



City of Kenmore
REVISED City Council Special Meeting Agenda

6:00 p.m., Monday, December 2, 2013
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. City Council agendas are also available on our website at www.kenmorewa.gov.

I. CALL MEETING TO ORDER

II. EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(c), Property Disposition

POSSIBLE ACTION FOLLOWING EXECUTIVE SESSION

III. ROLL CALL

IV. FLAG SALUTE

V. AGENDA APPROVAL

VI. PRESENTATION

- A. Award to City Hall Staff - M. Kirchner, Flotilla Commander, Publications Staff Officer, U.S. Coast Guard Auxiliary

VII. 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.

VIII. CONSENT AGENDA

- A. Approve Check Nos. 28997 - 29096 in the Amount of \$704,538.48 and Electronically Transferred Payroll Funds Totaling \$64,213.37 for the Period Ending November 22, 2013.
- B. Approve Amendment No. 2 to Contract No. 06-C537 with Stewart Beall MacNichols & Harmell, Inc. for Public Defender Services

VIII. CONSENT AGENDA

- C. Approve Amendment No. 3 to Contract No. 09-C780 with Alcalde and Fay for Federal Government Relations Services
- D. Approve Amendment No. 3 to Contract No. 09-C816 with Gordon Thomas Honeywell Government Affairs for State Government Relations Services

IX. PUBLIC HEARING

- A. Public Hearing to Receive Public Testimony on Ordinance 13-0370, Extending the Moratorium on Marijuana Businesses and Operations under Washington State Initiative 502 - Debbie Bent, Community Development Director
- B. Public Hearing to Receive Public Testimony on Ordinance 13-0369, Interim Zoning Regulation Making Marijuana Business a Prohibited Use in the R-1, R-4, and R-6 Single-Family Residential Zoning Districts - Debbie Bent, Community Development Director

X. BUSINESS AGENDA

- A. Electronic Permitting Update - Bryan Hampson, Development Services Director
- B. IT Strategic Plan Update - Joanne Gregory, Finance & Administration Director
- C. City of Kenmore 2014 Federal Legislative Agenda - Nancy Ousley, Assistant City Manager
- D. City of Kenmore 2014 State Legislative Agenda - Nancy Ousley, Assistant City Manager
- E. Adopt Ordinance 13-0370, Extending the Moratorium on Marijuana Businesses and Operations under Washington State Initiative 502 - Debbie Bent, Community Development Director
- F. Adopt Ordinance No. 13-0365, Relating to the 2014 Regular Property Tax Levy - Joanne Gregory, Finance & Administration Director
- G. Adopt Ordinance No. 13-0366, Amending the 2013-2014 Biennial Budget - Joanne Gregory, Finance & Administration Director
- H. Adopt Ordinance No. 13-0367, Updating the 2013-2018 Capital Improvements Program (CIP) for Surface Water, Parks and Transportation - Joanne Gregory, Finance & Administration Director

XI. STAFF REPORT

- A. SR 522 Gateway Signs - Kris Overleese, Engineering & Environmental Services Director

XII. COUNCILMEMBER REPORTS & COMMENTS

XIII. COUNCILMEMBER INITIATIVES

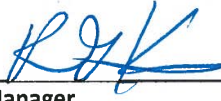
XIV. ADJOURNMENT

Upcoming Meetings:

Tuesday, December 3, 2013	Planning Commission Regular Meeting	7:00 p.m.
Monday, December 9, 2013	City Council Regular Meeting	7:00 p.m.

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 28997-29096 which total \$704,538.48 and electronically transferred payroll funds totalling \$64,213.37 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.


 City Manager 11/22/13
 Date


 Finance Director 11/22/13
 Date

Check #	Vendor Name	Description	Check Amount
28997	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	200.00
28998	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	2,594.83
28999	DRS 457	Deferred Comp Payroll Deduction	925.00
29000	AFLAC	Private Medical/ Disability Plans	458.90
29001	CITY OF KENMORE FS	Flexible Spending Medical Plans	253.08
29002	BANK OF AMERICA 941	Payroll Taxes	14,252.76
29003	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	12,154.68
29004	NATIONAL LIFE OF VERMONT	Life Insurance	234.89
29005	AMERICAN GENERAL	Life Insurance	435.06
29006	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
29007	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	8,523.90
29008	COMCAST	C.H. Internet/Cable 10/14-11/13	130.80
29009	KING COUNTY RECORDER'S OFFICE	Sensitive Area Notice Title Recording	76.00
29010	AWC EMPLOYEE BENEFITS	Employee Health Insurance	37,461.71
29011	BAKER, DAVID	10/13-11/16 Expense Reimbursement	222.60
29012	CASCADE PEST CONTROL	Nov. Rhododendron Park Pest Co	142.35
29013	CITY OF BELLEVUE	Qtr 3, 2013 MyBuildingPermit.com	2,131.61
29014	CITY OF LAKE FOREST PARK	Oct. Public Works Crew/Equipment	69,890.90
29015	CODE PUBLISHING COMPANY	Kenmore Municipal Code Update	70.46
29016	CONSOLIDATED PRESS	Business Event Postcard/Newsletter	3,274.49
29017	FERGUSON ENTERPRISES INC #1539	Pipe/Catch Basins/Drainage Materials	4,973.02
29018	FRUHLING SAND & TOPSOIL	Catch Basin Pipe Installation Material	258.69
29019	CALPORTLAND COMPANY	Drainage Materials	252.77
29020	H.W. LOCHNER, INC.	SR522 West A Design/ROW 9/14-10/7	29,495.84
29021	HOME DEPOT CREDIT SERVICES	Public Works Crew Materials	64.50
29022	KING COUNTY FINANCE W.L.R.D.	2nd Trimester 2013 WRIA 8 Fee	2,182.00
29023	KING COUNTY FINANCE	Oct. Road Services/ Dump Fees	16,423.19

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29024	KING COUNTY FINANCE	Regional Animal Svcs July-December	3,103.00
29025	SOUND PUBLISHING, INC.	Oct. Chgs/ Resident's Guide Ad	227.25
29026	KING COUNTY SHERIFF	October, 2013 Police Services	253,518.67
29027	LIGHTHOUSE CONSULTING INC	Oct. Software Subscriptions/ IT Services	3,104.65
29028	NORTHSHORE UTILITY DIST	Oct. Hydrant Rental/ Vehicle Fuel & Maint.	3,623.73
29029	OFFICE DEPOT	Office/ Breakroom Supplies	388.67
29030	PACIFIC TOPSOILS	Vegetation Disposal	2,029.56
29031	PEOPLES STORAGE	Dec. Storage Unit Rental	184.00
29032	PUGET SOUND ENERGY	10/12-11/12 Electricity/ Street Lights/ Signals	10,904.73
29033	CEMEX	Material for Catch Basin Installation	287.44
29034	SEATTLE TIMES	Legal Ads 10/1-10/31	669.00
29035	STATE AUDITOR'S OFFICE	Audit Services	4,301.08
29036	STEWART MACNICHOLS HARMELL, INC.	October, 2013 Public Defender Services	8,500.00
29037	TOTAL LANDSCAPE CORP	Nov. Parks & City Hall Landscaping	5,002.61
29038	WA STATE CONSOLIDATED TECH SVCS	October ListServ	175.00
29039	COLUMBIA RIDGE LANDFILL	Dump Fees for October	340.08
29040	ARTS OF KENMORE	Youth Art Exhibit Contribution	100.00
29041	ROGERS, GLENN	11/14 Mileage Reimbursement	20.91
29042	SNOHOMISH COUNTY	Oct. Vactor Waste Disposal	1,872.00
29043	SPERRY, LAURIE	11/14-11/16 Mileage/Parking Reimbursement	57.46
29044	KONICA MINOLTA BUSINESS SOLUTIONS	Oct. Business Incubator Copier Charges	209.32
29045	BANNER BANK LD	Supplies, Social Media, Training	327.19
29046	BANNER BANK CS	Camera/ Gift Cards/ Supplies	669.60
29047	BANNER BANK NO	Registration/ Travel/Transportation	314.99
29048	WEINSTEIN AU	Front Counter ADA Design - Oct. Services	270.00
29049	OUSLEY, NANCY	Travel Per Diem Reimbursement/ Texas	210.00
29050	QUALITY BUSINESS SYSTEMS	Downstairs Xerox Copier Charges 10/1-11/1	323.94
29051	FINANCIAL CONSULTANTS INT'L INC	Police Vehicle Radar Removal	43.52
29052	BANNER BANK KENMORE	Web Svcs/ Monitors/ Mtg Expenses	1,515.40
29053	BANNER BANK KENMORE	Bus Mtg/Office & City Hall Supplies	203.76
29054	HOPE HEALTH/IHAC	2014 Calendars	65.19
29055	JAYMARC - AV	Council Chambers A/V Equipment	1,582.83
29056	BANNER BANK JGORDON	Plants/ Supplies	1,027.02
29057	JACOBS ENGINEERING GROUP	8/24-9/27 W. Sammamish Bridge Analysis	45,711.34
29058	ALCALDE & FAY	10/15-11/15 Govt Affairs Consulting	5,020.50
29059	ZUMAR	Park Signs	70.44
29060	COMCAST	11/14-12/13 City Hall Internet	130.80
29061	GORDON THOMAS HONEYWELL	October Govt. Affairs Consulti	3,548.63
29062	iWORQ SYSTEMS	Nov. 2013-Oct. 2014 Internet/Svc Request Mgt.	3,800.00
29063	TOWNE CENTRE HARDWARE	Oct. Public Works Supplies Purchased	276.20
29064	ASP, ANGELA	2013 Tree Lighting Poster & Flyers	210.00
29065	INTEGRA TELECOM	11/8-12/7/13 City Hall Phone Svc	806.05
29066	AM TEST, INC	Testing - Fecal Coliform Samples	175.00
29067	SUSSMAN/PREJZA & CO, INC	Oct. Services/Holiday Banner Design	5,014.09
29068	PAWS	Oct. Animal Sheltering Service	165.00
29069	INDEPENDENT STATIONERS	Office Supplies	58.62
29070	WELLS FARGO FINANCIAL	Oct.-Nov. Xerox Machine Leases	1,081.56
29071	SNOHOMISH COUNTY SHERIFF'S OFFICE	Inmate Medical Billing	52.00
29072	BANNER BANK BH	Front Desk Computer/Monitor	1,374.47

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29073	SMITH, BRENT	Replacement Ck. for Jan. Mileage	91.03
29074	AAA FLAG & BANNER MFG. CO., INC.	Holiday & Support Local Business Banners	9,465.52
29075	KING COUNTY FINANCE/ GIS	2012 Aerial Map Project	6,014.77
29076	CANTEEN REFRESHMENT SERVICES	Coffee Supplies	162.86
29077	VERIZON WIRELESS	10/27-11/26 Cell Phones	899.84
29078	FRAUSE	9/26-10/25 Media/ Website Svcs	3,221.66
29079	BANNER BANK BAKER	Lodging, Meals, Staff Appreciation Supplies	632.12
29080	BANNER BANK ROGERS	NLC Conference & Classes	355.00
29081	JOYCE ZIKER PARKINSON	Oct. Legal Svcs/Lk WA/Kenmore Vill/Shell Site	2,812.50
29082	OVERLEESE, KRISTEN	Reimburse Aug/Sept Cell Data Package	60.00
29083	KENMORE COMMERCIAL LLC	Dec. Incubator Bldg. Rent	2,856.00
29084	INNOVAC	Vactor Services	1,130.86
29085	WEISBAND, BARRY	Sept. & Oct. Bus. Incubator Consulting Svcs.	6,000.00
29086	JSH PROPERTIES, INC.	Oct. USPS Kenmore Village Lease Pymt Refund	4,241.25
29087	UTILITIES UNDERGROUND LOCATION CTR	October Utility Locates	121.26
29088	OSBORN CONSULTING INC.	Sept. Consulting Services	15,663.53
29089	NORTHWEST LANDSCAPE SERVICES	SR522 Landscaping for Nov.	1,199.81
29090	RNR CONSULTING	Oct. IT Consulting Services	5,204.49
29091	KEATING, BUCKLIN & MCCORMACK	Legal Services	15.15
29092	ASSOCIATED UNDERWATER SERVICES, INC	Log Boom Park Debris Removal	2,170.51
29093	WM. DICKSON CO.	Swamp Creek Demolition	58,041.97
29094	WALC INSTITUTE	Onsite Workshop & Walking Audit	2,579.97
29095	HESTON VISUAL ARTS	Commercial Photography/ City Pictures	1,560.38
29096	LANGUAGE LINE SERVICES, INC.	Phone Interpreter Services	11.67
11/15/13	PAYROLL	Direct Deposit	64,213.37
			<u><u>768,751.85</u></u>

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2013	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2013
	A. GAUL CULLEY		1,205.06
	A+ CONFERENCING		376.92
	AA ASPHALTING, INC		11,291.64
	AA PARTY RENTALS		1,252.68
	AAA PRINTING		192.10
	ACF WEST INC		394.20
	ACTION ENTERTAINMENT		790.00
	ACTIVE SHOOTER TRAINING LLC		940.20
	ADVANCE TESTING & SERVICE INC		540.00
	AFLAC		4,589.00
	AL KING, PE		711.75
	ALCALDE & FAY		50,422.99
	ALLIED WASTE SERVICES #172		1,682.74
	ALLPLAY SYSTEMS LLC		91.98
	ALPHAGRAPHICS US718		907.06
	AM TEST, INC		1,975.00
	AMERICAN GENERAL		5,307.90
	AMERICAN PLANNING ASSOCIATION		1,990.00
	AMERICAN PUBLIC WORKS ASSOCIATION		1,115.67
	ANCHOR QEA, LLC		91,508.81
	ARC - PACIFIC NORTHWEST		508.31
	ARTS OF KENMORE		740.00
	ASP, ANGELA		420.00
	ASSOCIATED BOAT TRANSPORT		1,440.00
	ASSOCIATED UNDERWATER SERVICES, INC		6,652.13
	ASSOCIATION OF WA CITIES		15,549.34
	AT HOME ARTIST MANAGEMENT, INC.		1,750.00
	AURORA RENTS		3,349.59
	AWC EMPLOYEE BENEFITS		383,952.56
	BADGLEY'S LANDSCAPE LLC		2,491.13
	BAKER, DAVID		3,044.46
	BANANA ENTERPRISES, INC.		8,200.00
	BANK OF AMERICA 941		305,049.01
	BANNER BANK BAKER		10,099.09
	BANNER BANK BH		4,424.10
	BANNER BANK CS		6,208.66
	BANNER BANK DB		936.64
	BANNER BANK JG		10,045.08
	BANNER BANK JGORDON		11,703.63
	BANNER BANK KENMORE		25,816.91
	BANNER BANK LD		2,981.64
	BANNER BANK NO		8,609.58
	BANNER BANK PS		2,430.20
	BANNER BANK ROGERS		6,242.60
	BANNER BANK VAN NESS		5,343.65
	BARCLAY DEAN		711.75

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BASTYR UNIVERSITY	50,899.35
BEARCOM	70.08
BEEGEE TOLPA	700.00
BENT, DEBORAH A	26.00
BERK & ASSOCIATES	22,500.00
BINW	16,528.79
BIS	175.00
BLACKBAUD	5,204.11
BLACKLINE, INC.	43,615.60
BONOMI, ANGELO	545.04
BOOGIE BROWN PRODUCTIONS, INC.	2,000.00
BOTELHO, PAULA	1,850.00
BRABEC, MARY	3,500.00
BRIEN, GAYLYNN	325.00
BROWN, ANDY	250.00
BUENA VISTA SERVICES, INC.	3,465.00
BULGER SAFE & LOCK, INC.	245.94
C. ANDERSON & CO.	930.75
CALPORTLAND COMPANY	425.24
CANTEEN REFRESHMENT SERVICES	2,026.72
CAPITAL ONE COMMERCIAL/ COSTCO	325.31
CARLSON, THOMAS G.	100.00
CASCADE PEST CONTROL	1,423.50
CEMEX	2,729.16
CENTER FOR HUMAN SERVICES	18,750.00
CHAMPION COURIER	51.53
CHICAGO TITLE	15,000.00
CHIEF LAW ENFORCEMENT SUPPLY	188.21
CITY OF BELLEVUE	139,590.30
CITY OF KENMORE	210.58
CITY OF KENMORE FS	5,567.76
CITY OF KENT	500.00
CITY OF LAKE FOREST PARK	625,653.02
CITY OF SHORELINE	2,075.28
CITYWORKS/ AZTECA SYSTEMS INC.	29,995.00
CLARITY SIGNS	5,635.32
CLOWNS UNLIMITED, INC.	2,805.30
COASTAL WEAR PRODUCTS INC	1,356.71
COASTWIDE LABORATORIES	9,018.12
CODE PUBLISHING COMPANY	3,754.90
COLUMBIA RIDGE LANDFILL	5,114.00
COMCAST	2,415.40
CONNELLY, MARC	48.14
CONSOLIDATED PRESS	6,659.21
CONTOUR FENCE CO. INC.	2,011.52
CORNERSTONE ROOFING	101.32
CROWN PRODUCTS LLC	1,216.98
CSAT, LLC	500.00
CUES	12,537.75

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CULLEY, AMBERLY	1,000.00
CURTIS, DR. MILTON	322.24
DAILY JOURNAL OF COMMERCE	1,257.40
DANSOUND INC	5,913.00
DAY WIRELESS SYSTEMS	1,448.82
DEPARTMENT OF ECOLOGY	5,540.78
DEPARTMENT OF LABOR AND INDUSTRIES	29,380.89
DEPARTMENT OF LICENSING	52.00
DEPARTMENT OF RETIREMENT SYSTEMS	241,803.98
DIGITAL REPROGRAPHICS SERVICES INC.	452.58
DRS 457	37,405.35
DUGAN, GERALD & GAIL	1,650.00
DURRANT, JEFF	855.58
EARTHCORPS	10,360.73
EASTSIDE TRANSP PARTNERSHIP	200.00
ECONOMIC DEV COUNCIL OF SEATTLE/KC	10,000.00
EFFICIENCY INC	987.69
EJ USA, INC.	1,549.96
EMERGENCY SERVICE COORDINATING AGCY	49,476.00
EMIL'S CONCRETE CONSTRUCTION CO.	2,589.68
ENTERPRISE SEATTLE	5,000.00
ENTERTAINMENT FIREWORKS INC	17,000.00
ENVIRONMENTAL SYSTEMS RESEARCH INST	4,779.00
ESA ADOLFSON	1,815.00
EVERGREEN HEALTH	25.00
EVERGREEN PRINT SOLUTIONS	754.02
EVERGREEN SAFETY COUNCIL	175.00
EVER-MARK, LLC	1,165.88
FASTSIGNS	1,051.38
FAZZARI MARKETING	244.85
FERGUSON ENTERPRISES INC #1539	1,863.95
FINANCIAL CONSULTANTS INT'L INC	206.72
FIRE PROTECTION, INC	3,083.54
FIRST AMERICAN TITLE	9,142.60
FOLK, BRADFORD LEE	1,750.00
FOUR PARK AVENUE	363.07
FRAUSE	31,575.77
FRONTIER	38,586.05
FRUHLING SAND & TOPSOIL	1,339.50
G & H PRINTING	71.45
GAMETIME	5,779.30
GARMIRE IRON WORKS, INC.	6,958.73
GEODESIGN INC.	2,816.80
GEOENGINEERS INC	32,539.20
GLACIER PEAK CONSTRUCTION LLC	29,055.04
GOODSELL POWER EQUIPMENT #2 INC.	98.43
GORDON THOMAS HONEYWELL	32,682.60
GORDON, JENNIFER	174.02
GOVERNMENT FINANCE OFFICERS ASSOC	190.00

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GRAINGER	60.07
GRAY & OSBORNE, INC	18,468.81
GREATER BOTHELL CHAMBER OF COMMERCE	595.00
GREGORY, JOANNE	806.65
H.W. LOCHNER, INC.	347,414.11
HAMBLETON RESOURCES, INC.	10,500.00
HAMPSON, BRYAN	3,694.29
HANDY ANDY RENT-A-TOOL INC	134.40
HARBOR HISTORY MUSEUM	400.00
HARRIS & SMITH PUBLIC AFFAIRS	14,771.17
HARRIS COMPUTER SYSTEMS	6,832.20
HEBERT RESEARCH, INC.	8,788.00
HERO HOUSE	1,050.00
HOME DEPOT CREDIT SERVICES	2,324.99
HONEY BUCKET	881.13
HOPELINK	34,312.50
HORIZON DISTRIBUTORS INC	512.45
HO'S PLUMBING COMPANY	33.34
HOVDE, RICHARD	106.21
HP'S SMOKEHOUSE BBQ	187.00
HWA GEOSCIENCES INC.	5,934.41
ICMA RETIREMENT TRUST 457 - 304745	56,943.18
iCOMPASS TECHNOLOGIES, INC.	8,120.00
INDEPENDENT STATIONERS	1,884.01
INGALLINAS BOX LUNCH	283.64
INNOVAC	40,100.99
INSLEE, BEST, DOEZIE & RYDER, P.S.	305,505.54
INTEGRA TELECOM	7,887.69
INTERNATIONAL CITY/CNTY MGMT ASSOC	2,285.02
INTERNATIONAL INST OF MUNI CLERKS	185.00
iWORQ SYSTEMS	1,000.00
JACOBS ENGINEERING GROUP	9,994.44
JAYMARC - AV	260.07
JBS INSTRUMENTS	1,052.00
JET CITY PRINTING	2,107.23
JOYCE ZIKER PARKINSON	62,847.32
JRW ENTERPRISES	2,250.23
JSH PROPERTIES, INC.	22,448.99
KARLINSEY, ROB	7,826.60
KAUBOY PRODUCTIONS LLC	550.00
KBA INC.	112,831.49
KCDA PURCHASING COOP	2,298.13
KEATING, BUCKLIN & MCCORMACK	1,504.75
KEEP POSTED INC	246.00
KENMORE AIR	337.50
KENMORE CAMERA	250.00
KENMORE COMMERCIAL LLC	28,560.00
KENMORE ELEMENTARY PTA	4,000.00
KENMORE SENIOR CENTER	5,500.00

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KING COUNTY ANIMAL SVCS	5,260.00
KING COUNTY DISTRICT COURT	46,337.00
KING COUNTY FINANCE	574,193.46
KING COUNTY FINANCE W.L.R.D.	51,550.62
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY OFFICE OF FINANCE	10,269.81
KING COUNTY RADIO COMM SERVICES	762.51
KING COUNTY RECORDER'S OFFICE	653.00
KING COUNTY SHERIFF	2,347,198.11
KING COUNTY SHERIFF'S OFFICE	21,428.41
KING COUNTY SUPERIOR COURT CLERK	11,000.00
KING COUNTY TREASURY	37,566.63
KING COUNTY UTILITY COORDINATION CO	40.00
KING CTY DEPT OF PERMITTING/ENVIRON.	9.38
KONICA MINOLTA BUSINESS SOLUTIONS	4,080.27
KUSTOM SIGNALS, INC.	2,111.17
KVO INDUSTRIES, INC	365.00
LAMB, BARBARA	2,000.00
LIGHTHOUSE CONSULTING INC	38,829.18
LIGHTING GROUP NORTHWEST	3,095.13
LOU'S GLOVES, INC.	89.00
LOWE SABRA	250.00
MACLEOD RECKORD	7,529.00
MAIL FINANCE	2,758.36
MCALLISTER, TERESA	94.81
MEEHAN, NANCY	182.16
MILLER STEPHENS, MARY	11,250.00
MINZGHOR, NICHOLAS	740.26
MOBILE ELECTRICAL DISTRIBUTORS INC	104.65
MOBILE MINI, INC.	961.92
MORGAN SOUND INC	1,888.88
MR. T'S TROPHIES	467.63
NATIONAL BARRICADE CO	689.85
NATIONAL BUSINESS INCUBATION ASSOC.	525.00
NATIONAL CITIZEN SURVEY	9,025.00
NATIONAL IMPRINT CORPORATION	292.30
NATIONAL LEAGUE OF CITIES	3,038.00
NATIONAL LIFE OF VERMONT	2,348.90
NATIONWIDE FINANCIAL 401a	222,831.58
NATIONWIDE RETIREMENT SOLUTIONS 457	4,400.00
NEXTEL COMMUNICATIONS	885.09
NEXXPOST	300.76
NORTH COAST ELECTRIC	1,964.60
NORTH LAKE MARINA	1,520.51
NORTHSHORE FIRE DEPT	8,075.00
NORTHSHORE PARK & REC SERVICE AREA	1,360.00
NORTHSHORE SCHOOL DISTRICT	415.30
NORTHSHORE SENIOR CENTER	14,300.00
NORTHSHORE UTILITY DIST	73,592.26

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NORTHSHORE YMCA	4,875.00
NORTHSHORE YOUTH & FAMILY SERVICES	18,750.00
NORTHWEST LANDSCAPE SERVICES	8,375.89
NORTHWEST MARINE TRADE ASSOCIATION	460.00
OFFICE CLEANING CREW	248.00
OFFICE DEPOT	821.97
OFFICE MAX	8,762.43
OFFICE TEAM	12,740.45
OLYMPIC ENVIRONMENTAL RESOURCES INC	42,072.30
OSBORN CONSULTING INC.	126,729.87
OTAK	17,956.91
OUSLEY, NANCY	705.55
OVERLEESE, KRISTEN	255.67
PACIFIC NORTHWEST WATERWAYS ASSOC	360.00
PACIFIC TOPSOILS	10,655.32
PART WORKS INC	544.62
PASSPORT TRAVEL AND TOURS	1,093.60
PATTY PAN GRILL	80.00
PAWS	5,940.00
PENDLETON, MICHAEL	6,751.16
PEOPLES STORAGE	1,886.50
PERSONAL BEST/ TOPHEALTH	395.54
PERTEET INC.	153,786.85
PETTY CASH CUSTODIAN	854.23
PHAM, NY THI	5,500.00
PHOTOTAINMENT	1,231.88
PHSI PURE WATER FINANCE	1,328.15
PICKLEBALL STUFF, LLC	384.00
PLANNING ASSOCIATION OF WASHINGTON	85.00
POTELCO, INC.	1,240.27
PRIMA PLUMBING	851.91
PROTECTION TECHNOLOGIES, INC	17,493.42
PRSA	307.00
PUBLIC HEALTH DEPT. OF KING COUNTY	100.00
PUGET SOUND BUSINESS JOURNAL	96.00
PUGET SOUND CLEAN AIR AGENCY	11,309.00
PUGET SOUND ENERGY	174,602.19
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
PUGET SOUND REGIONAL COUNCIL	7,414.00
PURE WATER TECHNOLOGY OF PUGET SOUND	239.82
QUALITY BUSINESS SYSTEMS	5,681.45
RAZZ CONSTRUCTION	818,977.12
REPUBLIC SERVICES	6,803.82
RNR CONSULTING	29,842.00
ROD STEVENS	5,895.70
ROGERS, GLENN	104.41
ROLLABELS	37.15
SAFEWAY	84.00
SAFRIN, PATTY	467.11

VIIA. Approve Check Nos. 28997 - 29096 in the Amount of \$704,538.48 and Electronically Transferred Payroll Funds Totaling

SARAH ROBERTS	103,020.00
SAUVE, GAYLEN	300.00
SCHINDLER ELEVATOR CORPORATION	922.17
SCHNEE, CARLA	49.16
SCHWARZWALTER, MARK	90.00
SEATTLE TIMES	8,110.04
SEES TREES AND EXCAVATION INC	1,319.48
SELECT AIR SERVICES DBA GREENWOOD	119.19
SERGOVIA, CARLOS	1,650.00
SESAC	327.00
SHELTON, CINDY	249.88
SHRED-IT	495.00
SIGN UP, SIGN CO, INC	1,635.94
SKAGIT GARDENS	1,266.61
SMITH, BRENT	91.03
SMITH, JARRETT	150.00
SMS	2,934.51
SNOHOMISH COUNTY	9,547.00
SNOHOMISH COUNTY SHERIFF'S OFFICE	297,397.78
SOUND CITIES ASSOC	11,767.00
SOUND LAW CENTER	12,631.50
SOUND PUBLISHING, INC.	7,526.60
SPATIAL DEVELOPMENT	1,945.00
SPERRY, LAURIE	68.77
SPINNAKER STRATEGIES	11,799.40
ST EDWARD STATE PARK	11,180.94
ST OF WA DEPT OF FISH & WILDLIFE	300.00
STANSFIELD, CLAYTON	2,619.30
STARLIGHT CHILDRENS FOUNDATION	240.00
STATE AUDITOR'S OFFICE	24,064.23
STATE OF FLORIDA DISBURSEMENT UNIT	6,050.00
STATE OF WA DEPARTMENT OF LICENSING	116.00
STEWART MACNICHOLS HARMELL, INC.	42,370.00
SUNBELT	1,270.69
SUSSMAN/PREJZA & CO, INC	3,465.00
TACHTEVRENIDOU, PROMISE	7,605.79
TELESYSTEMS WEST	1,058.06
THE KIPLINGER LETTER	99.00
TIMEMARK INCORPORATED	119.59
TITAN OUTDOOR, LLC	1,352.39
TOPIA TECHNOLOGY/ BIS	22,547.50
TOTAL LANDSCAPE CORP	51,843.80
TOWN & COUNTRY FENCE, INC	416.10
TOWNE CENTRE HARDWARE	2,478.54
TRANE U.S. INC.	8,211.13
UNITED RENTALS NW, INC	579.81
UNITED STATES POSTMASTER	4,967.74
UNITED WAY OF KING COUNTY	2,877.00
UNIVERSITY OF WASHINGTON	1,654.00

VIIA. Approve Check Nos. 28997 - 29096 in the Amount of
\$704,538.48 and Electronically Transferred Payroll Funds Totaling

UPS STORE	2,514.94
URBAN LAND INSTITUTE	225.00
US POSTAL SERVICE (HASLER)	4,211.60
UTILITIES UNDERGROUND LOCATION CTR	890.33
VAN NESS, ALLAN	1,759.70
VERIZON WIRELESS	8,480.52
VIBRANT PLANTS INC	755.16
VIKING GRIDIRON CLUB	250.00
VOLGISTICS, INC	372.00
W.S.S.O. Advanced Training	500.00
WA ASPHALT PAVEMENT ASSOC.	180.00
WA ASSOC OF BUILDING OFFICIALS	128.09
WA ASSOC OF CODE ENFORCEMENT	305.00
WA CITIES INSURANCE AUTHORITY	161,086.00
WA FINANCE OFFICERS ASSOCIATION	575.00
WA GUARANTEED EDUCATION TUITION	1,290.00
WA RECREATION & PARK ASSOCIATION	104.00
WA STATE ASSOC OF PERMIT TECHNICIAN	95.00
WA STATE CONSOLIDATED TECH SVCS	875.00
WA STATE DEPARTMENT OF AGRICULTURE	33.00
WA STATE DEPT OF ENTERPRISE SVCS	6,057.54
WA STATE DEPT OF LABOR & INDUSTRIES	125.30
WA STATE DEPT OF TRANSPORTATION	19,549.73
WAFFLE WAGON	45.00
WAGE WORKS	450.00
WASHINGTON ENERGY SERVICES	28.14
WASHINGTON MUNICIPAL CLERKS ASSOC	75.00
WASHINGTON STATE DEPT OF INFO SERV	700.00
WASHINGTON STATE OFFICE CASH MGMT	843.00
WASHINGTON TREE SERVICE INC	1,423.50
WEINSTEIN AU	1,057.50
WEISBAND, BARRY	24,000.00
WELLS FARGO FINANCIAL	9,342.66
WELWEST CONSTRUCTION INC.	109,872.85
WESTERN ENTRANCE TECHNOLOGY	3,460.20
WILCOX, ROBERTA	933.84
WINTERBOURNE LANDSCAPE	1,626.09
WONDERLAND DEVELOPMENT	6,750.00
ZEP SALES AND SERVICE	865.49
ZONAR SYSTEMS	525.33
ZORNES, GARY	239.52
ZUMAR	3,402.54
	<u>\$9,928,788.83</u>

VIIA. Approve Check Nos. 28997 - 29096 in the Amount of \$704,538.48 and Electronically Transferred Payroll Funds Totaling



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Second Amendment of Contract for Public Defense Services between the City and Stewart Beall MacNichols & Harmell, Inc., P.S. (current name of firm is: Stewart MacNichols Harmell, Inc., P.S.) Proposed Council Action/Motion: Motion: To approve the Amendment of Contract, authorize the City Manager to sign the Amendment, and ratify and confirm any delivery of and payment for services consistent with the First Amendment.	For Council Meeting Agenda of: December 2, 2013 Department: Executive Prepared by: Rod Kaseguma, City Attorney <table border="0"><thead><tr><th></th><th><u>Initial & Date</u></th></tr></thead><tbody><tr><td>Approved by Department Head:</td><td><i>[Signature]</i> 11-22-13</td></tr><tr><td>Approved by City Attorney:</td><td><i>[Signature]</i></td></tr><tr><td>Approved by Finance Director:</td><td><i>[Signature]</i> 11-22-13</td></tr><tr><td>Approved by City Manager:</td><td><i>[Signature]</i></td></tr></tbody></table> Exhibits/Attachments: Attachment A: Second Amendment to Contract for Public Defense Services Attachment B: Agenda Bill of July 22, 2013 Re: First Amendment to Contract for Public Defense Services Attachment C: Contract No. 06-C537 for Public Defense Services		<u>Initial & Date</u>	Approved by Department Head:	<i>[Signature]</i> 11-22-13	Approved by City Attorney:	<i>[Signature]</i>	Approved by Finance Director:	<i>[Signature]</i> 11-22-13	Approved by City Manager:	<i>[Signature]</i>
	<u>Initial & Date</u>										
Approved by Department Head:	<i>[Signature]</i> 11-22-13										
Approved by City Attorney:	<i>[Signature]</i>										
Approved by Finance Director:	<i>[Signature]</i> 11-22-13										
Approved by City Manager:	<i>[Signature]</i>										
Expenditure Required \$120,000 Amount Budgeted \$130,000 Appropriation Required \$0											
<u>INFORMATION/BACKGROUND:</u> <u>Current Contract</u> The law firm of Stewart MacNichols Harmell, Inc., P.S., provides public defense services for indigent criminal defendants. The City's contract with the firm was signed on September 7, 2006 (almost 7 years ago). The contract was amended on July 22, 2013 to increase the compensation from \$3,000 to \$8,500 per month for the first 20 cases appointed in the month (other terms of compensation were not changed) and extend the contract to December 31, 2013. A new section 16 Performance Standards for Services was also added and is described in the attached agenda bill for July 22, 2013. <u>Recommendation</u> It is anticipated that the draft City standards for public defense services will be presented to the City Council for consideration early in 2014. In the meantime, City staff recommends amending the contract with Stewart Beall MacNichols & Harmell, Inc., P.S. (the firm name on the current contract between the City and the firm) by adopting the Second Amendment at Attachment A, which (1) extends the term of the Contract to December 31, 2014, (2) decreases the monthly compensation from \$8,500 to \$5,000, effective January 1, 2014, and (3) requires the firm to comply with applicable standards and rules for indigent defense services.											

The motion approving the Second Amendment and authorizing the City Manager to sign it should include a statement that the City Council ratifies and confirms any services delivered and paid for consistent with the First Amendment.

FISCAL CONSIDERATION:

No additional budget appropriation is projected at this time.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Effective and Efficient Services

SECOND AMENDMENT TO CONTRACT FOR PUBLIC DEFENSE SERVICES

This Second Amendment modifies the Contract for Public Defense Services between the City of Kenmore, Washington ("City") and Stewart Beall MacNichols & Harmell, Inc., P.S., ("Attorney").

RECITALS

- A. The City and the Attorney entered into the Contract for Public Defense Services ("Contract") on September 7, 2006.
- B. In July of 2013, the City and the Attorney entered into the First Amendment to Contract for Public Defense Services, which amended Section 7 of the Contract to modify the Attorney's compensation, amended Section 12 of the Contract to extend the term of the Contract until December 31, 2013, and added a new Section 16 regarding performance standards.
- C. The City and the Attorney desire to amend the Contract to modify further the Attorney's compensation, and to extend the term of the Contract for one year while the City develops and adopts standards for the delivery of indigent defense services.

AMENDMENT

The parties hereto agree as follows:

1. Amendment of Section 7. Effective January 1, 2014, Section 7 of the Contract is amended to read as follows:

Compensation. The City shall pay to the Attorney for services rendered under this Contract, the sum of \$5,000.00 per month for the first twenty cases appointed per month. This figure is based upon an assumption there will be one full day Kenmore calendar per week at the Shoreline District Court. Representation will include appearances, bail hearings, pretrials, motions, bench trials, sentencings, and reviews.

Jury trials will result in an additional payment of \$500.00. Jury trials include any matter set for trial where either (1) a jury is empaneled, or (2) the case is dismissed subsequent to jury call.

Any matter which is appealed for which a brief is filed will result in an additional payment of \$750.00.

Additional cases above the first twenty appointments per month will result in an additional payment of \$250.00 per case.

Additional court calendars will be paid at \$360.00 per morning or afternoon appearance on a court calendar, and \$520.00 where clients appear on both morning and afternoon calendars on a single day.

The Attorney shall bill the City monthly. The City agrees to seek approval for payment as soon as possible after receipt.

2. Amendment of Section 12. Section 12 of the Contract is amended to read as follows:

Term of this Agreement. Provision of services pursuant to this agreement shall commence on January 1, 2006. This agreement shall remain in full force and effect through December 31, 2014, unless terminated earlier pursuant to the provisions hereof.

ATTORNEY

By _____

DATE: _____

Title: _____

CITY OF KENMORE, WASHINGTON

By _____

DATE: _____

Title: City Manager

Subject/Topic: Amendment of Contract for Public Defense Services between the City and Stewart Beall MacNichols & Harmell, Inc., P.S. (current name of firm is: Stewart MacNichols Harmell, Inc., P.S.) Proposed Council Action/Motion: Motion: To approve the Amendment of Contract, authorize the City Manager to sign the Amendment, and ratify and confirm any delivery of and payment for services consistent with the Amendment.	For Council Meeting Agenda of: July 22, 2013 Department: Executive Prepared by: Rod Kaseguma, City Attorney Initial & Date Approved by Department Head: _____ Approved by City Attorney: <u>Rod K via email</u> Approved by Finance Director: <u>June 17/13</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: First Amendment to Contract for Public Defense Services Contract for Public Defense Services
Expenditure Required \$120,000 Amount Budgeted \$130,000 Appropriation Required \$0	
<u>INFORMATION/BACKGROUND:</u> <u>Current Contract</u> The law firm of Stewart MacNichols Harmell, Inc., P.S., provides public defense services for indigent criminal defendants. The City's contract with the firm was signed on September 7, 2006 (almost 7 years ago). The compensation for services has not been modified since that date. In light of increases in the cost of living since 2006, it is appropriate to increase the firm's compensation. Under the current contract, the firm is compensated as follows: (1) \$3,000.00 per month for the first 20 cases appointed in the month (assumes one full day court calendar per week, and includes appearances for bail hearings, pre-trials, motions, bench trials, sentencings and reviews); (2) \$120.00 for each additional case above 20 cases; (3) additional \$350.00 for a jury trial; (4) additional \$500.00 for a matter appealed (includes a brief); (5) \$360.00 for an additional court morning or afternoon calendar, and \$520.00 where defendants appear on both morning and afternoon calendars on the same day. The contract may be terminated by the City or the firm upon 60 days written notice. <u>Standards for Public Defense Services</u> RCW 10.101.030 requires every city to adopt standards for the delivery of public defense services. Those standards must include, among other things: duties and responsibilities of counsel; case load limits and types of cases; reports of attorney activity and vouchers; training; monitoring and evaluation of attorneys; substitution of attorneys or assignment of contracts; qualifications of attorneys; and disposition of client complaints. RCW 10.101.030 also states that the standards endorsed by the Washington State Bar Association (WSBA) for public defense services should serve as guidelines for cities. The WSBA has adopted such	

guidelines.

Last Summer, the Washington Supreme Court adopted Standards for Indigent Defense. Those Standards address case-load limits and types of cases, and authorize cities to adopt a case weighting system. All of those Standards, except for Standard 3.4, relating to caseload limits, are in effect. Under draft Standard 3.4, the caseload limits per full-time public defense attorney are "300 misdemeanor cases per attorney per year or, in jurisdictions that have not adopted a numerical case weighting system as described in this Standard, 400 cases per year." Standard 3.4 will be effective on January 1, 2015. A "numerical case-weighting system" is a methodology that assigns more than one or less than one "count" to specific types of misdemeanor charges. For example, a case-weighting system adopted by one King County city assigns one unit to driving while under the influence and 1/3 unit to driving while license suspended, level 3.

The "case-weighting system" referenced in draft Standard 3.4 is Standard 3.5, which states that "attorneys may not engage in a case weighting system, unless pursuant to written policies and procedures that have been adopted and published by the local government entity." Those case-weighting policies and procedures should reflect the case/charge count histories of the city, based on data collected and analyzed by the city prosecutor, the city police department, the city's contracted court staff, and the public defense firm. Our City should consider a case-weighting system, as it might be economically and practically better for the City than a "one-charge equals one-case" system. One reason for considering a case-weighting system is that each time the 400 case (or weighted equivalent) limit is exceeded, the public defense firm would have to hire, train, staff and provide the infrastructure for a new attorney, which is a significant cost. Also, the firm that the City selects as the most experienced and qualified to perform the public defense services could be serving other cities under a case-weighting system. Requiring that firm to use a different standard could create an accounting and administrative burden for the firm. For example, Stewart MacNichols Harmell, Inc., P.S. also provides public defense services for two other cities, both of which use almost identical case-weighting systems.

The bottom line is that the City must adopt standards for public defense services that use and rely on the Supreme Court's adopted Standards, taking into account draft Standard 3.4 and the WSBA's Standards. Because the required City standards must address matters such as duties and responsibilities of attorneys and qualifications of attorneys, in addition to case load limits, the City should adopt standards before selecting and contracting with a firm or person for public defense services.

Recommendation

City staff recommends that the City staff develop draft City standards for public defense services this Summer and Fall, presenting the draft standards to the City Council for consideration. In the meantime, City staff recommends amending the contract with Stewart Beall MacNichols & Harmell, Inc., P.S. (the firm name on the current contract between the City and the firm) by adopting the First Amendment at Attachment A, which (1) extends the term of the Contract to December 31, 2013, (2) increases the compensation, effective August 1, 2013, and (3) requires the firm to comply with applicable standards and rules for indigent defense services.

The motion approving the First Amendment and authorizing the City Manager to sign it should include a statement that the City Council ratifies and confirms any services delivered and paid for consistent with the First Amendment.

FISCAL CONSIDERATION:

No additional budget appropriation is projected at this time.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

FIRST AMENDMENT TO CONTRACT FOR PUBLIC DEFENSE SERVICES

This Amendment modifies the Contract for Public Defense Services between the City of Kenmore, Washington ("City") and Stewart Beall MacNichols & Harmell, Inc., P.S., ("Attorney").

RECITALS

A. The City and the Attorney entered into the Contract for Public Defense Services ("Contract") on September 7, 2006.

B. The City and the Attorney desire to amend the Contract to increase the Attorney's compensation, due to the length of time that has passed since the execution of the Contract, to extend the term of the Contract temporarily while the City develops and adopts standards for the delivery of indigent defense services, and to require the Attorney to comply with current rules and standards for indigent defense services.

AMENDMENT

The parties hereto agree as follows:

1. Amendment of Section 7. Effective August 1, 2013, Section 7 of the Contract is amended to read as follows:

Compensation. The City shall pay to the Attorney for services rendered under this Contract, the sum of \$8,500.00 per month for the first twenty cases appointed per month. This figure is based upon an assumption there will be one full day Kenmore calendar per week at the Shoreline District Court. Representation will include appearances, bail hearings, pretrials, motions, bench trials, sentencings, and reviews.

Jury trials will result in an additional payment of \$500.00. Jury trials include any matter set for trial where either (1) a jury is empaneled, or (2) the case is dismissed subsequent to jury call.

Any matter which is appealed for which a brief is filed will result in an additional payment of \$750.00.

Additional cases above the first twenty appointments per month will result in an additional payment of \$250.00 per case.

Additional court calendars will be paid at \$360.00 per morning or afternoon appearance on a court calendar, and \$520.00 where clients appear on both morning and afternoon calendars on a single day.

The Attorney shall bill the City monthly. The City agrees to seek approval for payment as soon as possible after receipt.

2. Amendment of Section 12. Section 12 of the Contract is amended to read as follows:

Term of this Agreement. Provision of services pursuant to this agreement shall commence on January 1, 2006. This agreement shall remain in full force and effect through December 31, 2013, unless terminated earlier pursuant to the provisions hereof.

3. Addition of new Section 16. A new Section 16 is added to the Contract as follows:

Performance Standards for Services. Attorney shall provide services in a professional and skilled manner consistent with minimum standards of the Washington State Bar Association, Washington's Rules of Professional Conduct, applicable case law, the Constitutions of the United States and Washington, and Washington Supreme Court rules that define the standards of indigent defense services and the duties and responsibilities of public defense attorneys and counsel. These minimum standards shall include the Standards for Indigent Defense, as promulgated by the Washington State Supreme Court, as now in effect or as hereafter amended. Attorney agrees to and shall assume sole responsibility for completing required indigent defense case data, performance measurements or other reporting as required by the Washington Supreme Court or other courts of competent jurisdiction. In addition, Attorney shall be responsible for reviewing and monitoring court orders or directives, and for adopting all policies, practices or other measures to insure compliance with the Standards for Indigent Defense, as now in effect or as hereafter amended.

ATTORNEY

By _____

DATE: _____

Title: _____

CITY OF KENMORE, WASHINGTON

By _____

DATE: _____

Title: City Manager

Contract No. 06-C537
Kenmore Original

CONTRACT FOR PUBLIC DEFENSE SERVICES

THIS CONTRACT is entered into between the CITY OF KENMORE, a municipal corporation, herein referred to as the "City", and STEWART BEALL MACNICHOLS & HARMELL, INC., P.S., herein referred to as "Attorney".

1. **Scope of Services.** All indigent defendants charged under criminal ordinances (except land use code enforcement violations) of the City who qualify for appointed counsel and are either screened or direct appointed by the court shall be referred to the Attorney. The Attorney shall provide legal representation for each of these defendants from the time of screening for eligibility through trial, sentencing and appeal to the Superior Court, if necessary.
2. **Applicant Screening.** Determination of indigence for eligibility for appointed counsel under this contract shall be determined by an independent screening process established by the City. Should the Attorney determine a defendant is not eligible for assigned counsel prior to the establishment of the attorney/client privilege, the attorney shall so advise the City to reconsider the screening of that particular individual.
3. **24 Hour Telephone Access.** The Attorney shall provide to the Kenmore Police Department a telephone number or numbers at which an attorney can be reached twenty-four (24) hours each day for "critical stage" advice to defendants during the course of police investigations and/or arrest for criminal violations of City ordinances.
4. **Associated Counsel.** Any counsel associated with or employed by the Attorney shall have the authority to perform the services called for herein, and Attorney may employ associated counsel to assist him at Attorney's expense. The Attorney and any other attorneys retained pursuant to this section shall be admitted to practice pursuant to the rules of the Supreme Court of the State of Washington. Attorney shall notify the City in writing within five (5) days of retaining any associated attorney(s). Attorney shall provide a curriculum vitae for any such associated attorney(s).
5. **Proof of Professional Liability Insurance.** During the term of this agreement and any extensions thereof, the Attorney shall secure and maintain a policy of comprehensive professional liability insurance provided by an insurance company licensed to do business in the State of Washington. Said policy shall have limits of not less than \$1,000,000.00.
6. **Indemnification.** The Attorney shall indemnify and hold the City, its elected officials, officers and employees harmless from any and all claims whatsoever arising out of the Attorney's performance of obligations pursuant to this agreement, including claims arising by reason of accident, injury or death caused to person or property of any kind occurring by the fault or neglect of the Attorney, his agents, associated, or employees and occurring without the fault or neglect of the City.

7. **Compensation.** The City shall pay to the Attorney for services rendered under this Contract, the sum of \$3000.00 per month for the first twenty cases appointed per month. This figure is based upon our assumption there will be one full day Kenmore calendar per week at the Shorerline District Court. Representation will include appearances bail hearings, pretrials, motions, bench trials, sentencings, and reviews.

Jury trials will result in an additional payment of \$350.00. Jury trials include any matter set for trial where either (1) a jury is empaneled, or (2) the case is dismissed subsequent to jury call.

Any matter which is appealed and a brief is filed Appeals will result in an additional payment of \$500.00.

Additional cases above the first twenty appointments per month will result in an additional payment of \$120.00 per case.

Additional court calendars will be paid at \$360.00 per morning or afternoon appearance on a court calendar, and \$520.00 where clients appear on both morning and afternoon calendars on a single day.

The Attorney shall bill the City monthly. The City agrees to seek approval for payment as soon as possible after receipt.

8. **Discovery Provided.** The City shall provide to the Attorney, at no cost to the Attorney or defendant, one copy of all discoverable material concerning each assigned case. Such material shall include, where relevant, a copy of the abstract of the defendant's driving record.

9. **Code Provided.** The City shall provide to the Attorney at no cost to the Attorney a copy of all criminal ordinances enacted by the City, and any amendments thereto adopted during the term of this contract.

10. **No Assignments or Subcontracts.** No assignment or transfer of this contract, nor of any interest in this Contract shall be made by either of the parties without prior written consent.

11. **Attorney Conflict.** In the event the representation of a defendant hereunder raises a conflict of interest such that the attorney cannot ethically represent the defendant, said defendant shall be referred back to the City for further assignment, without cost to the Attorney.

12. **Term of this Agreement.** Provision of services pursuant to this agreement shall commence on January 1, 2006. This agreement shall remain in full force and effect through December 31, 2008, unless terminated earlier pursuant to the provisions hereof.

13. **Termination.**

A. At Election of the City or Attorney: The City or Attorney may terminate this agreement without the necessity of substantiating cause upon expiration of sixty (60) days from receipt of written notice of such termination.

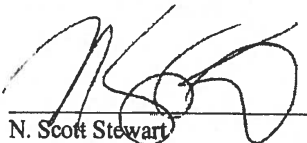
B. For Reasons Beyond Control of Parties: Either party may terminate this agreement without recourse by the other where performance is rendered impossible for reasons beyond such party's reasonable control.

14. **Amendments.** No modifications or amendment of the provisions of this agreement shall be effective unless in writing and signed by an authorized representative of the parties hereto.

15. **Entire Agreement.** This instrument contains the entire agreement between the parties and may not be enlarged, modified or altered, unless in writing and signed by the parties.

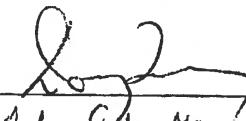
DATED this 7th day of September, 2006.

STEWART BEALL MACNICHOLS
& HARMELL, INC., P.S.


N. Scott Stewart

APPROVED AS TO FORM:

CITY OF KENMORE

By:  for Steve
Acting City Manager Anderson

ATTEST:

By: 



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Amendment #3 to Contract No. 09-C780 with Alcalde and Fay for Federal government relations services Proposed Council Action/Motion: Approve Amendment #3 to Contract No. 09- C780 with Alcalde and Fay	For Council Meeting Agenda of: 9 December 2013 Department: Executive Prepared by: Nancy Ousley <table><tr><td></td><td><u>Initial & Date</u></td></tr><tr><td>Approved by Department Head:</td><td>NKO 12/11/2013</td></tr><tr><td>Approved by City Attorney:</td><td></td></tr><tr><td>Approved by Finance Director:</td><td>Jay 11/18/13</td></tr><tr><td>Approved by City Manager:</td><td>PJK</td></tr></table> Exhibits/Attachments: 1. Proposed Amendment #3 2. November 26, 2012 Agenda Bill for Amendment #2 to Contract No. 09-C780		<u>Initial & Date</u>	Approved by Department Head:	NKO 12/11/2013	Approved by City Attorney:		Approved by Finance Director:	Jay 11/18/13	Approved by City Manager:	PJK
	<u>Initial & Date</u>										
Approved by Department Head:	NKO 12/11/2013										
Approved by City Attorney:											
Approved by Finance Director:	Jay 11/18/13										
Approved by City Manager:	PJK										
Expenditure Required \$61,200 Amount Budgeted \$198,940 for General Consulting 2013-2014 Appropriation Required \$0											
<u>INFORMATION/BACKGROUND:</u> The proposed amendment extends the current contract through December 31, 2014 at the same rate of \$5000 per month plus expenses not to exceed \$1200 for the twelve month period. This firm represents the City of Kenmore in working with the Congressional Delegation and federal agencies on issues including transportation project funding, US Army Corps of Engineers maintenance dredging of the Kenmore Navigation Channel and Kenmore Air service disruptions related to security measures for visits by Federal dignitaries.											
<u>FISCAL CONSIDERATION:</u> Establishing and maintaining contact with Members of Congress and key federal agency officials is effective in gaining support for projects. Federal funds have been appropriated for transportation improvements, such as improvements to 61 st Avenue NE intersections in the past several years.											
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> • Seek Transportation funding • Advance the public's access and connection to the Waterfront • Continue to implement the Economic Development Plan											

VIIC. Approve Amendment No. 3 to Contract No. 09-C780 with
Alcalde and Fay for Federal Government Relations Services

**Contract No. 09-C780
Amendment No. 3**

The following section of the federal government relations services contract dated March 10, 2009 and amended in November 2011 and November 2012, 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 for the 12 month period.

 x A sum not to exceed \$351,900

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, 2014, 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: _____
Rob Karlinsey
Title: City Manager

By: _____
Title: _____
Address: _____

Attest/Authenticated:

Patty Safrin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Amendment #2 to Contract No. 09-C780 with Alcalde & Fay for federal government relations services Proposed Council Action/Motion: Authorize the City Manager to execute Amendment #2 to Contract No. 09-C780 with Alcalde & Fay for federal government relations services	For Council Meeting Agenda of: 26 November 2012 Department: Executive Prepared by: Nancy Ousley Initial & Date Approved by Department Head: <u>NKO 15 Nov 2012</u> Approved by City Attorney: _____ Approved by Finance Director: <u>[Signature]</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: 1) Proposed Amendment #2 2) November 28, 2011 Agenda Package 3) 2013 Federal Legislative Agenda
Expenditure Required \$61,200 per year maximum Amount Budgeted \$ Appropriation Required \$0	
<u>INFORMATION/BACKGROUND:</u> The proposed contract amendment extends the term of the contract with Alcalde & Fay through December 31, 2013 at the present rate of \$5000 per month retainer and a maximum of \$1200 per year for related expenses, for a maximum of \$61,200 per year. Amendment #1 to this contract, approved in 2011, extended the contract through December 31, 2012. The City has worked with Alcalde & Fay since 2009, and the work has focused on SR 522 funding and including maintenance dredging for the Kenmore Navigation Channel in the US Army Corps of Engineers budget and work program. The firm has also assisted the City and Kenmore Air in discussions with Congressional offices and Executive agencies regarding service disruptions to Kenmore Air when air space is restricted for security reasons. The Federal Legislative Agenda approved by the Council in October 2012 continues the focus on these efforts and adds emphasis on securing grant funds for economic development and other initiatives.	
<u>FISCAL CONSIDERATION:</u> Funds are identified for this purpose in the Preliminary 2013-2014 Budget.	
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Seek funds to move forward with the SR 522 project; implement the Economic Development Strategy; pursue downtown development.	

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VIIC. Approve Amendment No. 3 to Contract No. 09-C780 with Alcalde and Fay for Federal Government Relations Services

**Contract No. 09-C780
Amendment No. 2**

The following section of the federal government relations services contract dated March 10, 2009 and amended in November 2011, 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 for the 12 month period.

 x A sum not to exceed \$290,700

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, 2013, 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: _____

By: _____

Rob Karlinsey
Title: City Manager

Title: _____

Address: _____

Attest/Authenticated:

Patty Safrin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

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	

**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: _____

By: _____

Frederick C. Stouder

Title: City Manager

Title: _____

Address: _____

Attest/Authenticated:

Lynn Suskin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

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: [Signature]

Title: City Manager

Date: March 10, 2009

CONSULTANT

By: [Signature]

Title: Partner, Alcalde & Fay

Date: 3-17-09

ATTEST AS TO FORM:

[Signature]
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 28 2009

CITY OF KENNESAW
Alcalde & Fay, 2111 Wilson Blvd., Suite 200, Kennewick, WA 98557
Phone: (703) 841-0826 Fax: (703) 213-2776
e-mail: schlesinger@alcalde-fay.com



VIIC. Approve Amendment No. 3 to Contract No. 09-C780 with Alcalde and Fay for Federal Government Relations Services

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council Goals for 2012-2013 prioritize: seeking funds for SR 522; economic development; parks financing; establishing a sidewalk plan; and pursuing downtown and Lakepointe development.

October 22, 2012

CITY OF KENMORE

PROPOSED 2013 FEDERAL LEGISLATIVE AGENDA

SR 522 Improvements:

The SR 522 Corridor Improvements Project has been one that has been given great emphasis by the City in the federal agenda. Completing a financing package for the project has been hampered by Congressional policy implemented over the past three years that prohibits the earmarking of funds dedicated for project-specific purposes. Important progress on bringing to the attention the need for these improvements has been made with the Congressional Delegation, Congressional Committee staff and Office of Management and Budget.

Potential transportation funding opportunities:

The Senate Appropriations bill, written by Senator Murray, includes \$500 million for a continuance of the TIGER program in FY '13. In the meantime, DOT should be making a decision in the near future as to whether they will solicit grant applications for the TIGER program with the partial year's funding they will receive under the CR for the first half of FY '13. o assist with the preparation of an application if the City decides to seek funding from this program.

MAP-21 (Moving Ahead for Progress in the 21st Century Act): the two year transportation reauthorization legislation which was enacted without earmarks earlier this year, runs only through FY '14, it is expected that Congress will begin its consideration of successor legislation next year. Congressional Delegation, and other congressional leaders to try and make certain that any such legislation be drafted in a way that might facilitate completion of SR 522 and include earmarks for this project if the determination is made that earmarks will indeed be part of this legislation.

Appropriations bills next year might include earmarks and a priority is to ensure we are in a position to advocate strongly for a SR 522 project in earmarks.

Kenmore Navigation Channel:

The Kenmore Navigation Channel has not seen an episode of federally-assisted maintenance dredging since the 1990's prior to the City's incorporation. Pursue funding for the Army Corps to engage in maintenance dredging through work with

the Congressional delegation, Congressional Committee staff and appropriate federal Agencies.

Continue regular contact with Army Corps officials in the Seattle District, Northwestern Division, and Washington Headquarters, as well as with the Office of Management and Budget, to be certain that all pertinent officials are fully aware of the project's importance.

A provision that has been included in FY '13 appropriations bills taken up by both the Senate and House which add funds to the Corps' Operation and Maintenance budget with instructions that \$30 million be utilized, at the discretion of the Corps, for small, remote, or subsistence navigation projects and Senator Cantwell mentioned the Kenmore Navigation Channel by name in a press release supporting this provision. The Corps is to determine a work plan for the utilization of these funds around the Spring of 2013. Continue to work with our Congressional Delegation to advocate that the Corps allocate some of the \$30 million to the Kenmore Navigation Channel project.

Kenmore Air Temporary Flight Restrictions:

Continue to work with the Congressional Delegation to seek resolution to the Temporary Flight Restriction issue that is impacting Kenmore Air's business and inconveniencing passengers. The Delegation has been provided an estimate of the financial impact each time Kenmore Air needs to close down its flight operations as a result of a TFR. As a result of these efforts, the staffs of our two Senators convened a meeting with leadership in the three agencies involved – U.S. Secret Service, TSA and FAA – to discuss a potential fix to the issue. The delegation tasked the three agencies to work to develop a viable solution.

Commuter Parking Facility Funding

Kenmore is a regional commuter center that is served by Metro Transit and Sound Transit, and existing park n' ride facilities are full by early morning, resulting in overflow parking going into neighborhoods. Work with Sound Transit and/or Metro Transit to identify opportunities for locating a parking structure that can also serve downtown Kenmore businesses and/or trail and park users. Determine the best strategy for pursuing Federal Transit Administration discretionary grant program funds in conjunction with the transit agencies and WSDOT. MAP-21 modified FTA discretionary grant programs (examples are Bus and Bus Facility, State of Repair) so that funds are to be distributed via formula funding, in most cases to urbanized areas and state Departments Of Transportation.

Identify and Pursue Grant Funding for City Priorities

The City's government relations consultants Alcalde & Fay will provide regular reports and alerts on federal grant funding opportunities for various purposes and programs, such as parks, economic development and infrastructure. The firm will assist the City in preparing grant proposals as requested.

Monitor Discretionary Budgets

Community Development Block Grant and other Housing and Urban Development Programs to ensure support for local governments is maintained.



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Amendment #3 to Contract No. 09-C816 with Gordon Thomas Honeywell Government Affairs	For Council Meeting Agenda of: 9 December 2013 Department: Executive Prepared by: Nancy Ousley Initial & Date Approved by Department Head: <u>NKO 18 Nov 2013</u> Approved by City Attorney: _____ Approved by Finance Director: <u>[Signature] 11/18/13</u> Approved by City Manager: <u>[Signature]</u>
Proposed Council Action/Motion: Approve Amendment #3 to Contract No. 09-C816 with Gordon Thomas Honeywell Government Affairs	Exhibits/Attachments: 1. Proposed Amendment #3 2. Agenda Bill for November 26, 2012: Amendment #2 to Contract No. 09-C816
Expenditure Required \$554 Amount Budgeted \$198,940 for General Consulting 2013-2014 Appropriation Required \$0	
<u>INFORMATION/BACKGROUND:</u> Gordon Thomas Honeywell Government Affairs provides government relations services on State Legislative and government issues to the City of Kenmore. The existing contract was first executed in 2009 and was amended in 2012 to extend the contract through 2014 and adjust the monthly fee from \$3000 to \$3500 plus monthly expenses not to exceed 10% of the annual contract amount. The proposed amendment provides for a cost of living adjustment of 1.2% to the monthly fee for services, which equates to \$42 per month, plus the adjustment to expenses. The firm provides effective and strategic representation of the City's issues at the State Legislature, with results including funding for improvements to the SR 522 Corridor, Freeway Signage, and Capital Budget appropriation for the Kenmore Village Town Green.	
<u>FISCAL CONSIDERATION:</u> The proposed increase can be covered in the existing budget.	
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> • Continue to implement the Economic Development Plan • Continue to seek transportation funding • Pursue Downtown Development • Seek opportunities to complete a successful Lakepointe Development • Implement a Parks Improvement and Financial Plan	

VIID. Approve Amendment No. 3 to Contract No. 09-C816 with
Gordon Thomas Honeywell Government Affairs for State Government

**Contract No. 09-C816
Amendment No. 3**

The following section of the government relations contract dated September 29, 2009, and amended November 28, 2011, 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. The Consultant shall request payment for work performed using the billing invoice form at Exhibit C.

The City shall pay Consultant:

____ According to the rates set forth in Exhibit A

___x___ A sum not to exceed \$274,454

___x___ Other Monthly fee of \$3542 and related communication expenses in an amount not to exceed 10% of the annual contract amount, effective for services provided starting January 1, 2014.

DATED this ____ day of _____, 20__.

CITY OF KENMORE:

CONSULTANT:

BY: _____

By: _____

Rob Karlinsey

Title: City Manager

Title: _____

Address: _____

Attest/Authenticated:

Patty Safrin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

Subject/Topic: Amendment #2 to Contract No. 09-C816 with Gordon Thomas Honeywell for state government relations services	For Council Meeting Agenda of: 26 Nov 2012 Department: Executive Prepared by: Nancy Ousley	
Proposed Council Action/Motion: Approve Amendment #2 to Contract No.09-C816 with Gordon Thomas Honeywell for state government relations services	Initial & Date Approved by Department Head: <u>NKO 14 Nov 2012</u> Approved by City Attorney: _____ Approved by Finance Director: <u>[Signature] 11/15/12</u> Approved by City Manager: <u>[Signature]</u>	
	Exhibits/Attachments: 1) Proposed Amendment #2 to Contract No. 09-C816 2) November 28, 2011 Agenda Bill for Contract No. 09-C816 Amendment 3) 2013-2014 Legislative Agenda	
Expenditure Required \$84,000 for 2013-2014 plus a maximum of \$8400 in expenses; \$6000 for 2012	Amount Budgeted \$	Appropriation Required \$
<u>INFORMATION/BACKGROUND:</u> Gordon Thomas Honeywell has worked on behalf of the City of Kenmore with the State Legislature, the Governor's Office and State agencies since 2009. The present contract term is through December 31, 2012, and the proposed amendment extends the contract term through December, 2014. The contract amendment specifies a monthly retainer of \$3500 per month effective January, 2012 and a maximum of 10% of the annual contract amount for related expenses. The firm has been effective in facilitating relationship-building with State Legislators, particularly those in Transportation Committee membership, which has been instrumental in the City receiving over \$1.7 M in funding for SR 522 related projects in recent State Transportation Budgets. The City Council recently approved the 2013-2014 Legislative Agenda.		
<u>FISCAL CONSIDERATION:</u> Funding is included in the preliminary 2013-2014 Budget		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Seek funds to move forward on the SR 522 Project; Pursue Downtown development; implement the economic development strategy; implement a parks improvement and financial plan; seek opportunities to complete a successful Lakepointe project		

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VIID. Approve Amendment No. 3 to Contract No. 09-C816 with Gordon Thomas Honeywell Government Affairs for State Government

**Contract No. 09-C816
Amendment No. 2**

The following section of the government relations contract dated September 29, 2009, and amended November 28, 2011, 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. The Consultant shall request payment for work performed using the billing invoice form at Exhibit C.

The City shall pay Consultant:

____ According to the rates set forth in Exhibit A

___x___ A sum not to exceed \$227,700

___x___ Other Monthly fee of \$3500 and related communication expenses in an amount not to exceed 10% of the annual contract amount. The monthly fee of \$3500 is effective as of January 1, 2012.

Section 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, 2014 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.

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

City Clerk
City of Kenmore, Washington
PO Box 82607
Kenmore, WA 989028-0607

DATED this ____ day of _____, 20__.

CITY OF KENMORE:

CONSULTANT:

BY: _____

By: _____

Rob Karlinsey

Title: City Manager

Title: _____

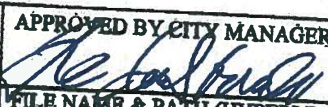
Address: _____

Attest/Authenticated:

Patty Safrin, City Clerk

Approved as to Form:

Rod Kaseguma, City Attorney

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: 		FILE NAME & PATH (HYPERLINK): I:\janice gates\agenda preparation\agenda bills 2011\28 nov 2011 gha amendment.doc	
TODAY'S DATE: November 18, 2011		REVISION DATE(S):	

**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

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
Frederick C. Stouder
Title: City Manager

Date: Sept 25, 2009

CONSULTANT

By: 2/1/11/11
Title: President

Date: 10/5/09

ATTEST AS TO FORM:

Rod Kaseguma
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: _____

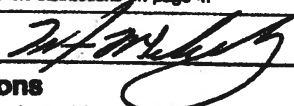
Form W-9 (Rev. October 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.		
Print or type See Specific Instructions on page 2	Name (as shown on your income tax return) Gordon Thomas 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.				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Social security number N/A</td> <td style="width: 40%;">or Employer identification number 20-5719042</td> </tr> </table>			Social security number N/A	or Employer identification number 20-5719042
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
GOVERNMENTAL AFFAIRS

Business Address: 1201 Pacific Ave., Suite 2100
Tacoma, WA 98401

Business Phone: (253) 620-6239

Timothy M. Schellberg

10/12/2009
Date

Authorized Signature (Required)



LOBBYIST REGISTRATION

L1 (12/03)	THIS SPACE FOR OFFICE USE
----------------------	---------------------------

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 time@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? \$ <u>3,000.00</u> 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 ☐ Unalarmed 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 Schelberg, 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 Nancy Ousley		EMPLOYER'S SIGNATURE (NAME TYPED OR PRINTED, AND TITLE) Nancy Ousley, Assistant City Manager	
DATE		DATE 5 OCT 20	

VIID. Approve Amendment No. 3 to Contract No. 09-C816 with
Gordon Thomas Honeywell Government Affairs for State Government



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: City of Kenmore Proposed 2013-2014 State Legislative Agenda	For Council Meeting Agenda of: 22 October 2012 Department: Executive Prepared by: Nancy Ousley Initial & Date Approved by Department Head: <u>NKO 11 OCT 2012</u> Approved by City Attorney: Approved by Finance Director: <u>[Signature] 10/11/12</u> Approved by City Manager: <u>[Signature]</u>	
Proposed Council Action/Motion: Approve City of Kenmore Legislative Agenda for the 2013-2014 Legislative Sessions	Exhibits/Attachments: 1. Proposed Legislative Agenda	
Expenditure Required \$	Amount Budgeted \$	Appropriation Required \$
<u>INFORMATION/BACKGROUND:</u> The City of Kenmore has been successful in the past two Legislative Sessions in securing nearly \$2M in funding in the Transportation Budget for improvements to SR 522. Strategic and effective work throughout the year with our government relations consultants Gordon Thomas Honeywell has been instrumental in achieving those results. For example, Kenmore representatives have met with Transportation leadership and key Committee members in the State Senate and House of Representatives to provide briefings and tours of the SR 522 Corridor. Bothell and Lake Forest Park have participated in many of these meetings to underscore the importance of corridor improvements. Kenmore is transitioning this year to the 46 th Legislative District due to redistricting, and the Administration and Council have made good progress in establishing relationships with our new delegation. The proposed Legislative Agenda for this coming biennium continues the focus on transportation funding and includes funding for Economic Development, downtown amenities and parks. Policy priorities feature support for regional stormwater environmental assessment and identifying reasonable reforms to the public records request process.		
<u>FISCAL CONSIDERATION:</u> The strong track record in recent sessions for SR 522 funding provides a good foundation for future sessions, particularly as new transportation revenue package options are considered. A contract amendment extending the contract term for Gordon Thomas Honeywell will be proposed later this year.		

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

This Legislative Agenda prioritizes the top three 2011-2012 City Council Goals:

- 1. Seek funds and move forward on the SR-522 Project**
- 2. Implement the Economic Development Plan**
- 3. Implement a Parks Improvement and Financing Plan**

City of Kenmore
Proposed Legislative Agenda for 2013-15 Legislative Biennia
October 2012

Funding Requests

Transportation Funding:

Completing SR 522

The City respectfully requests funding for improvements to State Route 522. SR 522 is a highway of statewide significance that runs through the City of Kenmore and connects I-5 to I-405. The City is committed to working with transportation leaders at every level of government to provide funding for this vital state highway.

SR 520 Construction Mitigation for Local Water-Dependent Businesses

The City respectfully requests state funding to mitigate impacts to local water-dependent businesses from the SR 520 construction barge activity, including monitoring water depths in areas adjacent to the businesses to determine the effects of the project activity.

Capital Budget Funding:

Kenmore Village Town Green

The City of Kenmore respectfully requests that \$300,000 be allocated in the Capital Budget toward Kenmore Town Square. Kenmore Town Square will cover just under an acre on the Kenmore Village shopping center property, and will be a location for city programming to foster a greater sense of community, and provide an important amenity for downtown redevelopment. The City is prepared to provide a strong local match for State Capital Budget funding.

Grant Funding:

Park Funding

The City of Kenmore is in process of updating its parks plan to become eligible for grant funding. The City supports the continued state funding for parks, including Recreation and Conservation Office (RCO) grant funding and other capital programs.

Economic Development Funding

Small Business Incubator Funding - The City of Kenmore recently created a pilot program for a small business incubator. As such, the City supports state grant funding for small business incubators, which aid STEM careers through business assistance and mentoring. While the state's small business incubator account was eliminated in 2011 because it was not being utilized, the City supports capital funding allocations to small business incubators.

Ongoing Innovation Partnership Zone Funding - The City of Kenmore supports ongoing funding for Innovation Partnership Zones (IPZs). While an IPZ does not

currently exist within the City's boundaries, the City hopes to pursue the creation of an IPZ in the near future.

Environmental Funding

Local Model Toxics Funding - The City supports funding for the Local Model Toxics Account to assist jurisdictions in environmental clean up efforts.

Stormwater Funding - The City supports the creation of funding mechanisms and dedicated revenue streams to assist local jurisdictions in meeting NPDES stormwater requirements, including continued funding for stormwater grants.

Policy Requests

Stormwater

The City of Kenmore supports policy changes that address stormwater management regionally, including addressing regional stormwater impacts in project SEPA analysis.

I-5 and I-405 Signage Directing Drivers to Kenmore

As the home of Bastyr University and the Kenmore International Air Harbor, the City of Kenmore respectfully requests additional directional signage leading to the City. The City will work with its legislative delegation and the Washington State Department of Transportation (WSDOT) to have directional signs on I-5 and I-405 directing drivers to Kenmore.

Public Records Reform

The City of Kenmore supports reform to statutes governing public records requests. In approaching this reform, the City recognizes the importance of transparency and accountability in government; however, the current system is frequently abused. The City of Kenmore looks forward to working with other stakeholders to develop some reform ideas.

Medicine Take-Back Program

The City of Kenmore supports legislation creating a statewide medicine take-back program. This legislation would require drug manufacturers that sell products in Washington to develop, fund, and implement a take-back system for unwanted, unused, or left over medicines. King County is in process of implementing a local take-back program.

Local Government Finance Considerations

The City of Kenmore supports consideration short-term strategies to recognize the financial conditions affecting local government in this economy. This could include postponing state-mandated deadlines for Growth Management Comprehensive Plans, adjusting Transportation Benefit District revenue options, providing incentives for fuel-efficient fleet vehicle replacement, or other actions.



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Public Hearing and Deliberation on Ordinance No. 13-0370 Extending the Moratorium on the Acceptance and Filing of Applications for, and the Licensing, Establishment, Location, Operation, Maintenance and Continuation of Marijuana Businesses and Marijuana Operations under Washington State Initiative No. 502 Proposed Council Action/Motion: Hold a public hearing to receive input on possible continuation of the marijuana businesses and marijuana operations moratorium put in place by the City Council through adoption of Ordinance No. 13-0362 on June 24, 2013, and expiring on December 24, 2013. Adopt Ordinance No. 13-0370 to extend the current moratorium on the acceptance and filing of applications for, and the licensing, establishment, location, operation, maintenance and continuation of marijuana businesses and marijuana operations under Washington State Initiative No. 502 to and through May 12, 2014.	For Council Meeting Agenda of: 12/2/13 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner</u> <u>Initial & Date</u> Approved by Department Head: <u>WA GW DB 11/15/13</u> Approved by City Attorney: <u>Ordinance approved</u> Approved by Finance Director: <u>12/3/13</u> Approved by City Manager: <u>PJK</u> Exhibits/Attachments: 1. Ordinance 13-0362 2. Proposed Ordinance 13-0370 3. Final State Rules, Chapter 314-55 WAC 4. Location of Retail Outlets	
Expenditure Required \$0	Amount Budgeted \$0	Appropriation Required \$0
<u>INFORMATION/BACKGROUND:</u> On June 24, 2013, the City Council adopted Ordinance 13-0362 (Attachment 1) establishing a moratorium that prohibits the acceptance and filing of applications for, and the licensing (including business licensing), establishment, location, operation, maintenance or continuation of marijuana businesses or any other marijuana activities and marijuana operations asserted to be authorized or actually authorized under Washington State Initiative No. 502. In addition, Ordinance 13-0362 included a provision that no use that constitutes or purports to be a marijuana business or other marijuana operation that was engaged in prior to the passage of the Ordinance shall be deemed to have been legally established under the Kenmore Municipal Code and shall not be entitled to legal nonconforming status. The moratorium was adopted for a 6-month period from the June 24, 2013 effective date of the		

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Ordinance through December 24, 2013. The moratorium automatically expires on December 24, 2013 unless it is repealed, modified or extended after a public hearing and entry of findings. The Ordinance authorizes the City Manager to research and analyze the extent and impact of Initiative 502, to consider and develop an appropriate regulatory framework for marijuana producers, processors, retailers, or operations in the City, and to monitor and provide input into the rules being developed by the Washington State Liquor Control Board (LCB).

Given the continuing complexities of regulating marijuana businesses--including the possible integration of recreational and medical marijuana operations currently being reviewed by the LCB-- staff recommends an additional extension of the moratorium to allow staff more time to address this issue. Proposed Ordinance 13-0370 would authorize this extension (Attachment 2).

State law requires that the city hold a public hearing on the moratorium extension. After the public hearing the City Council will consider the extension.

Background On Initiative 502

Initiative 502 which legalizes, taxes and regulates use of marijuana in Washington by persons 21 and older was approved on the November 2012 Washington State ballot. The law took effect on December 6, 2012.

Under I-502, the LCB had to establish procedures and criteria for licensing marijuana businesses by December 1, 2013. LCB has issued their rules (Attachment 3) and the Washington State Business Licensing Service began accepting applications for marijuana businesses on November 18, 2013. The application window will be open until December 19, 2013.

Three new marijuana licenses are authorized: producer, processor, and retailer. The fee for each license is a \$250 application fee and \$1000 annual renewal fee. The marijuana producer license allows production of marijuana for sale at wholesale to marijuana processors and allows for production, possession, delivery, and distribution. The marijuana processor license allows for processing, packaging, and labeling of marijuana/marijuana infused product for sale at wholesale to marijuana retailers and allows for processing, packaging, possession, delivery, and distribution. The marijuana retailer license allows for sale of useable marijuana/marijuana infused products at retail outlets regulated by the LCB.

The LCB has determined the maximum number of retail outlets in each county, in order to provide adequate access to licensed products and to discourage purchases from the illegal market (Attachment 4). Kenmore was not identified as a license location, although an applicant could apply to the LCB for a license in the city as one of the 11 "at-large" locations in King County.

Premises of marijuana businesses cannot be within 1000' of perimeter of an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library or game arcade that admits persons under 21 years of age. The LCB rules specify that "public park" does not include trails such as the Burke-Gilman.

Although the Initiative supports the production and use of recreational marijuana, the federal government continues to treat marijuana as a "Schedule I" drug—illegal in all respects except for research studies. The U.S. Department of Justice has advised that as long as states adopting laws

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governing marijuana have “sufficiently robust” regulatory and enforcement systems” (on paper and in practice) to address the federal government’s eight identified enforcement priorities (such as preventing the distribution of marijuana to minors, preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels, and preventing the diversion of marijuana from states where it is legal under state law in some form to other states, regardless of state law), then “enforcement of state laws by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity”. If the state enforcement efforts are not sufficiently robust, the federal government may seek to challenge the regulatory system itself.

FISCAL CONSIDERATION:

None at this time. In the future, staff time will be required to review the issues surrounding marijuana businesses and operations and develop a regulatory approach.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan Vision Statement: “We see Kenmore as a community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens.

Land Use Element Policy LU-1.1.2: “Through land use policies and development regulations that are consistent with state and federal laws, limit land uses and activities that may result in harmful secondary effects to the community, such as crime, vandalism, or neighborhood deterioration. Consider spacing requirements, buffers, landscaping, access, signage controls, business license and operating requirements, as well as other mechanisms to control secondary impacts.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0362**

AN INTERIM ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, ADOPTING A SIX-MONTH MORATORIUM ON THE ACCEPTANCE AND FILING OF APPLICATIONS FOR, AND THE LICENSING, ESTABLISHMENT, LOCATION, OPERATION, MAINTENANCE AND CONTINUATION OF MARIJUANA BUSINESSES AND MARIJUANA OPERATIONS UNDER WASHINGTON STATE INITIATIVE NO. 502; SETTING A DATE FOR A PUBLIC HEARING ON THE MORATORIUM; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the cultivation, possession or distribution of cannabis (marijuana) and marijuana products has been and continues to be a violation of federal law through 21 U.S.C. § 812(c), the Controlled Substances Act ("CSA"); and

WHEREAS, two United States Attorneys (Department of Justice) in Washington state have stated that marijuana is a Schedule I controlled substance under federal law, and as such, growing, distributing and possessing marijuana in any capacity other than as part of a federally authorized research program is a violation of federal law, and also have concluded that local governmental employees who conduct and engage in marijuana regulatory activities under Washington state law are subject to prosecution under the CSA; and

WHEREAS, in 2012, in response to a letter from the Clark County, Washington, Board of Commissioners, Joseph T. Rannazzisi, Deputy Assistant Administrator, Office of Division Control, U.S. Department of Justice, Drug Enforcement Administration, stated that anyone who knowingly carries out marijuana activities that are inconsistent with the CSA but consistent with Washington state law, as well as anyone who facilitates such activities, or conspires to commit such activities, is subject to criminal prosecution under the CSA; and

WHEREAS, Initiative Measure No. 502 ("Initiative 502") was approved by the voters of Washington state on November 6, 2012, and became effective on December 6, 2012; and

WHEREAS, Initiative 502 authorizes and directs the Washington State Liquor Control Board ("LCB") to establish rules for the licensing of marijuana producers (growers), marijuana processors, and marijuana retailers (collectively, "marijuana businesses") and for the operation of such marijuana businesses; and

WHEREAS, the LCB has just issued initial draft rules, but does not anticipate adopting final rules until mid-August 2013 and does not anticipate issuing licenses for marijuana businesses until December 2013; and

WHEREAS, Initiative 502 prohibits marijuana businesses within 1,000 feet of certain uses and buildings, such as child care centers, public parks and recreation centers or facilities, but does not define such uses and buildings, creating uncertainty as to the application of the distance restriction in the City; and

WHEREAS, Initiative 502 does not address the issue of whether the LCB, in granting licenses to marijuana businesses, must comply with land use and zoning restrictions of local jurisdictions, such as the City; and

WHEREAS, such issue might be addressed by the LCB in its draft and final rules; and

WHEREAS, the regulation of marijuana businesses is a valid exercise of City police powers under Article XI, Section 11 of the State Constitution; and

WHEREAS, the establishment of land use and zoning regulations is an exercise of the police power, and is specifically authorized by RCW 35.A.63.100; and

WHEREAS, RCW 69.51A.150 authorizes the City to adopt and enforce zoning requirements, business licensing requirements and health and safety requirements pertaining to the production, processing or dispensing of marijuana and marijuana products; and

WHEREAS, the operation of marijuana businesses under Initiative 502 would be a violation of the CSA, and would be subject to the statements and conclusions of the United States Attorneys mentioned above, and the letter of Joseph T. Rannazzisi mentioned above; and

WHEREAS, because the possession or distribution of marijuana has been and remains a violation of both the Washington Uniform Controlled Substances Act and the CSA, the City has not studied or implemented zoning and licensing regulations for marijuana businesses; and

WHEREAS, given the complexity of the relevant issues, the City needs time to conduct appropriate research and analysis in order to understand the extent and impact of Initiative 502, determine the appropriate regulatory framework for the permitting, licensing and operation of marijuana businesses in the City, and monitor and provide input into the rules being developed by the LCB; and

WHEREAS, City staff has learned from other cities that persons and businesses which anticipate applying for marijuana business licenses with the LCB already have inquired about applying for city business licenses and development permits and approvals for such marijuana businesses; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to establish a zoning moratorium on marijuana businesses and marijuana operations authorized or asserted to be authorized under Initiative 502, pending consideration of land use regulations to address such marijuana businesses and marijuana operations, in view of the rules being adopted by the LCB; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to adopt a moratorium on development or land use for six-months, and hold a public hearing on the moratorium within sixty (60) days of the initial adoption of the moratorium; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the moratorium imposed by this Ordinance. The City Council may, in its discretion, adopt additional or revised findings at the conclusion of the public hearing referenced in Section 4 below.

Section 2. Moratorium. Pursuant to RCW 35A.63.220 and RCW 36.70A.390, a zoning moratorium is hereby enacted in the City that prohibits the filing and acceptance of applications for, and the licensing (including business licensing), establishment, location, operation, maintenance or continuation of marijuana businesses, or any other marijuana activities and operations asserted to be authorized or actually authorized under Washington state Initiative No. 502 ("other marijuana operations"). A "marijuana business" is marijuana producer, marijuana processor or marijuana retailer as defined in Initiative No. 502.

Section 3. No Nonconforming Uses. No use that constitutes or purports to be a marijuana business or other marijuana operation that was engaged in prior to the passage of this Ordinance shall be deemed to have been legally established under the Kenmore Municipal Code and shall not be entitled to legal nonconforming status.

Section 4. Public Hearing. As provided in RCW 35A.63.220 and RCW 36.70A.390, the City Council sets a public hearing for July 15, 2013, which shall begin at 7:00 p.m. or as soon thereafter as the business of the City Council shall permit, in order to take public testimony and consider adopting further findings justifying the imposition of the moratorium set forth in Section 2 above.

Section 5. Duration. The moratorium established in Section 2 above shall be in effect for a period of six (6) months from the effective date of this Ordinance (to and through December 24, 2013), and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 6. Authorization of City Manager. The City Manager is hereby authorized and directed to research and analyze the extent and impact of Initiative 502, to consider and develop an appropriate regulatory framework for marijuana businesses and marijuana operations in the City, and to monitor and provide input into the rules being developed by the Washington State Liquor Control Board.

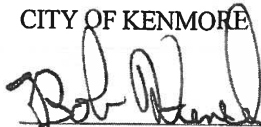
Section 7. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction,

the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

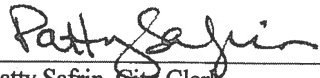
Section 8. Emergency; Effective Date. This Ordinance, as a public emergency ordinance necessary for the protection of the public health, public safety, public property, or public peace, shall take effect and be in full force immediately upon its adoption. Pursuant to Matson v. Clark County Board of Commissioners, 79 Wn.App. 641, 904 P.2d 317 (1995), underlying facts necessary to support this emergency declaration are included in the recitals set forth above, which are adopted by reference.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 24TH DAY OF JUNE, 2013.

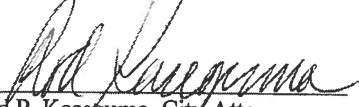
CITY OF KENMORE

 DEPUTY MAYOR
David Baker, Mayor

ATTEST/AUTHENTICATED:


Patty Safrin, City Clerk

APPROVED AS TO FORM:


Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK: June 14, 2013
PASSED BY THE CITY COUNCIL: June 24, 2013
DATE OF PUBLICATION: June 27, 2013
EFFECTIVE DATE: June 24, 2013
ORDINANCE NO.: 13-0362

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0370**

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, EXTENDING FOR SIX MONTHS THE CITY'S MORATORIUM ON THE ACCEPTANCE AND FILING OF APPLICATIONS FOR, AND THE LICENSING, ESTABLISHMENT, LOCATION, OPERATION, MAINTENANCE AND CONTINUATION OF MARIJUANA BUSINESSES AND MARIJUANA OPERATIONS UNDER WASHINGTON STATE INITIATIVE NO. 502; AMENDING SECTION 5 OF ORDINANCE 13-0362; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the cultivation, possession or distribution of cannabis (marijuana) and marijuana products has been and continues to be a violation of federal law through 21 U.S.C. § 812(c), the Controlled Substances Act ("CSA"); and

WHEREAS, two United States Attorneys (Department of Justice) in Washington state have stated that marijuana is a Schedule I controlled substance under federal law, and as such, growing, distributing and possessing marijuana in any capacity other than as part of a federally authorized research program is a violation of federal law, and also have concluded that local governmental employees who conduct and engage in marijuana regulatory activities under Washington state law are subject to prosecution under the CSA; and

WHEREAS, in 2012, in response to a letter from the Clark County, Washington, Board of Commissioners, Joseph T. Rannazzisi, Deputy Assistant Administrator, Office of Division Control, U.S. Department of Justice, Drug Enforcement Administration, stated that anyone who knowingly carries out marijuana activities that are inconsistent with the CSA but consistent with Washington state law, as well as anyone who facilitates such activities, or conspires to commit such activities, is subject to criminal prosecution under the CSA; and

WHEREAS, on November 6, 2012, the voters of the State of Washington approved Initiative Measure No. 502 ("Initiative 502"), which became effective on December 6, 2012; and

WHEREAS, Initiative 502 authorizes adult recreational use of small amounts of marijuana, and authorizes and directs the Washington State Liquor Control Board ("LCB") to establish and administer rules for the licensing of marijuana producers (growers), marijuana processors, and marijuana retailers (collectively, "marijuana businesses") and for the operation of such marijuana businesses; and

WHEREAS, on August 29, 2013, while the LCB was considering such rules, the United States Department of Justice issued a memorandum to all United States Attorneys, entitled "Guidance Regarding Marijuana Enforcement" ("Department of Justice Memorandum", in which the Department advised that as long as states adopting laws governing marijuana have "sufficiently robust" regulatory and enforcement systems" (on paper and in practice) to address the federal government's eight identified enforcement priorities (such as preventing the distribution of marijuana to minors, preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels, and preventing the diversion of marijuana from states where it is legal under state law in some form to other states, regardless of state law), then "enforcement of state laws by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity"; and

WHEREAS, in the Department of Justice Memorandum, the Department emphasized that Congress has determined marijuana to be a dangerous drug, that the illegal distribution and sale of marijuana is a serious crime and that the Department is committed to enforcement of the federal Controlled Substances Act; and

WHEREAS, in the Department of Justice Memorandum, the Department warned that "if state enforcement efforts are not sufficiently robust to protect against [the harms mentioned in the eight enforcement priorities], the federal government may seek to challenge the regulatory system itself"; and

WHEREAS, on October 16, 2013, the LCB issued rules for marijuana businesses, which become effective on November 16, 2013; and

WHEREAS, acknowledging the lack of interaction and coordination between Initiative 502 and Chapter 69.51A RCW (relating to medical marijuana), the Legislature in Section 141(2) of 3ESSB 5034, the State operating budget for the fiscal biennium of July 1, 2013 through June 30, 2015 ("Marijuana Coordination Law"), directed the LCB to work with the Departments of Revenue and Health to develop recommendations for the Legislature by January 1, 2014 regarding the interaction of medical marijuana regulations and Initiative 502; and

WHEREAS, the Marijuana Coordination Law, among other things, directs the LCB and Departments to develop recommendations on that include collective gardens, possession amounts, location requirements, medical marijuana producing, processing and retail licensing requirements, and taxation of medical marijuana in relation to recreational marijuana; and

WHEREAS, the LCB has developed Marijuana Coordination Law draft recommendations and is currently reviewing them, with a goal of finalizing them in December 2013; and

WHEREAS, the regulation of marijuana businesses is a valid exercise of City police powers under Article XI, Section 11 of the State Constitution; and

WHEREAS, the establishment of land use and zoning regulations is an exercise of the police power, and is specifically authorized by RCW 35.A.63.100; and

WHEREAS, RCW 69.51A.140 authorizes the City to adopt and enforce zoning requirements, business licensing requirements and health and safety requirements pertaining to the production, processing or dispensing of marijuana and marijuana products; and

WHEREAS, the operation of marijuana businesses under Initiative 502 would be a violation of the CSA, and would be subject to the statements and conclusions of the United States Attorneys mentioned above, the letter of Joseph T. Rannazzisi mentioned above, and the Department of Justice Memorandum mentioned above; and

WHEREAS, because the possession or distribution of marijuana has been and remains a violation of both the Washington Uniform Controlled Substances Act and the CSA, the City has not studied or implemented zoning and licensing regulations for marijuana businesses; and

WHEREAS, given the complexity of the relevant issues, the City needs time to conduct appropriate research and analysis in order to understand the extent and impact of Initiative 502, and determine the appropriate regulatory framework for the permitting, licensing and operation of marijuana businesses in the City; and

WHEREAS, persons and businesses which anticipate applying for marijuana business licenses with the LCB already have inquired about applying for city business licenses and development permits and approvals for such marijuana businesses; and

WHEREAS, on June 24, 2013, the City Council passed Ordinance No. 13-0362 (effective June 24, 2013), which prohibits the filing and acceptance of applications for, and the licensing (including business licensing), establishment, location, operation, maintenance or continuation of marijuana businesses, or any other marijuana activities and operations asserted to be authorized or actually authorized under Washington state Initiative No. 502 ("other marijuana operations"); and

WHEREAS, on July 15, 2013, the City Council held a public hearing on the zoning moratorium established in Ordinance No. 13-0362, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the moratorium, and after considering all the evidence presented at the hearing, the City Council made no changes to the moratorium; and

WHEREAS, the City Council deems it to be in the best interests of the public, and necessary for the protection of the public health, safety, property or peace, to extend for six months the zoning moratorium on marijuana businesses and marijuana operations authorized or asserted to be authorized under Initiative 502, pending consideration of land use regulations to address such marijuana businesses and marijuana operations, in view of the rules and recommendations being adopted by the LCB; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to renew a moratorium on development or land use for a six-month period if a subsequent public hearing is held and findings of fact are made prior to the renewal; and

WHEREAS, on December 2, 2013, the City Council held a public hearing on the extension for six months of the zoning moratorium established by Ordinance No. 13-0362, at which time City staff and members of the public had the opportunity to present testimony and other evidence in support of or against the extension of the moratorium; now, therefore

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the extension for six months of the moratorium imposed by Ordinance No. 13-0362.

Section 2. Extension of Moratorium. Section 5 of Ordinance No. 13-0362 is amended to read as follows:

The moratorium established in Section 2 above shall be in effect ~~for a period of six (6) months from the effective date of this Ordinance (to and through December 24, 2013)~~ until May 12, 2014, and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 2nd DAY OF DECEMBER, 2013.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

Filed with the City Clerk:

Passed by the City Council:

Ordinance No.:

Date of Publication:

Effective Date:

Chapter 314-55 WAC
MARIJUANA LICENSES, APPLICATION PROCESS, REQUIREMENTS, AND REPORTING

NEW SECTION

WAC 314-55-005 What is the purpose of this chapter? The purpose of this chapter is to outline the application process, qualifications and requirements to obtain and maintain a marijuana license and the reporting requirements for a marijuana licensee.

NEW SECTION

WAC 314-55-010 Definitions. Following are definitions for the purpose of this chapter. Other definitions are in RCW 69.50.101.

(1) "Applicant" or "marijuana license applicant" means any person or business entity who is considered by the board as a true party of interest in a marijuana license, as outlined in WAC 314-55-035.

(2) "Batch" means a quantity of marijuana-infused product containing material from one or more lots of marijuana.

(3) "Business name" or "trade name" means the name of a licensed business as used by the licensee on signs and advertising.

(4) "Child care center" means an entity that regularly provides child day care and early learning services for a group of children for periods of less than twenty-four hours licensed by the Washington state department of early learning under chapter 170-295 WAC.

(5) "Elementary school" means a school for early education that provides the first four to eight years of basic education and recognized by the Washington state superintendent of public instruction.

(6) "Financier" means any person or entity, other than a banking institution, that has made or will make an investment in the licensed business. A financier can be a person or entity that provides money as a gift, loans money to the applicant/business and expects to be paid back the amount of the loan with or without interest, or expects any percentage of the profits from the business in exchange for a loan or expertise.

(7) "Game arcade" means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under twenty-one years of age are not restricted.

(8) "Library" means an organized collection of resources made accessible to the public for reference or borrowing supported with money derived from taxation.

(9) "Licensee" or "marijuana licensee" means any person or entity that holds a marijuana license, or any person or entity who is a true party of interest in a marijuana license, as outlined in WAC 314-55-035.

(10) "Lot" means either of the following:

(a) The flowers from one or more marijuana plants of the same strain. A single lot of flowers cannot weigh more than five pounds; or

(b) The trim, leaves, or other plant matter from one or more marijuana plants. A single lot of trim, leaves, or other plant matter cannot weigh more than fifteen pounds.

(11) "Marijuana strain" means a pure breed or hybrid variety of Cannabis reflecting similar or identical combinations of properties such as appearance, taste, color, smell, cannabinoid profile, and potency.

(12) "Member" means a principal or governing person of a given entity, including but not limited to: LLC member/manager, president, vice-president, secretary, treasurer, CEO, director, stockholder, partner, general partner, limited partner. This includes all spouses of all principals or governing persons named in this definition and referenced in WAC 314-55-035.

(13) "Pesticide" means, but is not limited to: (a) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant or animal life or virus, except virus on or in a living person or other animal which is normally considered to be a pest; (b) any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and (c) any spray adjuvant. Pesticides include substances commonly referred to as herbicides, fungicides, and insecticides.

(14) "Perimeter" means a property line that encloses an area.

(15) "Plant canopy" means the square footage dedicated to live plant production, such as maintaining mother plants, propagating plants from seed to plant tissue, clones, vegetative or flowering area. Plant canopy does not include areas such as space used for the storage of fertilizers, pesticides, or other products, quarantine, office space, etc.

(16) "Playground" means a public outdoor recreation area for children, usually equipped with swings, slides, and other playground equipment, owned and/or managed by a city, county, state, or federal government.

(17) "Public park" means an area of land for the enjoyment of the public, having facilities for rest and/or recreation, such as a baseball diamond or basketball court, owned and/or managed by a city, county, state, federal government, or metropolitan park district. Public park does not include trails.

(18) "Public transit center" means a facility located outside of the public right of way that is owned and managed by a transit agency or city, county, state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route to route transfers.

(19) "Recreation center or facility" means a supervised center that provides a broad range of activities and events intended primarily for use by persons under twenty-one years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, or federal government.

(20) "Residence" means a person's address where he or she physically resides and maintains his or her abode.

(21) "Secondary school" means a high and/or middle school: A school for students who have completed their primary education, usually attended by children in grades seven to twelve and recognized by the Washington state superintendent of public instruction.

(22) "Unit" means an individually packaged marijuana-infused solid or liquid product meant to be eaten or swallowed, not to exceed ten servings or one hundred milligrams of active tetrahydrocannabinol (THC), or Delta 9.

NEW SECTION

WAC 314-55-015 General information about marijuana licenses. (1) A person or entity must meet certain qualifications to receive a marijuana license, which are continuing qualifications in order to maintain the license.

(2) All applicants and employees working in each licensed establishment must be at least twenty-one years of age.

(3) Minors restricted signs must be posted at all marijuana licensed premises.

(4) A marijuana license applicant may not exercise any of the privileges of a marijuana license until the board approves the license application.

(5) The board will not approve any marijuana license for a location where law enforcement access, without notice or cause, is limited. This includes a personal residence.

(6) The board will not approve any marijuana license for a location on federal lands.

(7) The board will not approve any marijuana retailer license for a location within another business. More than one license could be located in the same building if each licensee has their own area separated by full walls with their own entrance. Product may not be commingled.

(8) Every marijuana licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the board in a conspicuous place on the premises.

(9) In approving a marijuana license, the board reserves the right to impose special conditions as to the involvement in the operations of the licensed business of any former licensees, their former employees, or any person who does not qualify for a marijuana license.

(10) A marijuana processor or retailer licensed by the board shall conduct the processing, storage, and sale of marijuana-infused products using sanitary practices and ensure facilities are constructed, kept, and maintained in a clean and sanitary condition in accordance with rules and as prescribed by the Washington state department of agriculture under chapters 16-165 and 16-167 WAC.

(11) Marijuana licensees may not allow the consumption of marijuana or marijuana-infused products on the licensed premises.

NEW SECTION

WAC 314-55-020 Marijuana license qualifications and application process. Each marijuana license application is unique and investigated individually. The board may inquire and request documents regarding all matters in connection with the marijuana license application. The

application requirements for a marijuana license include, but are not necessarily limited to, the following:

(1) Per RCW 69.50.331, the board shall send a notice to cities and counties, and may send a notice to tribal governments or port authorities regarding the marijuana license application. The local authority has twenty days to respond with a recommendation to approve or an objection to the applicant, location, or both.

(2) The board will verify that the proposed business meets the minimum requirements for the type of marijuana license requested.

(3) The board will conduct an investigation of the applicants' criminal history and administrative violation history, per WAC 314-55-040 and 314-55-045.

(a) The criminal history background check will consist of completion of a personal/criminal history form provided by the board and submission of fingerprints to a vendor approved by the board. The applicant will be responsible for paying all fees required by the vendor for fingerprinting. These fingerprints will be submitted to the Washington state patrol and the Federal Bureau of Investigation for comparison to their criminal records. The applicant will be responsible for paying all fees required by the Washington state patrol and the Federal Bureau of Investigation.

(b) Financiers will also be subject to criminal history investigations equivalent to that of the license applicant. Financiers will also be responsible for paying all fees required for the criminal history check. Financiers must meet the three month residency requirement.

(4) The board will conduct a financial investigation in order to verify the source of funds used for the acquisition and startup of the business, the applicants' right to the real and personal property, and to verify the true party(ies) of interest.

(5) The board may require a demonstration by the applicant that they are familiar with marijuana laws and rules.

(6) The board may conduct a final inspection of the proposed licensed business, in order to determine if the applicant has complied with all the requirements of the license requested.

(7) Per RCW 69.50.331 (1)(b), all applicants applying for a marijuana license must have resided in the state of Washington for at least three months prior to application for a marijuana license. All partnerships, employee cooperatives, associations, nonprofit corporations, corporations and limited liability companies applying for a marijuana license must be formed in Washington. All members must also meet the three month residency requirement. Managers or agents who manage a licensee's place of business must also meet the three month residency requirement.

(8) Submission of an operating plan that demonstrates the applicant is qualified to hold the marijuana license applied for to the satisfaction of the board. The operating plan shall include the following elements in accordance with the applicable standards in the Washington Administrative Code (WAC).

(9) As part of the application process, each applicant must submit in a format supplied by the board an operating plan detailing the following as it pertains to the license type being sought. This operating plan must also include a floor plan or site plan drawn to scale which illustrates the entire operation being proposed. The operating plan must include the following information:

Producer	Processor	Retailer
Security	Security	Security
Traceability	Traceability	Traceability
Employee qualifications and training	Employee qualifications and training	Employee qualifications and training
Transportation of product including packaging of product for transportation	Transportation of product	
Destruction of waste product	Destruction of waste product	Destruction of waste product
Description of growing operation including growing media, size of grow space allocated for plant production, space allocated for any other business activity, description of all equipment used in the production process, and a list of soil amendments, fertilizers, other crop production aids, or pesticides, utilized in the production process	Description of the types of products to be processed at this location together with a complete description of all equipment and solvents, gases, chemicals and other compounds used to create extracts and for processing of marijuana-infused products	
Testing procedures and protocols	Testing procedures and protocols	
	Description of the types of products to be processed at this location together with a complete description of processing of marijuana-infused products	
	Description of packaging and labeling of products to be processed	
		What array of products are to be sold and how are the products to be displayed to consumers

After obtaining a license, the license holder must notify the board in advance of any substantial change in their operating plan. Depending on the degree of change, prior approval may be required before the change is implemented.

(10) Applicants applying for a marijuana license must be current in any tax obligations to the Washington state department of revenue, as an individual or as part of any entity in which they have an ownership interest. Applicants must sign an attestation that, under penalty of denial or loss of licensure, that representation is correct.

(11) The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.

(12) Upon failure to respond to the board licensing and regulation division's requests for information within the timeline provided, the application may be administratively closed or denial of the application will be sought.

NEW SECTION

WAC 314-55-035 What persons or entities have to qualify for a marijuana license? A marijuana license must be issued in the name(s) of the true party(ies) of interest.

(1) **True parties of interest** - For purposes of this title, "true party of interest" means:

True party of interest	Persons to be qualified
Sole proprietorship	Sole proprietor and spouse.
General partnership	All partners and spouses.
Limited partnership, limited liability partnership, or limited liability limited partnership	• All general partners and their spouses. • All limited partners and spouses.
Limited liability company	• All members and their spouses. • All managers and their spouses.
Privately held corporation	• All corporate officers (or persons with equivalent title) and their spouses. • All stockholders and their spouses.
Publicly held corporation	All corporate officers (or persons with equivalent title) and their spouses. All stockholders and their spouses.
Multilevel ownership structures	All persons and entities that make up the ownership structure (and their spouses).
Any entity or person (inclusive of financiers) that are expecting a percentage of the profits in exchange for a monetary loan or expertise.	Any entity or person who is in receipt of, or has the right to receive, a percentage of the gross or net profit from the licensed business during any full or partial calendar or fiscal year. Any entity or person who exercises control over the licensed business in exchange for money or expertise. For the purposes of this chapter: • "Gross profit" includes the entire gross receipts from all sales and services made in, upon, or from the licensed business. • "Net profit" means gross sales minus cost of goods sold.
Nonprofit corporations	All individuals and spouses, and entities having membership rights in accordance with the provisions of the articles of incorporation or the bylaws.

(2) For purposes of this section, "true party of interest" does not mean:

(a) A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the

lessor or property manager exercises control over or participates in the management of the business.

(b) A person who receives a bonus as an employee, if: The employee is on a fixed wage or salary and the bonus is not more than twenty-five percent of the employee's prebonus annual compensation; or the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

(c) A person or entity contracting with the applicant(s) to sell the property, unless the contract holder exercises control over or participates in the management of the licensed business.

(3) **Financiers** - The board will conduct a financial investigation as well as a criminal background of financiers.

(4) **Persons who exercise control of business** - The board will conduct an investigation of any person or entity who exercises any control over the applicant's business operations. This may include both a financial investigation and/or a criminal history background.

NEW SECTION

WAC 314-55-040 What criminal history might prevent a marijuana license applicant from receiving or keeping a marijuana license? (1) When the board processes a criminal history check on an applicant, it uses a point system to determine if the person qualifies for a license. The board will not normally issue a marijuana license or renew a license to an applicant who has accumulated eight or more points as indicated below:

Description	Time period during which points will be assigned	Points assigned
Felony conviction	Ten years	12 points
Gross misdemeanor conviction	Three years	5 points
Misdemeanor conviction	Three years	4 points
Currently under federal or state supervision for a felony conviction	n/a	8 points
Nondisclosure of any of the above	n/a	4 points each

(2) If a case is pending for an alleged offense that would earn eight or more points, the board will hold the application for the disposition of the case. If the disposition is not settled within ninety days, the board will administratively close the application.

(3) The board may not issue a marijuana license to anyone who has accumulated eight or more points as referenced above. This is a discretionary threshold and it is further recommended that the following exceptions to this standard be applied:

Exception to criminal history point assignment. This exception to the criminal history point assignment will expire on July 1, 2014:

(a) Prior to initial license application, two federal or state misdemeanor convictions for the possession only of marijuana within the previous three years may not be applicable to the criminal history points accumulated. All criminal history must be reported on the personal/criminal history form.

(i) Regardless of applicability, failure to disclose full criminal history will result in point accumulation;

(ii) State misdemeanor possession convictions accrued after December 6, 2013, exceeding the allowable amounts of marijuana, usable marijuana, and marijuana-infused products described in chapter 69.50 RCW shall count toward criminal history point accumulation.

(b) Prior to initial license application, any single state or federal conviction for the growing, possession, or sale of marijuana will be considered for mitigation on an individual basis. Mitigation will be considered based on the quantity of product involved and other circumstances surrounding the conviction.

(4) Once licensed, marijuana licensees must report any criminal convictions to the board within fourteen days.

NEW SECTION

WAC 314-55-045 What marijuana law or rule violation history might prevent an applicant from receiving a marijuana license? The board will conduct an investigation of all applicants' marijuana law or rule administrative violation history. The board will not normally issue a marijuana license to a person, or to an entity with a true party of interest, who has the following violation history; or to any person who has demonstrated a pattern of disregard for laws or rules.

Violation Type (see WAC 314-55-515)	Period of Consideration
• Three or more public safety violations;	• Violations issued within three years of the date the application is received by the board's licensing and regulation division.
• Four or more regulatory violations; or	
• One to four, or more license violations.	• Violations issued within the last three years the true party(ies) of interest were licensed.

NEW SECTION

WAC 314-55-050 Reasons the board may seek denial, suspension, or cancellation of a marijuana license application or license. Following

is a list of reasons the board may deny, suspend, or cancel a marijuana license application or license. Per RCW 69.50.331, the board has broad discretionary authority to approve or deny a marijuana license application for reasons including, but not limited to, the following:

(1) Failure to meet qualifications or requirements for the specific marijuana producer, processor, or retail license, as outlined in this chapter and chapter 69.50 RCW.

(2) Failure or refusal to submit information or documentation requested by the board during the evaluation process.

(3) The applicant makes a misrepresentation of fact, or fails to disclose a material fact to the board during the application process or any subsequent investigation after a license has been issued.

(4) Failure to meet the criminal history standards outlined in WAC 314-55-040.

(5) Failure to meet the marijuana law or rule violation history standards outlined in WAC 314-55-045.

(6) The source of funds identified by the applicant to be used for the acquisition, startup and operation of the business is questionable, unverifiable, or determined by the board to be gained in a manner which is in violation by law.

(7) Denies the board or its authorized representative access to any place where a licensed activity takes place or fails to produce any book, record or document required by law or board rule.

(8) Has been denied or had a marijuana license or medical marijuana license suspended or canceled in another state or local jurisdiction.

(9) Where the city, county, tribal government, or port authority has submitted a substantiated objection per the requirements in RCW 69.50.331 (7) and (9).

(10) The board shall not issue a new marijuana license if the proposed licensed business is within one thousand feet of the perimeter of the grounds of any of the following entities. The distance shall be measured along the most direct route over or across established public walks, streets, or other public passageway between the proposed building/business location to the perimeter of the grounds of the entities listed below:

(a) Elementary or secondary school;

(b) Playground;

(c) Recreation center or facility;

(d) Child care center;

(e) Public park;

(f) Public transit center;

(g) Library; or

(h) Any game arcade (where admission is not restricted to persons age twenty-one or older).

(11) Has failed to pay taxes or fees required under chapter 69.50 RCW or failed to provide production, processing, inventory, sales and transportation reports to documentation required under this chapter.

(12) Failure to submit an attestation that they are current in any tax obligations to the Washington state department of revenue.

(13) Has been denied a liquor license or had a liquor license suspended or revoked in this or any other state.

(14) The operating plan does not demonstrate, to the satisfaction of the board, the applicant is qualified for a license.

(15) Failure to operate in accordance with the board approved operating plan.

(16) The board determines the issuance of the license will not be in the best interest of the welfare, health, or safety of the people of the state.

NEW SECTION

WAC 314-55-070 Process if the board denies a marijuana license application. If the board denies a marijuana license application, the applicants may:

(1) Request an administrative hearing per chapter 34.05 RCW, the Administrative Procedure Act.

(2) Reapply for the license no sooner than one year from the date on the final order of denial.

NEW SECTION

WAC 314-55-075 What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license? (1) A marijuana producer license allows the licensee to produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Marijuana production must take place within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors. Outdoor production may take place in non-rigid greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a physical barrier. To obscure public view of the premises, outdoor production must be enclosed by a sight obscure wall or fence at least eight feet high. Outdoor producers must meet security requirements described in WAC 314-55-083.

(2) The application fee for a marijuana producer license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(3) The annual fee for issuance and renewal of a marijuana producer license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(4) The board will initially limit the opportunity to apply for a marijuana producer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana producer application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana producer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary.

(5) Any entity and/or principals within any entity are limited to no more than three marijuana producer licenses.

(6) The maximum amount of space for marijuana production is limited to two million square feet. Applicants must designate on their operating plan the size category of the production premises and the

amount of actual square footage in their premises that will be designated as plant canopy. There are three categories as follows:

- (a) Tier 1 - Less than two thousand square feet;
- (b) Tier 2 - Two thousand square feet to ten thousand square feet; and
- (c) Tier 3 - Ten thousand square feet to thirty thousand square feet.

(7) The board may reduce a licensee's or applicant's square footage designated to plant canopy for the following reasons:

(a) If the amount of square feet of production of all licensees exceeds the maximum of two million square feet the board will reduce the allowed square footage by the same percentage.

(b) If fifty percent production space used for plant canopy in the licensee's operating plan is not met by the end of the first year of operation the board may reduce the tier of licensure.

(8) If the total amount of square feet of marijuana production exceeds two million square feet, the board reserves the right to reduce all licensee's production by the same percentage or reduce licensee production by one or more tiers by the same percentage.

(9) The maximum allowed amount of marijuana on a producer's premises at any time is as follows:

(a) Outdoor or greenhouse grows - One and one-quarter of a year's harvest; or

(b) Indoor grows - Six months of their annual harvest.

NEW SECTION

WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processor license?

(1) A marijuana processor license allows the licensee to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers.

(2) A marijuana processor is allowed to blend tested useable marijuana from multiple lots into a single package for sale to a marijuana retail licensee providing the label requirements for each lot used in the blend are met and the percentage by weight of each lot is also included on the label.

(3) The application fee for a marijuana processor license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(4) The annual fee for issuance and renewal of a marijuana processor license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(5) The board will initially limit the opportunity to apply for a marijuana processor license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana processor application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana processor application window after the initial evaluation of the applications that are re-

ceived and processed, and at subsequent times when the board deems necessary.

(6) Any entity and/or principals within any entity are limited to no more than three marijuana processor licenses.

(7) Marijuana processor licensees are allowed to have a maximum of six months of their average useable marijuana and six months average of their total production on their licensed premises at any time.

NEW SECTION

WAC 314-55-079 What is a marijuana retailer license and what are the requirements and fees related to a marijuana retailer license? (1) A marijuana retailer license allows the licensee to sell only usable marijuana, marijuana-infused products, and marijuana paraphernalia at retail in retail outlets to persons twenty-one years of age and older.

(2) Marijuana extracts, such as hash, hash oil, shatter, and wax can be infused in products sold in a marijuana retail store, but RCW 69.50.354 does not allow the sale of extracts that are not infused in products. A marijuana extract does not meet the definition of a marijuana-infused product per RCW 69.50.101.

(3) Internet sales and delivery of product is prohibited.

(4) The application fee for a marijuana retailer's license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(5) The annual fee for issuance and renewal of a marijuana retailer's license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(6) Marijuana retailers may not sell marijuana products below their acquisition cost.

(7) Marijuana retailer licensees are allowed to have a maximum of four months of their average inventory on their licensed premises at any given time.

NEW SECTION

WAC 314-55-081 Who can apply for a marijuana retailer license?

(1) Using estimated consumption data and population data obtained from the office of financial management (OFM) population data, the liquor control board will determine the maximum number of marijuana retail locations per county.

The number of retail locations will be determined using a method that distributes the number of locations proportionate to the most populous cities within each county. Locations not assigned to a specific city will be at large. At large locations can be used for unincorporated areas in the county or in cities within the county that have no retail licenses designated. Once the number of locations per city and at large have been identified, the eligible applicants will be selected by lottery in the event the number of applications exceeds

the allotted amount for the cities and county. Any lottery conducted by the board will be witnessed by an independent third party.

(2) The number of marijuana retail licenses determined by the board can be found on the liquor control board web site at www.liq.wa.gov.

(3) Any entity and/or principals within any entity are limited to no more than three retail marijuana licenses with no multiple location licensee allowed more than thirty-three percent of the allowed licenses in any county or city.

(4) The board will initially limit the opportunity to apply for a marijuana retailer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana retailer license application to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana retailer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary.

NEW SECTION

WAC 314-55-082 Insurance requirements. Marijuana licensees shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the consumer should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the marijuana licensees. Marijuana licensees shall furnish evidence in the form of a certificate of insurance satisfactory to the board that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in license cancellation.

(1) Commercial general liability insurance: The licensee shall at all times carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of licensed activities. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the licensee or its officers, agents, representatives, assigns, or servants. The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the licensee's premises/operations, products, and personal injury. The limits of liability insurance shall not be less than one million dollars.

(2) Insurance carrier rating: The insurance required in subsection (1) of this section shall be issued by an insurance company authorized to do business within the state of Washington. Insurance is to be placed with a carrier that has a rating of A - Class VII or better in the most recently published edition of *Best's Reports*. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapters 48.15 RCW and 284-15 WAC.

(3) Additional insured. The board shall be named as an additional insured on all general liability, umbrella, and excess insurance policies. All policies shall be primary over any other valid and collectable insurance.

NEW SECTION

WAC 314-55-083 What are the security requirements for a marijuana licensee? The security requirements for a marijuana licensee are as follows:

(1) **Display of identification badge.** All employees on the licensed premises shall be required to hold and properly display an identification badge issued by the licensed employer at all times while on the licensed premises.

(2) **Alarm systems.** At a minimum, each licensed premises must have a security alarm system on all perimeter entry points and perimeter windows. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be utilized.

(3) **Surveillance system.** At a minimum, a complete video surveillance with minimum camera resolution of 640x470 pixel and must be internet protocol (IP) compatible and recording system for controlled areas within the licensed premises and entire perimeter fencing and gates enclosing an outdoor grow operation, to ensure control of the area. The requirements include image acquisition, video recording, management and monitoring hardware and support systems. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.

(a) All controlled access areas, security rooms/areas and all points of ingress/egress to limited access areas, all points of ingress/egress to the exterior of the licensed premises, and all point-of-sale (POS) areas must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet of all entry and exit points.

(b) Camera placement shall allow for the clear and certain identification of any individual on the licensed premises.

(c) All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points, and capable of clearly identifying any activities occurring within the facility or within the grow rooms in low light conditions. The surveillance system storage device must be secured on-site in a lock box, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft.

(d) All perimeter fencing and gates enclosing an outdoor grow operation must have full video surveillance capable of clearly identifying any activities occurring within twenty feet of the exterior of the perimeter. Any gate or other entry point that is part of the enclosure for an outdoor growing operation must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet of the exterior, twenty-four hours a day. A motion detection lighting system may be employed to illuminate the gate area in low light conditions.

(e) Areas where marijuana is grown, cured or manufactured including destroying waste, shall have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height which will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, allowing for the clear and certain identification of persons and activities at all times.

(f) All marijuana or marijuana-infused products that are intended to be removed or transported from marijuana producer to marijuana pro-

cessor and/or marijuana processor to marijuana retailer shall be staged in an area known as the "quarantine" location for a minimum of twenty-four hours. Transport manifest with product information and weights must be affixed to the product. At no time during the quarantine period can the product be handled or moved under any circumstances and is subject to auditing by the liquor control board or designees.

(g) All camera recordings must be continuously recorded twenty-four hours a day. All surveillance recordings must be kept for a minimum of forty-five days on the licensee's recording device. All videos are subject to inspection by any liquor control board employee or law enforcement officer, and must be copied and provided to the board or law enforcement officer upon request.

(4) **Traceability:** To prevent diversion and to promote public safety, marijuana licensees must track marijuana from seed to sale. Licensees must provide the required information on a system specified by the board. All costs related to the reporting requirements are borne by the licensee. Marijuana seedlings, clones, plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extracts and marijuana-infused products must be traceable from production through processing, and finally into the retail environment including being able to identify which lot was used as base material to create each batch of extracts or infused products. The following information is required and must be kept completely up-to-date in a system specified by the board:

(a) Key notification of "events," such as when a plant enters the system (moved from the seedling or clone area to the vegetation production area at a young age);

(b) When plants are to be partially or fully harvested or destroyed;

(c) When a lot or batch of marijuana-infused product is to be destroyed;

(d) When usable marijuana or marijuana-infused products are transported;

(e) Any theft of marijuana seedlings, clones, plants, trim or other plant material, extract, infused product, or other item containing marijuana;

(f) There is a seventy-two hour mandatory waiting period after the notification described in this subsection is given before any plant may be destroyed or a lot or batch of marijuana or marijuana-infused product may be destroyed;

(g) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before a lot of marijuana is transported from a producer to a processor;

(h) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before useable marijuana, or marijuana-infused products are transported from a processor to a retailer.

(i) Prior to reaching eight inches in height or width, each marijuana plant must be tagged and tracked individually, which typically should happen when a plant is moved from the seed germination or clone area to the vegetation production area;

(j) A complete inventory of all marijuana seedlings, clones, all plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extract and marijuana-infused products;

(k) All point of sale records;

- (l) Marijuana excise tax records;
- (m) All samples sent to an independent testing lab and the quality assurance test results;
- (n) All free samples provided to another licensee for purposes of negotiating a sale;
- (o) All samples used for testing for quality by the producer or processor;
- (p) Samples containing usable marijuana provided to retailers;
- (q) Samples provided to the board or their designee for quality assurance compliance checks; and
- (r) Other information specified by the board.

(5) **Start-up inventory for marijuana producers.** Within fifteen days of starting production operations a producer must have all non-flowering marijuana plants physically on the licensed premises. The producer must immediately record each marijuana plant that enters the facility in the traceability system during this fifteen day time frame. No flowering marijuana plants may be brought into the facility during this fifteen day time frame. After this fifteen day time frame expires, a producer may only start plants from seed or create clones from a marijuana plant located physically on their licensed premises, or purchase marijuana seeds, clones, or plants from another licensed producer.

(6) **Samples.** Free samples of usable marijuana may be provided by producers or processors, or used for product quality testing, as set forth in this section.

(a) Samples are limited to two grams and a producer may not provide any one licensed processor more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The producer must record the amount of each sample and the processor receiving the sample in the traceability system.

(b) Samples are limited to two grams and a processor may not provide any one licensed retailer more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(c) Samples are limited to two units and a processor may not provide any one licensed retailer more than six ounces of marijuana infused in solid form per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(d) Samples are limited to two units and a processor may not provide any one licensed retailer more than twenty-four ounces of marijuana-infused liquid per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(e) Samples are limited to one-half gram and a processor may not provide any one licensed retailer more than one gram of marijuana-infused extract meant for inhalation per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(f) Producers may sample one gram of useable marijuana per strain, per month for quality sampling. Sampling for quality may not take place at a licensed premises. Only the producer or employees of the licensee may sample the useable marijuana for quality. The producer must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(g) Processors may sample one unit, per batch of a new edible marijuana-infused product to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employees of the licensee may sample the edible marijuana-infused product. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(h) Processors may sample up to one quarter gram, per batch of a new marijuana-infused extract for inhalation to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employee(s) of the licensee may sample the marijuana-infused extract for inhalation. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(i) The limits described in subsection (3) of this section do not apply to the usable marijuana in sample jars that may be provided to retailers described in WAC 314-55-105(8).

(j) Retailers may not provide free samples to customers.

NEW SECTION

WAC 314-55-084 Production of marijuana. Only the following specified soil amendments, fertilizers, other crop production aids, and pesticides may be used in the production of marijuana:

(1) Materials listed or registered by the Washington state department of agriculture (WSDA) or Organic Materials Review Institute (OMRI) as allowable for use in organic production, processing, and handling under the U.S. Department of Agriculture's national organics standards, also called the National Organic Program (NOP), consistent with requirements at 7 C.F.R. Part 205.

(2) Pesticides registered by WSDA under chapter 15.58 RCW as allowed for use in the production, processing, and handling of marijuana. Pesticides must be used consistent with the label requirements.

(3) Commercial fertilizers registered by WSDA under chapter 15.54 RCW.

(4) Potting soil and other growing media available commercially in the state of Washington may be used in marijuana production. Producers growing outdoors are not required to meet land eligibility requirements outlined in 7 C.F.R. Part 205.202.

NEW SECTION

WAC 314-55-085 What are the transportation requirements for a marijuana licensee? (1) **Notification of shipment.** Upon transporting any marijuana or marijuana product, a producer, processor or retailer shall notify the board of the type and amount and/or weight of marijuana and/or marijuana products being transported, the name of transporter, times of departure and expected delivery. This information must be reported in the traceability system described in WAC 314-55-083(4).

(2) **Receipt of shipment.** Upon receiving the shipment, the licensee receiving the product shall report the amount and/or weight of marijuana and/or marijuana products received in the traceability system.

(3) **Transportation manifest.** A complete transport manifest containing all information required by the board must be kept with the product at all times.

(4) **Records of transportation.** Records of all transportation must be kept for a minimum of three years at the licensee's location.

(5) **Transportation of product.** Marijuana or marijuana products that are being transported must meet the following requirements:

(a) Only the marijuana licensee or an employee of the licensee may transport product;

(b) Marijuana or marijuana products must be in a sealed package or container approved by the board pursuant to WAC 314-55-105;

(c) Sealed packages or containers cannot be opened during transport;

(d) Marijuana or marijuana products must be in a locked, safe and secure storage compartment that is secured to the inside body/compartment of the vehicle transporting the marijuana or marijuana products;

(e) Any vehicle transporting marijuana or marijuana products must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other facilities receiving product.

NEW SECTION

WAC 314-55-086 What are the mandatory signs a marijuana licensee must post on a licensed premises? (1) Notices regarding persons under twenty-one years of age must be conspicuously posted on the premises as follows:

Type of licensee	Sign must contain the following language:	Required location of sign
Marijuana producer, marijuana processor, and marijuana retailer	"Persons under twenty-one years of age not permitted on these premises."	Conspicuous location at each entry to premises.

The board will provide the required notices, or licensees may design their own notices as long as they are legible and contain the required language.

(2) **Signs provided by the board prohibiting opening a package of marijuana or marijuana-infused product in public or consumption of marijuana or marijuana-infused products in public,** must be posted as follows:

Type of premises	Required location of sign
Marijuana retail	Posted in plain view at the main entrance to the establishment.

(3) **The premises' current and valid master license with appropriate endorsements** must be conspicuously posted on the premises and available for inspection by liquor enforcement officers.

NEW SECTION

WAC 314-55-087 What are the recordkeeping requirements for marijuana licensees? (1) Marijuana licensees are responsible to keep records that clearly reflect all financial transactions and the financial condition of the business. The following records must be kept and maintained on the licensed premises for a three-year period and must be made available for inspection if requested by an employee of the liquor control board:

(a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;

(b) Bank statements and canceled checks for any accounts relating to the licensed business;

(c) Accounting and tax records related to the licensed business and each true party of interest;

(d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;

(e) All employee records, to include training;

(f) Records of each daily application of pesticides applied to the marijuana plants or growing medium. For each application, the producer shall record the following information on the same day the application is made:

(i) Full name of each employee who applied the pesticide;

(ii) The date the pesticide was applied;

(iii) The name of the pesticide or product name listed on the registration label which was applied;

(iv) The concentration and total amount of pesticide per plant; and

(v) For outdoor production, the concentration of pesticide that was applied to the field. Liquid applications may be recorded as, but are not limited to, amount of product per one hundred gallons of liquid spray, gallons per acre of output volume, ppm, percent product in tank mix (e.g., one percent). For chemigation applications, record "inches of water applied" or other appropriate measure.

(g) Soil amendment, fertilizers, or other crop production aids applied to the growing medium or used in the process of growing marijuana;

(h) Production and processing records, including harvest and curing, weighing, destruction of marijuana, creating batches of marijuana-infused products and packaging into lots and units;

(i) Records of each batch of extracts or infused marijuana products made, including at a minimum, the lots of usable marijuana or trim, leaves, and other plant matter used (including the total weight of the base product used), any solvents or other compounds utilized, and the product type and the total weight of the end product produced, such as hash oil, shatter, tincture, infused dairy butter, etc.;

(j) Transportation records as described in WAC 314-55-085;

(k) Inventory records;

(l) All samples sent to an independent testing lab and the quality assurance test results;

(m) All free samples provided to another licensee for purposes of negotiating a sale;

(n) All samples used for testing for quality by the producer or processor;

(o) Sample jars containing usable marijuana provided to retailers; and

(p) Records of any theft of marijuana seedlings, clones, plants, trim or other plant material, extract, marijuana-infused product, or other item containing marijuana.

(2) If the marijuana licensee keeps records within an automated data processing (ADP) and/or point-of-sale (POS) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP and/or POS system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If printouts of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP and/or POS portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

(3) The provisions contained in subsections (1) and (2) of this section do not eliminate the requirement to maintain source documents, but they do allow the source documents to be maintained in some other location.

NEW SECTION

WAC 314-55-089 What are the tax and reporting requirements for marijuana licensees? (1) Marijuana licensees must submit monthly report(s) and payments to the board. The required monthly reports must be:

(a) On a form or electronic system designated by the board;

(b) Filed every month, including months with no activity or payment due;

(c) Submitted, with payment due, to the board on or before the twentieth day of each month, for the previous month. (For example, a report listing transactions for the month of January is due by February 20th.) When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day;

(d) Filed separately for each marijuana license held; and

(e) All records must be maintained and available for review for a three-year period on licensed premises (see WAC 314-55-087).

(2) **Marijuana producer licensees:** On a monthly basis, marijuana producers must maintain records and report purchases from other licensed marijuana producers, current production and inventory on hand, sales by product type, and lost and destroyed product in a manner prescribed by the board.

A marijuana producer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale to a licensed marijuana processor.

(3) **Marijuana processor licensees:** On a monthly basis, marijuana processors must maintain records and report purchases from licensed marijuana producers, production of marijuana-infused products, sales by product type to marijuana retailers, and lost and/or destroyed product in a manner prescribed by the board.

A marijuana processor licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale of usable marijuana and marijuana-infused product to a licensed marijuana retailer.

(4) **Marijuana retailer's licensees:** On a monthly basis, marijuana retailers must maintain records and report purchases from licensed marijuana processors, sales by product type to consumers, and lost and/or destroyed product in a manner prescribed by the board.

A marijuana retailer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each retail sale of usable marijuana or marijuana-infused products.

NEW SECTION

WAC 314-55-092 What if a marijuana licensee fails to report or pay, or reports or pays late? (1) If a marijuana licensee does not submit its monthly reports and payment(s) to the board as required in WAC 314-55-089: The licensee is subject to penalties.

Penalties: A penalty of two percent per month will be assessed on any payments postmarked after the twentieth day of the month following the month of sale. When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day.

(2) Failure to make a report and/or pay the license taxes and/or penalties in the manner and dates outlined in WAC 314-55-089 will be sufficient grounds for the board to suspend or revoke a marijuana license.

NEW SECTION

WAC 314-55-095 Marijuana servings and transaction limitations. Marijuana dosage and transaction limitations are as follows:

(1) **Single serving.** A single serving of a marijuana-infused product amounts to ten milligrams active tetrahydrocannabinol (THC), or Delta 9.

(2) **Maximum number of servings.** The maximum number of servings in any one single unit of marijuana-infused product meant to be eaten or swallowed is ten servings or one hundred milligrams of active THC, or Delta 9. A single unit of marijuana-infused extract for inhalation cannot exceed one gram.

(3) **Transaction limitation.** A single transaction is limited to one ounce of usable marijuana, sixteen ounces of marijuana-infused product in solid form, seven grams of marijuana-infused extract for inhalation, and seventy-two ounces of marijuana-infused product in liquid form for persons twenty-one years of age and older.

NEW SECTION

WAC 314-55-097 Marijuana waste disposal-Liquids and solids. (1) Solid and liquid wastes generated during marijuana production and processing must be stored, managed, and disposed of in accordance with applicable state and local laws and regulations.

(2) Wastewater generated during marijuana production and processing must be disposed of in compliance with applicable state and local laws and regulations.

(3) Wastes from the production and processing of marijuana plants must be evaluated against the state's dangerous waste regulations (chapter 173-303 WAC) to determine if those wastes designate as dangerous waste. It is the responsibility of each waste generator to properly evaluate their waste to determine if it designates as a dangerous waste. If a generator's waste does designate as a dangerous waste, then that waste(s) is subject to the applicable management standards found in chapter 173-303 WAC.

(a) Wastes that must be evaluated against the dangerous waste regulations include, but are not limited to, the following:

(i) Waste from marijuana flowers, trim and solid plant material used to create an extract (per WAC 315-55-104).

(ii) Waste solvents used in the marijuana process (per WAC 315-55-104).

(iii) Discarded plant waste, spent solvents and laboratory wastes from any marijuana processing or quality assurance testing.

(iv) Marijuana extract that fails to meet quality testing.

(b) Marijuana wastes that do not designate as dangerous shall be managed in accordance with subsection (4) of this section.

(c) A marijuana plant, usable marijuana, trim and other plant material in itself is not considered dangerous waste as defined under chapter 173-303 WAC unless it has been treated or contaminated with a solvent.

(4) Marijuana waste that does not designate as dangerous waste (per subsection (3) of this section) must be rendered unusable following the methods in subsection (5) of this section prior to leaving a licensed producer, processor, retail facility, or laboratory. Disposal of the marijuana waste rendered unusable must follow the methods under subsection (6) of this section.

(a) Wastes that must be rendered unusable prior to disposal include, but are not limited to, the following:

(i) Waste evaluated per subsection (3) of this section and determined to not designate as "Dangerous Waste."

(ii) Marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.

(iii) Solid marijuana sample plant waste possessed by third-party laboratories accredited by the board to test for quality assurance that must be disposed of.

(iv) Other wastes as determined by the LCB.

(b) A producer or processor must provide the board a minimum of seventy-two hours notice in the traceability system described in WAC 314-55-083(4) prior to rendering the product unusable and disposing of it.

(5) The allowable method to render marijuana plant waste unusable is by grinding and incorporating the marijuana plant waste with other ground materials so the resulting mixture is at least fifty percent

nonmarijuana waste by volume. Other methods to render marijuana waste unusable must be approved by LCB before implementation.

Material used to grind with the marijuana falls into two categories: Compostable waste and noncompostable waste.

(a) Compostable mixed waste: Marijuana waste to be disposed as compost feedstock or in another organic waste method (for example, anaerobic digester) may be mixed with the following types of waste materials:

- (i) Food waste;
- (ii) Yard waste;
- (iii) Vegetable based grease or oils; or
- (iv) Other wastes as approved by the LCB.

(b) Noncompostable mixed waste: Marijuana waste to be disposed in a landfill or another disposal method (for example, incinerator) may be mixed with the following types of waste materials:

- (i) Paper waste;
- (ii) Cardboard waste;
- (iii) Plastic waste;
- (iv) Soil; or
- (v) Other wastes as approved by the LCB.

(6) Marijuana wastes rendered unusable following the method described in subsection (4) of this section can be disposed.

(a) Disposal of the marijuana waste rendered unusable may be delivered to a permitted solid waste facility for final disposition. Examples of acceptable permitted solid waste facilities include:

- (i) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.
- (ii) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.

(b) Disposal of the marijuana waste rendered unusable may be managed on-site by the generator in accordance with the standards of chapter 173-350 WAC.

(c) A record of the final destination of marijuana waste rendered unusable.

NEW SECTION

WAC 314-55-099 Standardized scales. (1) Marijuana producer and processor licensees must have at least one scale on the licensed premises for the traceability and inventory of products.

(2) The scales and other measuring devices are subject to chapter 19.94 RCW, and must meet the requirements of the most current version of chapters 16-662 and 16-664 WAC.

(3) Licensees must register scales on a business license application with business license services through the department of revenue as required under chapter 19.94 RCW.

NEW SECTION

WAC 314-55-102 Quality assurance testing. (1) A person with financial interest in an accredited third-party testing lab may not have

direct or indirect financial interest in a licensed marijuana producer or processor for whom they are conducting required quality assurance tests.

(2) As a condition of accreditation, each lab must employ a scientific director responsible to ensure the achievement and maintenance of quality standards of practice. The scientific director shall meet the following minimum qualifications:

(a) Has earned, from a college or university accredited by a national or regional certifying authority a doctorate in the chemical or biological sciences and a minimum of two years' post-degree laboratory experience; or

(b) Has earned a master's degree in the chemical or biological sciences and has a minimum of four years' of post-degree laboratory experience; or

(c) Has earned a bachelor's degree in the chemical or biological sciences and has a minimum of six years of post-education laboratory experience.

(3) As a condition of accreditation, labs must follow the most current version of the Cannabis Inflorescence and Leaf monograph published by the *American Herbal Pharmacopoeia* or notify the board what alternative scientifically valid testing methodology the lab is following for each quality assurance test. The board may require third-party validation of any monograph or analytical method followed by the lab to ensure the methodology produces scientifically accurate results prior to them using those standards when conducting required quality assurance tests.

(4) As a condition of accreditation, the board may require third-party validation and ongoing monitoring of a lab's basic proficiency to correctly execute the analytical methodologies employed by the lab.

(5) Labs must adopt and follow minimum good lab practices (GLPs), and maintain internal standard operating procedures (SOPs), and a quality control/quality assurance (QC/QA) program as specified by the board. The board or authorized third-party organization can conduct audits of a lab's GLPs, SOPs, QC/QA, and inspect all other related records.

(6) The general body of required quality assurance tests for marijuana flowers, infused products, and extracts may include moisture content, potency analysis, foreign matter inspection, microbiological screening, pesticide and other chemical residue and metals screening, and residual solvents levels.

(7) Table of required quality assurance tests.

Product	Test(s) Required	Sample Size Needed to Complete all Tests
Flowers to be sold as usable marijuana (see note below)	1. Moisture content 2. Potency analysis 3. Foreign matter inspection 4. Microbiological screening	Up to 7 grams
Flowers to be used to make an extract (nonsolvent) like kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources	None	None
Extract (nonsolvent) like kief, hashish, bubble hash or infused dairy butter, or oils or fats derived from natural sources	1. Potency analysis 2. Foreign matter inspection 3. Microbiological screening	Up to 7 grams
Flowers to be used to make an extract (solvent based), made with a CO ₂ extractor, or with a food grade ethanol or glycerin	1. Foreign matter inspection 2. Microbiological screening	Up to 7 grams

Product	Test(s) Required	Sample Size Needed to Complete all Tests
Extract (solvent based) made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the board of at least 99% purity	1. Potency analysis 2. Residual solvent test 3. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Extract made with a CO ₂ extractor like hash oil	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Extract made with food grade ethanol	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Extract made with food grade glycerin or propylene glycol	1. Potency analysis	Up to 1 gram
Infused edible	1. Potency analysis 2. Microbiological screening	1 unit
Infused liquid like a soda or tonic	1. Potency analysis 2. Microbiological screening	1 unit
Infused topical	1. Potency analysis	1 unit

(8) Independent testing labs may request additional sample material in excess of amounts listed in the table in subsection (7) of this section for the purposes of completing required quality assurance tests. Labs meeting the board's accreditation requirements may retrieve samples from a marijuana licensee's licensed premises and transport the samples directly to the lab.

(9) Labs meeting the board's accreditation requirements are not limited in the amount of useable marijuana and marijuana products they may have on their premises at any given time, but they must have records to prove all marijuana and marijuana-infused products only for the testing purposes described in WAC 314-55-102.

(10) At the discretion of the board, a producer or processor must provide an employee of the board or their designee samples in the amount listed in subsection (7) of this section for random compliance checks. Samples may be screened for pesticides and chemical residues, unsafe levels of metals, and used for other quality assurance tests deemed necessary by the board. All costs of this testing will be borne by the producer or processor.

(11) No lot of usable flower or batch of marijuana-infused product may be sold or transported until the completion of all required quality assurance testing.

(12) Any useable marijuana or marijuana-infused product that passed the required quality assurance tests may be labeled as "Class A." Only "Class A" useable marijuana or marijuana-infused product will be allowed to be sold.

(13) If a lot of marijuana flowers fail a quality assurance test, any marijuana plant trim, leaf and other usable material from the same plants automatically fails quality assurance testing also. Upon approval of the board, a lot that fails a quality assurance test may be used to make a CO₂ or solvent based extract. After processing, the CO₂ or solvent based extract must still pass all required quality assurance tests in WAC 314-55-102.

(14) At the request of the producer or processor, the board may authorize a retest to validate a failed test result on a case-by-case basis. All costs of the retest will be borne by the producer or the processor.

NEW SECTION

WAC 314-55-104 Marijuana processor license extraction requirements. (1) Processors are limited to certain methods, equipment, solvents, gases and mediums when creating marijuana extracts.

(2) Processors may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the board. These solvents must be of at least ninety-nine percent purity and a processor must use them in a professional grade closed loop extraction system designed to recover the solvents, work in a spark free environment with proper ventilation, and follow all applicable local fire, safety and building codes in processing and the storage of the solvents.

(3) Processors may use a professional grade closed loop CO₂ gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch and follow all applicable local fire, safety and building codes in processing and the storage of the solvents. The CO₂ must be of at least ninety-nine percent purity.

(4) Processors may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(5) Processors may use food grade glycerin, ethanol, and propylene glycol solvents to create extracts.

(6) Processors creating marijuana extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace. Any person using solvents or gases in a closed looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

(7) Parts per million for one gram of finished extract cannot exceed 500 parts per million or residual solvent or gas when quality assurance tested per RCW 69.50.348.

NEW SECTION

WAC 314-55-105 Packaging and labeling requirements. (1) All usable marijuana and marijuana products must be stored behind a counter or other barrier to ensure a customer does not have direct access to the product.

(2) Any container or packaging containing usable marijuana or marijuana products must protect the product from contamination and must not impart any toxic or deleterious substance to the usable marijuana or marijuana product.

(3) Upon the request of a retail customer, a retailer must disclose the name of the accredited third-party testing lab and results of the required quality assurance test for any usable marijuana or other marijuana product the customer is considering purchasing.

(4) usable marijuana and marijuana products may not be labeled as organic unless permitted by the United States Department of Agriculture in accordance with the Organic Foods Production Act.

(5) The accredited third-party testing lab and required results of the quality assurance test must be included with each lot and disclosed to the customer buying the lot.

(6) A marijuana producer must make quality assurance test results available to any processor purchasing product. A marijuana producer must label each lot of marijuana with the following information:

- (a) Lot number;
- (b) UBI number of the producer; and
- (c) Weight of the product.

(7) Marijuana-infused products meant to be eaten, swallowed, or inhaled, must be packaged in child resistant packaging in accordance with Title 16 C.F.R. 1700 of the Poison Prevention Packaging Act or use standards specified in this subsection. Marijuana-infused product in solid or liquid form may be packaged in plastic four mil or greater in thickness and be heat sealed with no easy-open tab, dimple, corner, or flap as to make it difficult for a child to open and as a tamper-proof measure. Marijuana-infused product in liquid form may also be sealed using a metal crown cork style bottle cap.

(8) A processor may provide a retailer free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. The sample jar may not contain more than three and one-half grams of usable marijuana. The sample jar and the usable marijuana within may not be sold to a customer and must be either returned to the licensed processor who provide the usable marijuana and sample jar or destroyed by the retailer after use in the manner described in WAC 314-55-097 and noted in the traceability system.

(9) A producer or processor may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight, or smell of the usable marijuana.

(10) Labels must comply with the version of NIST Handbook 130, Uniform Packaging and Labeling Regulation adopted in chapter 16-662 WAC.

(11) All usable marijuana when sold at retail must include accompanying material that contains the following warnings that state:

- (a) "Warning: This product has intoxicating effects and may be habit forming. Smoking is hazardous to your health";
- (b) "There may be health risks associated with consumption of this product";
- (c) "Should not be used by women that are pregnant or breast feeding";
- (d) "For use only by adults twenty-one and older. Keep out of reach of children";
- (e) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";
- (f) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production and processing.

(12) All marijuana-infused products sold at retail must include accompanying material that contains the following warnings that state:

- (a) "There may be health risks associated with consumption of this product";
- (b) "This product is infused with marijuana or active compounds of marijuana";
- (c) "Should not be used by women that are pregnant or breast feeding";

(d) "For use only by adults twenty-one and older. Keep out of reach of children";

(e) "Products containing marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";

(f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours";

(g) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production of the base marijuana used to create the extract added to the infused product; and

(h) Statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.

(13) **Labels affixed to the container or package containing usable marijuana sold at retail must include:**

(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the usable marijuana;

(b) Lot number;

(c) Concentration of THC, THCA, CBD, including a total of active cannabinoids (potency profile);

(d) Net weight in ounces and grams or volume as appropriate;

(e) Warnings that state: "This product has intoxicating effects and may be habit forming";

(f) Statement that "This product may be unlawful outside of Washington state";

(g) Date of harvest.

(h) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.

(14) **Sample label mock up for a container or package containing usable marijuana sold at retail with required information:**

UBI: 1234567890010001	Lot#: 1423
Date of Harvest: 4-14	
<i>The Best Resins</i>	
Blueberry haze	
16.7 % THC 1.5% CBD	
Warning – This product has intoxicating effect and may be habit forming	
<u>THIS PRODUCT IS UNLAWFUL OUTSIDE WASHINGTON STATE</u>	
Net weight: 7 grams	

(15) **Labels affixed to the container or package containing marijuana-infused products sold at retail must include:**

(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the usable marijuana;

(b) Lot numbers of all base marijuana used to create the extract;

(c) Batch number;

(d) Date manufactured;

- (e) Best by date;
 - (f) Recommended serving size and the number of servings contained within the unit, including total milligrams of active tetrahydrocannabinol (THC), or Delta 9;
 - (g) Net weight in ounces and grams, or volume as appropriate;
 - (h) List of all ingredients and any allergens;
 - (i) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours."
 - (j) If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;
 - (k) Warnings that state: "This product has intoxicating effects and may be habit forming";
 - (l) Statement that "This product may be unlawful outside of Washington state";
 - (m) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.
- (16) **Sample label mock up (front and back) for a container or package containing marijuana-infused products sold at retail with required information:**

(Front of label)

UBI: 1234567890010001	Batch#: 5463
The Best Resins	
<i>Space cake</i>	
CAUTION: when eaten the effects of this product can be delayed by as much as two hours.	
Net weight: 6oz (128grams)	
THIS PRODUCT IS UNLAWFUL OUTSIDE WASHINGTON STATE	

(Back of label)

Manufactured at: 111 Old Hwy Rd., Mytown, WA on 1/14/14 Best by 2/1/14
INGREDIENTS: Flour, Butter, Canola oil, Sugar, Chocolate, Marijuana, Strawberries, CONTAINS ALLERGENS: Milk, Wheat,
Serving size: 10 MG of THC This product contains 10 servings and a total of 100 MG of THC
Warning- This product has intoxicating effects and may be habit forming

NEW SECTION

WAC 314-55-120 Ownership changes. (1) Licensees must receive prior board approval before making any of the following ownership changes (see WAC 314-55-035 for the definition of "true party of interest"):

Type of change	Type of application	Fee
Change in the qualifying persons in a: Sole proprietorship, general partnership, limited partnership, or limited liability partnership.	New application.	Application fee and annual fee for current license privilege.
Change in the qualifying persons for a publicly or privately held corporation. The board will waive the fee for a corporate change when the proposed change consists solely of dropping an approved officer.	Application for change in corporate officer and/or stockholder.	\$75
Change in the qualifying persons in a limited liability company.	Application for change of limited liability company member and/or manager.	\$75

(2) The board may inquire into all matters in connection with any such sale of stock/units or proposed change in officers/members.

NEW SECTION

WAC 314-55-125 Change of location. (1) Changing your marijuana license to a new location requires an application, per the process outlined in WAC 314-55-020.

(2) A change of location occurs any time a move by the licensee results in any change to the physical location address.

NEW SECTION

WAC 314-55-130 Change of business name. (1) If you wish to change the name of your business, you must apply for a change of trade name with the department of revenue, business license service.

(2) If you wish to change your corporation or limited liability company name, you must apply for a change of name through the secretary of state.

(3) See chapter 434-12 WAC for guidelines for trade names.

NEW SECTION

WAC 314-55-135 Discontinue marijuana sales. You must notify the board's enforcement and education division in writing if you plan to stop doing business for more than thirty days, or if you plan to permanently discontinue marijuana sales.

NEW SECTION

WAC 314-55-140 Death or incapacity of a marijuana licensee. (1) The appointed guardian, executor, administrator, receiver, trustee, or assignee must notify the board's licensing and regulation division in the event of the death, incapacity, receivership, bankruptcy, or assignment for benefit of creditors of any licensee.

(2) The board may give the appointed guardian, executor, administrator, receiver, trustee, or assignee written approval to continue marijuana sales on the licensed business premises for the duration of the existing license and to renew the license when it expires.

(a) The person must be a resident of the state of Washington.

(b) A criminal background check may be required.

(3) When the matter is resolved by the court, the true party(ies) of interest must apply for a marijuana license for the business.

NEW SECTION

WAC 314-55-145 Are marijuana license fees refundable? When a license is suspended or canceled, or the licensed business is discontinued, the unused portion of the marijuana license fee will not be refunded.

NEW SECTION

WAC 314-55-147 What hours may a marijuana retailer licensee conduct sales? A marijuana retailer licensee may sell usable marijuana, marijuana-infused products, and marijuana paraphernalia between the hours of 8 a.m. and 12 a.m.

NEW SECTION

WAC 314-55-150 What are the forms of acceptable identification?

(1) Following are the forms of identification that are acceptable to verify a person's age for the purpose of purchasing marijuana:

(a) Driver's license, instruction permit, or identification card of any state, or province of Canada, from a U.S. territory or the Dis-

trict of Columbia, or "identicard" issued by the Washington state department of licensing per RCW 46.20.117;

(b) United States armed forces identification card issued to active duty, reserve, and retired personnel and the personnel's dependents, which may include an embedded, digital signature in lieu of a visible signature;

(c) Passport;

(d) Merchant Marine identification card issued by the United States Coast Guard; and

(e) Enrollment card issued by the governing authority of a federally recognized Indian tribe located in Washington, if the enrollment card incorporates security features comparable to those implemented by the department of licensing for Washington driver's licenses.

(2) The identification document is not acceptable to verify age if expired.

NEW SECTION

WAC 314-55-155 Advertising. (1) **Advertising by retail licensees.** The board limits each retail licensed premises to one sign identifying the retail outlet by the licensee's business name or trade name that is affixed or hanging in the windows or on the outside of the premises that is visible to the general public from the public right of way. The size of the sign is limited to sixteen hundred square inches.

(2) **General.** All marijuana advertising and labels of useable marijuana and marijuana-infused products sold in the state of Washington may not contain any statement, or illustration that:

(a) Is false or misleading;

(b) Promotes over consumption;

(c) Represents the use of marijuana has curative or therapeutic effects;

(d) Depicts a child or other person under legal age to consume marijuana, or includes:

(i) Objects, such as toys, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or

(ii) Is designed in any manner that would be especially appealing to children or other persons under twenty-one years of age.

(3) No licensed marijuana producer, processor, or retailer shall place or maintain, or cause to be placed or maintained, an advertisement of marijuana, usable marijuana, or a marijuana-infused product in any form or through any medium whatsoever:

(a) Within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, library, or a game arcade admission to which it is not restricted to persons aged twenty-one years or older;

(b) On or in a public transit vehicle or public transit shelter; or

(c) On or in a publicly owned or operated property.

(4) Giveaways, coupons, and distribution of branded merchandise are banned.

(5) All advertising must contain the following warnings:

(a) "This product has intoxicating effects and may be habit forming.";

(b) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug.";

(c) "There may be health risks associated with consumption of this product."; and

(d) "For use only by adults twenty-one and older. Keep out of the reach of children."

NEW SECTION

WAC 314-55-160 Objections to marijuana license applications. (1) **How can persons, cities, counties, tribal governments, or port authorities object to the issuance of a marijuana license?** Per RCW 69.50.331, the board will notify cities, counties, tribal governments, and port authorities of the following types of marijuana applications. In addition to these entities, any person or group may comment in writing to the board regarding an application.

Type of application	Entities the board will/may notify
• Applications for an annual marijuana license at a new location.	• Cities and counties in which the premises is located will be notified. Tribal governments and port authorities in which the premises is located may be notified.
• Applications to change the class of an existing annual marijuana license.	
• Changes of ownership at existing licensed premises.	• Cities and counties in which the premises is located will be notified. Tribal governments and port authorities in which the premises is located may be notified.

(2) **What will happen if a person or entity objects to a marijuana license application?** When deciding whether to issue or deny a marijuana license application, the board will give substantial weight to input from governmental jurisdictions in which the premises is located based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other licensed premises; and other persons or groups. Note: Per RCW 69.50.331, the board shall not issue a new marijuana license if any of the following are within one thousand feet of the premises to be licensed: Any elementary or secondary schools, playgrounds, recreation centers or facilities, child care centers, public

parks, public transit centers, libraries, game arcade where admission is not restricted to persons twenty-one years of age or older.

(a) If the board contemplates issuing a license over the objection of a governmental jurisdiction in which the premises is located, the government subdivision may request an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. If the board, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.

(b) If the board denies a marijuana license application based on the objection from a governmental jurisdiction, the applicant(s) may either:

(i) Reapply for the license no sooner than one year from the date on the final order of denial; or

(ii) Submit a written request on a form provided by the board for an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. The request must be received within twenty days of the date the intent to deny notification was mailed.

NEW SECTION

WAC 314-55-165 Objections to marijuana license renewals. (1) How can local cities, counties, tribal governments, or port authorities object to the renewal of a marijuana license?

(a) The board will give governmental jurisdictions approximately ninety days written notice of premises that hold annual marijuana licenses in that jurisdiction that are up for renewal.

(b) Per RCW 69.50.331, if a county, city, tribal government, or port authority wants to object to the renewal of a marijuana license in its jurisdiction, it must submit a letter to the board detailing the reason(s) for the objection and a statement of all facts on which the objections are based.

(c) The county, city, tribal government, or port authority may submit a written request to the board for an extension for good cause shown.

(d) This letter must be received by the board at least thirty days before the marijuana license expires. The objection must state specific reasons and facts that show issuance of the marijuana license at the proposed location or to the applicant business how it will detrimentally impact the safety, health, or welfare of the community.

(e) If the objection is received within thirty days of the expiration date or the licensee has already renewed the license, the objection will be considered as a complaint and possible license revocation may be pursued by the enforcement division.

(f) Objections from the public will be referred to the appropriate city, county, tribal government, or port authority for action under subsection (2) of this section. Upon receipt of the objection, the board licensing and regulation division will acknowledge receipt of the objection(s) and forward to the appropriate city, county, tribal government, or port authority. Such jurisdiction may or may not, based on the public objection, request nonrenewal.

(2) What will happen if a city, county, tribal government, or port authority objects to the renewal of a marijuana license? The board will give substantial weight to a city, county, tribal govern-

ment, or port authority objection to a marijuana license renewal of a premises in its jurisdiction based upon chronic illegal activity associated with the licensee's operation of the premises. Based on the jurisdiction's input and any information in the licensing file, the board will decide to either renew the marijuana license, or to pursue nonrenewal.

(a) Board decides to renew the marijuana license:	(b) Board decides to pursue nonrenewal of the marijuana license:
(i) The board will notify the jurisdiction(s) in writing of its intent to renew the license, stating the reason for this decision. (ii) The jurisdiction(s) may contest the renewal and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to renew notification was mailed. If the board, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.	(i) The board will notify the licensee in writing of its intent to not renew the license, stating the reason for this decision. (ii) The licensee may contest the nonrenewal action and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to deny notification was mailed. (iii) If the licensee requests a hearing, the governmental jurisdiction will be notified. (iv) During the hearing and any subsequent appeal process, the licensee is issued a temporary operating permit for the marijuana license until a final decision is made.

NEW SECTION

WAC 314-55-505 What are the procedures for notifying a licensee of an alleged violation of a liquor control board statute or regulation? (1) When an enforcement officer believes that a licensee has violated a board statute or regulation, the officer may prepare an administrative violation notice (AVN) and mail or deliver the notice to the licensee, licensee's agent, or employee.

(2) The AVN notice will include:

- (a) A complete narrative description of the violation(s) the officer is charging;
- (b) The date(s) of the violation(s);
- (c) A copy of the law(s) and/or regulation(s) allegedly violated;
- (d) An outline of the licensee's options as outlined in WAC 314-55-510; and
- (e) The recommended penalty.

(i) If the recommended penalty is the standard penalty, see WAC 314-55-520 through 314-55-535 for licensees.

(ii) For cases in which there are aggravating or mitigating circumstances, the penalty may be adjusted from the standard penalty.

NEW SECTION

WAC 314-55-506 What is the process once the board summarily suspends a marijuana license? (1) The board may summarily suspend any license after the board's enforcement division has completed a preliminary staff investigation of the violation and upon a determination that immediate cessation of the licensed activities is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Suspension of any license under this provision shall take effect immediately upon personal service on the licensee or employee thereof of the summary suspension order unless otherwise provided in the order.

(3) When a license has been summarily suspended by the board, an adjudicative proceeding for revocation or other action must be promptly instituted before an administrative law judge assigned by the office of administrative hearings. If a request for an administrative hearing is timely filed by the licensee or permit holder, then a hearing shall be held within ninety days of the effective date of the summary suspension ordered by the board.

NEW SECTION

WAC 314-55-507 How may a licensee challenge the summary suspension of his or her marijuana license? (1) Upon summary suspension of a license by the board pursuant to WAC 314-55-506, an affected licensee may petition the board for a stay of suspension pursuant to RCW 34.05.467 and 34.05.550(1). A petition for a stay of suspension must be received by the board within fifteen days of service of the summary suspension order. The petition for stay shall state the basis on which the stay is sought.

(2) A hearing shall be held before an administrative law judge within fourteen days of receipt of a timely petition for stay. The hearing shall be limited to consideration of whether a stay should be granted, or whether the terms of the suspension may be modified to allow the conduct of limited activities under current licenses or permits.

(3) Any hearing conducted pursuant to subsection (2) of this section shall be a brief adjudicative proceeding under RCW 34.05.485. The agency record for the hearing shall consist of the documentary information upon which the summary suspension was based. The licensee or permit holder shall have the burden of demonstrating by clear and convincing evidence that:

(a) The licensee is likely to prevail upon the merits at hearing;

(b) Without relief, the licensee will suffer irreparable injury. For purposes of this section, elimination of income from licensed activities shall not be deemed irreparable injury;

(c) The grant of relief will not substantially harm other parties to the proceedings; and

(d) The threat to the public health, safety, or welfare is not sufficiently serious to justify continuation of the suspension, or that modification of the terms of the suspension will adequately protect the public interest.

(4) The initial order on stay shall be effective immediately upon service unless another date is specified in the order.

NEW SECTION

WAC 314-55-508 Review of orders on stay. (1) The licensee, or agency, may petition the board for review of an initial order on stay. Any petition for review must be in writing and received by the board within ten days of service of the initial order. If neither party has requested review within ten days of service, the initial order shall be deemed the final order of the board for purposes of RCW 34.05.467.

(2) If the board receives a timely petition for review, the board shall consider the petition within fifteen days of service of the petition for review. Consideration on review shall be limited to the record of the hearing on stay.

(3) The order of the board on the petition for review shall be effective upon personal service unless another date is specified in the order and is final pursuant to RCW 34.05.467. Final disposition of the petition for stay shall not affect subsequent administrative proceedings for suspension or revocation of a license.

NEW SECTION

WAC 314-55-510 What options does a licensee have once he/she receives a notice of an administrative violation? (1) **A licensee has twenty days from receipt of the notice to:**

- (a) Accept the recommended penalty; or
- (b) Request a settlement conference in writing; or
- (c) Request an administrative hearing in writing.

A response must be submitted on a form provided by the agency.

(2) What happens if a licensee does not respond to the administrative violation notice within twenty days?

(a) If a licensee does not respond to the administrative violation notice within twenty days, the recommended suspension penalty will go into effect.

(b) If the penalty does not include a suspension, the licensee must pay a twenty-five percent late fee in addition to the recommended penalty. The recommended penalty plus the late fee must be received within thirty days of the violation notice issue date.

(3) What are the procedures when a licensee requests a settlement conference?

(a) If the licensee requests a settlement conference, the hearing examiner or designee will contact the licensee to discuss the violation.

(b) Both the licensee and the hearing examiner or designee will discuss the circumstances surrounding the charge, the recommended penalty, and any aggravating or mitigating factors.

(c) If a compromise is reached, the hearing examiner or designee will prepare a compromise settlement agreement. The hearing examiner or designee will forward the compromise settlement agreement, authorized by both parties, to the board, or designee, for approval.

(i) If the board, or designee, approves the compromise, a copy of the signed settlement agreement will be sent to the licensee and will become part of the licensing history.

(ii) If the board, or designee, does not approve the compromise, the licensee will be notified of the decision. The licensee will be given the option to renegotiate with the hearings examiner or designee, of accepting the originally recommended penalty, or of requesting an administrative hearing on the charges.

(d) If the licensee and the hearing examiner or designee cannot reach agreement on a settlement proposal, the licensee may accept the originally recommended penalty, or the hearing examiner or designee will forward a request for an administrative hearing to the board's hearings coordinator.

NEW SECTION

WAC 314-55-515 What are the penalties if a marijuana license holder violates a marijuana law or rule? (1) The purpose of WAC 314-55-515 through 314-55-540 is to outline what penalty a marijuana licensee can expect if a licensee or employee violates a liquor control board law or rule. (WAC rules listed in the categories provide reference areas, and may not be all inclusive.)

(2) Penalties for violations by marijuana licensees or employees are broken down into four categories:

(a) Group One—Public safety violations, WAC 314-55-520.

(b) Group Two—Regulatory violations, WAC 314-55-525.

(c) Group Three—License violations, WAC 314-55-530.

(d) Group Four—Producer violations involving the manufacture, supply, and/or distribution of marijuana by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC 314-55-535.

(3) For the purposes of chapter 314-55 WAC, a three-year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules. Based on mitigating circumstances, the board may offer a monetary option in lieu of suspension, or alternate penalty, during a settlement conference as outlined in WAC 314-55-510(3).

(a) Mitigating circumstances	(b) Aggravating circumstances
Mitigating circumstances that may result in fewer days of suspension and/or a lower monetary option may include demonstrated business policies and/or practices that reduce the risk of future violations. Examples include: • Having a signed acknowledgment of the business' responsible handling and sales policies on file for each employee; • Having an employee training plan that includes annual training on marijuana laws.	Aggravating circumstances that may result in increased days of suspension, and/or increased monetary option, and/or cancellation of marijuana license may include business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation. Examples include: • Failing to call 911 for local law enforcement or medical assistance when requested by a customer, a liquor control board officer, or when people have sustained injuries.

NEW SECTION

WAC 314-55-520 Group 1 violations against public safety. Group 1 violations are considered the most serious because they present a direct threat to public safety. Based on chapter 69.50 RCW, some violations have only a monetary option. Some violations beyond the first violation do not have a monetary option upon issuance of a violation notice. The liquor control board may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC 314-55-515(4).

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Violations involving minors:	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Sale or service to minor: Sale of marijuana and/or paraphernalia to a person under twenty-one years of age WAC 314-55-079	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Allowing a minor to frequent a restricted area. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	
Employee under legal age. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Licensee and/or employee open and/or consuming marijuana on a retail licensed premises. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Conduct violations: Criminal conduct: Permitting or engaging in criminal conduct.	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids. WAC 314-55-020(8) WAC 314-55-083(4) WAC 314-55-087 (1)(f)	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Adulterate usable marijuana with organic or nonorganic chemical or other compound WAC 314-55-105(8)	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Using unauthorized solvents or gases in processing WAC 314-55-104	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties. WAC 314-55-050	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Marijuana purchased from an unauthorized source. Marijuana sold to an unauthorized source. Sales in excess of transaction limitations. WAC 314-55-095(3)	Cancellation of license Cancellation of license Cancellation of license			

NEW SECTION

WAC 314-55-525 Group 2 regulatory violations. Group 2 violations are violations involving general regulation and administration of retail or nonretail licenses.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Hours of service: Sales of marijuana between 12:00 a.m. and 8:00 a.m.	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Advertising: Violations (statements/illustrations). WAC 314-55-155(2)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Advertising violations – Sign exceeding 1600 square inches; within 1000 feet of prohibited areas; on or in public transit vehicles, shelters, or publicly owned or operated property. RCW 69.50.357 RCW 69.50.369	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Packaging and/or labeling violations (processor/retailer). WAC 314-55-105	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Licensee/employee failing to display required security badge. WAC 314-55-083(1)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to maintain required security alarm and surveillance systems. WAC 314-55-083 (2) and (3)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Records: Improper recordkeeping. WAC 314-55-087 WAC 314-55-089 (3), (4), and (5)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to submit monthly tax reports and/or payments. WAC 314-55-089 WAC 314-55-092	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Signs: Failure to post required signs. WAC 314-55-086	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to utilize and/or maintain traceability (processor or retail licensee). WAC 314-55-083(4)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Violation of transportation requirements. WAC 314-55-085	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Exceeding maximum serving requirements for marijuana-infused products. WAC 314-55-095(2)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure for a processor to meet marijuana waste disposal requirements. WAC 314-55-097	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to maintain standardized scale requirements (processor/retailer). WAC 314-55-099	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Marijuana processor extraction requirements. WAC 314-55-104	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Retail outlet selling unauthorized products. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Retailer displaying products in a manner visible to the general public from a public right of way. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine

NEW SECTION

WAC 314-55-530 Group 3 license violations. Group 3 violations are violations involving licensing requirements, license classification, and special restrictions.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
True party of interest violation. WAC 314-55-035	Cancellation of license			
Failure to furnish required documents. WAC 314-55-050	Cancellation of license			
Misrepresentation of fact. WAC 314-55-050	Cancellation of license			
Operating plan: Violations of a board-approved operating plan. WAC 314-55-020	5-day suspension or \$500 monetary option	10-day suspension or \$1,500 monetary option	30-day suspension	Cancellation of license
Failing to gain board approval for changes in existing ownership. WAC 314-55-120	30-day suspension	Cancellation of license		
Failure to maintain required insurance. WAC 314-55-080	30-day suspension	Cancellation of license		

NEW SECTION

WAC 314-55-535 Group 4 marijuana producer violations. Group 4 violations are violations involving the manufacture, supply, and/or distribution of marijuana by marijuana producer licensees and prohibited practices between a marijuana producer licensee and a marijuana retailer licensee.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Unauthorized sale to a retail licensee. WAC 314-55-075	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure to utilize and/or maintain traceability. WAC 314-55-083(4)	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Packaging and/or labeling violations (producer). WAC 314-55-105	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Unauthorized product/unapproved storage or delivery.	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure for a producer to meet marijuana waste disposal requirements. WAC 314-55-097	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Records: Improper recordkeeping. WAC 314-55-087 WAC 314-55-089 (2) and (4) WAC 314-55-092	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Violation of transportation requirements. WAC 314-55-085	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure to maintain required security alarm and surveillance systems. WAC 314-55-083 (2) and (3)	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Failure to maintain standardized scale requirements (producer). WAC 314-55-099	\$2,500 monetary fine	\$5,000 monetary fine and destruction of 25% of harvestable plants	\$15,000 monetary fine and destruction of 50% of harvestable plants	Cancellation of license
Violation.				

NEW SECTION

WAC 314-55-540 Information about marijuana license suspensions.

(1) On the date a marijuana license suspension goes into effect, a liquor control officer will post a suspension notice in a conspicuous place on or about the licensed premises. This notice will state that the license has been suspended by order of the liquor control board due to a violation of a board law or rule.

(2) During the period of marijuana license suspension, the licensee and employees:

(a) Are required to maintain compliance with all applicable marijuana laws and rules;

(b) May not remove, alter, or cover the posted suspension notice, and may not permit another person to do so;

(c) May not place or permit the placement of any statement on the licensed premises indicating that the premises have been closed for any reason other than as stated in the suspension notice;

(d) May not advertise by any means that the licensed premises is closed for any reason other than as stated in the liquor control board's suspension notice.

(3) During the period of marijuana license suspension:

(a) A marijuana retailer or marijuana processor licensee may not operate his/her business during the dates and times of suspension.

(b) There is no sale, delivery, service, destruction, removal, or receipt of marijuana during a license suspension.

(c) A producer of marijuana may do whatever is necessary as a part of the producing process to keep current stock that is on hand at the time of the suspension from spoiling or becoming unsalable during a suspension, provided it does not include processing the product. The producer may not receive any agricultural products used in the production of marijuana during the period of suspension.

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Adams County	18,728		2
At Large	8,818	2	
Asotin County	21,623		2
At Large	13,143	2	
Benton County	175,177		10
At Large	32,639	2	
Kennewick	73,917	4	
Richland	48,058	3	
West Richland	11,811	1	
Chelan County *	72,453		6
At Large	30,498	3	
Wenatchee	31,925	3	
Clallam County	71,404		6
At Large	42,228	3	
Port Angeles	19,038	2	
Sequim	6,606	1	
Clark County	425,363		15
At Large	203,339	6	
Battle Ground	17,571	1	
Camas	19,355	1	
Vancouver	161,791	6	
Washougal	14,095	1	
Columbia County	4,078		1
At Large	1,423	1	
Cowlitz County *	102,410		7
At Large	44,085	3	
Kelso	11,925	1	
Longview	36,648	3	
Woodland (part)	5,426		
Douglas County	38,431		3
At Large	20,399	2	
East Wenatchee	13,190	1	
Ferry County	7,551		1
At Large	6,478	1	
Franklin County *	78,163		5
At Large	13,491	1	
Pasco	59,781	4	
Garfield County	2,266		1
At Large	841	1	
Grant County *	89,120		7
At Large	40,134	3	
Ephrata	7,664	1	
Moses Lake	20,366	2	

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Quincy	6,750	1	
Grays Harbor County	72,797		6
At Large	28,438	3	
Aberdeen	16,896	1	
Hoquiam	8,726	1	
Ocean Shores	5,569	1	
Island County	78,506		4
At Large	53,565	3	
Oak Harbor	22,075	1	
Jefferson County *	29,872		4
At Large	20,759	3	
Port Townsend	9,113	1	
King County *	1,931,249		61
At Large	325,000	11	
Auburn (part)	62,761	2	
Bellevue	122,363	4	
Burien	33,313	1	
Des Moines	29,673	1	
Federal Way	89,306	3	
Issaquah	30,434	1	
Kent	92,411	3	
Kirkland	48,787	2	
Maple Valley	22,684	1	
Mercer Island	22,699	1	
Redmond	54,144	2	
Renton	90,927	3	
Sammamish	45,780	1	
SeaTac	26,909	1	
Seattle	608,660	21	
Shoreline	53,007	2	
Tukwila	19,107	1	
Kitsap County *	251,133		10
At Large	170,022	7	
Bainbridge Island	23,025	1	
Bremerton	37,729	2	
Kittitas County *	40,915		4
At Large	18,063	2	
Ellensburg	18,174	2	
Klickitat County *	20,318		4
At Large	13,975	3	
Goldendale	3,407	1	
Lewis County *	75,455		7
At Large	44,892	4	
Centralia	16,336	2	
Chehalis	7,259	1	
Lincoln County	10,570		2
At Large	5,081	2	

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Mason County	60,699		5
At Large	50,865	4	
Shelton	9,834	1	
Okanogan County *	41,120		5
At Large	24,780	4	
Omak	4,845	1	
Pacific County	20,920		2
At Large	14,073	2	
Pend Oreille County	13,001		2
At Large	9,810	2	
Pierce County *	795,225		31
At Large	366,738	17	
Bonney Lake	17,374	1	
Lakewood	58,163	2	
Puyallup	37,022	2	
Tacoma	198,397	8	
University Place	31,144	1	
San Juan County *	15,769		3
At Large	13,607	0	
San Juan Island		1	
Lopez Island		1	
Orcas Island		1	
Skagit County	116,901		10
At Large	48,112	4	
Anacortes	15,778	1	
Burlington	8,388	1	
Mount Vernon	31,743	3	
Sedro-Woolley	10,540	1	
Skamania County	11,066		2
At Large	8,645	2	
Snohomish County *	713,335		35
At Large	302,292	16	
Arlington	17,926	1	
Bothell (part)	16,415	1	
Edmonds	39,709	2	
Everett	103,019	5	
Lake Stevens	28,069	1	
Lynnwood	35,836	2	
Marysville	60,020	3	
Mill Creek	18,244	1	
Monroe	17,304	1	
Mountlake Terrace	19,909	1	
Mukilteo	20,254	1	
Spokane County *	471,221		18
At Large	136,097	7	
Spokane	208,916	8	

Retail Store Locations

Jurisdiction	2010 Population Census	Number of Retail Outlets	County Total
Spokane Valley	89,755	3	
Stevens County *	43,531		4
At Large	33,893	4	
Thurston County *	252,264		11
At Large	135,123	6	
Lacey	42,393	2	
Olympia	46,478	2	
Tumwater	17,371	1	
Wahkiakum County	3,978		1
At Large	3,446	1	
Walla Walla County *	58,781		4
At Large	16,750	2	
Walla Walla	31,731	2	
Whatcom County *	201,140		15
At Large	87,065	7	
Bellingham	80,885	6	
Ferndale	11,415	1	
Lynden	11,951	1	
Whitman County *	44,776		4
At Large	5,961	1	
Pullman	29,799	3	
Yakima County *	243,231		14
At Large	83,755	6	
Grandview	10,862	1	
Selah	7,147	1	
Sunnyside	15,858	1	
Yakima	91,196	5	
State Total	6,724,540	334	334



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Public Hearing on Kenmore's six-month interim zoning regulation that makes a marijuana business a prohibited use in the R-1, R-4, and R-6 single-family residential zoning districts. Proposed Council Action/Motion: Hold a public hearing to receive input on the interim zoning regulation put in place by the City Council through adoption of Ordinance No. 13-0369 on November 12, 2013. After the public hearing, the City Council may consider adopting additional or revised findings justifying the interim zoning regulation.	For Council Meeting Agenda of: 12/2/13 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner</u> <table border="0"><tr><td></td><td><u>Initial & Date</u></td></tr><tr><td>Approved by Department Head:</td><td><u>LWR GW DB 11/15/13</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>Ordinance approved 11/19/13</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>[Signature] 11/19/13</u></td></tr><tr><td>Approved by City Manager:</td><td><u>[Signature]</u></td></tr></table> Exhibits/Attachments: 1. Ordinance 13-0369 2. Map of Potential Locations for Marijuana Businesses		<u>Initial & Date</u>	Approved by Department Head:	<u>LWR GW DB 11/15/13</u>	Approved by City Attorney:	<u>Ordinance approved 11/19/13</u>	Approved by Finance Director:	<u>[Signature] 11/19/13</u>	Approved by City Manager:	<u>[Signature]</u>
	<u>Initial & Date</u>										
Approved by Department Head:	<u>LWR GW DB 11/15/13</u>										
Approved by City Attorney:	<u>Ordinance approved 11/19/13</u>										
Approved by Finance Director:	<u>[Signature] 11/19/13</u>										
Approved by City Manager:	<u>[Signature]</u>										
Expenditure Required \$0	Amount Budgeted \$0	Appropriation Required \$0									
<u>INFORMATION/BACKGROUND:</u> On November 12, 2013, the City Council adopted Ordinance 13-0369 (Attachment 1) establishing an interim zoning regulation that makes marijuana businesses a prohibited use in the City's single-family residential zones—R1, R4 and R6. A marijuana business is a marijuana producer, marijuana processor or marijuana retailer as defined in Washington State Initiative 502. This interim zoning regulation does not affect the moratorium of Ordinance 13-0362 which prohibits the filing and acceptance of applications for, and the licensing (including business licensing), establishment, location, operation, maintenance or continuation of marijuana businesses or any other marijuana activities and marijuana operations asserted to be authorized or actually authorized under Washington State Initiative No. 502. The moratorium and interim zoning regulation run in parallel. The interim zoning regulation was adopted for a 6-month period from the November 12, 2013 effective date of the Ordinance through May 12, 2014. The interim zoning regulation automatically expires on May 12, 2014 unless it is repealed, modified or extended after a public hearing and entry of findings. The Ordinance authorizes the City Manager to research and analyze the environmental, land use and other impacts of marijuana business in the City and to determine the appropriate regulatory framework for the location, operation, permitting and licensing of marijuana businesses in the city.											

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State law requires that the city hold a public hearing on the interim zoning regulation within 60 days of the passage of the Ordinance. After the public hearing, the City Council may consider adopting further findings justifying the interim zoning regulation. City staff does not recommend revising the findings or adopting additional findings.

If the City Council decides to revise the findings or adopt additional findings, it should give direction to the City Manager regarding such findings. The City Manager will prepare a new ordinance addressing the findings for City Council adoption. Any new ordinance must be passed within 60 days of the passage of Ordinance 13-0369, or by January 11, 2014.

Background On Initiative 502

Initiative 502 which legalizes, taxes and regulates use of marijuana in Washington by persons 21 and older was approved on the November 2012 Washington State ballot. The law took effect on December 6, 2012.

Under I-502, the LCB had to establish procedures and criteria for licensing marijuana businesses by December 1, 2013. LCB has issued their rules and the Washington State Business Licensing Service began accepting applications for marijuana businesses on November 18, 2013. The application window will be open until December 19, 2013.

Three new marijuana licenses are authorized: producer, processor, and retailer. The fee for each license is a \$250 application fee and \$1000 annual renewal fee. The marijuana producer license allows production of marijuana for sale at wholesale to marijuana processors and allows for production, possession, delivery, and distribution. The marijuana processor license allows for processing, packaging, and labeling of marijuana/marijuana infused product for sale at wholesale to marijuana retailers and allows for processing, packaging, possession, delivery, and distribution. The marijuana retailer license allows for sale of useable marijuana/marijuana infused products at retail outlets regulated by the LCB.

The LCB has determined the maximum number of retail outlets in each county, in order to provide adequate access to licensed products and to discourage purchases from the illegal market. Kenmore was not identified as a license location, although an applicant could apply to the LCB for a license in the city as one of the 11 "at-large" locations in King County.

Premises of marijuana businesses cannot be within 1000' of perimeter of an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library or game arcade that admits persons under 21 years of age. The LCB rules specify that "public park" does not include trails such as the Burke-Gilman.

The State rules do not address location of marijuana businesses in single-family residential neighborhoods, although they do state that a business may not locate in a "personal residence." The City has developed a map of potential locations for marijuana businesses (Attachment 2) demonstrating that many single-family residential neighborhoods in the City are outside of the 1,000' buffer for marijuana businesses.

Kenmore's Comprehensive Plan contains several policy statements supporting preservation of single-family neighborhoods for housing, with single-family dwellings as the principal use. The City desires

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to protect its single family residential neighborhoods from any adverse impacts of marijuana businesses under Initiative 502.

FISCAL CONSIDERATION:

None at this time. In the future, staff time will be required to review the issues surrounding marijuana businesses and operations and develop a regulatory approach.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Comprehensive Plan Vision Statement: “We see Kenmore as a community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens.” “In 2020, we see Kenmore as a community that has preserved the character of its single family residential neighborhoods, which offers a range of housing types and prices to ensure an adequate choice of attractive living accommodations, and promotes compatible housing.”

Land Use Element Policy LU-1.1.2: “Through land use policies and development regulations that are consistent with state and federal laws, limit land uses and activities that may result in harmful secondary effects to the community, such as crime, vandalism, or neighborhood deterioration. Consider spacing requirements, buffers, landscaping, access, signage controls, business license and operating requirements, as well as other mechanisms to control secondary impacts.

Land Use Element Objective 1.3: The City shall “maintain and enhance the character of existing single-family neighborhoods by allowing compatible housing, improving infrastructure, and establishing appropriate site development standards.”

Land Use Element Policy LU-1.3.1: The City shall “ensure that zoning regulations emphasize single-family dwellings as the principal use in the City’s established single-family neighborhoods.”

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0369**

AN INTERIM ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, REGARDING MARIJUANA BUSINESSES UNDER INITIATIVE MEASURE NO. 502; ADOPTING A SIX-MONTH INTERIM ZONING REGULATION THAT PROHIBITS MARIJUANA BUSINESSES IN THE R-1, R-4, AND R-6 RESIDENTIAL ZONES; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Initiative Measure No. 502 ("Initiative 502") was approved by the voters of Washington state on November 6, 2012, and became effective on December 6, 2012; and

WHEREAS, Initiative 502 authorizes and directs the Washington State Liquor Control Board ("LCB") to establish rules for the licensing and operation of marijuana producers (growers), marijuana processors, and marijuana retailers (collectively, "marijuana businesses"); and

WHEREAS, on October 16, 2013, the LCB issued rules for marijuana businesses, which become effective on November 16, 2013; and

WHEREAS, the LCB will accept applications for marijuana business licenses from November 18, 2013 to December 18, 2013; and

WHEREAS, the cultivation, possession or distribution of marijuana and marijuana products has been and continues to be a violation of federal law through 21 U.S.C. § 812(c), the Controlled Substances Act ("CSA"); and

WHEREAS, on August 29, 2013, the United States Department of Justice issued a memorandum to all United States Attorneys, entitled "Guidance Regarding Marijuana Enforcement" ("Department of Justice Memorandum"), in which the Department advised that as long as states adopting laws governing marijuana have "sufficiently robust" regulatory and enforcement systems" (on paper and in practice) to address the federal government's eight identified enforcement priorities (such as preventing the distribution of marijuana to minors, preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels, and preventing the diversion of marijuana from states where it is legal under state law in some form to other states, regardless of state law), then "enforcement of state laws by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity;" and

WHEREAS, in the Department of Justice Memorandum, the Department emphasized that Congress has determined marijuana to be a dangerous drug, that the illegal distribution and sale of marijuana is a serious crime and that the Department is committed to enforcement of the federal Controlled Substances Act; and

WHEREAS, the regulation of marijuana businesses is a valid exercise of police powers under Article XI, Section 11 of the State Constitution; and

WHEREAS, the establishment of land use and zoning regulations is an exercise of the police power, and is specifically authorized by RCW 35.A.63.100; and

WHEREAS, RCW 69.51A.140 authorizes the City to adopt and enforce zoning requirements and health and safety requirements pertaining to the production, processing or dispensing of marijuana and marijuana products; and

WHEREAS, the City of Kenmore Comprehensive Plan Vision Statement states that “In 2020, we see Kenmore as a community that has preserved the character of its single family residential neighborhoods, which offers a range of housing types and prices to ensure an adequate choice of attractive living accommodations, and promotes compatible housing;” and

WHEREAS, Objective 1.3 of the Comprehensive Plan Land Use Element states that the City shall “maintain and enhance the character of existing single-family neighborhoods by allowing compatible housing, improving infrastructure, and establishing appropriate site development standards;” and

WHEREAS, Policy LU-1.3.1 of the Comprehensive Plan Land Use Element states that the City shall “ensure that zoning regulations emphasize single-family dwellings as the principal use in the City’s established single-family neighborhoods;” and

WHEREAS, Initiative 502, supplemented by the LCB rules, prohibits the LCB from issuing a license for any marijuana business within one thousand feet (1,000’) of certain uses, facilities and buildings, such as elementary and secondary schools, playgrounds, child care centers, public parks, public transit centers and libraries; and

WHEREAS, many single-family residential neighborhoods of the City are outside of the 1,000-foot buffer for marijuana businesses; and

WHEREAS, the City desires to protect its single-family residential neighborhoods from any adverse impacts of marijuana businesses under Initiative 502; and

WHEREAS, given the complexity of the relevant issues relating to marijuana businesses, as described in Ordinance No. 13-0362 (passed by the City Council on June 24, 2013), the City needs time to conduct appropriate research and analysis in order to understand the environmental, land use and other impacts of marijuana businesses in the City, and to determine the appropriate regulatory framework for the location, operation, permitting and licensing of marijuana businesses in the City; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to adopt an interim zoning regulation for six-months, and hold a public hearing on the interim zoning regulation within sixty (60) days of the initial adoption of the regulation,

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

Section 1. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of the interim zoning regulation imposed by this Ordinance. The City Council may, in its discretion, adopt additional or revised findings at the conclusion of the public hearing referenced in Section 5 below.

Section 2. Interim Zoning Regulation. Pursuant to RCW 35A.63.220 and RCW 36.70A.390, the City adopts an interim zoning regulation that makes a marijuana business a prohibited use in the R-1, R-4, and R-6 residential zones of the City. A "marijuana business" is a marijuana producer, marijuana processor or marijuana retailer as defined in Initiative 502.

Section 3. Moratorium. The moratorium of Ordinance No. 13-0362, which prohibits the filing and acceptance of applications for and the licensing (including business licensing), establishment, location, operation, maintenance or continuation of marijuana businesses, or any other marijuana activities and operations asserted to be authorized or actually authorized under Initiative 502, is unaffected by the interim zoning regulation adopted in this Ordinance and shall remain in place until expiration.

Section 4. No Nonconforming Uses. No use that constitutes or purports to be a marijuana business that was engaged in prior to the passage of this Ordinance shall be deemed to have been legally established under the Kenmore Municipal Code and shall not be entitled to legal nonconforming status.

Section 5. Public Hearing. As provided in RCW 35A.63.220 and RCW 36.70A.390, the City Council shall set a public hearing on this matter no later than 60 days after adoption of this Ordinance, in order to take public testimony and consider adopting further findings justifying the imposition of the interim zoning regulation in Section 2 above.

Section 6. Duration. The interim zoning regulation of Section 2 above shall be in effect for a period of six (6) months from the effective date of this Ordinance (to and through May 12, 2014), and shall automatically expire on that date unless repealed, modified, or extended after subsequent public hearing and entry of appropriate findings of fact as provided in RCW 35A.63.220 and RCW 36.70A.390.

Section 7. Authorization of City Manager. The City Manager is authorized and directed to research and analyze the environmental, land use and other impacts of marijuana businesses in the City, and to determine the appropriate regulatory framework for the location, operation, permitting and licensing of marijuana businesses in the City.

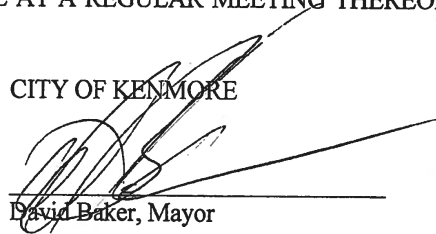
Section 8. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Ordinance, or the application of the provision to other persons or circumstances, is not affected.

Section 9. Emergency; Effective Date. This Ordinance, as a public emergency ordinance necessary for the protection of the public health, public safety, public property, or public peace,

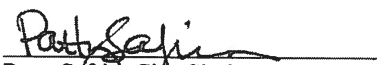
shall take effect and be in full force immediately upon its passage. Pursuant to Matson v. Clark County Board of Commissioners, 79 Wn.App. 641, 904 P.2d 317 (1995), underlying facts necessary to support this emergency declaration are included in the recitals set forth above, which are adopted by reference.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 12th DAY OF November, 2013.

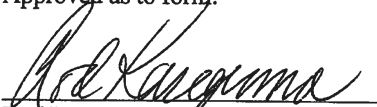
CITY OF KENMORE


David Baker, Mayor

ATTEST/AUTHENTICATED:

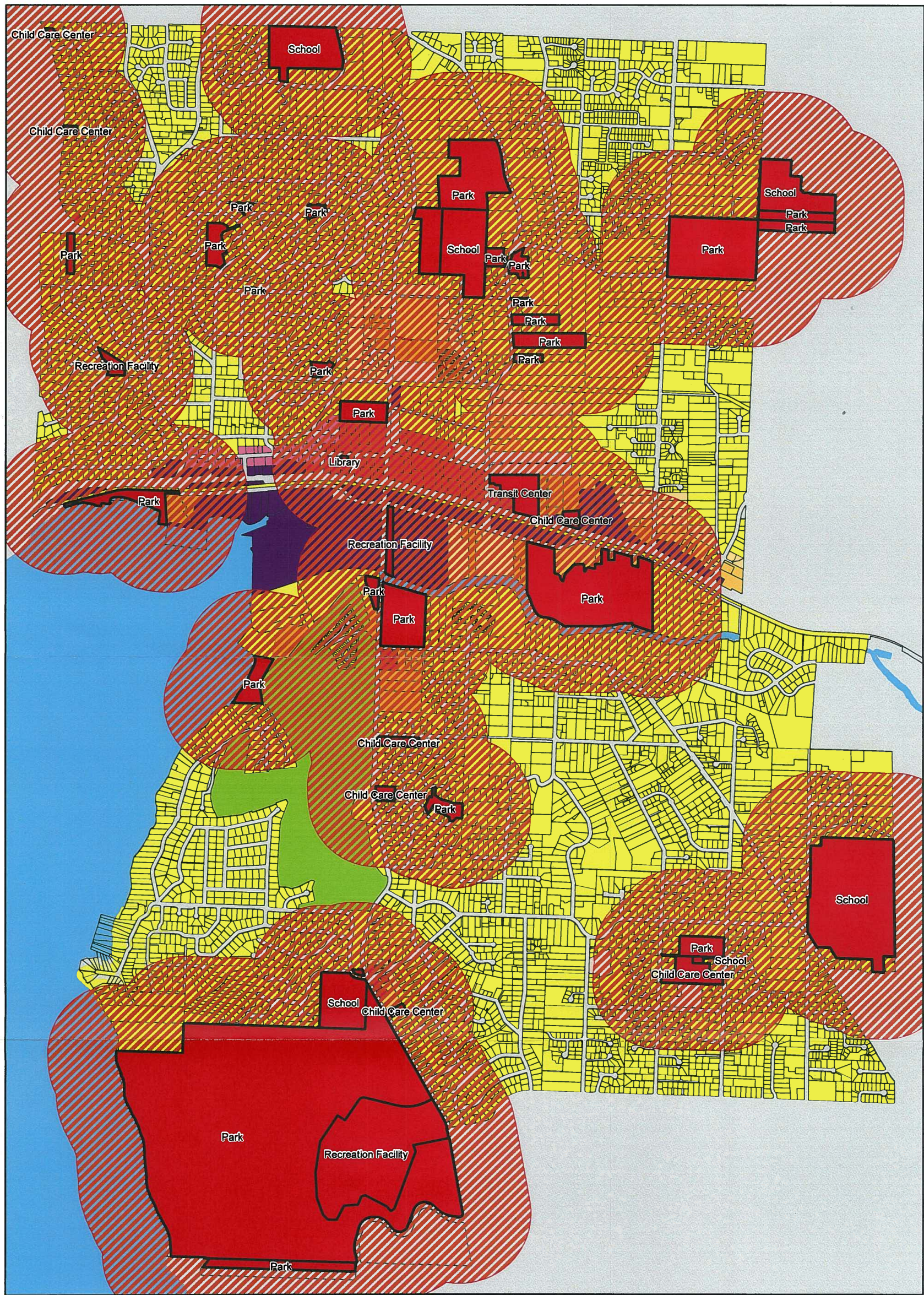

Patty Safin, City Clerk

Approved as to form:


Rod P. Kaseguma, City Attorney

Filed with the City Clerk: November 12, 2013
Passed by the City Council: November 12, 2013
Ordinance No.: 13-0369
Date of Publication: November 15, 2013
Effective Date: November 12, 2013

Potential Locations - Marijuana Businesses



- | | | | |
|---------------------------|------------------------------------|---------------------|-----------------------|
| Properties | Residential, 12 Dwellings Per Acre | Community Business | Neighborhood Business |
| 1,000 Foot Buffer | Residential, 18 Dwellings Per Acre | Downtown Commercial | Public/Semi-Public |
| Zoning | Residential, 24 Dwellings Per Acre | Golf Course | Regional Business |
| Single Family Residential | | | |

This map is intended for planning purposes only and is not guaranteed to show accurate measurements. Locations of buffered facilities may change over time.

Map Date: 10/31/2013



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Electronic Permitting Update	For Council Meeting Agenda of: December 2, 2013	
	Department: <u>Development Services</u> Prepared by: <u>Bryan Hampson</u> Initial & Date Approved by Department Head: <u>[Signature] 11/20/13</u> Approved by City Attorney: <u>N.A.</u> Approved by Finance Director: <u>[Signature] 11/20/13</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: None	
Proposed Council Action/Motion: Discussion only, no action requested		
Expenditure Required NA	Amount Budgeted NA	Appropriation Required NA
<u>INFORMATION/BACKGROUND:</u> Electronic permitting is changing the way jurisdictions do business. It provides another way to conduct business using electronic methods in lieu of paper methods while providing the capability of performing transactions remotely. Our goal of providing electronic permitting, in addition to meeting our customer's needs, is to increase efficiencies by speeding up the permit process, providing a convenient way for customers to access department services and minimizing expenses and unnecessary efforts. Kenmore's electronic permitting is currently provided through MyBuildingPermit.com. MyBuildingPermit.com is one of the services provided by eCityGov.net, which Kenmore is a partner of. Currently 14 jurisdictions are members of MyBuildingPermit.com. MyBuildingPermit.com provides a valuable one-stop online development service for applications, inspection scheduling, and permit status update. It is not a permit tracking software; it is a portal that allows builders and developers to interact with jurisdictions from one location. Currently our permit tracking software is not integrated with MyBuildingPermit.com. The users go to MyBuildingPermit.com to upload documents and apply for a permit. Once an application is received on MyBuildingPermit.com we are notified via e-mail. We then go to the site and manually download the electronic documents and process it the same way we would if we received it over the counter. Our goal is to have our permit software integrated with MyBuildingPermit.com so that information can automatically be transferred into our permit tracking software. Electronic permitting is available for every type of permit we offer at the permit counter (i.e. land use, right-of-way, building, mechanical, plumbing, sign, grading and engineering). After going live this summer we have processed 5 permit applications on-line, including the Kenmore Village Residential Site Plan.		

Benefits of electronic permitting for our customers include reduced printing costs, reduced travel expenses and increased access and availability to departmental services. Large projects like Kenmore Village Residential would spend tens of thousands of dollars in printing fees alone. Adding travel expenses such as time, gas and delivery fees can make permit submittal significantly costly for the customer. By providing electronic permitting the customer has increased access to the department, making developmental services available 24 hours a day.

Benefits for the City include keeping us competitive with other jurisdictions, reduced or eliminated need for paper plans and physical document storage space, ease of communication and coordination with other agencies such as the Northshore Fire Department and Northshore Utility District, and improved records retention and archival capabilities.

To prepare for electronic permitting we have configured MyBuildingPermit.com to align with our business practices to ensure the same documents required at the permit counter are also required online (i.e. technical reports, site plan, construction plans). We have also installed double 27" monitors and plan mark-up software at each development review team member's work station, created a separate network drive for electronic storage and ordered and purchased a kiosk computer for the front counter to be used for electronic permit submittal.

To continue to improve the electronic permitting, we need to continue to update the electronic permitting SOP, modify the front counter for accessibility to the kiosk, install the front counter kiosk, purchase and implement a new permit tracking system and continue to advertise the benefits of online permitting to our customers. The kiosk should be installed and operational in the next few weeks. We are anticipating the front counter modifications will be completed by this Spring.

FISCAL CONSIDERATION:

Cost to implement and maintain services and products. \$6,000 allocated in the 2013-2014 biennium budget for hardware and review software. \$75,000 allocated in the biennium budget to replace the permit tracking software.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Economic Development and establish a contemporary IT program.

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City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Information Technology (IT) Strategic Plan Update	For Council Meeting Agenda of: December 2, 2013 Departments: Finance and Administration Prepared by: Joanne Gregory, Finance and Administration Director	
Proposed Council Action/Motion: Discussion only, no action requested	Initial & Date Approved by Department Head: [Signature] 11-22-13 Approved by City Attorney: [Signature] Approved by Finance Director: [Signature] 11-22-13 Approved by City Manager: [Signature] Exhibits/Attachments: Final Report: Information Technology Strategic Plan	
Expenditure Required N/A	Amount Budgeted/Adopted N/A	Appropriation Required N/A
INFORMATION/BACKGROUND: In early 2013 a Request for Proposal (RFP) was advertised for the purpose of retaining a highly qualified and capable professional services firm or individual that could develop an information technology strategic plan for the City. A budget of \$35,000 for this effort was approved in the 2013-2014 biennial budget. Eleven firms/individuals submitted proposals and three were selected for interviews by a city team composed of Joanne Gregory, Brian Randall and Leslie Harris. RNR Consulting was selected by the city team and they kicked off the project the week of June 17. Their project team consisted of Senior Project Manager Tarak Shah, Project Manager Andrew Hayes, and Consultant Yolanda Colbert. A comprehensive discovery survey was distributed to the entire staff and stakeholder interviews were conducted with 15 key staff and Mayor Baker. Next steps included development of the gap analysis which was presented to and validated by the management team and this led to the development of high level strategies to address the gaps that were identified. The gap analysis defines the differences between current conditions and desired conditions. The first draft of the more detailed strategies was presented to the city team in early August and the final presentation and review of the IT Strategic Plan took place on August 29. The final report, dated September 19, 2013 is attached. The report indicates that the first strategy, receiving a high ranking, would be to establish an IT Governance Committee (ITGC) to guide the IT Program on a city wide basis for all IT decision making in the City. That strategy began development in early October and implementation is actively underway. An ITGC was created by the team and is comprised of Joanne Gregory, Leslie Harris, Brian Randall, Andrew Bauer, Jennifer Gordon, Barak Buck of Lighthouse Consulting and RNR as mentors and participants. Efforts are currently underway to establish the framework and standard operating procedures of the ITGC. The balance of the Plan will provide a multi-year roadmap for staff and Council to consider as budgets are developed, policies and procedures are implemented, and projects are undertaken that will enhance the City's ability to provide efficient and effective public services. Two members of the RNR team, Tarak Shah and Andrew Hayes, will be introduced to the Council and will be on		

hand for questions.

FISCAL CONSIDERATION:

The budget for IT Strategic Plan and the accomplishment of the first Strategy (implementation of the ITGC process) are expected to be \$36,772.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Establish a Contemporary Information Technology Program (Council Goal #4).



Information Technology Strategic Plan FINAL REPORT



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September 11, 2013



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1. Project Overview

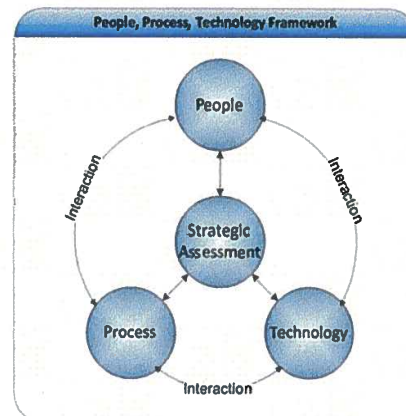
A. Objective

The City Council has a stated goal to *Establish a Contemporary Information Technology Program* (Council Goal #4). Through the achievement of this goal, the City Council hopes to enable the City to efficiently and effectively provide public services to the constituents and businesses of Kenmore. In order to achieve this vision for the future, the City contracted RNR Consulting to develop a five (5) year Information Technology (IT) strategic plan for the City based on our extensive expertise in providing IT strategic planning and organizational assessment services within the public sector.

B. Approach

As part of the strategic planning process, RNR Consulting utilized a three-dimensional approach, namely **People, Process, and Technology (PPT)** to develop a high-level understanding of the current state of the City's IT Program (including the existing infrastructure, critical applications, Service Delivery Model) by understanding how these three elements interact with each other within the City organization.

- **People:** Identify common perspectives of the City employees towards the current IT Program.
- **Process:** Evaluate tasks associated with procedures within the City's current IT Program.
- **Technology:** Determine the technical specifications of the IT Program.



RNR Consulting understands that these three (3) aspects of the PPT framework are integral to the core strategy of an organization. Any change effort, especially an enterprise IT Strategic Planning Process, must take into consideration each aspect separately, as well as holistically, making note of the interaction between aspects across the various departments of the City.

For the IT Strategic Plan Project at the City, RNR Consulting conducted seven (7) Activities, across three (3) Phases, over the course of ten (10) week timeline.

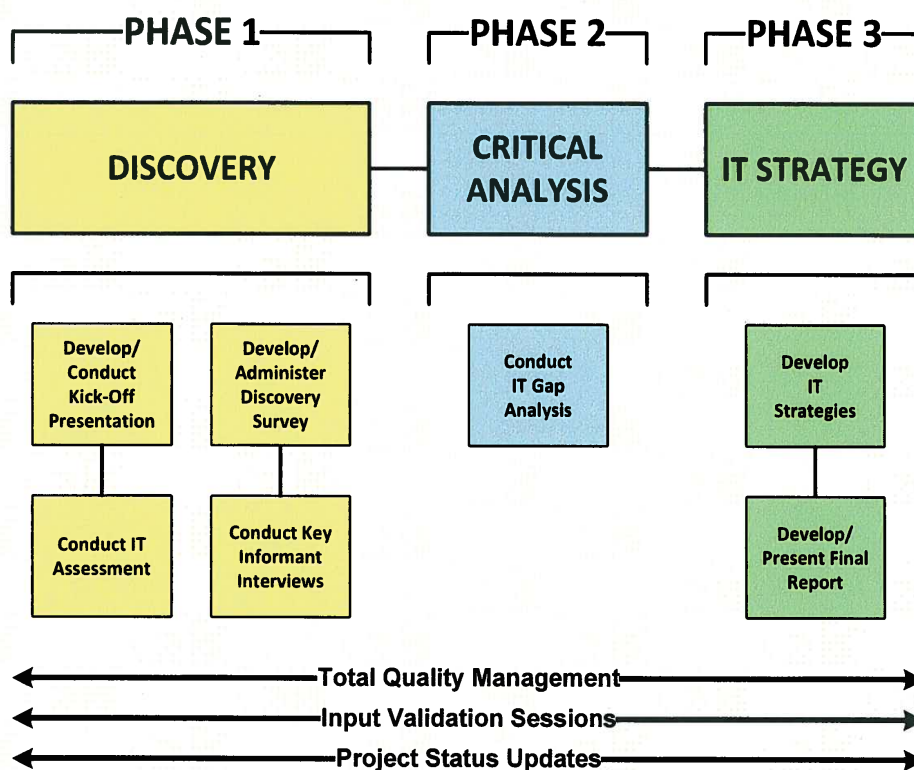
A description of these project activities is provided in the following section, *Project Methodology*.



C. Project Methodology

RNR Consulting worked with the City Management Team during the initial week of the engagement to tailor our *Project Methodology*, as shown in **Figure 1C-1**, to ensure that it is thorough and comprehensive, yet practical. In order to enhance the quality of our deliverables and strategic recommendations, the Project Team worked collaboratively with City stakeholders from across the organization throughout the course of the three (3) phases [*Discovery, Critical Analysis and IT Strategy*] of the *IT Strategic Plan (ITSP)* Project.

Figure 1C-1 – Project Methodology



Total Quality Management

RNR Consulting utilized a **Total Quality Management** approach throughout the development of the *IT Strategic Plan*, to ensure that the quality of the proposed deliverables continued to exceed the City's expectations across all Phases of the ITSP Project.

As part of this integrative TQM approach, RNR Consulting conducted **Input Validation Sessions** and **Project Status Updates** with the City throughout the *IT Strategic Plan*, in order to verify, update and finalize our project deliverables, including the *Discovery Survey Analysis*, *IT Gap Analysis* and the *IT Strategic Plan*.



Phase 1: Discovery

1. Develop/Conduct Kick-Off Presentation

RNR Consulting conducted a Kick-Off Presentation, as shown in **Appendix A**, with the City Management Team, to assimilate their views and specific end goals for the *IT Strategic Plan* Project. RNR's Senior Management (Tarak Shah) introduced the Project Team, comprised of the Project Manager (Andrew Hayes) and Consultant (Yolanda Colbert), to inform the City of each resource's role on this project and discuss the facilitation of project activities between the Project Team and City staff. Of particular importance in this session was the discussion of the City's strategic priorities, to ensure the alignment of the multi-phased Project Methodology with the City's goals and objectives. This process included specifications related to deliverables and milestones, along with a detailed discussion about the involvement of City staff, in order to obtain their insight and guidance, relative to the current ("As-Is") state of the City's IT Program.

2. Conduct IT Assessment

RNR Consulting conducted a high-level IT Assessment, which encompassed a review of an inventory of the hardware and network technology, along with critical applications, currently utilized by various departments across the City. In addition, the Project Team conducted a review of the IT Service Delivery Model, by which the external IT vendor provides IT-related services to the City on a contractual basis. This high-level IT Assessment informed the proposed strategic recommendations for future improvements of the IT Program, so that technologies are strategically aligned with the business processes and holistic needs of the City.

3. Develop and Administer Discovery Survey

RNR Consulting developed and administered a *Discovery Survey*, as shown in **Appendix B**, to stakeholders across the City, with a 100% response rate from identified City stakeholders. The survey touched topical areas in the likeness of the *Interview Questionnaire* which was utilized in the subsequent *Key Informant Interviews* activity with City staff. However, the Discovery Survey enabled the Project Team to gather IT-related data from a larger group of City stakeholders through the usage of a web-based survey, which promoted the sharing of candid feedback in an anonymous fashion. The questions were designed to capture not only thoughts on the existing IT Program, vendor responsiveness and overall quality of IT-related services provided, but also elicited feedback on "wish lists" for upgrading the IT infrastructure, improving the IT Service Delivery Model and streamlining the IT Program as a whole. The survey also served as a tool for measuring employee satisfaction with the current IT environment for the City, along with providing better understanding of their readiness for change. The responses, both qualitative and quantitative, were aggregated and analyzed by the Project Team, and presented to the City in the form of a brief *IT Discovery Survey Analysis* deliverable, which appears in **Section 2** of the Final Report.

Deliverable:

- ☒ Discovery Survey Analysis (Please refer the Section 2)



4. Conduct Key Informant Interviews

RNR Consulting conducted a series of in-person interviews with key internal stakeholders including the Mayor, City Manager, members of the City Management Team and selected key personnel from the City departments, along with the external IT vendor. The Project Team developed an *Interview Questionnaire*, as shown in **Appendix C**, which focused on the strengths, weaknesses and opportunities for improving the City's IT Program. These interviews allowed the Project Team to gain more insight into the stakeholders' views and opinions about the desired future state of the IT Program at the City. Responses from the interviews were aggregated and utilized by the Project Team, in conjunction with the *IT Discovery Survey Analysis*, to inform the *IT Gap Analysis*, which was conducted during Phase 2, Critical Analysis.

Phase 2: Critical Analysis

5. Conduct Gap Analysis

RNR Consulting conducted an analysis of the gaps between the current ("As-Is") state of the IT Program, and the strategic vision that both the members of City Management Team and City employees themselves have for the IT Program going forward, based upon data gathered during Phase 1 – Discovery. This activity allowed the Project Team to clearly identify all major gaps in the current state, which pose barriers to the achievement of the ideal ("To-Be") state. Based on the data gathered from City stakeholders, in conjunction with RNR Consulting's institutional knowledge of public sector IT best practices, the Project Team developed an *IT Gap Analysis* deliverable, as shown in **Section 3**, which documented the identified gaps, which were ranked by City staff in accordance to their perceived resolution priority level (High, Medium, Low) across the three (3) Target Areas (Policy, Process and System).

Deliverable:

- ☒ IT Gap Analysis (Please refer the Section 3)

Phase 3: IT Strategy

6. Develop IT Strategies

RNR Consulting developed IT Strategies, and corresponding action steps, as shown in **Section 4**, for the City to utilize in strategically resolving the identified IT-related gaps. These strategies will serve as a guide for future improvements in critical business processes, service delivery, and the IT Program, over the next five (5) years. The Project Team assigned a tiered implementation schedule for the IT Strategies, based upon the prioritization of the identified IT-related gaps. The IT Strategies are categorized as *Short-term* (0-12 months), *Medium-term* (1-3 years) and *Long-term* (3-5 years). The Project Team worked collaboratively with the City Management Team to ensure that the IT Strategies are specific, measurable, attainable, realistic, and timely (SMART). The IT Strategies also included resources required, timelines and anticipated costs for successful implementation and provide a specific reference point of each gap being addressed.

Deliverable:

- ☒ IT Strategic Plan (Please refer the Section 4)



7. Develop/Present Final Report

RNR Consulting developed a Final Report following the validation of the draft version of the IT Strategic Plan by the City Management Team. The Final Report identifies areas for improvement (see *IT Gap Analysis*) and provides recommendations (see *IT Strategic Plan*) focused on optimizing performance through the use of technology, with the end goal of strategically aligning technology with critical business processes of the City, to better meet the growing public service needs of the constituents and businesses of the City of Kenmore. In addition, the Final Report details the input shared by City stakeholders (see *IT Discovery Survey Analysis*) regarding the current (“As-Is”) state of the IT Program at the City.



2. Discovery Survey Analysis

A. Overview

Objective: The primary objective of the Discovery Survey was to gain additional feedback and insight from a broader range of City of Kenmore (City) employees regarding Information Technology usage, workload, management, culture and support. Results from the survey were held confidential, as common themes emerged among employee response as the data was aggregated.

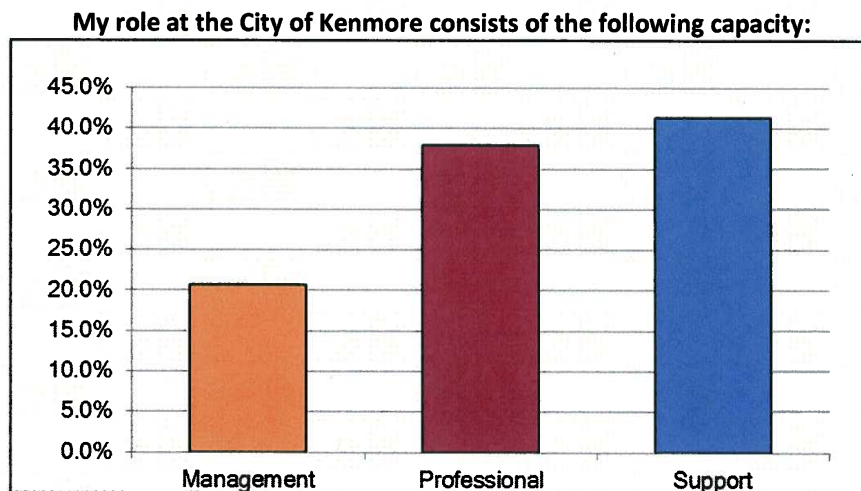
Approach: The Discovery Survey (as shown in the **Appendix B**) was designed, in conjunction with City Management, and administered to all City employees to gain an understanding of the current (“As-Is”) environment in which the IT Program operates. Specifically, RNR Consulting created a survey that was comprised of 25 questions and administered through Survey Monkey. The surveys utilized the following types of questions to elicit employee responses: *rating scale, multiple choice and open ended comments*. In total, 29 employees responded to the survey.

B. Findings

The results of the Discovery Survey allowed RNR Consulting to objectively identify City of Kenmore employee perceptions regarding the Information Technology environment, in an anonymous manner, without fear of retribution. Below are findings from some of the key questions from the Discovery Survey.

1. Staff Demographics

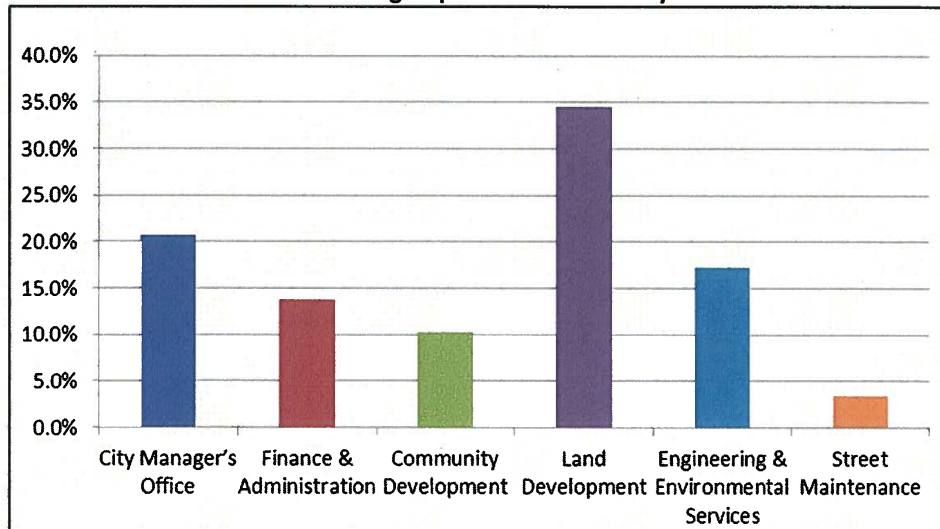
RNR Consulting received survey responses from all 29 respondents from City of Kenmore’s team. The following results categorize respondents by type and length of employment. The majority of the survey respondents were Support (41.5%), followed by Professional (37.9%), and then Management (20.7%).





Based on the survey results, City staff reported that 34.5% of the respondents work in Land Development, and 20.7% works in the City Manager's Office.

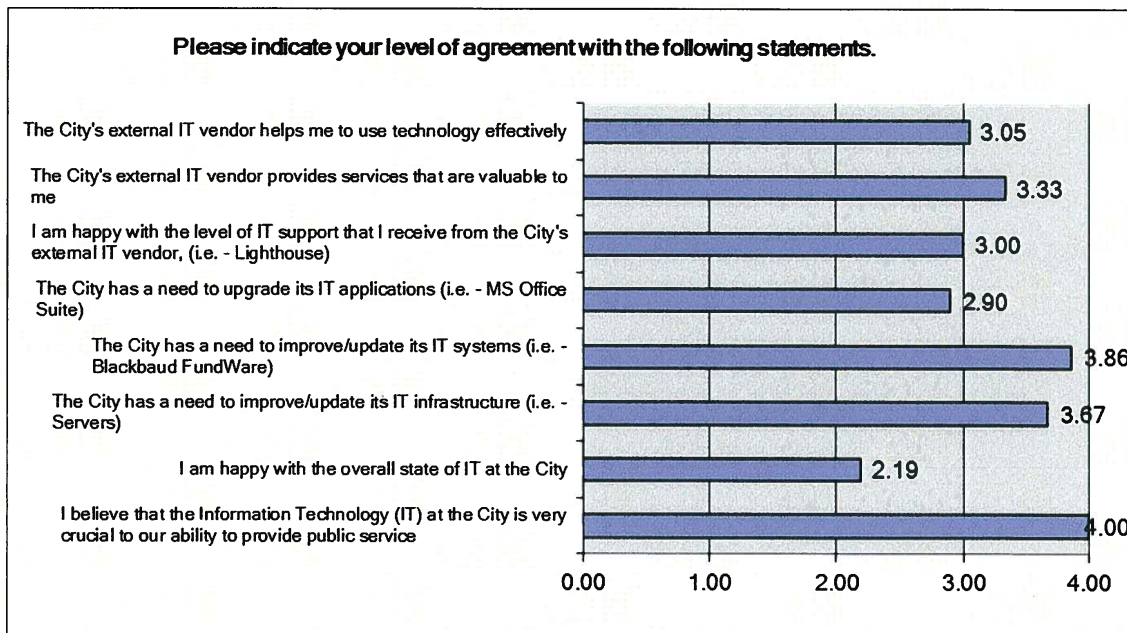
I work in the following Department of the City of Kenmore:



2. Information Technology Environment

The following questions, regarding *Information Technology Environment*, were distributed to the respondents. It is important to note that not all questions were responded to by all respondents. Respondents (21) were asked to indicate if he or she "Strongly Disagree," "Disagree," "Agree" or "Strongly Agree."

All respondents believe that the Information Technology at the City is very crucial to their ability to provide public service. Respondents also for the most part agree that the City's external IT vendor helps them to use technology effectively as well as provides valuable service to them. Respondents however are not happy with overall state of IT environment at City. They feel there needs to be some application and system upgrades as well as improvement and upgrades to IT infrastructure as whole.



1 - Strongly Disagree 2 - Disagree 3 - Agree 4 - Strongly Agree

When responding to the open-ended survey question inquiring about *what are the THREE (3) most important STRENGTHS that you have experienced as a result of the current IT environment at the City*, the survey respondents listed the following:





When responding to the open-ended survey question inquiring about *what are the THREE (3) most important WEAKNESSES that you have experienced as a result of the current IT environment at the City*, the survey respondents listed the following:



When responding to the open-ended survey question inquiring about *what are the THREE (3) most important OPPORTUNITIES that you have experienced as a result of the current IT environment at the City*, the survey respondents listed the following:





When responding to the open-ended survey question inquiring about *what are the most common IT-related CHALLENGES which you encounter while performing your daily job functions at the City*, the survey respondents listed the following:



3. IT Service Delivery

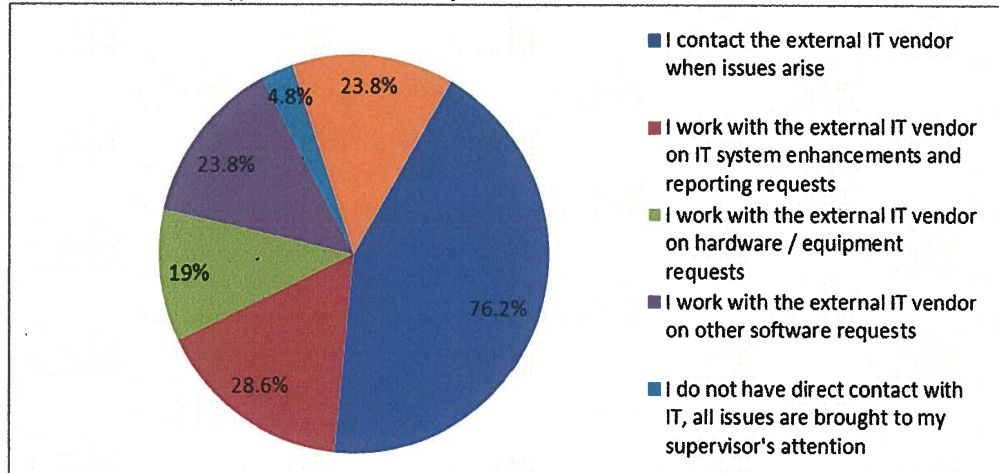
The following questions, regarding *IT Service Delivery*, were distributed to the respondents. It is important to note that not all questions were responded to by all respondents. Respondents (21) were asked to indicate if he or she “Strongly Disagree,” “Disagree,” “Agree” or “Strongly Agree.”

Respondents (21) were requested to list interaction area in which they contact external IT Consultants to focus on service delivery.

The survey results indicate that 76.2% of the City staff contacts the external IT vendor when issues arise. 28.6% work with the external IT vendor on IT system enhancements and reporting requirements. Mostly all City staff have some type of direct interactions with IT vendor, leaving only 4.8% staff with no direct contact.

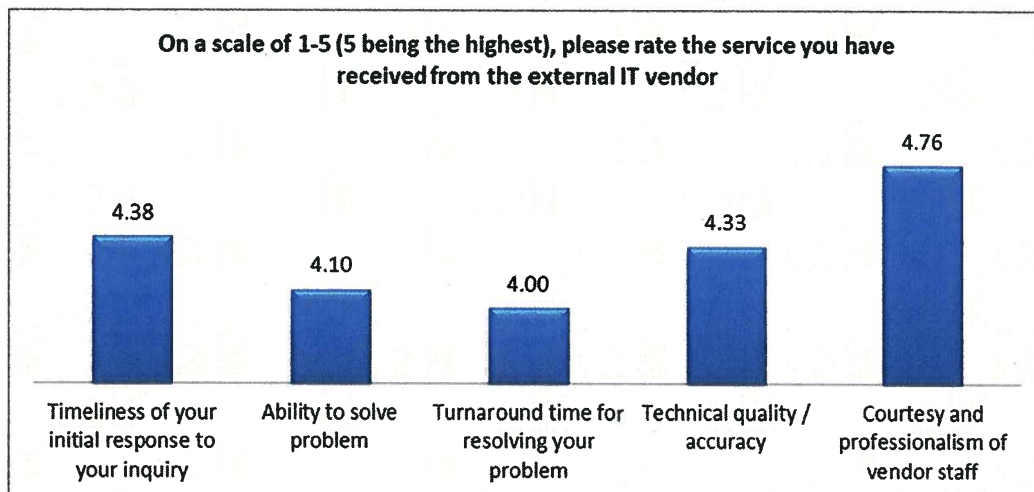


What type of interaction do you have with the external IT vendor?

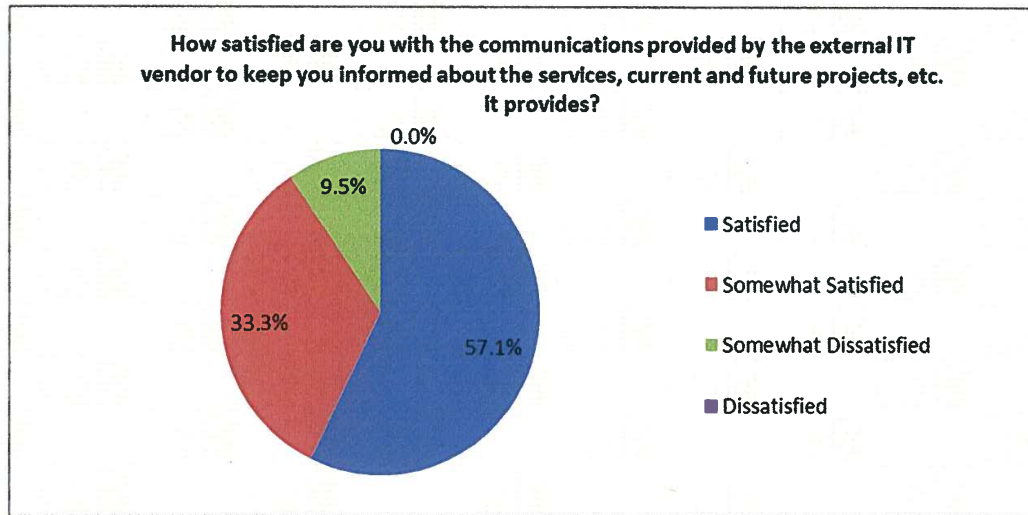


Based on the survey, City staff feels that the courtesy and professional demeanor of the external IT Consultant is a highlight (4.76) with regard to their provision of services. In contrast, the turnaround time required for the external IT vendor to resolve a problem is reflected by City staff in the assignment of the lower rating (4.0).

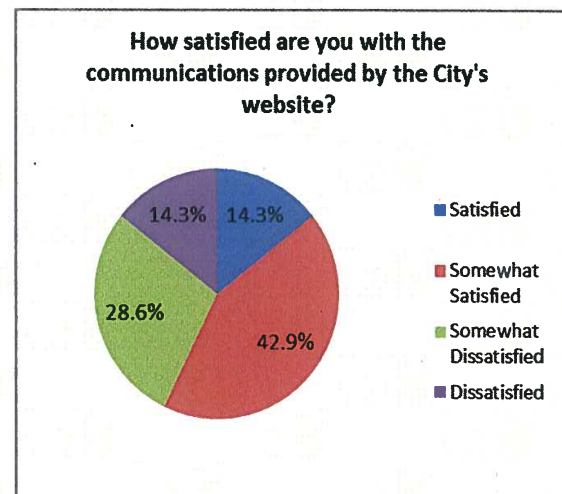
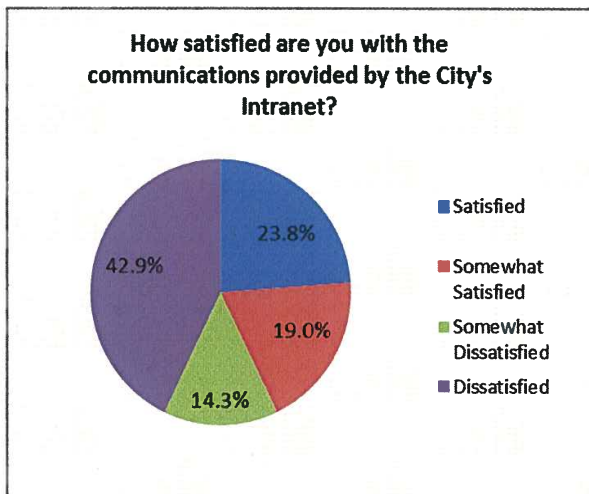
On a scale of 1-5 (5 being the highest), please rate the service you have received from the external IT vendor



Communication is an important aspect in service delivery and the next few survey result summaries reflect City Staff opinions related to communications. 57.1% of City Staff are satisfied with communications that the external IT vendor provided on services and projects. 33.3% are somewhat satisfied, and 9.5% are somewhat dissatisfied with communications provided by external IT vendor.

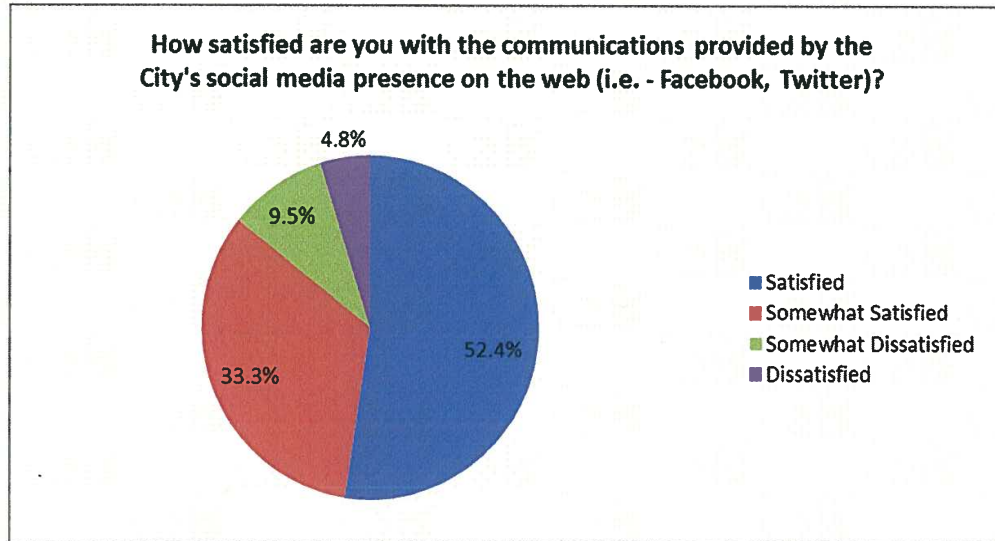


The overall satisfaction with various communication tools provided by the City is depicted in following charts. 42.9% City staff are dissatisfied with communications through City's Intranet. 42.9% City staff is somewhat satisfied with communications provided on City's website.

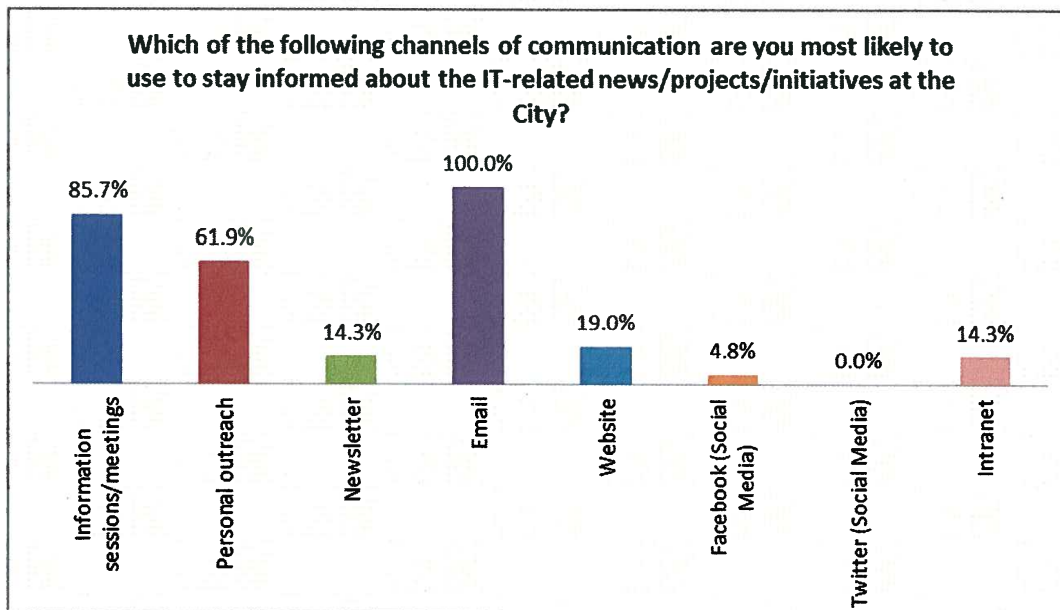




City staff reported a satisfaction level of 52.4% for social media communications with a web presence through Facebook, Twitter and other social media sites.



In addition, City staff reported that the top three (3) channels of communication the City staff is most likely to use is Email, information sessions & meetings and personal outreach per findings.





When responding to the open-ended survey question inquiring about ***meetings with the external IT vendor (i.e. - Lighthouse) to receive updates on the IT-related projects***, the survey respondents (Management Only) listed the following:

no

but it would be a good idea to have periodic update meetings.

When responding to the open-ended survey question inquiring about ***regular meetings with your staff to update them on IT projects and programs or identify IT-related training***, the survey respondents (Management Only) listed the following:

Others Handle
As Needed Basis
City Staff Meeting
No Meetings



When responding to the open-ended survey question inquiring about **THREE (3) things that the external IT vendor (i.e. - Lighthouse) could do to make your job easier**, the survey respondents listed the following:



When responding to the open-ended survey question inquiring about **THREE (3) things that City Management could do to make your job easier**, the survey respondents listed the following:

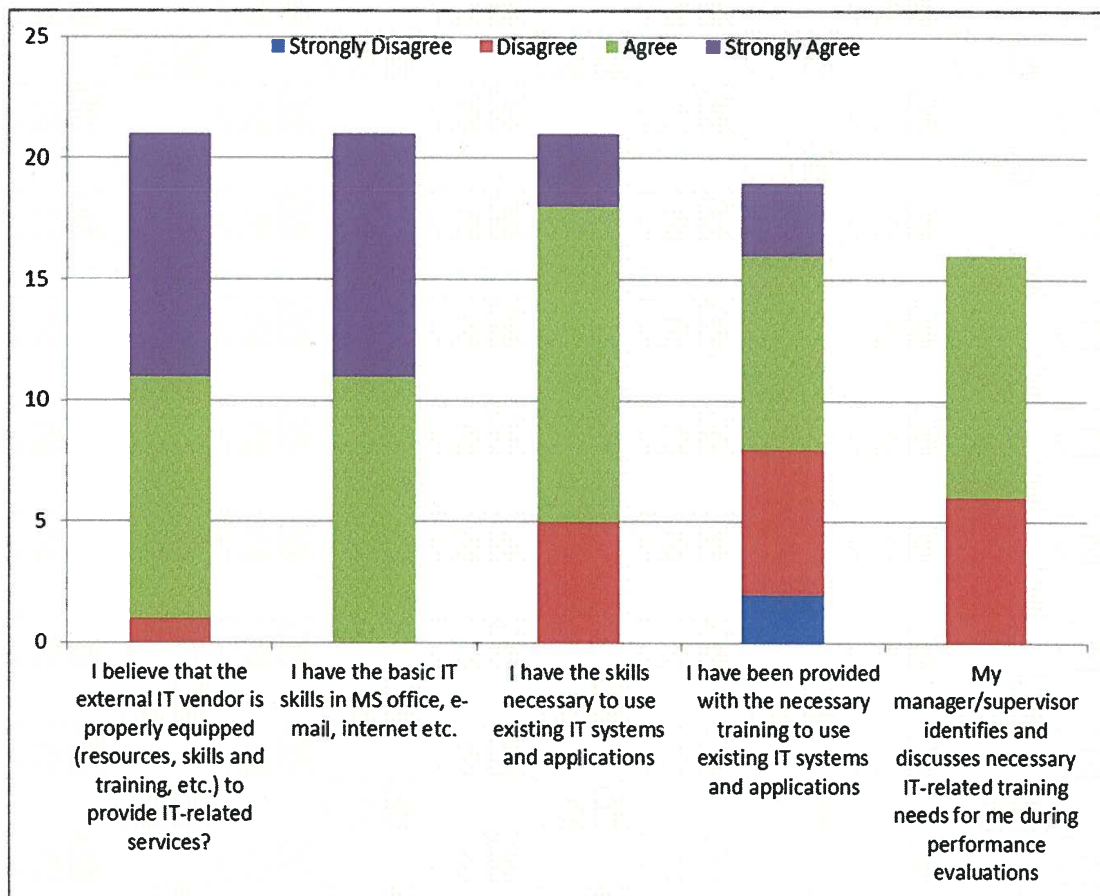




4. IT Skills and Training

The following questions, regarding *IT Skills and Training*, were distributed to the respondents. It is important to note that not all questions were responded to by all respondents. Respondents (21) were asked to indicate if he or she “Strongly Disagree,” “Disagree,” “Agree” or “Strongly Agree.”

The survey results indicate that the City staff strongly agree and agree that external IT staff is properly equipped to provide services. Over 51% of City staff agrees they have the basic IT skills in MS Office, email, and the Internet. There is concern among City staff that they do not have the necessary skills to use existing IT systems and applications proficiently. Additionally, City staff is partially divided on a manager or supervisor identifying and discussing necessary IT-related training needs during performance evaluations.

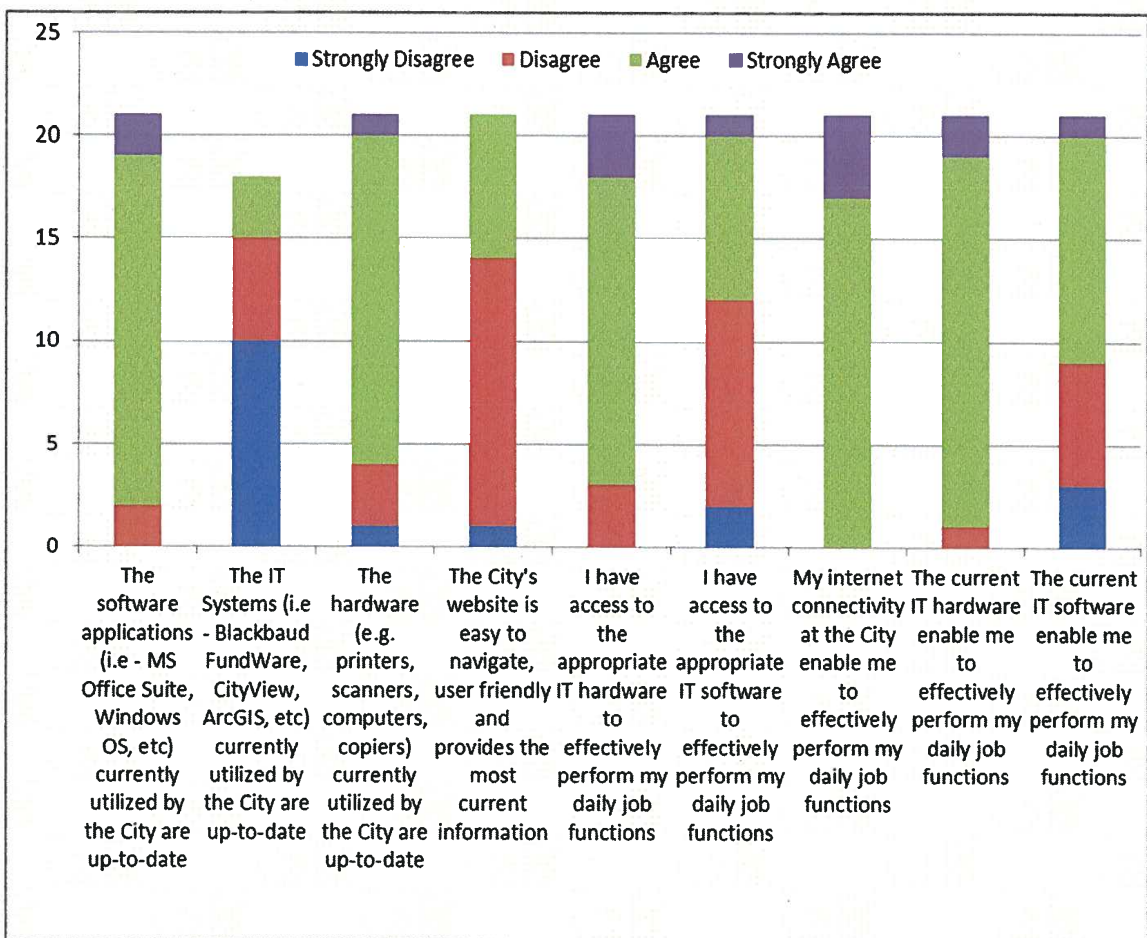




5. IT Resources & Application Availability

The following questions, regarding *IT Resources & Application Availability*, were distributed to the respondents. It is important to note that not all questions were responded to by all respondents. Respondents (21) were asked to indicate if he or she “Strongly Disagree,” “Disagree,” “Agree” or “Strongly Agree.”

According to the survey, the City staff agrees that the software applications and hardware are up-to-date and strongly disagree that IT systems are currently not up-to-date. Most City staff had disagreed that the City’s website was easy to navigate, user friendly and provided most current information. Most City staff agree they have access to the appropriate hardware to perform their jobs but disagree they have the appropriate software to perform jobs effectively.





When responding to the open-ended survey question inquiring about **additional IT training which you feel would increase your current level of effectiveness**, the survey respondents listed the following:

WebsiteFTP
SocialMedia
Excel
Powerpoint
GIS
Adobe
Outlook

6. Additional Comments

At end of the Discovery Survey, City staff were presented with the opportunity to provide any final thoughts with regard to the IT Program. Here are a few comments:

- *We know that we need document, email management, financial and permitting software applications. But we also need policies, procedures and guidance for our newer hand held devices and smartphones, as well as new and smarter ways to use technology.*
- *In developing an electronic file management plan, I suggest using a professional, rather than a focus group of employees.*
- *A linked permit tracking/mapping system would be desirable, along with integrated, updated information from the King County Assessor's office. We need a point person for GIS assistance.*



3. Gap Analysis

A. Introduction

As part of Phase 2, Critical Analysis, RNR Consulting conducted a Gap Analysis, which entailed a comprehensive review of the data gathered during Phase 1's Discovery interviews and Discovery Survey with City of Kenmore (City) stakeholders. The Project Team also reviewed existing documentation, related to the IT Service Delivery Model. After completing a review of the data gathered, the Project Team identified each "Gap" where present, and corresponding "Strategy" to address the current issue which was identified.

B. Gap & Strategy

RNR Consulting developed a Current ("As-Is") State "Gap" and provided a summary of the Desired Future ("To-Be") State. In addition, the Project Team worked collaboratively with City staff to provide a ranking (High – Medium – Low) for the prioritization of the Gaps, in terms of urgency for resolution purposes.

- **High** – gaps ranked with a "high" level of urgency for resolution
- **Medium** – gaps ranked with a "medium" level of urgency for resolution
- **Low** – gaps ranked with a "low" level of urgency for resolution

In addition, the Project Team developed proposing a formal "Strategy" for to address the current issues identified across the following Target Areas:

- **Policy** – gaps involving City Policy
- **Process** – gaps involving City Process
- **System** – gaps involving City Technology

The Gap & Strategy Tables appear in the following pages of this Section.



1. Policy

STRATEGY:					
It is recommended that the City establish an IT Governance Committee to guide the IT Program through a structured, enterprise-based model for IT decision-making at the City of Kenmore. The IT Governance Committee will establish the strategic, operational, and technical decision-making structure required to ensure that the IT Program enables the City to build efficiencies into business processes through an enterprise approach to IT.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
1.1	IT Governance	An IT Governance Committee is not currently in place to prioritize IT projects and evaluate the enterprise impact that IT has on the City.	The presence of an IT Governance Committee to guide IT decisions, in conjunction with an IT Consultant, will assist the City in prioritizing IT projects and analyzing their organizational impact.	Lack of IT Governance Committee	High



STRATEGY:					
It is recommended that the City develop a Policy & Procedure manual to establish IT-related policies for the City of Kenmore. The P&P manual will articulate requirements and expectations for the usage of IT resources, as a means of increasing daily productivity. In addition, the P&P manual will help to mitigate risks for the City.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
1.2	Document Management Policy	The City currently lacks a Document Management policy, including electronic documents stored on the network shared drive, which has resulted in City departments creating their own non-standardized directories, making it difficult for City employees to find documents.	The presence of a Document Management Policy to provide direction on record retention, including both hard copy and electronic documentation, along with the sharing of such documentation across the City.	Lack of Document Management Policy	High
1.3	Email Management Policy	The City currently lacks an Email Management Policy, for effective utilization of email by City employees.	The presence of an Email Management Policy will provide direction on effective email usage and retention.	Lack of Email Management Policy	High
1.4	Software Upgrade Policy	The City currently lacks a Software Upgrade Policy which results in a non-standardization of currently utilized applications across the City, whereby staff is unable to open files generated by other internal departments.	The presence of a Software Upgrade Policy will provide standardization of software upgrades across the City.	Lack of Software Upgrade Policy	Medium



STRATEGY:					
It is recommended that the City develop a Policy & Procedure manual to establish IT-related policies for the City of Kenmore. The P&P manual will articulate requirements and expectations for the usage of IT resources, as a means of increasing daily productivity. In addition, the P&P manual will help to mitigate risks for the City.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
1.5	IT Policy	The City currently lacks IT Policy for the usage of technology including Wireless networking, License management, Internet usage, iPad usage, etc.	The presence of an IT Policy will provide guidance on how IT can be effectively used by City employees.	Lack of IT Policy	Medium
1.6	Professional Development Policy	Employees do not having the requisite skills necessary to fully utilize the City's existing IT systems and applications.	The presence of a formalized Professional Development Policy will provide employees, both new and existing, with developmental training, both functional and technical, on how to effectively use existing IT systems and applications.	Lack of Professional Development Policy	Medium
1.7	Hardware Upgrade Policy	The City currently lacks a formal Hardware Upgrade Policy which results in no official planning. Usually just on an as needed basis.	The presence of a Hardware Upgrade Policy will provide better planning and budgeting for IT planning for the City.	Lack of Hardware Upgrade Policy	Low



STRATEGY:					
It is recommended that the City develop a Policy & Procedure manual to establish IT-related policies for the City of Kenmore. The P&P manual will articulate requirements and expectations for the usage of IT resources, as a means of increasing daily productivity. In addition, the P&P manual will help to mitigate risks for the City.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
1.8	Payment Processing Policy	The City is not currently able to accept credit/debit cards for payments from customers. Although there are no utility payments, payments for development services are accepted.	Provide credit card payment services for citizens in City Hall or through e-commerce on City website for certain services and payment thresholds.	Lack of Payment Processing Policy	Low
1.9	Project/ Contract Management Policy	City Management is currently unable to track projects in an efficient and effective manner through a single point of contact from initiation to closure.	The presence of a Project Management Policy that provides the tracking of projects, including meetings, appointments, budget, timeline, etc.	Lack of Project Management Policy	Low
1.10	Update Public Records Requests Policy	The inability to easily access information, both hard copy and electronic, makes it difficult for the City to fulfill Public Records Requests.	An updated Public Records Request Policy, which provides a workflow approach to providing information to citizens in an efficient manner through the utilization of IT, will increase the overall level of satisfaction.	Outdated Public Records Request Policy	Low
1.11	Customer Complaints	The City currently lacks a formal Customer Complaint Policy which results in no formal protocol for handling customer complaints.	The presence of a Customer Complaint Policy will provide better management of customer complaints for the City.	Lack of Customer Complaint Policy	Medium



2. Process

It is recommended that a comprehensive, Business Process Analysis is conducted, as a means of developing standard operating procedures for critical business processes at the City of Kenmore. Together, these SOPs will be a guide to standardizing the City's business processes, along with facilitating training and knowledge management.

Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
2.1	Standard Operating Procedures	The City currently lacks Standard Operating Procedures (SOP) for critical operational process, including technology, which exposes the risk of business continuity, along with contributing to increased time to resolve reported problems and inefficient use of available resources.	The presence of a comprehensive set of Standard Operating Procedures for all critical business processes, including the IT Program, which will improve training, knowledge transfer and ease of system management.	Lack of Standard Operating Procedures	High



STRATEGY:					
It is recommended that a City-wide Social Network Analysis be conducted to define both the mode and flow of organizational communications across employees (actors), through the utilization of IT at the City of Kenmore. It is critical for effective communications across divisions to promote interaction and sharing of information. Cross-departmental training should be included in the plan, which will lead to the marginalization of operational redundancy, along with the workarounds required to obtain data from other non-integrated, departmental-specific applications.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
2.2	Internal Communication	The inability to communicate, and collaborate, with all City departments before IT decisions are made, does not enable City staff to provide their input on inter-departmental use.	The presence of an internal communication plan will promote cross-departmental interaction regarding the usage of IT systems and data, along with shared decision-making.	Limited Inter-departmental Communications	High
2.3	Information Accessibility	The inability to easily access information, both hard copy and electronic, makes it difficult for the City employees to complete their daily tasks.	An enterprise approach to IT will ensure provide easier access to information across the City.	Limited Information Accessibility	Medium
2.4	Redundancy	The IT workarounds required for employees to conduct their daily tasks using the City's current IT applications are time consuming and often require duplication of efforts.	Integration of critical IT applications will enable City staff to utility IT in a manner which supports business processes and build efficiencies.	Required System Workarounds	Medium



3. Technology

STRATEGY:					
It is recommended that the City conduct an IT Systems Audit to assess the following: system integration points across key applications, needs of mobile utility for field staff, level of training required, and level of IT support from the external IT vendor.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.1	ArcGIS	The inaccessibility of GIS software, due to limited licensing and training, causes inefficiencies in geographic planning for both the City and other stakeholders, including citizens and business.	Adequate concurrent software licenses, along with a mobile application will provide City to GIS information as needed. In addition, GIS integration with City website will enable the provision of GIS data to the public.	Limited access to, and utility of, GIS application	High
3.2	System Integration	Programs are not currently integrated (i.e. permit system, financial software, engineering asset management software, GIS database, mybuildingpermit.com, etc.), which forces employees to use workarounds to complete their tasks and causing inefficiencies and redundancy.	New and current software evaluations on ability to integrate within functional areas in the City for better efficiency.	Lack of IT system integration	High



STRATEGY:					
It is recommended that the City conduct an IT Systems Audit to assess the following: system integration points across key applications, needs of mobile utility for field staff, level of training required, and level of IT support from the external IT vendor.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.3	Software	City's current software needs to be upgraded, loaded and standardized across City's divisions. It has limitations when everyone can't open documents due to lack of software or outdated application, as deemed necessary by management and IT Consultant, in conjunction with the Software Upgrade Policy.	The upgrade, replacement and purchase of new software, as deemed necessary by management, in conjunction with IT Consultant and the Software Upgrade Policy, will reduce inefficiency and lack of productivity in completing tasks at City.	Limitation of current software applications.	Medium
3.4	IT Support & Maintenance	Technical support, troubleshooting and training are not available on current software, legacy applications, and new application implementations. Staff not sure when to use external IT vendor?	IT contractual provisions that will offer the City support and maintenance, along with training, to resolve any system related challenges that the City's end users are encountering.	Lack of support, maintenance and training on current, legacy and new applications	High



STRATEGY:					
It is recommended that the City conduct an IT Systems Audit to assess the following: system integration points across key applications, needs of mobile utility for field staff, level of training required, and level of IT support from the external IT vendor.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.5	Mobile Device	The inability to capture real-time data in the field often mitigates productivity or delays the resolution of customer service issues for the City staff.	Ability to conduct business in field or in office utilizing mobile devices has the potential to increase productivity, along with the level of service provided to the community.	Lack of mobile device/application	Medium

STRATEGY:					
It is recommended that the City conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an enterprise Financial Management solution, in order to ensure the alignment of the IT solution with the business processes and financial management requirements of the City of Kenmore.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.6	Blackbaud FundWare	The inability of BlackBaud Fundware to meet the City's financial management/report needs, including accessing financial data, causes inefficiency in the financial management/accounting process for the City.	Implementation of an enterprise financial system which is integrated with other critical IT applications will provide City Management and staff with real-time access to City-wide financial information.	Limited functionality and performance of Blackbaud FundWare	High



STRATEGY:					
It is recommended that the City conduct a Business Process Alignment on Cityworks in order to evaluate the alignment of the application's module functionality (Asset, Work Order, Permit) with the business needs and processes of the City. Following the analysis, critical business processes will be re-engineered to optimize the utilization of technology to build efficiencies into the functional areas served by the Cityworks technology.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.7	Cityworks	Cityworks Software implementation has not yet been completed.	Optimization of the functionality of Cityworks to align with the business processes and needs of the City.	Implementation	High
3.8	Permitting	Hard copy permitting requests make it difficult to track the status of the permitting process for both the City and customers.	A workflow-driven IT software application to manage permit requests will enable communications to/from the customer to efficiently manage the requisition process.	Inefficient tracking of permit requests	Medium
3.9	Cityview	The inability of Cityview to meet the City's permitting needs, including the tracking of permit requisitions through the approval process, causes inefficiency in the permit approval process for the City.	Implementation of a permit management system, which is integrated with other critical IT applications, will provide City Management and staff with real-time access to real-time permit management information.	Limited functionality and performance of Cityview	Medium



STRATEGY:					
It is recommended that the City conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an Electronic Document Management System (EDMS) to ensure the procurement of an EDMS which meets the defined document management needs of the City of Kenmore. An EDMS will rectify current issues with sharing of information, integration, reporting, document management, and email/records archiving. In addition, an EDMS will mitigate risks and costs associated with not fulfilling public record requests, through the utilization of a system-based, workflow-driven approach.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.10	iCompass	The inability to provide comprehensive electronic document management functionality, including a centralized repository for storage, including easy access to City council-related documentation, and workflow-driven document management, causes inefficiencies in the execution of critical business processes for City staff.	Implementation of an EDMS, which is integrated with other critical IT applications, will provide City Management and staff with real-time access to electronic documentation including workflow-driven document management to build efficiencies into critical business processes for the City.	Limited document management functionality of iCompass	Medium
3.11	Reporting	The inability to generate reports that meet the operational and financial planning needs of the City forces staff to track and analyze data on separate Excel spreadsheets.	Implementation of an enterprise Reporting solution will enable the City to develop custom reports that pull data from integrated applications and meet the reporting needs of both the departments and the organization.	Limited reporting capacity	Medium



STRATEGY:					
It is recommended that the City conduct a Visioning Session with the Website Administrator and representation from across the City, including external stakeholders, in order to facilitate the design and content management requirements for the new City website. City-wide representation will ensure an organizational approach to the design. In addition, the ability to monitor performance of website design over time will ensure the implementation of required functionality.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.12	Website	Navigation on City website is not as user-friendly as city aspires it to be, including the lack of public interface for citizens, along with presentation of information and real-time updates.	The redesign of City's website will provide an improved user experience with ease of navigation, user friendly functionality and the provision of the most current City-related information. More involvement with division staff to update their own content on web for accountability.	Limited navigation and accessibility for the City's website.	Medium



STRATEGY:					
It is recommended that the City conduct a Hardware & Network Analysis to determine how the network is currently performing (access to Wi-Fi, remote access, etc.), along with the status of existing hardware within the IT infrastructure in relation to business need of the City of Kenmore.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.13	Hardware	City's current IT infrastructure has limitations (i.e. - Server, workstations) and may require replacement as deemed necessary by IT Consultant, in conjunction with the Hardware Upgrade Policy.	The replacement of IT hardware, as deemed necessary by the IT Consultant, in conjunction with the Hardware Upgrade Policy, will reduce downtime for the City.	Limitation of current IT hardware.	Medium
3.14	Network	The inability to access the internet throughout city hall, along with wireless and remote connectivity through a VPN, causes inefficiencies for city staff and other stakeholders, such as the City Council.	The upgrade of the IT network will increase the stakeholder's ability to connect to the City's network both wirelessly and remotely, which will build efficiencies into the execution of business processes.	Lack of connectivity (wireless or remote) to City's IT environment.	Medium



STRATEGY:					
It is recommended that the City conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for the Voice over IP (VoIP) solution, in order to ensure the alignment of the VOIP solution with the business processes and requirements of the City of Kenmore. The broadband phone utilizes the Internet to make and receive calls, and will integrate with the IT Infrastructure of the City of Kenmore. Some solutions are very cost effective compared to traditional landline.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.15	Phone System	The existing phone system is not integrated with existing technologies, not functioning properly or user friendly.	A VoIP solution that integrates with IT systems in place on the City's IT Infrastructure.	Lack of VoIP solution.	Low

STRATEGY:					
It is recommended that the City conduct a Market Analysis on available IT applications to manage the Customer Complaint resolution process.					
Function #	Gap Identifier	Current State (Gap)	Desired Future State	Gaps	Ranking
3.16	Customer Complaints	Hard copy customer complaint filings make it difficult to track the status of the customer complaint for both the City and customers.	A workflow-driven IT software application to manage customer complaint will enable communications to/from the customer to efficiently manage the customer complaint resolution process.	Inefficient tracking of Customer complaints through software currently in use at the City.	Medium



4. Information Technology Strategic Plan

A. Introduction

RNR Consulting focused our efforts on assessing the current state of policy, process, and technology within the IT environment at the City of Kenmore. Based on our findings gleaned from the assessment, strategic recommendations and action steps were developed and categorized into the following terms:

1. **Short-Term Strategy (0-1 year)**
2. **Medium-Term Strategy (1-3 years)**
3. **Long-Term Strategy (3-5 years)**

The Strategy categories are correlated with the ranking of the gaps, which appeared in the *Gap Analysis*, whereby the “High” ranked gaps are categorized as Short-term, with a recommended immediate implementation within one (1) year. The “Medium” ranked gaps appear as Medium-term strategies, with a recommended intermediate implementation timeline between one (1) year and three (3) years. The “Low” ranked gaps are positioned as Long-term Strategies, with a longer recommended implementation timeline between three (3) year and five (5) years. However, it is important to note that the Project Team and the City of Kenmore Management Team collaborated on the finalization of the IT Strategic Plan. As a result, some “Medium” term gaps may be addressed in Short-term Strategies, based upon business need for the City.

Each recommended Strategy includes proposed action steps, required resources, estimated timelines, costs, and comments. Please note that this is a living record; therefore strategic recommendations, costs and timelines may change as the City of Kenmore begins implementing them. The Strategic Recommendations (Short-term, Medium-term and Long-term) for the Information Technology Strategic Plan (ITSP) are as follows:

Short-Term:

- 1.1 Establish an IT Governance Committee to guide the IT Program through a structured, enterprise-based model for IT decision-making at the City of Kenmore.
- 1.2 Develop a Policy & Procedure manual to establish IT-related policies for the City of Kenmore.
- 1.3 Conduct a Software Assessment on Cityworks in order to evaluate the alignment of the application's functionality (Asset, Work Order, Permit) with the business needs and processes of the City.
- 1.4 Conduct a System Selection and Implementation for a Permitting Software that supports the permitting needs of the City of Kenmore.
- 1.5 Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an enterprise Financial Management solution that supports the financial management needs of the City of Kenmore.



- 1.6 Conduct a Visioning Session with the Website Administrator and representation from across the City, including external stakeholders, in order to facilitate the design and content management requirements for the new City of Kenmore website.

Medium Term:

- 2.1 Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an Electronic Record Management System (EDMS) that supports the record management needs of the City of Kenmore.
- 2.2 Conduct a comprehensive IT System Utilization Audit to assess the current level of system utilization, security integration and support.
- 2.3 Conduct a Needs Assessment to determine the need for mobile utility for field staff across critical IT applications.
- 2.4 Conduct a Hardware & Network Analysis to determine how existing hardware and the network are currently performing within the IT infrastructure.
- 2.5 Conduct a City-wide Social Network Analysis to define both the mode and flow of organizational communications across employees, through the utilization of IT, at the City of Kenmore.

Long Term:

- 3.1 Conduct a Cost-Benefit Analysis on available electronic payment processing systems.
- 3.2 Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for the Voice over IP (VoIP) solution, in order to ensure the alignment of the VOIP solution with the business processes and requirements of the City of Kenmore.



B. IT Strategies

1. Short Term Recommendations (0-1 year)

SHORT-Term Strategy	(1.1)	Establish an IT Governance Committee to guide the IT Program through a structured, enterprise-based model for IT decision-making at the City of Kenmore.
Action Steps		• Determine stakeholders • Determine IT Governance Committee members for representation of stakeholder interests • Determine role of ITGC members • Determine ITGC meeting format • Determine frequency of ITGC meetings (i.e. – Monthly, Quarterly) • Determine methodology for prioritizing IT-related projects • Determine reporting format for agenda/action items • Determine Key Performance Indicators (KPIs) to evaluate IT decisions
Gap Addressed		1.1 – An IT Governance Committee is not currently in place to prioritize IT projects and evaluate the enterprise impact that IT-related decisions has on the City.
Reference Tool		Information Technology Infrastructure Library (ITIL) is a set of practices for IT service management (ITSM) which will focus on aligning IT services with the needs of the business. Specifically, ITIL is based upon five (5) key elements based upon the central focus of Service Strategy. ITIL describes processes, procedures, tasks and checklists that are used by an organization for establishing integration with the organization's strategy, delivering value and maintaining a minimum level of competency. Through the utilization of the ITIL, the City can align IT services with the needs of the organization, along with providing a baseline from which the City can plan, implement, and measure going forward.
Prerequisite(s)		None
Stakeholder(s)		City of Kenmore Departments, End Users, external IT vendor
Resources		IT Governance Committee, City of Kenmore Departments
Estimated Timeline		2-3 weeks for implementation, Continuous Management
Cost		\$7,000 - \$12,500
Comments		The IT Governance Committee fulfills the need for a cross-functional IT decision-making body. The Committee should meet on a scheduled basis, which meets the City's requirements (i.e. – Monthly, Quarterly) to evaluate options and determine direction for IT within the City. The strategic prioritization of IT projects, with a measureable enterprise impact, will provide an unparalleled benefit to both City stakeholders and the organization.



SHORT-Term Strategy	(1.2)	Develop a Policy & Procedure manual to establish IT-related policies for the City of Kenmore.
Action Steps		Develop a formal Policy and Procedure manual to establish IT-related policies, in conjunction with the development of Standard Operating Procedures (SOPs), to serve as a reference tool for City Staff. <u>Record Retention Policy</u> • Determine the minimum requirements of the State of Washington's Record Retention Policy (CORE) • Identify opportunities for migrating paper-based information to an electronic format stored in a centralized repository • Create Record Retention Policy, based upon policy for retention of email, contracts, plans, and other records retained by the City • Obtain City Manager approval (Make changes as needed) • Educate City staff on Record Retention Policy • Implement the Record Retention Policy <u>Record Management Policy</u> • Determine the record management needs of the Departments, based upon how records are utilized in critical business processes (electronic and paper) • Establish Record Management Policy, which includes, but is not limited to: file formats, file naming convention, what, how and where to save records for both electronic and paper, including email • Obtain City Manager approval (Make changes as needed) • Establish rollout schedule for the implementation of the Record Management Policy • Train end users on the adherence to the Record Management Policy • Implement the policy according to rollout schedule <u>Contract Management Policy</u> • Review current practices on contract management with the City, including the Contract Committee • Create policy to govern the way that contracts are managed by the City • Obtain City Manager approval (Make changes as needed) • Educate City staff on Contract Management Policy • Implement the Contract Management Policy <u>Public Records Request Policy</u> • Review current policies in place for public records requests from the City • Create the policy using proven best practices



- Obtain City Manager approval (Make changes as needed)
- Educate City staff on Public Records Request Policy
- Implement the Public Records Request Policy

Professional Development Policy

- Determine the professional development training needs by department
- Create a training module depending on role, including curriculum and materials
- Implement a schedule and ways for staff to attend trainings
- Obtain City Manager approval (Make changes as needed)
- Educate City staff on Professional Development Policy
- Implement the Professional Development Policy

Customer Complaint Resolution Policy

- Review of best practices, primarily to define key areas with respect to internal control mechanisms, communication and effective work methods, and complaint resolution
- Create the Customer Complaint Resolution Policy
- Develop any forms for processing or tracking of customer complaints
- Obtain City Manager approval (Make changes as needed)
- Educate City staff on the Customer Complaint Resolution Policy
- Implement the Customer Complaint Resolution Policy

Hardware Policy

- Review current hardware usage policy for City
- Develop an inventory list of hardware, including in-service date
- Establish policy for upgrading/updating hardware
- Create schedule for creating uniformity within Departments
- Establish schedule for upgrades
- Obtain City Manager approval (Make changes as needed)
- Educate City staff on the Hardware Policy
- Implement the Hardware Policy

Software Policy

- Review current software usage policy for City
- Develop an inventory list of software, including in-service date
- Establish policy for upgrading/updating software
- Create schedule for creating uniformity within Departments
- Establish schedule for upgrades
- Educate City staff on the Software Policy
- Implement the Software Policy



	<u>Internet, Intranet, Email & Social Media Usage Policy</u> • Review the ways in which City personnel are currently using the Internet, Intranet, Email and Social Media, as part of their job at the City • Specify restrictions on conduct and usage of Internet, Intranet, Email and Social Media • Specify persons authorized for remote access • Specify accepted hardware for remote access • Specify procedure for external stakeholder access to the network • Specify procedures for help desk requests • Establish ramifications of non-adherence to policy • Obtain City Manager approval (Make changes as needed) • Publicize policies across City • Obtain end user signature on new policies as a form of acceptance • Educate City staff on the Internet, Intranet and Email Usage Policy • Implement the Internet, Intranet and Email Usage Policy
Gaps Addressed	1.2 – The City currently lacks a Record Management policy, including electronic records stored on the network shared drive, which has resulted in City departments creating their own non-standardized directories, making it difficult for City employees to find records. 1.3 – The City currently lacks an Email Management Policy, for effective utilization of email by City employees. 1.4 – The City currently lacks a Software Upgrade Policy which results in a non-standardization of currently utilized applications across the City, whereby staff is unable to open files generated by other internal departments. 1.5 – The City currently lacks an Internet, Intranet and Email Usage Policy for the usage of technology including Wireless networking, License management, Internet usage, iPad usage, etc. 1.6 – Employees do not have the requisite skills necessary to fully utilize the City's existing IT systems and applications. 1.7 – The City currently lacks a formal Hardware Upgrade Policy which results in no official planning. Usually just on an as needed basis. 1.9 – City Management is currently unable to track projects in an efficient and effective manner through a single point of contact from initiation to closure. 1.10 – The inability to easily access information, both hard copy and electronic,



	makes it difficult for the City to fulfill Public Records Requests. 1.11 – The City currently lacks a formal Customer Complaint Policy which results in no formal recording manner of handling customer complaints.
Prerequisite(s)	Audit of hardware in use within the City of Kenmore. Audit of software versions in use within the City of Kenmore.
Stakeholder(s)	IT Governance Committee, City of Kenmore Key Staff, Citizens of COK
Resources	External IT Vendor, IT Governance Committee, City of Kenmore Departments
Estimated Timeline	12 month Implementation, Continuous Management
Cost	Staff Time
Comments	Failure to maintain relevant policies and procedures places the City in a position of vulnerability as it relates to enforcement and reducing expenditures on inappropriate use of IT infrastructure. Approaches to computer usage, remote access, internet access, IT equipment procurement, and many other activities should be standardized and communicated throughout the City. Policies should be defined to establish Standard Operating Procedures (SOP) that are uniform and to establish the foundation for enforcement of these policies.



SHORT-Term Strategy	(1.3)	Conduct a Software Assessment on Cityworks in order to evaluate the alignment of the application's functionality (Asset, Work Order, Permit) with the business needs and processes of the City.
Action Steps		• Gather information from key stakeholders • Review existing Requirements • Conduct "As-Is" business process analysis • Develop any additional Requirements ○ Modules: Asset, Work Order, Permit • Conduct a functional assessment of the newly purchased Cityworks software/modules • Assess existing hardware and support capabilities for each module • Determine interface requirements • Conduct cost/benefit analysis • Select optimal modules/configurations/functions for implementation, based upon ROI for City of Kenmore
Gap Addressed		3.7 – Cityworks Software implementation has not yet been completed.
Prerequisite(s)		None
Stakeholder(s)		City of Kenmore staff, Citizens of COK
Resources		City of Kenmore staff, IT Governance Committee,
Estimated Timeline		4 – 6 weeks
Cost		\$40,000.00 - \$50,000.00
Comments		Conducting a Software assessment of Cityworks will provide the City with the understanding of the functional capacity of the software, in relation to the limitation of the current application, Cityview, along with capabilities of the existing support infrastructure. This insight will enable the City to modify existing business processes, so that they are better aligned with the technological advances provided by the various modules of Cityworks. The Software Assessment will provide requirements for the future Permitting System, as well as a feasibility analysis of the Cityworks "Permits" module, including whether it can meet the City's permitting needs or not, based upon the defined requirements.



SHORT-Term Strategy	(1.4)	Conduct a System Selection and Implementation for a Permitting Software that supports the permitting needs of the City of Kenmore.
Action Steps	• Gather information from key stakeholders • <i>The following two (2) action steps are contingent upon the determination that the Cityworks “Permits” module cannot meet the City’s requirements, as defined:</i> ○ Develop Request for Proposals (RFP) record, including Proposal Evaluation Criteria ○ Conduct vendor evaluation/ system selection process • Conduct implementation of the Permitting solution • Conduct training for the new Permitting solution	
Gap Addressed	3.9 – The inability of Cityview to meet the City’s permitting needs, including the tracking of permit requisitions through the approval process, causes inefficiency in the permit approval process for the City. 3.8 – Hard copy permitting requests make it difficult to track the status of the permitting process for both the City and customers. 3.16 – Hard copy customer complaint filings make it difficult to track the status of the customer complaint for both the City and customers.	
Prerequisite(s)	Software Assessment of CityWorks	
Stakeholder(s)	IT Governance Committee, City of Kenmore Staff, external IT vendor	
Resources	IT Governance Committee, City of Kenmore Key Staff	
Estimated Timeline	6 months – 12 months	
Cost	TBD – Further research required based upon outcome of Needs Assessment from the Short Term Strategy 1.3	
Comments	A permit management solution will make it easier for the city to efficiently manage the permit process. The City is considering this option as part of the Cityworks implementation, so this strategy is contingent upon the outcome of the Software assessment of Cityworks (Strategy 1.3). As stated, a determination that the Cityworks “Permits” module does not meet the permitting requirements of the City will result in the City moving forward with the action steps for RFP Development/Vendor Evaluation. Otherwise, if Cityworks meets the City’s permitting requirements, the implementation of this strategy will focus primarily on implementation support and the facilitation of training.	



SHORT-Term Strategy	(1.5)	Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an enterprise Financial Management solution that supports the financial management needs of the City of Kenmore.
Action Steps		• Gather information from key stakeholders • Conduct “As-Is” business process analysis • Develop requirements (function, technical, integration) • Develop Request for Proposals (RFP) record, including Proposal Evaluation Criteria • Conduct vendor evaluation/system selection process • Conduct implementation of the ERP financial management solution • Conduct training for the new ERP financial management ERP solution
Gap Addressed		3.6 – The inability of BlackBaud Fundware to meet the City's financial management/report needs, including accessing financial data, causes inefficiency in the financial management/accounting process for the City. 1.8 – The City is not currently able to accept credit/debit cards for payments from customers. Although there are no utility payments, payments for development services are accepted.
Prerequisite(s)		None
Stakeholder(s)		IT Governance Committee, City of Kenmore Accounting Staff, external IT vendor
Resources		IT Governance Committee, City of Kenmore Key Staff
Estimated Timeline		12 – 18 months
Cost		TBD – Further research required based upon outcome of Needs Assessment
Comments		The recommended strategic process will ensure that the City chooses a financial management system that best meets its needs and aligns with its financial management business processes. It should be noted that the City is interested in pursuing Payment Processing as an ancillary to the FMIS.



SHORT-Term Strategy	(1.6)	Conduct a Visioning Session with the Website Administrator and representation from across the City, including external stakeholders, in order to facilitate the design and content management requirements for the new City of Kenmore website.
Action Steps		• Designate a Website Administrator • Determine City stakeholders (internal/external) • Designate representation for City stakeholders (IT Governance Committee) • Conduct interactive “Visioning Session” to gathering stakeholder insight regarding the look, feel, content and overall functionality of the City website • Topics may include, but not be limited to, the following: ○ Develop policies and procedures for information to be included on website ○ Define staff responsible for updating information ○ Select standard format for website content ○ Define responsibilities of management of website
Gap Addressed		3.12 – Navigation on City website is not as user-friendly as the City aspires for it to be, including the lack of public interface for citizens, along with presentation of information and real-time updates.
Prerequisite(s)		Formation of IT Governance Committee
Stakeholder(s)		City Web Administrator, IT Governance Committee
Resources		City of Kenmore End Users, City web Administrator
Estimated Timeline		1 month
Cost		Staff Time
Comments		This workshop provides a useful framework for the City to develop a coherent and shared set of objectives, goals, strategies, and values for the process of upgrading the City’s website.



2. Medium Term Recommendations (1-3 year)

MEDIUM-Term Strategy	(2.1)	Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an Electronic Document Management System (EDMS) that supports the records management needs of the City of Kenmore.
Action Steps	<u>Electronic Record Management System (EDMS)</u> • Gather information from key stakeholders • Conduct “As-Is” business process analysis • Review state and local regulations and how they pertain to record management for proper policies in place at City • Develop a record index structure • Develop requirements (function, technical, integration) • Develop Request for Proposals (RFP) record, including Proposal Evaluation Criteria • Conduct vendor evaluation/ system selection process • Conduct implementation of the EDMS solution • Conduct training for the new EDMS solution <u>Reporting and Access to information</u> • Add reporting requirements to EDMS requirements • Determine frequency and content of reports • Establish method for tracking/maintaining data • Refer to previous reports to manage project progression	
Gap Addressed	2.3 – The inability to provide comprehensive electronic record management functionality, including a centralized repository for storage, including easy access to City council-related recordation, and workflow-driven record management, causes inefficiencies in the execution of critical business processes for City staff. 3.11 – The inability to generate reports that meet the operational and financial planning needs of the City forces staff to track and analyze data. 1.11 – The inability to easily access information, both hard copy and electronic, makes it difficult for the City employees to complete their daily tasks as well as fulfill Public Records Request.	
Prerequisite(s)	Establishment of Record Retention Policy Establishment of Record Management Policy	
Stakeholder(s)	City of Kenmore key personnel and Consultants	
Resources	City of Kenmore key personnel, IT Governance Committee	
Estimated Timeline	9 – 12 months	



Cost	TBD – Further research required based upon outcome of Needs Assessment
Comments	The implementation of an EDMS will provide the City with a centralized electronic record repository which can assist in the adherence to the Record Management-related policies. The EDMS implementation will help resolve the issues with record management, reporting and accessing information across the City. There are no formal reports presented across Departments currently. Therefore, City staff are operating independently and developing reports on an ad hoc basis for management.



MEDIUM-Term Strategy	(2.2)	Conduct a comprehensive IT System Utilization Audit to assess the current level of system utilization, security integration and support.
Action Steps		<u>IT System Utility</u> • Evaluate the current level of utility of the City's IT systems ◦ Determine the level of utility, in relation to functional capacity • Recommend ways to improve the usability of the City's IT systems <u>IT System Security</u> • Evaluate the current level of security of the City's IT systems ◦ Determine the level of security for auditing purposes • Recommend ways to improve the security of the City's IT systems <u>IT System Integration</u> • Evaluate the City's IT systems for possible integration points ◦ Determine if there are any limitations to the current system integration • Recommend ways to improve the integration of the City's IT systems <u>IT System Support</u> • Evaluate the current level of support provided for the City's IT systems ◦ Determine IT systems which are supported and level of support required ◦ Determine IT systems which are no longer supported and the level of support required • Recommend ways to improve the current level of IT support
Gap Addressed		3.1 – The inaccessibility of GIS software, due to limited licensing and training, causes inefficiencies in geographic planning for both the City and other stakeholders, including citizens and business. 3.2 – Programs are not currently integrated (i.e. permit system, financial software, engineering asset management software, GIS database, mybuildingpermit.com, etc.), which forces employees to use workarounds to complete their tasks and causing inefficiencies and redundancy. 3.3 – City's current software needs to be upgraded, loaded and standardized across City's Departments. It has limitations when everyone can't open records due to lack of software or outdated application, as deemed necessary by management and IT Consultant, in conjunction with the Software Upgrade Policy. 3.4 – Technical support, troubleshooting and training are not available on



	current software, legacy applications, and new application implementations. Staff not sure when to use external IT vendor.
Prerequisite(s)	None
Stakeholder(s)	IT Governance Committee, City of Kenmore Staff
Resources	IT Governance Committee, City of Kenmore Key Staff
Estimated Timeline	3 – 5 weeks
Cost	\$24,750 - \$30,500
Comments	The IT Systems Utilization Audit will consider the current state of the following: Utility, Security, Integration and Support. Once the City is aware of the assessment of the current state, recommendations can implemented to improve the overall IT system at the City. As a result, technology can be modified to better align to meet the City's needs.



MEDIUM-Term Strategy	(2.3)	Conduct a Needs Assessment to determine the need for mobile utility for field staff across critical IT applications.
Action Steps	• Identify Departments with legitimate business need for mobile workforce capabilities • Review “As-Is” business process maps to determine appropriate process integration points for mobile use • Determine method of connection • Develop implementation schedule • Follow procurement procedures for selection of product • Procure equipment to support mobile workforce • Configure applications for mobile computing • Test mobile computing interface • Train management and end users on mobile computing • Rollout Mobile workforce implementation plan	
Gap Addressed	3.5 – The inability to capture real-time data in the field often mitigates productivity or delays the resolution of customer service issues for the City staff.	
Prerequisite(s)	Mobile devices (handheld computers, iPads or ruggedized laptops)	
Stakeholder(s)	Departments with field personnel, IT Governance Committee, Citizens of COK	
Resources	Departments with field personnel, external IT vendor	
Estimated Timeline	3 – 5 weeks	
Cost	\$20,000 - \$32,500	
Comments	The use of mobile devices, including iPads or laptop computers, allow inspectors, engineers or other employees to maintain a continuity of work instead of managing numerous forms and papers that must be entered regularly. The encouragement of a mobile workforce would reduce time spent on non-value-added activities and prevent errors by providing easy access to information.	



MEDIUM-Term Strategy	(2.4)	Conduct a Hardware & Network Analysis to determine how existing hardware and the network are currently performing within the City's IT infrastructure.
Action Steps		• Audit hardware in use within City of Kenmore infrastructure • Evaluate feasibility of acquiring replacement of the current servers, routers, etc. • Maintain inventory of hardware inflow and outflow • Perform quality check on network maintenance and user issues • Replace hardware in conjunction with Hardware Policy
Gap Addressed		3.13 – City's current IT infrastructure has limitations (i.e. - Server, workstations) and may require replacement as deemed necessary by IT Consultant, in conjunction with the Hardware Upgrade Policy. 3.14 – The inability to access the internet throughout city hall, along with wireless and remote connectivity through a VPN, causes inefficiencies for city staff and other stakeholders, such as the City Council.
Prerequisite(s)		None
Stakeholder(s)		IT Governance Committee, external IT vendor
Resources		External IT vendor
Estimated Timeline		3 – 5 weeks
Cost		\$20,000 - \$40,000
Comments		The ability for the City to determine how the existing hardware and network are performing will provide valuable insight into what improvements need to be made. By assessing the current environment, the City is also able to increase the likelihood of mitigating a preventable outage, which will ensure business continuity for the provision of public services.



MEDIUM-Term Strategy	(2.5)	Conduct a City-wide Social Network Analysis to define both the mode and flow of organizational communications across employees, through the utilization of IT, at the City of Kenmore.
Action Steps		• Conduct interviews with key personnel • Create a network visualization of the data by displaying nodes and ties in various layouts, and attributing colors, size and other advanced properties to nodes. • Collaboration graphs will be used to illustrate good and bad relationships • Create network mapping during the data collection session • Re-engineer communication and data flows as needed
Gaps Addressed		2.2 – The inability to communicate, and collaborate, with all City departments before IT decisions are made, does not enable City staff to provide their input on inter-departmental use. 2.4 – The IT workarounds required for employees to conduct their daily tasks using the City's current IT applications are time consuming and often require duplication of efforts.
Prerequisite(s)		None
Stakeholder(s)		City of Kenmore staff, IT Governance Committee,
Resources		City of Kenmore key staff, IT Governance Committee,
Estimated Timeline		2 – 3 weeks
Cost		\$7,000 - \$12,500.00
Comments		The presence of an internal communication plan will promote cross-departmental interaction regarding the usage of IT systems and data, along with shared decision-making. Visual representation of social networks is important to understand the network data and convey the result of the analysis to help with management.



3. Long Term Recommendations (3-5 years)

LONG-Term Strategy	(3.1)	Conduct a Cost-Benefit Analysis on available electronic payment processing systems.
Action Steps	Electronic Payment Processing • Facilitate a focus group session to review each of the functional areas key Processes and system requirements • Contact similar agencies to determine how they handle electronic payments (i.e. what technology they utilize plus the pros and cons) • Contact software vendors • Conduct vendor demonstrations • Develop a cost analysis • Recommend an optimal electronic payment solution	
Gap Addressed	The City is not currently able to accept credit/debit cards for payments from customers.	
Prerequisite(s)	ERP needs assessment	
Stakeholder(s)	City of Kenmore Accounting Dept, City of Kenmore Public Works Dept, external IT Vendor and Citizens of COK	
Resources	City of Kenmore Accounting Dept and City of Kenmore Public Works Dept	
Estimated Timeline	2 months	
Cost	\$5,000 - \$7,000	
Comments	An Electronic payment processing solution will make it easier for stakeholders to make their payments to the City, and will also build efficiencies into the payment processing model. The City is considering this option as part of the enterprise financial management system, so this strategy is contingent upon the outcome of Strategy 1.5 (Financial Management Solution).	

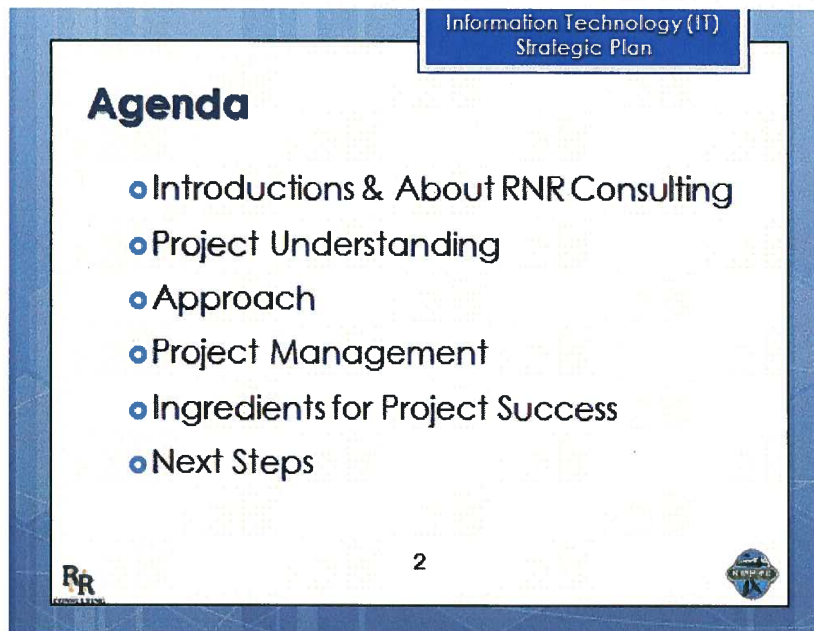
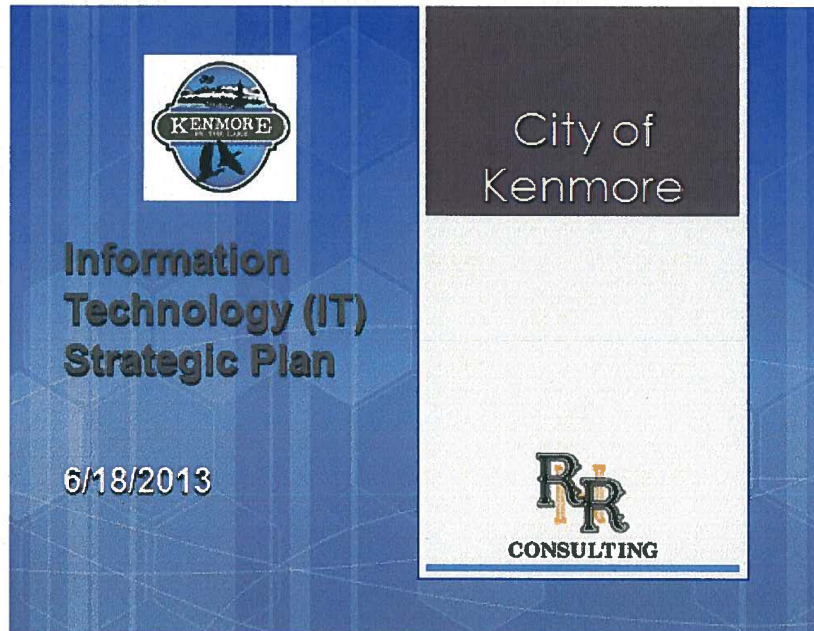


LONG-Term Strategy	(3.2)	Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for the Voice over IP (VoIP) solution that supports the telephony needs of the City of Kenmore.
Action Steps		• Incorporate technology in cases that make legitimate business sense before this point • Develop requirements • Conduct cost/benefit on Original Equipment Manufacturers (OEM) versus third party phone vendors • Develop Request for Proposals (RFP) record, including Proposal Evaluation Criteria (if necessary) • Conduct vendor evaluation/ system selection process • Conduct implementation of the VoIP solution • Conduct training for the new VoIP solution. • Schedule full rollout of VoIP to coincide with end-of-support for PBX system • Identify plan for rollout • Establish emergency 911 connection if network is down • Ensure Quality of Service (QOS) for voice traffic over data traffic • Rollout new phone according to predetermined schedule
Gap Addressed		3.15 – The existing phone system is not integrated with existing technologies, not currently functioning properly and is not user friendly.
Prerequisite(s)		None
Stakeholder(s)		End users on City of Kenmore network, external IT vendor
Resources		External IT vendor, Service provider
Estimated Timeline		6 months – 12 months
Cost		TBD
Comments		VoIP is a voice communications technology that utilizes the fiber optic network in place within the City. The City owns the network which reduces the cost for the communication framework. VoIP allows voice communication to function without the need for separate cabling (as in the case of telephones and traditional PBX systems). Additionally, VoIP is scalable and it is easy to replace hardware as the need arises. Because a VoIP exchange is based on software rather than hardware, it is easier to alter and maintain. Potential VoIP solutions may include Cisco Webview and Microsoft Link.



5. Appendices

A. Appendix A – Kick-Off Presentation





Introductions & About RNR Consulting

Information Technology (IT) Strategic Plan

Project Team

- **City of Kenmore**(Project Sponsors)
- **RNR Consulting** (Project Team)
 - Tarak Shah, PMP - Vice President
 - Andrew Hayes - Project Manager
 - Yolanda Colbert - Senior Consultant





Information Technology (IT)
Strategic Plan

About RNR Consulting

- **Who We Are...**
 - 3RD Party independent Management & Information Technology Consulting Firm
- **What We Do...**
 - RNR Consulting helps Our Valued Clients To Identify, Prioritize And Resolve Their Critical Challenges, Whether They Be Organizational, Operational or Technology-driven
- **Who We Serve...**
 - Public Sector Clients including Public Utilities, City Municipalities, & State Government Agencies, Transit Authorities & Housing Authorities



Information Technology (IT)
Strategic Plan

About RNR Consulting

Our Capabilities and Expertise

- Business and Technology Strategic Planning
- IT Systems Selection and Implementation
- Business Process Transformation
- Program Management and Project Management
- Organizational Assessment and Feasibility Studies





Information Technology (IT)
Strategic Plan

About RNR Consulting

IT System Experience

- **Enterprise Resource Planning (ERP) Systems**
(CGI Advantage, Microsoft Dynamics, Oracle PeopleSoft, Tyler Munis, SAGE)
- **Utility Billing Systems**
(Oracle CC&B, SAP-ISU, Banner, AMR/AMI)
- **Asset & Work Order Management Systems**
(Mincom Ellipse, EAM, Asset Works FleetFocus, Accela)
- **Customer Information System (CIS)/ CRM**
(Oracle CC&B, SAP-ISU, Infor)
- **Business Intelligence Tools**
(Cognos, Business Objects)



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Information Technology (IT)
Strategic Plan

About RNR Consulting

Representative Clients





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Project Understanding

Information Technology (IT) Strategic Plan

Project Understanding

- Analyze the City of Kenmore's (City) current business processes, existing information systems, existing required information products, existing data sources, and existing organizational structure.
- Develop a comprehensive IT strategic plan, including approximate annual costs over a five year term and methodology for implementation and maintenance of the plan.
- Propose strategic recommendations to assist City Management to Establish a Contemporary Information Technology Program under the direction of the City Council (Council Goal #4)



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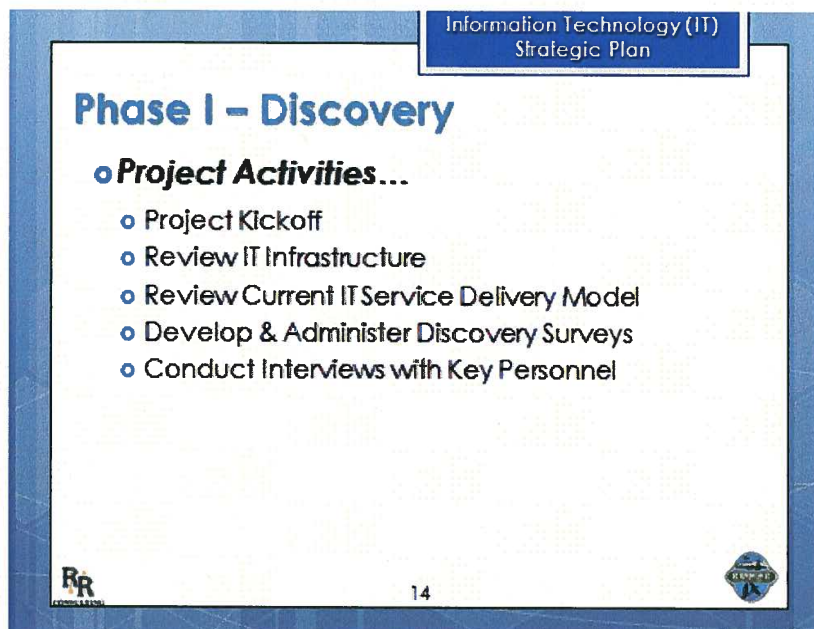
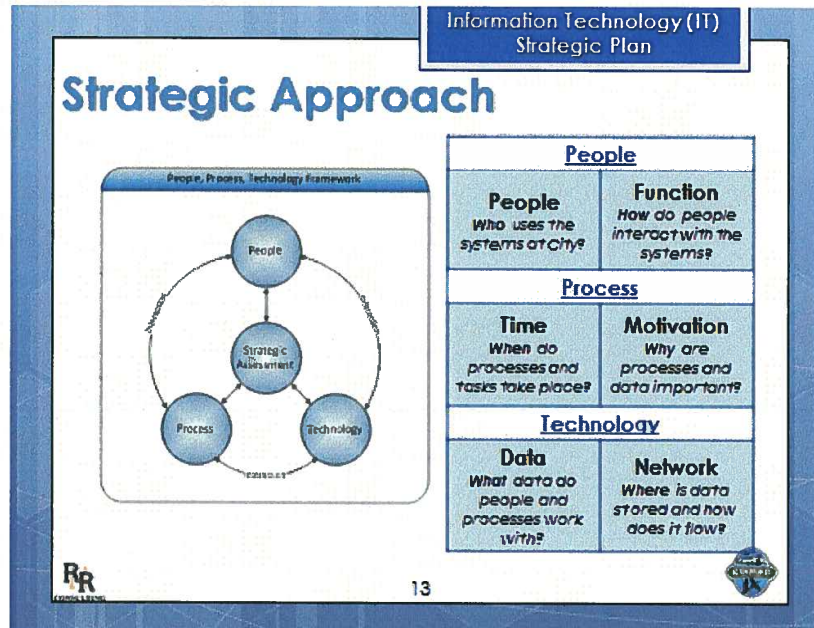
Information Technology (IT)
Strategic Plan

Project Goals

- Understand the vision, mission & goals for the development of the City's *Contemporary Information Technology Program*
- Assess the current state of the City's IT resources and utilization
- Identify issues, gaps and risks associated with the current technology and service delivery covering all applications/systems at the City
- Provide recommendations and develop short term, medium term, and long term strategies

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Approach





Information Technology (IT)
Strategic Plan

Phase I – Discovery

- **Deliverables...**
 - Kick-off Presentation
 - Interview Questionnaire
 - Discovery Survey
 - Discovery Findings
- **Duration...**
 - 12 Business Days

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Information Technology (IT)
Strategic Plan

Sample Deliverable: Interview Questionnaire

1	Please describe your departmental role and responsibilities at the City.
2	Were there any important initiatives that the City set out to accomplish during the past five (5) years, but did not accomplish? Are these initiatives still important today?
3	Please describe some of the positive aspects that you/your department have experienced as a result of the current IT environment of the City.
4	Please describe some of the challenges that you/your department have experienced as a result of the current IT environment of the City.
5	Describe some of the opportunities for improving the current IT environment of the City.
6	As an overview, briefly describe how IT impacts your role at the City, in terms of the applications or tools that are used by you and your departmental personnel to perform/support respective functions.
7	Is there information the current application(s) do not provide and is required by your department to enhance performance? If so, please describe and give provide role of IT to procure/develop an enhancement.
8	What types of reports and data outputs are you and your department currently using to assist in performing/supporting your and your department functions? Are there any issues with reports and data outputs? If so, please describe.
9	Is your department a source of data/information for other departments? If yes, please describe.
10	Does your department depend on other department(s) for data/information? If yes, please describe and list the other department department(s).
11	Does your department personnel create/delete/edit any form of data/information in a particular application? If yes, what application(s)?

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Information Technology (IT)
Strategic Plan

Sample Deliverable: Survey

Case Study - Information Technology Assessment

2. General Questions

On a scale of one (1) through five (5), + being strongly disagree and - being strongly agree, choose the following statements.

If checked, please provide additional comments in the "Comments" section that follows each statement.

1. Constate has a need to improve/update its hardware architecture. (Printers, Computers, Servers, Telecommunications, copiers, etc.)

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
☐	☐	☐	☐	☐

Comments:

2. Constate has a need to improve/update application architecture. (Software, MS Office, Sage ERP, Email, Windows OS, SCADA, etc., etc.)

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
☐	☐	☐	☐	☐

Comments:

3. Retrieval of paper documentation to Computerized and time-consuming.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
☐	☐	☐	☐	☐

Comments:

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Information Technology (IT)
Strategic Plan

Phase II – Critical Analysis

- **Project Activities...**
 - Conduct IT Gap Analysis
- **Deliverables...**
 - IT Gap Analysis Overview
- **Duration...**
 - 4 Business Days

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Information Technology (IT)
Strategic Plan

Sample Deliverable: IT Gap Analysis Overview

Topic	Current State	Desired Future State	Gap
Fiber-Optic Cable	Main City buildings (Municipal, Safety, Morley, Cascade, Ocseck, City Center, Stubbs, Triplett, 311 Call Center, Communications, etc.) are connected via Fiber-Optic Cable; most community centers and a few other buildings (Water Supply, WPCS) are not.	Fiber-Optic Cable connection to all City buildings. Expansion of Fiber-Optic Cable will allow Quality of Service over lines creating a voice priority over data and faster data connection to the network.	• Explicit plan for expansion of Fiber-Optic Cable • Cost-Benefit analysis • Allocation of funding to expand Fiber-Optic Cable to remaining buildings

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Information Technology (IT)
Strategic Plan

Phase III – Strategic Recommendations

- **Project Activities...**
 - Develop Strategic Recommendations & Action Plan
 - Facilitate Validation Session
 - Develop/Present Final Report
- **Deliverables...**
 - Strategic Recommendations & Action Plan
 - Final IT Strategic Plan
- **Duration...**
 - 7-10 Business Days

20



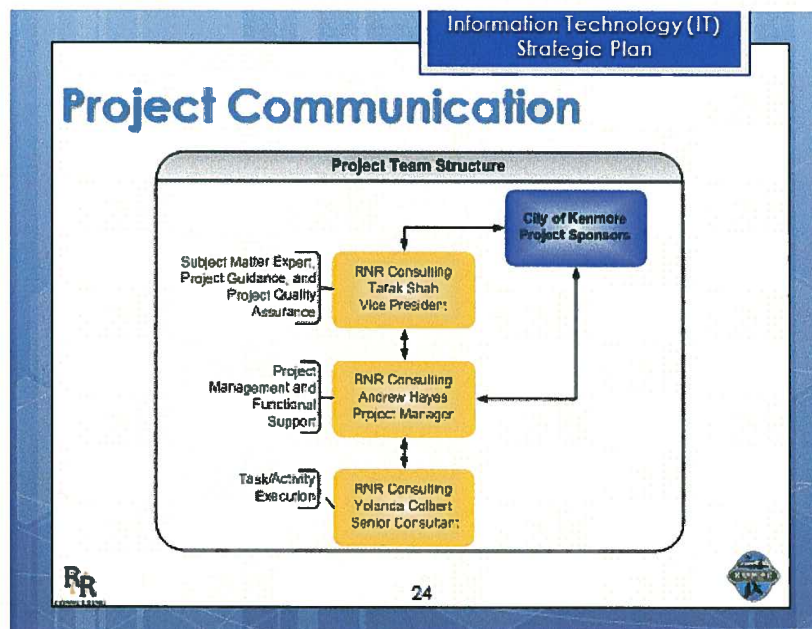
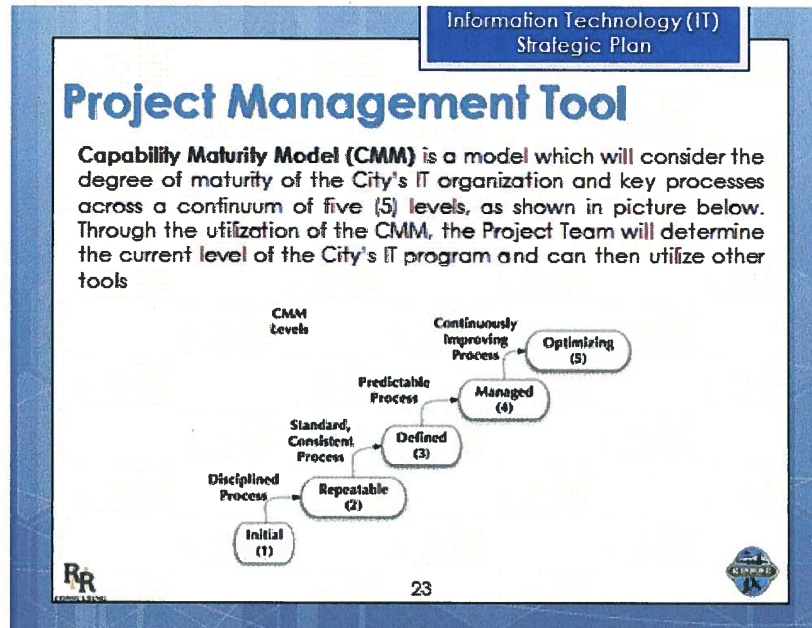
Information Technology (IT)
Strategic Plan

Sample Deliverable: Recommendations

RECOMMENDATION	CREATE A NEW POSITION WITHIN IT DEPARTMENT TO MATCH EXISTING WORKLOAD LEVELS
Action Steps	• Determine baseline qualifications for the new position within the IT Department • Determine responsibilities for this position that will benefit the IT department as a whole • Allow the position to have the ability to allow other staff members within the IT department to have the ability to focus on their own assigned projects
Concern Addressed	Currently the IT Department is overwhelmed with various projects and responsibilities within the Authority. Due to the IT Department staff being pulled in various directions they are unable to efficiently work on their assigned projects. They also are constantly involved in other department's projects which impact each project's implications.
Prerequisite	None
Stakeholders	• IT Department • Administration • Human Resources
Resources	• IT Department • Human Resources
Estimated Timeline	1 month

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Project Management





**Information Technology (IT)
Strategic Plan**

Project Status Updates

Weekly Status Dashboard

To: Project Manager
From: RR Consulting
Date: 12/05/2013
Subject: Weekly Status Dashboard

Reporting Period	Next Period
From: November 18, 2012 To: December 4, 2012	From December 5, 2012 To: December 11, 2012
Activities Completed 1. Completed a. Change Management Plan Draft b. High Level Scenario Draft c. Data verification for most programs d. Audit for reflection of client services charts 2. Continued work on: a. ITMS System Change Documentation b. Business Requirements c. Systems Requirements	Activities Planned 1. Complete any additional: a. Data verification for programs b. Data verification for programs 2. Complete work on: a. Change Management Plan b. High Level Scenario Draft c. Data verification for most programs 3. System Requirements First rough draft including a list of systems used by various programs and the functionality of the systems has been completed.
Deliverables Completed 1. Change Management Plan Draft 2. High Level Scenario Draft	Anticipated Deliverables
Risks and Issues Identified:	Risks to be Eliminated/Mitigated:
Schedule Status: On-Time	Budget Status: Within Budget

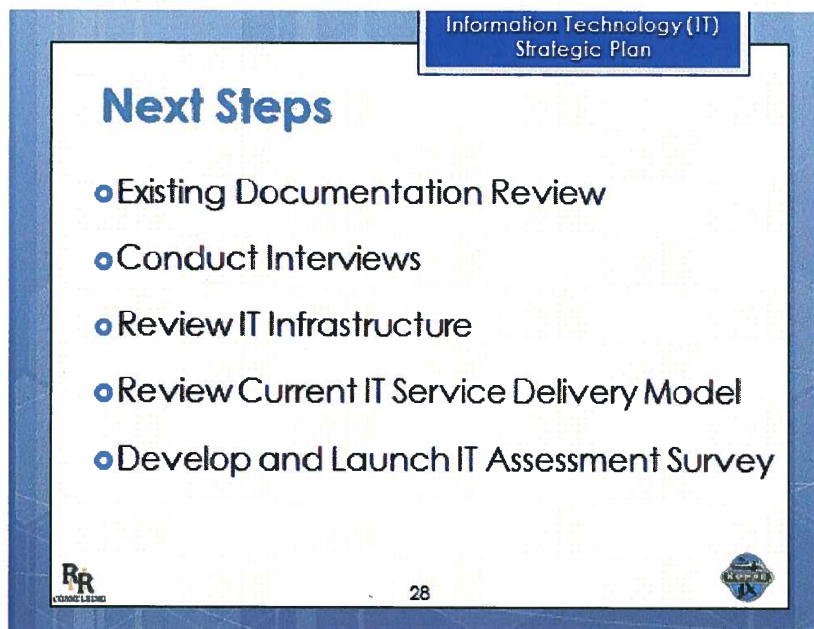
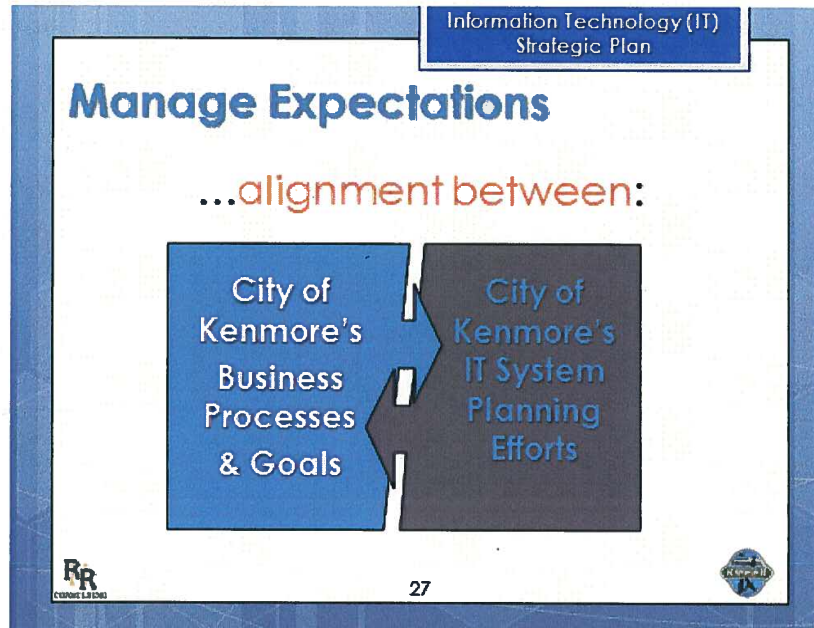
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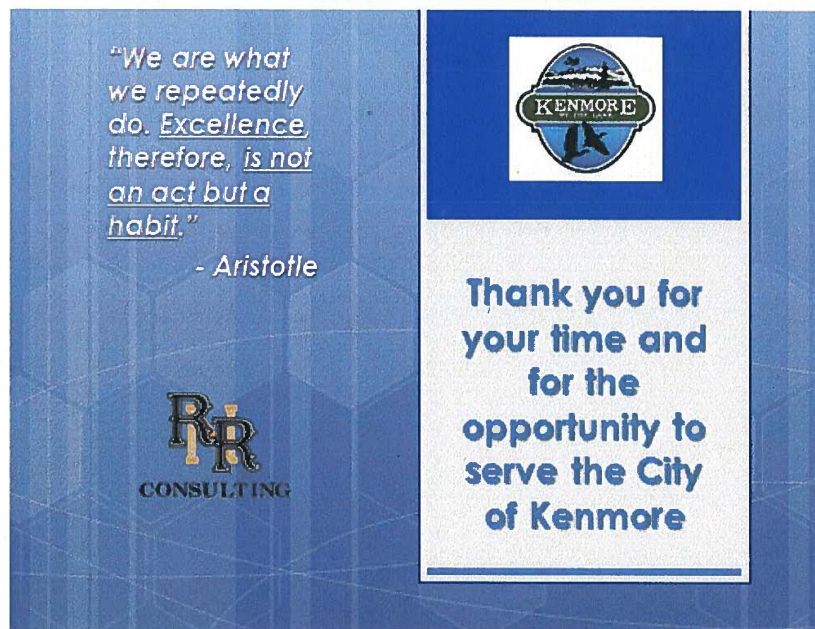
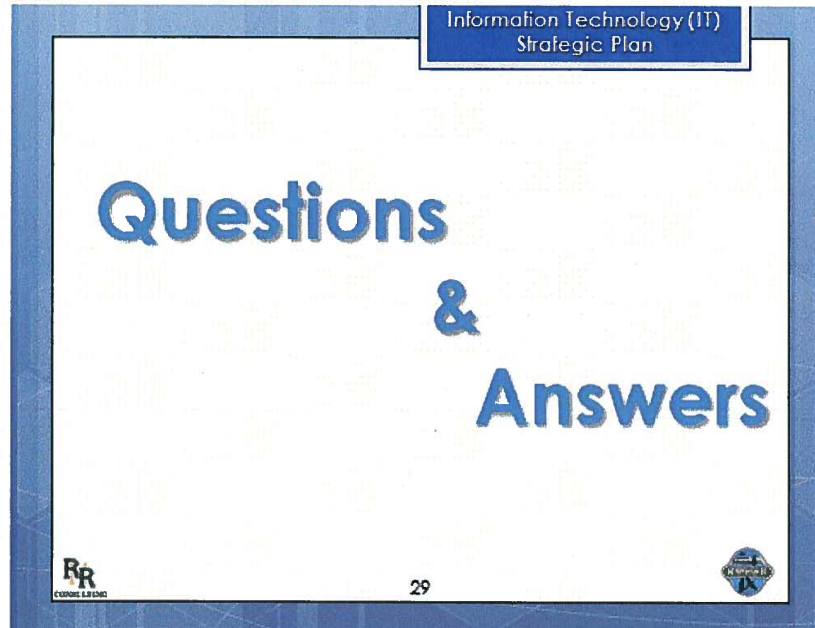
**Information Technology (IT)
Strategic Plan**

Ingredients for Project Success

- o Clear communication of goals and objectives
- o Timely (5-7 days) review of reports and deliverables
- o Provide data in a timely manner
- o Shared project outcomes
- o Management of budget, scope, and schedule
- o **Participate, offer ideas, experiences, and opinions**
- o And **most importantly...**

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B. Appendix B – IT Discovery Survey

City of Kenmore - IT Discovery Survey

About You

***1. My role at the City of Kenmore consists of the following capacity:**

- ☐ Management
- ☐ Professional
- ☐ Support

***2. I work in the following Department of the City of Kenmore:**

- ☐ City Manager's Office
- ☐ Finance & Administration
- ☐ Public Safety
- ☐ Community Development
- ☐ Land Development
- ☐ Engineering & Environmental Services
- ☐ Park & Facility Maintenance
- ☐ Street Maintenance
- ☐ Surface Water Management

Information Technology Environment

***3. Please indicate your level of agreement with the following statements.**

	Strongly Disagree	Disagree	Agree	Strongly Agree	Not Applicable
I believe that the Information Technology (IT) at the City is very crucial to our ability to provide public service	☐	☐	☐	☐	☐
I am happy with the overall state of IT at the City	☐	☐	☐	☐	☐
The City has a need to improve/update its IT infrastructure (i.e. - Servers)	☐	☐	☐	☐	☐
The City has a need to improve/update its IT systems (i.e. - Blackbaud FundWare)	☐	☐	☐	☐	☐
The City has a need to upgrade its IT applications (i.e. - MS Office Suite)	☐	☐	☐	☐	☐
I am happy with the level of IT support that I receive from the City's external IT vendor. (i.e. - Lighthouse)	☐	☐	☐	☐	☐
The City's external IT vendor provides services that are valuable to me	☐	☐	☐	☐	☐
The City's external IT vendor helps me to use technology effectively	☐	☐	☐	☐	☐



***4. In your opinion, what are the THREE (3) most important strengths that you have experienced as a result of the current IT environment at the City?**

#1

#2

#3

***5. In your opinion, what are the THREE (3) most critical weaknesses that you have experienced as a result of the current IT environment at the City?**

#1

#2

#3

***6. In your opinion what are the THREE (3) most important opportunities (internal and external) for improving the current IT environment at the City?**

#1

#2

#3

***7. What are the most common IT-related challenges which you encounter while performing your daily job functions at the City? How can they be resolved?**

IT Service Delivery

***8. What type of interaction do you have with the external IT vendor (i.e. - Lighthouse).
[Please check all that Apply]**

- ☐ I contact the external IT vendor when issues arise
- ☐ I work with the external IT vendor on IT system enhancements and reporting requests
- ☐ I work with the external IT vendor on hardware / equipment requests
- ☐ I work with the external IT vendor on other software requests
- ☐ I do not have direct contact with IT, all issues are brought to my supervisor's attention
- ☐ Other (please specify)



***9. On a scale of 1-5 (5 being the highest), please rate the service you have received from the external IT vendor (i.e. - Lighthouse).**

	1	2	3	4	5
Timeliness of your initial response to your inquiry	☐	☐	☐	☐	☐
Ability to solve problem	☐	☐	☐	☐	☐
Turnaround time for resolving your problem	☐	☐	☐	☐	☐
Technical quality / accuracy	☐	☐	☐	☐	☐
Courtesy and professionalism of vendor staff	☐	☐	☐	☐	☐

***10. How satisfied are you with the communications provided by the external IT vendor (i.e. - Lighthouse) to keep you informed about the services, current and future projects, etc. it provides?**

- ☐ Satisfied
- ☐ Somewhat Satisfied
- ☐ Somewhat Dissatisfied
- ☐ Dissatisfied

Other (please specify)

***11. How satisfied are you with the communications provided by the City's Intranet?**

- ☐ Satisfied
- ☐ Somewhat Satisfied
- ☐ Somewhat Dissatisfied
- ☐ Dissatisfied

Other (please specify)

***12. How satisfied are you with the communications provided by the City's website?**

- ☐ Satisfied
- ☐ Somewhat Satisfied
- ☐ Somewhat Dissatisfied
- ☐ Dissatisfied

Other (please specify)



***13. How satisfied are you with the communications provided by the City's social media presence on the web (i.e. - Facebook, Twitter)?**

- ☐ Satisfied
- ☐ Somewhat Satisfied
- ☐ Somewhat Dissatisfied
- ☐ Dissatisfied

Other (please specify)

***14. Which THREE (3) of the following channels of communication are you most likely to use to stay informed about the IT-related news/projects/initiatives at the City?**

- ☐ Information sessions/meetings
- ☐ Personal outreach
- ☐ Newsletter
- ☐ Email
- ☐ Website
- ☐ Facebook (Social Media)
- ☐ Twitter (Social Media)
- ☐ Intranet

Other (please specify)

15. Do you have meetings with the external IT vendor (i.e. - Lighthouse) to receive updates on the IT-related projects that the vendor is currently working on and to discuss areas where the vendor can focus on to help your Department improve? (For MANAGEMENT ONLY - Explain Briefly)



16. Do you have regular meetings with your staff to update them on IT projects and programs or identify IT-related training? (For MANAGEMENT ONLY - Explain Briefly)

***17. List THREE (3) things that the external IT vendor (i.e. - Lighthouse) could do to make your job easier with regard to the current state of the IT Service Delivery Model at the City?**

#1

#2

#3

***18. List THREE (3) things that the City Management could do to make your job easier with regard to the current state of the IT Service Delivery Model at the City?**

#1

#2

#3

IT Skills & Training

***19. Please indicate your level agreement with the following questions.**

	Strongly Disagree	Disagree	Agree	Strongly Agree	Not Applicable
I believe that the external IT vendor is properly equipped (resources, skills and training, etc.) to provide IT-related services?	☐	☐	☐	☐	☐
I have the basic IT skills in MS office, e-mail, internet etc.	☐	☐	☐	☐	☐
I have the skills necessary to use existing IT systems and applications	☐	☐	☐	☐	☐
I have been provided with the necessary training to use existing IT systems and applications	☐	☐	☐	☐	☐
My manager/supervisor identifies and discusses necessary IT-related training needs for me during performance evaluations	☐	☐	☐	☐	☐



***20. Is there any additional IT training which you feel would increase your current level of effectiveness, with regarding to completing your daily job functions? (Explain Briefly)**

IT Resource Availability/Application

***21. Please indicate your level of agreement with the following statements.**

	Strongly Disagree	Disagree	Agree	Strongly Agree	Not Applicable
The software applications (i.e - MS Office Suite, Windows OS, etc) currently utilized by the City are up-to-date	☐	☐	☐	☐	☐
The IT Systems (i.e - Blackbaud FundWare, CityView, ArcGIS, etc) currently utilized by the City are up-to-date	☐	☐	☐	☐	☐
The hardware (e.g. printers, scanners, computers, copiers) currently utilized by the City are up-to-date	☐	☐	☐	☐	☐
The City's website is easy to navigate, user friendly and provides the most current information	☐	☐	☐	☐	☐
I have access to the appropriate IT hardware to effectively perform my daily job functions	☐	☐	☐	☐	☐
I have access to the appropriate IT software to effectively perform my daily job functions	☐	☐	☐	☐	☐
My internet connectivity at the City enable me to effectively perform my daily job functions	☐	☐	☐	☐	☐
The current IT hardware enable me to effectively perform my daily job functions	☐	☐	☐	☐	☐
The current IT software enable me to effectively perform my daily job functions	☐	☐	☐	☐	☐

***22. Is there information or functions that any of the following IT systems do not provide, which are necessary to perform your daily job functions within your respective your department at the City?**

Blackbaud FundWare	
iCompass	
CityView	
AutoCAD	
ArcGIS	
Other	



***23. What are the most common and/or critical issues/problems that you have experienced when working with any of the following IT systems at the City?**

Blackbaud	
FundWare	
iCompass	
CityView	
AutoCAD	
ArcGIS	
Other	

***24. List THREE (3) additional IT resources could increase the overall efficiency and effectiveness of your job performance at the City?**

#1	
#2	
#3	

Additional Comments

25. Please feel free to use the space below, if you have any additional comments or feedback that would contribute to the development of the City's IT Strategic Plan.

--



C. Appendix C – Interview Questionnaire

1	Please describe your departmental role and responsibilities at the City.
2	Were there any important initiatives that the City set out to accomplish during the past five (5) years, but did not accomplish? Are these initiatives still important today?
3	Please describe some of the positive aspects that you/your department have experienced as a result of the current IT environment at the City.
4	Please describe some of the challenges that you/your department have experienced as a result of the current IT environment at the City.
5	Describe some of the opportunities for improving the current IT environment at the City.
6	As an overview, briefly describe how IT impacts your role at the City, in terms of the applications or tools that are used by you and your departmental personnel to perform/support respective functions.
7	Is there information the current application(s) do not provide and is required by your department to enhance performance? If so, please describe and also provide role of IT to procure/develop an enhancement.
8	What types of reports and data extracts are you and your department currently using to assist in performing/supporting yours and your department functions? Are there any issues with reports and data extracts? If so, please describe.
9	Is your department a source of data/information for other departments? If yes, please describe.
10	Does your department depend on other department(s) for data/information? If yes, please describe and list the other department dependencies.
11	Does your department personnel create/delete/edit any form of data/information in a particular application? If so, what application(s)?



12	Does your department supply data to any parties which are external to the City (i.e. – King County, Northshore Utility District, etc.)? If so, please describe. Also, please identify any current issues present (if any) with sharing data with external stakeholders.
13	How often do you/your department experience IT-related problems? Please describe the nature of the IT-related problems.
14	Who is contacted to report an IT-related problem (both critical & non-critical)? How are the IT-related problems reported? What is the turnaround time to resolve “critical” IT problem?
15	Does the contracted IT vendor provide ongoing status updates regarding the problem resolution status updates to City Management/departmental personnel about status of the IT-related problem and time frame to resolve it?
16	Once the IT-related problems are successfully resolved, do they have a tendency to reoccur? If so, What are some of the IT-related problems that commonly reoccur?
17	How positive has your experience with the City’s current website been? Do you have any ideas for improving the overall functionality and sharing of information on the upgraded version of the website?
18	If you had the authority and resources to institute three (3) changes (including tools, applications, website, etc.), which would improve the overall effectiveness of IT at the City, what would they be?
19	What other information or insight (if any) would you like to share which you feel would be helpful to our development of an IT Strategic Plan at the City?
20	Any other comments.



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: City of Kenmore 2014 Federal Legislative Agenda	For Council Meeting Agenda of: 2 December 2013 Department: Executive Prepared by: Nancy Ousley Initial & Date Approved by Department Head: <u>NKO 18 Nov 2013</u> Approved by City Attorney: <u>[Signature] 11/18/13</u> Approved by Finance Director: <u>[Signature]</u> Approved by City Manager: <u>[Signature]</u>	
Proposed Council Action/Motion: Approve City of Kenmore 2014 Federal Legislative Agenda	Exhibits/Attachments: 1. Proposed 2014 City of Kenmore Federal Legislative Agenda 2. 22 Oct 2012 Agenda Package for 2013 Federal Legislative Agenda	
Expenditure Required \$0	Amount Budgeted \$	Appropriation Required \$n/a
<u>INFORMATION/BACKGROUND:</u> The proposed 2014 Federal Legislative Agenda continues the focus on transportation infrastructure and Kenmore Navigation Channel maintenance dredging. Increased activity will be directed toward securing federal grant funding for economic development programs and supporting transit improvements. Kenmore Air service interruptions due to airspace closure during Presidential visits also remains on the agenda. The City will continue to use the services of Alcalde and Fay, and a contract amendment will be presented for Council consideration in December. City officials have established good relationships with District and DC offices of the Congressional delegation, and continue to work with the Corps of Engineers at the District and Division level in addition to discussions at Headquarters and the Office of Management and Budget.		
<u>FISCAL CONSIDERATION:</u> n/a		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> • Continue to implement the Economic Development Plan • Continue to seek transportation funding		

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CITY OF KENMORE, WA
2014 FEDERAL LEGISLATIVE AGENDA

Kenmore Navigation Channel

The Kenmore Navigation Channel has not seen an episode of federally-assisted maintenance dredging since the early 1990's, prior to the City's incorporation. In 2014, we will continue to pursue funding for the Army Corps to engage in maintenance dredging, working with the Congressional delegation, Congressional Committee staff and appropriate federal agencies; most notably the Corps and the Office of Management and Budget.

We will work with City staff to promote regular contact with Army Corps officials and staff in the Seattle District, Northwestern Division, Washington Headquarters, and the Assistant Secretary's office, as well as with the Office of Management and Budget, to be certain that all pertinent officials are fully aware of the project's importance in order to have the project prioritized in the Corps' budget.

In addition, both the House and Senate versions of WRDA include provisions related to the dredging of small harbors. The chambers are currently in conference, negotiating a final version of the bill to send to the President. Once enacted, we will work to try and ensure that Kenmore is positioned to benefit from these provisions in order to have its channel dredging project prioritized by the Army Corps of Engineers.

Sammamish River Bridge Funding Sources

The City is currently studying whether the 68th Avenue bridge over the Sammamish River should be replaced or rehabilitated. The 80 year old bridge is of regional significance and is a well-used route around the Lake. Traffic over the bridge has increased as drivers utilize this route to avoid tolls on State Route 520. The Bridge was constructed in the 1930's and is showing structural deterioration as a result of the increased traffic volumes.

There will be several opportunities to advocate for legislation that could provide assistance for the bridge project. Legislation has recently been introduced called The Building and Renewing Infrastructure for Development and Growth in Employment (BRIDGE) Act, which is designed to help close America's widening infrastructure gap, create millions of jobs in the next decade, and ensure America's global competitiveness in the 21st century by establishing an Infrastructure Financing Authority to complement existing funding mechanisms and expand overall infrastructure investment. Sponsors assert that this mechanism, which

would provide loans and loan guarantees, would be both fiscally responsible and robust enough to help address America's infrastructure deficit.

In addition, funding under MAP-21, the transportation authorization bill, expires on September 30, 2014. Congress will need to move new legislation next year, providing a vehicle to seek funding for bridge projects.

Kenmore Air Temporary Flight Restrictions

Continue to work with the Congressional Delegation to seek resolution to the Temporary Flight Restriction issue that is impacting Kenmore Air's business and inconveniencing passengers. The Delegation has been provided an estimate of the financial impact each time Kenmore Air is required to close down its flight operations as a result of a TFR. As a result of these efforts, the staffs of our two Senators convened a meeting with leadership from the three agencies involved – U.S. Secret Service, TSA and FAA – to discuss a potential fix to the issue. The delegation tasked the three agencies to work to develop a viable solution.

Commuter Parking Facility Funding

Kenmore is a regional commuter center that is served by Metro Transit and Sound Transit, and existing park-and-ride facilities are full by early morning, resulting in overflow parking spilling over into local neighborhoods. We will assist the City in its work with Sound Transit and/or Metro Transit to identify opportunities for locating a parking structure that can also serve downtown Kenmore businesses and/or trail and park users. Additionally, we can work with the City in assisting it in determining the best strategy for pursuing Federal Transit Administration discretionary grant program funds in conjunction with the transit agencies and WSDOT. MAP-21 modified FTA grant programs so that more funds are now distributed via formula.

Identify and Pursue Grant Funding for City Priorities

The City's government relations consultants Alcalde & Fay will provide regular reports and alerts on federal grant funding opportunities for various purposes and programs, such as parks, economic development and infrastructure and can assist in the development of grant proposals and garnering the political support for such proposals that can sometimes be instrumental to their being met receptively in federal agencies.

Monitor Discretionary Budgets

The City will want to monitor federal sources of assistance to assure that their budgets are not cut during these times of fiscal constraint. Programs administered

by the Department of Housing and Urban Development, such as Community Development Block Grants will be of particular concern.

Subject/Topic:	For Council Meeting Agenda of: 22 Oct 2012	
Discussion and Approval of City of Kenmore Proposed 2013 Federal Legislative Agenda	Department: Executive	
	Prepared by: Nancy Ousley	
	Approved by Department Head:	<u>Initial & Date</u> NKO 11 OCT 2012
	Approved by City Attorney:	
	Approved by Finance Director:	JMG 10/11/12
	Approved by City Manager:	RJK
Proposed Council Action/Motion:		
Approve City of Kenmore 2013 Federal Legislative Agenda	Exhibits/Attachments:	
	1. Proposed 2013 Federal Legislative Agenda	
Expenditure Required \$n/a	Amount Budgeted \$	Appropriation Required \$0
<u>INFORMATION/BACKGROUND:</u>		
The City of Kenmore is active in working with our Congressional Delegation, Congressional Committee Staff and relevant federal agencies on City funding and policy priorities. The proposed legislative agenda for 2013 continues the focus on funding for SR 522 improvements and Kenmore Navigation Channel maintenance dredging. City officials have made significant progress in familiarizing our Delegation with these initiatives, and in maintaining positive contacts with federal officials at the staff and elected levels. Though recent Federal budgets are challenging, keeping Kenmore's issues in front of our Congressional Delegation and other decision-makers provides an advantage when funding opportunities emerge.		
The proposed agenda also emphasizes seeking funding opportunities for other projects such as potential parking for downtown and transit users, economic development, and finding a workable solution for Kenmore Air's service disruptions when airspace is affected by federal dignitary flights in the area.		
The City has worked with federal government relations firm Alcalde & Fay since 2009. Paul Schlesinger and Anne Cullather work on the City's behalf for the firm.		
<u>FISCAL CONSIDERATION:</u>		
The Council will consider an amendment to extend the term of the Alcalde & Fay contract later this year.		

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council Goals for 2012-2013 prioritize: seeking funds for SR 522; economic development; parks financing; establishing a sidewalk plan; and pursuing downtown and Lakepointe development.

October 22, 2012

CITY OF KENMORE

PROPOSED 2013 FEDERAL LEGISLATIVE AGENDA

SR 522 Improvements:

The SR 522 Corridor Improvements Project has been one that has been given great emphasis by the City in the federal agenda. Completing a financing package for the project has been hampered by Congressional policy implemented over the past three years that prohibits the earmarking of funds dedicated for project-specific purposes. Important progress on bringing to the attention the need for these improvements has been made with the Congressional Delegation, Congressional Committee staff and Office of Management and Budget.

Potential transportation funding opportunities:

The Senate Appropriations bill, written by Senator Murray, includes \$500 million for a continuance of the TIGER program in FY '13. In the meantime, DOT should be making a decision in the near future as to whether they will solicit grant applications for the TIGER program with the partial year's funding they will receive under the CR for the first half of FY '13. o assist with the preparation of an application if the City decides to seek funding from this program.

MAP-21 (Moving Ahead for Progress in the 21st Century Act): the two year transportation reauthorization legislation which was enacted without earmarks earlier this year, runs only through FY '14, it is expected that Congress will begin its consideration of successor legislation next year. Congressional Delegation, and other congressional leaders to try and make certain that any such legislation be drafted in a way that might facilitate completion of SR 522 and include earmarks for this project if the determination is made that earmarks will indeed be part of this legislation.

Appropriations bills next year might include earmarks and a priority is to ensure we are in a position to advocate strongly for a SR 522 project in earmarks.

Kenmore Navigation Channel:

The Kenmore Navigation Channel has not seen an episode of federally-assisted maintenance dredging since the 1990's prior to the City's incorporation. Pursue funding for the Army Corps to engage in maintenance dredging through work with

the Congressional delegation, Congressional Committee staff and appropriate federal Agencies.

Continue regular contact with Army Corps officials in the Seattle District, Northwestern Division, and Washington Headquarters, as well as with the Office of Management and Budget, to be certain that all pertinent officials are fully aware of the project's importance.

A provision that has been included in FY '13 appropriations bills taken up by both the Senate and House which add funds to the Corps' Operation and Maintenance budget with instructions that \$30 million be utilized, at the discretion of the Corps, for small, remote, or subsistence navigation projects and Senator Cantwell mentioned the Kenmore Navigation Channel by name in a press release supporting this provision. The Corps is to determine a work plan for the utilization of these funds around the Spring of 2013. Continue to work with our Congressional Delegation to advocate that the Corps allocate some of the \$30 million to the Kenmore Navigation Channel project.

Kenmore Air Temporary Flight Restrictions:

Continue to work with the Congressional Delegation to seek resolution to the Temporary Flight Restriction issue that is impacting Kenmore Air's business and inconveniencing passengers. The Delegation has been provided an estimate of the financial impact each time Kenmore Air needs to close down its flight operations as a result of a TFR. As a result of these efforts, the staffs of our two Senators convened a meeting with leadership in the three agencies involved – U.S. Secret Service, TSA and FAA – to discuss a potential fix to the issue. The delegation tasked the three agencies to work to develop a viable solution.

Commuter Parking Facility Funding

Kenmore is a regional commuter center that is served by Metro Transit and Sound Transit, and existing park n' ride facilities are full by early morning, resulting in overflow parking going into neighborhoods. Work with Sound Transit and/or Metro Transit to identify opportunities for locating a parking structure that can also serve downtown Kenmore businesses and/or trail and park users. Determine the best strategy for pursuing Federal Transit Administration discretionary grant program funds in conjunction with the transit agencies and WSDOT. MAP-21 modified FTA discretionary grant programs (examples are Bus and Bus Facility, State of Repair) so that funds are to be distributed via formula funding, in most cases to urbanized areas and state Departments Of Transportation.

Identify and Pursue Grant Funding for City Priorities

The City's government relations consultants Alcalde & Fay will provide regular reports and alerts on federal grant funding opportunities for various purposes and programs, such as parks, economic development and infrastructure. The firm will assist the City in preparing grant proposals as requested.

Monitor Discretionary Budgets

Community Development Block Grant and other Housing and Urban Development Programs to ensure support for local governments is maintained.



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: City of Kenmore 2014 State Legislative Agenda	For Council Meeting Agenda of: 2 December 2013 Department: Executive Prepared by: Nancy Ousley Approved by Department Head: <u>Initial & Date</u> <u>NKO 18 NOV 2013</u> Approved by City Attorney: Approved by Finance Director: <u>11/18/13</u> Approved by City Manager: <u>[Signature]</u>	
Proposed Council Action/Motion: Approve City of Kenmore 2014 State Legislative Agenda	Exhibits/Attachments: 1. Proposed 2013-2015 Legislative Agenda with Updates for 2014 2. City of Kenmore State Legislative Agenda for 2013 as approved February 2013 3. Association of Washington Cities (AWC) 2014 Legislative Priorities	
Expenditure Required \$ n/a	Amount Budgeted \$	Appropriation Required \$
<u>INFORMATION/BACKGROUND:</u> The proposed State Legislative Agenda updates the Agenda approved before the 2013 Legislative Session to reflect actions taken on Kenmore priorities in the 2013 Session. The final Transportation budget included provisions for freeway signage on I-5 and I-405 directing travelers to Kenmore and the Town Green proposal was awarded \$300,000 in the Capital Budget. Transportation priorities are updated to include the Sammamish River Bridge project and information on the Transportation Revenue Package status, which appears favorable for funding to complete the SR 522 Corridor Project. The Capital Budget request includes support for the King County Housing Authority funding request to renovate the Kenmore Family Shelter, which is operated by Hopelink. The City continues to work with Gordon Thomas Honeywell Government Affairs for representation on State Legislative and Budget issues.		
<u>FISCAL CONSIDERATION:</u> n/a		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> • To continue to implement the Economic Development Plan. • To continue to seek transportation funding and mitigation for State impacts on the city's transportation system, air-water quality, and noise to include but not limited to SR 522, Sammamish River Bridge,		

local roads and Lake Washington sediment depths.

- To continue to pursue downtown development, with an emphasis on Kenmore Village.
- To advance the public's access and connection to the waterfront.
- To continue to seek opportunities to complete a successful Lakepointe development.
- To establish a 20 to 30 Year Sidewalk Plan.
- To implement a Parks Improvement and Financial Plan.
- To address watershed issues affecting the City.

City of Kenmore
Legislative Agenda for 2013-2015 Legislative Biennia
Revised for 2014

Transportation Revenue Package

The City respectfully requests the approval of a Washington State transportation revenue package including funding for State Route 522 in Kenmore as well as the authority for King County to impose a local 1.5% Motor Vehicle Excise Tax for transit and local roads.

- The City's top legislative priority is funding for State Route 522. State Route 522 is a highway of statewide significance that runs through the City of Kenmore and as an east-west corridor, connecting I-5 to I-405. Tolling on the SR 520 Bridge has already shown noticeable and measurable traffic and congestion increases on SR 522 in Kenmore. Proposed I-90 Bridge tolling will only exacerbate traffic problems on SR 522 and add to the need for capacity and safety improvements.
- Local option funding for transit and road improvements is an important tool to maintain our roads and transit service. The authority for King County to levy a 1.5% Motor Vehicle Excise Tax would ensure stable and predictable funding for local transportation projects and services.

Sammamish River Bridge Funding Sources

The City respectfully requests state programs like BRAC and TIB that could serve as future funding sources for the southbound bridge on 68th Avenue over the Sammamish River. The City is currently studying whether the bridge should be replaced or rehabilitated. This 80-year-old bridge is of regional significance—Juanita Drive/68th Avenue, fed by other arterials, is on a well-used route around the Lake. In fact, Juanita/68th has increasingly become a prime alternate route for drivers avoiding tolls on State Route 520. The bridge was constructed in the 1930's and has been closely monitored for decades. It has shown sudden structural deterioration since traffic volumes increased coinciding with SR 520 tolling.

Capital Funding for Renovating the Kenmore Family Shelter

The City supports the King County Housing Authority's funding request for the Kenmore Family Shelter. The Kenmore Family Shelter is owned by the King County Housing Authority and has been operated by Hopelink as a family shelter since 1986. Additional funds will renovate the shelter, adding 2 additional units for a total of 11. Families temporarily housed at the Kenmore Family Shelter have access to a full menu of services designed to help them build the skills necessary to access permanent housing, increase their income and ensure they are never homeless again.

Policy Statements

The items below are legislative items that the City of Kenmore supports; however, they are not a top legislative priority.

State Grant Programs

The City of Kenmore encourages the state to continue funding grant programs that assist the city in providing local services. In particular, the City supports continued grant funding to the Recreation and Conservation Office (RCO) for parks, to the Department of Commerce for small business incubators and innovation partnership zones (IPZs), the Public Works Trust Fund (PWTF) for local infrastructure and the Model Toxics Control Act (MTCA) for toxin clean up and stormwater funding.

Stormwater

The City of Kenmore supports policy changes that address stormwater management regionally, including addressing regional stormwater impacts in project SEPA analysis.

Public Records Reform

The City of Kenmore supports reform to statutes governing public records requests. In approaching this reform, the City recognizes the importance of transparency and accountability in government; however, the current system is frequently abused. The City of Kenmore looks forward to working with other stakeholders to develop some reform ideas.

Product Stewardship

The City of Kenmore supports legislation creating a statewide product stewardship program, including paint, medicine, and mercury-containing fluorescent light take-back programs. This legislation would require manufacturers that sell products in Washington to develop, fund, and implement a take-back system for unwanted, unused, or left over products across these categories. King County has developed a local medicine program and the State of Washington is in the process of developing a mercury-containing fluorescent light program.

Local Government Finance Considerations

The City of Kenmore supports consideration short-term strategies to recognize the financial conditions affecting local government in this economy. This could include postponing state-mandated deadlines for Growth Management Comprehensive Plans, adjusting Transportation Benefit District revenue options, providing incentives for fuel-efficient fleet vehicle replacement, or other actions.

**City of Kenmore
Legislative Agenda for the 2013 State Legislative Session**

Funding Requests

Completing SR 522

The City respectfully requests \$8.5 million in state funding to complete improvements to State Route 522 in Kenmore. SR 522 is a highway of statewide significance that runs through the City of Kenmore and as an east-west corridor, connects I-5 to I-405. SR 522 is one of the four east-east corridors on Lake Washington. Tolling on the SR 520 bridge has already shown noticeable and measurable traffic and congestion increases on SR 522 in Kenmore. Proposed I-90 bridge tolling will only exacerbate traffic problems on SR 522 and add to the need for capacity and safety improvements.

Kenmore Village Town Green

The City of Kenmore respectfully requests that \$300,000 be allocated in the Capital Budget toward Kenmore Town Square. Kenmore Town Square will cover just under an acre on the Kenmore Village shopping center property, and will be a location for city programming to foster a greater sense of community, and provide an important amenity for downtown redevelopment. The City is prepared to provide a strong local match for State Capital Budget funding.

Sammamish River Bridge Funding

The City respectfully requests state funding to replace the **southbound bridge on 68th Avenue** over the Sammamish River. This 80-year-old bridge is of regional significance—Juanita Drive/68th Avenue, fed by other arterials, is on a well-used route around the Lake. In fact, *Juanita/68th has increasingly become a prime alternate route for drivers avoiding tolls on State Route 520.* The bridge was constructed in the 1930's and has been closely monitored for decades. It has shown sudden structural deterioration since traffic volumes increased coinciding with SR 520 tolling.

Mitigating Impacts of 520 Bridge Construction

SR 520 bridge construction activity is located at the Lake Pointe site in the City of Kenmore. Since construction began, water depths have noticeably declined. This change in depth has negatively impacted neighboring water dependent business operations that are important to the Kenmore community. Further lake sediment testing and **maintenance dredging** is needed to prevent negative impacts to the Kenmore's water-dependent businesses. The City encourages the state to fund this ongoing monitoring and maintenance dredging as a component cost of the SR 520 bridge construction project.

Policy Requests

I-5 and I-405 Signage Directing Drivers to Kenmore

As the home of Bastyr University and the Kenmore International Air Harbor, the City of Kenmore respectfully requests additional directional signage leading to the City. The City will work with its legislative delegation and the Washington State Department of Transportation (WSDOT) to have directional signs on I-5 and I-405 directing drivers to Kenmore.

State Grant Programs

The City of Kenmore encourages the state to continue funding grant programs that assist the city in providing local services. In particular, the City supports continued grant funding to the Recreation and Conservation Office (RCO) for parks, to the Department of Commerce for small business incubators and innovation partnership zones (IPZs), and Department of Ecology for the local model toxics funding and stormwater funding to meet NPDES requirements

Stormwater

The City of Kenmore supports policy changes that address stormwater management regionally, including addressing regional stormwater impacts in project SEPA analysis.

Public Records Reform

The City of Kenmore supports reform to statutes governing public records requests. In approaching this reform, the City recognizes the importance of transparency and accountability in government; however, the current system is frequently abused. The City of Kenmore looks forward to working with other stakeholders to develop some reform ideas.

Medicine Take-Back Program

The City of Kenmore supports legislation creating a statewide medicine take-back program. This legislation would require drug manufacturers that sell products in Washington to develop, fund, and implement a take-back system for unwanted, unused, or left over medicines. King County is in process of implementing a local take-back program.

Local Government Finance Considerations

The City of Kenmore supports consideration short-term strategies to recognize the financial conditions affecting local government in this economy. This could include postponing state-mandated deadlines for Growth Management Comprehensive Plans, adjusting Transportation Benefit District revenue options, providing incentives for fuel-efficient fleet vehicle replacement, or other actions.

October 2013



2014

legislative priorities



What do cities need from our Legislature in 2014?

Washington's cities are home to most of our state's citizens and business activity. Many cities continue to grow and all face challenges on how best to provide valuable services to enhance the quality of life within our state.

Our cities partner with counties, special districts and the state to provide services that help make Washington a great state within which to conduct business and live.

As the state retreats from sharing revenue to help cities provide services, our historic partnership is being seriously tested. Legislators are not providing cities the tools needed to maintain services. Neither are they adjusting mandates to help reduce costs. These trends are unsustainable.

During the 2014 legislative session, cities ask the Legislature and Governor to support cities in the following four ways:

Restore local liquor revenue sharing to the historic revenue sharing formulas so we can better fund public safety and other local impacts of liquor consumption.

- The enhanced public safety funding promised in the 2011 liquor privatization initiative hasn't been kept – in fact funding has been cut by legislative action and diverted to other uses.

Fund transportation needs now, including providing new local transportation options - Transportation is critical for our economic health so we must have the resources at both the state and local levels to maintain and improve our vital transportation systems.

- Needs vary by region and, so too, must the array of options.

Halt and refrain from raiding infrastructure funds like the Public Works Trust Fund and Model Toxics Control Accounts and build them back to health – Our infrastructure is aging and we can't keep up with demands and regulatory requirements.

- Great cities don't just happen – we need planned and sustained investments in order for Washington to thrive.

Share new marijuana revenue – The new recreational marijuana industry is subject to up to a 75% state excise tax, but none of this potential funding is directed to locals to address public safety needs and other local impacts.

- Cities and counties must enforce marijuana laws and need shared revenue to do this.

For more information, contact:

Dave Williams

Director of Government Relations
davew@awcnet.org • 360-753-4137

Or contact one of our lobbyists:

Candice Bock

Law & justice, personnel, pensions, public records, social services
candiceb@awcnet.org

Victoria Lincoln

Energy, general government operations, municipal finance, state budget, telecommunications
victorial@awcnet.org

Carl Schroeder

Environment, housing, land use
carls@awcnet.org

Alison Hellberg

Economic development, infrastructure, transportation
alisonh@awcnet.org

See Public Hearing Item No. VIII. B.
for Agenda Bill & Attachments



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Adopt Ordinance No. 13-0365 of the City of Kenmore, Washington, Relating to the 2014 Regular Property Tax Levy		For Council Meeting Agenda of: December 2, 2013	
		Department:	Finance and Administration
		Prepared by:	Joanne Gregory
		To Be Presented By:	N/A
		<u>Initial & Date</u>	
		Approved by Department Head:	<u>Jan 11-21-13</u>
		Approved by City Attorney:	<u>-</u>
		Approved by Finance Director:	<u>Jan 11-21-13</u>
		Approved by City Manager:	<u>RJK</u>
Proposed Council Action/Motion: Adopt Ordinance No. 13-0365 of the City of Kenmore, Washington, Relating to the 2014 Regular Property Tax Levy; Providing for Severability; and Establishing an Effective Date		Exhibits/Attachments: Ordinance No. 13-0365	
Expenditure Required None	Amount Budgeted 2014 Property Tax Levy: \$4,256,056 Budgeted	Appropriation Required N/A	
<u>INFORMATION/BACKGROUND:</u> A presentation and public hearing regarding revenue sources and the proposed tax levy for 2014 was held on November 12 and November 25, 2013.			
<u>FISCAL CONSIDERATION:</u> Each year a property tax ordinance must be adopted to include either a zero percent (0%) increase or up to a one percent (1%) increase (except for new construction and other adjustments) in the property tax levy. The 2013 levy was \$4,218,726 (budget was \$4,213,917). A 1% increase for 2014 would add \$42,187 to the levy in addition to \$48,000 from new construction (about 1.14%) bringing the total levy to an estimated \$4,308,913. With a 0% increase, only the additional tax on new construction of \$48,000 will be added to the levy bringing the total levy to an estimated \$4,266,726. The property tax budget for 2014 is \$4,256,056 which projected a 0% levy increase and 1% due to new construction. The City has not raised the tax levy by the statutorily allowable 1% since 2004, resulting in a cumulative amount of over \$1.5M not levied through 2013. \$566,025 is the current amount of the City's banked levy capacity per the King County Assessor's Department. This represents the annual differences between the allowable levy and the actual levy taken. The City is allowed to increase its levy by the lesser of one (1) percent or the percentage increase in the July IPD (Implicit Price Deflator) which is currently 1.314 percent.			

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If the City Council were to approve the increase of 1% to the levy for 2014, this would generate additional revenue of \$42,187 which will also provide a compounding revenue benefit in future levies. The tax rate would increase about \$.02 (2 cents) per \$1,000 of assessed value.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

RCW. 84.55.120 The legislative body must hold a public hearing on revenue sources for the coming year's budget including consideration of possible increases in property tax revenues, before taking action on the property tax levy.

CITY OF KENMORE

WASHINGTON

ORDINANCE NO. 13-0365

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
RELATING TO THE 2014 REGULAR PROPERTY TAX LEVY;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, the City Council of the City of Kenmore, Washington, has considered its biennial budget for calendar years 2013-2014; and

WHEREAS, the City Council held Public Hearings on November 12 and November 25, 2013, to consider the City's current expense budget and revenue sources pursuant to RCW 84.55.120; and

WHEREAS, after a Public Hearing, and after duly considering all relevant evidence and testimony presented, the City Council determined that the City of Kenmore requires an estimated regular tax levy in the amount of \$4,266,726 which includes a zero (0%) increase in property tax revenue from the previous year except for amounts resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the City and in its best interest (the actual levy to be calculated by the King County Assessor's Office once the City's assessed value is certified by the Assessor);

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

Section 1. Regular Tax Levy. An increase in the regular property tax levy is hereby authorized for the 2014 levy in the amount of \$4,266,726, which is a zero percentage increase (0%) from the previous year. This increase is exclusive of additional revenue resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and any additional amounts resulting from any annexations that have occurred and refunds made.

Section 2. Transmittal. The City Clerk is directed to transmit a certified copy of this Ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations, to the King County Assessor, to the Clerk of the King County Council, and to any other agency required by law to receive a copy of this Ordinance.

Section 3. 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 preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. 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 publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
2th DAY OF DECEMBER, 2013.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. 13-0365



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: 2013-2014 Mid Biennium
Budget Amendment

For Council Meeting Agenda of: December 2, 2013

Department: Finance and Administration

Prepared by: Joanne M. Gregory

Proposed Council Action/Motion:
Adopt Ordinance 13-0366 Amending the 2013-2014
Biennial Budget

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Initial & Date

[Signature] 11/27/13

[Signature] 11/27/13

[Signature] 11/27/13

[Signature]

Exhibits/Attachments:

Ordinance 13-0366

Agenda Item of November 25, 2013 included

Memorandum dated November 14, 2013 as
revised (see tracked changes)

Amount Required	Amount Budgeted	Appropriation Required
\$53,237,067 All Funds Revenue	\$47,793,286 All Funds Revenue	\$5,443,781 Adjustment to Revenues
\$54,932,142 All Funds Expenditures	\$49,274,877 All Funds Expenditures	\$5,657,265 Adjustment to Expenditures

INFORMATION/BACKGROUND:

On November 26, 2012, the City of Kenmore adopted the 2013-2014 biennial budget which included revenue and expenditure estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates. The budget, because it is prepared and adopted prior to the close of 2012, included only projections of 2012 revenues and expenditures. In March, 2013 the City Council approved the first amendments to the biennial budget for carryover of unspent funds on certain contracts, line items and ongoing capital projects as well as to provide appropriations for items that were not anticipated in the preparation of the 2013-2014 budget.

At this time the mid biennial review of the biennial budget as prescribed by State law is complete. 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, 2013) and no later than the end of the first year of the biennium (December 31, 2013). Another requirement of the mid biennial review process is a public hearing at a City Council meeting, which was held November 25, 2013.

At the City Council meeting of November 25, 2013 several changes were made to the proposed amendments as follows:

- T 5 68th Avenue NE "Queue Jump" (SR 522 to Sammamish River)

This project is programmed in the Transportation Capital Fund and a budget amendment for 2014 had been proposed pending award of a \$2M grant from TIB. However the grant was not awarded. Staff originally proposed to move this project forward to 2014-2016 in anticipation of this grant; however without the grant the project will remain as originally programmed for 2016-2018 and no budget

amendment will be proposed for the 2013-2014 biennium.

- In the **Equipment Replacement Fund**, acquisition of a digital reader board for City Hall news and events had been proposed. Funds budgeted for a used van would be redirected for this purpose. The City Council directed staff to not acquire the digital reader board; that item has been removed from the budget amendment.

The Agenda Item of November 25, 2013, including the Memorandum dated November 14, 2013 is attached. The Memorandum describes the proposed budget amendments as well as revisions made at the November 25 Council meeting (see tracked changes).

The budget amendment ordinance is now presented for approval by the City Council.

FISCAL CONSIDERATION:

See attached November 25, 2013 Agenda Bill and attached Memorandum dated November 14, 2013.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Per RCW 35A the budget is the legal authority to expend public funds and controls those expenditures by setting the amount of the appropriation at the fund level by ordinance.

CITY OF KENMORE WASHINGTON

ORDINANCE NO. 13-0366

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, RELATING TO THE 2013-2014 BUDGET; AMENDING ORDINANCE NO. 12-0351, AS AMENDED BY ORDINANCE NO. 12-0355, TO ADJUST APPROPRIATIONS FOR THE GENERAL FUND, THE STREET FUND, THE TRANSPORTATION CAPITAL FUND, THE SAMMAMISH RIVER BRIDGE FUND, THE PARK CAPITAL FUND, THE PARK IMPACT FEE FUND, THE REAL ESTATE EXCISE TAX FUND, THE KENMORE VILLAGE FUND, THE SURFACE WATER MANAGEMENT FUND, THE SURFACE WATER CAPITAL FUND, AND THE STRATEGIC OPPORTUNITIES 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 subsequent budget amendments; and

WHEREAS, the City Council scheduled and held a Public Hearing on the amendments to the 2013-2014 Biennial Budget on November 25, 2013; and

WHEREAS, the City Council finds it in the best interest of the City to adjust appropriations in the General Fund, the Street Fund, the Transportation Capital Fund, the Sammamish River Bridge Fund, the Park Capital Fund, the Park Impact Fee Fund, the Real Estate Excise Tax Fund, the Kenmore Village Fund, the Surface Water Management Fund, the Surface Water Capital Fund, and the Strategic Opportunities Fund;

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

Section 1. Funds Appropriated. The 2013-2014 Biennial Budget, adopted by Ordinance No. 12-0351, for the period January 1, 2013 through December 31, 2014, and amended by Ordinance No. 12-0355 on March 25, 2013 ("2013-2014 Biennial Budget"), is hereby amended by fund to reflect the adjustments to revenues and appropriations as follows:

FUND	2013-2014 Budgeted Revenues as Amended 3/25/2013	Change	Amended 2013-2014 Budgeted Revenues
General Fund	\$19,241,694	(\$79,304)	\$19,162,390
Street Fund	3,264,173	0	3,264,173
Public Art Fund	600	0	600
Park Impact Fee Fund	346,567	0	346,567
Transportation Impact Fee Fund	876,670	0	876,670
Swamp Creek Basin Fund	16,000	0	16,000
Strategic Reserve Fund	0	0	0
Strategic Opportunities Fund	2,525,062	776,800	3,301,862
Sammamish River Bridge Fund	80,000	0	80,000
Real Estate Excise Tax Fund	1,147,317	0	1,147,317
Kenmore Village Fund	1,692,340	2,884,160	4,576,500
Park Capital Fund	678,534	1,162,000	1,840,534
Transportation Capital Fund	11,600,750	1,056,125	12,656,875
Surface Water Management Fund	3,799,176	25,000	3,824,176
Surface Water Capital Fund	2,369,261	(381,000)	1,988,261
Equipment Replacement Fund	155,142	0	155,142
Total Budget	\$47,793,286	\$5,443,781	\$53,237,067

FUND	2013-2014 Budgeted Expenditures as Amended 3/25/2013	Change	Amended 2013-2014 Budgeted Expenditures
General Fund	\$21,857,666	\$56,979	\$21,914,645
Street Fund	3,279,126	0	3,279,126
Public Art Fund	1,000	0	1,000
Park Impact Fee Fund	220,000	839,000	1,059,000
Transportation Impact Fee Fund	822,500	0	822,500
Swamp Creek Basin Fund	160,000	0	160,000
Strategic Reserve Fund	0	0	0
Strategic Opportunities Fund	364,100	826,800	1,190,900
Sammamish River Bridge Fund	0	80,000	80,000
Real Estate Excise Tax Fund	2,365,050	392,000	2,757,050
Kenmore Village Fund	339,200	2,111,486	2,450,686
Park Capital Fund	635,000	1,162,000	1,797,000
Transportation Capital Fund	11,665,837	581,000	12,246,837
Surface Water Management Fund	4,919,887	(11,000)	4,908,887
Surface Water Capital Fund	2,369,261	(381,000)	1,988,261
Equipment Replacement Fund	276,250	0	276,250
Total Budget	\$49,274,877	\$5,657,265	\$54,932,142

The City Manager is hereby authorized and instructed to effectuate the necessary changes to the 2013-2014 Biennial Budget and to make any necessary and appropriate line item entries and adjustments in order to reflect the amendments of 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 preempted by state or federal law or regulation, such decision or preemption 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.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON
THE 2ND DAY OF DECEMBER, 2013.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE:



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: 2013-2014 Mid Biennium
Budget Amendment

For Council Meeting Agenda of: November 25, 2013

Department: Finance and Administration

Prepared by: Joanne M. Gregory

Initial & Date

Approved by Department Head: _____

Approved by City Attorney: _____

Approved by Finance Director: _____

Approved by City Manager: _____

Proposed Council Action/Motion:

Review and discussion of amendments to the 2013-2014 Biennial Budget

Exhibits/Attachments:

Memorandum dated November 14, 2013

Draft Ordinance 13-0366

Expenditure Required

N/A

Amount Budgeted

\$47,793,286 All Funds Revenue

\$49,274,877 All Funds Expenditures

Appropriation Required

\$5,553,781 Adjustment to Revenues

\$5,822,265 Adjustment to Expenditures

INFORMATION/BACKGROUND:

On November 26, 2012, the City of Kenmore adopted the 2013-2014 biennial budget which included revenue and expenditure estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates. The budget, because it is prepared and adopted prior to the close of 2012, included only projections of 2012 revenues and expenditures. In March, 2013 the City Council approved the first amendments to the biennial budget for carryover of unspent funds on certain contracts, line items and ongoing capital projects as well as to provide appropriations for items that were not anticipated in the preparation of the 2013-2014 budget.

At this time the mid biennial review of the biennial budget as prescribed by State law is underway. 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, 2013) and no later than the end of the first year of the biennium (December 31, 2013). Another requirement of the mid biennial review process is a public hearing at a City Council meeting, which is scheduled for November 25, 2013. The budget amendment ordinance will be presented for approval by the City Council on December 2, 2013.

FISCAL CONSIDERATION:

See attached Memorandum dated November 14, 2013.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Per RCW 35A the budget is the legal authority to expend public funds and controls those expenditures by setting the amount of the appropriation at the fund level by ordinance.



The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Mayor, Members of the City Council

FROM: Rob Karlinsey, City Manager;
Joanne Gregory, Finance Director

DATE: November 14, 2013

RE: Recommended 2013-2014 Mid Biennium Budget Amendments

On November 26, 2012, the City of Kenmore adopted the 2013-2014 biennial budget. The city wide budget included revenue (\$47,384,475) and expenditure (\$47,461,310) estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates. On March 25, 2013 the budget was amended to adjust for carryover of unspent funds on certain contracts, line items and ongoing capital projects as well as to provide appropriations for items that were not anticipated in the preparation of the 2013-2014 budget.

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, 2013) and no later than the end of the first year of the biennium (December 31, 2013). Another requirement of the mid biennial review process is a public hearing at a City Council meeting, which is scheduled for November 25, 2013. The budget amendment ordinance will be reviewed during study session by the City Council on November 25th and is scheduled for adoption on December 2, 2013. At the November 25 City Council meeting, several changes were made to the proposed amendments which are shown throughout this document as "tracked changes".

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 25 meeting.

General Fund revenues have not shown dramatic changes and have been stable and close to projections due to conservative estimates. Only in the Development Services revenues have positive changes been noted. The adopted budget included new revenue from a water/sewer franchise agreement with Northshore Utility District. The franchise agreement negotiations are not complete and anticipated revenue of \$317,000 for 2013 will be removed from the budget. General Fund expenditures across departments are reasonably close to budget with only a few exceptions. 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.

At adoption, the General Fund budget was balanced with \$19,241,694 in budgeted revenues and \$19,214,109 in budgeted expenditures plus a one-time \$2.5M transfer to the Strategic Opportunities Fund for a total expenditure budget of \$21,714,109.

In March, 2013 a budget amendment was approved which added \$143,558 to the expenditure budget, bringing the total to \$21,857,666. The additional expenditures were funded by a \$201,012 increase in fund balance reserves realized from the final accounting for 2012

With the (\$79,304) recommended revenue adjustments below, General Fund budgeted revenues will be \$19,162,390. General Fund budgeted expenditures, with the recommended increase of \$56,979, will be \$21,914,646. Overall, the total of the proposed adjustments to the General Fund reduce the projected ending fund balance by \$136,283 to \$2,787,699. This balance continues to exceed the \$1,973,983 minimum general fund balance required for 2014 by the City's financial policies.

The 2013-2014 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 ongoing economic recovery and the nature of the ongoing projects and work programs, additional budget adjustments may be required or proposed in 2014.

All adjustments recommended at this time are presented in the tables that follow. The adjustments are grouped by fund. **Those adjustments already authorized for action at a City Council meeting are identified by an asterisk *.** This formal adoption process at the mid biennium period completes, for municipal accounting and budgeting purposes, actions presented to the Council that the Council may have 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.

Revenue:

1. General Fund:

- a. Increase in Development Services revenues: Exhibit 3 Memorandum re: Development Services Work Load and Level of Service Management Plan, \$237,882.
- b. Reduction of water sewer franchise fee revenue pending negotiation of franchise agreement with Northshore Utility District \$317,186.

Expenditures:

2. Development Services Department:

- a. Interim staffing: Exhibit 3 Memorandum re: Development Services Work Load and Level of Service Management Plan \$56,979, due to increased workload and corresponding permit revenue.

Note	General Fund Revenues:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.a.	Development Services (permits, land use, review fees)	\$1,010,436	\$237,882	One-time	\$1,248,318
1.b.	Water Sewer Franchise Fee	\$740,101	(\$317,186)	One-time	\$422,915
	Net Revenue Decrease		(\$79,304)		
5.	Development Services: Salaries and Benefits	\$1,145,928	\$56,979	One-time	\$1,202,907
	Net Expenditure Increase		\$56,979		
	Ending Fund Balance Impact		(\$136,283)		

STREET FUND

The proposed adjustment to the Street Fund is as follows:

1. *T 37 West Samm Bridge

This new project was approved by the City Council on July 15, 2013 (Exhibit 2). This estimate included \$200,000 for design and permitting for scour stabilization, \$175,000 for a rehabilitation vs replacement analysis, and \$86,000 for monitoring and investigation work pertaining to the bridge. A contract was executed in July, 2013 and the consulting team (Jacobs) has completed the initial review and evaluation of the data collected to date. It has been determined that an emergency scour repair is not necessary, but a new load rating should be completed. The next steps will include: complete a new load rating and post if necessary, evaluate the need to repair the scour in the near future, complete the gap analysis, perform the rehabilitation vs. replacement evaluation and apply for funding if available.

Funds for this project include **\$86,000 from the Street Fund**, \$80,000 from the Sammamish River Bridge Fund, \$95,000 REET, and \$200,000 of Surface Water Management Funds (funds previously budgeted for SW12, 74th Ave NE Culvert Replacement).

These expenditure adjustments have no impact on the projected ending fund balance of \$1,497,201.

Note	Street Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.*	Transfer to Transportation Capital	\$0	\$86,000	One-time	\$86,000

	Projects Fund				
1.*	Road Services	\$140,000	(\$86,000)	One-time	\$54,000
	Increase in Expenditures		\$0		

TRANSPORTATION CAPITAL FUND

The first two proposed adjustments to the Transportation Capital Fund were reviewed with the City Council on September 16, 2013 as proposed updates to the adopted 2013-2018 Capital Improvement Program (Exhibit 1).

~~1. *T 5 68th Avenue NE "Queue Jump" (SR 522 to Sammamish River)~~

~~This project was originally programmed for 2016-2018 in the CIP. Some pre-design work was completed on this project several years ago and Staff believes this project to be good fit for the most recent Transportation Improvement Board (TIB) funding process. A \$2M grant application has been submitted for design, permitting and construction. The City match would be 25% provided through Real Estate Excise Tax (REET) and Transportation Impact Fees. In order to commit the City funds required for the match, it is recommended that the project be moved up two years to 2014-2016. The City will be notified late in 2013 of the project's success; it will not move forward until grant funding is acquired.~~

~~The 2013-2014 budget impact is an additional appropriation of \$110,000 in 2014 funded by \$55,000 of Transportation Impact Fees and \$55,000 TIB Grant reimbursements.~~

~~2.1. *T 37 West Samm Bridge~~

~~This new project was approved by the City Council on July 15, 2013 (Exhibit 2). This estimate included \$200,000 for design and permitting for scour stabilization, \$175,000 for a rehabilitation vs replacement analysis, and \$86,000 for monitoring and investigation work pertaining to the bridge. A contract was executed in July, 2013 and the consulting team (Jacobs) has completed the initial review and evaluation of the data collected to date. It has been determined that an emergency scour repair is not necessary, but a new load rating should be completed. The next steps will include: complete a new load rating and post if necessary, evaluate the need to repair the scour in the near future, complete the gap analysis, perform the rehabilitation vs. replacement evaluation and apply for funding if available.~~

~~Funds for this project include \$86,000 from the Street Fund, \$80,000 from the Sammamish River Bridge Fund, \$95,000 REET, and \$200,000 of Surface Water Management Funds (funds previously budgeted for SW12, 74th Ave NE Culvert Replacement).~~

~~3.2. In August, 2013 the City received notification from the Washington State Department of Ecology of a \$475,125 award for stormwater components of the SR 522 West A Project T6. Although this grant may supplant City surface water funding for those components, the impact on the project budget has not yet been determined.~~

~~4.3. *Agreement with Northshore Utility District (Contract 13-C1194) for reimbursement of slip-lining costs on SR 522 up to \$120,000. Executed September 2013, to be funded by Real Estate Excise Tax.~~

Note	Transportation Capital Fund Revenues:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.*	Transfer from Transportation Impact Fee Fund: Increase for T5 68th Avenue NE "Queue Jump" (SR 522 to Sammamish River)	\$822,500	\$55,000	One-time	\$877,500
1.*	TIB Grant reimbursements: T5 "Queue Jump"	\$0	\$55,000	One-time	\$55,000
2.*	Transfer from Street Fund	\$0	\$86,000	One-time	\$86,000
2.*	Transfer from Sammamish River Bridge Fund	\$0	\$80,000	One-time	\$80,000
2.* 4.*	Transfer from REET Fund, increase for West Samm Bridge and NUD slip-lining	\$1,645,050	\$215,000	One-time	\$1,860,050
2.*	Transfer from Surface Water Management Fund	\$383,500	\$200,000	One-time	\$583,500
3.	Department of Ecology Grant for Project T6	\$0	\$475,125	One-time	475,125
	Net Revenue Increase		\$1,166,125 \$1,056,125		
	Transportation Capital Fund Expenditures:				
1.*	T 5 "Queue Jump" 68th Avenue NE (SR 522 to Sammamish River)	\$0	\$110,000	One-time	\$110,000
2.*	T 37 West Samm Bridge	\$0	\$461,000	One-time	\$461,000
4.*	SR 522 Ph II – NUD slip-lining	\$100,000	\$120,000	One-time	\$220,000
	Net Expenditure Increase		\$691,000 \$581,000		
	Change to Ending Fund Balance		\$475,125		

TRANSPORTATION IMPACT FEE FUND

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

1. *T 5 68th Avenue NE "Queue Jump" (SR 522 to Sammamish River)

~~This project was originally programmed for 2016-2018 in the CIP. Some pre-design work was completed on this project several years ago and Staff believes this project to be good fit for the most recent Transportation Improvement Board (TIB) funding process. A \$2M grant application has been submitted for design, permitting and construction. The City match would be 25% provided through Real Estate Excise Tax (REET) and Transportation Impact Fees. In order to commit the City funds required for the match, it is~~

~~recommended that the project be moved up two years to 2014-2016. The City will be notified late in 2013 of the project's success; it will not move forward until grant funding is acquired.~~

~~The 2013-2014 budget impact is an additional appropriation of \$110,000 in 2014 funded by \$55,000 of Transportation Impact Fees and \$55,000 TIB Grant reimbursements.~~

~~This expenditure adjustment decreases the projected ending fund balance by \$55,000 to \$239,705.~~

Note	Transportation Impact Fee Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One-Time or Ongoing	Proposed 2013-2014 Budget
1.	Transfer to Transportation Capital Projects Fund	\$822,500	\$55,000	One-time	\$877,500
	Increase in Expenditures		\$55,000		

SAMMAMISH RIVER BRIDGE FUND

The proposed adjustment to the fund is as follows:

1. *T 37 West Samm Bridge

This new project was approved by the City Council on July 15, 2013 (Exhibit 2). This estimate included \$200,000 for design and permitting for scour stabilization, \$175,000 for a rehabilitation vs replacement analysis, and \$86,000 for monitoring and investigation work pertaining to the bridge. A contract was executed in July, 2013 and the consulting team (Jacobs) has completed the initial review and evaluation of the data collected to date. It has been determined that an emergency scour repair is not necessary, but a new load rating should be completed. The next steps will include: complete a new load rating and post if necessary, evaluate the need to repair the scour in the near future, complete the gap analysis, perform the rehabilitation vs. replacement evaluation and apply for funding if available.

Funds for this project include \$86,000 from the Street Fund, **\$80,000 from the Sammamish River Bridge Fund**, \$95,000 REET, and \$200,000 of Surface Water Management Funds (funds previously budgeted for SW12, 74th Ave NE Culvert Replacement).

This expenditure adjustment decreases the projected ending fund balance by \$80,000 to \$0.

Note	Sammamish River Bridge Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.	Transfer to Transportation Capital Projects Fund	\$0	\$80,000	One-time	\$80,000
	Increase in Expenditures		\$80,000		

PARK CAPITAL PROJECT FUND

Proposed adjustments to the Park Capital Project Fund are as follows.

1. Revenue:

- a. Additional transfer of funds from REET Fund for increased design and engineering costs for the Log Boom Park pedestrian bridge (\$55,000), Moorlands Park improvements (\$40,000), and Rhododendron Park boat shed and waterfront trail (\$82,000).
- b. Additional transfer of funds from Park Impact Fee fund for Rhododendron Park boat shed and waterfront trail \$400,000, and Northshore Summit Park \$469,000. The City Council approved the increase of \$469,000 to the Northshore Summit Park budget on July 15, 2013 (Exhibit 4). Reduce transfer of funds from Park Impact Fee fund (\$30,000) eliminating Park Land Acquisition study.
- c. *Transfer of funds from Strategic Opportunities Fund for the Rhododendron Park float and the Log Boom Park float; reviewed with the City Council on September 16, 2013 as a proposed update to the adopted 2013-2018 Capital Improvement Program (Exhibit 1).

2. Expenditures:

- a. Additional funds needed for design and engineering of the Log Boom Park pedestrian bridge, Project P11, \$55,000.
- b. Additional funds needed for design and engineering of Moorlands Park ballfield improvements, \$40,000.
- c. *Northshore Summit Park budget of \$659,000 was approved by the City Council on July 15, 2013, funded by Park Impact Fees (Exhibit 2).
- d. Park Land Acquisition study eliminated in this biennium (\$30,000).
- e. Rhododendron Park boat shed and boardwalk trail now programmed for current biennium \$482,000.
- f. *Rhododendron Park float and Log Boom Park float budget moved from Strategic Opportunities Fund.

The revenue and expenditure adjustments have no net impact on the projected ending fund balance of \$43,534.

Note	Park Capital Fund	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.a.	Transfer from REET Fund	\$265,000	\$177,000	One-time	\$442,000
1.b.	Transfer from Park Impact Fee Fund	\$220,000	\$839,000	One-time	\$1,059,000
1.c.*	Transfer from Strategic Opportunities fund	\$0	\$146,000	One-time	\$146,000
	Increase in Revenues		\$1,162,000		
2.a.	Design and engineering of Log Boom Park Ped. Bridge P11	\$40,000	\$55,000	One-time	\$95,000
2.b.	Moorlands Park ballfield improvements design P6	\$20,000	\$40,000	One-time	\$60,000
2.c.*	Northshore Summit Park P9	\$190,000	\$469,000	One-time	\$659,000

2.d.	Park Land Acquisition study P10	\$30,000	(\$30,000)	One-time	\$0
2.e.	Rhododendron Park boat shed and boardwalk trail P18	\$0	\$482,000	One-time	\$482,000
2.f.*	Rhododendron Park and Log Boom Park floats	\$0	\$146,000	One-time	\$146,000
	Increase in Expenditures		\$1,162,000		

PARK IMPACT FEE FUND

The proposed adjustments to the Park Impact Fee Fund are as follows:

1. Transfer of funds to Park Capital Projects:
 - a. *The City Council approved an increase of \$469,000 to the Northshore Summit Park budget on July 15, 2013 (Exhibit 4).
 - b. Reduced by (\$30,000) originally programmed for Park Land Acquisition study.
 - c. Increase of \$400,000 to the Rhododendron Park boat shed and waterfront trail budget.

The expenditure adjustments decrease the projected ending fund balance by \$839,000 to \$898,009.

Note	Park Impact Fee Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.	Transfer to Park Capital Projects Fund	\$220,000	\$839,000	One-time	\$1,059,000
	Increase in Expenditures		\$839,000		

REAL ESTATE EXCISE TAX FUND

Proposed adjustments to the Real Estate Excise Tax Fund are as follows.

1. Transfer of funds to Park Capital Projects Fund:
 - a. Additional design funds needed for Log Boom Park pedestrian bridge \$55,000,
 - b. Design of improvements to Moorlands Park \$40,000,
 - c. Rhododendron Park boat shed and waterfront trail expenditures for project management and other expenditures \$82,000.

2. Transfer of funds to Transportation Capital Fund:

*T 37 West Samm Bridge

This new project was approved by the City Council on July 15, 2013. This estimate included \$200,000 for design and permitting for scour stabilization, \$175,000 for a rehabilitation vs replacement analysis, and \$86,000 for monitoring and investigation work pertaining to the bridge. A contract was executed in July, 2013 and the consulting team (Jacobs) has completed the initial review and evaluation of the data collected to date. It has been determined that an emergency scour repair is not necessary, but a new load rating should be completed. The next steps will include: complete a new load rating and post if necessary, evaluate the need to repair the scour in the near future, complete the gap analysis, perform the rehabilitation vs. replacement evaluation and apply for funding if available.

Funds for this project include \$86,000 from the Street Fund, \$80,000 from the Sammamish River Bridge Fund, **\$95,000 REET**, and \$200,000 of Surface Water Management Funds (funds previously budgeted for SW12, 74th Ave NE Culvert Replacement).

3. *Agreement with Northshore Utility District (Contract 13-C1194) for reimbursement of slip-lining costs on SR 522 up to \$120,000. Executed September 2013, to be funded by Real Estate Excise Tax.

This expenditure adjustment decreases the projected ending fund balance by \$392,000 to \$363,767.

Note	Real Estate Excise Tax Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.a.b.c.	Transfer to Park Capital Projects Fund	\$265,000	\$177,000	One-time	\$442,000
2.* 3.*	Transfer to Transportation Capital Projects Fund increased for T37 and SR522 Ph II NUD slip-lining	\$1,645,050	\$215,000	One-time	\$1,860,050
	Increase in Expenditures		\$392,000		

KENMORE VILLAGE FUND

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

1. The City entered into a property management agreement with JSH Properties in September 2013 management of the Kenmore Village property. As a result, lease revenues and most property expenditures are handled by JSH and do not go through the City accounts. The City still receives revenue from leasehold excise taxes, rent from Murphy Auction, and periodic distributions from JSH.
2. The sale of the Grocery Outlet parcel to Kenmore Camera did not close until early 2013. Therefore there was insufficient cash in the fund at year end to cover expenditure. The City Council approved an interfund loan from the General Fund to the Kenmore Village Fund in the amount of \$1,200,000 to cover the year-end balance. The 2013 budget needs to be amended to provide for the repayment of the interfund loan to the General Fund in January 2013.
3. A purchase and sale agreement with Main Street Properties for the former park & ride lot is expected to close in 2014.
4. In July 2013 the City Council approved the purchase of land on SR 522 known as the Shell property for \$776,800 (Exhibit 5). The Strategic Opportunities Fund paid for the land purchase. Proceeds from the sale of the former park & ride lot are expected to repay the Strategic Opportunities Fund in 2014.
5. Additional downtown development expenses have been incurred and will continue until the purchase and sale agreements on both the park and ride and the Kenmore Village

properties close. These include attorney fees, engineering and environment services, and other consulting services.

These revenue and expenditure adjustments increase the projected ending fund balance by \$772,674 to \$2,276,899.

Note	Kenmore Village Fund Revenues:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.	Lease Revenue	\$347,840	(\$215,840)	One-time	\$132,000
3.	Net Proceeds from sale of Park and Ride property	\$0	\$3,100,000	One-time	\$3,100,000
	Increase in Revenues		\$2,884,160		
	Kenmore Village Fund Expenditures:				
1.	Lease Expenditures	\$164,200	(\$68,482)	One-time	\$95,718
2.	Repayment of Interfund Loan to General Fund	\$0	\$1,200,000	One-time	\$1,200,000
4.	Transfer to Strategic Opportunities Fund as repayment for Shell property	\$0	\$776,800	One-time	\$776,000
5.	Downtown Plan Services	\$25,000	\$203,168	One-time	\$228,168
	Increase in Expenditures		\$2,111,486		

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. \$75,000 of Department of Ecology Grant funds was received during 2013; only \$50,000 had been budgeted.
2. *The 74th Culvert Project (SW12) was reviewed at the September 16, 2013 City Council meeting. As noted in that agenda bill "the project is currently budgeted for design in 2013 and construction in 2014. The project is upstream of the 0057 channel relocation project. The surface water consulting engineering team evaluated this project prior to beginning design. As this is the same basin/channel as the 0057 culvert replacement, the engineering team recommends putting this project on hold until the 0057 project is complete to see if conditions improve. Staff agrees and, as discussed at the July 15, 2013 City Council meeting, staff recommends redirecting \$200,000 of the budgeted funds to Project T 37 West Samm Bridge. This culvert project will be evaluated with the Surface Water Master Plan update."

The project budget was \$289,000. This transaction reduces the transfer from this fund to the Surface Water Capital Fund.
3. *\$200,000 from the SW12 project will be transferred to the Transportation Capital Fund for West Samm Bridge Project as noted above.

4. *The Juanita Ditch Project (SW3) was completed under budget saving about \$42,000 which would be reallocated to the Surface Water Master Plan update. This transaction reduces the transfer from this fund to the Surface Water Capital Fund.
5. *The Swamp Creek Basin Study (SW9) was reviewed at the September 16, 2013 City Council meeting. As noted in that agenda bill "Snohomish County has told staff that they do not intend to choose the Swamp Creek Basin for review under their Phase 1 Municipal Stormwater Permit requirements. They intend to select a different watershed for review and study. The Swamp Creek basin continues to experience heavy sediment loading which staff believes is shifting the water flow patterns in the vicinity of 73rd Avenue NE. The Basin Study \$50,000 budget was combined with the update of the Surface Water Master Plan, the contract for which was approved by the City Council earlier this year. A product of this work will include recommendations for the Swamp Creek Basin." This transaction reduces the transfer from this fund to the Surface Water Capital Fund.
6. *An additional \$90,000 is requested for the Surface Water Master Plan update to be funded with savings from SW3 and SW9 (see above).
7. Funds for demolition and abatement of the three Swamp Creek properties acquired in 2011-2012 were not carried forward to 2013; budget request is \$80,000.

These adjustments increase the projected ending fund balance by \$36,000 to \$334,681.

Note	Surface Water Management Fund Revenues:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.	Department of Ecology Grant	\$50,000	\$25,000	One-time	\$75,000
Note	Surface Water Management Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
2.4.5.*	Transfer to Surface Water Capital Fund for deferral of the 74 th Culvert Project SW12 (\$289,000), savings on Juanita Ditch Project (\$42,000), and reallocation of Swamp Creek Basin Study funds (\$50,000)	\$2,114,261	(\$381,000)	One-time	\$1,733,261
3.*	Transfer to Transportation Capital Fund for West Samm Bridge Project	\$0	\$200,000	One-time	\$200,000
6.*	Surface Water Master Plan Update	\$50,000	\$90,000	One-time	\$140,000
7.	Property Demolitions	\$0	\$80,000	One-time	\$80,000
	Net Expenditure Decrease		(\$11,000)		

SURFACE WATER CAPITAL FUND

Proposed adjustments to the Surface Water Capital Fund are as follows.

1. *The 74th Culvert Project (SW12) was reviewed at the September 16, 2013 City Council meeting (Exhibit 1). As noted in that agenda bill “the project is currently budgeted for design in 2013 and construction in 2014. The project is upstream of the 0057 channel relocation project. The surface water consulting engineering team evaluated this project prior to beginning design. As this is the same basin/channel as the 0057 culvert replacement, the engineering team recommends putting this project on hold until the 0057 project is complete to see if conditions improve. Staff agrees and, as discussed at the July 15, 2013 City Council meeting, staff recommends redirecting \$200,000 of the budgeted funds to Project T 37 West Samm Bridge. This culvert project will be evaluated with the Surface Water Master Plan update.” The project budget was \$289,000. This transaction reduces the transfer to this fund from the Surface Water Management Fund.
2. *The Juanita Ditch Project (SW3) was completed under budget saving about \$42,000 which would be reallocated to the Surface Water Master Plan update. This transaction reduces the transfer to this fund from the Surface Water Management Fund.
3. *The Swamp Creek Basin Study (SW9) was reviewed at the September 16, 2013 City Council meeting. As noted in that agenda bill “Snohomish County has told staff that they do not intend to choose the Swamp Creek Basin for review under their Phase 1 Municipal Stormwater Permit requirements. They intend to select a different watershed for review and study. The Swamp Creek basin continues to experience heavy sediment loading which staff believes is shifting the water flow patterns in the vicinity of 73rd Avenue NE. The Basin Study \$50,000 budget was combined with the update of the Surface Water Master Plan, the contract for which was approved by the City Council earlier this year. A product of this work will include recommendations for the Swamp Creek Basin.” This transaction reduces the transfer to this fund from the Surface Water Management Fund.

The adjustments to the revenue and expenditure budgets have no net effect on the projected fund balance of \$0. The fund balance is projected to be \$0 because revenues are provided as needed and balanced against capital expenditures.

	Surface Water Capital Fund Revenues:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.2.3. *	Transfer from the Surface Water Management Fund for deferral of the 74 th Culvert Project SW12 (\$289,000), savings on Juanita Ditch Project (\$42,000), and reallocation of Swamp Creek Basin Study funds (\$50,000)	\$2,114,261	(\$381,000)	One-time	\$1,733,261
	Net Revenue Decrease		(\$381,000)		
1.*	74 th Culvert Project SW12 deferred	\$289,000	(\$289,000)	One-time	\$0

2.*	Juanita Ditch Project SW3 completed under budget	\$75,000	(\$42,000)	One-time	\$33,000
3.*	Swamp Creek Basin Study SW9 deferred	\$50,000	(\$50,000)	One-time	\$0
	Net Expenditure Decrease		(\$381,000)		

EQUIPMENT REPLACEMENT FUND

~~Proposed adjustments to the Equipment Replacement Fund are as follows:~~

- ~~1. Acquisition of a digital reader board at City Hall for City news and events. If approved, funds budgeted for a used van would be redirected for this purpose.~~

~~This adjustment to the expenditures has no net impact on the projected fund balance of \$369,494.~~

	Equipment Replacement Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.	Digital reader board	\$0	\$25,000	One-time	\$25,000
1.	Vehicles	\$50,000	(\$25,000)	One-time	\$25,000
	Increase in Expenditures		\$0		

STRATEGIC OPPORTUNITIES FUND

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

1. *In July, 2013 the City purchased land at 6532 NE Bothell Way, known as the former Shell site in the amount of \$776,800 (Exhibit 5).
 - a. When the purchase and sale of the former park and ride lot closes, this fund will be reimbursed for the purchase of the Shell site through a transfer from the Kenmore Village Fund.
2. *During the City Council review and update of the Parks Capital Projects on September 16, 2013 (Exhibit 1), the Rhododendron Park and Log Boom Park float projects were added to the Capital Improvement Program (CIP) funded by a transfer from this fund in the amount of \$146,000, an increase of \$20,000 from the original budgets. \$126,000 of this transaction is a bookkeeping change between line item expenditures and has no impact on the fund balance.
3. Interstate signs: \$30,000 for Kenmore signage on Interstates 5 and 405.

These adjustments reduce the projected ending fund balance by \$50,000 to \$2,110,962.

	Strategic Opportunities Fund Expenditures:	Original or Amended 2013-2014 Budget	Change: Increase or (Decrease)	One Time or Ongoing	Proposed 2013-2014 Budget
1.a.	Transfer from Kenmore Village	\$0	\$776,800	One-time	\$776,800

	Fund from sale of former park and ride lot				
	Increase in Revenues		\$776,800		
1.*	Land Purchase	\$0	\$776,800	One-time	\$776,800
2.*	Transfer to Park Capital Projects	\$0	146,000	One-time	146,000
2.*	Park Floats	\$126,000	(\$126,000)	One-time	\$0
3.	Interstate Signs	\$0	\$30,000	One-time	\$30,000
	Increase in Expenditures		\$826,800		

SUMMARY OF ALL FUNDS

The proposed expenditure adjustments, for all funds, represent an increase of ~~\$5,822,265~~ \$5,657,265 to the 2013-2014 amended biennial expenditure budget of \$49,274,877, bringing the total amended expenditure budget to ~~\$55,097,142~~ \$54,932,142. Of the total expenditure adjustments, interfund transactions represent ~~\$3,393,800~~ \$3,338,800 and this includes \$1,200,000 which is an interfund loan repayment from the Kenmore Village Fund to the General Fund.

The proposed revenue adjustments represent an increase of ~~\$5,553,781~~ \$5,443,781 from the 2013-2014 amended biennial revenues of \$47,793,286, bringing the total adjusted revenues, for all funds, to ~~\$53,347,067~~ \$53,237,067. Interfund transactions of ~~\$2,193,800~~ \$2,138,800 are included in the proposed revenue adjustments.

This represents the second amendment to the adopted 2013-2014 biennial budget. Going forward into 2014, the budget will continue to be closely monitored, and additional adjustments to the budget may be required or recommended. If economic conditions do not continue to improve, revenues may decline 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 2012.

Please let me know if there are questions that can be addressed prior to the November 25, 2013 City Council meeting.



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Updates to the Adopted 2013-2018 Capital Improvement Program for Surface Water, Parks, and Transportation

Proposed Council Action/Motion:

Adopt Ordinance 13-0367 Updating the 2013-2018 Capital Improvement Program for Surface Water, Parks, and Transportation

For Council Meeting Agenda of: December 2, 2013

Departments:

City Manager, Finance and Administration,
Community Development, Engineering &
Environmental Services,
Public Works Operations

Prepared by:

Joanne Gregory, Finance and Administration Director
Debbie Bent, Community Development Director
Kris Overleese, Engineering and Environmental
Services Director
Jennifer Gordon, Public Works Operations Manager

Initial & Date

Approved by Department Head: JG 11/27/13

Approved by City Attorney:

Approved by Finance Director: JG 11/27/13

Approved by City Manager: PJK

Exhibits/Attachments:

Ordinance 13-0367

Attachment 1: Business Agenda Item Dated November 25, 2013: Review and Discussion of the Proposed Updates to the Adopted 2013-2018 Capital Improvement Program for Surface Water, Parks, and Transportation

Expenditure Required
\$35,822,923 for 2013-2018

Amount Budgeted/Adopted
\$35,427,923 for 2013-2018

Appropriation Required
\$395,000 for 2013-2018

INFORMATION/BACKGROUND:

The 2013-2014 Mid Biennial Review process includes a review and update of the adopted six-year (2013-2018) Capital Improvement Program (CIP) for surface water, parks, and transportation. The City Council reviewed the proposed updates to the CIP on September 16 and November 25, 2013. The agenda item for the most recent discussion on November 25 is provided for reference as Attachment 1.

At the November 25 City Council meeting, several changes were proposed to the CIP based on new information regarding transportation grant applications that have direct bearing on one or more projects. The projects affected by these changes include:

T 5 68th Avenue NE "Queue Jump" (SR 522 to Sammamish River)

The \$2M grant application to TIB was not awarded. Staff originally proposed to move this project forward to 2014-2016 in anticipation of this grant; however without the grant the project will remain as

originally programmed for 2016-2018 and no budget amendment will be proposed for the 2013-2014 biennium.

T 27 Sidewalk Program

Five grant applications were submitted for sidewalks in 2013 from the following programs:

- Community Development Block Grant (CDBG): 181st Sidewalk (south side, 73rd Ave to Safeway)
- Transportation Improvement Board: NE 155th Street/84th Ave Sidewalk and NE 202nd Sidewalk (NE 198th Street to 66th Ave NE)
- Transportation Alternatives Program (TAP): 181st Sidewalk (south side, 7^{3rd} Ave to Safeway) & SR 522 West A Sidewalk

The TIB grants for NE 155th Street and NE 202nd Street sidewalks, which would have required close to \$400,000 City match, were not awarded. The CDGB and TAP grants were also not awarded. Therefore staff no longer recommends consolidating the annual \$100K budgeted contributions from 2015-2018 into a \$400,000 commitment in 2015.

The Ordinance 13-0367 with attached Exhibit A has been updated and reflects these changes.

FISCAL CONSIDERATION:

The City's goal is to adopt and maintain a fiscally balanced Capital Improvement Program that can be used by staff to prioritize and pursue projects. The CIP balances City resources including Park and Transportation Impact Fees, Real Estate Excise Tax, General Fund revenues, Surface Water Utility fees, and grant funds. While a project may show need in future years for grant funds to complete, the project and budget is considered "balanced" and provides a tool to pursue outside funding. The CIP should be considered a programming document with the City of Kenmore adopted budget being the document that actually appropriates funds for project expenditures.

Update: Staff are currently reviewing 30% design cost estimates for the Rhododendron Park boat shed, board walk, and dock projects. Staff will report on necessary adjustments to these project budgets soon after the first of the year.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The proposed Capital Improvement Program is consistent with Council Goals, specifically:

- Seek funds to move forward on SR 522 project.
- Implement a parks improvement and financial plan
- Establish a 20 - to 30 year Sidewalk Plan
- Move the City Council's interconnectivity vision forward toward implementation (parks, trails, open space, institutions, and shuttle bus)

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 13-0367**

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
RELATING TO THE 2013-2018 SIX YEAR CAPITAL IMPROVEMENT
PROGRAM, AMENDING ORDINANCE NO. 12-0350, PROVIDING
FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, a 2013-2018 Six-Year Capital Improvement Program was adopted by the City Council on November 26, 2012; and

WHEREAS, the City has conducted a mid-biennial review of the budget and the Capital Improvement Program prior to the end of the first fiscal year of the 2013-2014 biennium; and

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

WHEREAS, the City Council scheduled and held a Public Hearing on the amendments to the 2013-2018 Six-Year Capital Improvement Program on November 25, 2013;

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

Section 1. Adoption. The 2013-2018 Capital Improvement Program, adopted by Ordinance No. 12-0350 on November 26, 2012, is hereby amended to reflect the adjustments attached as Exhibit "A."

Section 2. City of Kenmore, Washington, Capital Improvement Program. To the extent the City of Kenmore, Washington, Capital Improvement Program ("Capital Improvement Program") is different from the Capital Facilities Element of the City's Comprehensive Plan, including but not limited to the Capital Facilities Plan portion thereof ("Capital Facilities Element"), the Capital Improvement Program shall supersede and amend the Capital Facilities Element accordingly.

Section 3. 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 preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. 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 publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
2nd DAY OF DECEMBER 2013.

CITY OF KENMORE

Mayor David Baker

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

EXPENDITURES	2013 Proposed	2014 Proposed	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2013-2018 Totals
PARKS							
P 1 Twin Springs(Portal 44)	\$0	\$0	\$45,000	\$360,000	\$0	\$0	\$405,000
P 2 Tolt Pipeline Trail Phase One	120,000	0	0	0	0	0	120,000
P 6 Moorlands Park Improvements	60,000	0	450,000	450,000	0	0	960,000
P 9 Northshore Summit Park	659,000	0	0	0	0	0	659,000
P 10 Park Land Acquisition	0	0	0	0	0	0	0
P 11 Log Boom Park Pedestrian Bridge Replaceme	0	95,000	150,000	0	0	0	245,000
P 13 Skate Park Relocation & Improvements	0	20,000	250,000	0	0	0	270,000
P 17 Tolt Pipeline Trail Phase Two	0	0	30,000	190,000	0	0	220,000
P 18 Rhododendron Park Boat Shed & Boardwalk Trail	90,000	392,000	0	0	0	0	482,000
P18a Rhododendron Park Float	73,500	0	0	0	0	0	73,500
P 19 Log Boom Park Waterfront	0	0	30,000	75,000	75,000	1,000,000	1,180,000
P 19a Log Boom Park Float	72,500	0	0	0	0	0	72,500
P 21 Kenmore Village Public Square	50,000	100,000	800,000	0	0	0	950,000
P 22 City Hall Plaza Improvements	0	0	75,000	0	0	0	75,000
P 23 Squires Landing Trail	0	0	0	0	40,000	200,000	240,000
P 24 Sammamish River Boat Launch Restroom	65,000	0	0	0	0	0	65,000
Total Parks	\$1,190,000	\$607,000	\$1,830,000	\$1,075,000	\$115,000	\$1,200,000	\$6,017,000
TRANSPORTATION							
T 5 68th Ave NE SR522 to Sammamish Slough	\$0	\$0	\$0	\$110,000	\$320,000	\$2,440,000	\$2,870,000
T 6 SR 522 West A 61st to 65th	4,428,500	4,865,000	2,000,000	0	0	0	11,293,500
T 7 61st Ave NE & 181st Traffic Signal	1,132,387	0	0	0	0	0	1,132,387
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	0	410,000	8,285,000	315,000	9,010,000
T 22 Simonds Road-Inglemoor HS Right Turn Lar	25,000	0	70,000	445,000	0	0	540,000
T 26 Wayfinding Signage and Banners	20,000	20,000	20,000	20,000	20,000	20,000	120,000
T 27 Sidewalk Program	174,950	100,000	100,000	100,000	100,000	100,000	674,950
T 31 City Safety Improvements	250,000	0	0	0	0	0	250,000
T 35 Juanita Drive/68th Ave NE Overlay	636,725	0	0	0	0	0	636,725
T 36 City Gateways	75,000	225,000	0	0	0	0	300,000
T 37 West Samm Bridge	461,000	0	0	0	0	0	461,000
Total Transportation	\$7,203,562	\$5,210,000	\$2,190,000	\$1,085,000	\$8,725,000	\$2,875,000	\$27,288,562
SURFACE WATER							
SW 1 Tributary 0057 Channel Relocation	\$0	\$889,750	\$0	\$0	\$0	\$0	\$889,750
SW 2 80th Ave NE Ditch Improvements	0	0	40,000	75,000	0	0	\$115,000
SW 3 Juanita Dr NE Ditch Grading Ph 1	75,000	0	0	0	0	0	\$75,000
SW 7 NE 187th Street Bypass	467,011	40,000	71,000	0	0	0	\$578,011
SW 8 61st Ave NE Sidewalk Embankment Repair	55,000	0	0	0	0	0	\$55,000
SW 9 Swamp Creek Regional Basin Study	0	0	0	0	0	0	\$0
SW 12 74th Avenue NE Culvert Replacement	0	0	0	0	0	0	\$0
SW 13 NE 155th Street Outfall Revision	0	0	50,000	0	0	0	\$50,000
SW 16 Arrowhead Drive Conveyance Improvemen	0	0	0	106,000	116,100	0	\$222,100
SW 17 Little Swamp Creek Relocation Project	0	0	0	0	56,500	50,000	\$106,500
SW 19 NE 192nd ST Culvert Replacement	0	20,000	106,000	0	0	0	\$126,000
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	\$300,000
Total Surface Water	\$647,011	\$999,750	\$317,000	\$231,000	\$222,600	\$100,000	\$2,517,361
TOTAL EXPENDITURES	\$9,040,573	\$6,816,750	\$4,337,000	\$2,391,000	\$9,062,600	\$4,175,000	\$35,822,923

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

REVENUES	2013 Proposed	2014 Proposed	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed	2013-2018 Totals
Real Estate Excise Tax (Transportation)	\$987,387	\$290,000	\$250,000	\$0	\$0	\$423,750	\$1,951,137
Real Estate Excise Tax - Set Aside Sidewalks	174,950	100,000	100,000	100,000	100,000	100,000	674,950
Real Estate Excise Tax - Surface Water	55,000	0	0	0	0	0	55,000
Transportation Impact Fee Revenue	442,500	380,000	435,000	277,500	365,000	400,000	2,300,000
Park Impact Fee Revenue	659,000	310,000	45,000	972,345	0	0	1,986,345
Real Estate Excise Tax (Parks)	215,000	197,000	255,000	75,000	115,000	200,000	1,057,000
Kenmore Village Sale	50,000	100,000	800,000	0	0	0	950,000
King County Levy	120,000	0	30,000	27,655	0	0	177,655
Parks Grants	0	0	700,000	0	0	1,000,000	1,700,000
Surface Water Utility Funds	830,511	1,144,750	547,000	231,000	222,600	100,000	3,075,861
King County Flood District Grant	0	150,000	0	0	0	0	150,000
State/Transportation Improvement Board	0	4,100,000	1,100,000	0	2,000,000	0	7,200,000
Federal Grants/Allocations	3,600,000	0	0	0	0	0	3,600,000
Street Fund	661,725	0	0	0	0	0	661,725
Street Fund - West Samm Bridge	86,000	0	0	0	0	0	86,000
Sammamish River Bridge Fund	80,000	0	0	0	0	0	80,000
Other Agencies Reimbursements	12,500	25,000	55,000	222,500	0	0	315,000
Other Grant Funding	900,000	0	0	409,650	205,000	1,916,250	3,430,900
State Transportation Package	0	0	0	55,350	6,035,000	15,000	6,105,350
General Fund	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Strategic Opportunity Fund	146,000	0	0	0	0	0	146,000
TOTAL REVENUES	\$9,040,573	\$6,816,750	\$4,337,000	\$2,391,000	\$9,062,600	\$4,175,000	\$35,822,923

Exhibit 1: Business Agenda Item Dated September 16, 2013: Review and Discussion of the Proposed Updates to the Adopted 2013-2018 Capital Improvement Program for Surface Water, Parks, and Transportation

Capital Improvement Programs serve at least three basic objectives: first, this is the document or plan that implements the City's vision and comprehensive plan; second, the program guides budgetary and financial decisions and allocations; and third, it represents the official document for state and federal funding eligibility and the potential of grant and loan awards. State and federal funding agencies require a project to be consistent with a jurisdiction's plans, needs, and priorities.

Updated Capital Improvement Program schedules for surface water, parks and transportation have been included in Attachment A.

The following project information was provided in the agenda item presented to the City Council on September 16, 2013. New or additional information has been identified with "tracked changes" in red.

SURFACE WATER

There are thirteen projects, totaling \$2,517,361, identified within the proposed update to the 2013-2018 Surface Water component of the CIP. The bulk of the projects were identified in the Surface Water Management Plan which was adopted in 2008 and is scheduled to be updated in 2013-2014. There are no planned or proposed Swamp Creek property acquisitions. There are several culvert replacement projects identified as well as stabilization projects. A shift in funding strategy from the current CIP is the utilization of surface water fund resources to pay for surface water components of sidewalk projects and Highway 522 improvements. Not only is this allowable, but it is necessary to help these projects move forward given that Real Estate Excise Tax (REET) funds continue to come in lower than in the past.

SW 1 Tributary 0057 Channel Relocation

This project removes the sediment vault under NE 170th Street (east of 72nd Avenue NE) and installs a culvert to resolve flooding issues in the vicinity. The project was moved to 2014 for construction due to workload and permitting delays. Design will be completed in 2013 and the project will be constructed in the summer of 2014 if State/Federal permits for the project are approved. The work in NE 170th Street itself will be coordinated so that it will occur when school is out of session to minimize impacts to the community. No adjustments to the budget or CIP are proposed.

SW 2 80th Avenue NE Ditch Improvements

This project is programmed for the years 2015 and 2016. There are no known changes to the project at this time. However, as mentioned to Council during last year's budget process, the project will be re-evaluated and prioritized as part of the Surface Water Master Plan update process.

SW 3 Juanita Dr NE Ditch Grading Ph I

The project to stabilize a segment of drainage ditch along Juanita (east side) was completed this summer. The project was completed ahead of the overlay on Juanita which was critical as the road was being undermined in the project area. The project is closed out and was completed for approximately \$35,000 \$33,000 which is \$40,000 \$42,000 less than the \$75,000 project budget. A budget amendment has been proposed to return the savings to the Surface Water Management Fund.

SW 6 NE 181st Street Culvert Replacement

The project is physically complete as all punch list items are finished. Staff continues to wrap up the paperwork with the contractor including: affidavits of wages paid, final change order and final pay estimate. Staff must also coordinate release of the project from the Department of Labor and Industries, the Department of Revenue and other applicable state agencies. It is expected that this project will be closed out by the end of 2013. The project is projected to be within budget.

SW 7 NE 187th Street Bypass

This project is programmed for 2014-2015. It will be re-evaluated and prioritized as part of the current

Surface Water Master Plan update process and no adjustments to the budget or CIP are proposed at this time.

SW 8 61st Avenue NE Sidewalk Embankment Repair

This project was evaluated by the on-call surface water engineering team and was budgeted/scheduled for completion in 2013. The pipe that runs under 61st Avenue NE has erosion problems. The damaged sidewalk adjacent to the pipe has been repaired. The engineering team recommended rebuilding the headwall around the pipe on the upstream side of the street crossing. Discussions with the Department of Fish and Wildlife indicated that headwall construction would trigger bringing the culvert under the road up to fish passable standards. The project budget is inadequate for such an improvement. As a result, this project will be evaluated as part of the Surface Water Master Plan update and no adjustments to the budget or CIP are proposed at this time.

SW 9 Swamp Creek Regional Basin Study

Snohomish County has told staff that they do not intend to choose the Swamp Creek Basin for review under their Phase I Municipal Stormwater Permit requirements. They intend to select a different watershed for review and study. The Swamp Creek basin continues to experience heavy sediment loading which staff believes is shifting the water flow patterns in the vicinity of 73rd Avenue NE. The Basin Study \$50,000 budget was combined with the update of the Surface Water Master Plan, the contract for which was approved by the City Council earlier this year. A product of this work will include recommendations for the Swamp Creek Basin. A budget amendment has been proposed which adds the \$50,000 budget for this project to the update of the Surface Water Master Plan.

SW 12 74th Avenue NE Culvert Replacement

This project is currently budgeted for design in 2013 and construction in 2014. The project is upstream of the 0057 channel relocation project. The surface water consulting engineering team evaluated this project prior to beginning design. As this is the same basin/channel as the 0057 culvert replacement, the engineering team recommends putting this project on hold until the 0057 project is complete to see if conditions improve. Staff agrees and, as discussed at the July 15, 2013 City Council meeting, staff recommends redirecting \$200,000 of the budgeted funds to Project T 37 West Samm Bridge. This culvert project will be evaluated with the Surface Water Master Plan update. A budget amendment has been proposed which adds the \$200,000 to the budget for Project T37 West Samm Bridge.

SW 13 NE 155th Street Outfall Revision

This project is programmed for 2015. It will be re-evaluated and prioritized as part of the current Surface Water Master Plan update process. No adjustments to the budget or CIP are proposed at this time.

SW 16 Arrowhead Drive Conveyance Improvements

This project is programmed for 2016 & 2017. It will be re-evaluated and prioritized as part of the current Surface Water Master Plan update process. No adjustments to the budget or CIP are proposed at this time.

SW 17 Little Swamp Creek Relocation Project

This project is programmed for 2017 & 2018. It will be re-evaluated and prioritized as part of the current Surface Water Master Plan update process. No adjustments to the budget or CIP are proposed at this time.

SW 19 NE 192nd St Culvert Replacement

This project is scheduled for design in 2014 and construction in 2015. No adjustments to the budget or

CIP are proposed at this time

SW 20 Surface Water Small Projects

These project funds exist to perform work on the City's surface water system when the required effort is greater than what our crews can perform. The funds are utilized on an as-needed basis. Through the end of August 2013, no surface water small project funds have been expended.

PARKS

The amendments to the park CIP focus on projects in the 2013-2014 budget biennium. With the adoption of the Park Recreation and Open Space (PROS) plan, additional amendments to the CIP may be brought forward for Council consideration based on recommendations and priorities identified in the PROS plan.

Proposed amendments to the CIP reflect what the City has been hearing from the community – namely the clear desire to improve public access points to the water, and connect the parks and community with the water. In the case of the Northshore Summit Park (P9) project, the desire of the surrounding neighborhood was to complete park improvements rather than phase improvements.

The 2013-2018 Park Capital Improvement Program (CIP), adopted in November 2012, included 14 projects with \$5,260,000 estimated in total project costs. The proposed amended CIP includes ~~16-15~~ projects with ~~\$6,152,000~~ \$6,017,000 in total project costs. The CIP adopted November 2012 included \$620,000 in project costs for the 2013-2014 biennium and the proposed amended CIP includes ~~\$1,732,000-~~ \$1,797,000.

Since adoption of the CIP in November, Council approved additional funding of \$484,000: \$15,000 of REET funds for the Sammamish River Boat Launch restroom project (project P24) which was included in the March 25, 2013 budget amendment and an additional \$469,000 of park impact fees for the Northshore Summit Park improvement project (project P9) which is included in the current proposed mid biennium budget amendment. The amended CIP reflects the authorized increase in funds for both these projects.

On 2/19/13 the Council authorized the City Manager to execute a contract with Marine Floats for the design, permitting and construction of floats for hand carry water craft at Log Boom Park and Rhododendron Park for a not to exceed amount of \$109k, including a 20% contingency. The \$109,000 for the two float projects is funded from the Strategic Opportunity Fund. The project cost is currently estimated at \$146,000 due to permitting costs, requirements for mitigation and design changes. Both float projects are now identified in the amended CIP as projects P 18a and P19a which are described below.

Since the September 16, 2013 Council CIP review, staff is also proposing amendments to three other park projects: P6 Moorlands Park Ballfield Improvements; P10 Park Land Acquisition; P11 Log Boom Park Pedestrian Bridge Replacement.

P6 Moorlands Park Improvements

The proposed CIP amendments include a change in name, project scope, and an increase in budget to complete design and construction of all park improvements consistent with the adopted 2006 master plan. The current adopted CIP allocates \$20,000 (REET) in 2013 to complete the 90% construction drawings for renovation of an existing youth sport field and assumes a grant application for \$200,000 in 2014. In 2015 there is an allocation of \$300,000 (\$100,000 in REET funds and \$200,000 assumed grant funds) for project construction.

There are no State Youth Athletic Fund grants available. Applying for a grant for all park improvements in 2014 may score higher. Therefore, the additional \$40,000 (REET) proposed budget in 2014 plus the current \$20,000 budgeted in 2013 would be used to complete schematic design for all park improvements based on the adopted 2006 master plan. The master plan includes a renovated ballfield, pathways, improved playground, picnic shelter, restroom, irrigation and improvements to parking. The 2006 estimate for construction of the entire park was

about \$807,000.

The proposed CIP includes \$900,000 for completing engineering, permitting and construction. The City would apply for a State grant in 2014 for \$450,000 for completion of park improvements. \$450,000 of impact fees would be added in 2016.

The \$30,000 allocated in 2013 for completing a study of potential park land acquisition (project P10) and \$800,000 allocated in 2016 for park land acquisition is proposed to be reallocated to this Moorlands Park project.

P10 Park Land Acquisition Study

The proposed CIP amendments include reassigning the \$830,000 allocated in the current CIP for park land acquisition to the Moorlands Park project (Project P6). The adopted CIP had allocated \$30,000 (REET) for completing a study of potential park land acquisitions in 2013 and \$800,000 (park impact fees) in 2016 for acquisitions.

P11 Log Boom Park Pedestrian Bridge Replacement

The proposed CIP amendments include a \$55,000 increase to the 2014 design budget, increasing from \$40,000 to \$95,000, based on review of a scope of work from Pertee Engineering for the bridge design. This would bring the total project budget to \$245,000.

The adopted CIP allocates \$40,000 (REET) in 2014 to complete the bridge design and construction documents and \$150,000 (\$50,000 REET and \$100,000 grant funds) in 2015 for construction (adopted project budget \$190,000).

The bridge design would be funded by REET (\$95,000). The City will apply for a State grant in 2014 for \$100,000. Assuming the City receives the grant award in 2015 then construction (\$150,000) will be in 2015/2016. The bridge in Log Boom Park, over what is now Stream 0056, was damaged and removed following the 2008 winter storm.

P 18 Rhododendron Park Boat Shed & Boardwalk Trail

Proposed amendments to this project include a change in name from Rhododendron Park Waterfront to Rhododendron Park Boat Shed and Boardwalk Trail. Amendments also include changes to the project scope, budget, schedule, and funding source. The proposed amended budget is \$482,000 in the 2013-2014 biennium. \$90,000 (REET funds) are proposed to be allocated in 2013 to complete an assessment of the feasibility, design and preliminary engineering drawings for construction of a boardwalk that connects the interior of the Park to the riverfront. A proposed boat shed for hand carry watercraft, adjacent to the Sammamish River, close to the access road from 68th Ave NE is also proposed. \$392,000 (park impact fee funds and real estate excise tax) is allocated in 2014 for completion of construction drawings, permitting and project construction and management.

P 18a Rhododendron Park Float

The proposed budget for this project is \$73,500, from the Strategic Opportunity Fund, for project design, permitting and construction in. The float is proposed for hand carry water craft, to be located on the Sammamish River, adjacent to the boat access road on the east side of the Sammamish River bridge on the Rhododendron Park property. Permitting and construction for the Rhododendron Park float is anticipated to be complete in 2014.

P 19a Log Boom Park Float

This seasonal float is also included as a project in the amended CIP, with \$72,500 from the Strategic Opportunity

Fund for project design, permitting and construction. The float is proposed to be attached to the pier from the end of May through September each year. Permitting questions with several agencies are currently being addressed. The float is expected to be permitted this year and installed in May 2014.

TRANSPORTATION

There are 11 transportation projects, which total \$27,288,562 presented in this proposed update of the 2013-2018 CIP. The following paragraphs describe the proposed changes to transportation projects with amendments to the adopted 2013-2014 budget and changes to the projected CIP for 2015-2018.

T 5 68th Avenue NE “Queue Jump”(SR 522 to Sammamish River)

This project was originally programmed for 2016-2018 in the CIP. Some pre-design work was completed on this project several years ago and Staff believes this project to be good fit for the most recent Transportation Improvement Board (TIB) funding process. A \$2M grant application has been submitted for design, permitting and construction. The City match would be 25% provided through Real Estate Excise Tax (REET) and Transportation Impact Fees. In order to commit the City funds required for the match, it is recommended that the project be moved up two years to 2014-2016. The City will be notified late in 2013 of the project's success; it will not move forward until grant funding is acquired. A budget amendment has been proposed to move this project up to 2014-2016 and appropriate \$110,000 for the 2013-2014 biennium.

T6 SR 522 West A (61st to 65th Avenues NE)

The project is moving forward with the goal and expectation of advertising for construction in the spring of 2014. Right of way acquisition is underway. To date, of the 23 larger parcels, over 17 of the offers have been made (all offers will be made by the end of September). Right of way acquisition was delayed on several parcels as several utility conflicts were identified by staff at the 90% milestone that required re-evaluation of utility easements to be acquired. The addition of lighting and sidewalk on the south side of the roadway also required addition of easements for light poles. Staff continues to discuss design issues (lighting, signage, access) with property owners as needed during the right of way process which is typical.

The 95% design milestone is anticipated for the first week of October which is later than we had planned, but staff has agreed to additional time to ensure NUD comments are incorporated and that the 95% plan/specification submittal is high quality.

The project's channelization plan was submitted to the Washington State Department of Transportation (WSDOT) in August. While the channelization plan has yet to be formally approved, WSDOT previously indicated in writing that they will approve the left turn pocket at the Sherwin Williams/Ostrom's driveway.

At this time, the project budget is tight. Funding partners include:

- \$1.1M Federal Funds for the signal improvements
- \$2.5M Federal Funds for row of way acquisition
- \$5.2M Transportation Improvement Board grant
- \$475,000 Department of Ecology Grant for stormwater components

City funds include REET, Transportation Impact Fees, and Surface Water Management funds totaling \$2.5M. Staff also submitted a \$489,000 Transportation Alternatives Program (TAP) grant in August to pay for sidewalk components of the project to supplement the project budget. When staff receives the 95% design and updated cost estimate, staff will re-evaluate the budget and review the funding strategy at that time.

T7 61st Avenue NE & 181st Street Traffic Signal

Construction of the project is complete and staff continues to work towards project closeout. Staff has struggled to get the contractor to complete one last punch list item (removing a rust-like stain from the sidewalk). Staff is currently investigating the pursuit of the contractor's bond to clean the sidewalk. Once this is complete, physical completion will be issued with the final pay estimate and project final acceptance. There are a few minor items of payment that the City and contractor have yet to agree. However, the project is tracking to be completed within budget. Staff expects the project to be closed out by the end of 2013.

T 8 SR 522 West B (57th to 61st Avenues NE with BGT wall)

The project is currently at the 90% design milestone and was originally projected in the CIP for the 2015-2017 time period. Environmental review is done and right of way acquisition is funded. Staff will focus on right of way acquisition for West B when acquisition for West A is advanced. There is \$8.5 M for this project in the draft State Transportation Package and there is discussion of a special fall legislative session. However without the passage of a State Transportation Package, Staff is recommending to shift this project out one year to enable T-5, 68th Avenue NE (SR 522 to Sammamish Slough), to move forward more quickly if TIB funds are awarded. If the State approves funding for West B, Staff will re-evaluate the timing and allocation of City resources; no budget modifications are proposed at this time.

T 22 Simonds Road-Inglemoor HS Right Turn Lane

Staff met with Northshore School District capital projects group in June of this year to discuss traffic issues around Inglemoor High School. District staff indicated they would be willing to financially participate in a traffic/safety/access/parking study. They requested to see the scope of work before committing. At the end of August, staff sent the District a draft scope prepared by our on-call traffic engineering firm Pertect. No adjustments to the budget or CIP projections are proposed at this time.

T 26 Wayfinding Signage and Banners

Design is underway for Adopt A Street/Park signs and design of this signage will be completed in 2013. Design of the wayfinding signage is complete. This year seasonal holiday banners will be fabricated and installed. No adjustments to the budget or CIP projections are proposed at this time.

T 27 Sidewalk Program

Council approved the 20 Year Sidewalk Program earlier this year which was a 2013 City Council Goal. The 68th Sidewalk Project (NE 182nd to NE 185th Street) nears design completion and is expected to go to construction this fall. This project is possible due to a TIB Grant of \$178K received at the end of 2012.

5 grant applications have been submitted for sidewalks in 2013 from the following programs:

- Community Development Block Grant: 181st Sidewalk (south side, 73rd Ave to Safeway)
- Transportation Improvement Board: NE 155th Street/84th Ave Sidewalk and NE 202nd Sidewalk (NE 198th Street to 66th Ave NE)
- Transportation Alternatives Program: 181st Sidewalk (south side, 73rd Ave to Safeway) & SR 522 West A Sidewalk

The 68th Sidewalk project and the 181st Sidewalk (if awarded CDBG or other funds) will utilize the \$274,950 currently budgeted from City funds in 2013-2014. If the TIB funds for NE 155th Street and NE 202nd Street sidewalks are awarded, approximately \$400,000 will be the required City match. For this reason, Staff recommends consolidating the annual \$100K budgeted contributions from 2015-2018 into a \$400,000 commitment in 2015.

The City will receive notice later in 2013 and/or early 2014 as to whether these applications were successful.

T 31 City Safety Improvements

This project has been a challenge. Upon execution of the grant, WSDOT informed grant recipients that changes to intersections as proposed by many Cities would require upgrade of curb ramps to meet American with Disability Act (ADA) requirements. The City scaled back the project to meet this requirement. Staff also discovered right of way issues at both the Juanita/170th and Juanita/153rd intersections during design. Part of the road at the Juanita/153rd Intersection is shown to be on school district property and part of the signal infrastructure at the 170th intersection looks to be on Inglewood Golf Club property. This does not mean that the City must remove the street and appurtenances; it means that title must be cleaned up or easements obtained before construction can commence. Staff is diligently working with WSDOT our funding partner to work through these issues. This project will likely be constructed in 2014. No adjustments to the budget or CIP are proposed at this time.

T 35 Juanita Drive/68th Avenue NE Overlay

The curb ramp modifications have been completed by the County in preparation for the overlay and the crews are crack sealing the roadway to be overlaid. The overlay work is scheduled to be completed in September, weather permitting. Staff has done extensive outreach to the neighbors as there will be night paving.

The County has also been working with staff to create a new striping plan for Juanita. The goal is to improve pedestrian and bicycle safety through striping and signage improvements. Modifications to signage and striping will occur after the overlay is done. No adjustments to the amended budget or CIP are proposed at this time although the work has been delayed to 2014.

T 36 City Gateways

Design of the gateways is underway. Survey is complete and our design team is creating the project base map and coordinating with Sussman Prejza on the sign dimensions. The intention is for the signs to be lit and to have irrigation for plantings. The project is on track to be constructed in 2014 per the schedule and no adjustments to the budget or CIP are proposed at this time.

T 37 West Samm Bridge

This new project was approved by the City Council on July 15, 2013. This estimate included \$200,000 for design and permitting for scour stabilization, \$175,000 for a rehabilitation vs replacement analysis, and \$86,000 for monitoring and investigation work pertaining to the bridge. A contract was executed in July, 2013 and the consulting team (Jacobs) has completed the initial review and evaluation of the data collected to date. It has been determined that an emergency scour repair is not necessary, but a new load rating should be completed. The next steps will include: complete a new load rating and post if necessary, evaluate the need to repair the scour in the near future, complete the gap analysis, perform the rehabilitation vs. replacement evaluation and apply for funding if available.

Funds for this project include \$86,000 from the Street Fund, \$80,000 from the Sammamish River Bridge Replacement Fund, \$95,000 REET, and \$200,000 of Surface Water Management Funds (funds previously budgeted for SW12, 74th Ave NE Culvert Replacement). This new project has been included in the proposed mid biennium budget amendment.

FISCAL CONSIDERATION:

The City's goal is to adopt and maintain a fiscally balanced Capital Improvement Program that can be used by staff to prioritize and pursue projects. The CIP balances City resources including Park and Transportation Impact Fees, Real Estate Excise Tax, General Fund revenues, Surface Water Utility fees, and grant funds. While a project may show need in future years for grant funds to complete, the project and budget is considered "balanced" and provides a tool to pursue outside funding. The CIP should be considered a programming document with the City of Kenmore adopted budget being the document that actually appropriates funds for project expenditures.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The proposed Capital Improvement Program is consistent with Council Goals, specifically:

- Seek funds to move forward on SR 522 project.
- Implement a parks improvement and financial plan
- Establish a 20 - to 30 year Sidewalk Plan
- Move the City Council's interconnectivity vision forward toward implementation (parks, trails, open space, institutions, and shuttle bus)