are included.

With respect to retaining existing KCSO service delivery to Kenmore, the following is offered.

- The twelve hour shift program for Kenmore patrol services appears a viable option compared to the existing 4/10 shift program. Modifying the schedule will allow KPD to reduce staff from 10 to 8 patrol officers. While this will increase overtime the savings resulting from the elimination of two officer positions is approximately \$170K annually.
- If the twelve hour shift is implemented, reinstitute the dedicated traffic car using a portion of the aforementioned savings. This will result in the deployment of 8 patrol officers and one dedicated traffic unit during Day Shift.
- If the twelve hour shift program is not implemented, revise the existing 4/10 shift schedule to better match personnel resources to calls for service workload. This will include modifications to days off as well as revised shift overlaps.
- Kenmore should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

The following exhibit provides a list of the principal recommendations in this report. The chapters within this report should be accessed for a detailed discussion and analysis of each issue and the background behind each recommendation.

Recommendation: If continuation of the KCSO contract with Kenmore is desired in the short-term, re-explore alternative police service delivery models with both Kirkland and Bothell after 36-months.
--

Recommendation: Take additional strategic planning and feasibility steps to explore law enforcement service delivery being provided to Kenmore by the City of Lake Forest Park. This would include comprehensive and detailed financials with respect to start-up costs, a thorough sworn and civilian staffing plan to effectively and efficiently service both communities, and a governance and fiscal model where both communities believe their respective service and financial needs are appropriately addressed. Calculated potential savings is approximately \$419K per year to Kenmore compared to the existing KCSO contract at 12 additional LFPPD staff and \$623K at 10 staff.
Recommendation: If Lake Forest Park is amiable to contracting with the KCSO for policing services, strongly encourage the KCSO to develop a staffing/deployment and contract model around a regionalized policing approach of the three communities rather than treating such municipalities as three fully independent entities.
Recommendation: Suspend further exploration of developing an in-house Kenmore Police Department in the short to mid-term. Costs for such an operation are prohibitive—ranging from an additional \$765K to \$1.54M annually-- and there is no evidence there would be demonstrable service level increases compared to other options.
Recommendation: Adopt the 12-hour shift program for Kenmore PD patrol. Reduce Patrol Staffing from 10 to 8 officers on such a schedule. Overtime will increase however net savings is estimated at \$170,000 per annum.
Recommendation: If the 12-hour shift is adopted, utilize some resulting savings and reinstitute the dedicated Traffic Car on Day Shift.
Recommendation: If the 12-hour shift is not adopted, revise the existing 4/10 schedule consistent with methods discussed in this report.
Recommendation: The City should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

2. ALTERNATIVE SERVICE DELIVERY – EXTERNAL OPTIONS

This chapter focuses on alternative police service delivery scenarios for the City of Kenmore, specifically with regard to optional law enforcement service providers as opposed to operational changes within the King County Sheriff's Office. Potential operational modifications will be specifically discussed in the following chapter. With regard to optional service providers, the analysis hereafter will be of varied detail, largely based upon the practicality of actually implementing varied service delivery options. The reasons to dispense with a comprehensive analysis of some alternative scenarios will be discussed in the following sections.

1. BASELINE COST AND SERVICE-LEVEL DATA

There are two fundamental decision-points with respect to selecting an approach to municipal services, whether law enforcement or other local government program: the desired service levels associated with the program and the associated costs of such service. In effect, barring extenuating circumstances, the service delivery option that provides the highest service at the most reasonable cost should be selected. There are many quantitative as well as qualitative considerations, in addition to objective and subjective data that must be weighed when making these service delivery decisions. The following information summarizes important data presented in the Phase I report that is foundational to an alternative service delivery analysis. These data are certainly not all-inclusive, but demonstrative of the types of information to be considered.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

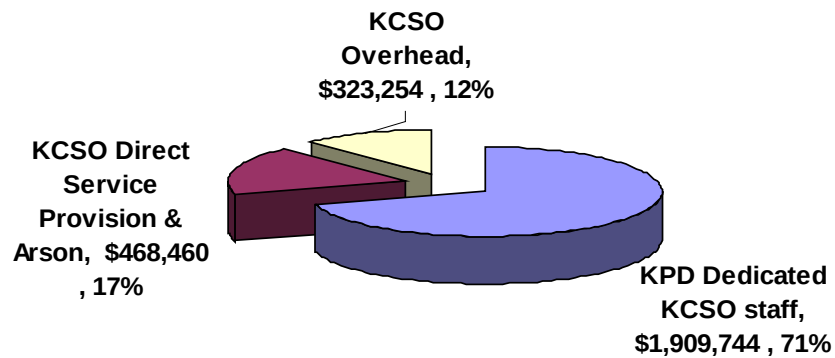
Item	KPD Operational Elements												
Staffing Allocation	The Full-time Equivalent Staffing Allocation for Kenmore Police Department as provided by the King County Sheriff's Office (KCSO) is 19.09 FTE for the 2011 Operational Year.² The allocation of such staff is reflected below. Dedicated staff represent on-site personnel such as Chief, patrol deputies, etc. Direct services represent off-site staff such as Criminal Investigation Division person detectives, dispatch operations, etc. Police support services represent allocated portions of off-site commissioned and non-commissioned personnel providing services to include: budget, accounting and payroll; crime analysis, recruiting; firing range; computer resources staff; evidence and supply; internal investigations; personnel staffing services; contracting support; criminal intelligence; legal advisor; photo lab; records, polygraph; and training unit. A letter of intent has been sent from Kenmore to KCSO to add one FTE to dedicated staff that will result in 20.09 FTEs if instituted. Full-time Equivalent Employee Allocation for Kenmore Police Department <table><caption>Full-time Equivalent Employee Allocation for Kenmore Police Department</caption><thead><tr><th>Category</th><th>FTE</th><th>Percentage</th></tr></thead><tbody><tr><td>KPD Dedicated KCSO staff</td><td>13</td><td>68%</td></tr><tr><td>KCSO Direct Service Provision</td><td>4.22</td><td>22%</td></tr><tr><td>KCSO Police Support Svc</td><td>1.87</td><td>10%</td></tr></tbody></table>	Category	FTE	Percentage	KPD Dedicated KCSO staff	13	68%	KCSO Direct Service Provision	4.22	22%	KCSO Police Support Svc	1.87	10%
Category	FTE	Percentage											
KPD Dedicated KCSO staff	13	68%											
KCSO Direct Service Provision	4.22	22%											
KCSO Police Support Svc	1.87	10%											

² In the original draft profile data from the 2011 Cost Book had not yet been finalized. These reflect final numbers.

**FY 2011
KPD
Budget**

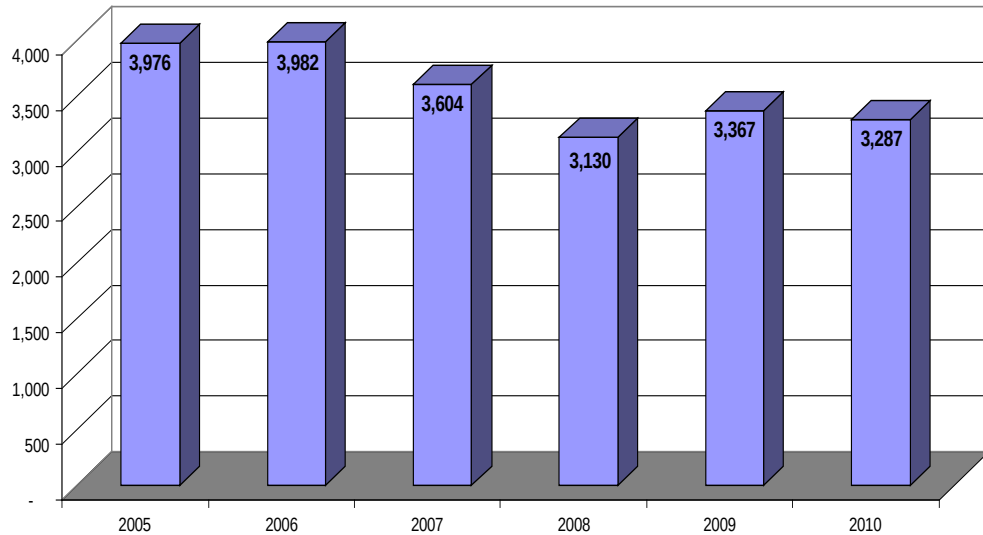
Based on information provided, the Kenmore PD annual budget (excluding any internal Kenmore costs unrelated to the KCSO contract) is approximately \$2.70 million. Seventy-one percent of this budget is dedicated to on-site staff operating within the City. This is approximately \$93,000 less than the annual estimated budget in FY 2010.

2011 Cost Allocation for Kenmore PD (budget)

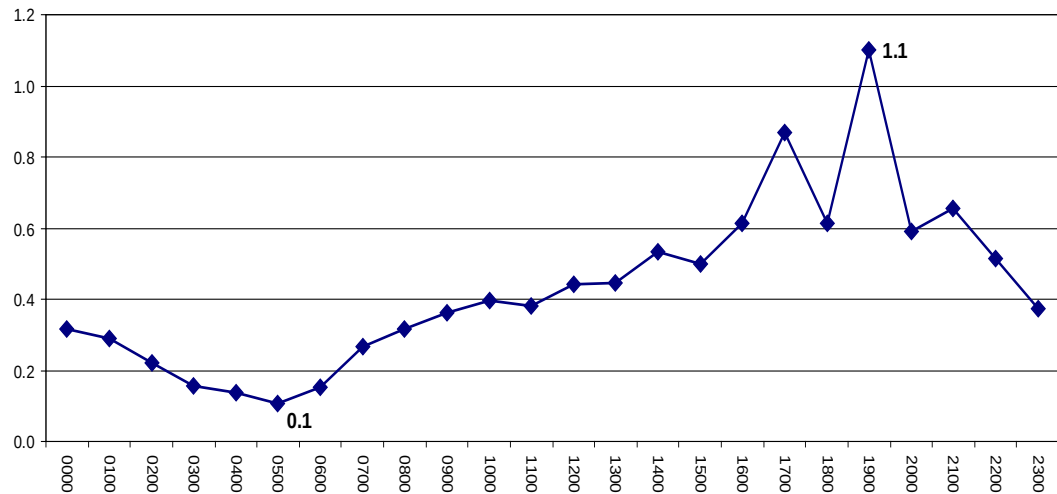


**KPD
Service
Metrics**

Dispatched Calls for Service by Year



Average Calls for Service Per Hour (2009-10)



KPD Service Metrics (cont.)	Proactive Time by KPD Shift		
	Day Shift	Swing Shift	Graveyard Shift
	66%	56%	75%
These data, and others presented in Phase I, lead to the following broader conclusions: Kenmore is a very safe community with minimal law enforcement issues of significance. As such, this generally results in fewer police resources needed when compared to busier communities of similar population and geographic character. In consideration for potential officer safety issues and back-up availability, the proportion of proactive time available cannot serve as the exclusive driver in developing patrol staffing levels. Despite high levels of proactive time, Kenmore policing staff levels should largely be driven in consideration of officer safety needs and other qualitative and subjective factors beyond field workload which often drives resource needs in larger law enforcement agencies.			

These data are useful to acknowledge and should be considered a framework for considering various law enforcement service delivery options.

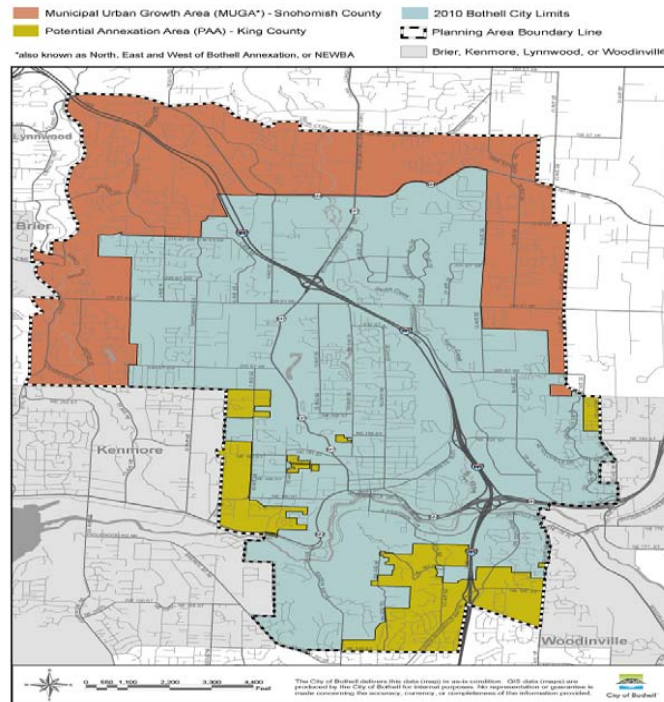
2. SCENARIO 1 – ALTERNATIVE CONTRACT AGENCIES.

In addition to a County Sheriff operation other municipal organizations throughout the United States are involved in providing law enforcement contract services to adjoining cities. As such, other cities could represent viable options for contract service delivery to Kenmore.

The project team, after advisement with the Steering Committee, contacted the adjoining communities of Bothell, Kirkland and Lake Forest Park to solicit their potential interest in providing law enforcement services to the City of Kenmore. Based on the results of their feedback, certain operational scenarios are more viable than others as summarized by the following:

- **City of Bothell** – The City of Bothell, population 35,500, lies to the east of Kenmore. For comparative purposes, as of 2009 data reported to the FBI indicate the Bothell Police Department has 84 staff—58 of which are sworn personnel. In a meeting with the City Manager, Police Chief and other staff, Bothell indicated that their interest in contracting to Kenmore for police services was likely in the mid-to-longer term timeframes. In November 2011 Bothell will undergo an election for annexation of selected areas surrounding Bothell (blue) noted in the map below.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II



With the pending annexation, and the apparent likelihood voters will approve such, Bothell will annex a significant geographic area that they must serve beginning the fourth quarter of 2012. As such, the resulting growth in service requirements precludes Bothell from seriously considering other significant service delivery options such as providing police services to Kenmore. Consequently, Bothell has no interest in pursuing these contract service delivery options in the short-term unless the annexation fails (which is perceived as very unlikely). In sum, Bothell would not seriously entertain police contract service delivery to Kenmore for 36-48 months. As a result, no further detailed analysis is warranted related to this service delivery scenario.

- **City of Kirkland** – The City of Kirkland, population 48,800, lies to the south of Kenmore. For comparative purposes, as of 2009 data reported to the FBI indicate the Kirkland Police Department had 92 staff—66 of which are sworn personnel. However, due to Kirkland's recent successful annexation of county area that now abuts Kenmore, Kirkland PD intends to add 37 additional sworn personnel to service the annexed area which included an additional 35,000 population. Because of the very recent requirement to service the annexed area beginning in June 2011, and the extensive and new service requirements related thereto, Kirkland is not in a viable position to consider police contract service delivery options to Kenmore in the short-term. In order to adjust their service

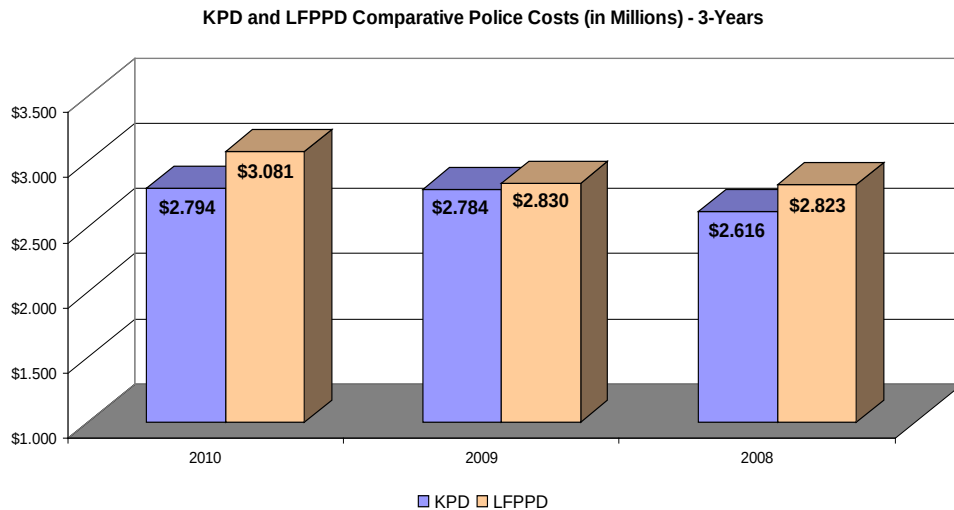
models to effectively address operational issues resulting from the new annexation, Kirkland city management and police executive staff feel they are not in a position to seriously explore a contract with Kenmore for approximately 24-36 months. As a result, no further detailed analysis is warranted related to this service delivery scenario.

- **City of Lake Forest Park**– The City of Lake Forest Park, population 12,600, lies to the west of Kenmore. For comparative purposes, as of 2009 data reported to the FBI indicate the Lake Forest Park Police Department had 23 staff—19 of which are sworn personnel. Unlike the municipalities of Bothell and Kirkland, Lake Forest Park is not undergoing some major service level transitions. Based on discussions with the City Manager, Police Chief and other managers within Lake Forest Park, there is significant interest in exploring police service delivery options with Kenmore. It was regularly cited that Kenmore and Lake Forest Park have already developed successful partnerships in other service areas such as Public Works, and as such has developed relationships that can likely facilitate future successful partnerships in such areas as law enforcement service delivery. As a result of this significant level of interest on the part of Lake Forest Park, further alternative service delivery analysis for police services is warranted.

(1) Cost Comparisons of Kenmore PD and Lake Forest Park PD.

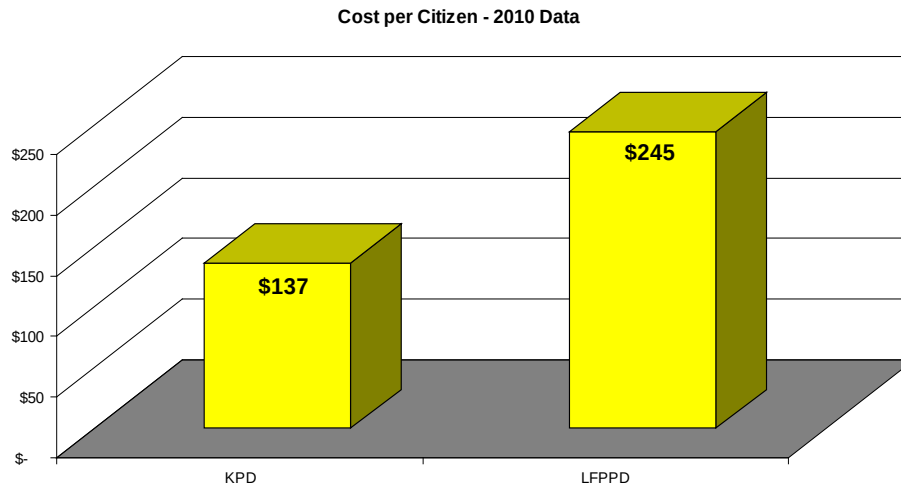
To frame an understanding of police service delivery costs, a comparison of Kenmore Police Department costs (i.e. Sheriff contract) and Lake Forest Park Police Department costs is informative. The following reflect different approaches to examining these costs. Unless otherwise noted, these are based on 2010 data provided by LFPPD, KCSO, and Kenmore.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II



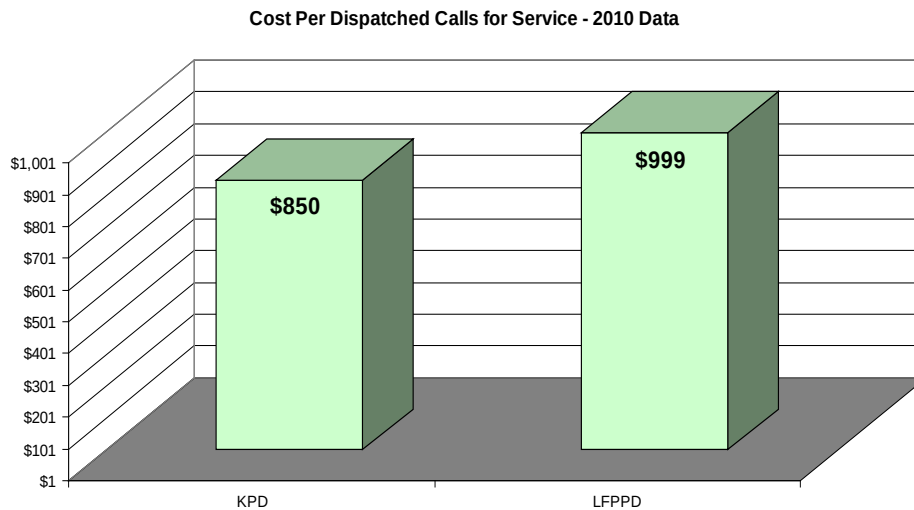
The above data compares KPD and LFPPD law enforcement costs, juxtaposing the Sheriff's contract with the annual Lake Forest Park PD budget information provided.³ As noted, Lake Forest Park PD costs are marginally more expensive than Kenmore PD costs over the three year period.

³ Note this data is unaudited. Furthermore it does not include such minor costs for KPD such as direct monthly invoices for School Resource Officer overtime.



Based on 2010 census and budgetary **data**⁴, the cost per citizen is significantly higher in Lake Forest Park as compared to Kenmore. The cost differential results in approximately 79% higher costs on a per-citizen in Lake Forest Park when compared to Kenmore.

⁴ KPD: \$2,794,414/20,460 population = \$137. LFPPD: \$3,081,331/12,598 population = \$245. Data is based on KCSO provided and LFPPD 2010 Police Expenditures Budget. Note that graphs and much data in this report are NOT based on 2011 budgetary or other data as some metrics (such as calls for service, 2010 census information) are also available for 2010; using 2010 data for all metrics ensures consistency in evaluation.



Based on 2010 dispatched calls for service information⁵, the cost per call for service is only somewhat higher in Lake Forest Park when compared to Kenmore, essentially reflecting an 18% additional cost using this particular metric.

While interesting comparisons, these metrics are only illustrative, representing a snap-shot in time. As budgets change, calls for service increase or decrease, or as staffing levels rise and decline these metrics can portray a different picture from year-to-year. Consequently while such information is intriguing, it only portrays the situation during a specific time period. Different data, which is certain to occur in the history of each police organization, will lead to different results; these are data associated with calendar 2010—not history prior or at some point in the future. While this data provides some introductory benchmarks to costs of service; to help ensure a more accurate

⁵ KPD: \$2,794,414/3,287 calls = \$850. LFPPD: \$3,081,331/3,083 calls = \$999. Data is based on KCSO provided and LFPPD 2010 Police Expenditures Budget. Note that calls for service data for LFPPD was questioned by KCSO; however LFPPD assures such CFS data is accurate.

'apples to apples' comparison both broader observations and more specific data assumptions will be discussed throughout the remainder of this report.

(2) Service Level Observations Linked to Kenmore PD and Lake Forest Park PD.

Different levels of service are provided by varied policing organizations throughout the United States. The project team's experience is that there is truly a vast array of services provided by law enforcement agencies and an equally diverse service level expectation of a community. Level of service is both a quantitative as well qualitative assessment as various metrics and perceptions as to quality can be employed. To frame a "level of service" discussion the following broader qualitative and quantitative observations are noted with respect to both larger and smaller police agencies:

- Contracting to any large policing agency, such as many County sheriff organizations or large metropolitan agencies similar to KCSO, provides access to a variety of resources, particularly in exigent situations, that are periodically not available from smaller policing agencies. These resources include specialized units (e.g. Marine Unit, Dive Team, SWAT, Crime Analysis), additional field resources that can be effectively cross-dispatched in emergency situations, the perception of quality of service given vast resources available (e.g. dedicated detective units) and other ancillary and economy-of-scale benefits derived from association with a large law enforcement organization. Many small policing agencies cannot benefit from such resources except in mutual aide situations or, alternately, through development of various "law enforcement consortiums." Of particular interest, however, that helps alleviate some of these potential "specialized service" issues for Lake Forest Park PD: LFPPD belongs to the 15-agency CSCPA, a consortium of local police agencies that combine their resources in special needs situations to include regional detective unit, Special Operations Team, etc.
- While large organizations have the aforementioned benefits, they regularly have the disadvantage of being perceived as rigid in contract relationships, service negotiations, etc. By example, during the course of our research Kenmore representatives indicated they had discussed an interest, along with other contracted agencies, to be present at KCSO union bargaining meetings. This did not transpire. Requests to large organizations to refine service delivery to meet

small local needs (e.g. adoption of a 12-hour shift program) can, and often is, contradictory to well-established organizational policies and procedures, and as such, flexibility with such organizations can often be perceived as lacking. Conversely, contracting with smaller organizations is often perceived as more a partnership than a provider-recipient relationship, and the qualitative benefits associated with a partnership are often perceived favorably by municipal executives, policy-makers and the citizenry. This is not to suggest either KCSO or Lake Forest Park regularly demonstrate these particular characteristics of large and small agencies; rather, this is reflective of typical relationships experienced throughout the nation.

- Various quantitative metrics can be examined to determine service levels and service outcomes. Representative metrics that have been made available from both King County Sheriff's and Lake Forest Park PD include the following:
 - The calendar 2008-2010 Traffic Enforcement Index for Lake Forest Park PD was 1-to-63; the equivalent TEI for Kenmore PD was 1-to-39. Both TEI indexes are exceptional.
 - For 2009-2010 assigned Kenmore PD field staff generated 3,807 citations. For the same period Lake Forest Park PD generated 4,081 citations. Citation generation impacts the TEI noted above.
 - For 2009-2010 training received by Kenmore PD officers approximated 90 hours annually⁶; for Lake Forest PD officers it averaged 102 hours annually. Both training regimens exceed the desirable standard of two weeks per annum.
 - An often used metric (though one not strongly favored by the project team), Lake Forest Park deployed 20 sworn personnel in 2010 for 12,598 population, while KCSO deployed an FTE equivalent of 15.94 sworn for 20,460 population in Kenmore. This results in 1.59 and 0.78 sworn personnel per 1,000 population for LFPPD and Kenmore, respectively.

In sum, based on various data available, there is no evidence to suggest that either KCSO or Lake Forest Park PD would provide substantially different core law enforcement service levels to Kenmore as both agencies are more than capable service providers. One highlight, however, is the LFPPD does deploy a proportionally larger contingent of patrol staff (officers and sergeants) for its call for service workload

⁶ This is regular time training, not overtime training. Overall training per year is slightly higher.

compared to Kenmore PD. The obvious result is there are more immediate field resources available in LFPPD per call for service but at an increased cost per call.

(3) Service Level Options Related to Lake Forest Park PD.

While the analysis above suggests there would be somewhat insubstantial difference between Lake Forest Park and KCSO with respect to law enforcement services as it relates to cost and service delivery under existing operational **and equivalent staffing** models, the inclusion of the City of Kenmore with Lake Forest Park in policing for both communities provides various valid options. **The most cost-effective service delivery model would be for LFPPD to service both cities as one service region, not differentiating deployment based solely upon “city limit lines.”** Broadly, both municipalities could benefit from the advantages of economies-of-scale, and in effect a joint Lake Forest Park/Kenmore PD could be downsized and streamlined compared to present independent police operations. In sum, based on the Matrix Consulting Group’s various workload and service models, it would not take 19-20 additional staff (the current KCSO FTE contingent to Kenmore) if Kenmore were to join Lake Forest Park to deliver law enforcement services. And while a detailed operational audit of LFPPD is beyond the scope of this report, and needs to preface any joint Kenmore/Lake Forest Park police organization, the following relevant observations are made **with respect to probable LFPPD operations in a joint policing model:**

- Lake Forest Park PD deploys **more** field patrol officers compared to **staff assigned to** Kenmore PD despite having approximately 12% less calls for service than Kenmore. As a result, it is very likely Lake Forest Park PD has very high, or higher proactive time available than Kenmore PD. As detailed in the Phase I report Kenmore PD requires high levels of proactive time related to potential officer safety issues as opposed to workload requirements. This is very likely the case in Lake Forest Park. As such, a combination of both agencies allows more

field resource flexibility, thereby allowing field resources to be deployed with greater emphasis on workload needs as opposed to officer safety needs.

- Lake Forest Park PD deploys one field sergeant on each 12-hour shift for a total of four patrol sergeants. Kenmore has the current advantage of using both the Chief (a KCSO sergeant deployed during days), as well as share sergeant resources with the community of Shoreline. Adding Kenmore as a police service area would not require the addition of more field sergeants as such personnel could handle the additional field staff dedicated to Kenmore. In many police organizations field sergeant handle from 5-9 patrol staff on their team; currently Lake Forest Park patrol sergeants are overseeing 2-3 officers. Their span of control could increase with no observable impact on service delivery.
- Lake Forest Park PD deploys two detectives and one administrative sergeant who has a moderate investigative caseload. Kenmore PD deploys the equivalent of 1.6 detective staff. At 147 assigned cases in 2010 for LFPPD detectives, combined with the workload observations of KCSO detectives assigned to Kenmore as described in the Phase I report, there appears opportunity for detective streamlining if Kenmore and Lake Forest Park provided law enforcement service jointly.
- In calendar 2010 approximately 3.0 KCSO FTEs were dedicated to supporting Kenmore PD based upon (appropriate) contract modeling, in 2011 this was reduced to approximately 2.5. This excludes approximately 2.5 FTEs for dispatch services, 0.6 FTEs for major crime investigations, and approximately 0.1 staff for marine services. In addition, approximately 1/3rd FTEs provide a variety of staff support resources ranging from payroll to recruiting. Given LFPPD staffs four civilians to include one Police Services Manager, one Property Officer, and two Records Clerks, it is unlikely three more non-sworn positions would be added if Kenmore received service from Lake Forest Park; rather, two positions would likely prove satisfactory thereby saving 0.5-1.0 FTE “overhead position” compared to the KCSO contract.
- Both KPD and LFPPD have a Police Chief position. Only one would be necessary under a joint operation law enforcement model.

In summary, while there would be limited, if any, operational savings if Lake Forest Park PD replicated the number of FTE's currently provided by KCSO to Kenmore, there is potentially substantial savings if a joint Lake Forest Park/Kenmore policing agency were developed. Reiterating, a detailed analysis of joint staffing needs is beyond this report; however, based on our respective knowledge of both police

agencies, the following is a likely staffing augmentation scenario that would be required if Lake Forest Park provided policing services to Kenmore.

Potential New FTE Positions Required in Lake Forest Park/Kenmore Joint Police Operations

New LFPPD Position Type	No. of Staff Required
Sergeant	1
Patrol Officer	6
Traffic Officer	1
Detective	1
SRO / Storefront Officer	1
Civilian Clerical Support	2
TOTAL FTE staff needed	12

The following is noted with respect to the above staffing table:

- The Sergeant position above is functionally not necessary in Patrol in the current 12-hour shift program of LFPPD. Despite this, the addition of 11 line staff often incurs the perceived need to add a supervisor position for a variety of reasons, including span of control, promotional opportunities, etc. This sergeant could be used in a variety of functions, including providing “floater coverage” during scheduled and unscheduled absenteeism for the four LFPPD patrol sergeants, etc. The project team has chosen to add this supervisory position, although it could be eliminated dependent upon an alternative organizational structure developed, thereby incurring additional operational savings if the position were excluded.
- Six (6) Patrol Officers provide sufficient staffing to field one additional patrol position 24/7 in the Lake Forest Park and Kenmore service area.
- The Traffic Officer position could be considered unnecessary and eliminated. For the most recent fiscal year, the City of Kenmore decided, due largely to budgetary reasons, to cease a dedicated traffic unit. While the project team understands this, we are proponents of dedicated Traffic Officers. Although traffic complaint data from Kenmore suggests that most complaints are based on abandoned vehicles and parking-related issues, dedicated Traffic Officers historically have significantly higher output metrics (e.g. citations) than patrol officers. And while patrol officers can be given a traffic-emphasis work direction, our analytical experience suggests that dedicated traffic enforcement typically outperforms their patrol counterparts by several-fold. As a result, a dedicated Traffic Officer is included; however, it could be eliminated dependent upon an alternative organizational structure developed, thereby incurring additional operational savings if the position were excluded.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

- Based on detective workload it is estimated only one (1) additional detective would be necessary in the LFPPD detective unit to support the Lake Forest Park and Kenmore service area.
- The SRO/Storefront Officer is a dedicated position currently assigned to Kenmore and thus included in an LFPPD service model.
- The project team estimates two additional clerical support may be required in a joint Lake Forest Park and Kenmore police service delivery model.

Utilizing the estimated number of 12 additional personnel noted above, and abstracting information salaries and benefits information provided by LFPPD, the following table is developed:

Estimated Annual Cost of Additional Staff for Kenmore Police Services – 2010 Budget

Position	Salary	Benefits	Total	# Staff	Total Cost
Sergeant	\$ 80,834	\$ 27,318	\$ 108,152	1	\$ 108,152
Officers	\$ 62,740	\$ 21,236	\$ 83,976	8	\$ 671,809
Detective	\$ 71,455	\$ 29,595	\$ 101,050	1	\$ 101,050
Records Clerk	\$ 47,128	\$ 18,876	\$ 66,004	2	\$ 132,008
TOTAL:				12	\$ 1,013,019

This \$1,013,019 provides a baseline of annual operating costs related to personnel that must be “loaded” with other relevant costs. One such relevant cost is internal overhead. The LFPPD annual operating budget (for 2010) is allocated as follows:

LFPPD Operating Budget by Major Line Item - 2010

<u>2010 Budget Category</u>	<u>Budget</u>
Salaries and Benefits	\$ 2,310,580
Other Law Enforcement Costs (Overhead)	\$ 352,570
Crime Watch/Community Policing (Overhead)	\$ 9,150
Emergency Management (Overhead)	\$ 27,000
Traffic Safety Camera Program (Overhead)	\$ 216,000
Dispatch Services (Overhead)	\$ 166,031
TOTAL POLICE SERVICES	\$ 3,081,331
TOTAL SALARIES AND BENEFITS	\$ 2,310,580
OVERHEAD %⁷	33.36%

The internal loaded overhead rate of 33.36% must be added to the salaries and benefits of the twelve staff's salary and benefits noted previously, resulting in an approximate \$338K additional costs per annum.

In addition to internal overhead, there is external overhead—those services provided by the City outside of the police department (e.g. IT, Legal, etc.). Lake Forest Park does not use an internal cost allocation process to charge-back operating departments for such services; however, based on interview, Lake Forest Park executive staff would likely emulate the existing contract with Kenmore for Public Works services, and thus charge an additional overhead fee of 10% per year. This would result in an additional cost of approximately \$135K annually.

Based on fully loaded costs for twelve additional positions to service the Lake Forest Park and Kenmore service areas, it is estimated that such positions would cost Lake Forest Police Department **\$1.486M** per year in fully-loaded costs. This would

⁷ Loaded overhead rate is calculated $\$3,081,331 / \$2,310,580 = 1.3336$

result in a total annual budget of approximately **\$4,567,361** (based on 2010 budget information) for Lake Forest Park and Kenmore police services.

An appropriate cost allocation model would need to be developed which allocates the costs to both municipalities based on fundamentally sound principles. One method would be based on calls for service arising from both communities. The following table shows the results of this cost allocation based on 2010.

	Dispatched CFS	% CFS	Allocated Cost
Kenmore	3,287	52%	\$2,375,027
Lake Forest Park	3,083	48%	\$2,192,333
TOTAL	6,370	100%	\$ 4,567,361

Based on the cost allocation and staffing model above, Kenmore would save approximately **\$419,000** per year compared to the KCSO contract if services were provided by Lake Forest Park. Interestingly, through the above cost allocation process, Lake Forest Park PD would reduce their overall costs by approximately **\$889K** per year.

Reiterating, this is one cost allocation model **based on one proposed staffing/service level model**; there are others that would result in a different distribution in costs. **By example, if only ten staff were added in-lieu of twelve (e.g. eliminating the sergeant and traffic officer positions noted) then potential savings to Kenmore would increase to an approximate \$623,000 per year.**

It should be noted that such savings do not incur in the first year as one-time start-up costs for capital equipment, new officer training, etc. (e.g. patrol units for Kenmore) would be required. **These could be potentially sizable particular given possible capital investments. A broad but conservative estimate is first year savings could be partially or wholly deferred due to start-up cost investments.**

In conclusion, an optional police service delivery model resulting from a joint Lake Forest Park and Kenmore police operation could result in substantive savings for both communities.

3. SCENARIO 2 – ALTERNATIVE POLICING APPROACHES.

While examining alternative cities providing policing services to Kenmore on a contract basis is one viable option, there are other potential operational alternatives that are possible. At issue, however, is the political viability of such scenarios. As noted in the Phase I report, both Kenmore and Shoreline are serviced by the King County Sheriff office. The city of Lake Forest Park lies in-between both communities and must be traversed to provide cross-dispatch support between Kenmore and Shoreline sheriff patrol units. A regionalized police approach, of the cities of Kenmore, Lake Forest Park, and Shoreline is one possibility, with all communities being serviced by the KCSO.

The exhibits following this sub-section represent a due-diligence effort on the part of KCSO to examine the above possibility of the Sheriff [contracting with all three adjoining communities in a variety of service delivery options](#). These include:

- [Scenario 1 - The cost and savings impact of each community \(Lake Forest Park, Shoreline and Kenmore\) individually contracting with KCSO.](#)
- [Scenario 2 - The cost and savings impact of a joint Lake Forest Park/Kenmore police department contracting with KCSO.](#)
- [Scenario 3 - The cost and savings impact of a regional “police department” of Lake Forest Park, Kenmore and Shoreline contracting with KCSO.](#)

By example, in Scenario 1 the method used for model development the primary beneficiary in savings is Lake Forest Park, experiencing an estimated annual savings of

over \$606K per year. Kenmore saves insignificantly of approximately \$59K per year and thus has little incentive to support this model under the current framework.

The largest impediment to the above service models is the strong probability that Lake Forest Park does not wish to dissolve its police department. While recent trends suggest this dissolution is occurring nation-wide, with police agencies regionalizing or contracting to sheriff's departments for service, it is nevertheless unlikely Lake Forest Park would consider this police service delivery option under the present political and community environment.

KCSO DRAFT Scenario #1:
IF BOTH Kenmore and Lake Forest Park Contracted with KCSO
(w/Shoreline, Kenmore and LFP individual police departments)

	2011 (As reported)	2011 (If Added Lake Forest Park)	Estimated Cost Savings If Added Lake Forest Park
Lake Forest Park	Costs 3,012,605	Costs 2,406,615	#FTE's 11.5
Kenmore	Costs 2,701,458	Costs 2,642,847	#FTE's 12.5
Shoreline	Costs 9,766,076	Costs 9,651,992	#FTE's 52.8
			(605,989)
			(58,611)
			(114,084)

Potential Savings For Lake Forest Park

	Current 2011 Budget	Estimated 2011 Costs If w/KCSO	Estimated Savings
Law Enforcement	2,713,559		
Add'l Indirect Costs (budgeted in other categories) Est. 5.5% **	149,246		
Dispatch	149,800	2,406,615	
Draft Exhibit B		\$2,406,615	\$605,989 *
TOTAL	\$3,012,605		

* Assumptions used in this DRAFT are a conservative estimate. Final cost savings to Lake Forest Park may be higher.

** Indirect costs (not typically included in a City's Law Enforcement budget), are estimated at 5.5% in this scenario. This is based on the % identified in the Berk Burien study for Marysville & Puyallup (for functions such as payroll, HR, Data, Records, etc.). This estimate is just a place-holder until more firm numbers can be obtained from the City.

Lake Forest Park (Staffing)

	Current 2011 Budget	DRAFT Exhibit
Police Chief	1.0	1.0
Police Manager	1.0	0.0
Records Specialist	2.0	0.0
Sergeant	4.0	0.0
Police Officer	12.0	10.0
Administrative Sergeant	1.0	0.0
Detective	2.0	0.5
Property Officer	1.0	0.0
	24.0	11.5

Assumptions:

Costs based on a 3-City Model w/Shoreline providing Precinct oversight
Based upon the above Dedicated Staffing levels
Based upon the Chief with a rank of Sergeant
Will further explore if a one-time reconciliation credit (for year 1 only) can be provided for vehicles already owned by City (this possible credit is not yet reflected in Exhibit).
Shoreline to provide the following to Kenmore & Lake Forest Pk:
- Precinct Command (50 hrs/yr for Major and 25 hrs for Captain) and Precinct Support (25 hrs/yr for Admin work)
- Patrol Supervision based on each City's %DCFS (of 3 cities combined) x 75%
Workload assumptions:
- Based on Kenmore's DCPs and MARR counts (conservative estimate)
- Based on WASPC data for Major Crimes counts
- Based on HNT workload of 2, and SWAT callout of 1
- SET usage is a flat fee of \$10,000
Major, Captain, Admin and SET charges to be re-evaluated at year-end

AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Lake Forest Park

Exhibit B

Precinct East Pct
 Cost Book: Adopted
 Draft or Final: DRAFT
 Date: 31-Aug-11

DRAFT 2011 Adopted Exhibit - Assuming Separate Police Depts for Shoreline, Kenmore & LFP

Dedicated Police Services	Units	Salary	Benefits	Adjustmt	Total Cost	FTEs
Police Chief *	1.0	\$113,966	\$38,144		\$152,110	1.00
Officers *	10.0	\$68,906	\$34,656	0	\$1,215,018	10.00
Detectives	0.5	\$90,322	\$35,097	0	\$62,709	0.50
Overtime					\$77,244	--
Cost of Dedicated Personnel, Subject to Reconciliation					\$1,507,682	11.50
Uniform, Equipment, and Supplies					\$24,690	--
Additional Wireless Cards	1			\$540	\$540	--
Vehicles					\$137,263	--
Insurance, 800 MHz, etc.					\$56,836	--
Subtotal, Dedicated Police Services					\$1,727,010	11.50
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Precinct Command Staff	4.30%	\$256,411	\$72,067	\$26,111	\$15,249	0.13
Patrol Supervision	18.71%	\$738,924	\$256,425	\$183,426	\$138,200	0.82
SET Detectives	2.87%	\$46,590	\$22,678	\$0	\$10,000	0.03
Precinct Support Staff	3.09%	\$4,338,884	\$1,797,270	-\$1,935	\$189,689	2.32
Communications/Dispatch	5.94%	\$6,037	\$1,788	\$2,523	\$615	0.01
Hostage Negotiation Team	0.74%	\$2,349,763	\$909,900	\$683,407	\$29,340	0.20
Major Crimes Investigation	4.53%	\$512,569	\$188,570	\$300,991	\$8,978	0.05
Marine Unit	3.39%	\$619,212	\$239,232	-\$268,218	\$20,015	0.24
SWAT (TAC-30) Team	1.99%	\$318,483	\$116,611	\$138,445	\$11,395	0.07
Subtotal, Additional Police Services					\$426,465	3.87
Police Support Services						
Payroll, crime analysis, evidence, recruiting	Per All FTE			\$11,653	\$171,071	1.29
computers, records, personnel, etc.	Per Sworn FTE			\$3,817	\$45,872	0.35
Training, firing range, data					\$15,103	
Police Support Services - provided by						
Shoreline					\$232,047	1.65
Subtotal, Police Support Services					\$20,216	0.00
Additional Credits and Charges						
Overhead Charges					\$0	
Facility Charges					\$20,216	
Subtotal, Additional Credits and Charges					\$2,404,738	17.01
Total, Police Services					\$1,877	
Fire Investigation charge						
TOTAL CONTRACT COST, WITH FIRE INVESTIGATION					\$2,406,615	17.01

Notes: Items highlighted in yellow, represent transfers to Shoreline for services provided.
 12 Positions marked with * include wireless card & access.
 Total Wireless Cards:

\\kenmore\contract\Exhibit\2011 Exhibit\Vanita Analysis\WhatIf Lake Forest Park Contract\2011 Adopted ExhB_Lake Forest Park.xls AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Kenmore

Exhibit B

Precinct East Pct
 Cost Book: Adopted
 Draft or Final: DRAFT
 Date: 31-Aug-11

DRAFT 2011 Adopted Exhibit - Assuming Separate Police Depts for Shoreline, Kenmore & LFP

Dedicated Police Services		Units	Salary	Benefits	Adjustmt	Total Cost	FTEs
Police Chief *		1.0	\$113,966	\$38,144		\$152,110	1.00
Officers *		11.0	\$86,906	\$34,656	0	\$1,337,180	11.00
Detectives		0.5	\$90,322	\$35,097	0	\$62,709	0.50
Overtime						\$83,961	
Cost of Dedicated Personnel, Subject to Reconciliation							\$1,635,960
Step 6							
Uniform, Equipment, and Supplies		1			\$540	\$26,837	
Additional Wireless Cards						\$540	
Vehicle Adjustments		Y			-\$2,952	\$149,455	
Insurance, 800 MHz, etc.						\$61,775	
Subtotal, Dedicated Police Services							\$1,871,614
Additional Police Services							
Precinct Command Staff	Units	4.30%	\$256,411	\$72,057	\$26,111	\$15,249	0.13
Patrol Supervision		18.71%	\$738,924	\$259,426	\$183,426	\$138,200	0.82
SET Detectives		2.87%	\$46,690	\$22,678	\$0	\$1,986	0.03
Precinct Support Staff		3.09%	\$4,339,884	\$1,797,270	-\$1,935	\$189,689	2.32
Communications/Dispatch		3.96%	\$6,037	\$1,788	\$2,523	\$410	0.00
Hostage Negotiation Team		2.17%	\$2,349,763	\$909,900	\$683,407	\$85,469	0.59
Major Crimes Investigation		7.17%	\$612,569	\$188,900	\$300,591	\$14,219	0.08
Marine Unit		3.39%	\$618,212	\$239,232	-\$268,218	\$20,015	0.24
SWAT (TAC-30) Team		1.99%	\$316,463	\$116,611	\$138,445	\$11,395	0.07
Subtotal, Additional Police Services							\$486,631
Police Support Services							
Payroll, crime analysis, evidence, recruiting	Per All FTE				\$11,653	\$187,782	1.41
computers, records, personnel, etc.	Per Sworn FTE				\$3,817	\$51,074	0.38
Training, firing range, data						\$15,103	
Police Support Services - provided by Shoreline						\$253,959	1.80
Subtotal, Police Support Services							
Additional Credits and Charges							
Overhead Charges						\$23,274	
Subtotal, Additional Credits and Charges							\$23,274
Total, Police Services							
Fire Investigation charge						\$2,635,478	18.57
TOTAL CONTRACT COST, WITH FIRE INVESTIGATION							\$2,642,847
Notes: Items highlighted in yellow, represent transfers to Shoreline, per the Kenmore/Shoreline agreement (see Attachment 1).							
In 2011 Fraud, DV, and Shared Detective Services removed and added Dedicated Detective.							
Total Wireless Cards: 13 Positions marked with * include wireless card & access.							

\\kcs018\contract\Exhibit\2011 Exhibit\Anita Analyst\What-If Lake Forest Park Contract\Draft 2011 Adopted ExhB_Lake Forest Park.xls
 AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Shoreline

Exhibit B

Precinct
 Cost Book:
 Draft or Final:
 Date:
 Adopted
 DRAFT
 31-Aug-11

DRAFT 2011 Adopted Exhibit - Assuming Separate Police Depts for Shoreline, Kenmore & LFP

Dedicated Police Services	Units	Salary	Benefits	Step 6 Adjustmt	Total Cost	FTEs
Police Chief	1.0	\$136,083	\$36,369		\$172,452	1.00
Patrolman	1.0	\$100,563	\$23,081		\$123,644	1.00
Patrolman Admin. Sergeants * (7 Patrol & 1 Adm.)	8.0	\$100,563	\$23,081		\$1,164,504	8.00
Detective Sergeants	1.0	\$108,977	\$37,501		\$1,465,478	1.00
Street Crimes Sergeant	1.0	\$108,977	\$37,501		\$1,465,478	1.00
Officers * (22 Patrol, 5 Traffic & 2 Storefront)	29.0	\$86,906	\$34,056	\$2,245	\$3,590,408	29.00
School Resource Officers	1.0	\$86,906	\$34,056	\$2,245	\$122,375	1.00
Detectives	4.0	\$90,322	\$35,087	\$2,245	\$510,657	4.00
Street Crimes Detectives	4.0	\$90,322	\$35,087	\$2,245	\$510,657	4.00
Community Service Officer	1.0	\$57,579	\$24,842		\$82,421	1.00
Clerical Staff, AS III	0.0	\$49,996	\$23,119		\$0	0.00
Clerical Staff, AS II	1.8	\$46,590	\$22,678		\$127,906	1.80
Overtime					\$341,229	
Cost of Dedicated Personnel, Subject to Reconciliation					\$7,048,050	52.80
Uniform, Equipment, and Supplies					\$112,588	
Additional Wireless Cards	5			\$540	\$2,702	
Vehicles	Y			\$97	\$60,416	
Vehicle Adjustments					\$97	
Insurance, 500 MHz, etc.					\$257,386	
Subtotal, Dedicated Police Services					\$7,981,543	52.80
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Communications/Dispatch	10.34%	\$4,339,884	\$1,797,270	\$1,935	\$634,417	7.76
Hostage Negotiation Team	5.94%	\$6,037	\$1,788	\$2,523	\$615	0.01
Major Crimes Investigation	8.35%	\$2,349,763	\$909,900	\$683,407	\$329,121	2.28
SWAT (TAC-30) Team	4.64%	\$318,483	\$116,611	\$138,445	\$26,588	0.16
Subtotal, Additional Police Services					\$990,740	10.21
Police Support Services	Per All FTE					
Payroll, crime analysis, evidence, recruiting				\$11,653	\$745,571	5.31
computers, records, personnel, etc.					\$198,936	1.31
Training, firing range, data				\$3,817	\$944,506	6.62
Subtotal, Police Support Services						
Additional Credits and Charges						
Overhead Charges					\$83,451	
Credit for use of city facility by county staff					-\$1,452	
Credit for telephone and copiers					-\$33,552	
Credit for Police Support Services (and associated overhead) provided to Lake Forest Park					-\$180,537	
Credit for Police Support Services (and associated overhead) provided to Kenmore					-\$180,537	
Subtotal, Additional Credits and Charges					-\$312,627	0.00
Total, Police Services					\$9,804,163	69.63
Fire Investigation charge					\$47,629	
TOTAL CONTRACT COST, WITH FIRE INVESTIGATION					\$9,851,792	69.63

Note: Items highlighted in yellow represent transfers from Kenmore and Lake Forest Park for services provided.
 50 Positions marked with * include wireless card & access. However, extra wireless cards purchased by city are allocated to other positions as needed.

\\ksa\ppl\contract\Exhibit\2011 Exhibit\Vanita Analyze\What-If Lake Forest Park Contract\2011 Adopted ExhB_Lake Forest Park.xls

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

KCSO DRAFT Scenario #2:
IF "Joint" Kenmore/Lake Forest Park Police Department
(w/Shoreline providing precinct oversight)

Shoreline	2011 (As reported) Costs	#FTE's	2011 (If Joint Kenmore/Lake Forest Park Police Dept. Costs	#FTE's	Estimated Cost Savings
	9,766,076	51.80	9,652,839	52.80	(113,237)

Potential Savings:

	Current 2011 Budget	Estimated 2011 Costs if "Joint" 2- City model	Estimated Savings
Lake Forest Park:			
Current 2011 Costs - LFP	2,713,559		
Add'l Indirect Costs (budgeted in other LFP categories) Est. 5.5% *	149,246		
Current LFP Dispatch Costs	149,800		
Sub-total	3,012,605		
Kenmore:			
Exhibit B	2,701,458		
TOTAL	5,714,063	4,708,797	\$1,005,266

* Indirect costs (not typically included in a City's Law Enforcement budget), are estimated at 5.5% in this scenario. This is based on the % identified in the Berk Burien study for Marysville & Puyallup (for functions such as payroll, HR, Data, Records, etc.). This estimate is just a place-holder until more firm numbers can be obtained from the City to do a more accurate comparison.

Kenmore/Lake Forest Park "Joint City" (Staffing):

	DRAFT Exhibit
Police Chief - (Captain) for Kenmore	1.0
Police Chief - (Sergeant) for Lake Forest Park	1.0
Police Officers	17.0
Storefront Officer	1.0
Detective	1.0
School Resource Officer	22.0

Assumptions:

Based on "Joint" Police Department for Kenmore & Lake Forest Park
 Based on Shoreline providing Precinct Command of 100 hrs/yr for Major, 50 hrs/yr for Captain, and 50 hrs/year for admin support. SET usage is a flat fee of \$20,000. Major, Captain, Admin and SET charges to be re-evaluated at year-end.
 Based on Kenmore Sharing a Dedicated Detective w/Lake Forest Park
 Patrol Supervision provided by Shoreline, based on each of the 3 Cities relative DCFS x 75%
 Will further explore if a one-time reconciliation credit (for year 1 only) can be provided for vehicles already owned by LFP (this possible credit is not yet reflected in Exhibit).
 Additional savings could possibly be achieved by adopting the 12 hour shift, recommended by Matrix. This scenario did not incorporate this operational change.
Workload Assumptions: Uses Kenmore's DCFS and MAAR counts for modeling Lake Forest Park (for a conservative estimate).
 Major crime counts for LFP based on WASPC data.
 LFP HNT based on workload of 2 and SWAT callout of 1

\\kcsopis\contracts\Exhibits\2011 Exhibits\Antia Analysis\What-If Joint Lk Forest Park_Kenmore model\Impact to Cities IF Joint LFP_Kenmore Contract.xls
 AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

City Name
Kenmore / Lake Forest Park

Exhibit B

Proiect: East Pct
 Cost Book: Adopted
 Draft or Final: DRAFT
 Date: 31-Aug-11

DRAFT 2011 Adopted Exhibit - "JOINT" Kenmore/Lake Forest Park Police Dept.

Dedicated Police Services	Units	Salary	Benefits	Step 6		Total Cost	FTEs
				Adjusmt			
Police Chief *	1.0	\$120,328	\$35,698			\$156,026	1.00
Patrol or Admin Sergeants *	1.0	\$113,966	\$38,144			\$152,110	1.00
Officers *	18.0	\$86,906	\$34,666			\$2,186,112	18.00
School Resource Officers	1.0	\$85,637	\$34,493	0		\$120,130	1.00
Detectives	1.0	\$90,322	\$35,097	0		\$125,419	1.00
Clerical Staff, AS III	0.0	\$49,996	\$23,119			\$0	0.00
Overtime						\$141,054	
Cost of Dedicated Personnel, Subject to Reconciliation						\$2,882,851	22.00
Uniform, Equipment, and Supplies	1				\$47,232		
Additional Wireless Cards					\$540		
Vehicles	Y				\$256,442		
Vehicle Adjustments					-\$2,952		
Insurance, 800 MHz, etc.					\$108,589		
Subtotal, Dedicated Police Services					\$3,292,704		22.00
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs	
Precinct Command Staff	8.60%	\$256,411	\$72,057	\$26,128	\$30,498	0.26	
Patrol Supervision	37.42%	\$738,924	\$259,425	\$183,486	\$276,413	1.64	
SET Detectives	5.73%	\$46,590	\$22,678	\$0	\$20,000	0.06	
Precinct Support Staff	6.18%	\$4,349,884	\$1,797,270	-\$1,284	\$379,418	4.64	
Communications/Dispatch	9.80%	\$6,037	\$1,788	\$2,524	\$1,025	0.07	
Hostage Negotiation Team	2.80%	\$2,349,763	\$908,900	\$683,673	\$113,966	0.79	
Major Crimes Investigation	1.70%	\$1,790	\$691	\$231,036	\$23,159	0.12	
Major Unit (Kenmore & LFP)	1.55%	\$610,212	\$238,232	-\$208,428	\$22,347	0.13	
MARR Unit	3.00%	\$318,483	\$116,611	\$138,473		0.15	
SWAT (TAC-30) Team							
Subtotal, Additional Police Services					\$909,471	8.10	

Police Support Services

Payroll, crime analysis, evidence, recruiting
 computers, records, personnel, etc.

Training, firing range, data

Police Support Services - provided by

Shoreline

Subtotal, Police Support Services

Overhead Charges

Subtotal, Additional Credits and Charges

Total, Police Services

Fire investigation charge (Kenmore & Lake Forest Park)

TOTAL CONTRACT COST, WITH FIRE INVESTIGATION

Note: Items highlighted in yellow, represent transfers to Shoreline, per the Kenmore/Shoreline agreement (see Attachment 1).
 Facility charges owed to Shoreline (not reflected in this exhibit), are approximately \$6K/year.

\\kenmore\contracts\Exhibits\2011 Exhibit\Vanita Analysis\What-If Joint Lk Forest Park_Kenmore model\RAFT 2011 Adopted ExhB_Joint LFP_Kenmore.xls

KCSO DRAFT Scenario #3:
IF "Joint" (3-City) Police Department
 Shoreline / Kenmore / Lake Forest Park

Potential Savings:

	Current 2011 Budget	Estimated 2011 Costs if "Joint" KCSC Contract	Estimated Savings
Lake Forest Park:			
Current 2011 Costs - LFP	2,713,559		
Add Indirect Costs (budgeted in other LFP categories) Est. 5.5% *	149,246		
Current LFP Dispatch Costs	149,800		
Sub-total	3,012,605		
Kennmore: Exhibit B	2,701,458		
Shoreline: Exhibit B	9,766,076		
Joint 3 City Exhibit B		12,833,100	
Estimated Add'l Costs for SRO, CSO, Storefront, Admin, Marine, FIU & MAARR:			
Lake Forest Park		200,596	
Kennmore		212,249	
Shoreline		818,330	
TOTAL	15,480,139	14,064,275	\$1,415,864

	15,480,139	14,064,275	\$1,415,864
TOTAL			<i>Estimated Savings to Shoreline, Kenmore and Lake Forest Park</i>

* Indirect costs (not typically included in a City's Low Enforcement Budget), are estimated at 5.5% in this scenario. This is based on the % identified in the Berk Burton study (for functions such as payroll, HR, Data, Records, etc.). This estimate is just a place-holder until more firm numbers can be obtained from the City.

Shoreline/Kenmore/Lake Forest Park "Joint City" (Staffing)

	Staffing Levels
Police Chief - (Major)	1.0
Captain	2.0
Sergeant	2.0
Patrol Sergeant	7.0
Detective Sergeant	1.0
Street Crimes Sergeant	1.0
Patrol Officers	42.0
Detective	5.0
S&T Detective	4.0
Total	64.0

Note: Contrast the above 64 staff with the current F.E.'s for Shoreline, Kenmore and Lake Forest Park (46+11+9=78 respectively). For comparative purposes, current numbers listed here exclude SRO's. SRO's, Storefront Officers and Administrative Staff.

Assumptions:

Assumes that "Joint" Police Department for Shoreline, Kenmore & Lake Forest Park, Assumed that School Resource Officers, Community Service Officers, Storefront Officers and Administrative staff would be charged separately to each city. The cost of these dedicated staff, are **NOT** included in the 3 City Exhibit.

Assumes Marine, Fire Investigation, and MARR would be charged separately to each City, because these are individual elections as well.

Division of cost (for the 3 City Police Department), could be done based upon their DCIS relative to one another. But other means of allocation could be explored if so desired.

Assumes a 7 person minimum staffing level per shift.

A special group consisting of members from all 3 cities, would need to be created to provide guidance to the Chief and new Department, in order to ensure that each city's interests are considered in decisions made.

Additional savings could possibly be achieved by adopting the 12 hour shift , recommended by Matrix, as this was not incorporated into this scenario.

Will further explore if a one-time reconciliation credit (for year 1 only) can be provided for vehicles already owned by LFP (this possible credit is not yet reflected in Exhibit).

Worldwide Assumptions: Uses Kenmore's DCFS and MAAR counts for modeling Lake Forest Park's piece (for a conservative estimate).
Major crime counts for LFP based on WASPC data.

LFP HNT based on workload of 2 and SWAT callout of 1

I:\contracts\Exhibits\2011 Exhibits\Anita Analysis\What-If Joint Shoreline_Kenmore_LFP 3-city model\Impact If 3 City Joint PD - Shoreline_LFP_Kenmore Contract.xls

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

DRAFT 3 City Police Department (using 2011 costs)
(Shoreline / Kenmore / Lake Forest Park)

Total (3 City) Exhibit B Cost \$12,833,100 A

Estimate of Add'l Charges to these 3 cities:

Storefront Officers (2)	334,812
School Resource Officer	166,184
Community Service Officer	118,027
Admin II (1.8 FTE's)	151,455
FIU	47,852
MARR (billed on SDR basis)	TBD
Shoreline Add'l Costs =	818,330

Kenmore:	
Storefront Officer	167,406
Marine	16,705
FIU	7,373
MARR	20,765
Kenmore Add'l Costs =	212,249

Lake Forest Park:	
Traffic or Storefront Officer	167,406
Marine	10,547
FIU	1,878
MARR	20,765
Lake Forest Park Add'l Costs =	200,596

Total Estimated Add'l Costs (Not included in Exhibit B) \$1,231,175 B

Total Exhibit B PLUS Add'l Estimated Costs (A+B) = \$14,064,275

3 City Model Total Cost =	14,064,275
Less: Current Shoreline Exhibit	(9,766,076)
Less: Current Kenmore Exhibit	(2,701,458)
Add'l Revenue to County	1,596,741

Note: All numbers are 2011 costs.

\\kcsorplis\contracts\Exhibits\2011 Exhibits\Antia Analysis\What-If Joint Shoreline_Kenmore_LFP 3-city model\DRAFT 2011 Adopted
 ExhB_3 City Joint PD - Shoreline_LFP_Kenmore.xls AC 8/31/2011

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Shoreline / Kenmore / Lake Forest Park

Precinct: **Shoreline Pct**
 Cost Book: **Adopted**
 Draft or Final: **DRAFT**
 Date: **31-Aug-11**

DRAFT 2011 Adopted Exhibit - "JOINT" Shoreline / Kenmore / Lake Forest Park Police Dept

Dedicated Police Services	Units	Salary	Benefits	Step 6 Adjustmt	Total Cost	FTEs
Police Chief	1.0	\$136,083	\$36,359		\$172,442	1.00
Capitains	2.0	\$120,328	\$35,698		\$312,054	2.00
Patrol or Admin Sergeants * (7 Patrol & 1 Adm.)	8.0	\$105,561	\$37,061		\$1,140,971	8.00
Detective Sergeants	1.0	\$108,977	\$37,501		\$146,479	1.00
Street Crimes Sergeant	1.0	\$108,977	\$37,501		\$146,479	1.00
Officers	42.0	\$85,906	\$34,656	\$2,245	\$5,199,901	42.00
Detectives	5.0	\$90,322	\$35,097	\$2,245	\$638,321	5.00
Street Crimes Detectives	4.0	\$90,322	\$35,097	\$2,245	\$510,657	4.00
Overtime					\$409,729	--
Cost of Dedicated Personnel, Subject to Reconciliation					\$8,677,030	64.00
Uniform, Equipment, and Supplies					\$137,404	--
Additional Wireless Cards	6			\$640	\$3,242	--
Vehicles					\$713,036	--
Insurance, 800 MHz, etc.					\$318,334	--
Subtotal, Dedicated Police Services					\$9,849,048	64.00
Additional Police Services	Units	Salary	Benefits	Other	City Cost	FTEs
Precinct Support Staff	64.00	Per Precinct FTE		\$3,014	\$192,877	1.82
Communications/Dispatch	16.52%	\$4,339,684	\$1,797,270	-\$648	\$1,013,974	12.39
Hostage Negotiation Team	15.84%	\$6,037	\$1,788	\$2,524	\$1,639	0.02
Major Crimes Investigation	11.26%	\$2,348,763	\$909,900	\$683,851	\$443,980	3.08
SWAT (TAC-30) Team	8.61%	\$318,483	\$116,611	\$138,492	\$49,382	0.29
Subtotal, Additional Police Services					\$1,701,852	17.60
Police Support Services						
Payroll, crime analysis, evidence, recruiting						
computers, records, personnel, etc.				Per All FTE	\$11,714	6.91
Training, firing range, data				Per Sworn FTE	\$3,647	1.72
Subtotal, Police Support Services					\$1,210,472	8.63
Additional Credits and Charges						
Overhead Charges					\$106,731	
Credit for use of city facility by county staff					-\$1,452	
Credit for telephone and copiers					-\$33,552	
Subtotal, Additional Credits and Charges					\$71,727	0.00
Total, Police Services					\$12,833,100	90.22
TOTAL EXHIBIT B CONTRACT COST					\$12,833,100	90.22

Note: In this Model, Marine, FIU, MARR, SRO's, CSO's, Admin & Storefront FTE's are NOT included on this exhibit, but will be charged separately.

\\cse01s\contracts\Exhibits\2011 Exhibits\Anita Analyze\What-If Joint Shoreline_Kenmore_LFP 3-city model\DRAFT 2011 Adopted
 ExhB_3 City Joint PD - Shoreline_LFP_Kenmore.xls
 AC 8/31/2011

4. SCENARIO 3 – INDEPENDENT KENMORE POLICE DEPARTMENT.

A final relevant scenario for alternative police operations is the development of an in-house police department. One of the clear advantages of this kind of operation is the complete local control associated with operating an independent police department. *Such local control is regularly perceived as so beneficial that numerous small agencies throughout the nation choose to have their own police departments instead of pursuing contract service delivery options.* Generally, however, the costs for smaller police departments are often higher than larger law enforcement agencies as illustrated in the earlier sections of this chapter. Smaller departments cannot take advantage of economies-of-scale, and typically have executive and middle-management leadership/supervision regardless of their size. Furthermore, given the variety of functions a police agency performs, administrative staff such as records clerks, property/evidence clerks, etc. must also be hired.

There are a significant number of factors that influence how an internal police department is staffed. These include crime rate; community expectations; budget availability; union contracts impacting wages, salaries and working conditions; use of civilian staff in-lieu of sworn staff, diversification of assignments in order to promote recruitment and retention; and numerous other factors. Given these variables, constructing an in-house Kenmore Police Department could potentially take many forms. One reasonable method is making certain fundamental assumptions with respect to a Kenmore PD organization.

(1) Methodological Approach for Developing an In-house Police Department.

While the Matrix Consulting Group has strongly noted that we are not proponents of officers-per-thousand population when developing detailed patrol deployment staffing levels, investigative service personnel required, etc., this benchmark does offer some utility in a broader context. The 2010 population of Kenmore according to census information is 20,460. The project team examined two sets of information to derive potential in-house PD staffing requirements for Kenmore: 1) Officers-per-thousand and Civilian personnel-per-thousand for all Pacific Northwest communities⁸ ranging from 15K-25K population, and 2) the same metric for communities ranging from 20K-29.9K. The results were somewhat similar although the latter analysis had an overall lower “staff-per-thousand” result. Given Kenmore is a generally a quiet community falling at the low end of the 20K-29.9K range, this resultant will be used instead of the higher 15K-25K averages. The following table shows the results of this staff-per-thousand analysis.

Staff-per-Thousand: Pacific Northwest Police Departments with Population 20K-29.9K

City	Population	Total PD Staff	Total Sworn Staff	Total Civilian Staff	Sworn Per Thousand	Civilian Per Thousand
Mukilteo	21,057	32	28	4	1.33	0.19
Bainbridge Island	22,061	26	21	5	0.95	0.23
Oak Harbor	23,098	40	27	13	1.17	0.56
Mercer Island	24,411	34	31	3	1.27	0.12
Issaquah	25,019	58	31	27	1.24	1.08
SeaTac	25,886	46	43	3	1.66	0.12
Pullman	27,141	40	28	12	1.03	0.44
Des Moines	28,667	60	45	15	1.57	0.52
Milwaukie	20,732	41	37	4	1.78	0.19
Roseburg	20,741	42	37	5	1.78	0.24
Forest Grove	21,333	33	29	4	1.36	0.19
Ashland	21,611	35	28	7	1.30	0.32
Woodburn	23,103	39	32	7	1.39	0.30
West Linn	25,568	37	31	6	1.21	0.23
Redmond	25,856	52	37	15	1.43	0.58
Newberg-Dundee	26,669	35	22	13	0.82	0.49
Tualatin	26,903	42	34	8	1.26	0.30

⁸ Communities included those cities within Washington, Oregon and Idaho. Data taken from 2009 FBI Uniform Crime Reporting information.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Moscow	24,604	42	34	8	1.38	0.33
Post Falls	27,603	62	37	25	1.34	0.91
AVERAGE	24,319	42	32	10	1.31	0.34

(2) In-house Kenmore PD Staffing Result.

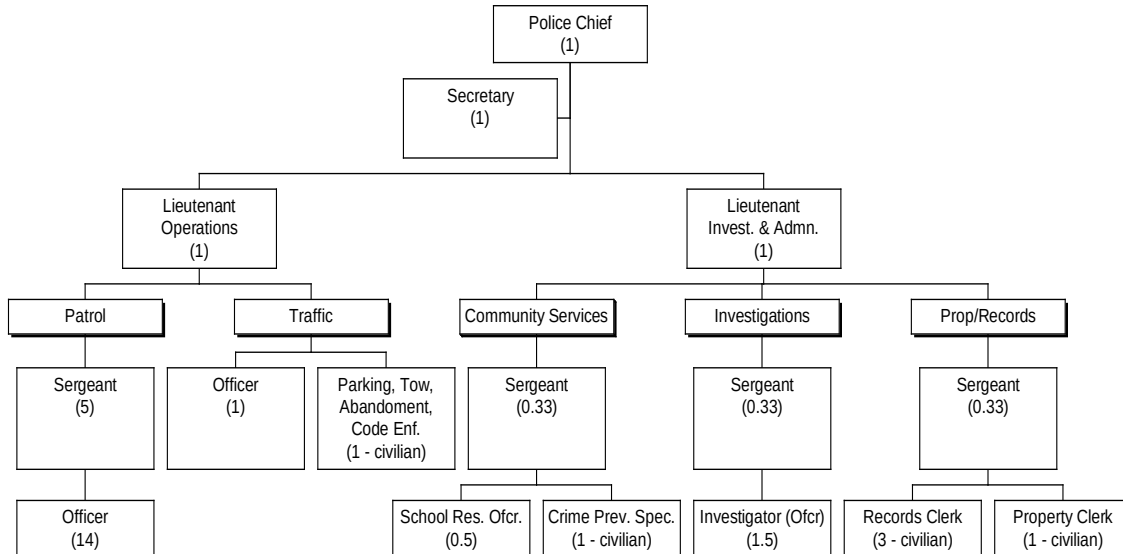
Based on the above data and formula, the City of Kenmore could potentially field a police department composed of:

- Thirty-three (33) total staff positions.
- Twenty-six (26) sworn personnel, ranging from a Police Chief to line officers.
- Seven (7) civilian personnel performing a variety of law enforcement-related functions.

Interestingly, for comparison purposes, if the same staff-per-thousand exercise were performed for Lake Forest Park in the (higher) 15K – 25K population range, this results in 19 sworn and 5 civilians compared to 20 sworn and 4 civilians actually deployed by LFPPD.

This Kenmore staffing numbers resulting from the above exercise could result in the following reasonable organizational structure, one of many organizations that could be developed with the noted staffing contingent.

Potential In-house Kenmore Police Department Organizational Structure



In conclusion, while a variety of approaches exist to developing an in-house staffing model, the aforementioned methodology results in a reasonable police organization structure for an in-house Kenmore Police Department.

(3) In-house Kenmore PD Costing Estimate.

As it relates to the cost of such an organization, there are two primary elements associated with costs: 1) Start-up costs which include the significant capital investment for facility and rolling stock (e.g. police units) and 2) on-going annual costs associated with annual operations. With regard to the latter, the following analytical approach is offered:

- In a previous section fully-loaded operating costs were shown, by staff position, for KCSO Kenmore PD personnel and Lake Forest Park PD personnel. Projected overall police operating budgets for an in-house Kenmore PD can be linked to a similar metric.
- With respect to calculating loaded costs by position, this can be accomplished using the same loaded cost as LFPPD, or a derivative related to this, since it is a

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

reasonable comparator given its adjacency to Kenmore, and similar community profile. It should be noted, however, that with respect to salaries which represent approximately half of such loaded costs, Lake Forest Park pays their officers on the lower end of the scale—approximately 12%—lower when compared to all King County communities. This is shown in the table below:

2010 Salary Comparison (Per 2010 AWC Report)

Community	Top Step Monthly Salary	Top Step Annual Salary (\$)
King County	6,379	76,551
Algona	5,110	61,320
Auburn	6,074	72,888
Beaux Arts	6,379	76,551
Bellevue	6,327	75,924
Black Diamond	6,611	79,332
Bothell	6,223	74,676
Burien	6,379	76,551
Carnation	5,536	66,432
Clyde Hill	5,645	67,740
Covington	6,379	76,551
Des Moines	6,991	83,892
Duvall	5,536	66,432
Edmonds	6,113	73,356
Everett	6,280	75,360
Federal Way	6,417	77,004
Issaquah	5,988	71,856
Kenmore	6,379	76,551
Kent	6,094	73,128
Kirkland	6,635	79,620
Lake Forest Park	5,413	64,956
Lynnwood	6,382	76,584
Maple Valley	6,379	76,551
Medina	6,155	73,860
Mercer Island	6,290	75,480
Mill Creek	5,901	70,812
Mukilteo	5,971	71,652
Newcastle	6,379	76,551
Normandy Park	5,819	69,828
North Bend	6,379	76,551
Puyallup	6,165	73,980
Redmond	6,114	73,368
Renton	6,046	72,552
Sammamish	6,379	76,551
SeaTac	6,379	76,551
Seattle	6,991	83,892
Shoreline	6,379	76,551
Skokomish	6,379	76,551
Snoqualmie	5,857	70,284
Sumner	6,045	72,540
Tacoma	6,113	73,356
Tukwila	6,176	74,112
Average	6,180	74,163

- Despite the potentially lower costs by using Lake Forest Park PD as a benchmark, the following table calculates the estimated annual operating costs of an in-house Kenmore Police Department utilizing this fully-loaded baseline and incremental reductions related to that baseline. These incremental reductions are based on two different approaches: reducing the loaded cost and reducing the calculated number of staff attributed to an in-house Kenmore PD. While costs could actually be higher than that which is shown below, these estimates are reasonable. The following table is noted:

Cost Method	Cost	# of FTEs: In-house Kenmore PD	Total Estimated Annual Operating Cost
Loaded Cost/FTE	\$128,389	33	\$4,236,830
Loaded Cost -5%	\$121,969	33	\$4,025,988
Loaded Cost -10%	\$115,550	33	\$3,814,147
Loaded Cost/FTE	\$128,389	31	\$3,980,053
Loaded Cost/FTE	\$128,389	29	\$3,723,275
Loaded Cost/FTE	\$128,389	27	\$3,466,497

As shown by the table, it is estimated, based on the methodology, that an in-house Kenmore Police Department's annual operating costs would run from \$3.5M to \$4.2M each year. This ranges from **\$765K to \$1.54M** annually higher than the **most recent** 2011 KCSO contract with Kenmore.

Given the comparatively exorbitant annual operating costs for an in-house PD, developing details for start-up costs is not relevant, particular since such costs could run in the several millions of dollars if facility needs are included.

In conclusion, of all alternative service delivery options, an in-house Kenmore PD is the most expensive and likely would provide no demonstrable service provision benefits compared to the KCSO or LFPPD.

5. ALTERNATIVE SERVICE DELIVERY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

Based on our data collection, review, and analysis, the following externally-related alternative service delivery findings conclusions and recommendations are summarized below.

- With regard to the adjoining communities of Bothell, Kirkland and Lake Forest Park, only Lake Forest Park has significant interest in exploring alternative police service delivery options with Kenmore.
- While there would be limited, if any, operational savings if Lake Forest Park PD replicated the number of full-time equivalent positions currently provided by KCSO to Kenmore, there is potentially substantial savings if a joint Lake Forest Park/Kenmore policing agency were developed. A detailed analysis of joint staffing needs is beyond this report; however, based on our respective knowledge of both police agencies, it is likely that Lake Forest Park PD would only need to add twelve (12) sworn and civilian staff to address the law enforcement service needs of both Lake Forest Park and Kenmore.
- Based on the above staffing model, it is estimated that such positions would cost Lake Forest Police Department **\$1.486M** per year. This would result in a total annual budget of approximately **\$4,567,361** (based on 2010 budget information) for Lake Forest Park and Kenmore police services. Using a calls-for-service based cost allocation model Kenmore would save approximately **\$419,000** per year compared to the KCSO contract if services were provided by Lake Forest Park. **Reducing staffing levels to ten (10) additional personnel would save approximately \$623,000 annually.** It should be noted that such savings do not incur in the first year as one-time start-up costs for capital equipment, new officer training, etc. (e.g. patrol units for Kenmore) would be required and potentially **sizable**. **A broad but conservative estimate is first year savings could be partially or wholly deferred due to start-up cost investments.**
- Based on a KCSO proposal for contractual services to the adjoining communities of Kenmore, Lake Forest Park, and Shoreline, it is proposed the KCSO could save the three communities collectively approximately \$780,000 **to \$1.4 million annually based on the proposed models.** **This does not address the political feasibility of such service modifications, only the calculated savings to the varied municipalities.**
- An in-house Kenmore Police Department is cost-prohibitive, with little service level benefits likely obtained compared to other options. It is estimated, based on the methodology used, that an in-house KPD's annual operating costs would run from \$3.5M to \$4.2M each year. This ranges from **\$765K** to **\$1.54M** annually **higher** than the **most recent** 2011 KCSO contract with Kenmore. Given the comparatively exorbitant annual operating costs for an in-house PD, developing details for start-up costs is not relevant, particular since such costs could run in the several millions of dollars if facility needs are included.

Based on the above, the following recommendations are made.

Recommendation: If continuation of the KCSO contract with Kenmore is desired in the short-term, re-explore alternative police service delivery models with both Kirkland and Bothell after 36-months.

Recommendation: Take additional strategic planning and feasibility steps to explore law enforcement service delivery being provided to Kenmore by the City of Lake Forest Park. This would include comprehensive and detailed financials with respect to start-up costs, a thorough sworn and civilian staffing plan to effectively and efficiently service both communities, and a governance and fiscal model where both communities believe their respective service and financial needs are appropriately addressed. Calculated potential savings is approximately **\$419K per year to Kenmore compared to the existing KCSO contract at 12 additional LFPD staff and \$623K at 10 staff.**

Recommendation: If Lake Forest Park is amiable to contracting with the KCSO for policing services, strongly encourage the KCSO to develop a staffing/deployment and contract model around a regionalized policing approach of the three communities rather than treating such municipalities as three fully independent entities.

Recommendation: Suspend further exploration of developing an in-house Kenmore Police Department in the short to mid-term. Costs for such an operation are prohibitive—ranging from an additional **\$765K to \$1.54M** annually--and there is no evidence there would be demonstrable service level increases compared to other options.

3. ALTERNATIVE SERVICE DELIVERY – INTERNAL OPTIONS

This chapter focuses on internal service delivery changes that can occur related to the present method of conducting policing business with the King County Sheriff Office. While such changes will not reflect the potentially significant savings associated with other police service delivery options as discussed in the prior chapter, such modifications can potentially enhance service delivery and/or reduce costs.

1. THE TWELVE HOUR SHIFT SCHEDULE SHOULD BE CONSIDERED FOR KENMORE PATROL.

Various shift schedules can be implemented in a Department, from a 5-day, 8-hour work week, to the four-day, 10-hour work week to the 12-hour deployment schedule. The most cost effective are those schedules that are equally divisible in a 24-hour period. The staffing requirements for a 9-, 10- or 11-hour schedule increases the number of staff needed on duty, and where some effectiveness might be gained by the shift overlaps provided in these types of schedules, it is more costly and thus potentially less *efficient* than schedules equally divisible in a 24-hour time period. The 12-hour deployment schedule is obtaining increased popularity with many law enforcement agencies. The nearby community of Lake Forest Park uses a 12-hour shift program for their patrol deployment. The project team believes that implementation of a 12-hour shift program for Kenmore Patrol will address various operational issues and cost issues.

The following beneficial generalities can be noted about the twelve hour shift schedule. This information coincides with a recent study performed by Lincoln,

Nebraska, including an officer survey of LPD patrol regarding potential issues associated with their implementation of a 3/12 schedule. The survey noted:

- 100% of the respondents felt they were able to perform all police functions on the 3/12 schedule.
- 87% disagreed that they had become so tired during a shift that they were unable to function normally or safely.
- When asked about how rested they felt after returning from days off, 82% of officers said they were “very rested,” 9% percent felt “somewhat rested,” and an additional 9% found no difference from previous scheduling alternatives.
- When queried about their ability to work additional hours beyond a 12-hour shift, 42% felt there was no difference, 40% said they were “somewhat less able” to work, and 18% were “significantly less able” to work overtime.
- Positive mood and disposition changes had been noticed by the families of 77% of the respondents.⁹

The following provides an example of a 12-hour schedule's impact on proactive time. The importance of proactive time was discussed in some detail in the Phase I report. The example deploys a contingent of 8 total patrol officers—2 less than the existing patrol contingent on the 4/10 plan—with two officers on each of four shifts. The following table shows the amount of proactive time calculated based upon the modeling exercise:

⁹ All results found in the August, 2008 article from *The Police Chief* magazine.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Proactive Time Levels – 3/12 Schedule, 2 KPD Officers Deployed in Two Shifts/Four Squads (8 Total Officers)								
Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat	AVERAGE
0000	63%	87%	76%	79%	82%	81%	71%	77%
0100	72%	83%	83%	82%	85%	79%	69%	79%
0200	67%	87%	88%	92%	94%	86%	74%	84%
0300	83%	91%	92%	92%	95%	88%	81%	89%
0400	83%	90%	91%	96%	90%	92%	88%	90%
0500	93%	90%	92%	95%	92%	91%	92%	92%
0600	92%	88%	87%	89%	86%	92%	91%	89%
0700	90%	81%	81%	75%	75%	80%	83%	81%
0800	81%	76%	75%	72%	79%	78%	78%	77%
0900	78%	72%	76%	72%	76%	76%	67%	74%
1000	73%	67%	76%	75%	68%	70%	71%	71%
1100	76%	76%	74%	70%	70%	70%	71%	72%
1200	72%	72%	71%	70%	64%	60%	69%	68%
1300	67%	71%	69%	67%	65%	74%	62%	68%
1400	65%	51%	64%	51%	75%	63%	62%	61%
1500	72%	55%	67%	58%	59%	67%	69%	64%
1600	71%	54%	61%	57%	46%	47%	55%	56%
1700	63%	45%	52%	35%	17%	25%	24%	37%
1800	65%	71%	51%	51%	50%	53%	49%	56%
1900	38%	39%	28%	16%	2%	13%	8%	20%
2000	55%	69%	56%	56%	57%	59%	51%	57%
2100	57%	56%	62%	49%	53%	45%	47%	53%
2200	66%	53%	69%	67%	68%	49%	67%	63%
2300	76%	79%	70%	76%	82%	66%	62%	73%
AVERAGE:	71%	71%	71%	68%	68%	67%	65%	
OVERALL WEEKLY AVG:	69%							

This data is juxtaposed against proactive time information based on the 4/10 work schedule and detailed in that Phase I report.

CITY OF KENMORE, WASHINGTON
FINAL Report of Contracted Police Services – Phase II

Proactive Time Levels – Recent 4/10 Schedule, 3 KPD Officers Deployed Per Shift (9 Total Officers)¹⁰

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat	AVERAGE
0000	80%	93%	74%	89%	81%	90%	84%	85%
0100	70%	82%	64%	81%	68%	78%	67%	73%
0200	65%	87%	75%	92%	87%	85%	73%	80%
0300	81%	90%	82%	92%	90%	87%	79%	86%
0400	82%	89%	81%	96%	78%	92%	87%	86%
0500	93%	90%	91%	95%	84%	90%	84%	89%
0600	91%	87%	86%	88%	69%	91%	81%	85%
0700	89%	79%	80%	73%	47%	79%	64%	73%
0800	80%	75%	73%	70%	56%	76%	54%	69%
0900	76%	70%	75%	70%	49%	74%	30%	64%
1000	71%	64%	74%	73%	32%	68%	38%	60%
1100	75%	74%	72%	68%	35%	68%	38%	61%
1200	70%	70%	69%	68%	23%	57%	33%	56%
1300	65%	69%	67%	64%	25%	72%	20%	55%
1400	62%	47%	61%	47%	47%	60%	18%	49%
1500	70%	52%	29%	55%	13%	65%	67%	50%
1600	69%	51%	17%	54%	-16%	43%	52%	38%
1700	61%	41%	-2%	30%	-78%	20%	19%	13%
1800	62%	69%	-4%	48%	-7%	50%	46%	38%
1900	67%	67%	24%	55%	-5%	53%	51%	45%
2000	76%	83%	52%	76%	54%	78%	74%	70%
2100	77%	77%	59%	73%	50%	71%	72%	68%
2200	82%	75%	67%	83%	65%	73%	83%	75%
2300	87%	89%	68%	87%	81%	82%	80%	82%
AVERAGE:	75%	74%	60%	72%	43%	71%	58%	
OVERALL WEEKLY AVG:	65%							

Of further comparative analysis, proactive time is shown in the three present “shift time blocks” for the 4/10 and 3/12 shift program, respectively.

Proactive Time by KPD Shift

Shift Program	Day Shift (0500 Start)	Swing Shift (1300 Start)	Graveyard Shift (2100 start)
4/10	66%	56%	75%
3/12	75%	52%	69%

¹⁰ Since the development of the Phase I report ten officers, rather than nine, are now deployed as primary calls for service responders, now foregoing a specialized traffic unit, as a result of the Kirkland annexation.

Finally, the following table portrays additional information regarding proactive time and patrol staffing requirements based on the various schedules:

Proactive Time Information by Shift Type

SHIFT TYPE:	# Officers	Avg. Proactive Time	# of Time Blocks Proactive Time Exceeds 50%	# of time Blocks Proactive Time is Negative %
10-hour Shift	9	65%	19 of 24	4
12-hour Shift	8	69%	22 of 24	0

The following is noted regarding the information in the tables:

- Proactive time is marginally higher overall on the 12-hour program when compared to the existing 4/10 shift program.
- Proactive time is marginally lower in both Graveyard and Swing periods, but higher during Daytime periods. All proactive time is above the highly desirable 50% range.
- Proactive time exceeds the 50% margin in more time blocks on the 12-hour program when compared to the 4/10 shift program; this is during the Daytime period.
- There is no calculated negative proactive time on the 12-hour shift program.
- The 12-hour program provides the noted proactive benefits field one less patrol officer than the comparative 4/10 model and two less officers than is presently deployed in KPD.

In order to cover for hours lost due to scheduled and unscheduled absenteeism, as well as compensate officers for the additional 104 hours they will work annually on a 12-hour shift program, additional overtime must be paid to ensure 2 officers are deployed 24/7/365. It is estimated each of the 8 patrol officers would be paid 360 hours overtime annually, resulting in a cost of approximately \$161,000 annually—approximately \$73,000 more than the present overtime budget for 2011. Yet while

overtime costs increases, two officers ($10 - 2 = 8$) could potentially be eliminated from the Kenmore contract, saving the City approximately \$170,000 net annually.

The development of a 3/12 shift schedule that meets the specific needs of the KCSO and Kenmore is beyond the scope of this report; there are numerous alternatives that can be designed. Changing work schedules must be performed in consultation with bargaining units to help ensure acceptance and a smooth transition. However, the following is representative of some varied approaches that can be taken when designing a 3/12 shift schedule:

- A 3/12 shift schedule can be developed that allows for rotating days off, thereby allowing all officers to have some weekend time off. One schedule would be: work two days, then take two days off, then work three days, and then take two days off, then work two days again, and then take three days off. The cycle then begins again.
- A 3/12 shift schedule can be developed that allows for fixed days off, thereby allowing officers to have a consistent time-off schedule. By example, one team works three consecutive days the first week with four days off and four consecutive days the second week with three days off. A counterpart team works in the opposite fashion (four work days, followed by three work days the second week). This results in an 84 hour schedule every two weeks, whereby the extra four hours are paid on overtime (as assumed earlier); banked to allow for extra leave time; etc.

There are numerous 3/12 shift schedules that can be designed to meet the unique needs of KPD. Through a collaborative effort between management and union representatives, this 3/12 shift schedule can be developed accordingly.

In summary, based upon the totality of data provided herein, what ultimately results is that, barring any other variables, an equal or improved level of production can be achieved with fewer staff resources in a 12-hour shift than other shifts of different lengths. This holds true in any industry, including law enforcement. It is for this reason

that many municipalities are implementing 12-hour shift programs in their law enforcement agencies, particularly those departments of smaller size.

2. IF THE TWELVE HOUR SHIFT SCHEDULE IS IMPLEMENTED, REASSIGN A DEDICATED TRAFFIC UNIT.

The City of Kenmore had to eliminate the dedicated Traffic Unit to deploy assigned personnel to a primary calls for service unit as a result of losing cross-dispatch capability caused by the Kirkland annexation. Implementation of the twelve hour shift schedule and the resultant savings would provide sufficient financial resources to re-institute the dedicated traffic unit. As discussed in the Phase I report, traffic-related issues are a priority for Kenmore citizens. Additionally, many of the complaints received focus on parking issues which a dedicated traffic unit can address.

The project team recommends reassigning the dedicated traffic unit if the twelve hour shift program is implemented from the resulting savings in reduced patrol staff. This will result in 8 patrol officers and one dedicated traffic unit. Overall savings will still be incurred but be limited to approximately \$48K per year. This figure could be revised somewhat downward if the traffic unit provided coverage for absenteeism in certain situations instead of using overtime to bring in coverage.

3. IF THE TWELVE HOUR SHIFT SCHEDULE IS NOT IMPLEMENTED, REVISE THE PRESENT 4/10 SCHEDULE.

The ideal purpose of a patrol schedule is to deploy resources at the highest calls for service volumes both during times of the day and days of the week. With respect to days of the week, KCSO has not scheduled staff in some instances during the higher/highest calls for service workload days as noted by the table below.

% of Calls for Service by Shift Compared to Patrol Staff Deployed

	Sun	Mon	Tue	Wed	Thr	Fri	Sat
CFS % Day	12%	15%	14%	15%	16%	15%	14%
TOT. Deploy	2	2	2	2	1	2	1
CFS % Swing	11%	13%	13%	15%	16%	15%	16%
TOT. Deploy	2	2	1	2	1	2	2
CFS % Grave	17%	13%	13%	12%	11%	16%	18%
TOT. Deploy	2	2	1	2	1	2	2

As shown by the table, the busiest day on Day Shift and Swing Shift is Thursday; however KCSO is only deploying one officer during those shifts during that time. This suggests opportunity for modifying officers' days-off schedule to better accommodate workload patterns.

In addition, with respect to shift overlap, the 4/10 shift program provides one substantive benefit in that additional personnel can be deployed in heavy workload periods using the shift overlap period. The current Kenmore PD shift schedules include – Day – 0500-1500 hours; Swing – 1500-0100 hours; Graveyard – 1900-0500. These shift periods miss one of the highest workload periods from 1600-1800 hours by failing to overlap during this time frame. As such, proactive time during this period is abysmal, and could result in various operational issues that might otherwise be addressed through an improved schedule.

4. AUGMENT INVOLVEMENT OF KENMORE EXECUTIVES/MANAGERS IN ASSIGNMENT POSITIONS AT KPD.

While KCSO appropriately involves the community in the selection of a contract Police Chief, this does not occur for all positions assigned to the municipality. Kenmore should be more directly involved in the selection of officers to the Kenmore community. This can be accomplished by having a pool of candidates desirous of transferring to

Kenmore be interviewed by select Kenmore executives and managers. Subsequent selections would also consider the advisement of the KCSO assigned Police Chief. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

5. ALTERNATIVE SERVICE DELIVERY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

Based on our data collection, review, and analysis, the following internally-related alternative service delivery findings conclusions and recommendations are summarized below.

- The twelve hour shift program for Kenmore patrol services appears a viable option compared to the existing 4/10 shift program. Modifying the schedule will allow KPD to reduce staff from 10 to 8 patrol officers. While this will increase overtime the savings resulting from the elimination of two officer positions is approximately \$170K annually.
- If the twelve hour shift is implemented, reinstitute the dedicated traffic car using a portion of the aforementioned savings. This will result in the deployment of 8 patrol officers and one dedicated traffic unit during Day Shift.
- If the twelve hour shift program is not implemented, revise the existing 4/10 shift schedule to better match personnel resources to calls for service workload. This will include modifications to days off as well as revised shift overlaps.
- Kenmore should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

Based on the above, the following recommendations are made.

Recommendation: Adopt the 12-hour shift program for Kenmore PD patrol. Reduce Patrol Staffing from 10 to 8 officers on such a schedule. Overtime will increase however net savings is estimated at \$170,000 per annum.

Recommendation: If the 12-hour shift is adopted, utilize some resulting savings and reinstitute the dedicated Traffic Car on Day Shift.

Recommendation: If the 12-hour shift is not adopted, revise the existing 4/10 schedule consistent with methods discussed in this report.

Recommendation: The City should be more directly involved in the selection of officers. Officer candidates for assignment should be interviewed by select Kenmore executives and managers. Similarly, in the event of disciplinary action, Kenmore should be advised, and have significant input with respect to retaining such on officer on the Kenmore contract.

APPENDIX
(KCSO Comment Summaries)

(Sheriff) Sue's Rough Notes on Kenmore Study

Discussion of about Staff needs - On page 4, and repeated several times in the report, the statement, "detailed analysis of joint staffing needs is beyond this report..." So estimates are made based on "experience and knowledge."

- o What assumptions are they making based on their experience and knowledge?

- o What factors are they considering?

Start-Up Costs- On page 4, and repeated in other places, "start up costs would be substantial." But no estimate is attempted.

- o Why not? What factors should be considered?

- o What is the assumption about the ability of either city to raise funding to cover the start up costs in this difficult economy, and in light of the 80% "no" vote on LFP's public safety levy last year?

Comparisons including a 3-city partnership with KCSO- One page 4 why not include reference numbers on page 4 to the range and distribution of savings based on KCSO modeling that is to be included in a attachment?

Calls for Service Chart- Need context when a "peak" call load is one call per hour.

- o With such small numbers, what is the validity of percentage comparisons? (pg. 10)

Service Level Comparisons- Beginning on page 17 the Consortium of Small Cities Police Agencies is addressed.

- o First, there are services incorrectly included in the list of what they can provide. (Marine patrol, dive team)

- o More importantly, there is no discussion of the effectiveness or track record of that approach.

- o There is no discussion of the sustainability of that approach.

- o The statement that the CSCPA "somewhat mitigates" the differing capacities between LFP and KCSO is not defined.

- o What does "somewhat mitigates" mean?

o Can they cite even ONE example?

o Were any inquiries made of the prosecutor's office or the risk managers of the cities involved?

Perceptions of Large to Small agency relationships -The final paragraph on pg. 17, and going into pg. 18 is one of the most surprising sections in the report. Statements like, "... perceived as a heavyweight" referring to a large police agency, and "... request for refinement (and the responsiveness of large agency) ... perceived as lacking ..." These statements are made about "perceptions that exist across the nation" with a follow-up that says there's no evidence that this is the case in King County.

o What's the point of making that statement?? (It simply feeds the mythology that has led this country to develop 18,000 separate police departments at a tremendous cost to the tax payers!)

Traffic Enforcement Index- On pg. 18 the statement is made that "a high number is better."

o What does that mean?

o Why is it better? (It seems to me that the number reflects the focus and resources devoted to traffic enforcement.)

"Better or worse law enforcement levels"- On pg.18 the statement is made, "... no evidence... better or worse law enforcement service levels... between LFPPD and KCSO." Better or worse based on what factors? Again, no consultation with prosecutor's office, in terms of effective enforcement, and no consultation with risk management based using CSCP.

Proportional use of Patrol - on pg .18 there is a reference that LFPPD uses a proportionately larger contingent of patrol staff. The implication is that this is positive but there is no context or explanation. This could be used as a negative observation as they only use one strategy (patrol) for addressing all problems ...

Only one police chief would be necessary... - The statement is made on page 20 that only one police chief would be necessary in a joint LFPDD, KPD model.

o This begs the question, "Necessary for what?" It is quite debatable whether or not one chief could meet the expectations of two city councils and two city managers.

o How does KPD maintain local control when they are second seat to the police chief of another city?

Final Draft - Phase II Kenmore Report
KCSO Staff's Key Concerns:

1. The Draft report does not make clear "apples-to-apples" comparisons.
 - a. The report compares the Lake Forest Park (LFP) "Joint" City model against KCSO single city (status quo) model. But never compares the LFP Joint city model against the KCSO Joint City model. Whether or not LFP is interested in discussing a joint model with KCSO, the comparison of two differing models leads to misleading conclusions.
 - b. Data used in the Lake Forest Park scenarios are 2010, whereas KCSO scenarios are based on 2011 data.
 - c. One cannot directly compare the Lake Forest Park model with that of KCSO, without calculating start-up costs, amortizing these costs, and adding them to the equation.
 - d. Many areas of the report point to costs savings as a result of decreased FTE counts created by economies of scale with a dual KPD-LFPPD department, as well as a redeployment of patrol assets to the benefit of the Kenmore community. The report does not highlight, however the current flexibility and options Kenmore has to increase/decrease FTEs or redeploy and change direct services as it desires. As well, to point (a.), if a KCSO joint model had been compared, we would see similar or greater cost savings due to increased economies of scale for both cities.
2. Cost estimates used in comparisons are vague in several places. It is difficult to tell if the same line items are included in costs for both the LFP model and the KCSO models. The Draft implies that it is beyond the scope of this engagement to identify such detail. But in order to do an accurate comparison, one must go to these lengths. Otherwise the conclusions drawn, may be unreliable.
 - a. The Draft states that in the LFP estimates, overhead support services (ie: legal, IT, communications/911) are estimated at an additional 10% (or \$135K annually) to the law enforcement budget. Without seeing the basis of the 10% rule, we are unsure if costs for these support services are adequately reflected in the cost that LFP estimated they needed for expansion to service Kenmore. Therefore, we feel the Lake Forest Park estimated additional cost to add Kenmore of \$1.486M may be understated by about \$200K, for items such as dispatch, plus cars, radios, and numerous supplies and services.
3. A "Joint" Kenmore/LFP Police Department (under the direction of LFP) is discussed in the Draft. However, nowhere is there mention of how this would work operationally (e.g. how this would be managed). This is an important detail, regardless of whether it is under the oversight of the Sheriff's office or LFPPD. If a Joint City model were under KCSO direction, we would recommend a panel of representatives from each city be chosen to provide guidance to the Chief (to ensure that both City's interests are properly represented).

a. Under the LFPPD "Joint" City model, who would the Chief report to? It could be challenging for a Chief to have two City Councils and two City Managers to report to. Additionally, where would residents of Kenmore go with complaints? b. If loss of control is a major concern for Kenmore, then wouldn't joining the Lake Forest Park police department, be moving away from that goal? If a "Joint" City model were under the direction of KCSO, it is more likely that we would be impartial and not favor one city over the other.

c. Only KCSO can offer a 3 City model (including Shoreline in the mix). With a large "regional" model, would come even greater economies of scale, and policing would be more seamless, resulting in a more coordinated effort across the borders of these 3 cities. Sharing the same radio frequency and dispatch, would lend itself to better coordination as well.

4. Lake Forest Park capability to take over?

a. LFP is almost Y, the size of Kenmore (population 12,598 vs. 20,460).

b. Per WASPC, Kenmore had 67.5% more total crime index offenses (402 and 240), 460% more violent crimes (28 and

5), and 59.1% more property crime (374 and 235) in 2010 than LFP.

Assessment of Contracted Police Services Phase I of II

CITY OF KENMORE, WASHINGTON

FINAL REPORT



721 Colorado Avenue, Suite 101
Palo Alto, CA 94303
v.650.858.0507 f.650.858.0509

July, 2011

TABLE OF CONTENTS

	Page
1. INTRODUCTION AND EXECUTIVE SUMMARY	1
2. PROFILE OF THE KENMORE POLICE DEPARTMENT	6
3. ANALYSIS OF KENMORE POLICE DEPARTMENT PATROL SERVICES	16
4. ANALYSIS OF KCSO COST OF SERVICE	64

1. INTRODUCTION AND EXECUTIVE SUMMARY

This document is the Phase I assessment of contracted police services performed by the Matrix Consulting Group (MCG) for the City of Kenmore Police Department. This first chapter provides an introduction and an executive summary of the report. This summary identifies the information and approaches used in this study and delineates key findings, conclusions and recommendations.

1. INTRODUCTION.

The Matrix Consulting Group was retained by the City to conduct an efficiency contract police services review. This report provides the project team's evaluation and analysis. Our analysis focused on a wide range of issues including staffing, workload allocation, costs, and other important issues.

Specifically, the scope of work for this project included:

- Executive summary of all key findings and recommendations.
- Detailed analysis of current staffing needs for Kenmore PD.
- A clear description of all of the analytical techniques utilized by the project team in this assignment.
- Recommendations relative to operational and cost allocation improvement opportunities.

To develop this analysis the project team conducted an extensive number of interviews and collected detailed data, in an effort to develop a comprehensive understanding of the operations of the Kenmore Police Department (KPD) and King County Sheriff's Office (KCSO) contractual operations. This included the following:

- An interview with the City Manager and the Police Chief to understand key background issues that frame this study and scope of work.

- Interviews with several executive, managerial, supervisory, and technical staff in KCSO.
- Collection and review of data from a wide range of sources, both electronic (e.g. CAD) as well as budget and statistical reports.
- Review of key documents including program budgets, contracts, and other documents.

The following section provides a summary of the major findings, conclusions and recommendations.

2. EXECUTIVE SUMMARY.

The KPD patrol services findings, conclusions and recommendations are summarized below.

- Kenmore is a very safe community with minimal law enforcement issues of significance. As such, this generally results in fewer police resources needed when compared to busier communities of similar population and geographic character.
- In consideration for potential officer safety issues and back-up availability, the proportion of proactive time available cannot serve as the exclusive driver in developing KPD patrol staffing levels. Despite high levels of proactive time, the agency's small size precludes staff reductions under existing operating protocols. The ability to modify staff deployment is further impacted by the pending annexations of Kirkland, thereby limiting Kenmore's ability to regularly utilize KCSO cross-dispatch units in a back-up capacity.
- KPD staffing levels, therefore, should largely be driven by needs linked to potential officer safety situations and other factors beyond proactive time availability.
- Variables impacting officer availability such as vacation time, etc. are well within reason at Kenmore PD.
- Kenmore PD provides generally comprehensive training exceeding two weeks per officer per year on average; a best practice from the project team's perspective.
- The City of Kenmore currently does not have policy directives in place with respect to police minimum staffing levels, response time targets, required

number of police officers based on call type (e.g. domestic violence), or other important law enforcement initiatives, outputs and outcomes. There are recommendations in some of these areas, but these are not memorialized and confirmed by political or executive city leadership. While lack of such directives provides “flexibility,” it does so at the risk of consistent and policy-driven service delivery. This is particularly important for the City given such directives will largely drive staffing needs in KPD patrol services and have the attendant impact on annual operating budgets.

- Despite comparatively low citation production of KPD officers, the City of Kenmore has a very appropriate Traffic Enforcement Index (score) of 1:39.
- As part of the alternative service delivery phase of this project, optional patrol schedules and deployments, particularly emphasizing the 3/12 shift program, will be explored.

Based on our data collection, review, and analysis, the following KCSO cost of service findings, conclusions and recommendations are summarized below.

- Dedicated Cost in the Kenmore KCSO contract represents the large majority of the police services budget and is composed of on-site KPD personnel and their associated operational costs to perform day-to-day business. Based upon the project team’s review of such costs and the associated methodologies to derive them, there are no relevant opportunities to modify methodological approaches with respect to how such costs are calculated and applied to Kenmore. The only issue of significance is related to the actual cost for staff salary and benefits, which can lead to some significant salary increases in the near term based on MOA contractual terms and conditions. Further, while such salary and benefits per officer are competitive with larger agencies (e.g. Seattle PD) which KCSO must compete with, such salaries are higher than smaller policing agencies which actually reflect the city of Kenmore’s comparators.
- Additional Direct Police Services cost in the Kenmore KCSO contract represents approximately one-fifth of the allocated full-time equivalent positions and the KPD police services budget. Based upon the project team’s review of such costs and the associated methodologies to derive them, there are only a few opportunities for potential renegotiation with KCSO, to include: 1) Elimination of SWAT and Hostage Negotiation Team costs from the contract formulae; 2) recalculation of investigative service needs and associated costs based on revised metrics; 3) potential re-visitation of Precinct Command costs due to such services would not be necessary in an independent police department; and 4) determination on whether Kenmore should continue Marine and Accident Reconstruction services. Beyond these generally minor adjustments, there are no significant issues related to Additional Direct Police Services costs.

- Police Support Services (e.g. Overhead Cost) in the Kenmore KCSO contract represents only a marginal portion (approximately 12%) of the police services budget. Based upon the project team's review of such costs and the associated methodologies to derive them, they are applicable, with no relevant method for reduction unless strategies for reducing Dedicated and Direct full-time equivalent positions supporting Kenmore are employed. While there are some marginal potentialities for reduction in these areas as noted elsewhere in this report, impact on support service and overhead costs is generally insignificant.

In summary, similar to the KPD operations, KPD costs for service based on the KCSO contract are generally allocated appropriately and consistent with both best practices for contractual services and cost allocation.

The following exhibit provides a list of the principal recommendations in this report. The chapters within this report should be accessed for a detailed discussion and analysis of each issue and the background behind each recommendation.

Recommendation: Maintain the KPD Chief's proposed patrol deployment strategy beginning 6/1/11 of 10 patrol officers and one Storefront Officer while using the 4/10 shift schedule.
Recommendation: In consultation with the School District, re-visit the need for School Resource Officer duties and responsibilities presently augmented through the use of overtime.
Recommendation: Develop a policy directive of required minimum patrol staffing levels by shift to help ensure officer safety.
Recommendation: Develop a policy directive of required number of officers to respond to certain higher-risk call types (e.g. domestic violence in progress) to help ensure officer safety.
Recommendation: Develop a policy directive or performance objective of desired minimum response times for Priority X and Priority 1 calls, recognizing such directives can impact necessary patrol staffing requirements.
Recommendation: Develop a performance objective increasing desired KPD patrol officer output to 0.3 to 0.5 citations or written warnings per hour. This will likely positively impact the City's Traffic Enforcement Index thereby reducing injury and fatal accidents.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Recommendation: Develop other formal KPD performance objectives for patrol officers that effectively use the significant amount of proactive time available during most shift periods and link such performance objectives to desired quality of living outcomes.
Recommendation: Maintain the existing KPD / KCSO training regimen for patrol officers exceeding, on average, two weeks per annum. Such training is consistent with best practices.
Recommendation: Upon completion of the Phase II alternative service delivery analysis, strongly consider revisions to the patrol shift schedule to potentially include revised days off, revised shift overlap coverage, or an alternative shift schedule (e.g. 3/12).
Recommendation: KCSO should continue efforts to better publicize the mechanics behind, and detailed cost components associated with, each of the Dedicated, Direct and Support Service contractual charges. Additionally, identification of actual service level outputs and outcomes for those less visible services (e.g. Crime Analysis) would be beneficial. This will serve to better educate and inform contract service recipients.
Recommendation: Continue to identify alternative police service delivery options that may be cost competitive with KCSO services. While KCSO offers effective service delivery, salary and benefit costs for sworn personnel can potentially impact their ability to be cost-competitive over the long-term. Such alternatives will be further explored in Phase II of this engagement.
Recommendation: Negotiate elimination of SWAT and HNT charges from the Kenmore police service contract.
Recommendation: Negotiate refinement of the metrics and/or approach used to calculate investigative services needs and the attendant costs.
Recommendation: Consider negotiating a revision to the Precinct Command charges.
Recommendation: Determine if Kenmore desires continued Marine services and Accident Reconstruction services, the latter of which may not be negotiable given KCSO service protocols. The project team recommends retaining both services.
Recommendation: Based on any revised Dedicated or Direct service charge changes, ensure modifications in Police Support and Overhead services charges.

2. PROFILE OF THE KENMORE POLICE DEPARTMENT

1. INTRODUCTION

The pages, which follow, provide a Descriptive Profile of the Kenmore Police Department (KPD). The purpose of the Descriptive Profile is to document the project team's understanding of the organizational structure, allocation of staff by unit and function, and principal assigned roles and responsibilities of staff. Data contained in the Profile was developed based on the work conducted by the project team, including:

- Interviews with managerial, supervisory and representative line staff positions for each KPD functional unit provided by the King County Sheriff's Office (KCSO). Interviews with KCSO executives, contract management staff, and other personnel providing direct or indirect service to Kenmore.
- Collection of various data describing organization and staffing, workload and service levels as well as costs.
- Documentation of key contractual practices as that relates to work planning and scheduling, policies and procedures, as well as work processes.

The Descriptive Profile does not attempt to recapitulate all organizational and operational facets of KPD. It does, however, represent primary operational characteristics to provide a fundamental overview of the organization. In this chapter the structure of this Descriptive Profile is as follows:

- Description of staff positions, by classification, and description of appropriate reporting relationships.
- Summary descriptions of key roles and responsibilities of staff. The responsibility descriptions provided in the Descriptive Profile also summarize the team's understanding of the major programs and service activities to which staff are currently assigned. It should be clearly noted that responsibility descriptions are not intended to be at the "job description" level of detail. Rather, the descriptions

are intended to provide the basic nature of the job and including deployment philosophies, major duties and responsibilities, and the like.

- Various operational and budgetary data describing work characteristics currently collected and associated with KPD. These are not yet all inclusive, but represent some data elements.

This data was reviewed for accuracy and completeness by the KCSO representatives and the City. Comments and corrections generated from staff were incorporated into information presented in this Report. Corrected information contained in the Descriptive Profile is used in the identification and analysis of issues during subsequent stages of the project.

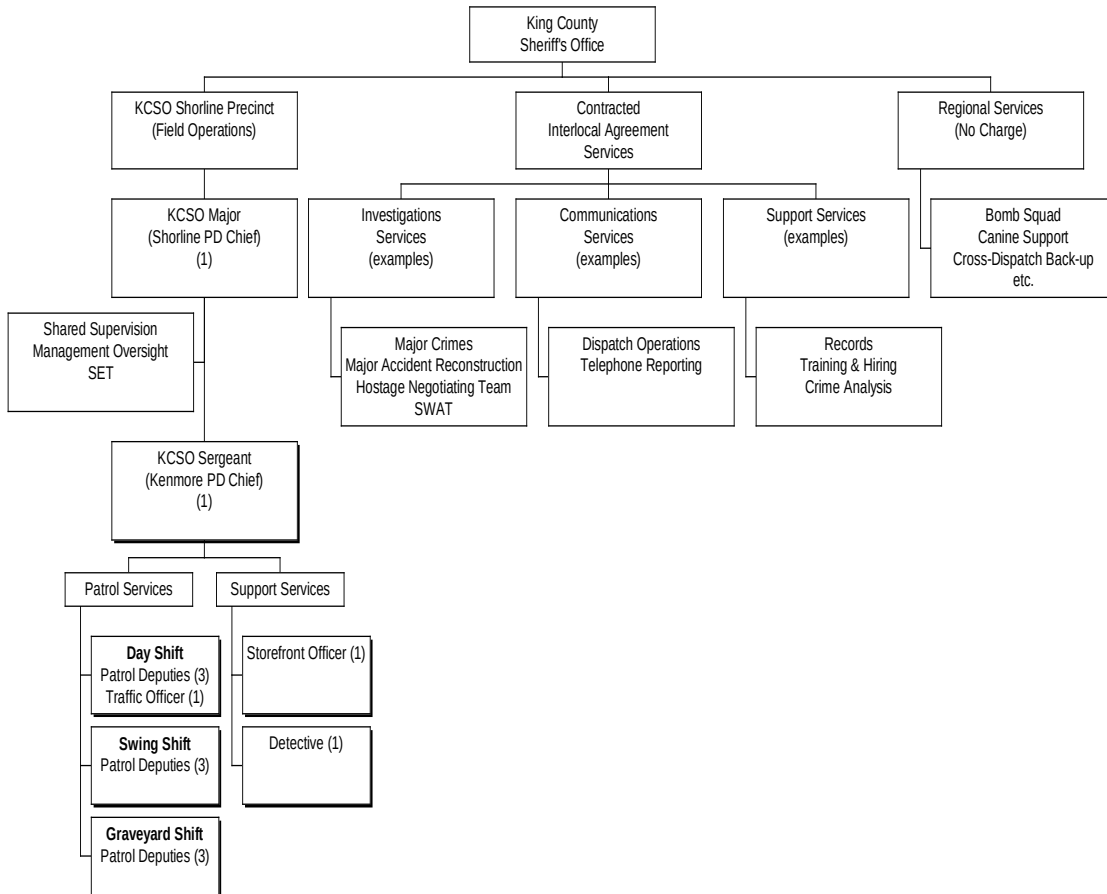
2. KPD ORGANIZATIONAL PROFILE

The following provides an overview of the organization, staffing and responsibilities of the Kenmore Police Department.

(1) Kenmore Police Department Organizational Structure

The following reflects the current organizational structure for the Kenmore Police Department with authorized staff positions by functional Unit. Authorized and actual staffing levels by position classification will be shown in further detail in the following sections. The organization chart below also reflects the relationship of KPD within the broader King County Sheriff Department organization and reflects various direct services provided contractually to Kenmore or regional “pro-bono” services of which Kenmore could be a recipient.

KCSO and Kenmore Police Department Functional / Organization Chart



(2) Kenmore Police Department, and Associated, Staff Positions

Unit / Position(s)	No. of Positions		Responsibilities
	Auth.	Current	
ADMINISTRATION			
<u>Operational Oversight</u> KCSO Major	1.0	1.0	• The King County Sheriff Office Major (Shoreline Police Chief) provides the overall leadership, guidance, management and administration of KCSO Shoreline Precinct and the City of Kenmore. • Directly supervises the Sergeant acting as Kenmore Police Department Chief of Police, providing administrative oversight, policy direction, etc. • Functions as Shoreline Police Department Chief of Police, interacting with KPD Chief in a “peer” capacity. • Generally on call 24 hours a day. • Works flexible dayshift hours Monday-Friday.
<u>KPD Office of the Chief</u> Chief of Police (KCSO Sergeant)	1.0	1.0	• The King County Sheriff Office Sergeant provides the overall leadership, guidance, management and administration of the Kenmore Police Department, acting as the community's Chief of Police. • Responsible for assisting in the development and implementation of the Department budget. • Develops and maintains good working relationships with other managers in the City as well as other local, regional and state law enforcement community members. • Develops and maintains good working relationships with local business leaders, community leaders and school officials. • Performs various special project and administrative functions in the management of the Department, as appropriate. • Provides day-to-day oversight of department operations. • Directly supervises all department staff and performs as patrol field supervisor during Day Shift assignment. • Facilitates response to citizen complaints, provides call for service response and back-up (as available/necessary) and coordinates preliminary field investigations, as necessary. • Responds to questions, concerns and requests from the general public and provides information and problem resolution as necessary. • Implements KCSO department policies and procedures and supporting City of Kenmore policies and procedures. • Provides various work direction to staff with respect to patrol, investigative and other support operations.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Unit / Position(s)	No. of Positions		Responsibilities
	Auth.	Current	
PATROL SERVICES			
<u>Day Shift Patrol</u> Deputies	3.0	3.0	• Responds to all Kenmore calls for service in the City, including crimes against persons, property crimes, domestic disputes, disturbances, deaths, etc. • Provides direct field enforcement of all applicable State and local laws within the City. • Writes criminal incident reports and performs other administrative duties as assigned. • Engages in neighborhood patrols, preventive patrol, traffic enforcement, and other proactive efforts to reduce crime using personally assigned take-home police cruiser. Periodically conducts enforcement through foot beat, bicycle patrol or other efforts. • Provides patrol back-up, as needed, to adjoining contract communities, unincorporated County and other cities. • Performs initial investigation services on a variety of misdemeanor and felonious crimes. • Performs follow-up investigation on a variety of assigned misdemeanor incidents. • Respond to questions, concerns and requests from the general public and provides information and problem resolution as necessary. • Conducts traffic-related duties, as required. • Performs various jail runs to transport prisoners from Precinct to Snohomish and King County jail facilities. • Some staff regularly acts as School Resource Officer on overtime (typically 4-hour blocks). • When minimum staffing levels are scheduled, back-up is provided by KCSO cross-dispatching policies. This will be modified to a minimum staffing of two deputies in Kenmore upon City of Kirkland annexation of County unincorporated areas (6/1/11). • 24/7 Operation with staffing on the 10-hour shift program with staff operating 4-days on and 3-days off with overlap periods during the weekend timeframe. Shift schedules include – Day – 0500-1500 hours; Swing – 1500-0100 hours; Graveyard – 1900-0500.
<u>Swing Shift Patrol</u> Deputies	3.0	3.0	
<u>Graveyard Shift Patrol</u> Deputies	3.0	3.0	

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Unit / Position(s)	No. of Positions		Responsibilities
	Auth.	Current	
<u>Day Shift Patrol</u> Traffic Officer	1.0	1.0	- Enforces various traffic-related laws including moving and other infractions throughout Kenmore's road network. - Enforce other driving behaviors to include weekend drunk driving enforcement, aggressive driving enforcement, etc. - Periodically conducts radar-based field traffic enforcement. - Conducts accident investigations and performs abandon vehicle enforcement. - Provide back-up to patrol deputies, as needed, on a self-dispatched protocol. - Day Shift Operation with staffing on the 10-hour shift program with staff operating 0500-1500 hours on Tues-Fri. - Position will be transferred permanently to patrol on 6/1/11 in order to facilitate minimum coverage due to changes resulting from Kirkland annexation.
SUPPORT SERVICES			
<u>Day Shift Patrol</u> Storefront Officer	1.0	1.0	- Provides a variety of law enforcement support services to community. - Periodically acts as local School Resource Officer at Kenmore's middle and high school. Provides on-site presence, classroom instruction, student advisement, etc. - Facilitates and participates in Block Watch programs. - Performs security surveys. - Responds regularly to neighborhood complaints, attempting mediation and resolution of civil or other issues. - Manages both Student (Junior) and Citizens Academy. Participates, as city's law enforcement representative, in various business seminars. - Oversees and supervises crossing guard program and police volunteers program. - Participates in Bike Rodeo programs, organizes National Night Out, and conducts sixth grade student awareness drug classes. - Performs vacation home checks. - Provides patrol back-up during Day Shift, as necessary. - Day Shift Operation with staffing on the 8-hour shift program with the Deputy operating typically Monday through Friday 0430-1230 hours.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Unit / Position(s)	No. of Positions		Responsibilities
	Auth.	Current	
<u>Investigations</u> Deputy (Detective)	1.0	1.0	• Reporting to the City's Chief of Police, provides city-based follow-up criminal investigations generally surrounding various felonious crimes. • Emphasizes criminal investigations regarding property crimes to include burglaries, larcenies and other similar property based events. Investigations include victim/witness/suspect contacts, field work, supplementary report development, caseload database maintenance, etc. • Performs domestic violence investigations. • Performs minor assault investigations. • Performs fraud investigations. • Regularly interfaces with KPD patrol staff and KCSO Criminal Investigations Division. • Although on-call, generally works dayshift hours Monday-Friday.

3. SUMMARY OF OPERATIONS

The following section provides representative information of relevant operational elements of KPD, demonstrating our fundamental understanding of the department. This data is certainly not all-inclusive, but demonstrative of the types of information to be used in the Report.

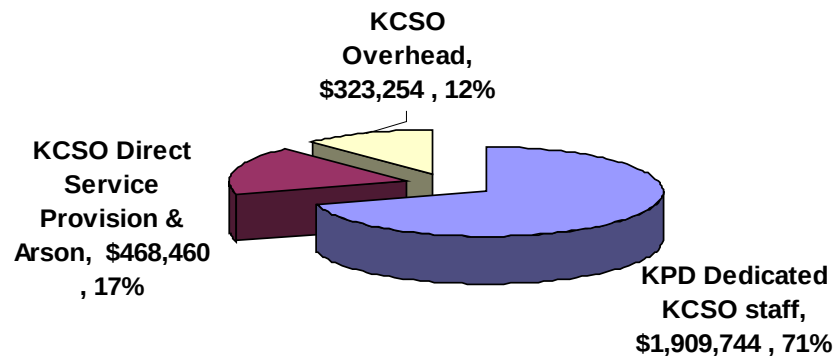
Item	KPD Operational Elements												
Staffing Allocation	The Full-time Equivalent Staffing Allocation for Kenmore Police Department as provided by the King County Sheriff's Office (KCSO) is 19.09 FTE for the 2011 Operational Year.¹ The allocation of such staff is reflected below. Dedicated staff represent on-site personnel such as Chief, patrol deputies, etc. Direct services represent off-site staff such as Criminal Investigation Division person detectives, dispatch operations, etc. Police support services represent allocated portions of off-site commissioned and non-commissioned personnel providing services to include: budget, accounting and payroll; crime analysis; recruiting; firing range; computer resources staff; evidence and supply; internal investigations; personnel staffing services; contracting support; criminal intelligence; legal advisor; photo lab; records, polygraph; and training unit. A letter of intent has been sent from Kenmore to KCSO to add one FTE to dedicated staff that will result in 20.09 FTEs if instituted. Full-time Equivalent Employee Allocation for Kenmore Police Department <table><caption>Full-time Equivalent Employee Allocation for Kenmore Police Department</caption><thead><tr><th>Category</th><th>FTE</th><th>Percentage</th></tr></thead><tbody><tr><td>KPD Dedicated KCSO staff</td><td>13</td><td>68%</td></tr><tr><td>KCSO Direct Service Provision</td><td>4.22</td><td>22%</td></tr><tr><td>KCSO Police Support Svc</td><td>1.87</td><td>10%</td></tr></tbody></table>	Category	FTE	Percentage	KPD Dedicated KCSO staff	13	68%	KCSO Direct Service Provision	4.22	22%	KCSO Police Support Svc	1.87	10%
Category	FTE	Percentage											
KPD Dedicated KCSO staff	13	68%											
KCSO Direct Service Provision	4.22	22%											
KCSO Police Support Svc	1.87	10%											

¹ In the original profile, data from the 2011 Cost Book had not yet been finalized. These reflect final numbers.

**FY 2011
KPD
Budget**

Based on information provided, the Kenmore PD annual budget (excluding any internal Kenmore costs unrelated to the KCSO contract) is approximately \$2.70 million. Seventy-one percent of this budget is dedicated to on-site staff operating within the City. This is approximately \$93,000 less than the annual estimated budget in FY 2010.

2011 Cost Allocation for Kenmore PD (budget)

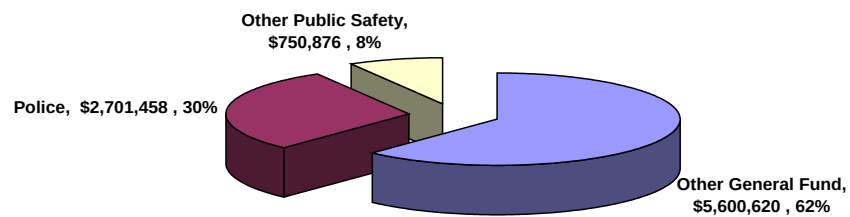


CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

**KPD
Budget as
Portion of
City's
General
Fund**

The Kenmore Police Department contract represents approximately 30% of the City's General Fund budget in the 2011 Operational Year. With respect to all of public safety operations, to include Prosecuting Attorney, Jail Services, County Court, etc. the overall public safety budget reflects 38% of the General Fund.

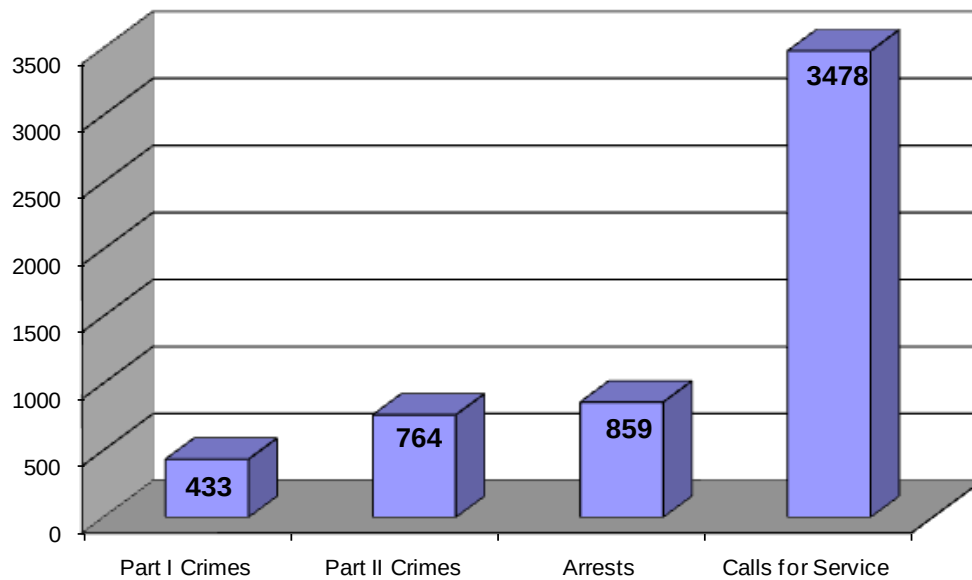
KPD budget Compared to City General Fund (FY 2011)



**KPD
Workload
Metrics
(2009)**

Calls for Service (CFS) will represent information abstracted from KPD data resulting in community generated calls for service—a primary building block of patrol workload. CFS does not represent all workload, however, such as officer-initiated events, investigative follow-up, administrative time or all Computer-aided Dispatch (CAD) entries. Significant additional CFS information will be detailed in the Report's remaining chapters, as it requires significant analysis of KPD provided data². As a representation of the information, however, the following chart provides KPD reported data of various workload metrics for calendar year 2009.

KPD Workload Metrics (2009)



² By example, the total calls for service that are used in the following chapters is slightly higher than that which is reported in the annual report and reflected in the graph.

3. ANALYSIS OF KENMORE POLICE DEPARTMENT PATROL SERVICES

This chapter focuses on Kenmore’s overall community profile as well as the most visible and critical service provided by the King County Sheriff’s Office (KCSO): patrol services. The workload information utilized in this section was obtained from interviews with KCSO management, supervisory and line personnel and a review of documents and information from the Department’s varied information systems.

1. OVERALL ORGANIZATION OF PATROL SERVICES.

As demonstrated in the Profile Chapter of this report, patrol services is composed of three shifts – Day, Swing, and Graveyard Shift – with staff operating 4-days on, 3-days off. Shift schedules are for ten (10) hours and include the following time frames: Day – 0500-1500 (5am – 3pm); Swing – 1500-0100 (3pm to 1am); and Graveyard – 1900-0500 (7pm to 5am)³.

Patrol staffing levels currently operate on a minimum of one patrol unit per shift, although the majority of times, approximately 71%, there are typically two units or more during shift overlap periods noted above. The following table reflects the typical patrol deployment for the nine deputies dedicated exclusively to patrol. This does not include the Chief, Traffic Officer or Storefront Officer who provide periodic calls for service response or back-up in addition to their other primary roles.

³ Military time will generally be used hereafter.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Typical KPD Deputy Patrol Deployment Schedule – Early 2010⁴

	Sun	Mon	Tue	Wed	Thr	Fri	Sat
Day 1	1	1				1	1
Day 2	1	1	1	1			
Day 3			1	1	1	1	
TOTAL:	2	2	2	2	1	2	1
Swing 1	1	1				1	1
Swing 2	1	1	1	1			
Swing 3				1	1	1	1
TOTAL:	2	2	1	2	1	2	2
Grave 1	1	1				1	1
Grave 2	1	1	1	1			
Grave 3				1	1	1	1
TOTAL:	2	2	1	2	1	2	2

Data, such as that in the schedule above, is used to derive patrol workload information as discussed throughout this chapter.

2. A COMMUNITY PROFILE OF KENMORE INDICATES IT IS GENERALLY A SAFE MUNICIPALITY WITH FEW LAW ENFORCEMENT ISSUES.

As would be expected, the economic, demographic, geographic and other community variables of a municipality impact its crime incidence and other quality of living issues that can be impacted by law enforcement. By illustration, the project team recently worked with the community of Eastpointe, Michigan, a relatively small community that adjoined the busiest police precinct in the nation (8 Mile Road in Northern Detroit). The proximity to this area, as well as other factors, influenced its policing needs. Similarly, Kenmore, Washington has its own community make-up that also impacts policing requirements.

⁴ Upon the City of Kirkland annexation, the schedule will be adjusted to deploy two deputies 24/7 in Kenmore for (largely) officer safety reasons. This is due to the general cessation of cross-dispatching services from nearby unincorporated County areas. This will result in the Storefront Officer being deployed during Days on Tuesday and Thursday, re-deployment of the Traffic Officer to patrol (for 10 total patrol deputies deployed), and overtime coverage on Tuesdays and Thursdays during portions of Swing Shift.

The King County Sheriff's Office publishes a detailed statistics report to include individual annual reports for each contract community. This provides a valuable reference with respect to understanding the community's law enforcement profile. Data from this report and other sources can help frame this study of Kenmore's policing needs. The examples provided below are not exhaustive, but intended to provide a "community safety" perception that can serve as a foundation for understanding various issues presented in this report.

(1) Although Aged, Community Surveys Indicate Kenmore Citizens Feel "Safe."

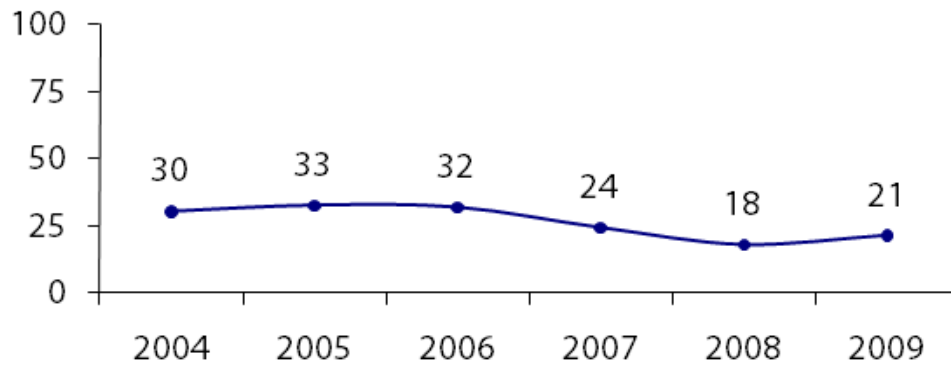
The City of Kenmore administered a Police Satisfaction Survey in 1998 and 2001. One of the areas measured was neighborhood safety. In 1998, 96% of Kenmore citizens felt safe and very safe walking in their neighborhoods during the day and 83.8% felt safe and very safe at night. In 2001, 97% of the citizens felt safe and very safe during the day and 73% felt safe and very safe at night.⁵ These responses, although deserving of update, reflect a perception by the citizenry of a very safe community. Community perception is generally critical when addressing law enforcement needs.

(2) Major Crimes Occurring in Kenmore are Minimal and on a Declining Trend Over the Last Several Years.

Major Part I Crimes such as Homicide, Burglary, Larceny, Robbery, Assault, etc. are some of the drivers that significantly impact a community and its law enforcement needs. The following graph abstracted from the aforementioned annual report shows a downward trend in Part I Crimes, and while there was a recent uptake, overall Part I Crime is down approximately 30% compared to 2004.

⁵ KCSO Kenmore webpage.

Part I Crimes Per 1,000 Residents



This data can be juxtaposed against other Part I Crime information from similar sized communities in Washington as shown in the following Exhibit on the next page. The following is noted regarding that information.

- Kenmore has one of the lowest major crime rates in the State for communities of similar-size.
- With the exception of Burglary, Auto Theft, and Arson, Kenmore is well below the average crime occurrences of the noted communities.

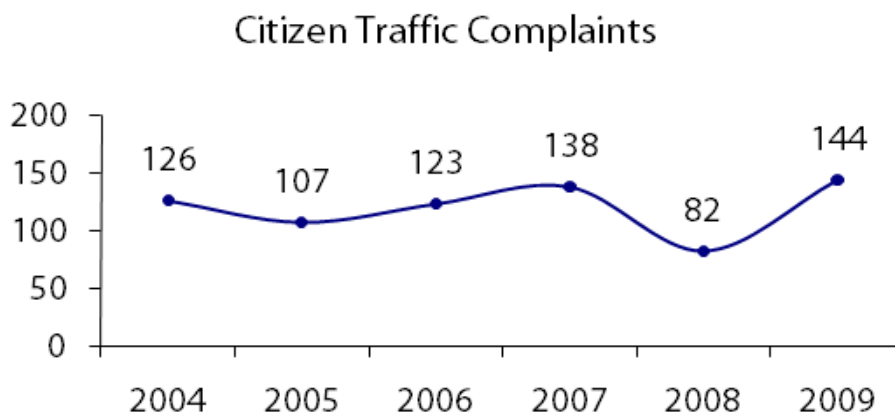
In addition, a review of Part II Crime information reveals similar patterns of lower crime incidence.

Exhibit
Part I Crimes (2009) – Washington Communities

City	Pop.	Violent crime	Murder	Forcible rape	Robbery	assault	Property crime	Burglary	Larceny	Auto Theft	Arson
Camas	18,618	14	0	7	3	4	348	61	274	13	4
Covington	18,619	37	0	4	15	18	641	134	467	40	1
Port Angeles	19,044	80	1	25	15	39	802	152	616	34	8
Moses Lake	19,214	98	0	23	21	54	1,490	275	1,116	99	6
Mountlake Terrace	19,853	43	0	10	14	19	509	98	368	43	12
Kenmore	20,568	22	0	1	3	18	404	131	229	44	5
Maple Valley	20,700	24	0	2	6	16	436	129	278	29	6
Mukilteo	21,057	21	0	6	6	9	552	134	386	32	7
Bainbridge Island	22,061	31	0	4	4	23	302	80	210	12	2
AVERAGE:	19,970	41	0	9	10	22	609	133	438	38	6

(3) One of the Few Law Enforcement Issue Areas is Apparently Linked to Traffic Complaints.

As indicated in the 2009 Annual Report, citizen traffic complaints were on the rise⁶. The following graph is abstracted from that annual report, showing the highest level of complaint in the last six year period noted.



It is generally common for communities with lower crime to focus on other law enforcement areas perceived as important. Traffic enforcement is likely perceived in Kenmore as one of the critical few law enforcement interest areas, given very low criminal incidence. Interestingly, while such complaints are experiencing peaks and valleys with the highest in 2009, this was despite collisions trending downward—the lowest number of collisions in the past six years experienced in Kenmore (143) also occurred in calendar 2009.

(4) Citizen Action Requests Reflect Generally Minor Annoyances and Formal Complaints are Infrequent.

⁶ In the 2010 Annual Report complaints were down to 88.

With respect to citizen complaints, both the number and type of complaints indicate, at worst, generally minor community problems. The following table summarizes the totality of Citizen Action Requests directed to KPD for all of calendar 2010.

KPD Complaints by Type - 2010

Date	Complaint Type
8-Jan	Bikini Coffee Vendor Unacceptable
20-Jan	Unauthorized use of Bus Lane
27-Jan	Parking - Illegally Parked Camper
16-Mar	Complaint of aggressive traffic enforcement.
2-Apr	Bikini Coffee Vendor Unacceptable
2-Apr	Bikini Coffee Vendor Unacceptable
16-Apr	Bikini Coffee Vendor Unacceptable
6-May	Bikini Coffee Vendor Unacceptable
3-Jun	Bikini Coffee Vendor Unacceptable
30-Jun	Parking - Expired tabs on vehicle complaint
12-Jul	Abandoned Vehicle
14-Jul	Graffiti complaint
14-Jul	Door-to-Door solicitation complaint
14-Jul	Parking - Illegal parking of boat trailer
19-Jul	Noise Complaint
30-Jul	Parking - Vehicles reducing visibility
19-Aug	Parking - Expired tabs on vehicle complaint
8-Sep	Harassment - Undesirable telephone calls
5-Oct	Assist on School Project
23-Nov	Homelessness Complaint
28-Dec	Potential Trespass

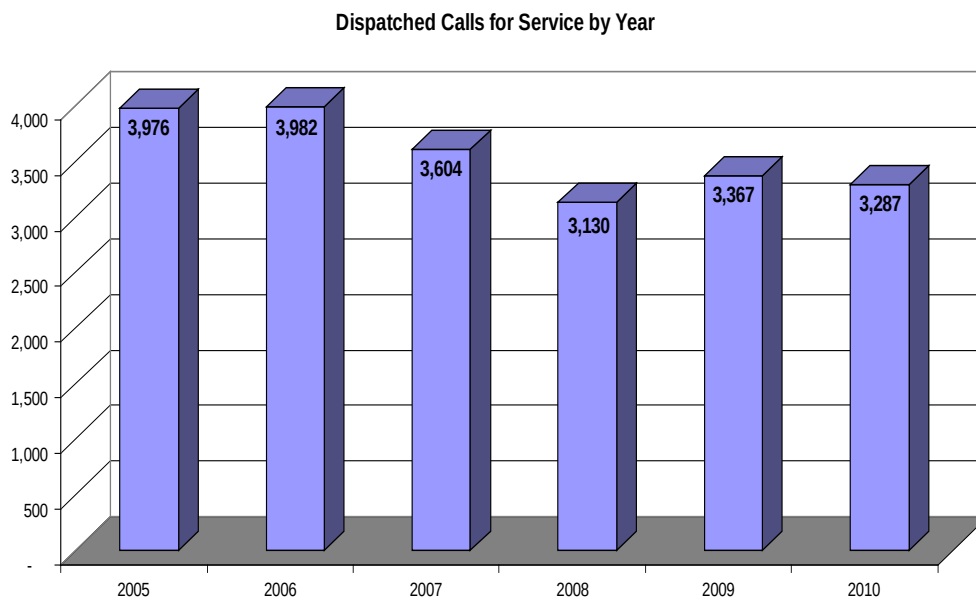
As noted above, the bulk of complaints surround one small business viewed as having “decency” issues and a variety of parking complaints. These clearly are not notifications of severe significance.

Formal complaints against Kenmore officers reveal no issues of relevance. These complaints are the types of investigations performed by an “internal affairs” unit. From 2005 through 2010 only three such complaints have been formally investigated by

internal affairs on KPD officers. This reflects no pattern of significance and further illustrates a community with little police problems.

(5) Primary Workload in the Form of Dispatched Calls for Service are on the Decline.

As detailed in the subsequent section, calls for service response represents one of a community's primary law enforcement responsibilities and a major component of work. With respect to Kenmore, such workload is on the decline overall, as shown in the graphic below:



In conclusion, based on the information presented and other facts noted in the City's annual police report, Kenmore is a very safe community with few law enforcement issues of significance. Many important law enforcement service delivery areas are

trending downwards over the years and there is little to suggest such trending will be significantly altered in the near future. This overall community profile and these noted community benefits directly translate into law enforcement service requirements and the attendant resource needs. These are discussed in further detail throughout this chapter.

3. OVERVIEW OF THE MATRIX CONSULTING GROUP'S PATROL STAFFING ANALYTICAL MODEL.

While it would be useful to identify a 'golden rule' of law enforcement staffing needs, the utilization of various comparative measures does not adequately provide for a comprehensive evaluation of field staffing needs, nor should it be used as the primary basis for a local government to measure the effectiveness of law enforcement services. While it is somewhat common practice to suggest law enforcement resource needs based upon the number of sworn staff per thousand population, the Matrix Consulting Group does not use a "per capita" or "per 1,000" ratio as an analytical tool in assessing field staffing needs, for the following important reasons:

- Ratios do not consider the seriousness of the workload levels of the jurisdictions being compared. For example, the crime rate is not considered in any comparative analysis of workloads, specifically, the number of serious crimes in a community (e.g. homicide, rape, robbery, aggravated assault, burglary, motor vehicle theft, and larceny).
- Ratios do not consider a jurisdiction's approach to alternative service delivery or "differential law enforcement response." The use of civilian personnel (or lack thereof) to handle community-generated calls for service and other workloads has great potential to impact the staffing levels of sworn personnel. The level / amount of civilians (i.e. community service officers, telephone reporting, online services, etc.) can be used to maximize the efficiency and effectiveness of sworn personnel. By example, KCSO uses dispatch to take various telephonic reports of lesser crimes thereby freeing up patrol staff resources that do not have to respond to such calls.

- Ratios do not consider the differences in service levels provided or philosophies with which a jurisdiction may deliver law enforcement services (e.g. community-oriented or problem-oriented policing, a reactive versus proactive approach, the utilization of other regional law enforcement resources in solving problems, etc.). These variables contribute to the inability to compare the necessary number of field patrol personnel through a ratio or per-capita analyses.
- Ratios do not consider other differences which have an impact on regular patrol staffing needs such as the existence of special enforcement / support units as well as operational approaches (e.g. the use of field citations versus transported arrests, manual versus automated field reporting systems, and whether patrol officers are expected to follow-up on certain investigations).
- Ratios do not take into account geographic, meteorological and topographical differences (e.g. square miles of a service area) and other response impediments which can impact patrol staffing needs.
- Ratios do not take into account changing population characteristics, such as jurisdictions with a significant exodus of commuters, college towns with large seasonal fluctuations in population, resort communities, etc.

For these reasons, the project team does not use “per capita” or “per 1,000 residents” ratios as a way for our clients to measure effectiveness in providing law enforcement services, or as a determinant in developing staffing needs. Instead, the project team’s analysis of KPD patrol staffing considered the need for a balance of community-generated workloads and the availability of proactive time to perform proactive policing, while considering as a backdrop the importance of officer safety as a consequence of the types of calls for service workload the community generally experiences. The following subsections describe this analytical process.

(1) The Analysis of Field Patrol Resource Requirements Should Be Based on Actual Workloads Handled and Appropriate Targets of Proactive Patrol.

The Matrix Consulting Group utilizes a method in which the number of police field personnel required is based on an analysis of the unique workloads and service level requirements of a community. In order to evaluate these resources and staffing issues,

the project team conducted a data collection and analytical effort focusing on the following:

- Determining community generated calls for service workloads to the level of detail necessary to understand the work volume and the time required to handle such work.
- The field resources used to handle calls for service and proactive workloads based on officer availability levels.
- Deployment and scheduling patterns utilized by the Kenmore Police Department.
- Identifying self-initiated police activities and targeting a sufficient amount of time beyond community generated calls for service, otherwise known as “reactive” workload. This time can then be utilized to perform proactive or community-oriented policing services (e.g. special enforcement of high priority areas, etc.).
- Maintaining a deployment that would help reduce risk and maintain officer safety levels.

Field law enforcement services represent one of the areas of law enforcement operations in which staffing can be quantified based on service levels desired. Several factors determine the level of patrol staffing required in a community, including:

- The community generated call for service demand by time of day, and day of week.
- How deputies/officers⁷ are utilized in the field, how they are scheduled, and in what manner they are deployed (e.g. one-person versus two-person patrol cruisers).
- How calls for service are managed by a law enforcement agency. Many departments throughout the United States “manage” lower priority calls for service in a number of ways. What these methods of handling calls for service have in common is that they free up the time of trained, professional officers from handling lower priority routine calls so that more of their available time can be spent on calls requiring a higher level of expertise and training.
- The level of service desired by the community. This reflects the amount of “proactive” time, or “unobligated” time a community desires. This is a significant factor and primary driver impacting required patrol staffing levels. Unobligated time involves time not spent handling community generated calls for service and

⁷ Deputies and Officers will be used interchangeably in this report given KCSO deputies serve as KPD officers.

reflects proactive time for which an officer is available for community policing, directed or preventive patrol, self-initiated activity (i.e. observations, including suspicious pedestrians or vehicles, etc.), and other approaches for addressing crime problems, quality of life issues, etc.

The project team has employed a model based on these decision points in evaluating officer field staffing for the KPD in terms of workload, service levels, and overall operations. The following section identifies and discusses the various characteristics and elements of the field staffing model, and how reactive and proactive (unobligated) time is calculated.

(2) Workload and Data Elements Utilized in the Patrol Staffing Model.

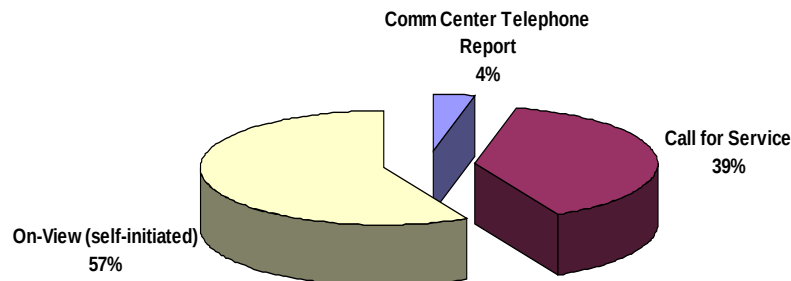
One of the primary responsibilities of a patrol officer is responding to and handling community generated calls for service. Further, workload related to these calls for service, including reports, arrests / bookings, back-up assistance to another patrol officer on a call, etc., as well as the associated times for these activities, are primary responsibilities of the officer. These elements are foundational in deriving the total field staffing levels required based on desired services levels. These elements are further discussed in the following sub-sections.

(2.1) Patrol Workloads.

The first critical data element required to analyze field resources is to document the primary workloads handled by patrol officers. As stated, one of the primary responsibilities of an officer is to respond to community generated calls for service. These calls certainly do not represent all workload, however, such as officer-initiated events, officer observations in the field resulting in a contact, traffic stops, investigative follow-up, administrative time or other activities reflected in Computer-Aided Dispatch (CAD) or other records. Calls for Service, as defined herein, *represent contacts from*

the community, generally via E 9-1-1 telephone and 7-digit telephone calls ultimately resulting in one dispatched incident, regardless of the number of patrol units sent. It is critical to understand this fundamental definition in order to comprehend how future analyses are performed in this report. Community generated calls for service **are not** intended to reflect all workload that patrol officers perform. In fact, many law enforcement agencies define “calls for service” as any relevant law enforcement incident, whether initiated by the community or an officer. While this is not atypical, it must be understood that it does not reflect our methodology for staff evaluation. By example, the following pie chart displays the proportion of incidents generated from various sources based on computer records provided to the project team⁸.

Calendar 2009-2010 KPD Incidents by Type

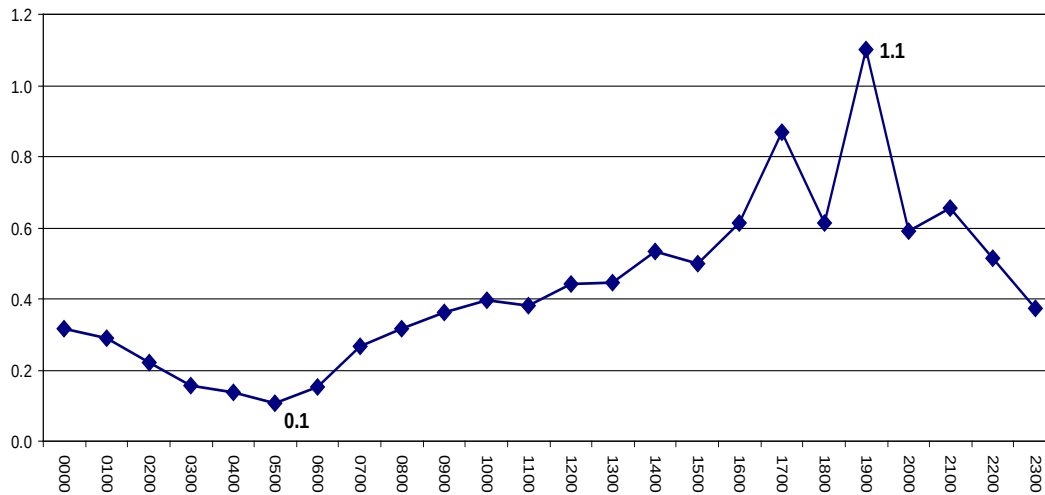


⁸ Data is based on computer records for calendar 2009 and 2010. It is important to note that there are minor discrepancies in data (less than 1 call per day) recently provided from dispatch and those noted in the 2009 Kenmore Annual Report. These are largely focused on the definition of community generated calls for service and alternative call handling or telephone reporting techniques. Indeed, data herein represents slightly more incidents in these categories than noted in the annual report. Consequently, any results noted err on the side of conservative with respect to proactive time, etc.

As shown, 39% of incidents are definitively identified by the project team as community generated calls for service (CFS) requiring police response. These community generated calls for service reflect workload that requires a mandatory response from the law enforcement agency; the community expects service when it telephones its agency. The largest proportion is on-view or self-initiated activities. The calls for service and other data that are available by analyzing CAD and other records reveal the following additional information:

- There were approximately 7,550 community generated calls for service in calendar 2009 and 2010. Although calls vary by both month and day, this averages approximately 10.3 calls each day.
- There were approximately 700 telephonic reports received in the two year period. This is equivalent to approximately one call per day that a KPD officer will not spend time addressing.
- There were approximately 11,150 on-view activities in 2009 and 2010 representing 57% of all incident-related workload. This is equivalent to approximately 15.3 self-initiated activities per day.
- Community generated calls for service distribution by hour, as shown in the graph, reveal peaks and valleys in call for service workload with both commonalities as well as differences from many law enforcement jurisdictions. Generally speaking, early morning hours have the lowest call for service volumes (this is common) with the lull at approximately 0500. Highest activity, however, is in early evening at 1900 hours with a less significant peak during “rush hour.” While calls for services in other agencies peak at either the rush hour (approximately 5:00 p.m.) or the few hours surrounding Midnight, only the former peak is applicable to KPD. Indeed, workload actually declines in the evenings/nights whereas in many other agencies calls escalate more rapidly from late afternoon to midnight.
- As shown in the table on the following page and as is generally typical, Friday/Saturday time periods are the busier days of the week. Similarly, Sunday is the slowest day of the week.

Average Calls for Service Per Hour (2009-10)



Based on the data shown in the table below as well as other information, further workload analysis can be accomplished as described in the project team's models for patrol staffing and deployment discussed in the following sections.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Calendar 2009 & 2010 Community Generated Calls for Service by Time of Day and Day of Week

Military Time	Sun	Mon	Tues	Wed	Thu	Fri	Sat	Total	Avg./Hour
0000	53	18	35	30	26	27	42	231	0.3
0100	41	24	24	26	22	30	44	211	0.3
0200	47	18	17	11	9	21	37	160	0.2
0300	25	13	12	11	7	18	28	114	0.2
0400	24	15	13	6	15	11	17	101	0.1
0500	10	14	12	7	11	13	11	78	0.1
0600	12	17	19	16	21	12	13	110	0.2
0700	15	28	27	36	36	29	24	195	0.3
0800	27	34	36	40	30	32	31	230	0.3
0900	32	40	34	40	35	35	47	263	0.4
1000	39	48	35	36	46	43	42	289	0.4
1100	34	35	38	43	44	43	42	279	0.4
1200	41	41	42	43	52	58	45	322	0.4
1300	47	42	44	48	51	38	54	324	0.4
1400	51	71	52	71	36	54	55	390	0.5
1500	41	65	48	60	59	48	44	365	0.5
1600	42	66	56	62	79	77	65	447	0.6
1700	53	79	69	94	121	109	109	634	0.9
1800	51	42	70	70	73	68	73	447	0.6
1900	89	88	103	121	143	127	133	804	1.1
2000	65	45	64	64	63	60	71	432	0.6
2100	62	63	55	74	68	80	76	478	0.7
2200	49	67	45	47	47	74	47	376	0.5
2300	35	30	43	35	26	49	55	273	0.4
Total	985	1,003	993	1,091	1,120	1,156	1,205	7,553	

(2.2) Handling Time.

A critical component of the Matrix Consulting Group’s patrol staffing model is the evaluation of total time spent by patrol personnel handling community generated calls for service. There are a variety of factors that go into determining the time devoted to the “average” call for service. These include the time from call dispatch to call clearance for the primary unit handling the call, the number of calls where a back-up unit (or units) was deployed, how long such back-ups were on scene, report writing time, and jail/booking time. In nearly all instances, data manipulations of CAD computer information or other source data were able to derive these factors for the Kenmore Police Department. Information derived from KPD records can be juxtaposed against various benchmarks that the project team has developed relative to average time required for specific tasks. The following table summarizes the important data factors to arrive at handling time. Observations regarding this data follow the table.

Factors Involved in Determining How Long a Call for Service Takes

Factor in Call For Service Handling Time	How Data was Determined	Benchmark	KPD Time Required
Primary Unit Handling Time (dispatch to clear)	Benchmark based on MCG national experience. Data based on calendar 2009 and 2010 community generated calls for service derived from CAD data.	30-40 minutes/call	42.5 minutes/call
Average Back-up Units per Call for Service	Benchmark based on MCG national experience. Data based on calendar 2009 and 2010 community generated calls for service derived from CAD data.	0.50 units/call	0.31 units/call
Average Time Back-up Unit(s) at Scene per Call	Benchmark based on MCG national experience of ~75% of Primary Unit Time at scene. Data provided through CAD data and based on: (39.4 minutes handling time for back-up unit X .31 Units per call X .67 Kenmore PD units in back-up role). Note that in about one-third of CFS a KCSO deputy is cross-dispatched instead of utilizing a KPD officer—this is not counted as workload for KPD (but will be required in the future due to the Kirkland issue noted elsewhere).	11.25-15.0 minutes/call	8.1 ⁹ minutes/call
Average Time All Units at Scene	Sum of Primary and Average Back-up.	41.25-55.0 min/call	50.6 min/call
Report Writing Time	Based on KPD interviews and benchmark data available from other departments.	30 min/report	30 min/report

⁹ The .31 units per call includes cross-dispatched KCSO units; the time calculation does not. If KCSO outside of Kenmore were included, back-up time would increase to 12.2 minutes per CFS.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Report Writing Calls for Service Allocation	Benchmark based on MCG national experience. Based on data provided by KPD. Reports are written for incidents beyond community-generated calls for service. Further, not all incidents/call receive a report. For calculation purposes however, reports must be linked to calls for service. Based on 3,709 reports written in field (not by Dispatch) and 7,553 CFS in 2009 and 2010, approximately 49% of calls for service have a mathematically linked report. Report writing time was proportionally allocated to <i>each</i> community generated call for service resulting in the min/call noted. It is assumed reports are written <i>after</i> calls for service are cleared.	25%-50% of CFS will have report.	14.7 min/call
Jail Run Time Calls for Service Allocation	Based on Jail-run Booking statistics for KPD and benchmarking. Similar to reports, Jail Runs are also for incidents beyond community generated calls for service. Further, not all incidents/calls require a jail run; indeed, only a small portion result in an arrest. For calculation purposes, jail runs must be linked to calls for service. In 2009 and 2010, 420 bookings were made. As with reports above, the total jail time was proportionally allocated to <i>each</i> call for service. It is assumed all jail bookings are performed <i>after</i> calls for service are cleared, although practically this is not the case in every instance.	40 minutes per booking	2.3 min/call
TOTAL FIELD TIME DEDICATED PER COMMUNITY-GENERATED CALL FOR SERVICE			67.6 minutes per call

As shown above, the project team allocated average handling time per community-generated call for services at 67.6 minutes based upon calendar 2009 and 2010 data. This includes time spent by all primary and back-up units, includes travel time and on-scene time, and allocates all arrest/booking (jail) time and all report writing time. The following additional observations are noted:

- With regard to call handling time for a primary KPD unit, total time from dispatch to call clearance is 42.5 minutes—slightly longer than the upper benchmark regarding calls for service time required. While response time is slightly longer in Kenmore (discussed later), total time allocated to calls should not be considered alarming given the relatively limited activity in Kenmore, allowing KPD officers to spend time on calls. Oftentimes, law enforcement agencies, particularly those

with busy calls for service workloads, approach the low end of the benchmark range (30 minutes per call).

- With respect to back-up units, the following observations are noted:
 - The proportion of back-up units deployed to Kenmore calls for service is lower than regularly observed. Calls for service in many communities have an approximate 0.5 back-up rate, meaning an average of 1.5 units responds to each call for service. KPD has an average of 1.31 units responding to a call, somewhat less than the benchmark.
 - Conversely, while many back-up units spend 75% of the primary unit's time on a call, in the case of Kenmore, such units spend nearly the entire time at the call for service—approximately 93%. In sum, if back-up units are deployed they tend to stay for the duration of the call.
 - Of interest, it should be noted that based on the information provided, approximately one-in-three back-up units is not a KPD officer but a cross-dispatched KSCO deputy. Upon the Kirkland annexation Kenmore will lose much of this cross-dispatch capability and consequently is increasing its minimum staffing levels. The workload calculations noted herein, therefore, will be slightly lower than what will be experienced in the future, as KPD officers will likely be spending a small portion of their time in additional back-up roles.

In sum, while back-up rate is lower, back-up on-scene time is higher. This again, is largely a function of the Kenmore community make-up. That is, a relatively quiet community resulting in a need for limited law enforcement resources. Limited resources does, however, result in somewhat limited flexibility, the outcome of which is that often one-person patrol cruisers are regularly dispatched to calls with less back-up than their busier counterpart agencies.

- With regard to report writing, jail runs, and other calls for service linked functions there appear to be no vagaries compared to various benchmarks. Indeed, the overall “average time at scene” is within the benchmark range and total call handling time approximates one-hour (67.6 minutes). This is not unusual workload for any law enforcement call for service workload.

In sum, these formulae link the major activities performed by patrol officers to community generated calls for service. The resultant time of 67.6 minutes is a fundamental building block in determining resources necessary to provide efficient and effective patrol services.

(2.3) Officer Availability.

Another critical workload element to determine staffing requirements is the amount of annual time available for field personnel to perform their work. A typical employee is paid for 2,080 regular hours per year; however, these employees perform core business duties well below this figure due to scheduled and unscheduled leave, administrative requirements, etc. The tables which follow, provide the calculation of the “net availability” of police officers in patrol, based on data abstracted from source documents provided by KPD. The project team defines net availability as the number of hours that an officer (or any other employee) is available to perform his/her key roles and responsibilities after the impact of leaves and other necessary administrative responsibilities have been subtracted from his/her gross 2,080 scheduled hours of work.

Leave Type and Hours (2009/2010 Data)

Leave Type	Ave Hrs Per Officer Per Year
<i>Baseline Annual Hours Available</i>	<i>2,080.00</i>
Sick	38
Compensatory Time Used	52
Bereavement, School event, etc.	2
Vacation	124
Average Annual Assignment Hours Available¹⁰	1,863

The table, above, shows that the “average” Police Officer is deployed during regular work hours 1,863 hours per year. The points, below, expand on key issues identified in the table:

- Data show that Police Officers are assigned 1,863 hours after all leave categories have been accounted for. This is equivalent to 90% of the available annual time. Net availability includes the impact of all absenteeism factors

¹⁰ Annual hours available does not include hours that an officer may work on overtime. Practically speaking, an officer can be available far more than 2,080 hours per annum if they wish. However for staff modeling “mandated overtime” is not considered as it would result in fewer officers needed than might otherwise be necessary.

including compensatory days off, unscheduled leave such as sick time, etc. that take an officer out of the patrol schedule.

- Based on the project team's experience, the current available hours exceed the range of 1,700-1,800 hours typically found within most law enforcement agencies. Interestingly, sick time utilization is very low compared to many police agencies the project team has analyzed. Similarly, compensatory time taken is also somewhat lower.

Although officers are assigned 90% of available work time per annum after leave, they are not available to perform core business work until various administrative time is subtracted from their assignment, per policy or otherwise. The following table captures these requirements, resulting in an average "net availability" for each officer per year.

Administrative Assignment Requirements

Administrative Requirement	Average Hours Per Officer Per Year	Explanation of Information
<i>Average Assignment Hours Available</i>	<i>1,863</i>	Based on above calculations.
Meals/Breaks	-186	One ½-hour meal, two 15-minute breaks based on policy. Hours based on average 10-hour shifts deployed.
Briefings	-39	Average of 50 minutes per week briefing; calculated attend apx. 47 briefings per year.
Vehicle Fueling / Check	-31	Average of 10 minutes per shift. Hours based on average 10-hour shifts deployed.
Mandated/Essential Training	-90	Based on 2009 and 2010 KPD/KCSO Training records.
<i>Total Administrative Hours Used</i>	<i>-346</i>	<i>Sum of above</i>
Net Annual Available Hours After All Leave/Administrative Factors	1,517	Final "net availability" calculation.

The calculations above are based upon policy, data available and consultation with KPD staff regarding the impacts of administrative responsibilities, training as well as time off factors associated with meals, etc. These factors are summarized below:

- **Meals and Breaks** are calculated at one-half hour for meals and one-half hour for two 15-minute breaks per policy. Experience suggests, however, that breaks are not always taken.
- **Shift Briefing** is based on a scheduled 50 minute briefing each week. Based on absenteeism each KPD officer will likely miss a small portion of briefings.
- **Mandated/Essential Training** is based on actual training records during on-duty time (as opposed to overtime). While 90 hours per KPD officer on-duty training are calculated based on two years' records, total training received is slightly more due to this being performed on overtime.
- **Vehicle Fueling** and vehicle walk-around is scheduled for 10 minutes per shift. This is an estimate based on our and KPD's experience.

With the exception of training, it should be noted that these administrative requirements are also consistent with most other law enforcement agencies and are not outside of ranges typically seen by the project team. Training hours are partially higher in KPD than many other agencies; however, the Matrix Consulting Group is a proponent of training and thus does not believe such training is excessive.

(2.4) Calculating Resource Needs Based on Available Time.

Upon developing community generated calls for service data and net officer availability information, the final step in determining resource requirements is calculating the proportion of proactive time available to patrol services. In effect, patrol staffing levels are largely driven by the patrol officer's time, which can be classified into two categories—proactive and reactive time. Ultimately, the amount of proactive time is inextricably linked to the ability of officers to perform those duties and responsibilities above the basic response to community generated calls for service. Without sufficient proactive or unobligated time, a patrol operation is severely handicapped in its ability to respond effectively to local and regional crime, traffic, and quality of life issues unique to each community. The following section describes time definitions in further detail.

(2.5) Response-Oriented Patrol Requirements (Also Known as “Reactive or Committed Time”).

Reactive or Committed time, is classified as the handling of community-generated calls for service and the immediate responsibilities linked directly to that specific incidence, including reports, arrests / bookings, back-up assistance to another patrol deputy on a call, etc. In effect, reactive time includes the period of work from the point at which a unit responds to a call to the point when a unit “clears for service.” The following points are noted with respect to response-oriented or reactive time.

- This is a primary mission of any law enforcement field patrol force.
- Clearly defined areas of responsibility and clearly defined back-up relationships are a core concept for consistent ‘committed time’ service delivery.
- A Department should have clearly defined response policies in place – this includes: prioritization of calls, response time targets for each priority, back-up policies, and supervisor on-scene policies. In the absence of such formal policies, common practice, or ideally ‘best practice guidelines’ can be used.
- This Reactive or Committed time workload in many communities generally makes up an average of between 40% and 60% of each officer's net available time per shift. This includes the time to prepare reports, transport and book prisoners, and provide field back-up. The concept of Reactive (and Proactive) time is widely acknowledged by various established bodies, including the International Association of Chiefs of Police, Northwestern Universities Police Allocation Model, etc.

The calculation of reactive or committed time is one of the cornerstones to patrol staffing level findings, conclusions and recommendations.

(2.6) Proactive Patrol Requirements (Also Known as “Uncommitted or Unobligated Time”).

The following points are noted with respect to Proactive or Uncommitted time:

- Proactive enforcement addresses all other workloads that are not in response to a community-generated call for service. These include such important services as officer self-initiated activity, proactive or preventive patrol, investigative follow-

up, traffic enforcement, etc. It is critical to recognize that all self-initiated activity falls within the uncommitted time category.

- A Department should have clearly defined uses for uncommitted time. Officers should know what they are expected to do with time between calls for service.
- The ‘proactive’ element of field patrol in many law enforcement agencies generally makes up between 40% and 60% of each officer/deputy’s day, on average. Typically, less than 30% net proactive time available to patrol staff results in inefficient bundling of available time – i.e., uncommitted time comes in intervals too short to be effectively used by field personnel. Proactive time of more than 50% generally results in less than efficient use of community resources, as it is difficult to effectively manage field patrol personnel with this level of uncommitted time. There are important exceptions, however, to these ratios that can be impacted by such issues as officer safety, response times, etc. For example, *very small agencies with an extremely small contingent of field staff must have high levels of proactive time*, often in the 60% range, to address response time, potential officer safety, and other performance-related issues.

The calculation of Proactive or Uncommitted time is the other cornerstone to staffing level findings, conclusions and recommendations. These elements are further discussed in the following sections.

4. ANALYSIS OF PROACTIVE TIME LEVELS INDICATES INTERESTING FINDINGS WITH REGARD TO KENMORE PATROL OPERATIONS.

This section provides the project team’s analysis of proactive time calculation related to the Kenmore Police Department’s patrol services.

(1) Proactive Time Targeting.

The project team developed an analysis of proactive time to assist in the evaluation of current patrol deployment and determine staff resource allocation and, ultimately, requirements. The concept of proactive time is very important in law enforcement; reiterating, it is the amount of time available to field deployed officers after handling community generated calls for service and related workloads. If field personnel are committed to calls for service response a large proportion of the time and

have little “unobligated” time, they have little capability to undertake self-initiated activity, impact the root causes of crime and quality of life issues, or to work closely with citizens of the community. Moreover, field personnel with little uncommitted time find it difficult to produce response times that are generally satisfactory. This is particular problematic for emergency responses where life is potentially endangered or property severely jeopardized. Police departments that have developed a problem-oriented or community policing program based on effective use of proactive time typically have an average range of 40% - 45% uncommitted time, but can reach up to 50% or higher dependent upon the unique operating circumstances of the law enforcement agency.

Several key factors should be kept in mind when reviewing the analysis of proactive time.

- Proactive time availability was calculated using the community generated calls for service methodology and net availability and other information provided in the preceding sections.
- Proactive time availability is based on two years' of data and represents a “snapshot” in time; it may not reflect what is occurring now or what is planned to occur in the future, but it can certainly be representative of near-term patrol operations and thus can drive staffing level requirements.
- Proactive time calculations are based on a few fundamental assumptions that might not completely mirror reality. By example, based on the calls for service time calculations, it assumes reports and arrests/bookings are equally distributed throughout the 24/7 cycle. This, of course, is extremely unlikely, as arrests and reports ebb and flow dependent upon several variables. Also note that the proactive time calculation assumes that meals and administrative duties are equally distributed and provided throughout a shift. However, these activities are likely put on hold or eliminated until, by example, a call for service backlog can be handled. Despite these assumptions that must be used given the vagaries of patrol workload, proactive time calculations are the soundest methodology for field services staffing and scheduling.
- Proactive time calculations can change dependent upon the number of patrol officers deployed and assigned to each time period. In effect, officer resources

founded on call for service and net availability data drive proactive time availability and ultimately staff modeling.

The following section describes proactive time availability based on different staff deployment scenarios.

(2) Proactive Time Calculation Walk-Through.

In order to understand how proactive time modeling works, the project team chose a recent patrol deployment strategy for KPD. Field officer deployments as reflected by both staffing and scheduling options, impact proactive time significantly and, by association, the implied ability to perform in the most productive fashion. The sections that follow show hourly proactive time levels and overall proactive time based on these deployment strategies.

(2.1) Proactive Time Levels – Calls for Service Workload by Hour/Day.

As previously noted, the KPD deploys officers on a ten hour schedule whereby staff are scheduled for four-days on and three-days off, with each staff having an alternate work schedule. Further, given shift overlaps from Graveyard Shift deployment, during the Swing Shift period additional staff are typically available from 1900 to 0100 hours. Based upon the data provided, the project team developed a table showing the amount of time dedicated to handling patrol-based community-generated calls for service by hour and by day of week. This data calculates all previously noted data elements shown in this report, including calls for service information, call handling information, report development information, and primary versus secondary unit involvement data. The following table shows the total (average) amount of minutes necessary to handle calls for service based upon two years worth of calls for service information.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Total (average) Minutes Required to Handle Community Generated Calls for Service

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat
0000	34.5	11.7	22.8	19.5	16.7	17.4	27.3
0100	26.7	15.6	15.6	16.9	14.2	19.3	28.6
0200	30.6	11.7	11.1	7.2	5.8	13.5	24.1
0300	16.3	8.5	7.8	7.2	4.5	11.6	18.2
0400	15.6	9.8	8.5	3.9	9.7	7.1	11.1
0500	6.5	9.1	7.8	4.6	7.1	8.4	7.2
0600	7.8	11.1	12.4	10.4	13.5	7.7	8.5
0700	9.8	18.2	17.6	23.4	23.2	18.7	15.6
0800	17.6	22.1	23.4	26.0	19.3	20.6	20.2
0900	20.8	26.0	22.1	26.0	22.5	22.5	30.6
1000	25.4	31.2	22.8	23.4	29.6	27.7	27.3
1100	22.1	22.8	24.7	28.0	28.3	27.7	27.3
1200	26.7	26.7	27.3	28.0	33.5	37.3	29.3
1300	30.6	27.3	28.6	31.2	32.8	24.5	35.1
1400	33.2	46.2	33.8	46.2	23.2	34.8	35.8
1500	26.7	42.3	31.2	39.0	38.0	30.9	28.6
1600	27.3	42.9	36.4	40.3	50.9	49.6	42.3
1700	34.5	51.4	44.9	61.1	77.9	70.2	70.9
1800	33.2	27.3	45.5	45.5	47.0	43.8	47.5
1900	57.9	57.2	67.0	78.7	92.1	81.8	86.5
2000	42.3	29.3	41.6	41.6	40.6	38.6	46.2
2100	40.3	41.0	35.8	48.1	43.8	51.5	49.4
2200	31.9	43.6	29.3	30.6	30.3	47.6	30.6
2300	22.8	19.5	28.0	22.8	16.7	31.5	35.8

Particular highlights regarding the above information include:

- As with the calls for service distribution noted previously, the amount of time dedicated to calls for service workload generally peaks around the 1900 hour timeframe.
- Calls for service workload is extremely low in the early morning hours.

These workload fluctuations result in varied staffing requirements throughout the week as discussed subsequently.

(2.2) Proactive Time Levels – Staffing Pattern Impact.

As replicated from a previous table, the following represents a recent deployment schedule for KPD patrol staff.

Typical KPD Deputy Patrol Deployment Schedule – Early 2010

	Sun	Mon	Tue	Wed	Thr	Fri	Sat
Day 1	1	1				1	1
Day 2	1	1	1	1			
Day 3			1	1	1	1	
TOTAL:	2	2	2	2	1	2	1
Swing 1	1	1				1	1
Swing 2	1	1	1	1			
Swing 3				1	1	1	1
TOTAL:	2	2	1	2	1	2	2
Grave 1	1	1				1	1
Grave 2	1	1	1	1			
Grave 3				1	1	1	1
TOTAL:	2	2	1	2	1	2	2

This scheduling philosophy, combined with the number of officers deployed on each shift, impacts calculated proactive time levels. The following table provides assigned officers by hour by day based upon the above schedule. This includes the overlap shift from 1900-0100 hours.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Total KPD Officers Assigned by Hour by Day of Week

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat
0000	4.0	4.0	2.0	4.0	2.0	4.0	4.0
0100	2.0	2.0	1.0	2.0	1.0	2.0	2.0
0200	2.0	2.0	1.0	2.0	1.0	2.0	2.0
0300	2.0	2.0	1.0	2.0	1.0	2.0	2.0
0400	2.0	2.0	1.0	2.0	1.0	2.0	2.0
0500	2.0	2.0	2.0	2.0	1.0	2.0	1.0
0600	2.0	2.0	2.0	2.0	1.0	2.0	1.0
0700	2.0	2.0	2.0	2.0	1.0	2.0	1.0
0800	2.0	2.0	2.0	2.0	1.0	2.0	1.0
0900	2.0	2.0	2.0	2.0	1.0	2.0	1.0
1000	2.0	2.0	2.0	2.0	1.0	2.0	1.0
1100	2.0	2.0	2.0	2.0	1.0	2.0	1.0
1200	2.0	2.0	2.0	2.0	1.0	2.0	1.0
1300	2.0	2.0	2.0	2.0	1.0	2.0	1.0
1400	2.0	2.0	2.0	2.0	1.0	2.0	1.0
1500	2.0	2.0	1.0	2.0	1.0	2.0	2.0
1600	2.0	2.0	1.0	2.0	1.0	2.0	2.0
1700	2.0	2.0	1.0	2.0	1.0	2.0	2.0
1800	2.0	2.0	1.0	2.0	1.0	2.0	2.0
1900	4.0	4.0	2.0	4.0	2.0	4.0	4.0
2000	4.0	4.0	2.0	4.0	2.0	4.0	4.0
2100	4.0	4.0	2.0	4.0	2.0	4.0	4.0
2200	4.0	4.0	2.0	4.0	2.0	4.0	4.0
2300	4.0	4.0	2.0	4.0	2.0	4.0	4.0

As shown above, staffing resources range from one to four officers scheduled for deployment based upon the schedule. This, however, does not reflect the officer availability discussed previously. Once leave and administrative time is considered, as noted previously only 1,517 hours per officer per year is available to actually provide core patrol services. This impacts the schedule as noted below:

Total (Average) KPD Officers FTEs Available Based on Schedule

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat
0000	2.9	2.9	1.5	2.9	1.5	2.9	2.9
0100	1.5	1.5	0.7	1.5	0.7	1.5	1.5
0200	1.5	1.5	0.7	1.5	0.7	1.5	1.5
0300	1.5	1.5	0.7	1.5	0.7	1.5	1.5
0400	1.5	1.5	0.7	1.5	0.7	1.5	1.5
0500	1.5	1.5	1.5	1.5	0.7	1.5	0.7
0600	1.5	1.5	1.5	1.5	0.7	1.5	0.7
0700	1.5	1.5	1.5	1.5	0.7	1.5	0.7
0800	1.5	1.5	1.5	1.5	0.7	1.5	0.7
0900	1.5	1.5	1.5	1.5	0.7	1.5	0.7
1000	1.5	1.5	1.5	1.5	0.7	1.5	0.7
1100	1.5	1.5	1.5	1.5	0.7	1.5	0.7
1200	1.5	1.5	1.5	1.5	0.7	1.5	0.7
1300	1.5	1.5	1.5	1.5	0.7	1.5	0.7
1400	1.5	1.5	1.5	1.5	0.7	1.5	0.7
1500	1.5	1.5	0.7	1.5	0.7	1.5	1.5
1600	1.5	1.5	0.7	1.5	0.7	1.5	1.5
1700	1.5	1.5	0.7	1.5	0.7	1.5	1.5
1800	1.5	1.5	0.7	1.5	0.7	1.5	1.5
1900	2.9	2.9	1.5	2.9	1.5	2.9	2.9
2000	2.9	2.9	1.5	2.9	1.5	2.9	2.9
2100	2.9	2.9	1.5	2.9	1.5	2.9	2.9
2200	2.9	2.9	1.5	2.9	1.5	2.9	2.9
2300	2.9	2.9	1.5	2.9	1.5	2.9	2.9

In some periods it is noted that less than one officer is, on average, available during certain time periods (e.g. Thursday morning and afternoons). For modeling purposes, this will not yet be adjusted; practically however, with respect to actual deployment, clearly KPD will have at least one person always in the field.

(2.3) Proactive Time Analysis Indicates Kenmore Patrol Staffing Levels are More than Satisfactory to Handle Workloads.

Based on this net availability, the following minutes are available per hour per day to perform patrol-related work.

Minutes per Hour/Day to Perform Patrol Related Work

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat
0000	175.0	175.0	87.5	175.0	87.5	175.0	175.0
0100	87.5	87.5	43.8	87.5	43.8	87.5	87.5
0200	87.5	87.5	43.8	87.5	43.8	87.5	87.5
0300	87.5	87.5	43.8	87.5	43.8	87.5	87.5
0400	87.5	87.5	43.8	87.5	43.8	87.5	87.5
0500	87.5	87.5	87.5	87.5	43.8	87.5	43.8
0600	87.5	87.5	87.5	87.5	43.8	87.5	43.8
0700	87.5	87.5	87.5	87.5	43.8	87.5	43.8
0800	87.5	87.5	87.5	87.5	43.8	87.5	43.8
0900	87.5	87.5	87.5	87.5	43.8	87.5	43.8
1000	87.5	87.5	87.5	87.5	43.8	87.5	43.8
1100	87.5	87.5	87.5	87.5	43.8	87.5	43.8
1200	87.5	87.5	87.5	87.5	43.8	87.5	43.8
1300	87.5	87.5	87.5	87.5	43.8	87.5	43.8
1400	87.5	87.5	87.5	87.5	43.8	87.5	43.8
1500	87.5	87.5	43.8	87.5	43.8	87.5	87.5
1600	87.5	87.5	43.8	87.5	43.8	87.5	87.5
1700	87.5	87.5	43.8	87.5	43.8	87.5	87.5
1800	87.5	87.5	43.8	87.5	43.8	87.5	87.5
1900	175.0	175.0	87.5	175.0	87.5	175.0	175.0
2000	175.0	175.0	87.5	175.0	87.5	175.0	175.0
2100	175.0	175.0	87.5	175.0	87.5	175.0	175.0
2200	175.0	175.0	87.5	175.0	87.5	175.0	175.0
2300	175.0	175.0	87.5	175.0	87.5	175.0	175.0

The ratio of calls for service workload minutes shown earlier and minutes of patrol work available shown above are used to calculate both proactive and reactive time available. The following table shows the amount of proactive time calculated based upon the modeling exercise:

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Proactive Time Levels – Recent 4/10 Schedule, 3 KPD Officers Deployed Per Shift

Time/Day	Sun	Mon	Tue	Wed	Thu	Fri	Sat	AVERAGE
0000	80%	93%	74%	89%	81%	90%	84%	85%
0100	70%	82%	64%	81%	68%	78%	67%	73%
0200	65%	87%	75%	92%	87%	85%	73%	80%
0300	81%	90%	82%	92%	90%	87%	79%	86%
0400	82%	89%	81%	96%	78%	92%	87%	86%
0500	93%	90%	91%	95%	84%	90%	84%	89%
0600	91%	87%	86%	88%	69%	91%	81%	85%
0700	89%	79%	80%	73%	47%	79%	64%	73%
0800	80%	75%	73%	70%	56%	76%	54%	69%
0900	76%	70%	75%	70%	49%	74%	30%	64%
1000	71%	64%	74%	73%	32%	68%	38%	60%
1100	75%	74%	72%	68%	35%	68%	38%	61%
1200	70%	70%	69%	68%	23%	57%	33%	56%
1300	65%	69%	67%	64%	25%	72%	20%	55%
1400	62%	47%	61%	47%	47%	60%	18%	49%
1500	70%	52%	29%	55%	13%	65%	67%	50%
1600	69%	51%	17%	54%	-16%	43%	52%	38%
1700	61%	41%	-2%	30%	-78%	20%	19%	13%
1800	62%	69%	-4%	48%	-7%	50%	46%	38%
1900	67%	67%	24%	55%	-5%	53%	51%	45%
2000	76%	83%	52%	76%	54%	78%	74%	70%
2100	77%	77%	59%	73%	50%	71%	72%	68%
2200	82%	75%	67%	83%	65%	73%	83%	75%
2300	87%	89%	68%	87%	81%	82%	80%	82%
AVERAGE:	75%	74%	60%	72%	43%	71%	58%	
OVERALL WEEKLY AVG:	65%							

The following is noted regarding the data in the table.

- Overall proactive time for the 24-hour period is calculated at 65% – exceeding the proactive targets noted previously, but with wide variations dependent upon the hour of the day.
- As shown above, proactive time levels vary considerably throughout the 24-hour period ranging from a calculated 13% in the 1700 hour time block to 89% in the 0500 time block. Overall, proactive time is highest in the latter part of Graveyard Shift during the early morning hours, with an average of 86%-89% proactive time at 3:00 a.m. to 6:00 a.m. It is fairly common to see high proactive time levels during these hours given the need to provide a minimum level of staffing

coverage for officer safety and the lower community generated workload levels typically found during these hours.

- Proactive time in a few instances results in a negative number. This model outcome indicates that, on average, there is insufficient time for the patrol resources deployed to attend to the workloads occurring. What happens in reality is that such work is queued by dispatch, administrative work allocated during this period is forgone, other resources beyond deployed patrol officers respond (e.g. the traffic unit) to the incident, these calls are resolved in a time well below the average, etc. Proactive/reactive time modeling has these kinds of weaknesses at individual hour blocks, but becomes more accurate and “representative of reality” in larger time frames.
- Proactive time is lower during some periods of the afternoon; particularly noteworthy is during the “rush hour” period of 1700 hours or 5 p.m. The model, of course, is calculated on net availability. Adjusting the model to allow for one officer to be deployed regardless of net availability calculations¹¹ still results in only 19% proactive time overall at 1700 (as opposed to 13%). These levels of proactive time indicate officers are generally very busy with call workload during these time periods.
- While proactive time varies significantly dependent upon the time of day and day of week—which is often the case for small communities deploying limited police resources—overall proactive time for the week averages 65%. This is further differentiated by the three shifts as shown below.

Proactive Time by KPD Shift

Day Shift	Swing Shift	Graveyard Shift
66%	56%	75%

These proactive time levels are more than sufficient to perform effective committed and uncommitted time work. Indeed, they overall exceed the 40% to 60% range noted previously.

In summary, based on proactive time modeling, there are more than sufficient patrol resources available in Kenmore based on existing staffing allocation of 9 patrol officers or three officers per shift. Yet, as noted in the introduction, other considerations must be made for law enforcement agencies that have relatively few resources, despite community generated workloads and crime incidence.

¹¹ From a practical operational perspective this is done with either overtime hours, temporary re-assignment of a Traffic Car or Storefront Officer to a patrol assignment, etc.

5. THE PROJECT TEAM'S PROACTIVE TIME ANALYSIS IS ONLY ONE COMPONENT IN DEVELOPING PATROL RESOURCE NEEDS.

There are several issues to be considered beyond that of proactive time availability. Balancing proactive time throughout the 24-hour period with appropriate staffing to help facilitate officer safety is one important objective. How officers use proactive time is another consideration. Beyond these framing issues, current authorized staffing levels for Patrol reflect that KPD is currently within the reasonable range of staffing levels required to efficiently and effectively perform proactive community-response policing services in most instances. That is, there should be no assumption that KPD patrol operations at authorized staffing levels are severely understaffed based on workload requirements; indeed, it is just the opposite. More than sufficient patrol staffing is presently available based on workloads. Ultimately however, there are other important factors that drive decision-making. As shown in the prior section, the proactive time model shows an imbalance in proactive time across the varied time periods and shifts despite overall proactive time averages that are high. This outcome is just one of several considerations that should be addressed, if possible, when evaluating staffing needs and deployment options. The following sections discuss various deployment decisions for consideration beyond proactive time elements.

(1) Consideration for Officer Safety Issues Can Have an Important Impact on Staffing Requirements.

As stated previously, the availability of sufficient proactive time to perform typical patrol officer duties and responsibilities is a primary driver in developing staffing levels. Implied in these staffing levels is sufficient officer back-up on various call types to help

address potential officer safety needs. Re-visiting the methodology to arrive at proactive time shows two important findings relative to officer back-up:

- The average community generated call for service has 1.31 units responding, somewhat below the generally suggested practice of 1.50 units per call.
- There are instances when only one officer is scheduled, thereby relying on cross-dispatching from other KCSO service areas (e.g. Unincorporated County or Shoreline).

In sum, two variables that can potentially impact both the perception and actuality of officer safety (despite the availability of sufficient proactive time) are problematic and must be considered when staffing patrol services. These issues, of course, are further framed by the following observations.

- Kenmore is adjacent to several other communities with relatively low crime rates and consequently does not suffer severely from “regionalized crime” that has a significant direct impact on the community and its law enforcement resource needs.
- Kenmore has low call for service volumes and, with little exception, a low Part I crime occurrence history. As a consequence, Kenmore will not deploy significant staff resources as workload does not justify a large police force. Small police agencies can generally suffer from the perception of officer safety and back-up issues although ride-along interviews suggested this was not a problem in Kenmore.
- Despite the Kenmore community’s profile, there are many call-types, not of a felony nature, that officers can benefit from a multiple unit response such as fights, suspicious circumstances, etc. In instances where risk is perceived or an event is impacting community quality of life, officer back-up is very desirable.

In effect, Kenmore PD suffers from what is typically experienced by small police forces throughout the nation; that is, a small department brings potential safety risk to field officers. This is the nature of having a “safe” community. Of important benefit, as Kenmore is part of the larger KCSO law enforcement community it has the advantage of back-up access from other KCSO contract communities and unincorporated areas, as

needed. And while the availability of such back-up was not apparently used or necessary to result in a 1.5 units/call for service average, it nevertheless is an important and accessible resource. Unfortunately, due to the City of Kirkland's pending annexation, this resource will be generally lost to Kenmore. As a consequence, minimum staffing levels are being increased at Kenmore PD to two officers 24/7. Based on the analyzed data and interviews, this is not due to workload requirements but for officer safety purposes.

In summary, beyond proactive time calculations, attempts should be made to develop an organization in which patrol staff feel safe in the field, and believe sufficient resources are available in the event of a major occurrence requiring a multiple unit police response. It is for this reason that Kenmore is slightly modifying patrol staffing requirements in the future, a philosophy that cannot be argued against given the totality of circumstances under which the City of Kenmore will be operating beginning early summer, 2011.

(2) Response Time Desires can Impact Staffing Levels.

Response time reflects an important service level metric, although its overall relevance to crime apprehension and suppression is in question. There are various historical reports on response time that somewhat cloud its viability as a service level metric. These include:

Year	Study and Primary Findings
1977	Kansas City Response Time Study found that a large proportion of the most serious (i.e., FBI Part I) crimes are not susceptible to the impact of rapid police response. Further, the study found that for the majority of calls that could be impacted by rapid response, the rapidity of response was most often linked to how quickly the complainant called rather than how quickly the police department responded. Said in another way, the study found that very low response times did nothing to deter crime and did little to result in the immediate apprehension of criminals.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

Year	Study and Primary Findings
1985	Police Executive Research Forum’s Studies in San Diego, Peoria and Rochester found that the use of sophisticated technology and deployment strategies to reduce response times were well intentioned but generally misguided – fast response times neither addressed crime effectively nor enhanced citizen satisfaction with the police department.

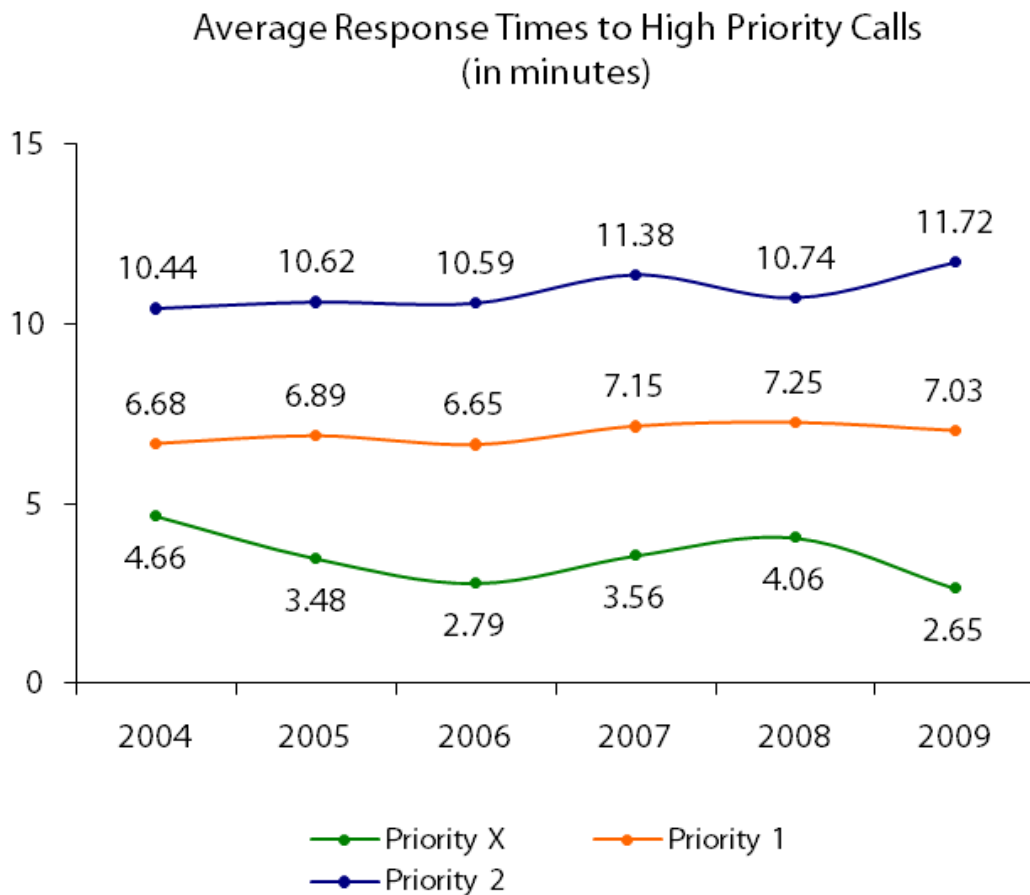
Despite such studies and their relatively aged results, law enforcement agencies throughout the nation still report response times as they are perceived important; this includes KCSO, which includes such information in their annual reports.

Response time is considered from the caller’s perspective; that is, the time from which the caller initiates the call to arrival of the unit on scene. Response time targets are also influenced by the dispatch agency, as the time between a call receipt and that call being dispatched is one important variable in response time over which law enforcement agencies have little control (unless they are also operating the dispatch center). Many local law enforcement agencies have targeted response times for various priorities. A review of the KCSO General Orders Manual indicates no such policy is in place at KCSO or has been independently adopted by the City.

Response time data for Kenmore for the three highest priorities is noted in the graph below, Priority “X” being the highest and the priorities defined as follows:

- “Priority X” designates critical dispatches. These are incidents that pose an obvious danger to the life of an officer or citizen. It is used for felony crimes in-progress where the possibility of confrontation between a victim and suspect exists. Examples include shootings, stabbings, robberies or burglaries-in-progress.
- “Priority 1” designates immediate dispatches. These are calls that require immediate police action. Examples include silent alarms, injury traffic accidents, in-progress crimes or crimes so recent that the suspect may still be in the immediate area. In a variety of agencies, Priority 1 calls are consolidated with the above “Priority X.”
- “Priority 2” designates prompt dispatches. These are calls that could escalate to

a more serious degree if not policed quickly. Examples include verbal disturbances and blocking traffic accidents.



With regard to frequency of occurrence of Priority X-2, these represented 0.4%, 11.5% and 27.9% of all dispatched calls, respectively (approximately 40% of all calls).

While the highest “X” priority response is exceptional, “Priority 1” response is less so. Importantly, this “Priority 1” response time is lengthier based on the project team’s experience with other police agencies. Generally speaking, in a municipal environment,

the highest priority calls such as Priority 1 are targeted at 5 minutes or less, whereas in a rural environment these are targeted at 7 minutes or less—Kenmore achieves the target for a rural environment, not a municipal environment. At issue is whether Kenmore desires improved response time. Generally speaking, in the absence of some advanced technologies (vehicle locator systems) that can partially impact response time for larger agencies, response time is a function of the number of resources available and, by association, available proactive time. In conclusion, if the City desires improved response time, the only viable alternative is to increase patrol resources deployed.

Response time targeting is often perceived as an important service level metric that can drive staffing levels in a variety of law enforcement organizations. In the absence of any policy directive, however, it is difficult to determine to what level these response time targets should influence Kenmore staffing levels in patrol.

(3) Alternative Shift Schedules Can Impact Overall Staffing Needs.

Various shift schedules can be implemented in a Department, from a 5-day, 8-hour work week, to the four-day, 10-hour work week to the 12-hour deployment schedule. The most cost effective are those schedules that are equally divisible in a 24-hour period (such as KPD's eight-hour program). The staffing requirements for a 9-, 10- or 11-hour schedule increases the number of staff needed on duty, and where some effectiveness might be gained by the shift overlaps provided in these types of schedules, it is more costly and thus potentially less *efficient* than schedules equally divisible in a 24-hour time period.

From an exclusively administrative and fiscal perspective, one of the greatest benefits associated with the 12-hour shift program is the ability to field fewer staff

resources than other shift counterparts. This fact is noted in the following table which illustrates how many staff positions are necessary to cover one “24/7/365” fixed shift position based upon the type of shift schedule implemented.

Impact of Shift Types on Staffing Needs

SHIFT TYPE:	8 hr	9 hr	10 hr	11 hr	12 hr
Target Staff / Hr	1	1	1	1	1
Shift Schedule (Hrs)	8	9	10	11	12
Shift Factor ¹²	71%	64%	57%	52%	50%
Shifts / Day	3	3	3	3	2
Total Hours Covered / Day	24	27	30	33	24
Shift “Inefficiency”	0%	13%	25%	38%	0%
Staff Required	4.2	4.7	5.3	5.8	4.0

As shown by the table, the 4/10 work schedule is 25% less cost-effective than either the 5/8 or 3/12 schedules. The worst schedule from a cost perspective is the 11-hour shift program. Interestingly, the 12-hour shift schedule is the most cost effective from the total number of staff positions required because of the additional 104 work hours per annum that are potentially provided by that staff position. In instances where this additional time is not worked, the “efficiency” of the 12-hour shift is equivalent to the 8-hour shift.

In addition to the noted efficiencies, the 12-hour shift program has the added advantage of deploying the total personnel resource contingent over two shifts as opposed to three shifts. As a consequence more personnel are available on a shift-to-shift basis in a 12-hour shift than any counterpart shift schedule.

Given these facts, what ultimately results is that, barring any other variables, the same level of production can typically be achieved with fewer staff resources in a 12-hour shift than other shifts of different lengths. This holds true in any industry, including

¹² Shift Factor is the number of days scheduled for work versus days to be covered in the work period. By example, 5-days/7-days = 71%.

law enforcement. It is for this reason that many municipalities are implementing 12-hour shift programs in their law enforcement agencies, particularly those departments of smaller size.

In summary, varied work schedules can ultimately impact staffing needs. As a consequence, during the Phase II alternatives study of this engagement, optional shift schedules will be explored in greater detail.

* * * * *

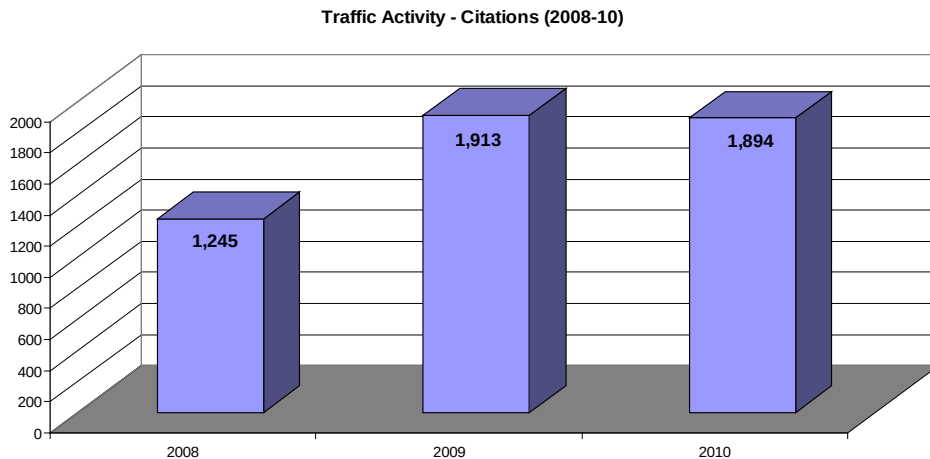
In conclusion, beyond proactive time calculations which are a primary driver of patrol staff resources, there are other variables to consider that impact necessary staff resources such as officer safety, response time targets, and alternative work schedules. Recommendations surrounding proactive time and other variables are discussed at the conclusion of this chapter.

6. TRAFFIC ENFORCEMENT OUTPUT INDICATES POTENTIAL OPPORTUNITIES FOR IMPROVEMENT.

The following analysis is performed with respect to traffic enforcement activities in Kenmore.

(1) KPD Officers Complete a Minimal Number of Traffic Citations.

One important measure of traffic enforcement productivity, particular for a traffic unit, is traffic-centric enforcement performed. One major output is the number of citations issued per field deployment hour. Based on calendar year 2008-2010 data, the following bar chart shows the citation production for Kenmore PD.



The data shows that citation production fluctuated from 1,311 citations to 1,960 citations. Based on the project team’s research over two decades, we have discovered that a productive and dedicated traffic patrol unit should be able to generate 1.0+ citations/warnings per field deployed hour with regular patrol units generating far less dependent upon uncommitted available time and community-policing initiatives. Data is not readily available for the dedicated traffic car; however, in total the average citation production for the ten¹³ KPD officers at 1,517 net work hours available per year is calculated at 0.11 citations per hour. This level of citation production is typically not viewed as fully effective, particularly in light of a community that appears to emphasize traffic/parking enforcement issues based on other data noted earlier in this report. Traffic enforcement is particularly important given such enforcement and accident investigation along the busier State Route 522 is required of KPD. Washington State Patrol immediately relinquishes all enforcement jurisdiction on all State highways contained within a city limits once the city incorporates or annexes that portion of the highway.

¹³ Nine patrol officers, one traffic officer.

(2) Despite Lower Citation Production, KPD's Traffic Enforcement Index Approaches Best Management Practices Standards.

The overarching and primary mission of traffic enforcement is reducing the occurrence of death and injury related to vehicular accidents. To that end, minimizing both fatal and injury accidents should be a core business responsibility of a police department. Research by the Northwestern University Traffic Safety Institute suggests that there is a strong correlation between accidents, driving under the influence of alcohol, and the ability to enforce traffic laws and generate moving citations. In brief, as citations and driving while intoxicated arrests go up, injury and fatal accidents generally go down. Consequently, a Traffic Enforcement Index (TEI) was developed by the Traffic Safety Institute and has been largely adopted by the Matrix Consulting Group as a valid analysis tool. The TEI is a performance indicator of traffic enforcement effectiveness, which suggests that the ratio of injury/fatal accidents to the number of moving citations plus the number of DUI arrests should be, at the lowest, in the 1:25 range and ideally 1:40 or better.

The TEI is typically composed of both the efforts of a dedicated traffic enforcement squad/team as well as the citations and DUI arrests generated by patrol services officers. Based on calendar year 2008-10 data provided by the KCSO, the following table is shown:

2008-10 KPD Traffic Enforcement Index (TEI) Data

Activity	Number of Activities
Driving Under Influence Arrests	217
Citations by Patrol (regular time)	5,052
TOTAL Citations/DUI	5,269
Fatal and Injury Accidents	135
TRAFFIC ENFORCEMENT INDEX:	1:39

Interestingly, despite comparatively low citation production per officer, the City of Kenwood's TEI is 1:39—approaching best practice standards. This can be a function of many factors beyond just law enforcement activity, to include the manner in which streets and signals are engineered, local driving habits, transportation planning initiatives, etc. Regardless of the variables impacting the Kenmore TEI, it is an important achievement to have an Index approaching the 1:40 ratio.

7. STAFFING RELATED TO SPECIALIZED FIELD OFFICERS IS GENERALLY DRIVEN BY PROBLEM-ORIENTED POLICING PHILOSOPHIES.

Problem-oriented policing positions, such as the Storefront Officer, are more difficult to review than their patrol counterparts, particularly those that are specialized to meet unique community needs or requests. Such positions include a variety of sworn personnel throughout the nation, from Crime Prevention Officers and DARE Officers to School Resource Officers and Community Deputies. These positions are often defined as ancillary as they tend to support the core services provided by law enforcement to generally include calls for service response, criminal investigations, and in the case of a sheriff's department jail and bailiff services. As such, the staffing levels are largely predicated on agency policy and strategy surrounding problem-oriented or community-based policing and the ability of the organization to fund these types of positions. It is evident that Kenmore's Storefront Officer is very busy, as reflected by the types of work conducted and replicated below from the profile chapter:

Storefront Officer Primary Duties and Responsibilities

- Periodically acts as local School Resource Officer at Kenmore's middle and high school. Provides on-site presence, classroom instruction, student advisement, etc.
- Facilitates and participates in Block Watch programs.
- Performs security surveys.
- Responds regularly to neighborhood complaints, attempting mediation and resolution of civil or other issues.

- Manages both Student (Junior) and Citizens Academy. Participates, as city's law enforcement representative, in various business seminars.
- Oversees and supervises crossing guard program and police volunteers program.
- Participates in Bike Rodeo programs, organizes National Night Out, and conducts sixth grade student awareness drug classes.
- Performs vacation home checks.
- Provides patrol back-up during Day Shift, as necessary.

It should be noted that some KPD sworn staff regularly acts as School Resource Officers on overtime (typically 4-hour blocks) and as such Kenmore is invoiced monthly for these additional services above and beyond the fixed-price KCSO contract.

Beyond the above, given pending staffing and deployment decisions as a consequence of the Kirkland annexation, the Storefront Officer will be deployed for a portion of the week as a patrol unit. Beyond this partial patrol deployment, however, is a policy decision to continue the community-based services the Storefront Officer provides, as well as additional school resource officer (SRO) duties supplied on overtime by patrol counterparts. Given these types of services are regularly perceived as beneficial throughout most national law enforcement communities, the project team believes continuation of this regular service is practical and appropriate under existing staffing levels. Overtime for SRO duties should be further considered by the City, in concert with the School District, as to need and relevance.

8. PATROL SERVICES FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

Based on our data collection, review, and analysis, the following KPD patrol services findings conclusions and recommendations are summarized below.

- Kenmore is a very safe community with minimal law enforcement issues of significance. As such, this generally results in fewer police resources needed when compared to busier communities of similar population and geographic character.

- In consideration for potential officer safety issues and back-up availability, the proportion of proactive time available cannot serve as the exclusive driver in developing KPD patrol staffing levels. Despite high levels of proactive time, the agency's small size precludes staff reductions under existing operating protocols. The ability to modify staff deployment is further impacted by pending annexations of Kirkland, thereby limiting Kenmore's ability to regularly utilize KCSO cross-dispatch units in a back-up capacity.
- KPD staffing levels, therefore, should largely be driven by officer safety needs and other factors beyond proactive time availability.
- Variables impacting officer availability such as vacation time, etc. are well within reason at Kenmore PD.
- Kenmore PD provides generally comprehensive training exceeding two weeks per officer per year on average; a best practice from the project team's perspective.
- The City of Kenmore currently does not have policy directives in place with respect to police minimum staffing levels, response time targets, required number of police officers based on call type (e.g. domestic violence), or other important law enforcement initiatives, outputs and outcomes. There are recommendations in some of these areas, but these are not memorialized and confirmed by political or executive city leadership. While lack of such directives provides "flexibility," it does so at the risk of consistent and policy-driven service delivery. This is particularly important for the City, given that such directives will largely drive staffing needs in KPD patrol services and have the attendant impact on annual operating budgets.
- Despite comparatively low citation production of KPD officers, the City of Kenmore has a very appropriate Traffic Enforcement Index (score) of 1:39.
- As part of the alternative service delivery phase of this project, optional patrol schedules and deployments, particularly emphasizing the 3/12 shift program, will be explored.

In summary, with little exception, KPD operates very effectively in patrol services.

The following chapter will discuss efficiency and cost-related issues associated with KPD. Based on the above, the following recommendations are made.

Recommendation: Maintain the KPD Chief's proposed patrol deployment strategy beginning 6/1/11 of 10 patrol officers and one Storefront Officer while using the 4/10 shift schedule.

Recommendation: In consultation with the School District, re-visit the need for School Resource Officer duties and responsibilities presently augmented through the use of overtime.

Recommendation: Develop a policy directive of required minimum patrol staffing levels by shift to help ensure officer safety.

Recommendation: Develop a policy directive of required number of officers to respond to certain higher-risk call types (e.g. domestic violence in progress) to help ensure officer safety.

Recommendation: Develop a policy directive or performance objective of desired minimum response times for Priority X and Priority 1 calls, recognizing such directives can impact necessary patrol staffing requirements.

Recommendation: Develop a performance objective increasing desired KPD patrol officer output to 0.3 to 0.5 citations or written warnings per hour. This will likely positively impact the City's Traffic Enforcement Index thereby reducing injury and fatal accidents.

Recommendation: Develop other formal KPD performance objectives for patrol officers that effectively use the significant amount of proactive time available during most shift periods and link such performance objectives to desired quality of living outcomes.

Recommendation: Maintain the existing KPD / KCSO training regimen for patrol officers exceeding, on average, two weeks per annum. Such training is consistent with best practices.

Recommendation: Upon completion of Phase II alternative service delivery analysis, strongly consider revisions to the patrol shift schedule to potentially include revised days off, revised shift overlap coverage, or an alternative shift schedule (e.g. 3/12).

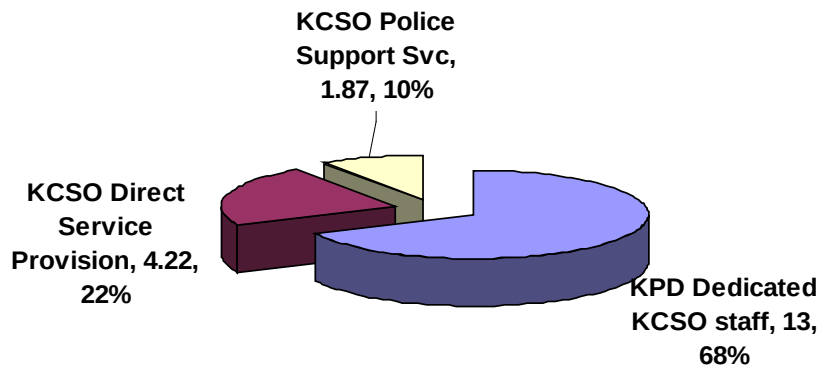
5. ANALYSIS OF KCSO COST OF SERVICE

This chapter focuses on the costs of King County Sheriff Office services and evaluates whether such costs are aligned with the actual services provided. The chapter begins with a recapitulation of the major service areas under which contractual costs are developed.

1. BREAKDOWN OF KCSO COSTS TO KENMORE.

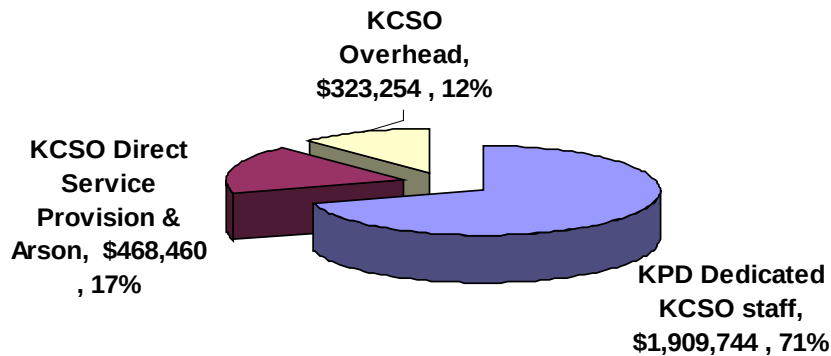
The Full-time Equivalent (FTE) staffing allocation for Kenmore Police Department (KPD) as provided by the King County Sheriff's Office (KCSO) is 19.09 FTE for the 2011 Operational Year. The allocation of such staff is reflected in the pie chart below. Dedicated staff represent on-site personnel such as Chief, patrol deputies, etc. Direct services represent off-site staff such as Criminal Investigation Division person detectives, dispatch operations, etc. Police support services represent allocated portions of off-site commissioned and non-commissioned personnel providing services to include, but not be limited to: budget, accounting and payroll; crime analysis; recruiting; firing range; computer resources staff; property management and evidence; internal investigations; personnel staffing services; contracting support; criminal intelligence; legal advisor; photo lab; records; polygraph; and training unit.

**Full-time Equivalent Employee Allocation for Kenmore Police
Department**



The costs of these services are summarized in the following pie chart. Based on information provided, the Kenmore PD annual budget (excluding any internal Kenmore costs unrelated to the KCSO contract) is approximately \$2.70 million. Over seventy-one percent of this budget is dedicated to on-site staff operating within the City. This 2011 operating budget is approximately \$93,000 less than the annual estimated budget in 2010.

2011 Cost Allocation for Kenmore PD (budget)



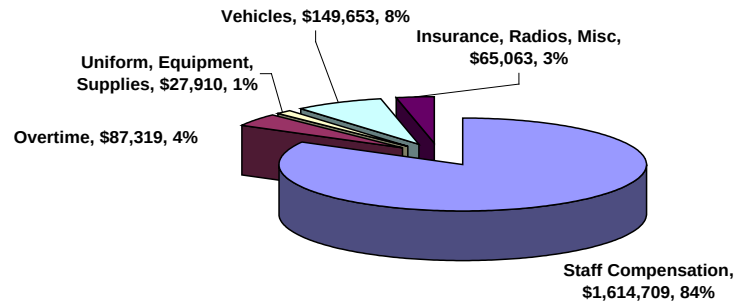
The analysis will focus on these discreet areas for the remainder of the chapter.

2. DEDICATED KENMORE POLICE DEPARTMENT COST ALLOCATION.

The cost of personnel actually deployed on a day-to-day basis in the City of Kenmore is based on a number of cost components. Fundamentally they are linked to personnel compensatory costs and associated operating costs to keep such personnel effectively deployed in the field. The total dedicated costs budget category for 2011, as shown previously, is \$1,944,655¹⁴ and is broken down in the following manner:

¹⁴ The difference between this and the "Dedicated KCSO Staff" sum is related to \$34,911 in 'credit' in this category from wireless and 800 Mhz assets.

Dedicated Police Service Costs by Category (2011) - \$1,944,655



The following information reflects further details regarding each of the dedicated cost components.

(1) The Largest Cost Component to the KPD Budget Calculation, Staff Compensation, is methodologically Sound.

As in most policing organizations the salary and benefits of personnel reflect the bulk of operating costs. As noted in the previous pie chart, KPD's staff compensation of over \$1.6M annually reflects the majority of the annual budget and the vast majority of dedicated staff's costs. The following table further reflects these salary and benefit costs for the 2011 operating year.

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

2011 KPD Budget for Dedicated Staff Compensation

Position	Salary	Benefits	Positions	Total Cost	Benefit %
Sergeant	\$ 113,966	\$ 38,144	1	\$ 152,110	33%
Officer	\$ 86,906	\$ 34,656	11	\$ 1,337,182	40%
Detective	\$ 90,322	\$ 35,097	1	\$ 125,419	39%
TOTAL:				\$1,614,711¹⁵	

With respect to the data in the table above, the following informative highlights are noted:

- Salaries are based on contractual costs reflected in the bargaining unit and County Agreement.
- Sergeant salary (KPD Chief) is initially based upon the highest “step” for a position with 18 months or more experience.
- Officer / Detective pay is initially based upon Step 5 ½ of a six step salary scale for 2011.
- With respect to compensation, it should be noted that costs also include a category of pay defined as ‘Special Pays.’ These Special Pay categories include such things as special assignment pay (e.g. Contracted Sergeant acting as Chief), special duty pay (e.g. acting in Detective role), etc. These pay categories are applied to salaries and generally reflect approximately 10-11% over base salaries.

Importantly, just as in any City-based budgets, actual end-of-year expenditures in these salary and benefit categories may not reflect estimated budgets, and as a result reconciliation between actual costs and budgeted costs occur. KCSO does an accurate job with respect to estimating budgets. In the 2009 and 2010 operating year the City of Kenmore received a minor credit of approximately \$98K and \$32K respectively based upon actual compensation and non-discretionary overtime expenditures compared to budget estimates.

¹⁵ Mathematical calculations may result in a few dollar rounding errors as noted by this table compared to the pie chart.

With respect to appropriate internal controls, KCSO provided sufficient work papers to link estimated budget costs to source documents, whether those source documents entailed Memorandum of Agreements, an Adopted Costing Book or other foundational materials. In sum, calculations are methodologically sound in accounting principles.

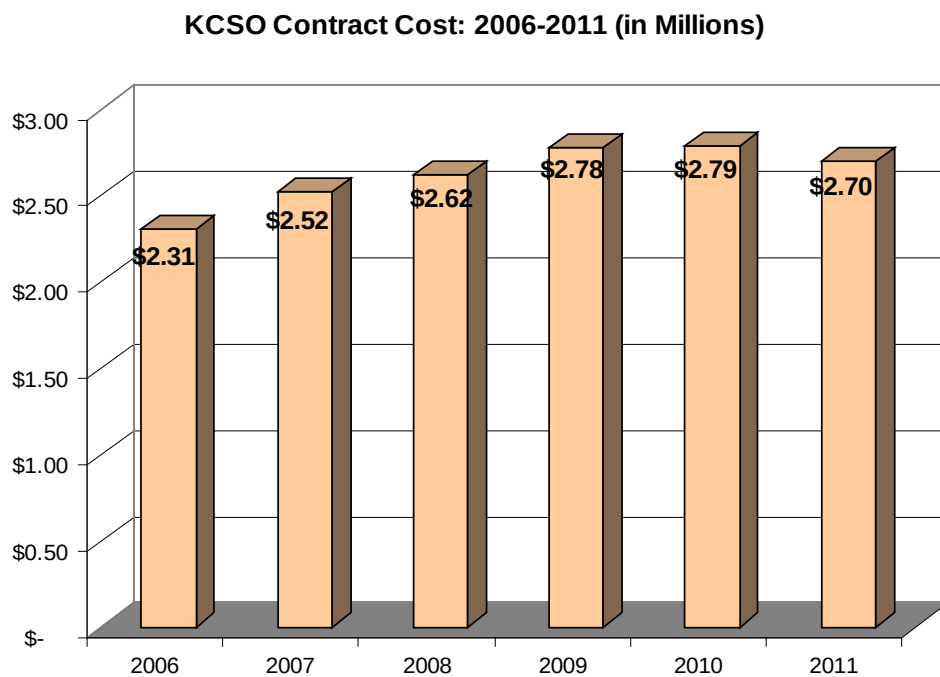
(1.1) Salary and Benefit Costs are Higher at KPD than Some Smaller/Moderate-sized Police Agencies in King County.

While salary/benefit impacts will be explored in greater detail in the Phase II alternatives approach, to gain context it is important to note that while salary and benefit cost calculations for KPD are accurate and reasonable given KCSO compensation packages, such compensation is higher when compared against other King County police departments of small size. Based on a small survey conducted by the project team and validated by KCSO, the following table reflects this information:

Comparative Salary and Benefit Information – Kenmore and Other Small King Co. Police Departments			
Community	Police Officer Top Step	Sergeant Top Step	Benefit Rate
Bothell	\$ 74,676	\$ 85,884	36%
Enumclaw	\$ 67,164	\$ 79,428	35%
Lake Forest Park	\$ 64,956	\$ 80,412	33%
Kirkland	\$ 79,620	\$ 92,160	29%
KCSO / Kenmore	\$ 76,551	\$ 96,737	37%
Kenmore Contract Salary (5.5 Step)	\$ 72,747	\$ 96,737	
Avg. Other Agencies in Above List	\$ 71,604	\$ 84,471	33%
Avg. All KCSO Agency Comparators	\$ 73,036		

This difference is believed to be due to the Special Pays: As shown above, the top step KCSO Deputy and Sergeant salary costs, as well as Kenmore contracted salary costs, are higher than the average of all agencies and the vast majority of individual agencies noted in the table—only Kirkland’s top step approaches KCSO

salaries. In all instances these exclude any Special Pays offered by any entity¹⁶. Additionally, benefit rates are marginally higher. Of further importance, the KCSO bargaining unit representing deputies and sergeants was able to negotiate an annual 5% increase in salary beginning in January 1, 2008 through January 1, 2012. Particularly in these economic times, such increases can potentially impact the ability of KCSO to be cost competitive with other policing agencies, particularly when juxtaposing such information with Kenmore's increasing annual KCSO cost for police services, as shown below:



In summary, given cost calculations for salary and benefits of KPD staff that are charged to Kenmore by KCSO are methodologically sound, and given such costs reflect

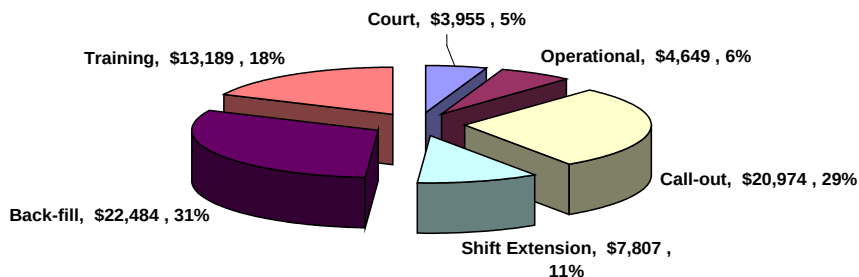
¹⁶ As a consequence of special pays, figures in this table do not reflect the same as figures in the prior 2011 KPD Budget for Dedicated Staff table.

the bulk of the police services budget, this budgetary area is of critical importance to control the future costs of operating the Kenmore Police Department.

(2) Overtime Calculations and Usage Are Appropriate.

Linked to salary and benefit costs is the utilization of overtime. There are two categories of overtime impacting Kenmore differently—non-discretionary and discretionary overtime. Overtime noted in the previous pie chart is budgeted non-discretionary overtime. Such overtime can be further explained by noting the following pie chart information.

2010 Non-Discretionary O/T Costs by Category

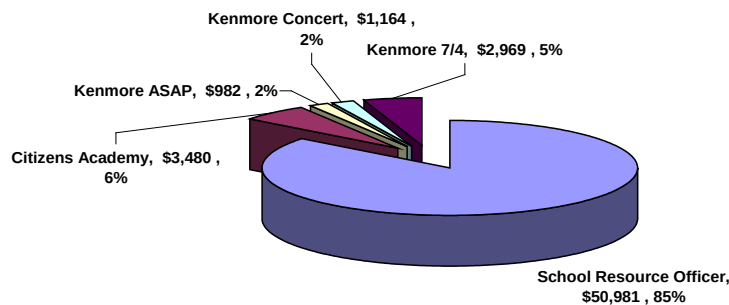


As noted above, there are various categories of non-discretionary overtime ranging from training to shift extensions. All of these overtime cost categories are valid

uses of overtime and incorporate such activities as working over the shift schedule to complete a call for service to back-filling a patrol officer who is receiving mandated training.

With regard to discretionary overtime¹⁷, the following information is noted in the pie chart.

2010 Discretionary O/T Costs by Category



While non-discretionary overtime is budgeted by KCSO for Kenmore on an annual basis, discretionary overtime is not. Thus, the approximate \$67,200 discretionary overtime cost in 2010 was not (and is not) included in KCSO annual budget documentation, making planning for such law enforcement costs difficult, as the annual budget submitted to the City is not all inclusive. Indeed, such discretionary

¹⁷ The pie chart does not include costs associated with FICA or Retirement charged to Kenmore. These additional costs are approximately

overtime costs are invoiced by KCSO on a monthly basis.

What is important to recognize with respect to discretionary overtime costs, is these are programs that the Kenmore community can choose not to fund, or alternately, to provide in a different fashion. As noted in the prior chapter, the Storefront Officer is a support/ancillary position that could, if desired, be eliminated by the City (though not recommended). Similarly, these discretionary overtime costs could be reduced or eliminated through similar program elimination or reduction.

As noted with salary and benefits, similar documentation exists to validate the overtime costs and charging approaches from an auditing perspective.

With respect to the actual validity of total overtime charges, the national average for overtime for a law enforcement agency is approximately 6% of the agency's budget. The Matrix Consulting Group also uses a benchmark of 7% to 10% of total salary/benefit costs. With respect to 2010 discretionary and non-discretionary overtime costs, these costs represent 5% of the overall KPD budget and 10% of the total salary and benefit costs, thus falling within the range of the noted national and MCG benchmarks.

In summary, given cost calculations for overtime the data suggest such overtime costs are reasonable. However, the City of Kenmore has the opportunity to modify programs to eliminate or reduce discretionary overtime spending if it chooses to do so.

(3) Support Costs for Dedicated Services.

Support costs for dedicated services are linked to three primary categories: Uniforms, Equipment and Supplies; Vehicles; and Radios, Insurance and other categories. These costs are allocated to Kenmore, other contract agencies, and

internally to KCSO based on varied formulae. Unlike salary, benefits, and overtime, such costs are not reconciled at the end of the year based on actual experiences. In some instances this can be beneficial, in others detrimental; however, such cost allocation practices are common in local government nationally and if calculated properly are considered a best management practices approach to ensure costs are shared fairly with end-user entities. The following is noted with regard to each of these categories.

(3.1) Uniform, Equipment, and Supplies.

Uniforms, equipment and supplies are provided to staff per the KCSO General Orders Manual and supported by Memorandum of Agreement documentation. Costs are allocated at \$2,147 per annum per sworn member for such uniforms, equipment and supplies, or an average of \$179 per month. Such expenses are not atypical for any national police agency and should be considered reasonable.

(3.2) Radios, Insurance and Other.

Similar to the above expenses, the 800 MHz radio system is charged at \$1,779 per Full-time Equivalent, \$2,532 for Insurance per FTE, and dependent upon the position, approximately \$450 to \$1,350 in other ancillary support costs¹⁸. As with Uniforms, Equipment and Supplies such costs are not unreasonable on an annual basis, particularly when considering that insurance covers officers in the case of lawsuit whereby the City, except under unusual circumstances, is not legally culpable for KCSO staff wrong-doings.

(3.3) Vehicles.

¹⁸ Such ancillary services include pagers, cell phones, etc. Note that most formula are available for review by the reader in the 2010 or any previous/subsequent costing books, pages 9-80 through 9-87.

KCSO Annual operations, maintenance and replacement costs are provided by the King County Motor Pool. Such costs for service are calculated for both internal and external (e.g. contracts) vehicle users with no mark-up for contracted agencies. Vehicles are charged based on unit type and for most patrol units charged at \$12,192 per annum or an average of \$1,016 per month. Detective mid-size vehicles are charged half this amount. The costs for these vehicles includes, according to Motor Pool policy, fuel, maintenance, repair, collision replacement, and a 75-month or more replacement schedule.

In the absence of specific unit-by-unit O&M and replacement costs, it is difficult to determine if actual costs reflect monthly “rental charges” applied to Kenmore. There are, however, some guiding principles with respect to these charges that indicate such charges are very reasonable. These include:

- Vehicle rental rates include contribution to County funding for vehicle replacement based on an approximately five-year cycle. Fully-outfitted patrol cruisers are generally very expensive, and it is not unusual for inflationary based monthly replacement rates to be in the \$500-\$800 range alone dependent upon a patrol unit's useful life.
- Vehicle rates include fuel usage which can be a dramatically fluctuating cost based on fuel costs and actual patrol usage. As fuel is included in the rates, the City benefits when fuel prices rise and is disadvantaged when fuel prices decline.
- Vehicle rates include the use of the patrol cruiser on a take-home basis. Dependent upon the agency, this can be an operational cost advantage or disadvantage (dependent upon commuter usage versus patrol usage and other factors).

In summary, the vehicle rates charged to include all operations, maintenance and replacement are reasonable compared to other fleet maintenance rental rates and the associated standards. There are potential alternatives to paying these fleet rental rates, including fielding Kenmore purchased or leased units. These will be discussed in

further detail in the Phase II alternatives report.

* * * * *

In conclusion, Dedicated Cost in the Kenmore KCSO contract represents 71% of the costs and 68% of the allocated full-time equivalent positions. Such costs are clearly the large majority of the budget. Based upon the project team's review of such costs and the associated methodologies to derive them, there are no relevant opportunities to modify methodological approaches with respect to how such costs are calculated and applied to Kenmore. The only issue of significance is related to the actual cost for staff salary and benefits which can lead to some significant salary increases in the near term based on MOA contractual terms and conditions. Further, while such salary and benefits are competitive with larger agencies (e.g. Seattle PD) with which KCSO must compete such salaries are higher than smaller policing agencies which actually reflect the city of Kenmore's comparators. This will be discussed further in the Phase II report.

3. ADDITIONAL DIRECT POLICE SERVICES COST ALLOCATION.

KCSO provides a variety of additional police services beyond the staff dedicated exclusively to Kenmore Police Department. This direct services category represents the second largest contract expenditure category and is broken down into the following sub-categories.

2011 Additional (Direct) Police Service Charged to Kenmore

Direct Service	2011 Cost	2011 FTE
Precinct Command Staff	\$ 15,251	0.13
Patrol Supervision	\$ 97,168	0.58
SET Detectives	\$ 10,000	Fixed
Precinct Support Staff	\$ 1,986	0.03
Communications/Dispatch	\$ 203,491	2.49
Hostage Negotiation Team	\$ 436	0.00
Major Crimes Investigation	\$ 86,134	0.60
Marine Unit	\$ 14,224	0.08

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

MARR Unit	\$ 20,765	0.25
SWAT Team	\$ 11,628	0.07
TOTAL:	\$461,082	4.22

The prior section's analysis discussed KCSO's use of sound accounting methodologies and principles when allocating costs internally and to contract agencies. As such, these mathematical calculations will no longer be emphasized. Rather, emphasis will be placed on the reasonableness of the additional Direct Service charge types, and whether the full-time equivalent staffing levels and the attendant costs reflect what is generally experienced in a law enforcement operating environment.

(1) Precinct Command Staff.

Precinct Command Staff (e.g. Major and Captain) reflect an allocated 100 hours total per year for such staff to address issues that impact KPD operations. By example, such staff were involved in negotiating the revised Shoreline/Kenmore shared supervision strategy. Other involvement includes policy and other managerial decisions as a result of the KCSO organizational and command structure, on which the KPD Chief (sergeant) must obtain guidance.

While such time reflects less than 2 hours weekly per year, it nevertheless would not be incurred in an independent police department whereby the Chief of Police would be the sole decision-making authority on law enforcement issues. And while such a cost allocation is valid based upon services the received, it could be considered a negotiable item, given that such service would be unnecessary under an alternative delivery structure.

(2) Patrol Supervision.

While the necessity for Kenmore to pay KCSO precinct command staff is subject to debate, the allocation of patrol supervision is more than reasonable given the terms

and conditions negotiated between Kenmore and Shoreline. In an independent police operation a minimum of five¹⁹ (5) supervisory level positions would need to be scheduled in order to ensure 24/7 coverage of one supervisor per shift—common practice suggests that supervision is a necessity during each shift operation. As such, the allocation and associated costs of 0.58 FTEs for patrol supervision is more than reasonable.

(3) Special Emphasis Team.

Based on agreement with Shoreline, Special Emphasis Team (SET) detectives focus on regionalized or specialized police problems in a proactive manner. Shoreline has agreed to provide such regional service to Kenmore for a fixed price of \$10,000 per annum.

(4) Precinct Support Staff.

KPD has no directly budgeted clerical support for the Chief or other staff. Such services come from the City staff or KCSO support personnel. A charge of 0.03 FTEs representing 50 hours annually is a more than reasonable cost allocation for administrative support services.

(5) Communications / Dispatch.

The largest additional Direct Service charge, representing approximately 44% of these total charges, is related to communications and dispatch services. Based on the costs allocated to Kenmore, effectively 2.49 full-time equivalent positions have been allocated to provide dispatch services to the City.

The formula for calculating dispatch costs is the ratio of community generated

¹⁹ Generally, to cover one 24/7 position given typical scheduled and unscheduled leave, positions are typically calculated above five full-time equivalents—usually 5.25. However, given the margins, the project team assumes such coverage would be performed on overtime as opposed to hiring a sixth position.

calls for service occurring in Kenmore versus total calls for service dispatched, multiplied by the fully-loaded operational costs for the Dispatch Center. Such a formula charges the service recipient by the same common workload output—community generated calls for service—which is a primary driver in patrol staff modeling as noted in the prior chapter. As such, it is generally a best practice for dispatch agencies to charge for service based on this metric, and thus the costs for Kenmore communications and dispatch are based upon sound principles and reasonable. To place in an additional context, if the City of Kenmore were to operate its own dispatch operation it would, at minimum, need six positions, to include one supervisor and five²⁰ dispatch staff. This does not address the serious problems that could occur whereby one dispatcher is deployed solo. Nevertheless, comparing six staff to the 2.49 staff charged by KCSO demonstrates that such costs are entirely reasonable.

(6) Hostage Negotiation Team and Special Weapons and Tactics Team (SWAT).

While the costs to Kenmore associated with these two services are minimal, reflecting just over \$12K per year²¹, and the formula for allocating costs is reasonable, the project team does not believe such charges should be within the Kenmore service contract. In many national law enforcement agencies a Sheriff's Department provides such services to police departments within that Sheriff's service area on a pro-bono basis. This is facilitated typically through Mutual Aide Agreements whereby the Sheriff will provide such services, given they typically have the specialized training and personnel resources to do so. In our contractual review experience, it is not common

²⁰ Generally, to cover one 24/7 position given typical scheduled and unscheduled leave, positions are typically calculated above five full-time equivalents—usually 5.25. However, given the margins, the project team assumes such coverage would be performed on overtime as opposed to hiring a sixth position.

²¹ Indeed, Hostage Negotiation Team charges are less than \$500 per year.

for police agencies to charge contract agencies for services they would otherwise provide at no charge when requested in a mutual aid capacity. By example, both Bothell and Seattle PD do not charge for their SWAT call-outs. To that end, these charges should be re-visited for their applicability and fairness.

(7) Marine Unit and Major Accident Response and Reconstruction (MARR).

Similar to SWAT and the HNT noted above, the Marine Unit and Major Accident Response and Reconstruction Unit (MARR) are specialized units providing distinct services.

The Marine Unit patrols Lake Washington. The County utilizes a 38-foot aluminum custom built boat powered by twin 420 horsepower diesel engines with jet drives. This is the primary patrol boat on Lake Washington. This vessel has a crew of two and is equipped with radar, GPS and fire fighting dewatering capabilities. It has a dive platform and is a regional support platform for long term recovery and operation missions. Allocated costs are approximately \$14,200 per year to Kenmore. In the five-month period from May through September 2010, the Kenmore-related marine unit addressed 123 calls for service and on-views totaling 135 staff hours.

At issue is whether Kenmore is *required* to patrol Lake Washington. Data available appears contradictory on this issue. Language in RCW 35.31.160: Jurisdiction over adjacent waters, gives Kenmore the authority to enforce on the lake, yet the language appears permissive as opposed to mandatory. Further, language in the Washington State Attorney General opinion (AGO 1953 No. 18) seems to indicate the County has jurisdictional authority as opposed to the cities: “The constitution vests policing jurisdiction in the county, within its geographical limits. Lake Washington is, of

course, in King County. Consequently, the county has police jurisdiction over the area so long as those regulations are not in conflict with general (state) laws.²² While reconciling who is the final authority on lake enforcement is beyond the scope of this study, if Kenmore no longer wishes to contribute monetarily for marine enforcement, this issue should be further researched and resolved.

The MARR Unit is responsible for responding to all fatal and critical injury collisions. The unit also investigates felony hit and run collisions and assists the Major Crimes Unit in diagramming crime scenes. The unit includes one sergeant, six detectives, and one administrative support staff. The detectives and sergeant are available 24 hours per day, 7 days per week. In 2010, the MARR Unit responded to six (6) Major Accidents in Kenmore and was allocated .25 FTE costs for this and other potential crime scene services.

Unlike SWAT and HNT, charges for such services are often perceived as appropriate and reasonable in that they are not commonly offered pro-bono. These services provide advanced or ancillary services that could be foregone or performed in a more basic manner, if desired. While the access to a SWAT team is generally prevalent and now considered common practice in response to high-risk tactical events, an Accident Reconstruction Team is still considered a best-practice operation that many police agencies do not have the technology or staff to perform at such a sophisticated level. As such, these types of services should be paid for if a community wishes to use them. At issue is whether or not Kenmore wishes to utilize the services of the Marine and MARR Unit. It is recommended that the City continue to use these services, and pay its fair share costs as presently calculated.

²² <http://atg.wa.gov/AGOOpinions/opinion.aspx?section=topic&id=11786>

(8) Major Crime Investigation and General Detective Services.

The KCSO provides investigative services based on the unique needs of each contract community. These include centralized services for major crimes and, if desired, decentralized services for general detective work. Recently Kenmore has determined it will use a decentralized approach, having one full-time detective assigned to Kenmore, to be augmented by Major Crime Investigations in KCSO. In effect, Kenmore deploys and pays for 1.6 FTEs for investigative services. The formula for calculating the 0.6 FTE for Major Crimes Investigations is similar to the dispatch “ratio model” with the primary workload driver being caseload investigated over a three-year rolling average. At issue is whether or not Kenmore truly requires 1.6 investigators to handle its caseload; and while this is not an analysis of the KCSO investigative operations, there are some important tools that can be applied.

Practically, it is more difficult to evaluate the staffing levels required by criminal investigations because, unlike patrol, more subjective and qualitative determinants of workload and work practices need to be considered. Patrol services have the benefit of several quantitative measures, such as calls for service and proactive time, to assist in the evaluation of staffing requirements, whereas investigative services have fewer such reliable measures. Comparisons with other agencies are also difficult given the vagaries of conducting investigative business among differing law enforcement agencies throughout the nation. Investigative workload must consider numerous qualitative factors when compared to that which depicts typically quantitative-driven patrol workload. Unlike patrol, investigative workload lacks some specific measures that can be converted into quantitative methodologies to arrive at required staffing

levels. Investigative staffing requirements should be examined from a variety of perspectives in order to obtain an overall portrait of staffing issues, case handling issues, and operational philosophies that have an impact on overall staffing needs. To that end, to fully understand investigative operations requires an in depth analysis of the entire KCSO investigative operations which is beyond the scope of this particular report.

Despite this, investigative workload and staffing requirements can employ a series of broad indicators to determine the extent to which core investigative staffing and general workload in the Department compare to ranges observed in other departments. As noted, investigative workloads vary depending on the number and types of cases a Detective is assigned, their complexity, and also the level of service desired by an agency. Generally speaking, however, the comparative measures that can be employed are displayed in the following exhibit:

Exhibit
Comparative Measures for Investigations

Comparative Measures	Comparative Industry Patterns	Kenmore PD Observations
Part I Offenses per “line” Detective in core investigative functions such as persons and property crimes Detectives. This does not include those assigned to “proactive” units such as narcotics or vice.	The Average distribution of Part I Offenses per “line” Detective developed in police services studies in the U.S. generally ranges from 300-500 Part I Offenses per investigator.	Based on 2009 UCR data, 426 Part I offenses occurred in Kenmore. This would result in a potential need of 0.85 to 1.4 detectives based on this metric.
Active cases assigned to “property” crimes Detectives (e.g., burglary/theft).	15 to 20 active cases per month based on a survey of dozens of law enforcement agencies performed by the Matrix Consulting Group over the last several years.	Specific caseload data is not available; however, if all Part I property crimes were assigned to detectives, it would result in 33 cases per month assigned. This does not include the possibility of Part II crimes being assigned. Based on MCG experience, the large majority of such crimes are unsolvable and should be suspended.
Active cases assigned to White Collar crimes Detectives (e.g., fraud).	These have a broader range due to their varied complexity, from 10 to 20 active cases per month each.	Data is not readily available.
Active cases assigned to “person” crimes Detectives.	8 to 12 active cases per month based on the same survey. 3 to 5 active cases for complex person crimes such as felony assault (shootings) to include homicides. Domestic Violence cases vary widely dependent upon State mandates that result in varied workloads. Some DV Units can handle 20 to 30 cases per investigator per month, whereas others can only handle DV cases typically attributed to “felonious person crimes.”	Specific caseload data is not available; however, if all Part I person crimes were assigned to detectives, it would result in 1.8 cases per month assigned. At 0.6 FTEs allocated for Major Crimes Investigation in Kenmore, this is equivalent to 3 cases per month per detective--well below the benchmark noted unless major homicides or violent assaults.
Active cases assigned to “generalist” crimes Detectives.	12 to 15 active cases per month based on the same survey.	Data is not readily available.

Based on information in the exhibit, there appears to be an over allocation of detective resources in Kenmore based on actual need; this appears to be particularly true for Major Crime Investigations for which such activity is very minimal within Kenmore. As such, Kenmore should attempt to renegotiate detective resource support and the attendant costs based upon revised metrics.

* * * * *

In conclusion, Additional Direct Police Services cost in the Kenmore KCSO contract represents 17% of the costs and 22% of the allocated full-time equivalent positions. Based upon the project team's review of such costs and the associated methodologies to derive them, there are a few opportunities for potential renegotiation with KCSO to include:

- Elimination of SWAT and Hostage Negotiation Team costs.
- Recalculation of investigative service needs and associated costs based on revised metrics.
- Potential re-visitation of Precinct Command costs due to such services would not be necessary in an independent police department.
- Determination on whether Kenmore wishes to continue Marine and Accident Reconstruction services. The project team recommends both continue.

Beyond these generally minor adjustments, there are no significant issues related to Additional Direct Police Services costs.

4. POLICE SUPPORT SERVICES AND OVERHEAD COST ALLOCATION.

KCSO provides other Police Support Services, generally defined as indirect overhead costs, to the Sheriff's Department and Kenmore. These costs are summarized below:

CITY OF KENMORE, WASHINGTON
Final Report of Contracted Police Services – Phase I

2011 Police Support Services and Overhead Charged to Kenmore

Direct Service	2011 Cost	2011 FTE
Payroll, Crime Analysis, Evidence, Recruiting, Records, etc.	\$ 198,468	1.47
Training, Firing Range, Criminal Intelligence, etc.	\$ 54,051	0.4
Shoreline Support through Interagency Agreement	\$ 11,503	Fixed
Sub-Total:	\$264,022	1.87
Overhead	\$24,320	Fixed
OH: Insurance, 800 Mhz infrastructure, etc.	\$34,911	Fixed
TOTAL:	\$323,254	

The following observations are made with respect to the noted costs.

(1) Payroll, Crime Analysis, Evidence, Records, Etc.

The method by which these “indirect overhead” costs are applied to both internal KCSO operations and to external contract agencies is based upon an administrative fee of \$11,800 per year per Dedicated and Direct Full-time Equivalents. That is, this charge will be applied as overhead to each Kenmore officer as well as the proportional FTE calculation for SWAT support. While this allocation model is appropriate based on cost allocation principles, this cost would go down as both Dedicated and Direct FTE counts are reduced. As noted in earlier in this report, there are minor opportunities for such FTE reduction.

With respect to services actually received for the costs incurred, discreet analysis of each service area in KCSO is beyond the scope of this report. One outstanding issue of importance, however, is that contract agencies such as Kenmore do not feel fully informed with respect to what they are obtaining for these services. By example, what are the outputs and outcomes of Crime Analysis? This is a valid question, and such information should be well publicized. In the case of Crime Analysis, the actual cost to the City of Kenmore is negligible for such outputs as the Kenmore Annual Report, regular crime statistics, etc. Indeed, for every individual Dedicated and Direct FTE

allocated to Kenmore, the project team calculates approximately 175 hours is applied for payroll support, crime analysis support, evidence, property, recruiting, records management, and other administrative support activities based on these FTE allocations. This is the equivalent of only 3-4 hours of such support per week to each individual.

Again, placing these cost allocations in the broader context of alternatives, Kenmore receives such services for less than 1.5 full-time equivalent positions. Could such support be replicated in an independent police department with 1.5 employees? Based on the project team's experience with various sized police agencies, including smaller agencies, it is not possible for a department to provide such services with 1 1/2 positions. Indeed, it is very likely at least one FTE would be dedicated exclusively to Records functions. In effect, Kenmore benefits from the economies of scale derived from utilizing the services of a larger department.

(2) Training, Firing Range, Criminal Intelligence, Etc.

The method by which these "indirect overhead" costs are applied to both internal KCSO operations and to external contract agencies is based upon an administrative fee of \$3,890 per year in a very similar methodology to Payroll, Crime Analysis, etc., as described above. This allocation model is also appropriate based on cost allocation principles and would be reduced if Dedicated and Direct FTEs were reduced. Approximately two weeks of service annually is applied to each FTE for Training, Firing Range, Criminal Intelligence Activities, etc. resulting in a total full-time equivalent allocation of 0.40 FTEs to Kenmore. Such FTE support could not be duplicated by hiring a half-time position at Kenmore to perform such activities.

(3) Overhead and Arson.

The final indirect cost allocation is related to overhead and arson investigation charges. With respect to the latter this is an expense of \$7,378 per year. In 2009 (the last date for which UCR data is available), five arsons occurred. This would result in an expense of approximately \$1,500 per arson or 30-40 hours per investigation. This is reasonable.

With regard to overhead charges, these are calculated similarly to the aforementioned indirect support services costs at \$1,283 per FTE. In effect, this is the proportional allocation of three (3) KCSO Patrol Operations Division administration staff²³. While such costs would not be incurred in an independent police department, unlike “middle-management” Precinct Command staff these personnel reflect high level executive support and ostensibly provide some services that Assistant City Managers and City Managers overseeing internal police departments might otherwise provide with their own city-level administrative and executive staff resources. Consequently, they are relevant overhead charges to administrate patrol services and as are generally typical in cost allocation modeling.

* * * * *

In conclusion, Police Support Services and Overhead cost in the Kenmore KCSO contract represents 11% of the costs and 10% of the allocated full-time equivalent positions. Based upon the project team's review of such costs and the associated methodologies to derive them, they are applicable, with no relevant method for reduction unless strategies for reducing Dedicated and Direct full-time equivalent positions supporting Kenmore are employed. While there are some marginal

²³ Division Chief, Sergeant, and Division Secretary.

potentialities for reduction in these areas, it will impact support service and overhead costs generally insignificantly.

5. KCSO COST OF SERVICE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

Based on our data collection, review, and analysis, the following KCSO cost of service findings conclusions and recommendations are summarized below.

- Dedicated Cost in the Kenmore KCSO contract represents the large majority of the police services budget and is composed of on-site KPD personnel and their associated operational costs to perform day-to-day business. Based upon the project team's review of such costs and the associated methodologies to derive them, there is no relevant opportunities to modify methodological approaches with respect to how such costs are calculated and applied to Kenmore. The only issue of significance is related to the actual cost for staff salary and benefits which can lead to some significant salary increases in the near term based on MOA contractual terms and conditions. Further, while such salary and benefits per officer are competitive with larger agencies (e.g. Seattle PD) with which KCSO must compete, such salaries are higher than smaller policing agencies which actually reflect the city of Kenmore's comparators.
- Additional Direct Police Services cost in the Kenmore KCSO contract represents approximately one-fifth of the allocated full-time equivalent positions and the KPD police services budget. Based upon the project team's review of such costs and the associated methodologies to derive them, there are only a few opportunities for potential renegotiation with KCSO to include: 1) Elimination of SWAT and Hostage Negotiation Team costs from the contract formulae; 2) recalculation of investigative service needs and associated costs based on revised metrics; 3) potential re-visitation of Precinct Command costs due to such services would not be necessary in an independent police department; and 4) determination on whether Kenmore should continue Marine and Accident Reconstruction services. Beyond these generally minor adjustments, there are no significant issues related to Additional Direct Police Services costs.
- Police Support Services (e.g. Overhead Cost) in the Kenmore KCSO contract represent only a marginal portion of the police services budget. Based upon the project team's review of such costs and the associated methodologies to derive them, they are applicable, with no relevant method for reduction unless strategies for reducing Dedicated and Direct full-time equivalent positions supporting Kenmore are employed. While there are some marginal potentialities for reduction in these areas as noted elsewhere in this report, it will impact support service and overhead costs generally insignificantly.

In summary, similar to the KPD operational chapter, KPD costs for service based on the KCSO contract are generally allocated appropriately and are consistent with both best practices for contractual services and cost allocation. Based on the totality of observations, the following recommendations are made.

Recommendation: KCSO should continue efforts to better publicize the mechanics behind, and detailed cost components associated with, each of the Dedicated, Direct and Support Service contractual charges. Additionally, identification of actual service level outputs and outcomes for those less visible services (e.g. Crime Analysis) would be beneficial. This will serve to better educate and inform contract service recipients.

Recommendation: Continue to identify alternative police service delivery options that may be cost competitive with KCSO services. While KCSO offers effective service delivery, salary and benefit costs for sworn personnel can potentially impact its ability to be cost-competitive over the long-term. Such alternatives will be further explored in Phase II of this engagement.

Recommendation: Negotiate elimination of SWAT and HNT charges from the Kenmore police service contract.

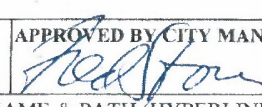
Recommendation: Negotiate refinement of the metrics and/or approach used to calculate investigative services needs and the attendant costs.

Recommendation: Consider negotiating a revision to the Precinct Command charges.

Recommendation: Determine if Kenmore desires continued Marine services and Accident Reconstruction services, the latter of which may not be negotiable given KCSO service protocols. The project team recommends retaining both services.

Recommendation: Based on any revised Dedicated or Direct service charge changes, ensure modifications in Police Support and Overhead services charges.

CITY OF KENMORE, WASHINGTON			
AGENDA BILL SUMMARY			
AGENDA TITLE			MEETING DATE
Discussion And Possible Action On Policing Evaluation Services Contract No. 11-C912 With Matrix Consulting Services In The Amount Of \$40,000.			February 14, 2011
DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Executive	Fred Stouder City Manager	Fred Stouder City Manager	425-398-8900
COST OF PROPOSAL: The contract dollar amount is not to exceed \$40,000 based on hourly billing and expenses.		ACCOUNT NUMBER: 01-13-5401	
AMOUNT BUDGETED: \$210,000 -two year budget, General Fund for Professional Services, Including Intergovernmental Consultants		NAME AND FUND #: General Fund -01	
ATTACHMENT(S) TO AGENDA PACKET ITEM: Attached is the proposed scope of services and contract with Matrix Consulting Services, and the firm's Statement of Qualifications.			
SUMMARY STATEMENT: One of the City Council's top five policy priorities for 2010 and 2011 is the continuation of the review of contract services and contract service delivery. Most all of the contracted services delivery day to day municipal services, such as chief building official responsibilities, project applicant development review ,and project planning have been reviewed, refined or alternative delivery services initiated, such as the retention of professional municipal employees like an in-house Chief Building Official. The largest remaining contract service for review is the policing services contract with the King County Sheriff's office. As the Sheriff's office is also consolidating services, resulting in the closure of the Kenmore precinct, and with the incorporation of the King County service area in adjacent Juanita, it is timely for review of service delivery. This review however does not imply any dissatisfaction with the professionalism or the delivery of policing services by King County. In pursuing this priority contract review, the City issued a Request for Statement of Qualifications on August 10, 2010, and received six (6) responses. Three firms were interviewed by a panel consisting of the City Manager, Fred Stouder, Finance Director, Joanne Gregory, Nancy Ousley, Assistant City Manager, Bastyr University Chief of Staff, Gregory Goode, Maple Valley City Manager , David Johnston, and the City's Organization Development Consultant, Michael Pendleton. The group's unanimous choice for further discussions and potential contract negotiations was Matrix Consulting Services, Richard Brady as Project Manager and Principal. The Sheriff's office has expressed full cooperation and support of the process. Sheriff's office personnel will be among the first resources consulted at the beginning of the study. The contract dollar amount is not to exceed \$40,000 based on hourly billing and expenses with \$25,000 for Phase One and \$15,000 for Phase Two. The task orders for each phase can be issued concurrently, or Phase Two task order can follow a draft completion and review of Phase One. The			

management team suggests both tasks be initiated as an efficiency measure and to help insure timely completion of the project. It is also helpful to be assessing and interviewing alternative resources concurrent with the initial interviews and research while Mr. Brady is on location. The project is anticipated to take 14 weeks to completion, or, assuming Council approval of the contract and scope, end of May or early June. Mr. Brady will be present at the City Council meeting of February 14th to address any questions the Council may have.		
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: One Of The City Council's Top Five Policy Priorities.		
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize The City Manager To Execute Contract No. 11-C912 With Matrix Consulting Services In An Amount Not To Exceed \$40,000.		
REVIEWED BY FINANCE DIRECTOR: 	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER: 
TODAY'S DATE: 2/3/2011	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK): i:\janice gates\agenda preparation\agenda bills 2011\ab matrix consulting services -policing evaluation 02.14.11.doc