

City of Kenmore



City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607 - Kenmore, WA 98028
Phone: 425-398-8900 - Fax: 425-481-3236 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
REVISED City Council Special & Regular Meeting Agenda
6:00 p.m., Monday, March 17, 2014
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. Council agendas are also available on our website at www.kenmorewa.gov.

I. 6:00 p.m. - CALL SPECIAL MEETING TO ORDER

II. EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(b), Property Acquisition and RCW 42.30.110(1)(c), Property Disposition

III. POSSIBLE ACTION RELATING TO EXECUTIVE SESSION

IV. ADJOURN SPECIAL MEETING

V. 7:00 p.m. - CALL REGULAR MEETING TO ORDER

VI. ROLL CALL

VII. FLAG SALUTE

VIII. AGENDA APPROVAL

IX. CITIZEN COMMENTS

- A. 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.

X. CONSENT AGENDA

- A. Adopt Minutes for the February 24, 2014 City Council Regular Meeting and March 3, 2014 City Council Special Meeting
[DRAFT 02 24 2014 Minutes](#)
[DRAFT 03 03 2014 Minutes](#)
- B. Approve Check Nos. 29542 - 29614 in the Amount of \$282,345.42 and

Electronically Transferred Payroll Funds Totaling \$64,094.84, and an Investment Purchase of \$992,374.33 for the Period Ending February 28, 2014
[Checks for Approval](#)

- C. Approve January 10 -11, 2014 City Council Retreat Report, Including City Council Goals
[Agenda Bill & Attachment](#)
- D. Approve a Temporary Use Permit Extension for Indoor Storage in a Commercial Space in the Kenmore Village Property, for a One-Year Period from February 1, 2014 to January 31, 2015
[Agenda Bill](#)

XI. BUSINESS AGENDA

- A. Center for Priority-Based Budgeting (CPBB) Webinar - Joanne Gregory, Finance & Administration Director
[Agenda Bill & Attachment](#)
- B. Award Tributary 0057 Channel Relocation Project to A1 Landscaping and Construction, Inc., and Authorize the City Manager to Execute Contract No. 14-C1250 in the Amount of \$822,800.52 Plus a 10% Contingency - Kris Overleese, Engineering & Environmental Services Director
[Agenda Bill & Attachments](#)
[PowerPoint Presentation](#)
- C. Motion to Declare the Jack V. Crawford Skate Park to be Surplus Property - Rob Karlinsey, City Manager
[Agenda Bill](#)

XII. STAFF REPORT

XIII. COUNCILMEMBER REPORTS & COMMENTS

XIV. COUNCILMEMBER INITIATIVES

XV. ADJOURNMENT

Upcoming Meetings:

Tuesday, March 18, 2014	Planning Commission Regular Meeting	7:00 p.m.
Monday, March 24, 2014	City Council Regular Meeting	7:00 p.m.
Monday, March 31, 2014	City Council Special Joint Meeting with Northshore Fire District Board	6:00 p.m.

**City of Kenmore, Washington
City Council Regular Meeting
Minutes
February 24, 2014**

CALL TO ORDER – The regular meeting of the Kenmore City Council was called to order by Mayor David Baker at 7:07 p.m.

Councilmembers present: Mayor David Baker and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Allan Van Ness

Councilmembers excused: Deputy Mayor Glenn Rogers

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Engineering & Environmental Services Director; Bryan Hampson, Development Services Director; Kent Vaughan, Senior Civil Engineer; Richard Sawyer, Surface Water Program Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

PROCLAMATION

National Kids to Parks Day – Saturday, May 17, 2014

Mayor Baker read the proclamation into the record.

CITIZEN COMMENTS

G. Hernandez, 15545 65th Place, Kenmore, was present to share an e-mail he received from Verizon in 2009 promising to provide cable service which never happened. He submitted a copy of the e-mail to Council.

Ken Smith, 15816 70th Avenue, Kenmore, was present to state that he supports the West Samm Bridge being added to the CIP and would like to see more citizen input on bridge replacement alternatives.

Matthew Meadows, 18015 83rd Avenue NE, Kenmore, was present to state his concern about the proposed NUD franchise fee.

Bob Black, 8232 NE 166th Street, Kenmore, was present to state his concern about the proposed NUD franchise fee.

Dave Crawford, 7534 175th Street, Kenmore, was present to state his concerns about City property acquisition and use.

Robert Kinton, 6116 NE 188th Place, Kenmore, was present to state his concern about the proposed NUD franchise fee.

Mayor Baker thanked the citizens for their comments.

CONSENT AGENDA

Councilmember Van Ness moved to approve the consent agenda as submitted. Councilmember Sperry seconded the motion to Adopt the Minutes of the January 13, January 27, and February 10, 2014 City Council Meetings; Approve Check Nos. 29394 - 29452 in the Amount of \$179,410.86 and Electronically Transferred Payroll Funds Totaling \$62,278.30 and Payroll Check No. 211017 in the Amount of \$1,426.73 for the Period Ending January 31, 2014; Approve Check Nos. 29453 - 29541 in the Amount of \$1,549,821.64 and Electronically Transferred Payroll Funds Totaling \$63,454.55 and Payroll Check No. 211057 in the Amount of \$1,427.13, and an Investment Purchase of \$1,001,486.11 for the Period Ending February 14, 2014. The motion passed unanimously.

BUSINESS AGENDA

Adopt Ordinance No. 14-0373, Northshore Utility District (NUD) Franchise Agreement – Rob Karlinsey, City Manager, and John Milne, of Inslee Best, were present and noted for the record that a public hearing for this ordinance was held two weeks ago, after having been published in the Seattle Times. The public hearing was also advertised in the City newsletter, and the franchise agreement was discussed during budget discussions for the 2013-2014 biennial budget. They stated that NUD would like to change the effective date of the agreement from March 10, 2014 to March 15, 2014 for billing purposes. City Manager Karlinsey clarified that the City is collecting a fee from the Utility District, which they can choose to pass along to customers or not, and that NUD does intend to pass the fee along to their Kenmore customers. They were also available to answer any questions.

Councilmember Herbig moved to amend the franchise agreement to specify that all revenue from the franchise fee will go into the Street Fund and be used for City streets.

Councilmember Curtis seconded the motion. In discussing the motion, and with the City Attorney's opinion, it was determined that this motion was out of order and should be made after the main motion to adopt the Ordinance. A vote was taken on the amendment and the motion failed 0-6.

Councilmember Curtis moved to Adopt Ordinance No. 14-0373, Northshore Utility District Franchise Agreement. Councilmember Sperry seconded the motion.

Discussion followed.

Councilmember Herbig moved to amend existing Section 9.D. "Franchise Fee" of the draft Ordinance to include language such as the following: All Franchise Fees paid to the City by the District shall be transferred to the City's General Fund, and thereafter shall be transferred to the City Street Fund and shall be expended solely on and to pay City costs and expenses relating to the City streets. Councilmember Curtis seconded the motion. The motion failed 3-3, with Councilmembers Sperry and Van Ness and Mayor Baker voting no.

Councilmember Curtis moved to amend Section 8, “Franchise Term,” to change March 10, 2014 to March 15, 2014. Councilmember Van Ness seconded the motion. The motion passed 6-0.

A vote was taken on the main motion, to Adopt Ordinance No. 14-0373, Northshore Utility District Franchise Agreement, as amended. The motion passed 5-1, with Councilmember Herbig voting no.

Update on Low-Impact Development Design Project in Northlake Heights – Kris Overleese, Engineering & Environmental Services Director, and Richard Sawyer, Surface Water Program Manager, were present to provide an overview of the project. Program Manager Sawyer reviewed that the current site was selected for the project because the drainage facilities on the site are very inadequate by today’s standards. He detailed what the actual proposal is and noted that a 30% design plan was recently submitted to the Department of Ecology. Next steps include a public open house and reaching out to neighbors for involvement. He was also available to answer any questions.

Motion to Initiate Enforcement Actions with Frontier Communications Related to Cable Television Franchise Agreement Requirements – Nancy Ousley, Assistant City Manager, was present to provide information on this motion. She was also available to answer any questions.

She stated that Verizon, as a new provider to the City in 2008, was the first holder of this franchise. In 2009, after a lengthy review process, the franchise was transferred to Frontier Communications. Frontier Communications has not fulfilled the terms of the agreement, and discussions with them were begun in late 2011. In April 2012, senior management of Frontier came forward with a plan which was supposed to be finished by December 2013. To date they have completed a small project to the North, but have not applied for permits or done anything about service to the South side. Staff recommendation is to move forward with enforcement actions that are available to the City according to the franchise agreement.

Councilmember Herbig moved to Initiate Enforcement Actions with Frontier Communications Related to Cable Television Franchise Agreement Requirements. Mayor Baker seconded the motion. The motion passed 6-0.

December 2013 Financial Report Presentation – Joanne Gregory, Finance & Administration Director, was present to report on the City’s financial position as of the end of the 4th quarter of 2013, 50% of the way through the biennial budget period. She stated that year-to-date revenues exceeded expenditures by \$83,634. Potentially troublesome costs coming up include the need to replace our current jail contract, a higher caseload of transactions handled by District Court, and unexpected litigation for 2014. She stated that she is “watchfully positive” about the remainder of the biennium. She was also available to answer any questions.

Councilmember Curtis moved to Accept the December 2013 Financial Report. Mayor Baker seconded the motion. The motion passed unanimously.

2013 Development Services Year-in-Review Presentation – Bryan Hampson, Development Services Director, was present to give an overview of development services activities for 2013, including land-use applications, engineering permits, building permits, inspections, and review team meetings. He was also available to answer any questions.

Adopt Ordinance No. 14-0376, Capital Improvement Program (CIP) Amendment: West Sammamish Bridge – Kris Overleese, Engineering and Environmental Services Director, and Kevin Kim, Senior Structural Engineer from Jacobs Engineering, provided a PowerPoint presentation. Director Overleese stated that this ordinance modifies the City’s current CIP project for the West Sammamish Bridge.

Bridge. The Jacobs Engineering team have said that this is clearly a replacement project rather than a rehab because the pilings are not very deeply embedded in competent soil. Overleese stated that staff is recommending Alternative 2, a 52-foot-wide bridge, and she detailed the reasons for that recommendation. She discussed project costs and possible funding sources, and stated that the goal would be for construction in 2018-2019 and closing out the project in 2020. They were also available to answer any questions.

Councilmember Sperry moved to Adopt Ordinance No. 14-0376, Capital Improvement Program (CIP) Amendment: West Samm Bridge. Councilmember Smith seconded the motion. The motion passed 6-0.

STAFF REPORT

City Manager Karlinsey thanked Kris Overleese and Jennifer Gordon for their help with the NUD Franchise negotiations. He announced the Business Incubator Open House coming up on Thursday, March 13th and the Business Plan Seminar to be held on Thursday, March 20th.

CITY COUNCILMEMBER REPORTS & COMMENTS

Councilmember Van Ness reported on a recent Eastside Transportation Partnership (ETP) meeting.

Mayor Baker noted that Senator Cantwell, Representative Del Bene and Senator Murray have all communicated with the Army Corps of Engineers in support of Kenmore's dredging request. The King County Council and the Ferry District have also weighed in on Kenmore's behalf. The Mayor asked for agreement to sign an AWC letter supporting marijuana revenue sharing among cities, which probably would not affect Kenmore, as we are not one of the cities chosen as a retail site.

EXECUTIVE SESSION

Mayor Baker recessed the regular meeting to an executive session at 9:40 p.m. to discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i), and Property Acquisition, pursuant to RCW 42.30.110(1)(b). He stated that the executive session will last for approximately 20 minutes and that no action is anticipated when the meeting is reconvened.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 10:00 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Special Meeting
Minutes
March 3, 2014**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 7:03 p.m.

Councilmembers present: Mayor David Baker and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Allan Van Ness

Councilmembers excused: Deputy Mayor Glenn Rogers

Staff present: Rob Karlinsey, City Manager; Joanne Gregory, Finance & Administration Director; Bryan Hampson, Development Services Director; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

CONSENT AGENDA

Councilmember Curtis moved to approve the consent agenda as submitted.
Councilmember Baker seconded the motion to Adopt Resolution No. 14-231 – 182nd Street Dedication. The motion passed 5-0, with Councilmember Herbig recusing himself.

STUDY SESSION AGENDA

Washington Cities Insurance Association (WCIA) Training Workshop: COUNCIL DOS AND DON'TS – Ann Bennett, WCIA Executive Director, was present to provide information and risk management training for Council. She gave a brief overview of WCIA and what they provide to their member cities. She detailed common liability exposures for cities and how to avoid liability. She was also available to answer any questions.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 8:30 p.m.

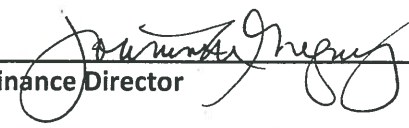
David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

City of Kenmore Voucher Certification and Approval

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the following claims, paid by checks 29542-29614 which total \$282,345.42, electronically transferred payroll funds totalling \$64,094.84, and an Investment Purchase of \$992,374.33 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	2-28-14 _____ Date
 _____ Finance Director	2-28-14 _____ Date

Check #	Vendor Name	Description	Check Amount
29542	NORTHSHORE PAVING INC	Asphalt Paving - NE 152nd St SW Project	6,099.11
29543	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	9,838.12
29544	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	250.00
29545	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	2,892.81
29546	DRS 457	Deferred Comp Payroll Deduction	875.00
29547	AFLAC	Private Medical/ Disability Plans	512.27
29548	CITY OF KENMORE FS	Flexible Spending Medical Plans	232.15
29549	BANK OF AMERICA 941	Payroll Taxes	13,680.53
29550	WA GUARANTEED EDUCATION TUITION	WA Pre-Tax Education Plan	100.00
29551	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	12,151.03
29552	DEPARTMENT OF LABOR AND INDUSTRIES	Worker's Compensation	2,037.47
29553	UNITED WAY OF KING COUNTY	Employee Charitable Contribution	456.00
29554	NATIONAL LIFE OF VERMONT	Life Insurance	234.89
29555	AMERICAN GENERAL	Life Insurance	435.06
29556	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
29557	AWC EMPLOYEE BENEFITS	Employee Health Insurance	37,769.18
29558	AMERICAN PLANNING ASSOCIATION	Renewal of Memberships/ A. Bauer	429.00
29559	AMERICAN PLANNING ASSOCIATION	Renewal of Memberships/ L. Anderson	511.00
29560	AMERICAN PLANNING ASSOCIATION	Renewal of Memberships/ D. Bent	600.00
29561	BAKER, DAVID	2/12-2/21 Mileage Reimbursement	165.20
29562	CASCADE PEST CONTROL	Feb. Rhododendron Park Pest Control	142.35
29563	DAILY JOURNAL OF COMMERCE	Legal Notice for Channel Relocation	566.20
29564	EVERGREEN PRINT SOLUTIONS	Forms/Treasurer's Receipts/Check Stock	741.14
29565	FRUHLING SAND & TOPSOIL	Tree Debris Clean Up/Ashphalt Dumping	80.00
29566	KCDA PURCHASING COOP	Playground Structure NS Summit Park	80,068.85
29567	KING COUNTY ANIMAL SVCS	Pet Licensing/ Renewals	480.00
29568	KING COUNTY FINANCE	Jan. Adult/Juvenile Detention Booking	7,419.56
29569	KING COUNTY FINANCE	2013 Voter Pamphlet Costs	519.46

X. B. Approve Check Nos. 29542 - 29614 in the Amount of \$28...

29570	KING COUNTY FINANCE	Jan. Adult/Juv Community Work Program	9,300.00
29571	KING COUNTY OFFICE OF FINANCE	Dec. 2013 Indigency Screening	926.21
29572	KING COUNTY RADIO COMM SERVICES	1/31-4/28 Qtly Emergency Radio Svcs	271.95
29573	KUSTOM SIGNALS, INC.	Police Dept. Radar Equipment	4,934.66
29574	LIGHTHOUSE CONSULTING INC	Jan. IT Svcs/Software/SonicWALL Upgrade	7,889.86
29575	OFFICE DEPOT	Office Supplies	109.09
29576	PEOPLES STORAGE	March Storage Unit Rent C304	184.00
29577	PUGET SOUND ENERGY	1/14-2/12 St. Lights/Signals/Electric Chgs	2,608.05
29578	STEWART MACNICHOLS HARMELL, INC.	January Public Defender Services	5,500.00
29579	TIMEMARK INCORPORATED	Traffic Counter Repair	111.58
29580	TOTAL LANDSCAPE CORP	Feb. City Hall & Parks Landscaping	5,002.61
29581	US POSTAL SERVICE (HASLER)	Postage Machine Refill	5,118.83
29582	WA ASSOC OF BUILDING OFFICIALS	Class Registration for 3 Employees	600.00
29583	WA STATE DEPT OF TRANSPORTATION	January Traffic Signal Maint.	251.20
29584	AURORA RENTS	Log Boom Park Restroom Repair	82.45
29585	PART WORKS INC	Parks Restrooms Plumbing Parts	192.30
29586	ARTS OF KENMORE	"Art of Drawing" Exhibit Contribution	100.00
29587	DAY WIRELESS SYSTEMS	Police Dept. Radar Calibration	229.32
29588	MAIL FINANCE	3/14-4/13/14 Postage Machine Lease	250.76
29589	BANNER BANK LD	Membership Dues/Soc. Media/Supplies	923.11
29590	BUILDERS EXCHANGE OF WASHINGTON INC	68th Sidewalk Bid Posting	45.70
29591	TOPIA TECHNOLOGY/ BIS	Website Hosting - February	200.00
29592	A+ CONFERENCING	Conference Calls	10.15
29593	SHRED-IT	2/7/14 Shredding Service	49.50
29594	ALCALDE & FAY	1/15-2/15 Govt. Affairs Consulting	5,029.38
29595	COMCAST	2/14-3/13 City Hall Internet	130.80
29596	INTEGRA TELECOM	2/8-3/7/14 City Hall Phone Svc	806.25
29597	PHSI PURE WATER FINANCE	Filtered Water/ City Hall & Incubator Bldg.	402.51
29598	SUSSMAN/PREJZA & CO, INC	Gateway Signage Design	196.25
29599	PAWS	January Animal Sheltering Svcs	660.00
29600	PURE WATER TECHNOLOGY OF PUGET SOUND	Water Filter Replacement	224.26
29601	INDEPENDENT STATIONERS	Council Supplies/ Wireless Mouse	40.72
29602	MILLER STEPHENS, MARY	Jan. Snohomish Cty Public Defender Svcs	1,250.00
29603	PERTEET INC.	Jan. 2014 12-C1082 Professional Svcs	27,310.38
29604	CANTEEN REFRESHMENT SERVICES	Coffee Supplies	407.20
29605	FRAUSE	January Media Relations/Econ. Develop.	3,257.12
29606	JOYCE ZIKER PARKINSON	Jan. 2014 Kenmore Village & Lk WA Legal	1,697.50
29607	WAGE WORKS	Jan. Flexible Spending Administrative Chg	50.00
29608	KENMORE COMMERCIAL LLC	March Incubator Bldg. Rent	3,281.00
29609	INNOVAC	Vactor Services	3,607.92
29610	BINW	Furniture for Incubator Bldg.	1,138.63
29611	ST OF WA DEPT OF FISH & WILDLIFE	HPA Permit for Samm Bridge Cleaning	150.00
29612	WILDCLIFFE MANOR, LLC	Temp Const Easement Replacement Ck	7,978.00
29613	WA WILDLIFE & RECREATION COALITION	2014 Annual Membership Dues	125.00
29614	HERBIG, NIGEL	Expense Reimbursement	149.79
2/21/2014	PAYROLL	Direct Deposit	64,094.84
			<u>\$ 346,440.26</u>

X. B. Approve Check Nos. 29542 - 29614 in the Amount of \$28...

2014	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2014
	A+ CONFERENCING		10.89
	ACTION ENTERTAINMENT		395.00
	AFLAC		512.27
	ALCALDE & FAY		5,000.00
	ALPHAGRAPHICS US718		60.68
	AMERICAN GENERAL		435.06
	AMERICAN PUBLIC WORKS ASSOCIATION		780.00
	ANDERSON, LAURI		68.18
	ASSOCIATION OF WA CITIES		14,389.00
	AWC EMPLOYEE BENEFITS		37,768.67
	BAKER, DAVID		546.24
	BANK OF AMERICA 941		27,421.39
	BANNER BANK BAKER		1,006.27
	BANNER BANK BH		647.15
	BANNER BANK CS		414.26
	BANNER BANK DB		972.95
	BANNER BANK JG		600.57
	BANNER BANK JGORDON		3,805.90
	BANNER BANK KENMORE		5,196.06
	BANNER BANK LD		208.78
	BANNER BANK NO		1,098.89
	BANNER BANK ROGERS		1,138.68
	BANNER BANK VAN NESS		1,152.68
	BASTYR UNIVERSITY		50,000.00
	BRIEN, GAYLYNN		50.00
	BUENA VISTA SERVICES, INC.		495.00
	CANTEEN REFRESHMENT SERVICES		194.40
	CASCADE PEST CONTROL		142.35
	CEMEX		307.70
	CITY OF BELLEVUE		22,034.01
	CITY OF KENMORE		988,899.41
	CITY OF KENMORE FS		464.30
	CITY OF LAKE FOREST PARK		70,431.99
	CITY OF SHORELINE		640.40
	CLK CONSTRUCTION LLC		3,171.48
	COASTAL WEAR PRODUCTS INC		1,356.71
	COASTWIDE LABORATORIES		712.22
	COLUMBIA BANK		8,443.34
	COLUMBIA RIDGE LANDFILL		739.61
	COMCAST		303.94
	CUNNINGHAM, ED		250.00
	CURTIS, DR. MILTON		67.76
	DEPARTMENT OF LABOR AND INDUSTRIES		1,682.10
	DEPARTMENT OF RETIREMENT SYSTEMS		24,412.56
	DRS 457		1,750.00
	EMERGENCY SERVICE COORDINATING AGCY		48,964.00

X. B. Approve Check Nos. 29542 - 29614 in the Amount of \$28...

FERGUSON ENTERPRISES INC #1539	658.84
FIRST AMERICAN TITLE	1,369.50
FRONTIER	977.48
FRUHLING SAND & TOPSOIL	151.45
GEOENGINEERS INC	2,969.25
GOODSELL POWER EQUIPMENT #2 INC.	26.21
GORDON THOMAS HONEYWELL	3,680.40
GOVERNMENTAL ACCT STANDARDS BOARD	225.00
HOME DEPOT CREDIT SERVICES	10.91
HOPELINK	11,437.50
ICMA RETIREMENT TRUST 457 - 304745	5,785.62
INDEPENDENT STATIONERS	255.57
INNOVAC	2,575.16
INTEGRA TELECOM	754.77
iWORQ SYSTEMS	1,000.00
JOHN E. REID & ASSOCIATES	420.00
JOYCE ZIKER PARKINSON	1,050.00
KARLINSEY, ROB	528.08
KENMORE COMMERCIAL LLC	3,281.00
KENMORE ELEMENTARY PTA	2,000.00
KING COUNTY ANIMAL SVCS	280.00
KING COUNTY FINANCE	64,200.77
KING COUNTY RECORDER'S OFFICE	313.00
KING COUNTY SHERIFF	3,080.29
KING CTY EASTSIDE TRANSP PARTNERSH	200.00
KONICA MINOLTA BUSINESS SOLUTIONS	209.32
KUSTOM SIGNALS, INC.	2,729.84
MAIL FINANCE	501.52
MR. T'S TROPHIES	14.18
MULVIHILL, MARJORIE	250.00
NATIONAL LIFE OF VERMONT	234.89
NATIONWIDE FINANCIAL 401a	19,717.02
NATIONWIDE RETIREMENT SOLUTIONS 457	500.00
NEW PIG	3,440.64
NORTHSHORE FIRE DEPT	400.00
NORTHSHORE ROTARY CLUB	202.00
NORTHSHORE SENIOR CENTER	3,300.00
NORTHSHORE UTILITY DIST	6,191.19
NORTHWEST LANDSCAPE SERVICES	2,399.62
OFFICE DEPOT	653.75
OLYMPUS PURSUITS/ SHAWN JOHNSON	600.00
PACIFIC TOPSOILS	1,877.92
PART WORKS INC	511.44
PAWS	660.00
PENDLETON, MICHAEL	3,253.14
PEOPLES STORAGE	184.00
PHSI PURE WATER FINANCE	50.31
PUGET SOUND CLEAN AIR AGENCY	11,500.00

X. B. Approve Check Nos. 29542 - 29614 in the Amount of \$28...

PUGET SOUND ENERGY	23,800.91
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
QUALITY BUSINESS SYSTEMS	497.57
REPUBLIC SERVICES	848.98
ROAD CONSTRUCTION NW, INC.	176,465.88
ROGERS, GLENN	64.96
SARAH ROBERTS	10,302.00
SCHWARZWALTER, MARK	180.00
SEATTLE TIMES	543.79
SEES TREES AND EXCAVATION INC	700.80
SESAC	343.00
SHARAM FAMILY	3,484.30
SHRED-IT	49.50
SMITH, BRENT	68.32
SNOHOMISH COUNTY	832.00
SNOHOMISH COUNTY SHERIFF'S OFFICE	55.69
SNOHOMISH COUNTY TREASURER/ SHERIFF	9,602.14
SOUND CITIES ASSOC	11,850.97
SOUND PUBLISHING, INC.	691.04
SPERRY, LAURIE	63.84
ST OF WA DEPT OF FISH & WILDLIFE	150.00
STATE OF FLORIDA DISBURSEMENT UNIT	550.00
STATE OF WA DEPT. OF LICENSING	30.00
THE KIPLINGER LETTER	99.00
TOPIA TECHNOLOGY/ BIS	200.00
TOTAL LANDSCAPE CORP	5,462.51
TOWNE CENTRE HARDWARE	203.45
TRANE U.S. INC.	2,098.62
TRINITY CONTRACTORS, INC.	45,746.57
UNITED WAY OF KING COUNTY	456.00
UNIVERSAL FIELD SERVICES	7,606.95
UTILITIES UNDERGROUND LOCATION CTR	132.87
VAN NESS, ALLAN	574.84
VERIZON WIRELESS	1,839.42
WA CITIES INSURANCE AUTHORITY	186,493.00
WA FINANCE OFFICERS ASSOCIATION	150.00
WA GUARANTEED EDUCATION TUITION	100.00
WA STATE CONSOLIDATED TECH SVCS	175.00
WAGE WORKS	50.00
WEISBAND, BARRY	3,000.00
WELLS FARGO FINANCIAL	2,163.12
WINDOW CLEANING & MORE	2,400.00
WONDERLAND DEVELOPMENT	2,250.00
	<u><u>\$ 1,998,181.47</u></u>



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: January 10-11, 2014 City Council Retreat Report, including City Council Goals	For Council Meeting Agenda of: March 17, 2014 Department: City Manager's Office Prepared by: Rob Karlinsey To Be Presented By: Rob Karlinsey								
Move to: Approve January 10-11, 2014 City Council Retreat Report, including City Council Goals	<table><tr><td>Approved by Department Head:</td><td><u> </u></td></tr><tr><td>Approved by City Attorney:</td><td><u> </u></td></tr><tr><td>Approved by Finance Director:</td><td><u> </u></td></tr><tr><td>Approved by City Manager:</td><td><u> </u></td></tr></table> Initial & Date <u> </u> <u> </u> <u> </u> <u> </u> Exhibits/Attachments: January 10-11, 2014 City Council Retreat Report, including City Council Goals.	Approved by Department Head:	<u> </u>	Approved by City Attorney:	<u> </u>	Approved by Finance Director:	<u> </u>	Approved by City Manager:	<u> </u>
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Expenditure Required N/A	Amount Budgeted	Appropriation Required							
<u>INFORMATION/BACKGROUND:</u> The Kenmore City Council held its annual retreat on January 10 and 11, 2014. At the retreat, the City Council discussed updates to its Goals for 2014-2015. These goals are found on pages 9 and 10 of the attached report.									

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THE KENMORE CITY COUNCIL ANNUAL RETREAT

January 10th and 11th
2014

Summary Report

INTRODUCTION

The Kenmore City Council Annual Retreat was held on January 10th and 11th, 2014 at the La Conner Channel Lodge in La Conner, Washington. The retreat is located and structured to provide an uninterrupted forum for in-depth discussion of selected issues. The purpose of this retreat was to discuss, in depth, key projects and policy issues identified by the participants during a pre-retreat interview to establish the agenda. In addition, this retreat focused upon establishing goals and objectives for 2014 and 2015. The following agenda guided the discussions during this City Council retreat:

1. 2013 Accomplishments
2. Financial Forecast, Internal Processes and Issues
3. Parks and Sidewalk Funding
4. General City Issues
5. Tree Ordinance
6. Economic Development
7. Citizen Involvement and Government Transparency
8. Goals for 2014 and 2015

The following report is a summary of the discussions and outcomes of the retreat (a complete recording of this retreat was made and is retained by City officials):

2013 ACCOMPLISHMENTS

The first discussion module focused upon reviewing 2013 and identifying the City accomplishments during that period. In the interest of saving time, the participants made reference to a roster of accomplishments listed in the retreat packet and adopted those accomplishments for this portion of the retreat. A record of these accomplishments is retained at Kenmore City Hall and can be referenced as a Memo from the City Manager dated 1-2-14 and other documents prepared for the retreat packet.

FINANCIAL FORECAST, INTERNAL PROCESSES AND ISSUES

Six-Year Forecast and Plan. The City Manager gave an overview of the financial forecast for the coming six years. This forecast shows expenses exceeding revenues in about 2017 and 2018. The participants discussed numerous forecasting assumptions and their effect on projections. It was noted that a number of factors could impact this forecast, such as the results of an upcoming road study which may suggest the need for more funds for road maintenance. In addition it was noted that the County was planning to put a \$60 car tab and perhaps a 1% sales tax increase on the ballot. After a discussion the participants decided to formally support the County placing these issues on the ballot. At the conclusion of the discussion, the participants also agreed to the following:

Agreement One: To support the County placing the financing issues on the ballot for voters to decide. This support does NOT include support of passing these issues but simply to place them in front of the voters.

Agreement Two: To have the City Manager work with the City Council to develop the forecast into a financial plan to ensure that the expense and revenue lines do not cross.

Priority-Based Budgeting. The City Manager next presented a new program for establishing budget priorities as part of the biennial budgeting process. Known

as “Priority-Based Budgeting” this program is offered by outside consultants and provides a way to identify key areas for funding and then place these areas into a priority system. It was noted that a webinar is offered to fully explain the program and can assist in determining if this approach would be right for Kenmore. After a long discussion, the participants agreed to the following:

Agreement Three: To schedule a webinar for the City Council on Priority-Based Budgeting to learn more about the program and help determine if the city would like to adopt this budgeting approach.

Organizational Capacity and Workload Management. The City Manager advised the participants that in the next budget it may be necessary to address the need for more organizational capacity to accommodate the work load. It was noted that there have been few, if any, additions to staff but rather an approach to simply absorb additional work as it has been added to the City’s work plan. The participants discussed various aspects of this issue and agreed to take it up within the budget process.

Employee Expenses and Compensation Packages. The participants next discussed the expenses related to the City’s employee work force. It was noted that as a fixed cost it is not only a substantial portion of the budget but, given the process for determining salary adjustments, promises to be an ever-increasing percentage of revenues. It was noted that it would be important to have metrics to track and monitor these costs. After a discussion the participants agreed to the following:

Agreement Four: The staff will create an analytical model to track and understand personnel costs to include forecasts into the future.

Capital Asset Management Plan. Participants next discussed the nature and need for a Capital Asset Management Plan. This plan, in its simplest form, would have a roster of all City assets and a strategy for preserving and/or replacing them. It was noted that the City has some very expensive assets and some, such as

particular bridges, may need to be replaced at some point. It was noted that it would be good to know and plan for these major expenses rather than be surprised by the need to fund very expensive items. After a discussion the participants agreed to the following:

Agreement Five: The staff will prepare a roster of assets to include their value and anticipated need for replacement.

PARKS AND SIDEWALK FUNDING

The participants next discussed the importance of funding sidewalks and parks. It was noted that the City has a 20-year sidewalk plan and has committed a modest amount of funds to building of sidewalks. It was quickly added, however, that the effort is simply not enough. Participants agreed that it is time to consider a more aggressive sidewalk funding/building effort (see City Council Goal Four below).

Participants next discussed the various ways to fund a more robust sidewalk program. Participants noted that, if it is time to ask Kenmore citizens whether to tax themselves in some way to support sidewalks, it may be useful to include parks in such a funding effort. It was noted that not all streets are set up for sidewalks, and it might be important to expand the thinking to include “safe walks” which might include, in appropriate places, a trail system to connect with and augment sidewalks. It was noted that many communities conduct surveys of their citizens to gauge interest and willingness to pay for various approaches to city amenities. It was noted that it is important to get started soon to gauge citizen interest and proceed with a strategy that would create the much needed “safe walk” system.

Note: Sidewalks were selected as City Council Goal Four. The staff will be creating a strategy for council approval to move forward on this important issue.

WATERFRONT AND PARKS

The participants next discussed the importance of the Kenmore waterfront and various ways to improve access for citizens. Several waterfront locations were

discussed, including Lakepointe, Rhododendron Park, and Twin Springs. Various ways to support current efforts to sell/develop areas were discussed. It was noted, however, that it will soon be time for the City to take a more assertive approach in acquiring land for waterfront access as well as determining ways to fund the development of existing parks. After a long discussion the participants agreed to the following:

Agreement Six: To pursue a dock at Rhododendron Park, acquire a turnkey property on the Sammamish waterway, and determine how to fund a boathouse.

GENERAL CITY ISSUES

Farmers' Market. Participants discussed the value and continued interest in having a Farmers' Market. The costs, location and nature of the market were discussed. After a discussion the participants agreed to the following:

Agreement Seven: To have staff research cost, potential location(s) and scope of a Farmers' Market in Kenmore.

Cultural Diversity. Participants next discussed the importance of involving all members of the Kenmore community in City activities with a particular focus on the celebration of cultural diversity. Participants quickly agreed that the City should do more to encourage involvement of all citizens. The possibility of a Cultural Diversity Commission was discussed. After a discussion the participants agreed to consider Cultural Diversity as a possible goal.

Note: Cultural Diversity was selected for the City Council long list of goals (see below).

Kids' Programs. The participants next discussed the importance of kids' programs and in particular the program that provides lunches to children in need during the summer when school is not in session. After a discussion the participants agreed to the following:

Agreement Eight: To invite the representative of the children's lunch program to make a presentation to the City Council.

Cement Plant Fume Monitoring. The participants next discussed the issue of detectable fumes or smells coming from the cement plant into the community. The nature of the issue was discussed to include the smell, how the fumes are created, and efforts to access and enforce regulations. After a long discussion, the participants agreed to the following:

Agreement Nine: Staff will look into ways to begin monitoring and responding to complaints within existing staff resources. Limits on this project, such as a finite pilot period, maximum staff time per week to be spent during the pilot period, and roles responsibilities vis-à-vis Puget Sound Clean Air Agency, will be part the scope of this project.

Senior Center in PROS Plan: The participants next discussed the Senior Center and in particular funding. It was noted that finance staff conducted a review of the Senior Center's cash handling procedures in 2012; the outcome is unknown. After a discussion the participants agreed to the following:

Agreement Ten: Staff will report back the outcome of the cash handling procedures review to the City Council.

TREE ORDINANCE

The participants next discussed the City Tree Ordinance. It was quickly noted that there have been recent examples of clear cutting in the City, which has left adjacent properties with trees exposed to wind damage. Not only is it harmful to the trees, but there is a safety risk to neighbors. It was further noted that it is important to recognize and protect our "heritage trees" that are very large and established within the community. Participants discussed the current tree ordinance and how it is currently implemented. After a discussion the participants agreed to the following:

Agreement Eleven: Staff will do a review of the ordinance with respect to how trees are impacted on adjacent properties. By this fall, staff will make a presentation to the City Council concerning this review and the respective issues/options.

ECONOMIC DEVELOPMENT

The participants next discussed a range of issues noted below that pertain to Economic Development.

St. Edward State Park. Participants discussed the current state of repair and nature of the St. Edward State Park seminary building. Various ideas on how to save/preserve the park were discussed. While the park is owned by the State, Kenmore and many of its residents have a strong interest in preserving this historic site. A commitment from the State on how to preserve the park and a plan on how to finance the preservation of the seminary building would be important to the community.

Kenmore Village. The current state of development and planning were discussed by the participants. The village continues to be an important part of the City's economic development plan.

Regional Business Zone. The RBZ Comprehensive Plan amendment process was discussed. It was noted that it will be important to keep this issue on the Planning Commission agenda, and that this RBZ review process is an important component of the City's economic development strategy.

Business Incubator. Participants discussed the status of the Business Incubator program. It was noted that this was a pilot program and it will soon be time to make a decision as to whether it should be continued and transitioned into an ongoing program. The importance of "success" measures were noted. A City Council presentation is planned for next month.

Natural Health Innovation Partnership Zone. Efforts to obtain a Natural Health Partnership Zone designation from the State were reviewed. It was noted that, even though State designation was not obtained at this time, the City could surely make its own designation and continue the development of this natural health sciences cluster without the State's official IPZ designation. The relationship between the natural health sciences cluster and economic development was discussed.

CITIZEN INVOLVEMENT AND GOVERNMENT TRANSPARENCY

Participants next discussed several topics that relate to citizen involvement and transparency in government.

Volunteerism. Participants reviewed and discussed the current volunteer program efforts within the City. It was noted that the current volunteer coordinator position was due to expire this coming year but, resources permitting, may be put back into the budget for Council consideration. Participants agreed that this is an important effort.

Video Recorded City Council Meetings. Participants next discussed the possible video recording of City Council meetings (City Council meetings are currently audio recorded), including live video streaming of City Council meetings to the Internet. A low-cost approach using web cams was discussed. Participants discussed the pros and cons of video recorded meetings. After a discussion the participants agreed to the following:

Agreement Twelve: Staff will produce a position paper on video recording City Council meetings, including live video streaming, and will present the paper to the City Council.

Coffee with Council and Town Hall Meetings. Participants next discussed the Coffee with Council and Town Hall meeting programs. It was noted that these

are important ways to engage the community. The strengths and weaknesses of each were discussed. After a discussion the participants agreed to the following:

Agreement Thirteen: The Council will continue the coffee sessions twice a month on first Mondays and third Saturdays (no coffee sessions in August and December). The Council will also continue the Town Hall meetings.

CITY COUNCIL GOALS

The participants next reviewed and discussed the “long list” of City Council goals established at last years’ retreat. The participants eliminated goals that had been accomplished and decided that a few new goals were needed for this coming year. Using a combination of “consensus discussion” and the “Paired Comparison Methodology,” the 2014-15 goals were established (see below).

The top five goals will comprise a portion of the City Manager’s annual performance review. Goals will be addressed to generally reflect their priority; however, opportunity and/or necessity may require an emphasis on selected goals outside the priority listed in this report.

**LONG LIST
2014-2015 COUNCIL GOALS**

1. To continue to implement the Economic Development Plan with an emphasis four key points:

- Promote the Image of Kenmore**
- Develop Downtown**
- Support Existing Businesses**
- Advance the City's Connection to the Waterfront.**

2. To continue the development of Downtown Kenmore

3. To continue to seek transportation funding and mitigation for State impacts on the City's transportation system, air and water quality, and noise, including but not limited to, SR 522, Sammamish River Bridge, local roads and Lake Washington sediment depths.

4. To accelerate implementation of the Sidewalk Plan by determining various funding options.

5. To advance the public's access and connection to the waterfront.

6. To continue to seek opportunities to complete a successful Lake Pointe.

7. To implement a Parks Improvement and Financial Plan.

8. To continue to establish a contemporary Information Technology Program.

9. To establish a 6-year financial plan for the future.

10. To conduct a comprehensive review of the Regional Business Zone.

11. To address watershed issues affecting the City.

12. To emphasize the importance of cultural diversity through participation, celebration, outreach, and other City activities.

Appendix One
Retreat Participants

Mayor
David Baker

Councilmember
Milton Curtis

Councilmember
Nigel Herbig

Councilmember
Glenn Rogers

Councilmember
Brent Smith

Councilmember
Laurie Sperry

Councilmember
Alan Van Ness

City Manager
Rob Karlinsey

Assistant City Manger
Nancy Ousley

Community Development Director
Debbie Bent

Public Works Operations Manager
Jennifer Gordon

Engineering and Environmental Services Director
Kris Overleese

Development Services Director
Bryan Hampson

Finance and Administration Director
Joanne Gregory

Facilitator: Michael Pendleton



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Motion to approve indoor storage, subject to conditions, as a temporary use in a commercial space in the Kenmore Village property, which is in the Downtown Commercial zone, for a one year period from February 1, 2014 to January 31, 2015.

Proposed Council Action/Motion:

Motion to approve indoor storage, subject to conditions, as a temporary use in a commercial space in the Kenmore Village property, which is in the Downtown Commercial zone, for a one year period from February 1, 2014 to January 31, 2015.

For Council Meeting Agenda of: 17 March 2014

Department: Executive

Prepared by: Nancy Ousley

Initial & Date

Approved by Department Head: NKO 7 Mar 2014
Approved by City Attorney: R. Kasasuna - email 3/6/14
Approved by Finance Director: pmc 3/7/14
Approved by City Manager: RLK 3/7/14

Exhibits/Attachments:

Expenditure Required \$0

Amount Budgeted \$n/a

Appropriation Required \$n/a

INFORMATION/BACKGROUND:

Indoor storage is a prohibited use in the Downtown Commercial zone. Per Kenmore Municipal Code 18.100.120, a temporary use permit is a mechanism by which the city may permit a use otherwise not permitted in the zone that can be made compatible for periods of limited duration. A temporary use permit cannot exceed a total of 90 days unless extended by the City Council to one year.

One business began leasing space on January 31, 2013 for temporary indoor storage in a portion (2,500 square feet) of one of the vacant spaces (8,000 square feet) in Kenmore Village. On February 25, 2013 the Council approved extending the temporary use to January 31, 2014, with the consideration that the property was slated for sale and redevelopment. Since the sale of the property was not completed by that date, the Administration proposes that the allowance for the temporary use be extended for an additional one year period, with an expiration date of January 31, 2015.

The Administration proposes an extension to allow indoor storage as a temporary use for up to an additional one year period from the date of an executed lease for one specific commercial space in the Downtown Commercial zoned Kenmore Village property, subject to certain conditions. This allowance would apply only to the current lease in place with Sun Liquor. Conditions would include that an indoor storage use could not occupy the front portion of the specific commercial space, in order to preserve the opportunity for a retail/commercial use to occupy and activate the façade of the building.

FISCAL CONSIDERATION:

The current lease is for \$1700 per month for 2500 square feet of space in a portion of a 8000 square foot space in Kenmore Village.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Pursue Downtown Development, with an emphasis on Kenmore Village

X. D. Approve a Temporary Use Permit Extension for Indoor S...



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Center for Priority Based
Budgeting Webinar and Proposal

For Council Meeting Agenda of: March 17, 2014

Department: Finance and Administration

Prepared by: Joanne Gregory

Proposed Council Action/Motion:

Motion to authorize City Manager to execute an agreement in the amount of \$38,500 for implementation of a priority based budgeting program.

Initial & Date
Approved by Department Head: JMG 3/7/14
Approved by City Attorney: -
Approved by Finance Director: JMG 3/7/14
Approved by City Manager: RJK

Exhibits/Attachments:

Achieving Fiscal Health and Wellness Through
Priority Based Budgeting

Expenditure Required
\$38,500

Amount Budgeted
\$0

Appropriation Required
\$38,500

INFORMATION/BACKGROUND:

Priority based budgeting is a program that establishes budget priorities as part of the budgeting process. The Center for Priority Based Budgeting proposes to provide consultation services to the City Council and Management Team. During the City Council retreat, it was noted that a webinar on the topic and process would be an opportunity to hear an explanation of the program which would assist in determining if this approach is right for Kenmore.

FISCAL CONSIDERATION:

No funds are budgeted for this project and \$38,500 would need to be appropriated during a budget amendment from General Fund balance reserves. A summer management intern has been hired to assist with this project should it be approved.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

City Council Retreat Agreement Three: To schedule a webinar for the City Council on Priority Based Budgeting to learn more about the program and help determine if the city would like to adopt this budgeting approach.



CENTER FOR PRIORITY BASED BUDGETING

Using a Unique Lens to Focus Community Resources on Results

Achieving Fiscal Health and Wellness *through* PRIORITY BASED BUDGETING

A Proposal for
The City of Kenmore, Washington

Center for Priority Based Budgeting
13701 W. Jewell Avenue, Suite 28
Lakewood, CO 80228

Executive Summary

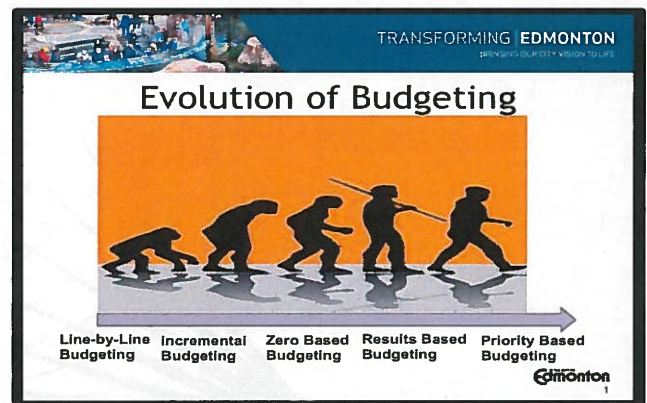


"Challenges facing local governments today literally requires a new way to see. It's as if our vision has been blurred by the extraordinary stress of managing in this complex economic environment. Whether attempting to rebuild in a post-recession climate, or persevering through another year of stagnating or declining revenues, the challenge remains: how to allocate scarce resources to achieve our community's highest priorities. Through the new lens of Fiscal Health and Wellness through Priority Based Budgeting, which provides powerful insights, local governments are making significant breakthroughs."

- Jon Johnson and Chris Fabian, *Seeing Things Differently*, Public Management (PM) Magazine, 2012

The **Center for Priority Based Budgeting** is extremely pleased to provide this proposal in response to the **City of Kenmore's** request for advisory, analytical and facilitation assistance in the development and implementation of a **Priority Based Budgeting (PBB)** process. We believe that our unique and timely results-based approach to resource allocation addresses the needs of local governments everywhere as they struggle to deal with unprecedented budgetary constraints as well as strive to achieve long-term financial sustainability.

While serving as local government practitioners, **CPBB** co-founders Jon Johnson and Chris Fabian developed the process and tools needed to successfully implement this approach to **Priority Based Budgeting**. We created this process to address our belief that there needed to be a methodology that would successfully link the stated strategic priorities that an organization strives to accomplish with the way resource allocation decisions are made through the budget process. Because of its specific relevance to local governments needing to address their immediate short-term budgetary distress, our **Priority Based Budgeting** process has gained nationwide recognition and has been promoted by the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA) and the Alliance for Innovation.

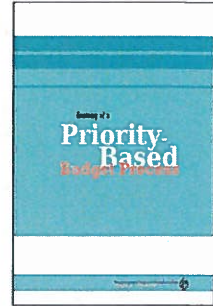


In 2012, the International City/County Management Association (ICMA) recognized **Fiscal Health and Wellness through Priority Based Budgeting** as a leading practice for local governments. Seeing that the results of this process have helped over forty-plus (40+) communities from across the nation find a common approach in their pursuit of results-oriented resource allocation has been overwhelmingly rewarding. Having ICMA declare this work as a leading practice, encouraging every local government to move toward the achievement and implementation of **Priority Based Budgeting** furthers the purpose and mission of **CPBB** for the future.

In collaboration with GFOA, we were honored to co-author "**Anatomy of a Priority Based Budget Process**", a white paper published by GFOA in 2011, which establishes and documents a step-by-step methodology for any organization to successfully implement **Priority Based Budgeting**. This white-paper



relied heavily on our experiences and the lessons learned from the pioneering organizations we assisted from 2009 through 2010 as they implemented this unique and innovative process. Since that time, we have significantly enhanced the process even further, incorporating citizen engagement strategies, addressing succession planning, and assisting in the framing of labor negotiations.



In the forty-plus (40+) local governments that **CPBB** has provided advisory leadership in the implementation of ***Fiscal Health and Wellness through Priority Based Budgeting***, we have seen that this process not only provide a way in which an organization can make better short-term resource allocation decisions based on the relative priority of the various programs and services it offers, but also provide a new way to link budget decisions to the strategic results and outcomes that the organization wishes to achieve for the long-term. Furthermore, our ***Resource Alignment Diagnostic Tool*** is truly unlike anything previously available to local governments, providing (as the City Manager of Fairfield, California coined the phrase) ***“a new and unique lens”*** on how government spending is aligned with priorities.

The following proposal was developed with the understanding that this project would begin in **March 2014** and that the final ***Resource Alignment Diagnostic Tool*** would be completed by **July/August 2014** in order to assist the **City of Kenmore** in the development of its fiscal year (2015-16) **Budget**. With the delivery of the ***Resource Alignment Diagnostic Tool***, the **City of Kenmore** will be ready to engage in new and unique conversations as the information gathered during the **Priority Based Budgeting** process is utilized to better inform and validate the **City of Kenmore’s** budget decisions, as well as demonstrate how this process might be used to engage the community in future budget cycles.

Given that any previous efforts that can be directly leveraged are unknown, ***the total proposed estimated budget for this project is \$38,500.00***. If the full scope as outlined in this proposal is not needed, the total proposed estimated budget for this project may be revised downward.

It is gratifying and rewarding for **CPBB** to be able to offer its assistance to the **City of Kenmore**. **CPBB** very much respects the work that you have already accomplished and the vision you have in bringing this leading practice to your organization. It will be an honor and a pleasure to work with you to help it achieve all the benefits and outcomes of our ***Fiscal Health and Wellness through Priority Based Budgeting*** process, which we believe will lead local governments to more open, transparent and sustainable decision-making for years to come.

Best Regards,

Jon Johnson

Chris Fabian

Center for Priority Based Budgeting

720 S. Colorado Blvd., Suite 1000-N

Denver, CO 80426-1926

Jon - 303-909-9052 or jjohnson@pbbcenter.org

Chris - 303-520-1356 or cfabian@pbbcenter.org

Website - www.pbbcenter.org



Scope of Implementation Services – Priority Based Budgeting

Fiscal trends and conditions, which are primarily beyond an organization's control, represent a reality with which all local governments, school districts, special districts and non-profit entities must cope. Addressing those fiscal realities while still meeting the objectives of the organization as well as the expectations of its constituents represents the biggest challenge to any organization's long-term sustainability.

Traditional responses to a financial crisis such as ***"across-the-board cuts," employee furloughs, pay freezes, selling assets,*** or mere cosmetic ***"accounting gimmicks"*** are typically ***not*** the most effective treatments to turn to when trying to close an ongoing ***"gap"*** between ongoing revenues and ongoing costs to provide programs and services. Local governments choosing to implement ***Fiscal Health and Wellness*** as a treatment regimen are making substantial progress because they are doing the analytical work required to more accurately diagnosis the reasons behind their fiscal issues and then determining the best treatments that lead to a viable cure.

Fiscal Health can only be achieved by properly diagnosing the symptoms and causes of your organization's budget issues, allowing you to ***"prescribe"*** the correct treatments that can alleviate your fiscal distress. Applying the wrong treatment will not ***"cure what ails you"*** and may even make matters worse. Once your organization is fiscally healthy, it can then become financially sustainable in the long term by implementing a ***Fiscal Wellness*** regimen that revolves around the principles of ***Priority Based Budgeting***. Through this process, Jon Johnson and Chris Fabian have already helped dozens of local governments achieve ***Fiscal Health and Wellness*** in this tough and unprecedented economic climate. Additionally, by implementing ***Priority Based Budgeting***, cities and counties alike have now found a way to link their strategic goals and objectives with the budget process and with their performance measurements.

Fiscal Health and Wellness through Priority Based Budgeting, is an objective and transparent decision-making process, one that ensures programs of higher value - those that achieve an organization's objectives most effectively – can be sustained through adequate funding levels regardless of the fiscal crisis ***"du jour."*** Regardless of whether there are ***more*** resources to distribute or ***less***, ***Priority Based Budgeting*** leads decision-makers away from the traditional ***"across the board"*** reduction mentality and guides them towards allocating available resources to those programs most highly valued by the organization and the community it serves.

The creative, organic, and diagnostic process developed by the ***Center for Priority Based Budgeting (CPBB)*** progresses from a diagnosis to a prescription that ultimately enables communities to link funding decisions to their avowed priorities. The processes also bring together local government managers, finance officers, elected officials, civic leaders, and community stakeholders to make decisions that better align the community's resources with what the community and its leaders value the most.

Through this unique results-based resource allocation process, organizations successfully:

- Identify and define the strategic ***Results*** that their organization seeks to achieve to meet community expectations



- If desired, provide a framework for involvement of community stakeholders in validating and/or helping to define the organization's *Results*
- Develop a comprehensive list of programs and services offered by the organization and identify the costs of those services
- Evaluate and determine the degree to which those programs and services contribute to the achievement of the identified *Results*
- Prioritize programs that highly achieve those identified *Results* as compared with programs that are less of a priority in terms of their impact on *Results*
- Align resource allocation decisions with higher priority programs
- Provide a "new lens" through which the organization can clearly see where opportunities exist to refocus attention on programs that are of the highest priority to the community and shift resources away from those programs that are not highly relevant in terms of achieving the organization's *Results* for the community
- Lead the organization in the development of measures and metrics that demonstrate how a program achieves the identified *Results*

The methodology and approach involved in the implementation of **CPBB's** unique and innovative approach to **Priority Based Budgeting (PBB)** are as follows:

Step 1) – DETERMINE RESULTS - accurate prioritization of programs, reflecting the organization's stated purpose, depends on the comprehensive identification of the *Results* it exists to achieve.

Results help to identify the very fundamental reasons that a local government exists – articulating all the ways it serves the needs of the community (as opposed to a list of specific projects or initiatives that need to be considered during the next budget cycle). They are meant to answer the question, "**What are we, as an organization, in business to do?**" *Results* are more overarching in nature and will "stand the test of time," as opposed to more short-term needs or tasks that normally have a targeted "finish-line." Finally, *Results* are truly unique to your community, in that they attempt to represent why your local government exists and why it offers the types of unique services it does to the community.

As *Results* are developed, there is a distinction made between "**Community-oriented Results**", which help define why certain programs are offered directly to the community, and "**Governance-oriented Results**", which help define why internally focused programs are offered by various support functions such as Finance, Human Resources, and Information Technology. Through its research and work with other local governments, **CPBB** has found it imperative in achieving the best outcomes from its **Priority Based Budgeting** process that an organization distinguish between "**Community Programs**" (i.e. programs that directly serve the community) and "**Governance**

Options to Consider:

- Has your organization already identified and established a set of *Results*?
- Will a new set of *Results* need to be developed?

You have the flexibility in the **PBB** process to validate existing *Results*, or start fresh by establishing new *Results*



Programs” (i.e. programs that are more internal in nature and generally support the administration, elected officials and departments within the organization). In order to understand the relevance of *Governance Programs*, we need to evaluate them against different *Results* than *Community Programs*, because *Governance Programs* exist within the organization for fundamentally different reasons than do the *Community Programs*. Even though the scoring criteria might be different for each of these two types of programs, the process allows you to ultimately look at all offered programs from an overall City-wide perspective in the eventual program prioritization array.

The main deliverable for **Step 1** includes the identification of *Results* for both “*Community-focused*” programs and “*Governance-focused*” programs, against which programs and services can be validated to establish priorities for the City as the **PBB** process unfolds.

CPBB will help the **City of Kenmore** identify and/or validate its *Results* by:

- Leveraging the strategic planning efforts already completed by the City as it works to articulate the City’s stated *Results* for the purposes of program prioritization
- Conducting a “*Results Validation*” exercise to confirm that the City’s current *Results* are complete, and provide an opportunity to address any *Results* that may not have been identified
- Assisting in distinguishing those *Results* from more specific (*and short-term*) objectives, tasks, and projects, for the purposes of facilitating program prioritization.

OR

- Facilitating a collaborative workshop with the **City Council**, the **City’s Budget Team**, **administrative staff**, **department heads** and/or other identified stakeholders to identify the *Results* that the City wishes to achieve.
- Assisting in distinguishing those *Results* from more specific (*and short-term*) objectives, tasks, and projects, for the purposes of facilitating program prioritization.

Step 2) Clarify Result Definitions - precision in Priority Based Budgeting depends on the clear articulation of the cause and effect relationship between a program and a defined *Result*. With clearly defined “*Result Maps*,” detailing the factors that influence the *Results* the City is in business to achieve, it can seek to minimize subjectivity in the process of linking those *Results* to programs or services offered to the community.



CPBB will lead your elected officials, Executive/Leadership Team; Budget staff, department heads, management staff and/or community stakeholders (*if desired*) through a facilitated exercise to develop comprehensive definitions for your City's *Results* that were identified as outlined in **Step 1**. Participants in the "brainstorming" exercise will contribute by expressing all of the many ways that the City's *Results*



can be achieved, with **CPBB** then organizing all of those answers into similarly themed groups that form the basis for each of the *Result Definitions*. The technique is called **Affinity Diagramming** - a proven and powerful method that: a) gathers large and comprehensive amounts of information about all of the different ways your City's *Results* can be defined, and b) does so in an extremely efficient manner that makes the most optimal use of the participant's time while still producing complete definitions.

These pictures demonstrate the CPBB "Strategy Mapping" workshop with the City of Sacramento, California

Following the exercise, **CPBB** will produce draft "**Result Maps**" for each of your City's stated *Results*. These "**Result Maps**" provide a simple, graphic way to organize and articulate the concepts identified in the facilitated exercise as the definitions around each *Result*. "**Result Maps**" serve as one of the key criteria for *program scoring*, which will take place in **Step 4** outlined below.

CPBB prides itself on its ability to train organizations it has worked with on the **Affinity Diagramming** approach. Staff from your City will not only participate in the development of the City's "**Result Maps**", but will also be trained so that they may conduct their own "**Result Mapping**" sessions when facilitating their own "brainstorming" sessions involving staff or citizens.

Options to Consider:

- Will it be important to invite the community into this process?

Citizen engagement can be very effective in the *Results definition* process. **CPBB** offers several options for reaching out to citizens, including a web-based approach and live workshops

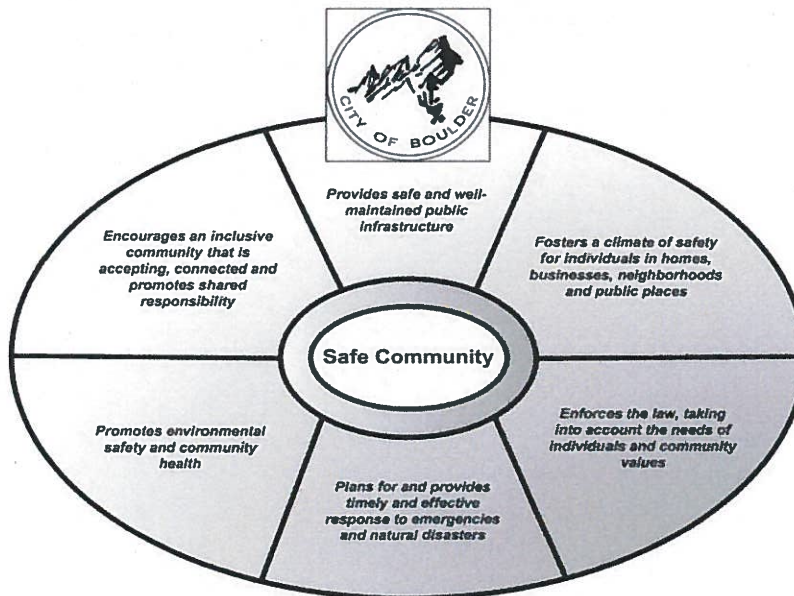
Specifically, CPBB will help the City of Kenmore clarify Result Definitions by:

- Utilizing the proven "**Result Mapping**" exercise, **CPBB** will facilitate a workshop with **City Council, the City's Budget Team, administrative staff, department heads and/or other identified stakeholders** to define outcomes and objectives relative to each *Result*. The process uses affirmative inquiry and open-ended questioning to garner a specific response that helps better define the City's *Results*. (*If desired, the workshop lends itself well to involving community stakeholders.*)



- Leveraging information included in any of the City's existing strategic documents, vision statements and/or mission statements to ensure that this work is incorporated in the development of the *Result Definitions*.
- Facilitating a collaborative work session to establish "*Governance*" *Results* to support the prioritization of internally focused programs (i.e. *Finance, Legal, Human Resources, Information Technology, etc.*).
- Developing "*Result Maps*" for each of the determined *Results* for review and approval by staff and/or City Council members.
- Summarizing the responses provided during the "*Result Mapping*" exercise to capture the entirety of ideas offered by the participants.
- Facilitating, if desired, a process with elected officials, Administrative staff, Department Heads, and/or other internal or external stakeholders to "*weight*" the relative importance of the City's stated *Results*, which establishes the *Result* weighting factors utilized in the calculation of program scores. This is another effective exercise proven to engage community stakeholders in the process of validating the organization's *Result Definitions*. (Result Definition process for community stakeholders is not included in proposal pricing)

This graphic illustrates a "Result Map" from the City of Boulder, Colorado that clearly defines their Result of achieving a "Safe Community."



Step 3) Identify Ongoing Programs and Services - differentiating programs and services offered by the City to the community, as opposed to drawing only a comparison between each of the individual departments that provide services to the community, builds a common understanding of exactly what the entire City offers to its constituents and leads to a more effective means of making discrete resource allocation decisions through the Priority Based Budgeting process.

One of the key objectives that your City will achieve with this process is the identification of programs and services it offers, as well as the cost for these programs. The ***"Program Inventory"*** will clarify the breadth of services provided by your City, and highlight key characteristics of each program (e.g., *the full cost of providing the program and level of revenues that program directly generates to support its operations*). The ***"Program Inventory"*** is a tremendously valuable tool in and of itself but also serves as the basis for discussion of prioritizing resources – programs are prioritized based on their influence on *Results* (which will be the focus of **Steps 4 and 5**).

Many Cities attempt to *"prioritize"* their spending by comparing one department or division against another rather than determining which of the typically hundreds of programs and services offered across the organization are more highly valued than others. By developing a comprehensive list of programs offered by the City and identifying the costs of those services, your City will be able to better understand at a more discrete level what programs it provides and how much it costs to provide them.

CPBB founders wrote the guidelines for developing a ***"Program Inventory"***, as published by the Government Finance Officers' Association (GFOA) white paper on ***Priority Based Budgeting***, entitled ***"Anatomy of a Priority Based Budgeting Process"*** (GFOA, 2011). These guidelines form the basis for CPBB's work with an organization in developing a ***"Program Inventory"***. Critical to this process is finding the right level of detail when identifying discrete programs. If a program is too big or encompasses too much, it will not provide sufficient perspective and information – that is, it will be very difficult to describe the precise value the program creates, or to use program cost information in decision making. However, if program definitions are too small, decision makers can become overwhelmed with detail and be unable to see the big picture. CPBB will work with your City to establish the right level of discretion in the creation of ***"Program Inventories"***.



Tool Profile: Program Costing Tool

Individual elements of the ***Priority Based Budgeting*** approach can actually be valuable, in and of themselves. Getting to a program level understanding of *"what you do,"* and a transparent and accurate understanding of *"how much it costs"* to provide those programs is a critical ingredient for understanding what options you have as an organization to change what you're currently doing. Furthermore, the only way to get to the answer of questions like *"can we provide this program more efficiently,"* or *"are we the best source to offer this service,"* or *"are we truly recovering the direct AND indirect costs for providing this service"* requires a more complete understanding of what the program *"is,"* and how much it costs.

Besides being useful for ***Priority Based Budgeting***, you'll have a Tool that:

- allows you to evaluate established or potential fees, rates and charges on a program-by-program basis;
- allows you to compare your organization with other public or private sector providers to help evaluate the efficiency or appropriate sourcing of your programs;
- allows departments to gain a better understanding and more clearly communicate, at a program level, what they do and how much it costs;
- allows you to clearly see how your workforce is associated with programs (i.e. - what are staff spending their time doing);
- and ultimately allows you to transition your approach to budget development from *"line-item budgeting"* to *"program budgeting"* - a key breakthrough!

If your City already has a head start in developing a “**Program Inventory**” or estimating program costs, that information can be directly leveraged as part of this effort. As part of its work, **CPBB** will conduct a more comprehensive review of your City’s listing of programs and offer additional comments and guidance with respect to specific programs identified. The City will be provided an illustrative listing of program examples gathered from other organizations that have worked with **CPBB** for its review and use in refinement of its own “**Program Inventory**”. This will provide your City with the assurance that it has developed a complete and comprehensive listing of all activities at a level discrete enough to offer the full benefit of the **PBB** process. **CPBB** will also evaluate the “**Program Inventory**” listing to ensure that it reflects only programs and services of an ongoing nature as opposed to one-time initiatives or capital-related projects.

With respect to identifying costs for each of the programs identified, **CPBB** will provide a workshop and provide templates in order to train staff on how to derive these *program costs*, as well as serve as a resource to staff in providing assistance in the estimation of these costs. **CPBB** will provide guidance and coaching that will offer your City techniques and methodologies used in calculating indirect and direct *program costs* and identifying the number of staff associated with each program offered with **CPBB's** proven cost allocation tools and templates. **CPBB** offers an intuitive "**Program Costing Tool**" that truly simplifies the process of developing *program costs* through a step-by-step approach that is a shared "task" between each operating department and Budget staff - where each fills in the relevant information that they are best suited to provide.

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Personnel Counting Developmental Work-sheet Page 41, Page 1				<table> <tr> <th>APPROVED 2017</th> <th>APPROVED 2018</th> <th>APPROVED 2019</th> <th>APPROVED 2020</th> </tr> <tr> <td>\$ 1,126,147.00</td> <td>\$ 1,156,000.00</td> <td>\$ 12,407.00</td> <td>\$ 161,798.00</td> </tr> </table>				APPROVED 2017	APPROVED 2018	APPROVED 2019	APPROVED 2020	\$ 1,126,147.00	\$ 1,156,000.00	\$ 12,407.00	\$ 161,798.00				
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Worksheet for all of the categories and position codes Developmental Worksheet																			

This screen capture illustrates an individualized departmental “Program Costing Tool” for the City of Wheat Ridge, Colorado’s Police Department’s Patrol Division

Specifically, CPBB will help the City of Kenmore develop an effective “Program Inventory” listing and determine program costs by:

- Facilitating a workshop to help department heads and other identified staff gain a better understanding of how to define and identity the individual programs and services that are offered by each individual department and to provide guidance in distinguishing between a task

(too small to be considered a program) and a department/division (oftentimes too large to be considered a program).

- Sharing an illustrative listing of program examples gathered from other organizations that have worked with **CPBB** to use in developing and/or refining its own **"Program Inventory"**.
- Providing worksheets, feedback and coaching in support of the City's overall efforts in developing individual department's **"Program Inventory"** listings.
- Facilitating a workshop to help department heads and other identified staff gain a better understanding of how to utilize **CPBB's "Program Costing Tool"** to determine program costs
- Developing individualized department and/or division **"Program Costing Tool"** templates to assist in the determination of program costs and associated FTE needed to provide the program; effectively **"flipping"** your line item budget to a program budget.
- Providing guidance and coaching to department heads, division directors, managers and/or supervisors to train them on techniques and methodologies used in calculating program costs (including direct and indirect costs) and identifying the number of staff associated with each program offered (if desired).

Step 4) Value Ongoing Programs Based on Results - with the right Results, and with clear definitions of those Results, your City is now ready to more accurately place a value on individual programs (and potentially one-time initiatives) relative to its influence on achieving the City's stated Results.

In evaluating programs through the scoring phase, it is essential to give departments the first opportunity to score their own programs, relative to your City's Results and demonstrate why they believe their programs are influential in achieving those Results. This gives departments the chance to provide their own unique intelligence on their own programs that no one else but the program providers would have known. Not only does this help solidify organizational buy-in but at the same time provides a more thorough and complete understanding about everything the City does and how those programs help achieve the identified Results (i.e. **"why" we offer the program**).

The **Peer Review** phase then provides for an authentication process to validate (and question) the department's belief that their programs are indeed relevant to your City's Results. Several organizations have commented that, unlike other more conventional approaches to performance measures, **Peer Review** provides a forum for a far better discussion that leads to a clearer understanding of how programs truly influence Results. Furthermore, departments gain a City-wide perspective about programs being offered across the organization, which has led to uncovering program redundancies. This step in the process has also led to cross-departmental collaboration, as departments discover that they provide similar programs to other departments. Additionally, this process has contributed to a change in the organizational culture as departments are tasked with the duty of objectively analyzing programs that aren't their own (i.e. a **"jury of their peers"**).

The effect of **Peer Review** has been remarkable, not only for the purposes of **PBB**, but for bringing an organization together to look at the programs they offer in the context of how they collectively achieve the Results that the community finds meaningful. In a sense, **Peer Review** begins to break down the old



departmental “silos” and lets staff see the world from a more global perspective. Ultimately, it is through this step that more accurate *program* scores emerge, that a better understanding of *programs* is developed, and an assurance that the outcome of the entire process is objective and valid. For the long-term, this phase in the process sparks the discussion of how to determine what measure, metric or “key indicator” will substantiate the fact that a program’s desired outcome is achieving that objective.

Specifically, CPBB will help the City of Kenmore value programs based on their stated Results by:

- Developing and creating individual department “**Program Scorecards**” that facilitate the City’s effort to score programs based on the program’s influence on *Results* and on the identified “**Basic Program Attributes**”.
- Conducting a workshop for department heads, division directors, managers and/or supervisors to train them on the program scoring process.
- Facilitating a discussion to identify “**Basic Program Attributes**” to help the City determine “*what characteristics would make a program a high priority?*” “**Basic Program Attributes**” are defined as additional program characteristics that influence the priority of a program, beyond the program’s ability to influence *Results*.
- Assisting the organization with the development of **Peer Review Teams** to ensure they are cross-functional in nature and maintain the level of objectivity needed to make this phase of the process successful. This is another part of the process where including external stakeholders from the community is a potential area of interest.
- Providing coaching and support to the **Peer Review Teams** in the evaluation of program scores, encouraging them to interview program managers to hear evidence that justify assigned program scores, and then in recommending program score adjustments where appropriate.
- Evaluating the City’s efforts in performance management and performance measurement to leverage existing measures in the process of justifying program scores – linking performance management and measurement to program scoring, and thus tying these measures into the budget process.
- Accumulating the information provided through the program scoring and peer review phases into a “**Master Program Scorecard**”
- Developing a “**Peer Review Exception Report**” to identify the impact of changes to the department’s initial program score made by the **Peer Review Teams**.
- If desired, coaching the City on how to utilize a similar process in evaluating significant capital projects and other one-time initiatives to determine which of these are of the highest priority in terms of accomplishing the City’s overall *Results*.

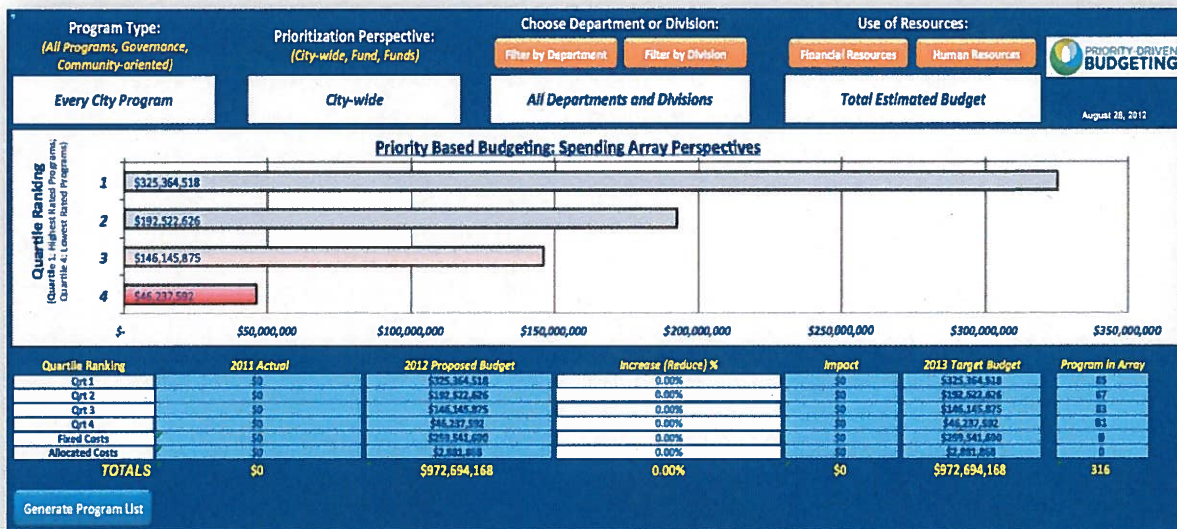
Step 5) Allocate Resources Based on Priorities –ultimately, the *Results* identified and defined by the City and the programs that achieve those *Results* become clearly articulated in the budget through a process in which resource allocation decisions are linked to the prioritization of those individual programs and services.



Once programs have been scored against the *Results* and a relative value determined, the entire list of your City's offered services can be arranged in order of "*highest priority*" (those programs most relevant in achieving the City's stated *Results*) to "*lowest priority*" (those programs that are less relevant in achieving those *Results*). The programs are then grouped into four "*Quartiles*" based on the similarity of the scoring ranges, with *Quartile 1* representing those programs of the highest priority and *Quartile 4* including those programs of the lowest priority.

Individual costs are then associated with each program in order to develop a final "*Spending Array by Quartile.*" CPBB takes this information and develops a customized "*Resource Alignment Diagnostic Tool*" that can be utilized by the City in 1) assessing its spending profile in terms of aligning resources with identified priorities; 2) developing "*target budgets*" for departments based on their individual prioritized spending profile and 3) analyzing programs using the "*Resource Alignment Diagnostic Tool's*" unique filtering capabilities.

This graphic depiction from the City of Cincinnati, Ohio of its "*Resource Alignment Diagnostic Tool*" helps illustrate how the *Results* of an City's *Priority Based Budgeting* work can be used to derive



departmental resource allocation "*targets.*" With the "*Resource Alignment Diagnostic Tool*", your City will have a "*unique lens*" to see your programs not only in terms of their relevance to *Results*, but also in light of mandates, fee structures, citizens' reliance and community partnerships. This *unique lens* allows staff to efficiently analyze programs and gain insights into areas such as:

- Programs supported by specific user-fees *VS.* those funded through general government revenues (taxes)
- Stringently mandated services *VS.* programs without any legislative requirement
- Programs that the community depends exclusively upon the local government to provide *VS.* programs offered by other entities in the community (private, non-profit, etc.)
- Programs that highly achieve one or more of the local government's stated *Results* *VS.* those programs that do not help to achieve any of those *Results*.

- *Direct VS. indirect costs for services (potentially, if desired)*

In addition, the **“Resource Alignment Diagnostic Tool”** provides staff and the City’s City Council members with a way to engage in more powerful and meaningful discussions that address questions such as:

- *What services are truly mandated to be provided by the local government, and how much does it cost to fulfill those mandates?*
- *What programs are most appropriate to consider a discussion about establishing or increasing user-fees?*
- *What programs are most appropriate for discussions about partnerships with other service providers in the community?*
- *What services might the City consider “getting out of” the business of providing altogether?*
- *Where are there apparent duplications in services offered across the organization that might lead to a meaningful efficiency discussion?*
- *How can succession planning be incorporated to focus on training staff providing lower priority programs to fill the positions left vacant in higher priority programs?*

Specifically, **CPBB** will help the **City of Kenmore** develop a **resource allocation** methodology based on priorities by:

- Calculating final program scores and developing the quartile rankings for all the City’s programs and services based on their relative score.
- Calculating and applying the “weighting factor” to each *Result* as determined by the responses from the **“Results Weighting Exercise”** (if desired).
- Associating program costs and associated FTE counts with the scored programs to develop a final calculation of the City’s total budget by quartile ranking (the **“Spending Array by Quartile”** – a summation of program costs by quartile ranking).
- Providing the City with an interactive **“Resource Alignment Diagnostic Tool”** that will guide all resource allocation calculations based on the prioritization of programs (allowing allocations to be summarized by Fund, by Departments, etc.)
- Training staff on how to use the **“Resource Alignment Diagnostic Tool”** to provide them with both the ability to efficiently analyze programs by way of the filtering capabilities of the **“Resource Alignment Diagnostic Tool,”** creating unique perspectives on the City’s programs as outlined in the discussion above, and to gain a new perspective on the programs offered by the City, allowing for better analysis and leading to more powerful and meaningful discussions.
- Offering guidance in using the **“Resource Alignment Diagnostic Tool”** to identify which of the City’s highly relevant programs should be evaluated in terms of effectiveness and efficiency and how to use the **Priority Based Budgeting** process to continuously refine performance metrics to ensure the identified *Results* are being achieved.
- Providing a high level interpretive analysis of the data available in the **“Resource Alignment Diagnostic Tool”** and identifying opportunity areas for discussion related to programs and their continued relevance to the City.



- Recommending ways to incorporate **PBB** into the City's budget development process as well as providing "**Budget Transmittal Form**" templates to guide departments in communicating their recommended program level budgets within the context of **PBB** and to demonstrate the allocation of general government resources is being focused on higher-priority programs. *(if desired)*

Implementation Plan and Approach to Pricing

Once the March 2014 start date for the project is confirmed, **CPBB** will develop an implementation timeline that normally spans a **five to six month** time period in which it can guide the City of Kenmore through the **Priority Based Budgeting** process. This time frame might vary slightly depending on the level of citizen engagement that might be desired OR the amount of information that might already be in place before the work begins. Typically, **CPBB** works with staff to ensure that the process concludes before the City's normal budget development process begins. Once the process is in place and ready to be utilized for the upcoming budget cycle, **CPBB** remains available for questions, guidance and general advisory assistance until the City completes its' budget process.

While the duration of the implementation process is anticipated to span several months, the actual workload placed on staff in the City is by no means of a "day-to-day" nature. The timeline allows for staff to manage their own internal workload and still participate effectively in the process. This timeline also provides for the scheduling of workshops, team meetings and the tasks performed off-site by **CPBB** in the development of the various templates used as well as the final "**Resource Alignment Diagnostic Tool.**" Having experienced processes that burdened organizations with more intense time requirements and having been practitioners in a local government environment ourselves, **CPBB** has specifically designed this process to require staff to devote manageable amounts of time along the way as each step is completed.

CPBB's commitment as a mission-driven entity is to make this process available and affordable to any organization that wishes to receive the benefits it can provide. The necessary budget for any organization will depend on the size of the organization and the amount of work that has already been started before **CPBB** is engaged. Typically the budget required for the full implementation of **Priority Based Budgeting**, exclusive of travel related expenses, is between \$38,500 and \$50,000. However, we pride ourselves in being flexible and reasonable as we engage in conversations with organizations about the implementation process and will work with you in negotiating costs.

Given the fact that you are a self-described "contract" city, **CPBB** can leverage this fact for implementation, thus **the total proposed budget for this project with the City of Kenmore is \$38,500.00.** Travel costs will be billed separately on an occurrence basis and will include airfare, lodging, ground transportation (*rental car, fuel, taxi service*); airport parking and a modest per diem (\$60 per day). **CPBB** agrees to work cooperatively with you to reduce travel costs to the greatest extent possible while still meeting the requirements specified in this proposal.

The **City of Kenmore** may be asked and should be prepared to provide certain office supply items for use in onsite workshops such as paper, markers, white boards, and other needs as requested by **CPBB**. These items are estimated to cost no more than \$300.

The quotation of fees and compensation shall remain firm for **a period of 120 days** from the submission of this proposal.



Company Credentials

The **Center for Priority Based Budgeting**, formed in 2010 by Jon Johnson and Chris Fabian, prides itself in providing creative solutions to local governments struggling to address their own fiscal realities. Our mission is to share our experience and technical knowledge of government financial operations and budget development with organizations that are seeking to achieve **Fiscal Health and Wellness** that is sustainable for the long-term. Above all, **CPBB** strives to be viewed as a trusted advisor and a dependable, objective resource that assists local governments who are seeking service excellence, transparency to their stakeholders and a strong desire to achieve the **Results** that are important to their community. In particular, our experience in dealing with finance-related issues combined with our backgrounds in performance measurement, achievement of efficiencies, and genuine community engagement, makes the **Center for Priority Based Budgeting** a truly unique and beneficial partner in dealing with fiscal issues and budgetary concerns, especially in these unprecedented and turbulent times.

Prior to the creation of **CPBB**, Jon and Chris worked as independent local government advisors during 2009 after leaving their positions with Jefferson County, Colorado. During that time they were associated with the International City/County Management Association (ICMA) as consulting contractors as well as serving as trainers and speakers for the Government Finance Officers Association (GFOA) and the Alliance for Innovation. Before becoming local government advisors, Jon served local governments as a finance/budget practitioner for over 28 years, while Chris served as both a local government budget professional and a management consultant to government organizations, specializing in outcomes-based budgeting initiatives.

The **Center for Priority Based Budgeting**, a mission-driven organization, is located at 13701 W. Jewell Avenue, Suite 28, Lakewood, Colorado, 80228, proudly offers its services in helping local government organizations address their fiscal realities both in the short-term and long-term through a new and creative process that is actively being implemented across the country. These “hands-on” practitioners have developed the **Fiscal Health and Wellness** process to help cities counties, school districts, special districts and non-profit agencies find the answers to the most relevant questions of the day:

- *How do we “stop the bleeding” and properly diagnose our fiscal issues in order to apply the proper treatments?”*
- *How can our organization “spend within its means?”*
- *How do we allocate scarce resources to “top priority” programs?*
- *How can we link our budget with our strategic goals/objectives and then “measure” their performance?*
- *How does our organization head down a path of long-term “financial sustainability?”*

CPBB offers the professional expertise, analytical skills and diagnostic tools needed to help your jurisdiction turn these tough times around. For the short-term we can provide you with the tools and techniques you need to assess and monitor your organization’s “**picture of Fiscal Health**”. For the long-term, we can assist your organization in clearly defining its goals and objectives and lead you in a process that prioritizes your spending to align with these goals. Our objective is to help you:

- Diagnose the root cause of your fiscal problems
- Identify effective treatment options



- Establish clearly defined goals for your organization
- Prioritize resource allocation to your most valuable programs and services
- Engage the community in determining what they highly value and expect
- Provide decision-makers with better information about the impacts of their decisions
- Develop the tools you need to see things more clearly through a “*new lens*” with our unique “*Fiscal Health Diagnostic Tool*” and our “*Resource Alignment Diagnostic Tool*”

The **Center for Priority Based Budgeting** offer several levels of services to meet the individual needs of your organization as it addresses its short-term and long-term fiscal concerns. These flexible and attainable approaches can be tailored to work with any level of engagement your organization is ready to embark upon. Jon and Chris are available to talk through these alternative approaches and find the best one that meets your particular needs with the main objective being to find the best way to assist your organization in dealing with its fiscal stress and reaching a stable and sustainable level of **Fiscal Health and Wellness**.

Among the wide range of services available through the **Center for Priority Based Budgeting:**

- ✚ **Priority Based Budgeting** Process Implementation
- ✚ “**Resource Alignment Diagnostic Tool**” Development
- ✚ **Fiscal Health** Diagnostic Assessments
- ✚ “**Fiscal Health Diagnostic Tool**” Development
- ✚ Utility Rate Modeling (using our “**Fiscal Health Diagnostic Tool**”)
- ✚ Facilitated Goal-Setting / Strategic Planning Retreats *and* Workshops
- ✚ Citizen Engagement Facilitation
- ✚ **Fiscal Health and Wellness** Workshops
- ✚ Financial Policy Development
- ✚ Revenue Forecasting Support
- ✚ Revenue Manual *and* Program Inventory Development
- ✚ **Capital Improvement Plan (CIP)** Development *and* Prioritization
- ✚ Internal Service Fund Analysis *and* Development
- ✚ Program Costing Support (*direct, indirect and overhead components*)

✚ **Please visit our website: www.pbbcenter.org**



The CPBB Team

JON JOHNSON

Jon is the co-founder of the ***Center for Priority Based Budgeting***, a Denver-based organization whose mission is to help local governments achieve “*fiscal health and wellness*” during these challenging economic times. Jon has more than 28 years of experience as a practitioner in financial administration for municipalities, counties, school districts and public universities. Throughout his career as a finance/budget director, he has been responsible for the management of all aspects of local government finance operations for both small and large organizations. Jon brings with him not only the “hands-on” technical skills associated with the day-to-day financial operations of local governments, but also the ability to apply a diagnostic approach to the analysis needed to assess the fiscal health of an organization and the management experience to implement the resulting solutions from that diagnostic analysis.

Most recently, Jon served as the Director of Budget and Management Analysis for Jefferson County, Colorado. Previous to that position, he was Assistant Director of Finance for Douglas County, Colorado. Prior to moving to Colorado in 2002, Jon served as the Director of Finance for several municipalities in Missouri, including the City of Blue Springs, the City of Joplin, and the City of Kansas City (MO) Aviation Department. He has also been associated with ICMA as a Senior Management Advisor and with GFOA as a regional trainer and workshop presenter. Jon holds a B.A. in political science and a B.S. in accounting from Missouri Southern State University, as well as a master’s degree in College Administration from Pittsburg (KS) State University.

CHRIS FABIAN

Chris co-founded the ***Center for Priority Based Budgeting***, a mission-driven firm located in Denver, CO, which is dedicated to assisting local governments address their fiscal reality in an entirely new way. During his career, Chris has provided consulting and advisory services to numerous local governments across the country. His consulting experience has focused on public entities at all levels, advising top municipal managers, department heads and program directors from over 60 organizations concerning the fundamental business issues of local government. Of most significance, his work has centered on the budget process as a lever to produce results, accountability and change; performance and outcome-based management; purpose, productivity, and efficiency in operations; and rigorous financial analysis and strategy. Pursuing the objectives of Budgeting for Outcomes (BFO), Chris was a partner of the consulting team that implemented BFO in Ft. Collins, Colorado, one of the leading organizations using this approach and is now assisting with their conversion to the priority based budgeting model he developed in partnership with Jon.

Most recently Chris has served as a budget practitioner with Jefferson County, Colorado, where he incorporated the lessons learned from BFO into the development of the ***Priority Based Budgeting*** process. He holds a B.S. in engineering from the Colorado School of Mines.



Jon and Chris have been featured speakers at numerous national and regional conferences webinars, and workshops sponsored by the *International City/County Management Association* (ICMA), the *National League of Cities* (NLC), the *National Association of Counties* (NACo), the *Government Finance Officers Association* (GFOA), and the *Alliance for Innovation* as well as numerous state and regional organizations such as the *Municipal Managers Association of Southern California* (MMASC), the *Municipal Managers Association of Northern California* (MMANC), the *Virginia Local Government Managers Association* (VLGMA) the *Tennessee Municipal League* (TML), the *Colorado Government Finance Officers Association* (CGFOA), the Oregon *Emerging Local Government Leaders* and the *Senior Executive Institute at the University of Virginia* (SEI). They have co-authored several articles describing their approach to *Fiscal Health and Wellness through Priority Based Budgeting* for local governments including:

- *"Getting Your Priorities Straight"* published by ICMA in the June 2008 issue of *PM Magazine*
- *"Leading the Way to Fiscal Health"* published by Government Finance Officers Association (GFOA) in their December 2008 issue of the *Government Finance Review*
- *"It's All in the Questions: The Manager's Role in Achieving Fiscal Health"* a two-part article appearing in the September and October 2009 issues of *PM Magazine*
- *"Anatomy of a Priority Based Budget Process,"* co-authored with Shayne Kavanagh of GFOA, published in the May, 2010 issue of the *Government Finance Review*
- *"Anatomy of a Priority Based Budget Process,"* a white paper on "Priority Based Budgeting" as a best practice, published by GFOA in March 2011, co-authored with Shayne Kavanagh
- *"Seeing Things Differently,"* published by ICMA in the September 2012 issue of *PM Magazine*

Who's Looking through the "Unique Lens"...

The **Priority Based Budgeting** process was first developed by Jon Johnson and Chris Fabian for Jefferson County, Colorado, where both of them served prior to April, 2009. After publishing an article in ICMA's professional journal "*Public Management*" ("PM") magazine, Jon and Chris were contacted by several organizations seeking assistance in implementing their **Fiscal Health and Wellness through Priority Based Budgeting** initiative. We are honored to be working with some of the most notable local governments in the country to implement and integrate our process and have learned so much because of the work we have accomplished together. Non-profit associations such as the International City/County Management Association (ICMA), the Alliance for Innovation, the National League of Cities (NLC), the Government Finance Officers Association (GFOA), and the Institute for Local Government (ILG) in California are among the most prominent organizations endorsing **Priority Based Budgeting** as a best practice – publishing case studies, journal articles and hosting seminars and conferences to promote the accomplishment of cities and counties implementing this work. Among those local governments that have worked with Jon and Chris to introduce **Priority Based Budgeting** to their organization are:

- ARIZONA - Chandler (2 years); Queen Creek; Goodyear; Navajo County
- CALIFORNIA - Walnut Creek (3) ; San Jose (3); Sacramento (2) ; Monterey (2);
Salinas, Seaside; Fairfield; Placentia; Mission Viejo; Temple City; La Palma
- CANADA - Edmonton; Alberta Ministry of Health
- COLORADO - Boulder (3); Longmont (3); Fort Collins (2); Wheat Ridge (2);
Thornton; Manitou Springs; Victor; Mountain View Fire Protection District;
Denver International Airport; Dillon Valley Water/Sewer District; Loveland
- FLORIDA - Lakeland (3); Delray Beach (2); Plantation; Pasco County; New Smyrna Beach
- GEORGIA - Roswell; Cobb County
- IDAHO - Post Falls
- ILLINOIS - Boone County
- KANSAS - Shawnee
- MISSOURI - Branson
- MONTANA - Billings
- NEBRASKA - Grand Island (3)
- NEW MEXICO - San Juan County
- NEVADA - Douglas County (2)
- N. CAROLINA - Cary
- OHIO - Blue Ash; Cincinnati
- OREGON - Springfield, Tualatin
- PENNSYLVANIA- Lehigh County
- TEXAS - Plano (2); Southlake
- VIRGINIA - Chesapeake (2); Christiansburg
- WISCONSIN - Janesville
- WYOMING - Green River
- NON-PROFIT'S - Alliance for Innovation; International City/County Management Association (ICMA)



The following examples of engagements with local government entities are meant to be illustrative of the types of advisory services offered by **CPBB**. While we pride ourselves in tailoring the process to the needs of each organization, the work done with all of our organizations is of a similar nature. Based on the number of local governments that have introduced our process into their culture, we feel we have the technical and creative skill set to work with any entity that wishes to embrace the concepts of ***Priority Based Budgeting***.

1. City of Walnut Creek, California - Priority Based Budgeting Project

Project Scope

Anticipating significant budget shortfalls – even before the national recession unfolded – the City of Walnut Creek began exploring in the summer of 2008 a variety of ways to achieve a balanced budget for 2010-12 and beyond.

CPBB's project scope was described in a memo to staff: *"The process first identifies and defines community Goals; and then scores city programs based on their ability to achieve those Goals. Council, staff and the community each play a specific and important role in the prioritization process. Figuring out together what should change as resources shrink reflects the City's mission of working in partnership with the community."* The City outlined the following notes on the process:

- ***Involves both the community and the staff in the process in an appropriate way.*** The Council as representatives of the community should set the overall goals for what we try to achieve—it's their appropriate role—and involving the community at large is part of our way of doing business. Staff knows the programs best—which are mandated, which generate revenue, which increase efficiency, etc. Figuring out *together* what should change as resources shrink makes sense.
- ***It's a positive process, not a negative one.*** The community process focuses on determining what's most important from a high level, value-based perspective that focuses on common ground and identifying what folks like and want most. It doesn't ask them what programs should be cut which instantly brings out defensiveness and competition. From staff perspective, the process provokes discussion of and learning about programs and activities in a deeper way designed to weaken silo-thinking.
- ***The prioritization process is just a tool not something magic.*** It's not intended to cut of all the 4th quartile programs nor leave all the 1st quartile programs untouched. The process has helped us, all of us, have conversations about the how and the why of programs, services and activities in a new and very effective way. But it's not a machine that spits out automatic decisions made without tempering by experience and judgment.
- ***The process is useful both when making reductions and when deciding where to allocate new revenues.*** This is not a one time investment of time and energy into a new process. This is a new way to make sure we're spending community resources in ways that match community priorities.
- ***And lastly, we believe the prioritization process is a good fit for the "new normal" that we face.*** The shortfalls between our revenues and our expenses that we have been dealing with for many years, and most dramatically in the last two, are not likely to subside. As we look ahead, a permanent reset back to revenues of 10 years ago or more are what we see. Neither uniform across the board cuts nor major influxes of one-time funds are suited to address the new situation in which we find ourselves.

CONTACT: Ms. Lorie Tinfow, Assistant City Manager
925-943-5899 or Tinfow@walnut-creek.org



2. City of Boulder, Colorado -Priority Based Budgeting Project

Project Scope

The City of Boulder engaged **CPBB** in November, 2009 to assist them with the implementation of a **Priority Based Budgeting** process in order:

- To establish the core goals results and/or objectives (the “results”) of the City of Boulder and its citizens and also to articulate them to external as well as internal stakeholders, thus providing a “roadmap” to determine that decisions made are leading the City in the direction of Prioritization;
- To implement a holistic process that will align strategic planning with resource allocation decisions (i.e., the budget process) as well as performance measurement and management;
- To provide a process by which programs and services offered by the City can be evaluated in order to identify those areas that are of the highest priority in terms of accomplishing the City’s overall results;
- To provide a process by which significant capital and other one-time expenditures for the foreseeable future can be evaluated in order to identify those projects and initiatives that are of the highest priority in terms of accomplishing the City’s overall results; and
- To undertake a strategic process that will achieve the identified results

Now entering its fourth budget cycle using the **Priority Based Budgeting** process, the City of Boulder continues to work with the **CPBB** in using this process to link resource allocation decisions with their strategic goals and objectives.

CONTACT: Mr. Bob Eichem, Chief Financial Officer
303-441-1819 or Eichemb@bouldercolorado.gov



3. City of Monterey, California -Priority Based Budgeting Project

Project Scope

"We have cut millions of dollars out of the City budget over the last two years, and there really isn't anything left to cut that won't be painful for our residents and our employees," said City Manager Fred Meurer. "That is why we have worked diligently this year to get the all of our stakeholders involved in the priority-based budgeting process."

In 2010, the City of Monterey engaged staff and residents in a priority-based budgeting process to determine how to best address reduced revenues and a five million dollar budget gap. Rather than make across the board cuts, the city brought in *The Center for Priority Based Budgeting* to help them engage staff and residents in transparently crafting a budget linked to results and values most important to the community. The city hired CPBB because of the proven and refined process for aligning city resources and services with community values that had been implemented successfully in neighbouring California communities. Residents were asked to further define broad goals set by the City Council, and then to prioritize how they wanted their tax dollars spent to achieve those goals.

According to "Strong Cities, Strong State," a California think-tank:

"Using a mathematical model developed by consultants with the Center for Priority-based budgeting, the priorities given to specific City programs were considered by executives and the City Council during budget deliberations. The Monterey City Council adopted a balanced 2011-2012 budget and closed a \$5 million gap between expenses and revenues with public support and a more informed citizenry."

"The success of the program encouraged the City to continue its commitment to priority-based budgeting. During the current fiscal year, the program focuses internally as departments analyze their programs, staffing and costs. Next year, the City will once again reach out to its citizens for feedback through a comprehensive community survey. Ultimately, the City hopes its new approach to budgeting will monitor the performance of individual programs; help set fees more accurately, and assist in decision-making about where to invest and / or withdraw City resources."

CONTACT: Mr. Don Rhoads, Director of Finance
831-646-3940 or rhoads@ci.monterey.ca.us



3. City of Cincinnati, Ohio - Priority Based Budgeting Project

Project Scope

Confronted with the 'new normal' of flat or declining revenues, spiraling health care and pension costs, and persistent structural imbalances, the City of Cincinnati chose Priority Based Budgeting an alternative to the traditional incremental budgeting approach that automatically makes this year's budget the basis for next year's spending plan.

Council approved the administration's recommendation to hire the Center for Priority Based Budgeting (Center for PBB) to help with the intensive citizen engagement that drives the new approach. According to Council: "Priority-driven budgeting offers a common-sense, strategic alternative to conventional budgeting. It creates a fundamental change in the way resources are allocated by using a collaborative, evidence-based approach to measure services against community priorities. By bringing together community leaders and citizens to determine strategic priorities, the city can align resources with what the community values most, and create service efficiencies and innovation."

For 2013, the City faces a projected \$34.0 million budget deficit for the General Fund Operating Budget and will need to cut spending and increase revenues to fill this need.

CONTACT: Ms. Lea Eriksen, Director of Budget
513-352-1578 or lea.eriksen@cincinnati-oh.gov



Additionally, the following individuals may also be contacted for more information about the implementation of the **Priority Based Budgeting** model in their communities:

- **City of Wheat Ridge, Colorado** – Ms. Heather Geyer, Administrative Services Director at 303-235-2826, or hgeyer@ci.wheatridge.co.us
- **Douglas County, Nevada** – Mr. Stephen Mokrohisky, County Manager at 775-782-9821 or smokrohisky@co.douglas.nv.us or Ms. Christine Vuletich at 775-782-9097 or cvuletich@co.douglas.nv.us
- **City of Fort Collins, Colorado** – Mr. Darin Atteberry, City Manager at 970-221-6505 or datteberry@fcgov.com
- **Town of Cary, North Carolina** – Mr. Scott Fogleman, Budget Director at 919-462-3911 or Scott.Fogleman@townofcary.org
- **City of Chandler, Arizona** – Ms. Dawn Lang, Management Services Director at 480-782-2255 or Dawn.Lang@chandleraz.gov
- **City of Edmonton, Alberta** – Mr. Todd Burge, Branch Manager, Client Financial Services at 780-423-1362 or todd.burge@edmonton.ca or Ms. Jodie Buksa, Director of Financial Strategies and Budgeting Planning at 780-5342 or jodie.buksa@edmonton.ca
- **City of Shawnee, Kansas** – Ms. Carol Gonzales, City Manager at 913-742-6200 or cgonzales@ci.shawnee.ks.us
- **City of Sacramento, California** – Ms. Leyne Milstein, Director of Finance at 916-808-8491, or LMilstein@cityofsacramento.org
- **City of Billings, Montana** – Ms. Tina Volek, City Administrator at 406-657-8430 or VolekC@ci.billings.mt.us
- **City of Blue Ash, Ohio** – Mr. David Waltz, City Manager at 513-745-8538 or DWaltz@BlueAsh.com, or Ms. Kelly Harrington, Assistant City Manager at 513-745-8503 or kharrington@blueash.com
- **City of Seaside, California** – Ms. Daphne Hodgson, Deputy City Manager at 831-899-6718 or dhodgson@ci.seaside.ca.us
- **City of Plano, Texas** – Ms. Karen Rhodes-Whitley, Finance Director at 972-941-7472 or Karenr@plano.gov
- **City of San Jose, California** – Ms. Kim Walesh, Chief Strategist at 408-535-8177 or Kim.Walesh@sanjoseca.gov



... and What have they seen!

"Councilmen Larry Carney and Scott Dugan praised Pederson and Brown for the prioritization process. They called it a logical and understandable method of making some difficult decisions to come."

- **Grand Island (Nebraska) Independent Newspaper**

Using ROI for City Budgeting: Business Planning Meets Government Spending - the city of Boulder is going about this full spectrum analysis of the highest ROI where "return on investment" is the return of City programs on the results our citizens expect in the community.

- **"Boulder Tomorrow" – Colorado Business Association on Priority Based Budgeting process**

Budget process requires clear priorities, vision - By examining each of the 365 programs that are directed out of City Hall, the administration, mayor and city council are looking under every rock for ways to save taxpayer dollars and keep core services intact. It is a responsible and rational ways to control expense growth on programs that may be well intended, but do not significantly support the community in the four core areas.

- **Grand Island (Nebraska) Independent Newspaper**

"I read with both pleasure and envy the recent article on the city's (Grand Island) new Program Prioritization process. Pleasure because a discerning approach like this is the type of focused decision-making model that successful businesses use. I am glad to see its use in our city's governance. I am envious because it is the type of approach the Unicameral is moving toward with our recently initiated planning committee process. In this instance, the city of Grand Island is well ahead of the state of Nebraska."

- **Nebraska State Senator Mike Gloor on the Priority Based Budgeting Process**

Walnut Creek, California, which must close a \$20m (€14m, £12.5m) deficit for the 2010 financial year, is polling citizens on what services they value most, so it can make targeted cuts. Lorie Tinfow, assistant city manager, also expects the expansion of volunteer programs such as checking on the elderly at home. *"We are rethinking what services the city provides, what we are paying for them and what we are expecting as American taxpayers to get for that dollar,"* Ms. Tinfow said.

- **Financial Times, quoting Lorie Tinfow, City of Walnut Creek, California**

The City of Monterey is launching a public review of its budget priorities this fall and your participation is vital to the success of the Priority-based Budgeting project. In good times, the City allocated its resources to a wide range of programs and services. Now, the City needs to adjust to "the new normal" of reduced revenues. In Monterey, revenue from hotel, sales and property taxes have fallen to levels not seen in years. Significant recovery is unlikely for the next several years. So, the City needs to tighten its belt just like other municipalities, businesses and citizens have done.

- **Press Release -City of Monterey, California**

"The process is called Priority-based Budgeting and it recasts the budget into programs instead of line items."

- **Monterey County (California) Herald Newspaper**



The city of Boulder is looking to change the way it manages its annual budget. Under the new model, the programs that best help the city achieve the community's goals of having a safe, economically sustainable and socially vibrant place to live will receive top priority for funding. *Those programs that are duplicated, waste money or don't meet the community's goals could be cut.*

- **Boulder (Colorado) Daily Camera Newspaper**

"Although Boulder is in a better financial condition than many of its peer cities, the economic outlook continues to be uncertain," said City Manager Jane Brautigam. "In response, we're taking a prudent and strategic approach to the 2011 recommended budget by focusing on achieving greater efficiencies in how services are delivered to the Boulder community. In many cases we have been able to reallocate staff and funding to those areas most likely to achieve community goals, and are reducing duplication of services to hold the line on spending at 2010 levels."

- **Boulder (Colorado) Daily Camera Newspaper**

The new list divides the city's 443 programs into four categories, ranking them from highest to lowest priority, based on whether they help meet the community's general goals of cultivating a safe, economically sustainable and socially thriving community.

- **Boulder (Colorado) Daily Camera Newspaper**

With budgets getting tighter across the country, more cities are turning to Prioritization. *"I just feel like we need to begin to put proactive steps in place so we can prepare the organization for what is ahead," said William Harrell, City Manager. "Sure, we can just start eliminating things. But then is that what the citizens are saying? Is that what council is saying to us? This is a more disciplined and analytical approach."*

- **(Chesapeake) Virginia Pilot Newspaper**

"It sounds intuitive but what we found was there was no real methodology to connect all of the things that government does" to what policymakers want to see for their cities."

- **(Chesapeake) Virginia Pilot Newspaper**

Recent information from **Moody's** (the nation's largest bond rating agency) confirms that prioritization processes such as what Blue Ash is going through demonstrate a strategic approach to managing the current fiscal environment. So where do we go from here? The local government advisors developed a unique tool that Blue Ash can utilize for years to come as a part of the city's annual budgetary planning process. This tool will be valuable in assisting the council and administration in determining what services and programs contribute directly to the city's overall objectives, including the evaluation of any future new programs or services being considered.

- **Press Release - City of Blue Ash, Ohio**

Even cities with a relatively well-off population are facing difficult choices due to falling revenues. In the eastern San Francisco bay area city of Walnut Creek, as in many other cities around the state, local officials faced the unpleasant task of cutting programs in 2009 due to budget shortfalls, and the more unpleasant task of explaining this to the public. Building on an ongoing tradition of collaboration with residents and community building programs, city staff and officials worked with consultants and adopted a multi-stage public engagement **Fiscal Health and Wellness** prioritization process to educate and gather informed input from hundreds of residents.

- **Institute for Local Government on Priority Based Budgeting process**



"PBB is attractive to the City because it relies on community input and the work of employees to be successful. In contrast to past years, decisions on potential funding reductions are expected to occur at the program level rather than at the level of individual budget line items that run across multiple programs. The results of this process are anticipated to enable decision makers to reallocate funding between programs based upon changing needs and priorities."

- ***Internal Memo - City of Fairfield, California***

San Jose Outcomes of Prioritization Approach:

- Increased connection of budget to City's Priority Results
- Stakeholder engagement in program priorities
- Rationale for reducing or eliminating programs that have the least impact on achieving the City's Priority Results

- ***City Manager's Budget Message, City of San Jose, California***

The Program Prioritization effort will inform the development of the City's 2010-2011 Proposed Budget and serve as a tool to identify potential service reductions and eliminations. The evaluation of programs as part of this process may also identify potential duplication of efforts or opportunities to consolidate similar programs and/or services that can be delivered through partnership with other governmental agencies, non-profit agencies, or the private sector.

It is important to note that a high rating of a program will not guarantee that a program will be retained; nor does it guarantee that a lower-ranking program will be proposed for elimination. Also, the rankings do not reflect whether a program is being delivered in the most efficient manner. The prioritization process will provide valuable information for budget proposal development and City Council deliberation. It will not be the "only answer" to how best to rectify the City's budget shortfall.

- ***City Manager's Budget Message, City of San Jose, California***

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**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: Tributary 0057 Channel Relocation Project (SW1) Bid Award

For Council Meeting Agenda of: March 17, 2014

Department: Engineering & Environmental Services

Prepared by: Kent Vaughan

To Be Presented By: NA

Proposed Council Action/Motion:

Award Tributary 0057 Channel Relocation project to A1 Landscaping and Construction, Inc. and authorize the city manager to execute contract in the amount of \$822,800.52 (plus a 10% contingency).

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Initial & Date

KMD 3/3/14

gmg 3/3/14
PKK

Exhibits/Attachments:

A: Bid Tabulation Summary

B: Cost to Complete Project Summary

C: SWM Capital Fund Expenditures Report

Expenditure Required

\$986,660

Amount Budgeted

\$889,750

Appropriation Required

\$97,000 (rounded)

See Fiscal Consideration below.

INFORMATION/BACKGROUND:

Project Description: The Tributary 0057 Channel Relocation work includes furnishing and installing a new 230-foot-long, 10' x 5' (interior dimensions) precast concrete box culvert with appurtenances, the removal of the existing undersized sediment vault and pipe conveyance system within NE 170th Street right-of-way, stream and wetland mitigation plantings and other work. The new box culvert will cross NE 170th Street (Simonds) approximately 300 feet east of 72nd Avenue NE and will provide increased capacity to transport high flows and sediment to the Sammamish River floodplains. The contract documents allow 45 working days to complete the project.

Bid Opening: The City received 5 bids. Based on advice from the City Attorney, staff rejected the lowest bid (\$808,022) due to the contractor's failure to sign the bid form. The apparent low responsive bidder was A1 Landscaping and Construction, Inc. out of Snohomish, WA at \$822,800. The Engineer's Estimate was \$824,000. The bid tabulation summary for the project is attached for reference. The low responsive bid was \$1,200 under the engineer's estimate. Staff has evaluated A1 Landscaping and Construction, Inc.'s qualifications and completed reference checks and determined the contractor to be responsible.

Next Steps: After Council award, staff will schedule and hold a pre-construction conference with the contractor and issue a limited notice to proceed (NTP) in March to pothole utilities, complete material submittals, submit box culvert shop drawings for review/approval/manufacture, and coordinate with

franchise utilities on relocation work plans / schedules. The City will then suspend the contract time until the materials arrive on site for installation. It is anticipated that construction will begin in June 2014 and take approximately three months. Construction within NE 170th ST will be limited from June 19 to September 3 (when school is out of session). Work below the ordinary high water line must be completed within the permitted fish window (July 1 to Sept 30).

Recommendation: Staff recommends that City Council award the project to low bidder, A1 Landscaping and Construction, Inc., in the amount of \$822,800.52 (plus a 10% contingency) and authorize the City Manager to execute the construction contract at this time.

FISCAL CONSIDERATION:

The 2013-14 biennial budget for this project (SW1) is \$889,750. Based on the updated Cost to Complete summary, an additional \$97,000 in SWM funds are needed to award the construction contract AND maintain a contingency of 10% in the project budget for any unforeseen changes that may arise during construction.

Project costs have increased due the following:

1. The biennial budget was developed in mid 2012 based on the 60% level engineer's estimate. The final engineer's estimate for the project increased by approximately \$64k;
2. Corps of Engineers permitting required additional environmental reports and consultant effort (\$13k).
3. A temporary construction easement (TCE) for the project expired at the end of 2013. The acquisition of a new TCE required an additional \$8.7k;
4. Due to the extended schedule, additional staff time was required to manage the project.

The additional SWM funds (\$97k) will be obtained from budget savings (approximately \$355k) in the NE 181st Culvert project (SW6), which is now complete. Staff will return at a later Council meeting to request a budget amendment to reconcile the project budget.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council Goal #12: To address watershed issues affecting the City.

Attachment A

Tributary 0057 Channel Relocation, City of Kenmore Project 0158 - Bid Tabulation Summary

Item Description	Final Engineer's Estimate (Jan 22, 2014)				1st Low: Weber Construction			2nd Low: A1 Landscaping & Constr.			3rd Low: R.L. Alia			4th Low: Jansen			5th Low: 3 Kings Environmental		
	Unit	Qty	Unit Price	Total	Qty	Unit Price	Total	Qty	Unit Price	Total	Qty	Unit Price	Total	Qty	Unit Price	Total	Qty	Unit Price	Total
Schedule A																			
1 Minor Change	CALC	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00
2 Surveying	LS	1	\$ 2,000.00	\$ 2,000.00	1	\$ 8,000.00	\$ 8,000.00	1	\$ 6,400.00	\$ 6,400.00	1	\$10,000.00	\$ 10,000.00	1	\$19,000.00	\$ 19,000.00	1	\$ 7,035.00	\$ 7,035.00
3 SPCC Plan	LS	1	\$ 2,000.00	\$ 2,000.00	1	\$ 2,000.00	\$ 2,000.00	1	\$ 1,200.00	\$ 1,200.00	1	\$ 2,000.00	\$ 2,000.00	1	\$44,000.00	\$ 44,000.00	1	\$ 1,500.00	\$ 1,500.00
4 Mobilization	LS	1	\$69,000.00	\$ 69,000.00	1	\$65,000.00	\$ 65,000.00	1	\$49,700.00	\$ 49,700.00	1	\$50,000.00	\$ 50,000.00	1	\$79,000.00	\$ 79,000.00	1	\$85,000.00	\$ 85,000.00
5 Project Temporary Traffic Control	LS	1	\$10,000.00	\$ 10,000.00	1	\$16,000.00	\$ 16,000.00	1	\$ 9,800.00	\$ 9,800.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 1,900.00	\$ 1,900.00	1	\$25,000.00	\$ 25,000.00
6 Flaggers and Spotters	HR	240	\$ 35.00	\$ 8,400.00	240	\$ 75.00	\$ 18,000.00	240	\$ 51.00	\$ 12,240.00	240	\$ 49.00	\$ 11,760.00	240	\$ 58.00	\$ 13,920.00	240	\$ 55.00	\$ 13,200.00
7 Clearing and Grubbing	LS	1	\$ 2,000.00	\$ 2,000.00	1	\$ 5,400.00	\$ 5,400.00	1	\$10,500.00	\$ 10,500.00	1	\$ 8,000.00	\$ 8,000.00	1	\$ 9,200.00	\$ 9,200.00	1	\$15,000.00	\$ 15,000.00
8 Removal of Structure and Obstruction	LS	1	\$15,000.00	\$ 15,000.00	1	\$15,000.00	\$ 15,000.00	1	\$18,700.00	\$ 18,700.00	1	\$ 8,000.00	\$ 8,000.00	1	\$23,000.00	\$ 23,000.00	1	\$30,000.00	\$ 30,000.00
9 Sawcutting	LF	200	\$ 3.00	\$ 600.00	200	\$ 8.00	\$ 1,600.00	200	\$ 3.00	\$ 600.00	200	\$ 5.00	\$ 1,000.00	200	\$ 7.25	\$ 1,450.00	200	\$ 4.00	\$ 800.00
10 Locate and Protect Existing Utilities	LS	1	\$ 2,000.00	\$ 2,000.00	1	\$ 8,000.00	\$ 8,000.00	1	\$ 6,500.00	\$ 6,500.00	1	\$ 4,000.00	\$ 4,000.00	1	\$ 1,800.00	\$ 1,800.00	1	\$10,000.00	\$ 10,000.00
11 Controlled Density Fill	CY	20	\$ 30.00	\$ 600.00	20	\$ 150.00	\$ 3,000.00	20	\$ 120.00	\$ 2,400.00	20	\$ 100.00	\$ 2,000.00	20	\$ 311.00	\$ 6,220.00	20	\$ 640.00	\$ 12,800.00
12 Crushed Surfacing Top Course	TN	100	\$ 30.00	\$ 3,000.00	100	\$ 30.00	\$ 3,000.00	100	\$ 24.00	\$ 2,400.00	100	\$ 30.00	\$ 3,000.00	100	\$ 92.00	\$ 9,200.00	100	\$ 50.00	\$ 5,000.00
13 Asphalt Treated Base	TN	20	\$ 100.00	\$ 2,000.00	20	\$ 188.00	\$ 3,760.00	20	\$ 80.00	\$ 1,600.00	20	\$ 157.00	\$ 3,140.00	20	\$ 374.00	\$ 7,480.00	20	\$ 170.00	\$ 3,400.00
14 HMA Class 1/2 in PG 64-22	TN	90	\$ 100.00	\$ 9,000.00	90	\$ 196.00	\$ 17,640.00	90	\$ 175.00	\$ 15,750.00	90	\$ 167.00	\$ 15,030.00	90	\$ 197.00	\$ 17,730.00	90	\$ 180.00	\$ 16,200.00
15 Temporary HMA	TN	25	\$ 100.00	\$ 2,500.00	25	\$ 196.00	\$ 4,900.00	25	\$ 80.00	\$ 2,000.00	25	\$ 125.00	\$ 3,125.00	25	\$ 189.00	\$ 4,725.00	25	\$ 180.00	\$ 4,500.00
16 10'Wx5'H (interior) Pre-Cast Reinf. Conc. Box Culvert	LF	230	\$ 1,750.00	\$402,500.00	230	\$ 1,475.00	\$339,250.00	230	\$ 1,630.00	\$ 374,900.00	230	\$ 1,750.00	\$402,500.00	230	\$ 1,320.00	\$303,600.00	230	\$ 1,740.00	\$400,200.00
17 CPEP Storm Sewer Pipe 12 In. Diam (incl Bedding)	LF	200	\$ 80.00	\$ 16,000.00	200	\$ 40.00	\$ 8,000.00	200	\$ 60.00	\$ 12,000.00	200	\$ 75.00	\$ 15,000.00	200	\$ 80.00	\$ 16,000.00	200	\$ 52.00	\$ 10,400.00
18 Catch Basin Type 1	EA	1	\$ 1,500.00	\$ 1,500.00	1	\$ 1,700.00	\$ 1,700.00	1	\$ 1,350.00	\$ 1,350.00	1	\$ 1,200.00	\$ 1,200.00	1	\$ 5,280.00	\$ 5,280.00	1	\$ 1,250.00	\$ 1,250.00
19 Catch Basin Type 2 48 In. Diam	EA	1	\$ 3,000.00	\$ 3,000.00	1	\$ 3,300.00	\$ 3,300.00	1	\$ 2,980.00	\$ 2,980.00	1	\$ 2,500.00	\$ 2,500.00	1	\$ 6,100.00	\$ 6,100.00	1	\$ 3,450.00	\$ 3,450.00
20 High Flow Bypass	EA	1	\$ 4,000.00	\$ 4,000.00	1	\$ 8,500.00	\$ 8,500.00	1	\$ 2,200.00	\$ 2,200.00	1	\$ 1,000.00	\$ 1,000.00	1	\$17,000.00	\$ 17,000.00	1	\$ 5,200.00	\$ 5,200.00
21 Precast 48" Manhole Stormfilter w/ 3 filter cartridges	EA	1	\$24,000.00	\$ 24,000.00	1	\$12,400.00	\$ 12,400.00	1	\$20,450.00	\$ 20,450.00	1	\$10,000.00	\$ 10,000.00	1	\$24,500.00	\$ 24,500.00	1	\$20,315.00	\$ 20,315.00
22 Trench Excavation Safety Systems	LS	1	\$ 5,000.00	\$ 5,000.00	1	\$15,000.00	\$ 15,000.00	1	\$ 5,500.00	\$ 5,500.00	1	\$10,000.00	\$ 10,000.00	1	\$ 1,200.00	\$ 1,200.00	1	\$10,500.00	\$ 10,500.00
23 Bank Run Gravel for Trench Backfill	TN	800	\$ 25.00	\$ 20,000.00	800	\$ 30.00	\$ 24,000.00	800	\$ 19.00	\$ 15,200.00	800	\$ 25.00	\$ 20,000.00	800	\$ 27.00	\$ 21,600.00	800	\$ 38.00	\$ 30,400.00
24 Removal of Unsuitable Material (Trench)	CY	50	\$ 30.00	\$ 1,500.00	50	\$ 50.00	\$ 2,500.00	50	\$ 17.00	\$ 850.00	50	\$ 25.00	\$ 1,250.00	50	\$ 71.00	\$ 3,550.00	50	\$ 75.00	\$ 3,750.00
25 Plugging Existing Pipe	EA	1	\$ 500.00	\$ 500.00	1	\$ 3,500.00	\$ 3,500.00	1	\$ 5,500.00	\$ 5,500.00	1	\$ 100.00	\$ 100.00	1	\$ 3,500.00	\$ 3,500.00	1	\$ 1,050.00	\$ 1,050.00
26 Erosion/ Water Pollution Control	LS	1	\$ 5,000.00	\$ 5,000.00	1	\$ 6,700.00	\$ 6,700.00	1	\$15,800.00	\$ 15,800.00	1	\$ 3,500.00	\$ 3,500.00	1	\$11,200.00	\$ 11,200.00	1	\$25,000.00	\$ 25,000.00
27 Temporary Stream Bypass System	LS	1	\$ 5,000.00	\$ 5,000.00	1	\$21,250.00	\$ 21,250.00	1	\$26,780.00	\$ 26,780.00	1	\$ 9,000.00	\$ 9,000.00	1	\$15,000.00	\$ 15,000.00	1	\$21,000.00	\$ 21,000.00
28 Cement Concrete Traffic Curb and Gutter	LF	220	\$ 40.00	\$ 8,800.00	220	\$ 18.25	\$ 4,015.00	220	\$ 29.00	\$ 6,380.00	220	\$ 40.00	\$ 8,800.00	220	\$ 30.00	\$ 6,600.00	220	\$ 43.00	\$ 9,460.00
29 Cement Concrete Driveway	SY	40	\$ 36.00	\$ 1,440.00	40	\$ 55.00	\$ 2,200.00	40	\$ 75.00	\$ 3,000.00	40	\$ 50.00	\$ 2,000.00	40	\$ 54.00	\$ 2,160.00	40	\$ 92.00	\$ 3,680.00
30 Chain Link Fence Type 3	LF	35	\$ 100.00	\$ 3,500.00	35	\$ 78.00	\$ 2,730.00	35	\$ 70.00	\$ 2,450.00	35	\$ 75.00	\$ 2,625.00	35	\$ 77.00	\$ 2,695.00	35	\$ 70.00	\$ 2,450.00
31 Double 14 FT Chainlink Gate	EA	1	\$ 1,500.00	\$ 1,500.00	1	\$ 2,200.00	\$ 2,200.00	1	\$ 1,900.00	\$ 1,900.00	1	\$ 2,000.00	\$ 2,000.00	1	\$ 2,100.00	\$ 2,100.00	1	\$ 1,935.00	\$ 1,935.00
32 Private/Public Restoration	CALC	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 5,000.00	\$ 5,000.00
33 Cement Concrete Sidewalk	SY	100	\$ 32.00	\$ 3,200.00	100	\$ 45.00	\$ 4,500.00	100	\$ 55.00	\$ 5,500.00	100	\$ 30.00	\$ 3,000.00	100	\$ 54.00	\$ 5,400.00	100	\$ 65.00	\$ 6,500.00
34 Paint Line	LF	600	\$ 1.00	\$ 600.00	600	\$ 2.50	\$ 1,500.00	600	\$ 1.00	\$ 600.00	600	\$ 3.00	\$ 1,800.00	600	\$ 2.40	\$ 1,440.00	600	\$ 2.00	\$ 1,200.00
35 Wetland Restoration	LS	1	\$60,000.00	\$ 60,000.00	1	\$26,440.00	\$ 26,440.00	1	\$18,740.00	\$ 18,740.00	1	\$52,000.00	\$ 52,000.00	1	\$ 3,100.00	\$ 3,100.00	1	\$28,835.00	\$ 28,835.00
36 Seeding, Fertilizing, and Mulching	SY	320	\$ 4.00	\$ 1,280.00	320	\$ 11.00	\$ 3,520.00	320	\$ 9.00	\$ 2,880.00	320	\$ 5.00	\$ 1,600.00	320	\$ 7.00	\$ 2,240.00	320	\$ 11.00	\$ 3,520.00
37 Bank Defining Log	EA	4	\$ 1,000.00	\$ 4,000.00	4	\$ 825.00	\$ 3,300.00	4	\$ 2,240.00	\$ 8,960.00	4	\$ 1,500.00	\$ 6,000.00	4	\$ 2,300.00	\$ 9,200.00	4	\$ 1,225.00	\$ 4,900.00
38 Root Wad Buttresses	EA	6	\$ 2,000.00	\$ 12,000.00	6	\$ 1,200.00	\$ 7,200.00	6	\$ 1,875.00	\$ 11,250.00	6	\$ 1,500.00	\$ 9,000.00	6	\$ 2,040.00	\$ 12,240.00	6	\$ 990.00	\$ 5,940.00
39 Streambed Sediment	TN	200	\$ 25.00	\$ 5,000.00	200	\$ 60.00	\$ 12,000.00	200	\$ 55.00	\$ 11,000.00	200	\$ 60.00	\$ 12,000.00	200	\$ 54.00	\$ 10,800.00	200	\$ 68.00	\$ 13,600.00
40 Grade Log	EA	4	\$ 1,500.00	\$ 6,000.00	4	\$ 735.00	\$ 2,940.00	4	\$ 2,670.00	\$ 10,680.00	4	\$ 2,000.00	\$ 8,000.00	4	\$ 4,100.00	\$ 16,400.00	4	\$ 1,225.00	\$ 4,900.00
41 Project Documentation	LS	1	\$ 2,000.00	\$ 2,000.00	1	\$ 5,000.00	\$ 5,000.00	1	\$ 8,740.00	\$ 8,740.00	1	\$ 1,500.00	\$ 1,500.00	1	\$ 4,400.00	\$ 4,400.00	1	\$ 5,000.00	\$ 5,000.00
Schedule A Subtotal				\$735,420.00	\$704,945.00			\$ 725,380.00			\$722,430.00			\$755,930.00			\$863,870.00		

Tributary 0057 Channel Relocation, City of Kenmore Project 0158 - Bid Tabulation Summary (Cont'd)

Schedule B																															
1 Sawcutting	LF	100	\$	3.00	\$	300.00	100	\$	8.50	\$	850.00	100	\$	3.00	\$	300.00	100	\$	6.00	\$	600.00	100	\$	6.00	\$	600.00	100	\$	1.10	\$	110.00
2 Locate Existing Utilities	LS	1	\$	2,000.00	\$	2,000.00	1	\$	2,500.00	\$	2,500.00	1	\$	1,200.00	\$	1,200.00	1	\$	1,000.00	\$	1,000.00	1	\$	1,688.00	\$	1,688.00	1	\$	1,500.00	\$	1,500.00
3 Trench Excavation Safety Systems	LS	1	\$	1,000.00	\$	1,000.00	1	\$	5,000.00	\$	5,000.00	1	\$	2,200.00	\$	2,200.00	1	\$	1,000.00	\$	1,000.00	1	\$	120.00	\$	120.00	1	\$	1,500.00	\$	1,500.00
4 Bank Run Gravel for Trench Backfill	TN	60	\$	25.00	\$	1,500.00	60	\$	35.00	\$	2,100.00	60	\$	20.00	\$	1,200.00	60	\$	25.00	\$	1,500.00	60	\$	59.00	\$	3,540.00	60	\$	38.00	\$	2,280.00
5 Removal of Unsuitable Material (Trench)	CY	4	\$	30.00	\$	120.00	4	\$	125.00	\$	500.00	4	\$	29.00	\$	116.00	4	\$	25.00	\$	100.00	4	\$	226.00	\$	904.00	4	\$	75.00	\$	300.00
6 Connection to Existing Water Main	EA	2	\$	1,000.00	\$	2,000.00	2	\$	2,500.00	\$	5,000.00	2	\$	1,870.00	\$	3,740.00	2	\$	7,000.00	\$	14,000.00	2	\$	850.00	\$	1,700.00	2	\$	2,835.00	\$	5,670.00
7 Additional Ductile Iron Fittings	LB	450	\$	4.00	\$	1,800.00	450	\$	8.50	\$	3,825.00	450	\$	12.00	\$	5,400.00	450	\$	8.00	\$	3,600.00	450	\$	7.75	\$	3,487.50	450	\$	6.00	\$	2,700.00
8 12" DI Water Main, CI 52	LF	60	\$	100.00	\$	6,000.00	60	\$	75.00	\$	4,500.00	60	\$	110.00	\$	6,600.00	60	\$	300.00	\$	18,000.00	60	\$	50.00	\$	3,000.00	60	\$	180.00	\$	10,800.00
9 12" Gate Valve, Assembly	EA	1	\$	1,000.00	\$	1,000.00	1	\$	3,700.00	\$	3,700.00	1	\$	1,780.00	\$	1,780.00	1	\$	2,000.00	\$	2,000.00	1	\$	2,400.00	\$	2,400.00	1	\$	2,240.00	\$	2,240.00
10 Project Documentation	LS	1	\$	1,000.00	\$	1,000.00	1	\$	5,000.00	\$	5,000.00	1	\$	3,500.00	\$	3,500.00	1	\$	400.00	\$	400.00	1	\$	2,500.00	\$	2,500.00	1	\$	1,500.00	\$	1,500.00
Schedule B Subtotal		\$ 16,720.00				\$ 32,975.00				\$ 26,036.00				\$ 42,200.00				\$ 19,939.50				\$ 28,600.00									
						1st Low: Weber Construction				2nd Low: A1 Landscaping & Constr.				3rd Low: R.L. Alia				4th Low: Jansen				5th Low: 3 Kings Environmental									
Schedule A Subtotal		\$735,420.00				\$704,945.00				\$ 725,380.00				\$722,430.00				\$755,930.00				\$863,870.00									
9.5% Sales Tax		\$ 69,864.90				Sales Tax \$ 66,969.78				Sales Tax \$ 68,911.10				Sales Tax \$ 68,630.85				Sales Tax \$ 71,813.35				Sales Tax \$ 82,067.65									
Schedule A Total:		\$805,284.90				\$771,914.78				\$ 794,291.10				\$791,060.85				\$827,743.35				\$945,937.65									
Schedule B Subtotal		\$ 16,720.00				\$ 32,975.00				\$ 26,036.00				\$ 42,200.00				\$ 19,939.50				\$ 28,600.00									
9.5% Sales Tax		\$ 1,588.40				Sales Tax \$ 3,132.63				Sales Tax \$ 2,473.42				Sales Tax \$ 4,009.00				Sales Tax \$ 1,894.25				Sales Tax \$ 2,717.00									
Schedule A Total:		\$ 18,308.40				\$ 36,107.63				\$ 28,509.42				\$ 46,209.00				\$ 21,833.75				\$ 31,317.00									
Total Bid Amount:		\$823,593.30				\$808,022.40				\$ 822,800.52				\$837,269.85				\$849,577.10				\$977,254.65									
						Bid Rejected																									
Rounded		\$824,000.00				Did not sign bid form.				Corrected Arithmetic: OK																					

Bid Date: 2/20/2014

Time: 10:00 am

Tributary 0057 Channel Relocation
City Project No. 0158

BID TABULATION FORM

Recorder: Barry Baker

Reader: Kent Vaughan,
SR Civil Engineer

Contractor	Addendum Acknowledged	Bid Signed	Statement of Bidder's Qualifications	Bid Deposit	Non-collusion Affidavit	Total Bid Amount Including Sales Tax
Weber Construction	Yes ☒ No ☐	Yes ☐ No ☒	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	\$ 808,022 ³⁹
A-1 Landscaping	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	\$ 819,187.02
R.L. Alia Company	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	\$ 837,269. ⁸⁵
Jansen Inc	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	\$ 849,577 ¹⁰
3 Kings Environmental	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	\$ 977,254 ⁶⁵

Attachment B

Tributary 0057 Channel Relocation Project #0158 Cost to Complete

26-Feb-14

Administration

	HRS	\$/HR	
Staff Time 1/1/2013 - 2/15/2014	215	\$50	\$ 10,750
Staff Time to complete project	250	\$50	\$ 12,500

Subtotal Administration \$ 23,250

Design

G&O Services	\$	23,548
Subtotal Design	\$	23,548

Right-of-Way

TCE Extension - Kreidler	\$	8,000
Subtotal Right-of-Way	\$	8,000

Construction

Construction	\$	794,291
NUD Water Main Relocation	\$	28,509
NUD Reimbursement	\$	(28,509)
Public Art	\$	7,943
Construction Management	\$	50,199
Construction Contingency	10%	\$ 79,429
Subtotal Construction	\$	931,862

Total Project Cost (Est.): \$ 986,660

2013-14 Budget: \$ 889,750

Est. Appropriation Needed to maintain 10% Contingency (rounded): \$ 97,000
 (Est. Appropriation Needed with no Contingency (rounded): \$ 17,600)

Proposal: Use savings from \$355,193 left over from SW6 NE 181st Culvert
 and appropriate SWM funds of \$97k to Trib 0057 w/ 10% contingency

Construction	
Engineer's Estimate:	\$824,000
Low Bid:	\$822,800
(Over)/Under Eng. Est.:	\$1,200

Construction Management Breakdown

Inspector (June 1 - Sept 30):		
Days	Hrs/Day	Rate (\$/HR)
85	8	52 \$ 35,360

Obligated G&O Services to date:

(RW Acq, Bid Support)	\$ 3,482
(Material Submittal Review, RFIs, etc.)	\$ 11,357
	<u>\$ 14,839</u>

Total \$ 50,199

Budget Notes:

Budgeted engineer's estimate increased by \$64k between Jan 2012
 TCE expired; Had to acquire new TCE (\$8.7k).
 COE Permitting required additional consultant effort / reports (\$13k)
 With extended schedule, additional staff time required.

Attachment C

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Run date: 02/14/2014 @ 12:58
Bus date: 01/31/2014

City of Kenmore (Live)
Expenditures

Select...: AXX.XX.XXXX
GLEXP.L20 Page 37

Fiscal year thru period ending 01/31/2014

4200 SWM Capital Fund

Description	Period to date Actual	Year to date Actual	Year to date Budget	% Used	Budget Variance
00 7030 Small Works Projects	.00	2,587.76	100,000.00	2.6%	97,412.24
00 7041 192nd Culvert Replacement	.00	.00	20,000.00	.0%	20,000.00
00 7079 Juanit Dr Ditch & Curb Proj	.00	32,818.18	33,000.00	99.4%	181.82
00 70XX Capital	.00	35,405.94	153,000.00	23.1%	117,594.06
00 7105 SW1 Tributary 0057	8,232.00	31,780.32	889,750.00	3.6%	857,969.68
00 7106 SW6 NE 181st Culvert	.00	110,817.33	467,011.00	23.7%	356,193.67
00 7107 SW 8 61st Embankment Repair	.00	4,286.52	55,000.00	7.8%	50,713.48
00 7108 SW12 74th Ave NE Culvert	.00	4,060.34	.00	.0%	(4,060.34)
00 7126 SW 7 NE 187th St. Bypass	.00	.00	40,000.00	.0%	40,000.00
00 71XX Subtotal	8,232.00	150,944.51	1,451,761.00	10.4%	1,300,816.49
00 9012 Oper Transfer-Trans. Capital	.00	.00	383,500.00	.0%	383,500.00
00 Subtotal	8,232.00	186,350.45	1,988,261.00	9.4%	1,801,910.55
Total Expenditure	8,232.00	186,350.45	1,988,261.00	9.4%	1,801,910.55

Tributary 0057 Channel Relocation Project (SW1)

- Potholing utilities / utility coordination this spring
- Construction this summer:
 - Work in right-of-way to be completed bet. Jun 18 and Sept 3 (while school is out) to reduce traffic impacts;
 - Stream work to be completed in permitted fish window (Jul 1 – Sept 30);
 - Mitigation planting to occur after Oct 15 (wet season).

2014 Construction Schedule												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Pre-Design / Design / Permitting	Completed											
ROW	Completed											
Advertise Bids	Completed											
Construction												

Tributary 0057 Channel Relocation Project (SW1)

Budget:

Surface Water Management Fund	Project Cost
2013-14 Biennial Budget	\$889,750
Additional Surface Water Funds (re-assigned from Project SW6 savings)	<u>\$96,910</u>
Cost to complete (with a 10% Construction Contingency)	\$986,660

Staff Recommendation for Council Action:

Award Tributary 0057 Channel Relocation project to A1 Landscaping and Construction, Inc. and authorize the City Manager to execute contract in the amount of \$822,800.52 (plus a 10% contingency).

masterplan concept as described in Policy D-8 of the adopted PROS Plan. Include the community, including an ad hoc committee of skaters, to design the skate court portion. The design will include the new concrete pad in place of the asphalt pad.

3. Using funds in the Park CIP plus possible funding from grants and foundations, install the new concrete pad, skate court, half-court basketball/pickleball court, associated fencing, and lighting (funding permitting).

If staff resources allow, the City may be able to complete the project this year; however, the community input process and staff resources may push the project into 2015.

Kenmore Municipal Code Chapter 3.55 outlines the City's regulations for disposal of surplus property. The City Council may declare property surplus and authorize its sale if it appears in the best interests of the City that any property should be sold. Property declared surplus may be sold under competitive bids, on a negotiated basis, auctioned or exchanged for goods and services, as the Council may direct. If the Council does not direct a method of sale the City Manager shall determine the method of sale.

The City Manager will execute a consignment agreement with James G Murphy Inc. for auction of the skate park structures for at the next live auction scheduled for March 29, 2014 and related on-line auction beginning March 17. Any revenues from the sale would be transferred to the City's park capital fund. If the structures are not sold at auction then they will be surplussed to MainStreet for demolition or the City may choose to demolish the structures.

The temporary skate park was located on the former park & ride property at a cost of approximately \$73,000 for construction and installation. The skate park was dedicated on 9/17/05. When the City Hall site was developed the intent was to relocate the skate park to the north end of the City Hall site on the asphalt area at the time the park & ride property was developed.

FISCAL CONSIDERATION: The City's adopted park Capital Improvement Program (CIP) allocates \$20,000 in 2014 to explore the feasibility of relocating and expanding the skate park on the City Hall property with construction in 2015. The 2015 CIP budget includes \$250,000, \$75,000 of which is City REET and \$175,000 is assumed as grants. For pragmatic planning purposes, we can assume \$95,000 in available funding (\$20,000 in 2014 and \$75,000 in 2015). Cash flow would allow the \$75,000 in 2015 to be moved to 2014.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Council Goal #7 "to implement a parks improvement and financial plan"