City of Kenmore

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

City of Kenmore
City Council Special Meeting
6:00 p.m., Tuesday, November 13, 2012
Kenmore City Hall, Council Chambers
18120 68th Avenue NE, Kenmore, WA 98028
City of Kenmore
REVISED City Council Regular Meeting
7:00 p.m., Tuesday, November 13, 2012
Kenmore City Hall, Council Chambers
18120 68th Avenue 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. CALL SPECIAL MEETING TO ORDER

II. ADJOURN TO EXECUTIVE SESSION - Pursuant to RCW 42.30.110(1)(i), Litigation, and RCW 42.30.110(1)(b), Property Acquisition

III. POSSIBLE ACTION AFTER EXECUTIVE SESSION

IV. ADJOURN SPECIAL MEETING

V. CALL REGULAR MEETING TO ORDER

VI. ROLL CALL

VII. FLAG SALUTE

VIII. AGENDA APPROVAL

IX. PROCLAMATION

A. Proclamation Declaring the Week of December 3, 2012 to be Employee Learning Week in Kenmore

X. CITIZEN COMMENTS

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

XI. CONSENT AGENDA

A. Appoint Laurie Sperry Kenmore Voting Delegate for Suburban Cities Association (SCA)

B. Amendment No. 2 to Contract No. 10-873 with PAWS for Animal Sheltering Services - Nancy Ousley, Assistant City Manager

XII. BUSINESS AGENDA

A. Adoption of Ordinance No. 12-0347 to Add a New Chapter 18.110, Development Agreements, to the Kenmore Municipal Code (KMC) - Debbie Bent, Community Development Director

B. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

C. Proposed Kenmore Key Marketing Messages - Nancy Ousley, Assistant City Manager and Erika Schmidt, President/COO of Frause Full Spectrum Communications

D. Business Registration - Preliminary Proposal Elements - Nancy Ousley, Assistant City Manager

E. Budget Review
- Transportation Capital Budget
- Surface Water Capital Budget
- Outstanding Budget Issues

XIII. STAFF REPORT

XIV. COUNCILMEMBER COMMENTS/REPORTS

XV. ADJOURNMENT

Upcoming Meetings:

November 19, 2012	7:00 p.m.	Regular Council Meeting
November 20, 2012	5:30 p.m.	Council Special Executive Session Meeting
November 20, 2012	7:00 p.m.	Special Transportation Benefit District Board Meeting
November 26, 2012	7:00 p.m.	Regular Council Meeting
December 3, 2012	7:00 p.m.	Council Special Meeting

City of Kenmore, Washington

PROCLAMATION

WHEREAS, the City of Kenmore, Washington, is committed to creating a highly skilled workforce that is critical to growing and sustaining a competitive advantage;

WHEREAS, the City recognizes that having a knowledgeable, skilled workforce improves the performance of organizations;

WHEREAS, learning develops individual and organizational knowledge and expertise;

WHEREAS, the American Society for Training & Development (ASTD)—the world's largest association dedicated to the training and development field—has declared December 3-7, 2012, as "Employee Learning Week" and designated this time for organizations to recognize the value of employee learning;

WHEREAS, Workforce Development is Everyone's Business™;

WHEREAS, the American Society of Training and Development (ASTD) Puget Sound Chapter, whose members are workplace learning and performance professionals, and the City of Kenmore, Washington, have demonstrated their commitment to developing the skills of employees and the workforce;

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore in the State of Washington, on behalf of the City Council, do hereby proclaim the week of December 3, 2012 as;

"EMPLOYEE LEARNING WEEK"

IN WITNESS THEREOF, signed this 13th day of November, 2012.

Signed__________________________________
David Baker, Mayor

Attested________________________________
Patty Safrin, City Clerk

IXA. Proclamation Declaring the Week of December 3, 2012 to be Employee Learning Week in Kenmore

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: **Amendment #2 to Contract No.10-C873 with PAWS for animal sheltering services** **Proposed Council Action/Motion:** **Approve Amendment #2 to Contract No. 10-C873 with PAWS for animal sheltering services**	**For Council Meeting Agenda of: 13 November 2012** **Department:** Executive **Prepared by:** Nancy Ousley **Initial & Date** **Approved by Department Head:** NKO 30 OCT 2012 **Approved by City Attorney:** **Approved by Finance Director:** 10/30/12 **Approved by City Manager:** **Exhibits/Attachments:** 1) Proposed Amendment #2 to Contract No. 10-C873 2) 22 Nov 2010 Agenda Package for Amendment #1 to Contract No. 10-C873

Expenditure Required $9075/yr estimate, based on current trends; license revenue can offset animal services costs	**Amount Budgeted** $26,920 proposed in 2013-2014 Biennium for Animal Services Contracts (includes King County Regional Animal Services and PAWS)	**Appropriation Required** $0

INFORMATION/BACKGROUND:

The proposed contract amendment renews the City's contract with PAWS for sheltering services for cats and dogs, which was originally approved in 2010. The current contract expires on December 31, 2012. The amendment extends the term of the contract through December 31, 2015 and adjusts the per animal intake fee from $160 to $165 for 2013-2014. For 2015, the intake rate will be increased by either 2.5% or the June CPI-U, whichever is greater. The contract term aligns with the term of the City's agreement with King County for Regional Animal Services (Contract No.12-C1033), which the Council approved in June, 2012.

The Administration is very satisfied with the services that have been provided under this contract, and the use trend for Kenmore animals has remained fairly consistent over the term of the contract, at about 50-55 animals per year. The proposed amendment also outlines opportunities for the City and PAWS to collaborate on promoting animal licensing, spay and neuter, and other activities that promote animal welfare and reduce animal care costs.

The Cities of Shoreline, Lake Forest Park, Bothell and Woodinville also contract with PAWS and are considering similar renewal amendments to their contracts. PAWS also contracts with five Snohomish County cities for sheltering services.

XIB. Amendment No. 2 to Contract No. 10-873 with PAWS for Animal Sheltering Services - Nancy Ousley, Assistant City Manager

FISCAL CONSIDERATION: The amount of animal licensing revenue from Kenmore pet owners offsets the costs of animal field services, licensing services and shelter services.
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Consistent with Mission Statement on providing efficient, effective services and public safety

ATTACHMENT
1

Contract No. 10-C873
Amendment No. 2

The following sections of the animal sheltering services contract dated June 29, 2010, between the City of Kenmore and Progressive Animal Welfare Society (PAWS) are amended to read in its entirety as set forth (i.e. below and in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

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

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

X According to the rates set forth in Exhibit "B"

Section 3 Duration of Agreement.

A. This Agreement shall be in full force and effect for a period commencing on June 1, 2010 and ending at midnight on December 31, 2015, unless sooner terminated under the provisions of the Agreement.

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

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

With copies to:

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

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

Annett Laico, Executive Director
PAWS
P.O. Box 1037
Lynnwood, WA 98046

Exhibit A—attached

Exhibit B—attached

DATED this ____ day of ________, 20__.

CITY OF KENMORE:

BY: ___________________________
Rob Karlinsey
Title: City Manager_______________

Attest/Authenticated:

____
Patty Safrin, City Clerk

Approved as to Form:

____
Rod Kaseguma, City Attorney

CONSULTANT:

By: ___________________________

Title: __________________________

Address: ___________________________
____
____

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall independently provide the following services to the City:

1. Services Provided by Consultant ("PAWS")

A. PAWS shall furnish animal shelter services to the City. Animal shelter services shall include sheltering and holding of dogs and cats at facilities operated by PAWS, releasing animals to owners, and disposing of animals that are not claimed by owners after the period prescribed by City ordinance, in a responsible and lawful manner (including adoption or destruction).

B. PAWS shall provide veterinary care at the discretion of PAWS' Director of Companion Animal Services or, in his or her absence, his or her designated representative (collectively, "Manager" or "Shelter Manager"). If agreed upon by the Shelter Manager and a licensed veterinarian, ill or injured stray animals, whether licensed or not, whose owners cannot be notified, because the animal has no identification that is traceable or the owner can not be reached by a single phone call, may be euthanized if the animal is in pain that cannot be relieved by such care as the shelter staff can reasonably provide. PAWS shall have a policy and procedure to follow to euthanize the animal and to reach the owner. When reasonably possible, PAWS shall recover costs from the owner of the animal for such veterinary treatment prior to release of the animal or euthanasia procedure.

C. PAWS agrees to abide by and strictly follow any and all procedures of Title 6 of the Kenmore Municipal Code, as now or hereafter amended, regulating animals, particularly the provisions of Title 6 related to the duration of impoundment, before disposing of any animals. PAWS and the City agree that Title 6, as now or hereafter amended, is incorporated by reference and shall be part of this Agreement as if set forth in full herein. The City shall provide PAWS with current copies of all applicable policies, procedures, and City ordinances at least thirty (30) days prior to the effective date of any amendment affecting PAWS' performance under this Agreement.

D. If any animal is brought to PAWS by a City official or a King County Animal Control Officer and then claimed by its owner during the applicable holding period, the owner will be solely responsible for paying any and all reasonable fees and costs charged by PAWS for its care and sheltering of the animal. PAWS may choose not to release any sheltered animal to any person until PAWS is reasonably satisfied that the person has paid all applicable, shelter and other fees related to housing and caring for any animal and has evidence of the ownership of said animal.

E. PAWS will hold unlicensed stray dogs and cats for a period of seventy two (72) hours from time of delivery, except as provided herein. Stray dogs and cats bearing a current license issued within the State of Washington or positively identified by a City official or King County Animal Control Officer or by a traceable microchip shall be held for a period of ten (10) days. PAWS shall be responsible for delivering notification to owners that their licensed dog or cat has been impounded, unless notification has already been done by a City official or an Animal Control Officer, and PAWS has been provided evidence of such notification. Such notice may be based on information provided by the City in accordance with the City's Animal Control policies and procedures. PAWS shall release animals to owners within the applicable holding period prescribed herein in accordance with the procedures outlined in Section 1.D.

F. PAWS shall dispose of animals not claimed by an owner once the applicable holding period prescribed herein has expired, either by release for adoption, euthanasia, or transfer to another agency in accordance with applicable laws and terms of this Agreement. PAWS shall not sell any animals to research institutes or licensed dealers for research purposes. Animals held under RCW 16.52.085 will be held for fifteen (15) business days before any disposition of the animal by PAWS.

Any animal not redeemed by its owner during the prescribed holding period or which, in the opinion of a licensed veterinarian or the Shelter Manager, is suffering from serious injury or disease, may be humanely destroyed, or in the discretion of the Shelter Manager may be held for a longer period and redeemed by any person upon payment of reasonable medical and holding costs. Animals deemed dangerous by the City shall not be released to their owners without a court order.

G. If not claimed by an owner during the applicable holding period, an animal immediately becomes the property of PAWS. Disposition of the animal is then at PAWS' discretion, provided however, that PAWS shall not dispose of an animal while any legal proceedings of which it has notice and relating to the disposition of that animal are pending or in contravention of any court order of which it has notice.

H. PAWS reserves the right to refuse all animals other than dogs or cats, where, in PAWS' opinion, it does not have the facilities appropriate or available to accommodate the needs of such animal. PAWS further reserves the right to refuse any animal if the animal shelter is at its maximum capacity. The Manager shall have the authority to make such determinations. The Manager can decline owned animals that need to be placed on "bite quarantine" if the King County Animal Control Officer approves the animal(s) can remain at the owner's house or be housed at another boarding facility at the owner's sole expense.

2. Work and Facility Inspection
The City reserves the right, upon reasonable notice, to inspect, review and approve the work and facilities of PAWS to assure that it has been completed as specified, prior to payment.

3. Representations
PAWS represents and warrants that it has the requisite training, skill and experience necessary to provide the services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

4. Property and Confidential Information
PAWS shall not, without the prior written consent of the City, disclose to third parties information it obtains from the City that is not otherwise subject to public disclosure, and shall only disclose in a manner consistent with Section 14 of the Contract for Consultant Services.

5. Collaboration and Promotion
The City and PAWS will collaborate to promote responsible guardianship and attempt to reduce future sheltering and animal control costs. The City will continue to support the community's movement to a safer and more humane environment by participating with PAWS as follows:

a) The City will continue to ensure that information on lost/found pets and licensing information is presented on the City website including appropriate links to PAWS and animal control providers.

b) The City will work with PAWS to be visible in the community through appropriate and available city events and educational information.

EXHIBIT B

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

1. In consideration of PAWS performing the services contemplated by this Agreement, the City agrees to pay an intake fee of $165.00 for each animal brought to PAWS from the City's jurisdiction for the years 2013 and 2014. For the year 2015, the $165.00 intake fee rate will be increased by either 2.5% or the June to June Seattle-Bellevue-Tacoma CPI-U, whichever is greater. The intake fee dollar amount will be rounded up to the nearest dollar.

For animals that are brought to PAWS by City officials or King County Animal Control Officers and released to their owners prior to the applicable holding period expiring pursuant to Section 1.E of this Scope of Work, PAWS will attempt to recover the intake fee from the animal's owner. However, if PAWS is not successful in recovering either the entire intake fee or a portion of the fee, the balance of this intake fee amount will be billed to the City. This includes licensed or unlicensed stray animals found within the City limits of Kenmore and brought to PAWS by a City Official or a King County Animal Control Officer.

2. PAWS may also charge the City a per day fee of Fifteen Dollars ($15.00) per animal for animals held, at the City's written request, beyond the time periods specified in Section 1.E. of the Exhibit A - Scope of Services. In the event of legal proceedings or court order, the City will provide PAWS with prompt written notice of the same and direct that the animal shall be held until further notice.

3. The above mentioned payment shall be the sole compensation for work performed and/or services rendered by PAWS, and for supervision, labor, supplies, materials, equipment or use thereof, and for all other expenses and incidentals necessary to complete all the services required by this Agreement.

4. Each month, PAWS shall submit a properly executed invoice to the City to request payment pursuant to Section 1of Exhibit A - Scope of Services. Said invoices shall indicate the total number of animals handled during the month for the City. Expenditures under this Agreement that are determined by audit to be ineligible for reimbursement and for which payment has been made to PAWS shall be refunded to the City within 30 days of notification. PAWS shall maintain adequate records to support billings. Said records shall be maintained for a period consistent with Section 8 of the Contract for Consultant Services.

5. In accord with Section 3.C of the Agreement, by November 1, 2010, PAWS agrees to provide its best efforts to submit to the City an estimate of the 2011 rates/charges for the provision of services described herein. The parties acknowledge that such an estimate would enable the City sufficient time to review and confer with PAWS regarding said rates/charges prior to the end term of this Agreement.

CITY OF KENMORE, WASHINGTON AGENDA BILL SUMMARY			
AGENDA TITLE			**MEETING DATE**
Motion to Authorize the City Manager to Execute Amendment No. 1 to Contract No. 10-C873 with Progressive Animal Welfare Society (PAWS), extending the contract term to December 31, 2012 and amending the maximum contract amount to an amount not to exceed $30,000.			22 November 2010
DEPARTMENT	**DIRECTOR**	**CONTACT PERSON**	**PHONE**
Executive	Frederick Stouder	Nancy Ousley	425-398-8900
COST OF PROPOSAL: $21,120 estimated contract cost for 2011-2012		**ACCOUNT NUMBER:**	
AMOUNT BUDGETED: $2000 for 2011-2012, anticipating revenue offset for animal care and control services		**NAME AND FUND #:** 01 General Fund	

ATTACHMENT(S) TO AGENDA PACKET ITEM:

1) Amendment No. 1 to Contract No. 10-C783 and Contract No. 10-C783 2) May 17, 2010 Agenda Package for Approval of Contract No. 10-C783 3) PAWS Cost of Care Information

SUMMARY STATEMENT:

Progressive Animal Welfare Society (PAWS) has provided shelter services for the City of Kenmore for dogs and cats since June, 2010 as part of the regional animal care structure, which includes new agreements with King County on animal control enforcement, licensing and specialized shelter services. PAWS provides shelter services for five North King County cities including Kenmore. The present contract term is June 1, 2010 through December 31, 2010.

The proposed amendment extends the current contract to December 31, 2012 and incorporates a fee of $160 per animal. The initial 2010 fee was $145 per animal. The actual cost of care per animal at PAWS is $392, with donor revenue providing the difference between total cost and the fee paid by the City. The City's animal license revenue (estimated at $71,360 per year) will offset regional animal care and control costs, and the amounts will be reconciled in mid 2011. Given previous trends in revenue and use, there could be little or no net cost to the City for the services, including the PAWS shelter services.

PAWS has provided shelter services to 25 Kenmore animals since the contracted services began in June, 2010. The City is billed for intake fees for stray animals that are brought in by someone other than a City official or animal control officer, animals not claimed by their owners and for owner-surrendered animals. The maximum contract amount is estimated with a 30% increase in animals sheltered at PAWS as compared to previous years' usage at the King County Regional Shelter in Kent, since the PAWS location is more convenient for Kenmore residents. The estimated number of animals (dogs and cats) to be served each year at PAWS is 66 animals; at $160 per animal, the annual cost of the contract is $10,560. The existing contract has a maximum amount of $15,000, and the proposed new maximum amount uses the new yearly amount for 2 years and a 7 month pro-rated amount at the 2010 rate ($21,120+$5553=$26,673), plus an allowance for additional charges if the City requests that PAWS holds an animal beyond the typical three day period.

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The agency also contracts with several Snohomish County cities. PAWS is charging $160 per animal for new contracts being developed with cities, and will increase the fee rate when existing contracts are renewed.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: The Council authorized the City Manager to execute Contract No. 10-C873 with Progressive Animal Welfare Society (PAWS) for animal sheltering services in an amount not to exceed $15,000 on May 17, 2010.			
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize the City Manager to execute Amendment No. 1 to Contract No.0-C873 with Progressive Animal Welfare Society (PAWS) extending the contract term to December 31, 2012 and amending the maximum contract amount to an amount not to exceed $30,000.			
REVIEWED BY FINANCE DIRECTOR:		REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER:
TODAY'S DATE: 9 Nov 2010	REVISION DATE(S):		FILE NAME & PATH (HYPERLINK): See below

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XIB. Amendment No. 2 to Contract No. 10-873 with PAWS for Animal Sheltering Services - Nancy Ousley, Assistant City Manager

Contract No. 10-C873
Amendment No. 1

The following sections of the animal sheltering services contract dated June 29, 2010, between the City of Kenmore and Progressive Animal Welfare Society (PAWS) are amended to read in its entirety as set forth (i.e. below and in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

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

X According to the rates set forth in Exhibit "B"
X A sum not to exceed $30,000

Section 3 Duration of Agreement.

A. This Agreement shall be in full force and effect for a period commencing on June 1, 2010 and ending at midnight on December 31, 2012, unless sooner terminated under the provisions of the Agreement.

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

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

With copies to:
City Clerk
City of Kenmore
P.O. Box 82607
Kenmore, Washington 98028-0607

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

Annett Laico, Executive Director
PAWS
P.O. Box 1037
Lynnwood, WA 98046

Exhibit A—attached

Exhibit B—attached

DATED this ____ day of ________, 20__.

CITY OF KENMORE:

BY: ____________________________
Frederick C. Stouder
Title: City Manager______________

Attest/Authenticated:

____
Lynn Suskin, City Clerk

Approved as to Form:

____
Rod Kaseguma, City Attorney

CONSULTANT:

By: ____________________________

Title: ____________________________

Address: ____________________________

____

____

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall independently provide the following services to the City:

1. Services Provided by Consultant ("PAWS")

A. PAWS shall furnish animal shelter services to the City. Animal shelter services shall include sheltering and holding of dogs and cats at facilities operated by PAWS, releasing animals to owners, and disposing of animals that are not claimed by owners after the period prescribed by City ordinance, in a responsible and lawful manner (including adoption or destruction).

B. PAWS shall provide veterinary care at the discretion of PAWS' Director of Companion Animal Services or, in his or her absence, his or her designated representative (collectively, "Manager" or "Shelter Manager"). If agreed upon by the Shelter Manager and a licensed veterinarian, ill or injured stray animals, whether licensed or not, whose owners cannot be notified, because the animal has no identification that is traceable or the owner can not be reached by a single phone call, may be euthanized if the animal is in pain that cannot be relieved by such care as the shelter staff can reasonably provide. PAWS shall have a policy and procedure to follow to euthanize the animal and to reach the owner. When reasonably possible, PAWS shall recover costs from the owner of the animal for such veterinary treatment prior to release of the animal or euthanasia procedure.

C. PAWS agrees to abide by and strictly follow any and all procedures of Title 6 of the Kenmore Municipal Code, as now or hereafter amended, regulating animals, particularly the provisions of Title 6 related to the duration of impoundment, before disposing of any animals. PAWS and the City agree that Title 6, as now or hereafter amended, is incorporated by reference and shall be part of this Agreement as if set forth in full herein. The City shall provide PAWS with current copies of all applicable policies, procedures, City ordinances, and promptly provide subsequent amendments affecting PAWS' performance under this Agreement.

D. If any animal is brought to PAWS by a City official or an Animal Control Officer and then claimed by its owner during the applicable holding period, the owner will be solely responsible for paying any and all reasonable fees and costs charged by PAWS for its care and sheltering of the animal. PAWS may choose not to release any sheltered animal to any person until PAWS is reasonably satisfied that the person has paid all applicable, shelter and other fees related to housing and caring for any animal and has evidence of the ownership of said animal.

E. PAWS will hold unlicensed stray dogs and cats for a period of seventy two (72) hours from time of delivery, except as provided herein. Stray dogs and cats bearing a current license issued within the State of Washington or positively identified by a City official or Animal Control Officer or by a traceable microchip shall be held for a period of ten (10) days. PAWS shall be responsible for delivering notification to owners that their licensed dog or cat has been impounded, unless notification has already been done by a City official or an Animal Control Officer, and PAWS has been provided evidence of such notification. Such notice may be based on information provided by the City in accordance with the City's Animal Control policies and procedures. PAWS shall release animals to owners within the applicable holding period prescribed herein in accordance with the procedures outlined in Section 1.D.

F. PAWS shall dispose of animals not claimed by an owner once the applicable holding period prescribed herein has expired, either by release for adoption, euthanasia, or transfer to another agency in accordance with applicable laws and terms of this Agreement. PAWS shall not sell any animals to research institutes or licensed dealers for research purposes. Animals held under RCW

16.52.085 will be held for fifteen (15) business days before any disposition of the animal by PAWS.

Any animal not redeemed by its owner during the prescribed holding period or which, in the opinion of a licensed veterinarian or the Shelter Manager, is suffering from serious injury or disease, may be humanely destroyed, or in the discretion of the Shelter Manager may be held for a longer period and redeemed by any person upon payment of reasonable medical and holding costs. Animals deemed dangerous by the City shall not be released to their owners without a court order.

G. If not claimed by an owner during the applicable holding period, an animal immediately becomes the property of PAWS. Disposition of the animal is then at PAWS' discretion, provided however, that PAWS shall not dispose of an animal while any legal proceedings of which it has notice and relating to the disposition of that animal are pending or in contravention of any court order of which it has notice.

H. PAWS reserves the right to refuse all animals other than dogs or cats, where, in PAWS' opinion, it does not have the facilities appropriate or available to accommodate the needs of such animal. PAWS further reserves the right to refuse any animal if the animal shelter is at its maximum capacity. The Manager shall have the authority to make such determinations.

2. Work and Facility Inspection
The City reserves the right, upon reasonable notice, to inspect, review and approve the work and facilities of PAWS to assure that it has been completed as specified, prior to payment.

3. Representations
PAWS represents and warrants that it has the requisite training, skill and experience necessary to provide the services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

4. Property and Confidential Information
PAWS shall not, without the prior written consent of the City, disclose to third parties information it obtains from the City that is not otherwise subject to public disclosure, and shall only disclose in a manner consistent with Section 14 of the Contract for Consultant Services.

EXHIBIT B

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

1. In consideration of PAWS performing the services contemplated by this Agreement, the City agrees to pay an intake fee of $160.00 for each animal brought to PAWS from the City's jurisdiction beginning January 1, 2011, provided that no fee will be charged to the City for animals that are brought to PAWS by City officials or Animal Control Officers and released to their owners prior to applicable holding period expiring pursuant to Section 1.E of Exhibit A - Scope of Services. This includes licensed or unlicensed stray animals found within the City limits of Kenmore and brought to PAWS by a City official or an Animal Control Officer.

2. PAWS may also charge the City a per day fee of Twelve Dollars ($12.00) per animal for animals held, at the City's written request, beyond the time periods specified in Section 1.E. of the Exhibit A - Scope of Services. In the event of legal proceedings or court order, the City will provide PAWS with prompt written notice of the same and direct that the animal shall be held until further notice.

3. The above mentioned payment shall be the sole compensation for work performed and/or services rendered by PAWS, and for supervision, labor, supplies, materials, equipment or use thereof, and for all other expenses and incidentals necessary to complete all the services required by this Agreement.

4. Each month, PAWS shall submit a properly executed invoice to the City to request payment pursuant to Section 1of Exhibit A - Scope of Services. Said invoices shall indicate the total number of animals handled during the month for the City. Expenditures under this Agreement that are determined by audit to be ineligible for reimbursement and for which payment has been made to PAWS shall be refunded to the City within 30 days of notification. PAWS shall maintain adequate records to support billings. Said records shall be maintained for a period consistent with Section 8 of the Contract for Consultant Services.

5. In accord with Section 3.C of the Agreement, by November 1, 2010, PAWS agrees to provide its best efforts to submit to the City an estimate of the 2011 rates/charges for the provision of services described herein. The parties acknowledge that such an estimate would enable the City sufficient time to review and confer with PAWS regarding said rates/charges prior to the end term of this Agreement.

CONTRACT FOR CONSULTANT SERVICES
Contract No. 10-C873

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Progressive Animal Welfare Society (PAWS), whose principal office is located at 15305 44th Avenue West, Lynnwood, WA ("Consultant").

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

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

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

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

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

The City shall pay Consultant:

[Check applicable method of payment]

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

_x_ A sum not to exceed $15,000

___ Other (describe): ____

____

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

3. Duration of Agreement.

A. This Agreement shall be in full force and effect for a period commencing on June 1, 2010 and ending at midnight on December 31, 2010, unless sooner terminated under the provisions of this Agreement.

B. If the maximum compensation amount of this contract is reached prior to the end of the contract term and the contract is not amended to provide for a greater maximum compensation amount, PAWS shall have no obligation for the remainder of the contract term. PAWS agrees to notify the City when it is within $7,000 of the maximum compensation amount of this contract so that the City has the time to amend the contract if so desired.

C. By November 1, 2010, PAWS agrees to provide its best efforts to submit to the City an estimate of the 2011 rates/charges for the provision of services described herein. The parties acknowledge that such an estimate would enable the City sufficient time to review and confer with PAWS regarding said rates/charges prior to the end term of this Agreement.

D. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Response to Public Records Requests

PAWS agrees to timely provide the City with all City-related documents and data responsive to public records requests received by the City.

5. Independent Contractor.

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

B. PAWS, not the City, shall have the power to control and direct the details, manner or means of services. Specifically, but not by means of limitation, PAWS shall have no obligation to work any particular hours or particular schedule and shall retain the right to designate the means of performing services covered by this Agreement, and PAWS shall be entitled to employ other workers at such compensation and on such other conditions as it may deem proper, provided, however, that any contract so made by PAWS is to be paid by it alone, and that by employing such workers, it is acting individually and not as an agent for the City.

C. The City shall not be responsible for withholding or otherwise deducting federal income tax or Social Security or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to PAWS or any employee of PAWS.

6. Indemnification.

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

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

C. Consultant specifically and expressly waives Consultant's immunity under the Washington Industrial Insurance Act, Title 51 RCW, as respects the City only to the extent necessary to provide each party with a full and complete indemnity of claims made by the other party's employees. The parties acknowledge that this waiver has been mutually negotiated by the parties.

D. The provision of this section shall survive the expiration or termination of this Agreement.

7. Insurance.

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

A. Minimum Scope of Insurance.

Consultant shall obtain insurance of the types described below:

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

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

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

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

B. Minimum Amounts of Insurance.

Consultant shall maintain the following insurance limits:

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

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

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

C. Other Insurance Provisions.

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

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

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

D. Verification of Coverage.

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

8. <u>Record Keeping and Reporting</u>.

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

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

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

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon sixty (60) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

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

C. If, upon written notice from Consultant that Consultant is unavailable to perform the scope of services, the City may, at its option, cancel this Agreement immediately.

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

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

11. Discrimination Prohibited. In hiring or employment made possible or resulting from this Agreement, there shall be no unlawful discrimination against any employee or applicant for employment because of sex, age, race, color, creed, national origin, marital status, sexual orientation or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification, or any other status protected under federal or state law. This requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. No person shall be denied or subjected to discrimination in receipt of or in benefit of any services or activities made possible by or resulting from this Agreement, on the basis of

race, color, religion, creed, sex, sexual orientation, age [except minimum age] and retirement provisions, national origin, marital status, or presence of any sensory, mental or physical disability, or any other status protected under federal or state law.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City. This provision shall not affect the ability of the Consultant to use third-party service providers, such as foster care or alternative shelter or medical care, as it deems fit.

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

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Consultant shall not disclose to third parties information that it obtains from the City that is not otherwise subject to public disclosure unless:

- The information is in the public domain at the time of disclosure by PAWS;
- The information is also received by PAWS from a third party who does not have an obligation to keep the same confidential; or
- The information is subject to court order or lawfully issued subpoena.

Breach of confidentiality by the Consultant shall be grounds for immediate termination.

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

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

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

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

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

Annett Laico, Executive Director
PAWS
PO Box 1037
Lynnwood, WA 98046

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any dispute arising out of any alleged breach of this Agreement shall first be submitted to non-binding mediation for resolution. If the dispute is not resolved in mediation, the dispute shall be subject to mandatory and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. In the event any suit is instituted to appeal arbitration, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

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

CITY OF KENMORE, WASHINGTON	CONSULTANT
By: [signature]	By: [signature]
Frederick C. Stouder	
Title: City Manager	Title: Executive Director
Date: 6/29/10	Date: 7/2/10

ATTEST AS TO FORM:

[signature]
Rod Kaseguma, City Attorney

XIB. Amendment No. 2 to Contract No. 10-873 with PAWS for
Animal Sheltering Services - Nancy Ousley, Assistant City Manager

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall independently provide the following services to the City:

1. Services Provided by Consultant ("PAWS")

A. PAWS shall furnish animal shelter services to the City. Animal shelter services shall include sheltering and holding of dogs and cats at facilities operated by PAWS, releasing animals to owners, and disposing of animals that are not claimed by owners after the period prescribed by City ordinance, in a responsible and lawful manner (including adoption or destruction).

B. PAWS shall provide veterinary care at the discretion of PAWS' Director of Companion Animal Services or, in his or her absence, his or her designated representative (collectively, "Manager" or "Shelter Manager"). If agreed upon by the Shelter Manager and a licensed veterinarian, ill or injured stray animals, whether licensed or not, whose owners cannot be notified, because the animal has no identification that is traceable or the owner can not be reached by a single phone call, may be euthanized if the animal is in pain that cannot be relieved by such care as the shelter staff can reasonably provide. PAWS shall have a policy and procedure to follow to euthanize the animal and to reach the owner. When reasonably possible, PAWS shall recover costs from the owner of the animal for such veterinary treatment prior to release of the animal or euthanasia procedure.

C. PAWS agrees to abide by and strictly follow any and all procedures of Title 6 of the Kenmore Municipal Code, as now or hereafter amended, regulating animals, particularly the provisions of Title 6 related to the duration of impoundment, before disposing of any animals. PAWS and the City agree that Title 6, as now or hereafter amended, is incorporated by reference and shall be part of this Agreement as if set forth in full herein. The City shall provide PAWS with current copies of all applicable policies, procedures, City ordinances, and promptly provide subsequent amendments affecting PAWS' performance under this Agreement.

D. If any animal is brought to PAWS by a City official and then claimed by its owner during the applicable holding period, the owner will be solely responsible for paying any and all reasonable fees and costs charged by PAWS for its care and sheltering of the animal. PAWS may choose not to release any sheltered animal to any person until PAWS is reasonably satisfied that the person has paid all applicable, shelter and other fees related to housing and caring for any animal and has evidence of the ownership of said animal.

E. PAWS will hold unlicensed stray dogs and cats for a period of seventy two (72) hours from time of delivery, except as provided herein. Stray dogs and cats bearing a current license issued within the State of Washington or positively identified by Animal Control Officers or by a traceable microchip shall be held for a period of ten (10) days. PAWS shall be responsible for delivering notification to owners that their licensed dog or cat has been impounded, unless notification has already been done by a City official or an Animal Control Officer, and PAWS has been provided evidence of such notification. Such notice may be based on information provided by the City in accordance with the City's Animal Control policies and procedures. PAWS shall release animals to owners within the applicable holding period prescribed herein in accordance with the procedures outlined in Section 1.D.

F. PAWS shall dispose of animals not claimed by an owner once the applicable holding period prescribed herein has expired, either by release for adoption, euthanasia, or transfer to another agency in accordance with applicable laws and terms of this Agreement. PAWS shall not sell any animals to research institutes or licensed dealers for research purposes. Animals held under RCW 16.52.085 will be held for fifteen (15) business days before any disposition of the animal by PAWS.

Any animal not redeemed by its owner during the prescribed holding period or which, in the opinion of a licensed veterinarian or the Shelter Manager, is suffering from serious injury or disease, may be humanely destroyed, or in the discretion of the Shelter Manager may be held for a longer period and redeemed by any person upon payment of reasonable medical and holding costs. Animals deemed dangerous by the City shall not be released to their owners without a court order.

G. If not claimed by an owner during the applicable holding period, an animal immediately becomes the property of PAWS. Disposition of the animal is then at PAWS' discretion, provided however, that PAWS shall not dispose of an animal while any legal proceedings of which it has notice and relating to the disposition of that animal are pending or in contravention of any court order of which it has notice.

H. PAWS reserves the right to refuse all animals other than dogs or cats, where, in PAWS' opinion, it does not have the facilities appropriate or available to accommodate the needs of such animal. PAWS further reserves the right to refuse any animal if the animal shelter is at its maximum capacity. The Manager shall have the authority to make such determinations.

2. Work and Facility Inspection

The City reserves the right, upon reasonable notice, to inspect, review and approve the work and facilities of PAWS to assure that it has been completed as specified, prior to payment.

3. Representations

PAWS represents and warrants that it has the requisite training, skill and experience necessary to provide the services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

4. Property and Confidential Information

PAWS shall not, without the prior written consent of the City, disclose to third parties information it obtains from the City that is not otherwise subject to public disclosure, and shall only disclose in a manner consistent with Section 14 of the Contract for Consultant Services.

EXHIBIT B

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

1. In consideration of PAWS performing the services contemplated by this Agreement, the City agrees to pay an intake fee of $145.00 for each animal brought to PAWS from the City's jurisdiction, not to exceed a total of $15,000___ for 2010, provided that no fee will be charged to the City for animals that are brought to PAWS by City officials and released to their owners prior to applicable holding period expiring pursuant to Section 1.E of Exhibit A - Scope of Services. This includes licensed or unlicensed stray animals found within the City limits of Kenmore and brought to PAWS by an Animal Control Officer.

2. PAWS may also charge the City a per day fee of Twelve Dollars ($12.00) per animal for animals held, at the City's written request, beyond the time periods specified in Section 1.E. of the Exhibit A - Scope of Services. In the event of legal proceedings or court order, the City will provide PAWS with prompt written notice of the same and direct that the animal shall be held until further notice.

3. The above mentioned payment shall be the sole compensation for work performed and/or services rendered by PAWS, and for supervision, labor, supplies, materials, equipment or use thereof, and for all other expenses and incidentals necessary to complete all the services required by this Agreement.

4. Each month, PAWS shall submit a properly executed invoice to the City to request payment pursuant to Section 1of Exhibit A - Scope of Services. Said invoices shall indicate the total number of animals handled during the month for the City. Expenditures under this Agreement that are determined by audit to be ineligible for reimbursement and for which payment has been made to PAWS shall be refunded to the City within 30 days of notification. PAWS shall maintain adequate records to support billings. Said records shall be maintained for a period consistent with Section 8 of the Contract for Consultant Services.

5. In accord with Section 3.C of the Agreement, by November 1, 2010, PAWS agrees to provide its best efforts to submit to the City an estimate of the 2011 rates/charges for the provision of services described herein. The parties acknowledge that such an estimate would enable the City sufficient time to review and confer with PAWS regarding said rates/charges prior to the end term of this Agreement.

EXHIBIT C
City of Kenmore
Billing Invoice

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

Invoice Number:_______________ Date of Invoice:_____________

Consultant:____
Mailing Address:____
____

Telephone: (   )________________

Contract Period:_________________ Reporting Period:___________________

Amount requested this invoice: $_________

Attach itemized description of services provided.

Specific Program:______________________________________

____
Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	$_________
Previous payments	$_________
Current request	$_________
Balance remaining	$_________

Approved for Payment by: ______________________ Date: ______________

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

TAX IDENTIFICATION NUMBER

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

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

Please check the appropriate category:

_____ Corporation _____ Partnership _____ Government Consultant

_____ Individual/Proprietor _____ Other (explain)

TIN No.: ________________

Social Security No.: ____________

Print Name: ______________________________

Title: ______________________________

Business Name: ______________________________

Business Address: ______________________________

Business Phone: ______________________________

_________________________ ____________________________________

Date Authorized Signature (Required)

CITY OF KENMORE, WASHINGTON
AGENDA BILL SUMMARY

AGENDA TITLE			MEETING DATE
Authorize the City Manager to execute Contract No. 10-C873 with Progressive Animal Welfare Society (PAWS) for animal sheltering services in an amount not to exceed $15,000.			17 May 2010
DEPARTMENT	**DIRECTOR**	**CONTACT PERSON**	**PHONE**
Executive	Frederick Stouder	Nancy Ousley	425-398-8900
COST OF PROPOSAL: Annual Estimate $9519 The proposed contract term is six months (June-December 2010)		**ACCOUNT NUMBER:** 01.19.5xxx	
AMOUNT BUDGETED: Not budgeted for 2009-2010		**NAME AND FUND #:** General Fund	

ATTACHMENT(S) TO AGENDA PACKET ITEM:
1) Staff Memo 2) Proposed Contract

SUMMARY STATEMENT:
King County is restructuring its delivery of animal control services to full cost recovery contracts with cities. Kenmore's animal shelter services have been provided through the King County Shelter in Kent, but the capacity of that facility is not adequate to serve the entire county at an acceptable service level. Kenmore and other North King County cities have discussed shelter services being provided through PAWS after PAWS contacted the cities in 2008, upon King County's announcement that it was considering closing its shelter. The North King County cities (Kenmore, Bothell, Shoreline, Lake Forest Park and Woodinville) have developed, and several have approved, contracts with PAWS for shelter services for dogs and cats.

The term of this initial agreement is June 1-December 31, 2010. The per animal fee to the City is $145, with no fee being charged to the City for certain situations, such as when stray animals are returned to the owner—in this case the owner would be charged the cost of PAWS services for the pet. By November, 2010 PAWS will have an estimate for the fee structure for 2011-2012. Annual estimates for service costs are based on the possibility that because PAWS' Lynnwood location is more convenient than the Kent shelter, Kenmore residents will use the services at a higher frequency. Based on a 30% increase in service levels from the 2008-2009 average number of Kenmore animals in the Kent shelter, the annual estimate is $9,519. The total cost to the City for animal control services is offset by licensing revenue, and when the final cost estimates for the King County regional model are available in May, the Administration will propose an approach that will not require any General Fund subsidy.

PAWS contracts with several Snohomish County cities, and provides services for dogs and cats. PAWS also operates a regional wildlife rehab center, which is not part of service contracts with local governments. Under the King County Regional Model for Animal Control, North King County cities would have a basic allocation level to support regional animal shelter services, and specialized services not provided by PAWS would be provided by the County's shelter. The contract has been reviewed by the City Attorney and is similar to contracts between the other North King County cities and PAWS.

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PAWS representatives will be present at the May 17 City Council meeting and will be available for questions.
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: The City Council approved a preliminary statement of intent to participate in the King County Regional Model for Animal Control at its April 26, 2010 meeting. This assumes that primary shelter services are provided through PAWS.
RECOMMENDED CITY COUNCIL ACTION/SUGGESTED MOTION: Authorize City Manager to execute Contract No. 10-C873 with Progressive Animal Welfare Society (PAWS) for animal sheltering services in an amount not to exceed $15,000.

REVIEWED BY FINANCE DIRECTOR:	REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER:
TODAY'S DATE: 30 April 2010	REVISION DATE(S):	FILE NAME & PATH (HYPERLINK): See below

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XIB. Amendment No. 2 to Contract No. 10-873 with PAWS for
Animal Sheltering Services - Nancy Ousley, Assistant City Manager

The City of Kenmore
PO Box 82607
Kenmore, Washington 98028

MEMO

30 April 2010

TO: Frederick Stouder, City Manager

FR: Nancy Ousley, Assistant City Manager

RE: Proposed Contract with Progressive Animal Welfare Society (PAWS) for Animal Sheltering Services

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The proposed contract with PAWS for animal sheltering services was developed as part of discussions between PAWS and five North King County cities (Kenmore, Bothell, Shoreline, Lake Forest Park and Woodinville) which began in late 2008, as King County evaluated its animal control services program. As a result of service delivery issues at the King County Animal Shelter in Kent and overall budget shortfalls, the King County Council initially directed the Executive to close the Kent shelter and develop full cost recovery contracts with cities for animal control services.

With Executive Constantine taking office in November 2008 and a clearer understanding of the limited countywide sheltering capacity, the animal control talks with cities took a different direction. Executive staff worked with a group of city representatives on developing a framework for an agreement for a Regional Model for Animal Control, which assumes that the Kent shelter would continue to operate. Because the North King County cities have a viable option for primary shelter services for dogs and cats with PAWS, capacity at the Kent shelter is freed up to an extent. Under the Regional Model Agreement in Principle framework, the North cities would help support regional shelter services through a basic allocation and would also have access to specialized services provided through the County shelter.

PAWS initiated contact with the five North end cities after assessing its ability to offer the cities sheltering services in addition to the current municipal contracts it has with Lynnwood, Mukilteo, Brier, Mill Creek and a portion of unincorporated Snohomish County. North King County city staff have worked together throughout this process, have conferred with current contract cities, have met with PAWS officials and have toured its facilities in Lynnwood. The agency has an excellent reputation for its services and the Administration is comfortable with its ability to provide sheltering services for Kenmore residents.

The scope of services is outlined in Exhibit A of the proposed contract. Some highlights include:

- Services include: sheltering and holding dogs and cats, releasing animals to owners, and disposing of animals that are not claimed by owners with the time limits in a responsible and lawful manner (including adoption or destruction).
- PAWS will hold unlicensed stray dogs or cats for 72 hours and licensed animals will be held for 10 days, unless other arrangements are requested or required by the City.
- Owners who claim animals brought to PAWS by officers or others, will be responsible for paying the fees and costs for sheltering the animal. Medical costs incurred by PAWS for animals who are later claimed by their owners will also be the responsibility of the owner.
- The contract provides for a $145 per animal fee that will be charged to the City, with the exception of cases in which an owner claims the animal, as explained above.

Estimated Costs:
An average of 51 animals from Kenmore per year were in the King County Shelter in 2008-2009. Since PAWS is closer to Kenmore than the Kent facility, a higher usage rate is anticipated; the current cost estimate assumes a 30% increase from 2008-2009, or 66 animals per year. At $145 per animal, the estimated cost to the City for PAWS costs is $9519 per year.

PAWS will have a better idea of the costs of serving five additional cities later this year, and requested an initial contract term through December 2010. The proposed contract notes the intent to have PAWS meet with the City by early November 2010 to review the proposed fee structure for subsequent contract terms.

The Context:
As presented to the Council for the April 26, 2010 agenda item on the King County Regional Model, the preliminary cost estimates for sheltering, licensing services and animal control field services are:

Animal Control Allocation	Enhanced control officer allocation	King County shelter allocation	PAWS shelter costs	Licensing costs allocation	Total Regional Model Costs	
$25,488	$20,426	$13,943	$9519	$19,140	$88,517	

Animal control costs have been supported by licensing revenue, and under the Regional Model, any revenues generated by a city that exceed service costs would be returned to the city. Using the cost estimates above, the net cost to the City of Kenmore could be:

2009 Licensing Revenue	Licensing Revenue with a 15% increase over 2009 Revenue	Difference Between 2009 Revenue and Total Costs	Difference between 2009 Revenue +15% and Total Costs
$73,160	$84,134	-$15,357	-$4383

King County will provide updated cost estimates in May. The Administration will be examining licensing fee structures in order to recommend an approach to animal control that will not require a General Fund subsidy.

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CONTRACT FOR CONSULTANT SERVICES
Contract No. 10-C873

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Progressive Animal Welfare Society (PAWS), whose principal office is located at 15305 44th Avenue West, Lynnwood, WA ("Consultant").

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

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

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

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

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

The City shall pay Consultant:

[Check applicable method of payment]

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

_xx_ A sum not to exceed $ 15,000

___ Other (describe): ______________________________

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

3. Duration of Agreement.

A. This Agreement shall be in full force and effect for a period commencing on June 1, 2010 and ending at midnight on December 31, 2010, unless sooner terminated under the provisions of this Agreement.

B. If the maximum compensation amount of this contract is reached prior to the end of the contract term and the contract is not amended to provide for a greater maximum compensation amount, PAWS shall have no obligation for the remainder of the contract term. PAWS agrees to notify the City when it is within $7,000 of the maximum compensation amount of this contract so that the City has the time to amend the contract if so desired.

C. By November 1, 2010, PAWS agrees to provide its best efforts to submit to the City an estimate of the 2011 rates/charges for the provision of services described herein. The parties acknowledge that such an estimate would enable the City sufficient time to review and confer with PAWS regarding said rates/charges prior to the end term of this Agreement.

D. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents.

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

B. PAWS agrees to provide the City with all City-related documents and data responsive to public records requests received by the City.

5. Independent Contractor.

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

B. PAWS, not the City, shall have the power to control and direct the details, manner or means of services. Specifically, but not by means of limitation, PAWS shall have no obligation to work any particular hours or particular schedule and shall retain the right to designate the means of performing services covered by this Agreement, and PAWS shall be entitled to employ other workers at such compensation and on such other conditions as it may deem proper, provided, however, that any contract so made by PAWS is to be paid by it alone, and that by employing such workers, it is acting individually and not as an agent for the City.

C. The City shall not be responsible for withholding or otherwise deducting federal income tax or Social Security or contributing to the State Industrial Insurance

Program, or otherwise assuming the duties of an employer with respect to PAWS or any employee of PAWS.

6. Indemnification.

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

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

C. It is further specifically and expressly understood that the indemnification provided by this section constitutes Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for purposes of indemnification. This waiver has been mutually negotiated by the parties.

D. The provision of this section shall survive the expiration or termination of this Agreement.

7. Insurance.

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

A. Minimum Scope of Insurance.

Consultant shall obtain insurance of the types described below:

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

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

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

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

B. Minimum Amounts of Insurance.

Consultant shall maintain the following insurance limits:

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

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

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

C. Other Insurance Provisions.

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

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

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

D. Verification of Coverage.

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

8. Record Keeping and Reporting.

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

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

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

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon sixty (60) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

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

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

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

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

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

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

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

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Consultant shall not disclose to third parties information that it obtains from the City that is not otherwise subject to public disclosure unless:

- The information is in the public domain at the time of disclosure by PAWS;
- The information is also received by PAWS from a third party who does not have an obligation to keep the same confidential; or
- The information is subject to court order or lawfully issued subpoena.

Breach of confidentiality by the Consultant shall be grounds for immediate termination.

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

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

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

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

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

Annett Laico, Executive Director
PAWS
PO Box 1037
Lynnwood, WA 98046

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

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

CITY OF KENMORE, WASHINGTON	CONSULTANT
By:____________________ Frederick C. Stouder	By: ____________________
Title: City Manager	Title:____________________
Date: ____________________	Date:____________________

ATTEST AS TO FORM:

____

Rod Kaseguma, City Attorney

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall independently provide the following services to the City:

1. Services Provided by Consultant ("PAWS")

A. PAWS shall furnish animal shelter services to the City. Animal shelter services shall include sheltering and holding of dogs and cats at facilities operated by PAWS, releasing animals to owners, and disposing of animals that are not claimed by owners after the period prescribed by City ordinance, in a responsible and lawful manner (including adoption or destruction).

B. PAWS shall provide veterinary care at the discretion of PAWS' Director of Companion Animal Services or, in his or her absence, his or her designated representative (collectively, "Manager" or "Shelter Manager"). If agreed upon by the Shelter Manager and a licensed veterinarian, ill or injured stray animals, whether licensed or not, whose owners cannot be notified, because the animal has no identification that is traceable or the owner can not be reached by a single phone call, may be euthanized if the animal is in pain that cannot be relieved by such care as the shelter staff can reasonably provide. PAWS shall have a policy and procedure to follow to euthanize the animal and to reach the owner. When reasonably possible, PAWS shall recover costs from the owner of the animal for such veterinary treatment prior to release of the animal or euthanasia procedure.

C. PAWS agrees to abide by and strictly follow any and all procedures of Title 6 of the Kenmore Municipal Code, as now or hereafter amended, regulating animals, particularly the provisions of Title 6 related to the duration of impoundment, before disposing of any animals. PAWS and the City agree that Title 6, as now or hereafter amended, is incorporated by reference and shall be part of this Agreement as if set forth in full herein. The City shall provide PAWS with current copies of all applicable policies, procedures, City ordinances, and promptly provide subsequent amendments affecting PAWS' performance under this Agreement.

D. If any animal is brought to PAWS by a City official and then claimed by its owner during the applicable holding period, the owner will be solely responsible for paying any and all reasonable fees and costs charged by PAWS for its care and sheltering of the animal. PAWS may choose not to release any sheltered animal to any person until PAWS is reasonably satisfied that the person has paid all applicable, shelter and other fees related to housing and caring for any animal and has evidence of the ownership of said animal.

E. PAWS will hold unlicensed stray dogs and cats for a period of seventy two (72) hours from time of delivery, except as provided herein. Stray dogs and cats bearing a current license issued within the State of Washington or positively identified by Animal Control Officers or by a traceable microchip shall be held for a period of ten (10) days. PAWS shall be responsible for delivering notification to owners that their licensed dog or cat has been impounded, unless notification has already been done by a City official or an Animal Control Officer, and PAWS has been provided evidence of such notification. Such notice may be based on information provided by the City in accordance with the City's Animal Control policies and procedures. PAWS shall release animals to owners within the applicable holding period prescribed herein in accordance with the procedures outlined in Section 1.D.

F. PAWS shall dispose of animals not claimed by an owner once the applicable holding period prescribed herein has expired, either by release for adoption, euthanasia, or transfer to another agency in accordance with applicable laws and terms of this Agreement. PAWS shall not sell any animals to research institutes or licensed dealers for research purposes. Animals held under RCW 16.52.085 will be held for fifteen (15) business days before any disposition of the animal by PAWS.

Any animal not redeemed by its owner during the prescribed holding period or which, in the opinion of a licensed veterinarian or the Shelter Manager, is suffering from serious injury or disease, may be humanely destroyed, or in the discretion of the Shelter Manager may be held for a longer period and redeemed by any person upon payment of reasonable medical and holding costs. Animals deemed dangerous by the City shall not be released to their owners without a court order.

G. If not claimed by an owner during the applicable holding period, an animal immediately becomes the property of PAWS. Disposition of the animal is then at PAWS' discretion, provided however, that PAWS shall not dispose of an animal while any legal proceedings of which it has notice and relating to the disposition of that animal are pending or in contravention of any court order of which it has notice.

H. PAWS reserves the right to refuse all animals other than dogs or cats, where, in PAWS' opinion, it does not have the facilities appropriate or available to accommodate the needs of such animal. PAWS further reserves the right to refuse any animal if the animal shelter is at its maximum capacity. The Manager shall have the authority to make such determinations.

2. Work and Facility Inspection

The City reserves the right, upon reasonable notice, to inspect, review and approve the work and facilities of PAWS to assure that it has been completed as specified, prior to payment.

3. Representations

PAWS represents and warrants that it has the requisite training, skill and experience necessary to provide the services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

4. Property and Confidential Information

PAWS shall not, without the prior written consent of the City, disclose to third parties information it obtains from the City that is not otherwise subject to public disclosure, and shall only disclose in a manner consistent with Section 14 of the Contract for Consultant Services.

EXHIBIT B

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

1. In consideration of PAWS performing the services contemplated by this Agreement, the City agrees to pay an intake fee of $145.00 for each animal brought to PAWS from the City's jurisdiction, not to exceed a total of $_15,000_ for 2010, provided that no fee will be charged to the City for animals that are brought to PAWS by City officials and released to their owners prior to applicable holding period expiring pursuant to Section 1.E of Exhibit A - Scope of Services. This includes licensed or unlicensed stray animals found within the City limits of Kenmore and brought to PAWS by an Animal Control Officer.

2. PAWS may also charge the City a per day fee of Twelve Dollars ($12.00) per animal for animals held, at the City's written request, beyond the time periods specified in Section 1.E. of the Exhibit A - Scope of Services. In the event of legal proceedings or court order, the City will provide PAWS with prompt written notice of the same and direct that the animal shall be held until further notice.

3. The above mentioned payment shall be the sole compensation for work performed and/or services rendered by PAWS, and for supervision, labor, supplies, materials, equipment or use thereof, and for all other expenses and incidentals necessary to complete all the services required by this Agreement.

4. Each month, PAWS shall submit a properly executed invoice to the City to request payment pursuant to Section 1of Exhibit A - Scope of Services. Said invoices shall indicate the total number of animals handled during the month for the City. Expenditures under this Agreement that are determined by audit to be ineligible for reimbursement and for which payment has been made to PAWS shall be refunded to the City within 30 days of notification. PAWS shall maintain adequate records to support billings. Said records shall be maintained for a period consistent with Section 8 of the Contract for Consultant Services.

5. In accord with Section 3.C of the Agreement, by November 1, 2010, PAWS agrees to provide its best efforts to submit to the City an estimate of the 2011 rates/charges for the provision of services described herein. The parties acknowledge that such an estimate would enable the City sufficient time to review and confer with PAWS regarding said rates/charges prior to the end term of this Agreement.

EXHIBIT C
City of Kenmore
Billing Invoice

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

Invoice Number:_______________ Date of Invoice:_____________

Consultant:____
Mailing Address:____
____
Telephone: ( )_________________

Contract Period:__________________ Reporting Period:____________________

Amount requested this invoice: $__________

Attach itemized description of services provided.

Specific Program:____

____
Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	$_________
Previous payments	$_________
Current request	$_________
Balance remaining	$_________

Approved for Payment by: _______________________ Date: ______________

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

TAX IDENTIFICATION NUMBER

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

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

Please check the appropriate category:

_____ Corporation _____ Partnership _____ Government Consultant

_____ Individual/Proprietor _____ Other (explain)

TIN No.: ________________

Social Security No.: ______________

Print Name: ______________________________

Title: ______________________________

Business Name: ______________________________

Business Address: ______________________________

Business Phone: ______________________________

_________________________ ______________________________________

Date Authorized Signature (Required)

Information regarding the cost of care for animals handled by the PAWS Animal Shelter:

The general cost of care for animals sheltered by the PAWS Companion Animal Services Department (CAS) as outlined in this document is based on actual 2009 expenses for the 3,144 animals handled by the department. These costs include a small percent of administration, development/ fundraising, education and outreach expenses that support the CAS department and its efforts to help citizens and companion animals from the communities we service.

Staffing:
The CAS department is supported by 23 FTE's and 2 part-time seasonal staff who provide animal care, customer service, lost and found services, veterinary care, medical care, management, program oversight and facilities maintenance.

Housing and cost of care:
Many stray animals are housed at PAWS for weeks or even months before they are adopted if their original guardians do not reclaim them. Fortunately, some stray animals are reclaimed quickly during the 3-day legal stray holding period. Others may be held on 10-day, or 15+ days holds if requested by the City or required by law. All bite quarantines are held a minimum of 10 days as required by law.

Others animals such as kittens and puppies typically go into our foster care system until they are two months of age, reach an appropriate weight and are healthy enough for the spay or neuter surgery. The current average length of stay for dogs is eight days and 22 days for cats. If more cats wore identification or were microchipped, and if fewer cats were allowed to be free-roaming, this would greatly increase the number of cats who get reunited with their families and/or would not become missing in the first place.

Medical:
Animals cared for by PAWS receive basic medical care under the direction of our licensed veterinarians and our team of medical staff. All animals adopted from PAWS are also spayed/ neutered prior to adoption to prevent the cycle of unwanted animals from continuing. They are all microchipped to provide permanent identification, receive basic vaccinations and are monitored for zoonotic diseases.

Services:
Since PAWS mission is to advocate for animals through education, legislation and direct care, we believe in educating the public to help keep animals safely in their homes, and promoting spay/neuter to reduce the number of unwanted animals. PAWS adopts out animals that are healthy and behaviorally sound, and does not euthanize them for space or after a set amount of time. Instead, our focus is to reunite or re-home adoptable animals into the community while helping citizens to become responsible guardians to their canine or feline friends.

PAWS offers microchipping services for lost animals being reunited with their families and microchips all animals we adopt out. PAWS holds low-cost spay/neuter clinics for qualified low-income clients and also alters lost cats or dogs when requested by the guardian reclaiming their pet. Our Humane Education program, free on-line resource library, and free Behavior Helpline are just some of the programs and services we provide to help with the issue of proper guardianship and care of companion animals. Our Wildlife Rehabilitation Center also provides donation supported services to the City and its citizens to help with injured or orphaned wildlife, as well as education and solutions regarding 'nuisance' wildlife problems.

The cost of companion animal services in 2009 was $392 per animal. The $145 fee to the City for 2010 addresses only 37% of the total cost of care per animal, and as noted above some animals take up significantly more resources than others. This is why PAWS works with the City and the community to focus on solutions such as licensing, utilizing other forms of identification, low-cost spay/neuter and education on proper guardianship of companion animals. By partnering together we can help keep costs down and ensure that no healthy, adoptable animal is at risk for euthanasia. Please note that in future, the fee will rise to be closer to 50% of the actual cost of care per animal, or in parity with the regional partnership.

H:\kayj\SHELTER\Licensing&County\Cost of Care 09.doc

Business of the City Council
City of Kenmore, WA

Subject/Topic: Adoption of Ordinance 12-0347 to add a new Chapter 18.110, Development Agreements, to the Kenmore Municipal Code

Proposed Council Action/Motion: Adopt Ordinance 12-0347 to add a new Chapter 18.110, Development Agreements, to the Kenmore Municipal Code.

For Council Meeting Agenda of: 11/13/12

Department: Community Development

Prepared by: Debbie Bent, Director

	Initial & Date
Approved by Department Head:	DB/LWA 10/23/12
Approved by City Attorney:	DReitan/LWA 10/22/12
Approved by Finance Director:	10/30/12
Approved by City Manager:	RJK

Exhibits/Attachments:

1. Ordinance 12-0347

Expenditure Required $0 **Amount Budgeted** $0 **Appropriation Required** $0

INFORMATION/BACKGROUND:

At the September 6th, 2012 Council meeting, the Council asked that a development agreement code amendment be prepared to allow some flexibility in development standards for future development at Kenmore Village and potentially for development at other downtown properties. A development agreement is a legislative tool used to negotiate conditions for development between a property owner and the city. Development agreements are generally used for large, significant projects, meriting special attention and input by the Council. Development agreements have the ability to modify existing development standards in the Municipal Code, unless modifications to those standards are specifically prohibited. Development agreements must, however, be consistent with the Comprehensive Plan. As proposed, any code modifications also must be offset by the provision of equivalent public benefits.

The City Council conducted a public hearing on the proposed Development Agreement chapter on October 8, 2012. Three people spoke at the hearing. One speaker requested an explanation of how the proposal differs from the current code. One speaker asked that a public hearing be required. The third speaker requested that the potential term of a development agreement be reduced from 20 years. At that time, staff explained that the proposal is new rather than an amendment to existing code language, that at least one public hearing in front of the City Council would be required prior to approval of any development agreement, and that a 20-year term may be necessary for a large, phased project. A longer term also may be warranted in cases where a significant public benefit is offered as a tradeoff for a longer vesting term. At the conclusion of the public hearing, the City Council requested that an ordinance be brought forward for Council consideration.

Attachment 1 is an ordinance for adoption of the proposed amendments.

FISCAL CONSIDERATION:

None. An application fee and the cost of city attorney fees would be covered by an owner requesting a development agreement. These proposed fees will be included in the 2013 Fee resolution, which in part establishes fees for land use applications and permits. The 2013 fee resolution is being considered by Council at the November 19, 2012 meeting.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Goal 5. To pursue downtown development.

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 12-0347

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, ADOPTING A NEW CHAPTER 18.110 IN THE KENMORE MUNICIPAL CODE TO ADDRESS DEVELOPMENT AGREEMENTS, AND FIXING AN EFFECTIVE DATE.

WHEREAS, RCW 36.70B.170 authorizes the City to enter into development agreements with persons having ownership or control of real property; and

WHEREAS, the City wishes to adopt a uniform procedure for the processing and approval of development agreements; and

WHEREAS, pursuant to RCW 36.70A.106, the City submitted the proposed revisions to KMC Title 18 to the Washington State Department of Commerce on September 25, 2012 for its review of the same; and

WHEREAS, the City's SEPA Responsible Official issued a Determination of Nonsignificance for the proposal on October 4, 2012; and

WHEREAS, on October 8, 2012 the City Council held a public hearing to receive input from the community on the proposed amendments;

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

Section 1. Adoption. A new chapter 18.110, entitled Development Agreements, is hereby adopted and added to the Kenmore Municipal Code to read as set forth in Attachment A, attached hereto and incorporated herein by reference.

Section 2. Effective Date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

APPROVED by the City Council this _____ day of __________, 2012.

____
David Baker, Mayor

ATTEST/AUTHENTICATED:

____

Patty Safrin, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY ____________________________

Rod Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. 12-0347

ATTACHMENT A

City of Kenmore

Chapter 18.110
DEVELOPMENT AGREEMENTS

Sections:

18.110.010 Authority.

The *city* may consider and enter into a *development agreement* with the owners of real property within the *city*, or with persons having control of real property within the *city* if the owners of such real property execute an authorization for such real property to be subject to and bound by the *development agreement*. In this chapter, the term "*owner*" shall include both the owner of such real property and such person having control of such property. Per RCW 36.70B.170, the execution of a *development agreement* is a proper exercise of *city* police power and contract authority. A *development agreement* must set forth the development standards and other provisions that shall apply to and govern and vest the *development*, *use* and mitigation of the development of the real property for the duration specified in the agreement. The decision of the city council to approve or reject a request for a *development agreement* is a proper exercise of police power and contract authority and shall be a discretionary, legislative act.

18.110.020 General provisions.

A. In this chapter, the term "*development regulations*" shall have the meaning set forth in KMC 19.10.070.

B. A *development agreement* shall be consistent with the applicable policies and goals of the *city*'s comprehensive plan.

C. Any departure requested by the *owner* from the development standards of this code through a *development agreement* shall be offset by the *owner's* provision of a benefit to the *city* of equal or greater value relative to the departure requested, as determined by the *city*. In no case shall a departure from the development standards be granted if no equivalent benefit to the *city* is provided.

D. A *development agreement* may be proposed and approved only for properties in the Downtown Commercial (DC) and Downtown Residential (DR) zones, as well as for properties zoned Public and Semi-Public (PSP) that are within 300' of the Downtown Commercial (DC) zone.

E. A *development agreement* does not supplant any other required land use decision per KMC 19.25.020, including but not limited to a rezone, a shoreline permit, a site plan review, or an environmental review under KMC Chapter 19.35. Such land use decisions shall be reviewed in conjunction with the *development agreement*.

F. As applicable, the *development agreement* must specify the following:

1. Project components which define and detail the permitted *uses*, residential densities, nonresidential densities and intensities or building sizes;

2. Design standards such as architectural treatment, maximum heights, *setbacks*, *landscaping*, drainage and water quality requirements and other development features;

3. Parking;

4. Provisions for affordable housing, if applicable;

5. *Parks* and common *open space* preservation;

6. Amount and payment of impact fees imposed or agreed to in accordance with any applicable provisions of state law, any reimbursement provisions, other financial contributions by the property *owner*, inspection fees or dedications;

7. Mitigation measures, development conditions and other requirements of Chapter 43.21C RCW;

8. Phasing;

9. Build-out or vesting periods for applicable standards; and

10. Other appropriate development requirements or procedures which are based upon a *city* policy, rule, regulation or standard.

G. A *development agreement* may obligate a party to dedicate land or easements, or fund or provide services, infrastructure or other facilities.

H. Subsequently adopted development standards which differ from those of an approved *development agreement* shall apply to the property subject to the *development agreement* only where necessary to address a serious threat to public health and safety. Subsequently adopted development standards which differ from those of an approved *development agreement* also shall apply following expiration of any phase or time period specified in the *development agreement* during which identified standards cannot be modified.

18.110.030 Development Standards-- Flexibility.

A. A *development agreement* shall be consistent with applicable development regulations to the fullest extent possible. Provided, however, a *development agreement* may allow for development standards that are different from those standards otherwise imposed under this code in order to provide flexibility to achieve public benefits, respond to changing community needs, or authorize modifications which provide the functional equivalent or adequately achieve the purposes of otherwise applicable development standards.

B. A *development agreement* cannot authorize deviations from the *uses*, residential densities, *floor area ratio* limitations, or maximum *structure* height allowed in the underlying zoning district unless the city council approves the deviation by a vote of a majority plus one of the whole city council after a minimum of two public hearings on the agreement.

C. A *development agreement* cannot authorize deviations from the following development standards:

1. Title 15 KMC, Buildings and Construction;
2. Title 16 KMC, Environment;
3. Chapter 18.55 KMC, Critical Areas; and
4. Chapter 13.35 KMC, Surface Water Runoff Policy and Chapter 13.45 KMC, Water Quality.

D. Any approved development standards that differ from those in this code shall not require any further *variance* from development standards or *use* permit apart from *development agreement* approval. The development standards as approved through a *development agreement* shall apply to and govern the development of the property subject to the *development agreement* in lieu of any conflicting or different standards or requirements elsewhere in this code.

18.110.040 Enforceability.

The *development agreement* shall be binding on the parties and their successors. Unless amended or terminated by agreement of both parties to a *development agreement*, the agreement is enforceable during its term by a party to the agreement. Except as provided in KMC 18.110.020.H, a *development agreement* and the development standards in the agreement govern during the term of the agreement, or for all or that part of the build-out period specified in the agreement. The *development agreement* shall not be subject to an amendment to a *development regulation* or a new *development regulation* adopted after the effective date of the agreement, except as provided in KMC 18.110.020.H. Applications for building permits and other permits subject to Title 15 KMC, Buildings and Construction, shall be considered under the provisions of Title 15 KMC that are in effect at the time of submittal of a valid and fully complete application. Any land use decision issued by the *city* pertaining to the property subject to the *development agreement* after the execution of the *development agreement* must be consistent with the agreement.

18.110.050 Processing procedure.

A. An application for a *development agreement* shall be filed by the *owner* of real property within the *city* on forms provided by the *department*. An application shall be accompanied by an application fee pursuant to the *city*'s current fee schedule and a signed agreement on forms provided by the *department* to reimburse the *city* for fees of the city attorney pursuant to the *city*'s current agreement with the city attorney. The *development agreement* may provide for assignment of a portion of the application fee to other permit fees if a *development agreement* is ultimately approved by the city council.

B. The city council shall make a threshold decision on each application for a *development agreement* at a regular meeting of the city council. If a majority of the whole council approves further review of the *development agreement*, the agreement shall be processed as described in this section.

C. Before voting on a proposed *development agreement,* the city council shall hold a public hearing on the *development agreement*. Consistent with KMC 18.110.030.B, two public hearings shall be held on the *development agreement* if deviations from the *use*s, residential densities, *floor area ratio* limitations, or maximum *structure* height allowed in the underlying zoning district are requested. The city council shall approve, disapprove or modify a *development agreement* by ordinance, which if approved or modified shall authorize the *city manager* to execute the *development agreement* on behalf of the *city*. Approval of a *development agreement* requesting deviations from the *uses*, residential densities, *floor area ratio* limitations, or maximum *structure* height allowed in the underlying zoning district requires the vote of a majority plus one of the whole city council.

D. The *city manager* shall prepare a recommendation to the city council on a proposed *development agreement*. The *city manager* shall provide the recommendation to the city council, and make it available to the public, at least 10 calendar days prior to the public hearing on the proposed *development agreement.*

E. If a *development agreement* is associated with a Type V land use decision such as a comprehensive plan amendment, the *development agreement* shall be processed concurrently with the Type V land use decision. A recommendation of the planning commission to the city council on the Type V land use decision shall be issued at least 10 calendar days prior to the public hearing on the proposed *development agreement.*

F. If the *owner* files an application for a Type 2, 3 or 4 land use decision or a Type 1 land use decision subject to SEPA, the *city* shall review and process the application concurrently with the *development agreement*, and the *owner* shall sign a written waiver of the deadline for issuance of the final land use decision. A final decision of the *city manager* or *hearing* examiner on such Types of land use decisions shall become effective on the date that the city council passes the ordinance for the *development agreement.* The period for appealing such final decision shall commence on the date that the city council passes such ordinance. A recommendation of the *city manager* or *hearing examiner* to the city council on such Types of land use decisions shall be issued at least 10 calendar days prior to the public hearing on the proposed *development agreement.*

G. The city shall give notice of the meeting at which the city council considers a proposed *development agreement*, or amendment thereto, and of the public hearing(s) on the proposed *development agreement*, or amendment thereto, as follows:

1. Not less than 10 calendar days prior to the public hearing date, a notice of the public hearing shall be sent to property owners within 1,000 feet of the property subject to the *development agreement* and to others who have submitted comments and/or requested notice.

2. Notice of the public hearing shall be posted on the property subject to the *development agreement* not less than 10 calendar days prior to the hearing date. Notice shall be posted in the manner required by KMC 19.25.065.

3. Notice of the city council meeting and public hearing shall be published in the *city*'s official newspaper not less than 10 calendar days prior to the meeting or hearing date.

4. All costs associated with the public notice shall be borne by the *owner*.

5. All notices shall state that the *city manager's* recommendation on the proposed *development agreement* is available for review at the front desk of City Hall and on the City's website.

H. Any subsequent land use decisions shall be reviewed for compliance with the terms of the *development agreement* and any associated land use decisions.

18.110.060 Status, recording and amendment of development agreement.
A. *Development agreement*s are not "project permit applications" as defined in RCW 36.70B.020(4). Therefore, there is no deadline for processing a *development agreement*.

B. The city attorney shall review and approve a proposed *development agreement* as to form at least 30 calendar days prior to the public hearing on the *development agreement.* The *owner* shall sign the *development agreement* before the public hearing on the *development agreement.* If a person or corporation has a "substantial beneficial interest in the property" as specifically described below, the *owner* shall submit to the *city manager* with the request for *development agreement* a document stating that such person or corporation concurs in the request and will not object to, contest or appeal any terms and conditions of the approved *development agreement*. A person or corporation having a "substantial beneficial interest in the property" shall include easement holders, lessees with a lease of one year or more, and persons or corporations with a recorded deed of trust or mortgage on the real property subject to the *development agreement*. The *city manager* shall have the authority to determine whether other persons or corporations with an interest in the real property subject to the *development agreement* have a "substantial beneficial interest in the property." Within 20 calendar days of receiving written notice that the *city* manager has determined that other persons or corporations have a "substantial beneficial interest in the property," the *owner* shall submit to the *city manager* the document described above for each such person or corporation.

C. The term of *development agreements* and extensions thereof shall be as follows:

1. *Development agreement*s may be approved for a maximum period of 20 years.

2. In determining the appropriate term for a *development agreement*, the city council should consider the type, size and location of *development* and phasing if proposed. The city council may consider shorter terms with extensions.

3. If extensions are authorized in a *development agreement*, the *owner* must request the extension at least 90 calendar days prior to expiration of the term or any extension. For *development agreement*s associated with land use decisions, the *city manager* may grant an extension for up to five years if the *owner* can satisfactorily show that, for a residential project, at least 50 percent of the residential units are constructed, or for nonresidential and mixed use projects, at least 50 percent of the gross floor area is constructed. All other requests for extensions shall be reviewed by the city council, unless another process is expressly provided for in the *development agreement*.

D. The city shall record an approved *development agreement* with the King County Recorder's Office, at the cost of the *owner.*

E. The *owner* may request an amendment to a *development agreement.* Before voting on the amendment, the city council shall hold a public hearing. The city council shall approve, disapprove or modify an amendment by ordinance, which if approved or modified, shall authorize the *city manager* to execute the amendment on behalf of the *city*. The city council shall not approve or modify an amendment unless it is consistent with any associated land use decisions and approved modifications thereto.

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: September 2012 Financial Report Presentation **Proposed Council Action/Motion:** Receive and File September 2012 Financial Report for the City of Kenmore, Washington	**For Council Meeting Agenda of: November 13, 2012** **Department:** Finance **Prepared by:** Joanne Gregory **To Be Presented By:** N/A **Initial & Date** **Approved by Department Head:** JMG 10/30/12 **Approved by City Attorney:** **Approved by Finance Director:** JMG 10/30/12 **Approved by City Manager:** RJK **Exhibits/Attachments:** September 2012 Financial Report for the City of Kenmore, Washington.

Expenditure Required N/A **Amount Budgeted** N/A **Appropriation Required** N/A

INFORMATION/BACKGROUND:

The September monthly financial report will be presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's year to date revenues and expenditures in comparison to the City's 2011-2012 adopted biennial budget. It also provides an early opportunity to identify any potential variances or fluctuations from the adopted budget. A mid biennial budget review was performed and the budget was amended by Ordinance No. 11-331 on November 28, 2011. The financial reports have been updated to reflect the budget amendments.

FISCAL CONSIDERATION:

September is the 21st month of the 24 month biennium. Sales taxes are close to budget (99% of projections) and real estate excise tax (REET) revenues, although at only 75% of budget, have shown a slight improvement. Development revenues overall, including impact fees, have picked up a bit, likely a reflection of the increased activity that normally occurs in the summer months. Gas taxes are stable. On the national level, the unemployment rate declined from 8.1% to 7.8% in September. The Dow Jones bounced up to close at 13,435 in September, higher than August close at 13,090.

XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

All funds are currently being reviewed for possible budget adjustment prior to close of the current biennium. A proposed budget amendment will be reviewed at the November 19, 2012 City Council meeting.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:
Kenmore Budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.

The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: October 22, 2012
RE: September 2012 Financial Reports for the City of Kenmore, Washington

September 2012 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

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

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

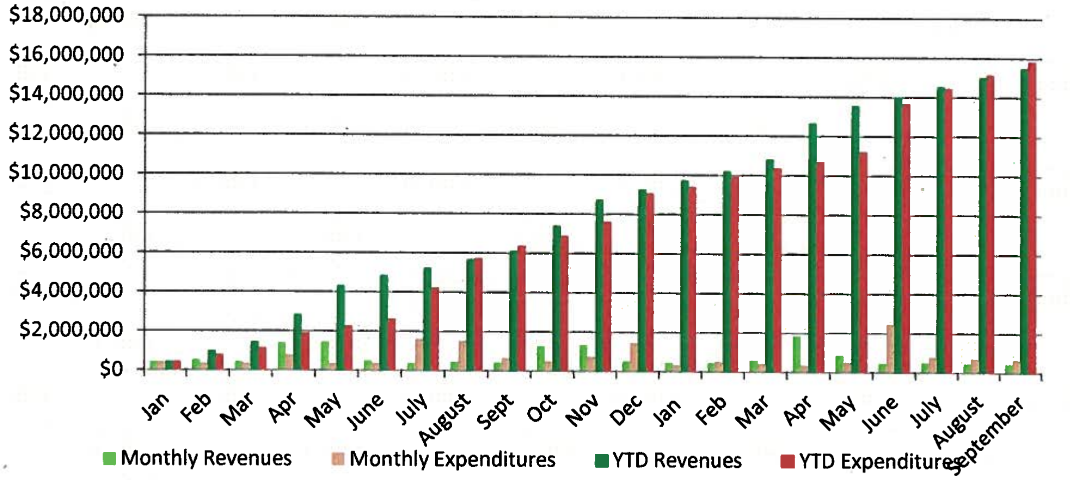
GENERAL FUND

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

In the context of the biennial budget, September is the twenty-first month (88%) of the 2011-2012 biennial budget period.

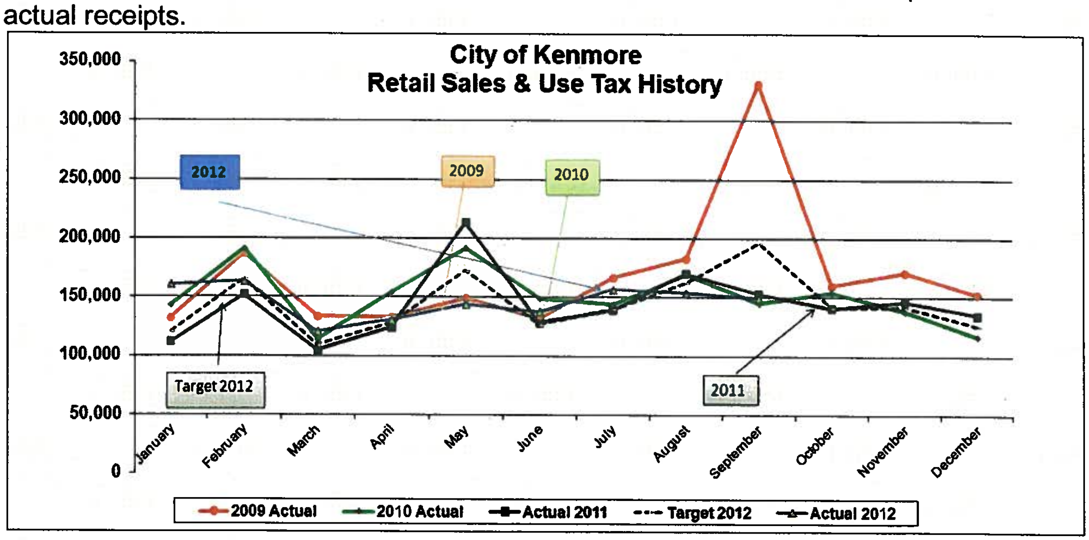
For the month of September, expenditures exceeded revenues in the General Fund by $195,915.

The following chart illustrates the monthly revenue and expenditure activity in the General Fund through September, 2012.



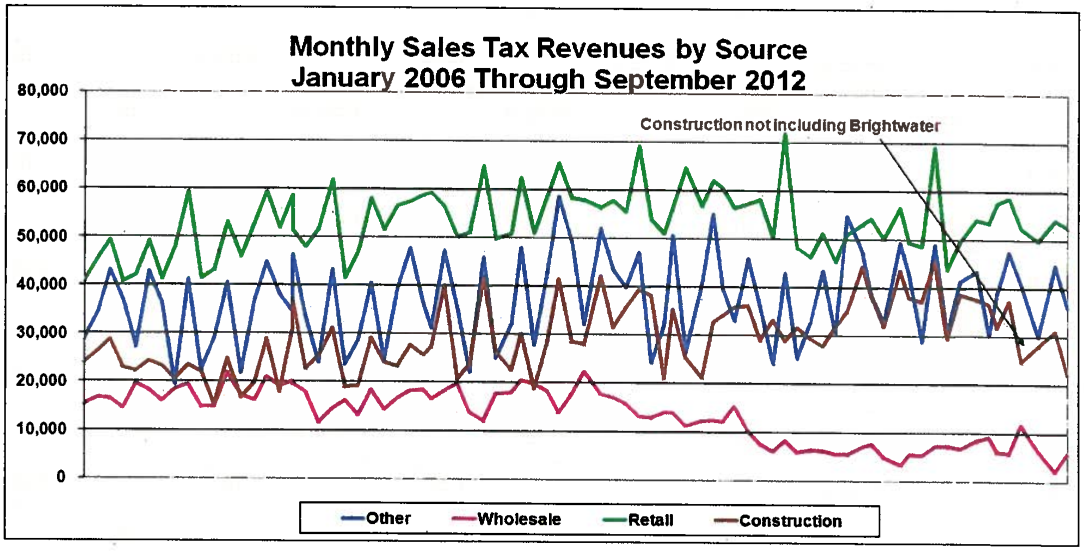
Total **revenues** for the month were **$472,782.** Biennium to date revenues are $15,522,113 which is 81.9% of the amended budgeted revenues of $18,945,596. Primary sources of revenue for the month included Property Taxes in the amount of $59,563,Development Fees & Permits in the amount of $73,206, retail sales and use taxes in the amount of $149,795, and utility taxes in the amount of $96,351. Note that year to date franchise fees are unusually high because two of the 2010 quarterly payments (total of $121,674) were remitted to the City in early 2011.

A summary of sales tax revenues received in September is attached. These receipts are based on July sales activity and have been tracking lower each month than the previous three years. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2012 line is a monthly average of actual receipts by month during 2009, 2010, and 2011. The blue line represents 2012 actual receipts.

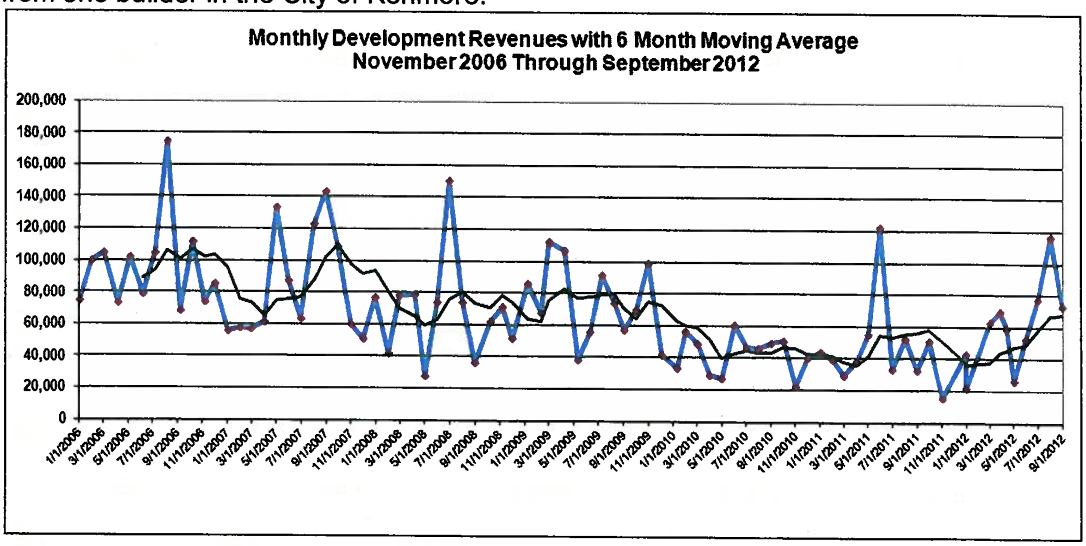


XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2006 through September 2012. Construction sales taxes are shown without the benefit of the Brightwater construction project. This category previously had the benefit of the city hall, Bastyr dorms, fire station and library construction projects which have been completed. Other segments have not yet experienced significant, prolonged downturns; however wholesale and manufacturing receipts have definitely fallen off.



Development revenues are also declining noticeably. The following chart illustrates the revenue activity over the last five years. Although, building permit fees have picked up the last few months during the peak building season of the year, they come primarily from one builder in the City of Kenmore.



There have been many questions about the impact to cities from the State's changes to the liquor tax and revolving fund (profits) distributions. On April 24, AWC held a conference call on this topic for all interested parties and provided a spreadsheet example to assist in determining local impacts.

In summary, the City will be affected as follows:

Liquor Excise Tax

Temporary take-away: Kenmore will lose 4 quarterly distributions of liquor excise tax, beginning with the October 2012 distribution which would be approximately $25,000, affecting the current budget. The other quarterly distributions that Kenmore will not receive would be January 2013, April, 2013, and July, 2013. The lost revenue in 2013 would be about $83,000 which will impact the next biennial budget. Distributions will resume October 2013.

Permanent take-away: After October, 2013, Kenmore's annual liquor excise tax distributions will be permanently reduced by $38,000, a prorated share of $10M per year. The City can expect to receive one quarterly distribution of this additional revenue from Initiative-1183 for July 1 to September 30, 2013, which would be $9,500, but that would be all.

Liquor Profits (Revolving Fund)

Capped: The City will continue to receive liquor profits. Distributions after July, 2012 will be capped at 2011 levels ("a comparable period") of $156,000 annually plus Kenmore will also receive $38,000 annually, a prorated share of the additional $10M for public safety resulting from Initiative 1183. This will not result in a significant budget impact for 2012; however as a revenue source for cities, there will no longer be any growth.

September 2012 expenditures were **$668,697.** Biennium to date expenditures are $15,826,439 which is 83.7% of the amended budget expenditures of $18,914,946.

The General Fund 2011 unaudited ending fund balance was $5,147,632. In March, 2012 the City Council approved a $700,000 payment to RECP/UP Kenmore, LP. This payment was in settlement of terminating the ground lease and development agreement (DDA) for the Kenmore Village by the Lake project. A recommended budget amendment and transfer from the General Fund will be brought to the Council for approval prior to the end of 2012. This will reduce the fund balance reserve to approximately $4,447,632. The City's Financial Policy 3) Contingent Accounts prescribes that the minimum General Fund balance reserve should be $1,876,990 for 2011 and $1,905,325 by the end of

2012. The City Council will provide policy direction regarding additional reserve balances in excess of the prescribed policy.

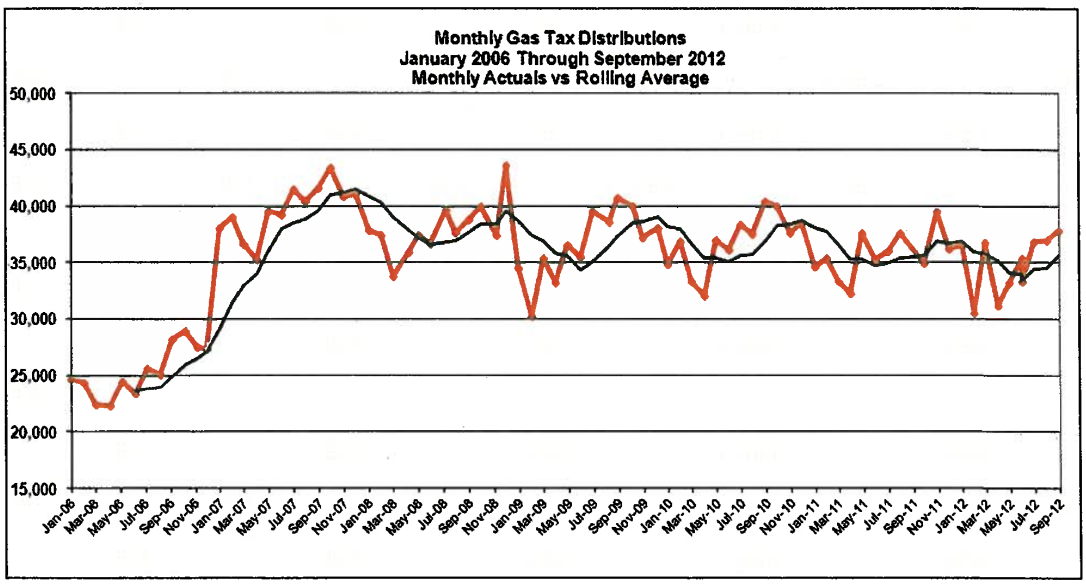
OTHER FUNDS

The September cash activity for all funds is presented on the attached All Funds Cash Summary. Total City cash and investments, at the end of September, totaled $14,992,927. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2011-2012 biennial budget.

The following transactions and activities were of note during the month of September. Total non General Fund revenues were $237,479 and total non-General Fund expenditures were $456,889.

In the **Street Fund** revenue from gas tax distributions was $37,831.

The following chart shows recent gas tax receipts through September 2012. The revenues reflect economizing by the public and increased use of fuel efficient vehicles.

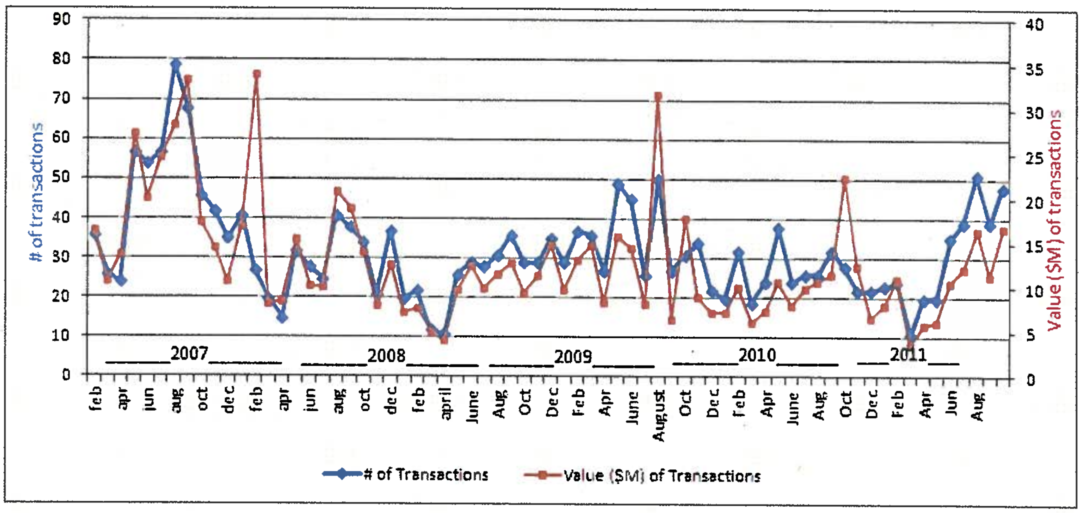


In the **Arterial Street** Fund, expenditures consisted of $2,001 being expended on SR 522 Phase I and Phase II projects. A total of $195,853 was spent on various other transportation projects including the NE 145th St. Traffic Signal & 61st Ave/NE 181st Traffic Signal.

XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

The **Municipal Capital Fund** received $82,785 of real estate excise taxes (REET) in September from sales activity that occurred in August. 48 transactions were reported this month.

The attached Real Estate Excise Tax Report shows the monthly activity since 2007. Below is a chart that shows both the number of real estate transactions and the value of those transactions for the years 2007, 2008, 2009, 2010, 2011. The number of monthly transactions have been increasing the last few months, which is expected since the summer months historically have the greatest amount of sales activity during the year.



The $663K negative cash balance in the **Capital Projects Fund** is due to the $700K payment to RECP/UP Kenmore, LP in March pending a transfer of cash from the General Fund.

SUMMARY

This concludes the financial report for the City of Kenmore as of **September 30, 2012**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
September 30, 2012

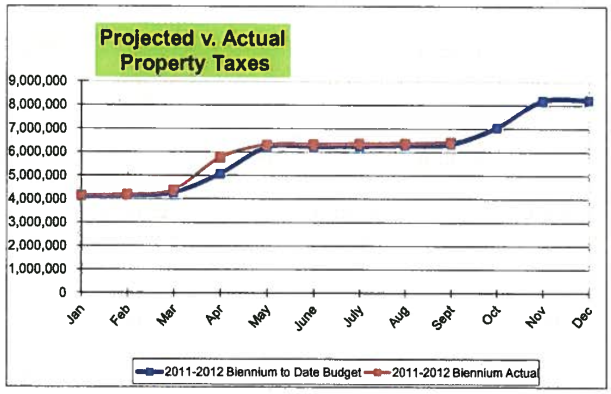
	CURRENT PERIOD 2011-2012				PRIOR PERIOD 2009-2010		
	MONTH September	BIENNIUM TO DATE 2011-2012	% of BUDGET	AMENDED BUDGET 2011-2012	CURRENT September-2010	BIENNIUM TO DATE 2009-2010	BIENNIUM BUDGET 2009-2010
REVENUES							
Beginning Fund Balance				**4,941,884**			**3,683,966**
Property Taxes	59,563	6,435,612	78.0%	8,254,387	55,192	6,167,478	7,870,521
Sales and Use Taxes	187,256	3,765,653	86.8%	4,339,202	179,124	3,973,069	4,486,179
Utility Taxes	96,351	2,499,454	83.3%	3,002,082	95,652	2,587,706	3,001,932
Other Taxes	0	56,784	54.5%	104,104	0	301,789	145,900
Development Fees & Permits	73,206	1,119,515	77.8%	1,439,095	49,556	1,301,500	1,803,313
Franchise Fees	0	603,513	92.8%	650,588	0	433,274	466,900
Intergovernmental and Grants	53,129	691,273	90.8%	761,476	45,677	765,748	760,841
Investment Interest	873	130,527	233.1%	56,000	4,386	101,773	180,000
Fines and Forfeitures	0	769	0.0%	0	0	41,101	0
Transfers and Other Revenues	2,405	219,014	64.7%	338,662	0	177,831	235,220
Total Revenues	472,782	15,522,113	81.9%	18,945,596	429,587	15,851,271	18,950,806
Total Revenues & Beginning Fund Balance		20,463,997		23,887,480			22,634,772

	CURRENT PERIOD 2011-2012				PRIOR PERIOD 2009-2010		
	MONTH September	BIENNIUM TO DATE 2011-2012	% of BUDGET	AMENDED BUDGET 2011-2012	CURRENT September-2010	BIENNIUM TO DATE 2009-2010	BIENNIUM BUDGET 2009-2010
EXPENDITURES							
Cost Center							
City Council	9,587	219,083	100.7%	217,644	7,687	200,030	184,307
City Manager	59,766	1,715,771	95.5%	1,796,600	80,001	1,464,736	1,576,240
City Clerk	19,857	453,929	84.6%	536,261	17,590	428,466	503,323
Finance	25,734	553,867	86.6%	639,213	18,715	434,774	484,516
Legal	7,279	488,852	98.9%	494,285	35,795	448,891	415,000
Non-Departmental	25,667	1,629,423	106.3%	1,532,818	15,274	1,530,281	1,774,827
Interfund Transfers	0	1,247,000	79.7%	1,564,000	0	1,371,095	3,296,095
Public Safety	358,679	5,825,986	81.1%	7,179,563	82,581	5,479,296	6,969,090
Engineering	45,921	969,738	92.7%	1,045,741	31,099	655,807	1,197,788
Planning &Community Dev	25,919	581,087	81.5%	712,632	85,814	2,462,035	3,358,755
Land Dev & Permitting	45,345	993,810	66.2%	1,501,147		0	0
Parks & Facility Maintenance	44,943	1,147,892	67.7%	1,695,042	28,148	821,037	1,001,942
Total Expenditures	668,697	15,826,439	83.7%	18,914,946	402,704	15,296,448	20,761,883
Ending Fund Balance		**4,637,557**		**4,972,534**			**1,872,888**
Total Expenditures and Ending Fund Balance		20,463,997		23,887,480			22,634,771

City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2012

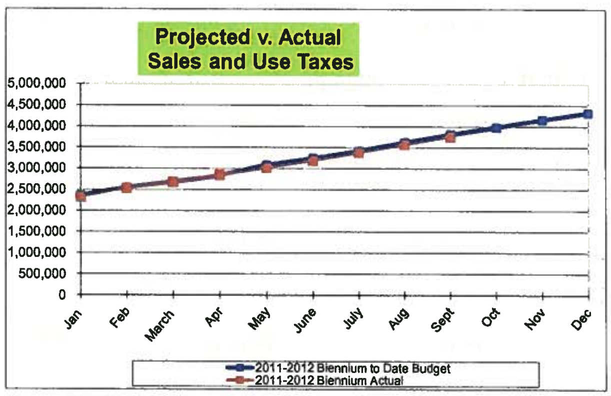
PROPERTY TAXES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	4,106,660	4,148,487
Jan	4,117,631	4,160,305
Feb	4,160,871	4,206,845
Mar	4,286,519	4,396,928
Apr	5,093,799	5,774,789
May	6,232,010	6,317,049
June	6,256,835	6,341,410
July	6,269,341	6,368,604
Aug	6,307,069	6,376,049
Sept	6,363,212	6,435,612
Oct	7,075,307	
Nov	8,218,454	
Dec	8,254,387	
2011 -2012	8,254,387	
Year To Date Actual v. Projected		101%



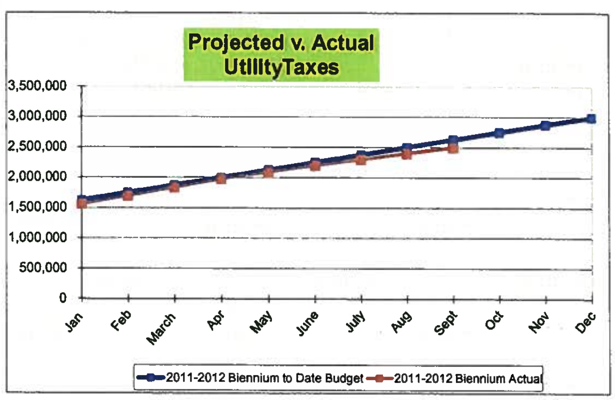
SALES, USE, CRIM JUSTICE TAXES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	2,219,601	2,132,545
Jan	2,362,463	2,326,110
Feb	2,554,821	2,532,733
March	2,687,494	2,682,896
Apr	2,839,881	2,844,212
May	3,092,170	3,024,245
June	3,252,582	3,194,013
July	3,424,707	3,386,339
Aug	3,631,506	3,578,397
Sept	3,818,666	3,765,653
Oct	3,992,212	
Nov	4,172,191	
Dec	4,339,202	
2011 -2012	4,339,202	
Year To Date Actual v. Projected		99%



UTILITY TAXES

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	1,501,040	1,419,668
Jan	1,626,127	1,564,593
Feb	1,751,213	1,701,246
March	1,876,300	1,842,653
Apr	2,001,387	1,980,776
May	2,126,473	2,098,658
June	2,251,560	2,206,313
July	2,376,647	2,307,068
Aug	2,501,733	2,403,102
Sept	2,626,820	2,499,453
Oct	2,751,907	
Nov	2,876,993	
Dec	3,002,080	
2011 -2012	3,002,080	
Year To Date Actual v. Projected		95%

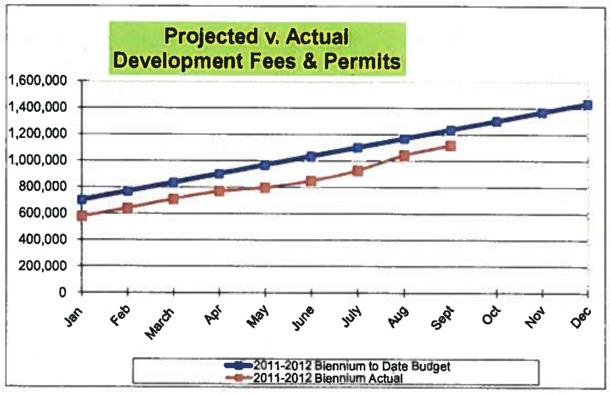


I:\Admin & Finance\Monthly Reports\2012\Sept.xlsxGeneral Fund Rev Graphs

City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2012

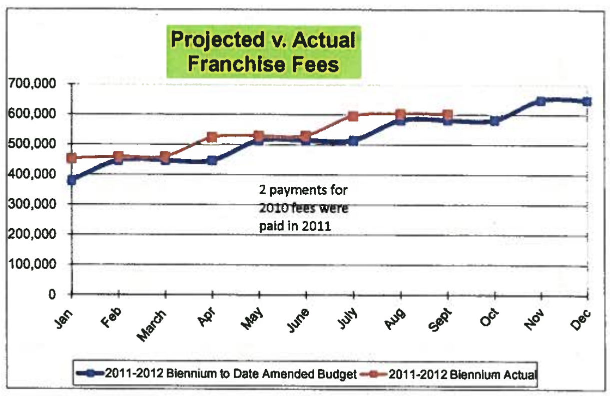
DEVELOPMENT FEES & PERMITS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	639,292	557,183
Jan	705,942	579,019
Feb	772,593	641,996
March	839,243	712,228
Apr	905,893	771,667
May	972,543	798,313
June	1,039,194	851,359
July	1,105,844	929,197
Aug	1,172,494	1,046,309
Sept	1,239,144	1,119,514
Oct	1,305,795	
Nov	1,372,445	
Dec	1,439,095	
2011 -2012	1,439,095	
Year To Date Actual v. Projected		90%



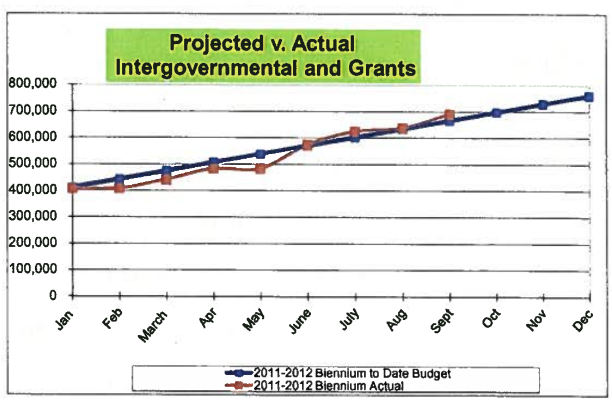
FRANCHISE FEES

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
	381,294	394,363
Jan	381,294	453,289
Feb	448,618	459,762
March	448,618	459,762
Apr	448,618	524,128
May	515,941	530,693
June	515,941	530,694
July	515,941	596,531
Aug	583,265	603,513
Sept	583,265	603,513
Oct	583,265	
Nov	650,588	
Dec	650,588	
2011 -2012	650,588	
Year To Date Actual v. Projected		103%



INTERGOVERNMENTAL & GRANTS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	380,738	370,347
Jan	412,466	408,798
Feb	444,194	408,798
March	475,923	442,675
Apr	507,651	483,518
May	539,379	483,518
June	571,107	574,429
July	602,835	625,708
Aug	634,563	638,144
Sept	666,292	691,273
Oct	698,020	
Nov	729,748	
Dec	761,476	
2011 -2012	761,476	
Year To Date Actual v. Projected		104%



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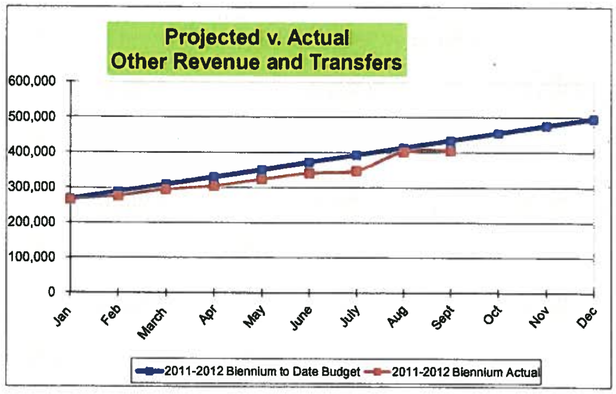
XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2012

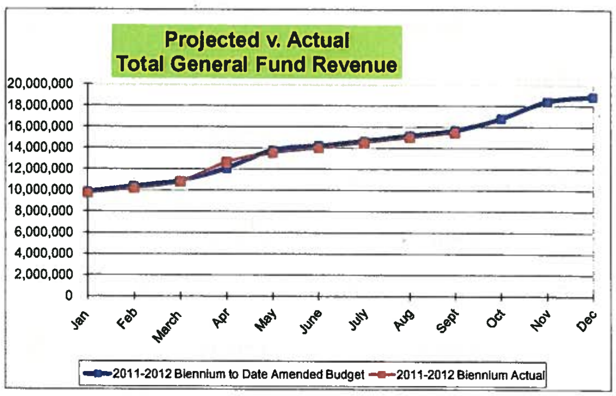
OTHER REVENUES AND TRANSFERS

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	249,383	264,912
Jan	270,165	266,622
Feb	290,947	276,326
March	311,729	295,192
Apr	332,511	305,109
May	353,293	324,902
June	374,075	341,924
July	394,856	348,516
Aug	415,638	403,816
Sept	436,420	407,094
Oct	457,202	
Nov	477,984	
Dec	498,766	
2011 -2012	498,766	
Year To Date Actual v. Projected		93%



TOTAL GENERAL FUND REVENUE

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
Jan	9,876,089	9,758,736
Feb	10,423,257	10,227,707
March	10,925,825	10,832,334
Apr	12,129,740	12,684,200
May	13,831,811	13,577,379
June	14,261,294	14,040,142
July	14,690,172	14,561,963
Aug	15,246,269	15,049,330
Sept	15,733,820	15,522,112
Oct	16,863,708	
Nov	18,498,404	
Dec	18,945,595	
2011 -2012	18,945,595	
Year To Date Actual v. Projected		99%



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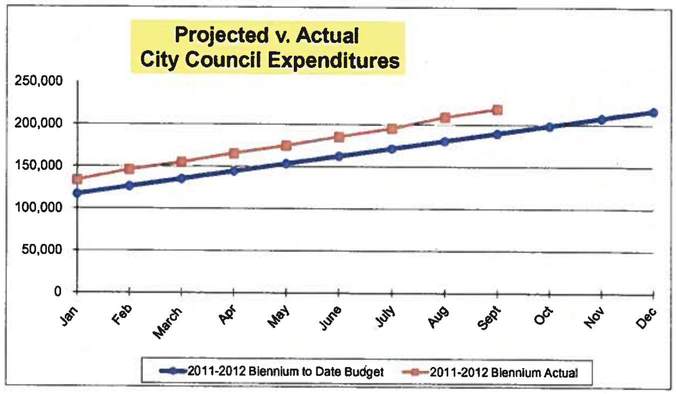
City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2012

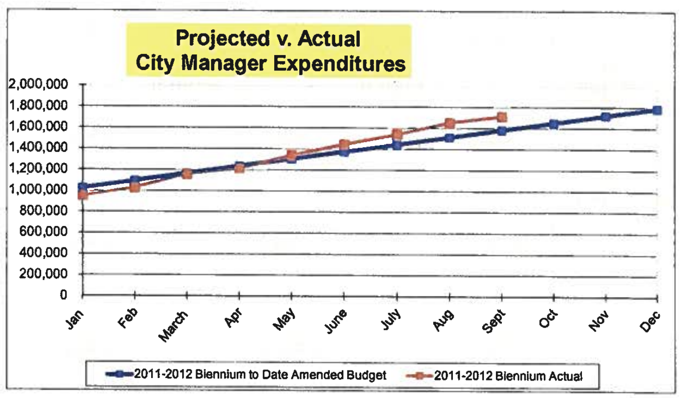
CITY COUNCIL

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	108,797	127,749
Jan	117,868	133,976
Feb	126,938	146,435
March	136,009	155,219
Apr	145,079	165,832
May	154,150	175,268
June	163,221	185,884
July	172,291	195,984
Aug	181,362	209,496
Sept	190,432	219,083
Oct	199,503	
Nov	208,573	
Dec	217,644	
2011-2012	217,644	
Year To Date Actual v. Projected		115%



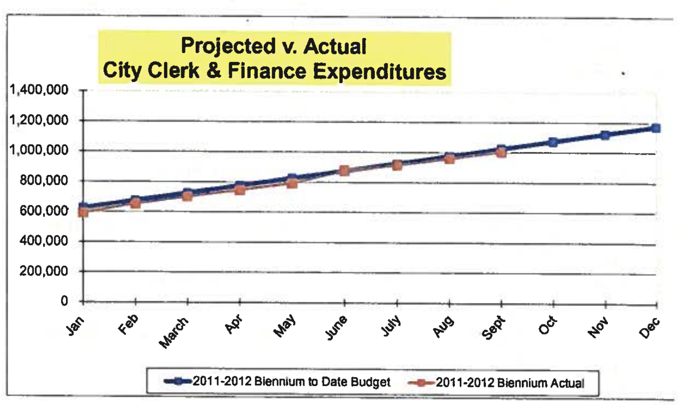
CITY MANAGER

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	959,734	912,314
Jan	1,029,473	954,492
Feb	1,099,212	1,030,751
March	1,168,951	1,160,837
Apr	1,238,689	1,214,980
May	1,308,428	1,338,183
June	1,378,167	1,447,990
July	1,447,906	1,541,858
Aug	1,517,645	1,656,006
Sept	1,587,384	1,715,771
Oct	1,657,122	
Nov	1,726,861	
Dec	1,796,600	
2011-2012	1,796,600	
Year To Date Actual v. Projected		108%



CITY CLERK & FINANCE

	2011-2012 Biennium to Date Budget	2011-2012 Biennium Actual
2011	577,181	550,087
Jan	627,039	593,676
Feb	676,897	655,819
March	726,754	703,370
Apr	776,612	747,105
May	826,470	793,186
June	876,328	879,956
July	926,185	918,780
Aug	976,043	962,205
Sept	1,025,901	1,007,796
Oct	1,075,759	
Nov	1,125,616	
Dec	1,175,474	
2011-2012	1,175,474	
Year To Date Actual v. Projected		98%



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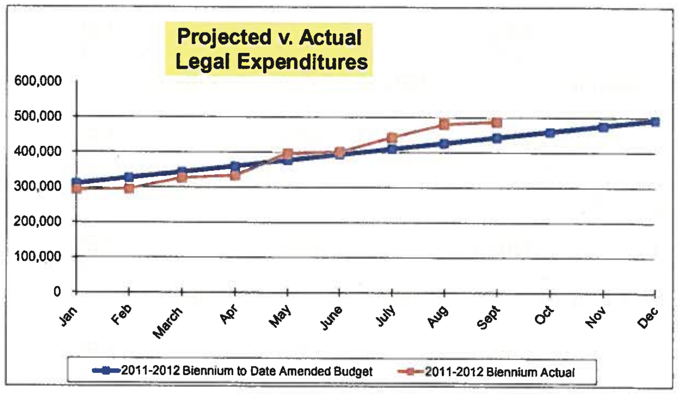
XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2012

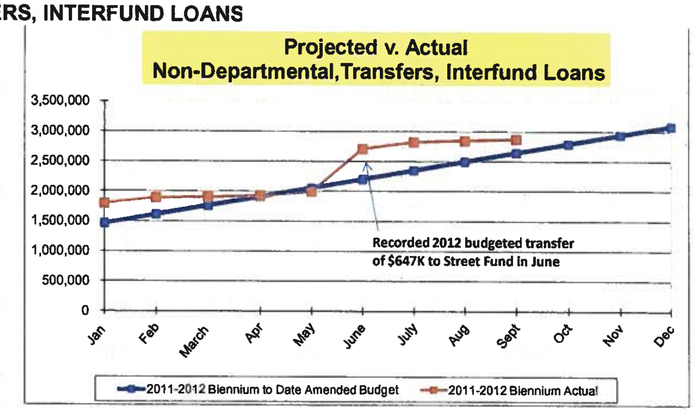
LEGAL

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	295,785	294,320
Jan	312,327	294,320
Feb	328,868	296,333
March	345,410	328,304
Apr	361,952	334,730
May	378,493	397,117
June	395,035	402,290
July	411,577	443,895
Aug	428,118	481,573
Sept	444,660	488,852
Oct	461,202	
Nov	477,743	
Dec	494,285	
2011-2012	494,285	
Year To Date Actual v. Projected		110%



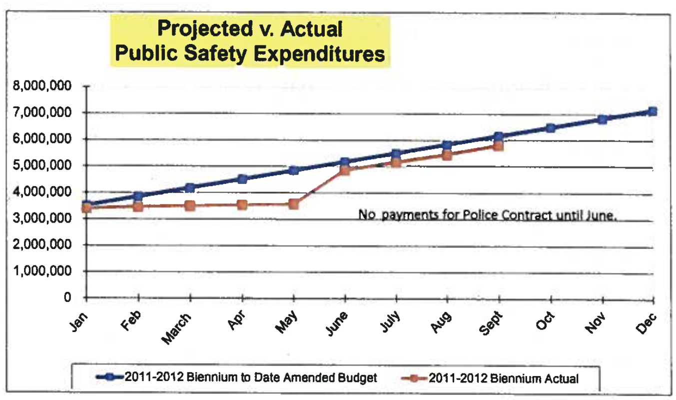
NON-DEPARTMENTAL, TRANSFERS, INTERFUND LOANS

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	1,323,203	1,671,568
Jan	1,471,004	1,799,662
Feb	1,618,806	1,891,906
March	1,766,607	1,904,342
Apr	1,914,408	1,927,035
May	2,062,209	1,998,718
June	2,210,011	2,715,150
July	2,357,812	2,828,087
Aug	2,505,613	2,850,756
Sept	2,653,414	2,876,423
Oct	2,801,216	
Nov	2,949,017	
Dec	3,096,818	
2011-2012	3,096,818	
Year To Date Actual v. Projected		108%



PUBLIC SAFETY

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	3,196,106	3,403,896
Jan	3,528,061	3,406,200
Feb	3,860,016	3,470,100
March	4,191,970	3,510,205
Apr	4,523,925	3,549,974
May	4,855,880	3,585,765
June	5,187,835	4,873,104
July	5,519,789	5,175,502
Aug	5,851,744	5,467,307
Sept	6,183,699	5,825,986
Oct	6,515,654	
Nov	6,847,608	
Dec	7,179,563	
2011-2012	7,179,563	
Year To Date Actual v. Projected		94%



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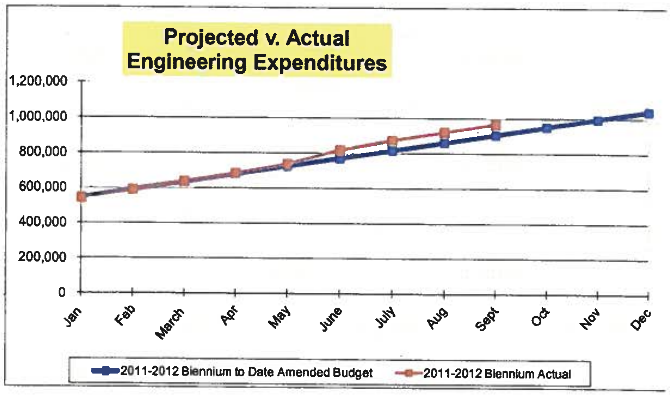
XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2012

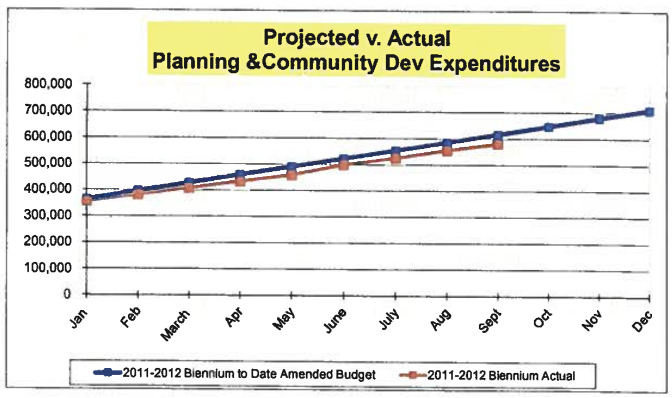
ENGINEERING

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	501,361	503,575
Jan	546,726	543,221
Feb	592,091	591,909
March	637,456	638,917
Apr	682,821	685,694
May	728,186	737,839
June	773,551	819,272
July	818,916	875,830
Aug	864,281	923,818
Sept	909,646	969,738
Oct	955,011	
Nov	1,000,376	
Dec	1,045,741	
2011-2012	1,045,741	
Year To Date Actual v. Projected		107%



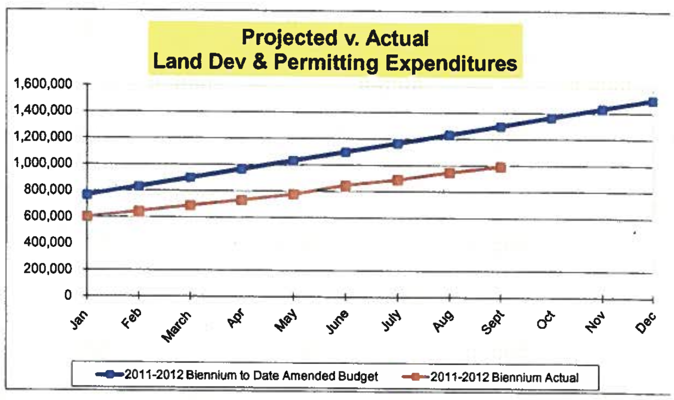
PLANNING & COMMUNITY DEV

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	333,878	330,213
Jan	365,441	355,355
Feb	397,004	381,265
March	428,567	407,823
Apr	460,129	433,175
May	491,692	458,553
June	523,255	498,523
July	554,818	525,454
Aug	586,381	555,168
Sept	617,944	581,087
Oct	649,506	
Nov	681,069	
Dec	712,632	
2011-2012	712,632	
Year To Date Actual v. Projected		94%



LAND DEV & PERMITTING

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	701,782	560,680
Jan	768,396	602,819
Feb	835,010	645,397
March	901,623	690,176
Apr	968,237	732,455
May	1,034,851	778,692
June	1,101,465	848,390
July	1,168,078	892,417
Aug	1,234,692	948,465
Sept	1,301,306	993,810
Oct	1,367,920	
Nov	1,434,533	
Dec	1,501,147	
2011-2012	1,501,147	
Year To Date Actual v. Projected		76%



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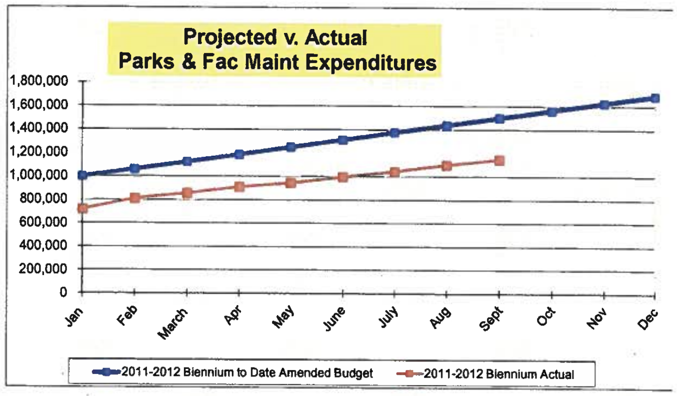
City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2012

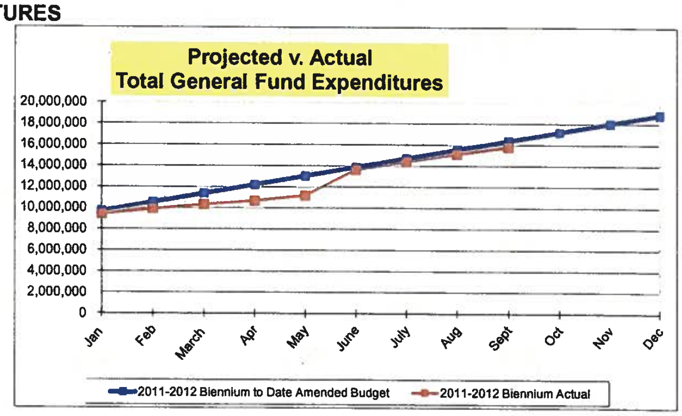
PARKS & FACILITY MAINT

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
2011	941,976	715,261
Jan	1,004,732	719,947
Feb	1,067,487	812,556
March	1,130,243	858,040
Apr	1,192,998	912,244
May	1,255,754	944,684
June	1,318,509	999,210
July	1,381,265	1,046,019
Aug	1,444,020	1,102,949
Sept	1,506,776	1,147,892
Oct	1,569,531	
Nov	1,632,287	
Dec	1,695,042	
2011-2012	1,695,042	
Year To Date Actual v. Projected		76%



TOTAL GENERAL FUND EXPENDITURES

	2011-2012 Biennium to Date Amended Budget	2011-2012 Biennium Actual
Jan	9,771,065	9,403,668
Feb	10,602,327	9,922,471
March	11,433,589	10,357,232
Apr	12,264,851	10,703,223
May	13,096,113	11,208,004
June	13,927,375	13,669,770
July	14,758,636	14,443,827
Aug	15,589,898	15,157,742
Sept	16,421,160	15,826,439
Oct	17,252,422	
Nov	18,083,684	
Dec	18,914,946	
2011-2012	18,914,946	
Year To Date Actual v. Projected		96.38%



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City of Kenmore, Washington
All Funds Cash Summary
September 30, 2012

	2009-2010 BIENNIUM	AMENDED BUDGET	September	2011-2012 BIENNIUM TO DATE
GENERAL FUND				
Beginning Cash	2,748,258	4,941,884		4,941,884
Interfund Loan Repayment	6,850,000	0		0
Revenues	18,944,234	18,945,595	472,782	15,522,113
Total Sources	28,542,492	23,887,479	472,782	20,463,997
Interfund Loans	5,350,000	0		0
Expenditures	18,262,703	18,914,946	668,697	15,826,439
Ending Cash	4,929,789	4,972,533		4,637,557
Total Uses	28,542,492	23,887,479	668,697	20,463,997
STREET FUND				
Beginning Cash	228,568	2,040,582		2,040,582
Interfund Loan	3,550,000	0		0
Revenues	8,568,320	2,394,724	37,831	2,026,805
Total Sources	12,346,888	4,435,306	37,831	4,067,387
Interfund Loan Repaid	6,150,000			0
Expenditures	4,156,306	3,160,790	41,973	1,904,096
Ending Cash	2,040,582	1,274,516		2,163,291
Total Uses	12,346,888	4,435,306	41,973	4,067,387
ARTERIAL STREET FUND				
Beginning Cash	1,432,272	1,209,197		1,209,197
Interfund Loan	8,300,000	0		0
Revenues	23,393,136	7,574,163	0	3,290,412
Total Sources	33,125,408	8,783,360	0	4,499,609
Interfund Loan Repaid	10,500,000	0		0
Expenditures	21,416,211	8,420,240	197,855	3,592,443
Ending Cash	1,209,197	363,120		907,166
Total Uses	33,125,408	8,783,360	197,855	4,499,609
PUBLIC ART FUND				
Beginning Cash	67,378	68,244		68,244
Revenues	130,857	3,979	0	819
Total Sources	198,235	72,223	0	69,063
Expenditures	129,991	1,000	500	1,000
Ending Cash	68,244	71,223		68,063
Total Uses	198,235	72,223	500	69,063
PARK IMPACT FEE FUND				
Beginning Cash	976,339	1,354,455		1,354,455
Revenues	396,799	440,942	20,296	211,759
Total Sources	1,373,138	1,795,397	20,296	1,566,214
Expenditures	18,683	700,000	0	0
Ending Cash	1,354,455	1,095,397		1,566,214
Total Uses	1,373,138	1,795,397	0	1,566,214
TRANSPORTATION IMPACT FEE FUND				
Beginning Cash	146,087	545,655		545,655
Revenues	1,280,266	943,962	67,472	687,689
Total Sources	1,426,353	1,489,617	67,472	1,233,344
Expenditures	880,698	1,221,255	0	610,628
Ending Cash	545,655	268,362		622,716
Total Uses	1,426,353	1,489,617	0	1,233,344
SWAMP CREEK BASIN FUND				
Beginning Cash	0	1,762,640		1,762,640
Revenues	1,762,640	35,619	0	10,650
Total Sources	1,762,640	1,798,259	0	1,773,289
Expenditures	0	0	66,170	198,109
Ending Cash	1,762,640	1,798,259		1,575,180
Total Uses	1,762,640	1,798,259	66,170	1,773,289

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XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
All Funds Cash Summary
September 30, 2012

	2009-2010 BIENNIUM	2011-2012 AMENDED BUDGET	September	BIENNIUM TO DATE
MUNICIPAL CAPITAL RESERVE FUND				
Beginning Cash	2,402,043	1,866,318		1,866,318
Interfund Loan Repayment	8,800,000	0		0
Revenues	1,493,254	2,038,341	83,169	1,148,034
Total Sources	12,695,297	3,904,659	83,169	3,014,352
Interfund Loan	5,500,000	0		0
Expenditures	5,328,980	3,262,894	0	2,342,725
Ending Cash	1,866,318	641,765		671,627
Total Uses	12,695,297	3,904,659	0	3,014,352
CAPITAL PROJECTS FUND				
Beginning Cash	12,016,588	60,725		60,725
Revenues	4,693,262	508,079	12,236	537,617
Total Sources	16,709,850	568,804	12,236	598,342
Expenditures	16,636,626	507,820	5,816	1,262,239
Ending Cash	73,223	60,984		(663,898)
Total Uses	16,709,850	568,804	5,816	598,342
SURFACE WATER MANAGEMENT FUND				
Beginning Cash	3,865,039	1,590,280		1,590,280
Revenues	2,824,196	3,743,334	15,691	2,930,419
Total Sources	6,689,235	5,333,614	15,691	4,520,700
Expenditures	5,098,954	4,866,475	143,920	3,044,829
Ending Cash	1,590,280	467,139		1,475,870
Total Uses	6,689,235	5,333,614	143,920	4,520,700
STRATEGIC RESERVE FUND				
Beginning Cash	1,057,632	1,264,464		1,264,464
Interfund Loan Repayment	1,000,000	0	0	0
Revenues	206,832	0	0	0
Total Sources	2,264,464	1,264,464	0	1,264,464
Interfund Loans	1,000,000			0
Expenditures	0	0	0	0
Ending Cash	1,264,464	1,264,464		1,264,464
Total Uses	2,264,464	1,264,464	0	1,264,464
EQUIPMENT REPLACEMENT FUND				
Beginning Cash	510,358	524,310		524,310
Revenues	111,198	161,520	0	148,564
Total Sources	621,556	685,830	0	672,874
Expenditures	97,246	143,497	0	220,137
Ending Cash	524,310	542,333		452,738
Total Uses	621,556	685,830	0	672,874
TRUST AND AGENCY (NON BUDGETED FUND)*				
Beginning Cash	269,109	278,859		278,859
Revenues	144,107	0	784	121,608
Total Sources	413,216	278,859	784	400,467
Expenditures	134,357	0	655	148,891
Ending Cash	278,859	278,859		251,576
Total Uses	413,216	278,859	655	400,467
TOTALS				
Beginning Cash	25,719,671	17,507,613		17,507,613
Interfund Loan	28,500,000	0		0
Revenues	63,949,101	36,790,258	710,261	26,636,487
Total Sources	118,168,772	54,297,871	710,261	44,144,101
Interfund Loan	28,500,000	0		0
Expenditures	72,160,756	41,198,917	1,125,586	28,953,427
Ending Cash	17,508,016	13,098,954		14,992,565
Total Uses	118,168,772	54,297,871	1,125,586	43,945,991

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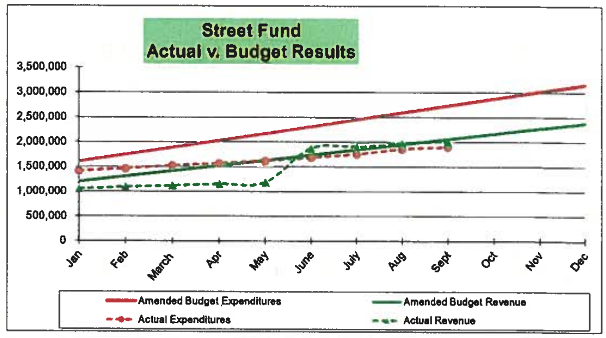
XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2012

STREET FUND

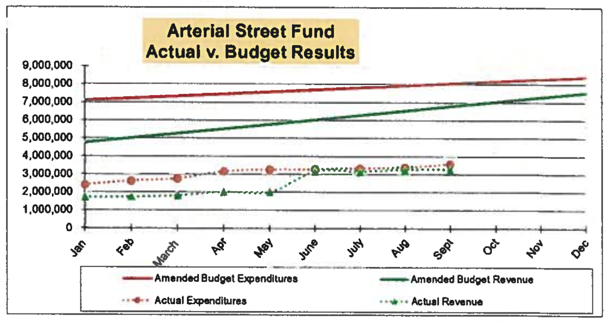
	2011-2012 Amended Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Amended Budget Revenue	2011-2012 Actual Revenue
2011	1,475,064	1,395,044	1,097,749	1,036,456
Jan	1,615,541	1,414,739	1,205,830	1,067,023
Feb	1,756,018	1,465,263	1,313,912	1,103,823
March	1,896,496	1,525,971	1,421,993	1,135,003
Apr	2,036,973	1,572,987	1,530,074	1,168,279
May	2,177,450	1,623,806	1,638,155	1,203,687
June	2,317,927	1,691,685	1,746,237	1,884,049
July	2,458,404	1,759,331	1,854,318	1,920,907
Aug	2,598,881	1,862,123	1,962,399	1,988,974
Sept	2,739,359	1,904,096	2,070,480	2,026,805
Oct	2,879,836		2,178,562	
Nov	3,020,313		2,286,643	
Dec	3,160,790		2,394,724	
2011-2012	3,160,790		2,394,724	
Total Actual to Date vs Total Budget		60%		85%



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

ARTERIAL STREET FUND

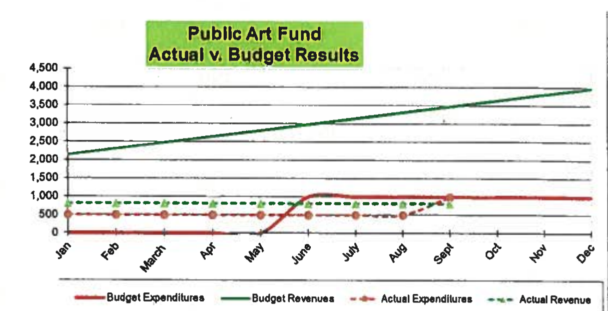
	2011-2012 Amended Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Amended Budget Revenue	2011-2012 Actual Revenue
2011	6,972,098	2,438,721	4,534,097	1,751,881
Jan	7,092,777	2,428,890	4,787,436	1,751,881
Feb	7,213,455	2,632,429	5,040,775	1,770,381
March	7,334,134	2,770,916	5,294,114	1,848,083
Apr	7,454,812	3,173,843	5,547,452	2,048,083
May	7,575,491	3,280,147	5,800,791	2,048,083
June	7,696,169	3,285,829	6,054,130	3,174,530
July	7,816,848	3,350,992	6,307,469	3,174,585
Aug	7,937,526	3,394,588	6,560,808	3,290,412
Sept	8,058,205	3,592,443	6,814,147	3,290,412
Oct	8,178,883		7,067,485	
Nov	8,299,562		7,320,824	
Dec	8,420,240		7,574,163	
2011-2012	8,420,240		7,574,163	
Total Actual to Date vs Total Budget		43%		43%



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

PUBLIC ART FUND

	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	500	500	1,982	819
Jan	0	500	2,148	819
Feb	0	500	2,315	819
March	0	500	2,481	819
Apr	0	500	2,648	819
May	0	500	2,814	819
June	1,000	500	2,981	819
July	1,000	500	3,147	819
Aug	1,000	500	3,313	819
Sept	1,000	1,000	3,480	819
Oct	1,000		3,646	
Nov	1,000		3,813	
Dec	1,000		3,979	
2011-2012	1,000		3,979	
Total Actual to Date vs Total Budget		100%		21%



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

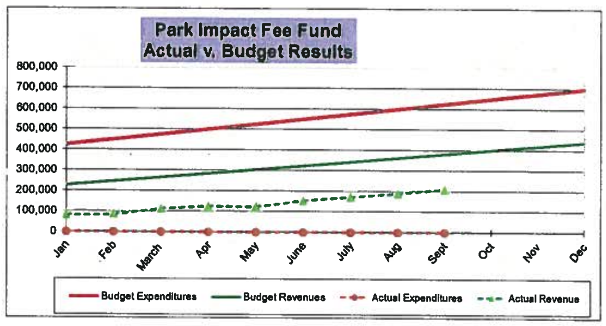
I:\Admin & Finance\Monthly Reports\2012\Sept.xlsx\Other Funds Graphs

XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2012

PARK IMPACT FEE FUND

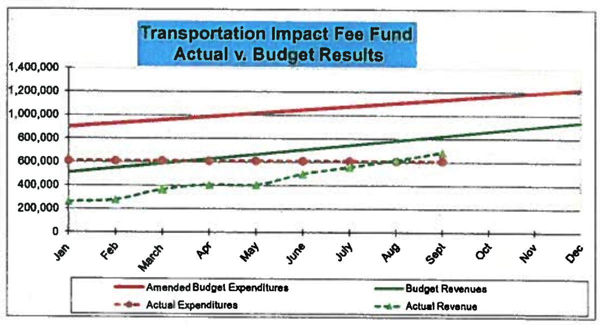
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	400,000	0	209,183	76,853
Jan	425,000	0	228,496	84,150
Feb	450,000	0	247,810	89,015
March	475,000	0	267,123	115,771
Apr	500,000	0	286,436	128,038
May	525,000	0	305,749	128,038
June	550,000	0	325,063	155,945
July	575,000	0	344,376	173,704
Aug	600,000	0	363,689	191,463
Sept	625,000	0	383,002	211,759
Oct	850,000		402,316	
Nov	675,000		421,629	
Dec	700,000		440,942	
2011-2012	700,000		440,942	
Total Actual to Date vs Total Budget		0%		48%



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

TRANSPORTATION IMPACT FEE FUND

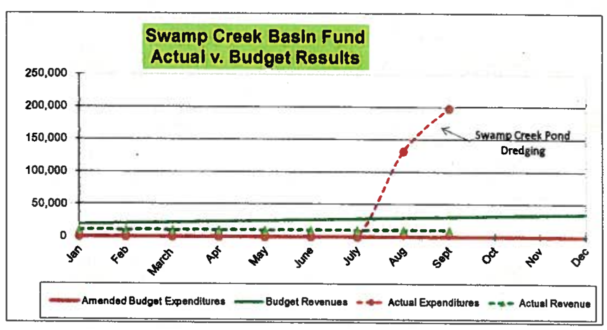
	2011-2012 Amended Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	871,255	610,628	470,962	239,206
Jan	900,422	610,628	510,379	263,485
Feb	929,588	610,628	549,795	279,637
March	958,755	610,628	589,212	368,587
Apr	987,922	610,628	628,629	409,366
May	1,017,088	610,628	668,045	409,366
June	1,046,255	610,628	707,462	502,140
July	1,075,422	610,628	746,879	561,178
Aug	1,104,588	610,628	786,295	620,216
Sept	1,133,755	610,628	825,712	687,689
Oct	1,162,922		865,129	
Nov	1,192,088		904,545	
Dec	1,221,255		943,962	
2011-2012	1,221,255		943,962	
Total Actual to Date vs Total Budget		50%		73%



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

SWAMP CREEK BASIN FUND

	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	0	0	17,721	10,650
Jan	0	0	19,212	10,650
Feb	0	0	20,703	10,650
March	0	0	22,194	10,650
Apr	0	0	23,685	10,650
May	0	0	25,176	10,650
June	0	0	26,667	10,650
July	0	0	28,158	10,650
Aug	0	131,939	29,849	10,650
Sept	0	198,109	31,140	10,650
Oct	0		32,631	
Nov	0		34,122	
Dec	0		35,616	
2011-2012	0		35,619	
Total Actual to Date vs Total Budget				30%



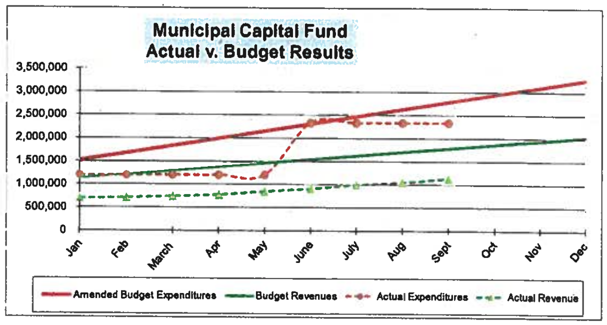
This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

I:\Admin & Finance\Monthly Reports\2012\Sept.xlsxOther Funds Graphs

City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2012

MUNICIPAL CAPITAL FUND

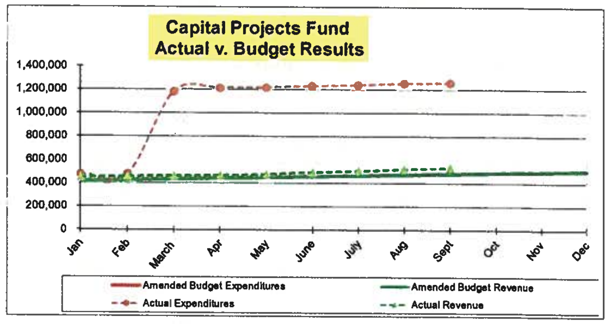
	2011-2012 Amended Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	1,364,344	1,211,586	1,063,582	658,183
Jan	1,522,557	1,211,586	1,144,812	713,386
Feb	1,680,769	1,211,586	1,226,042	731,450
March	1,838,982	1,211,566	1,307,272	761,141
Apr	1,997,194	1,211,586	1,388,502	793,311
May	2,155,407	1,211,586	1,469,732	861,547
June	2,313,619	2,338,033	1,550,962	921,954
July	2,471,632	2,338,033	1,632,191	1,008,239
Aug	2,630,044	2,342,725	1,713,421	1,064,866
Sept	2,788,257	2,342,725	1,794,651	1,148,034
Oct	2,946,469		1,875,881	
Nov	3,104,682		1,957,111	
Dec	3,262,894		2,038,341	
2011-2012	3,262,894		2,038,341	
Total Actual to Date vs Total Budget		72%		56%



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

CAPITAL PROJECTS FUND

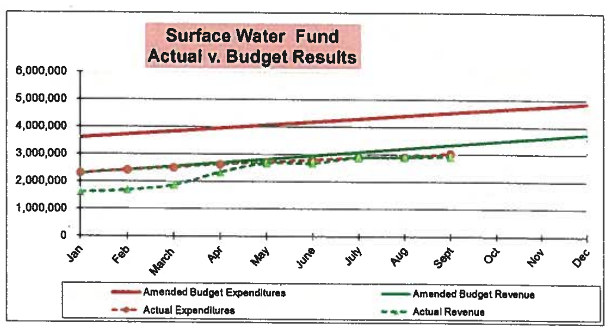
	2011-2012 Amended Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Amended Budget Revenue	2011-2012 Actual Revenue
2011	412,410	474,789	406,813	447,634
Jan	420,361	477,873	415,252	452,625
Feb	428,312	479,334	423,691	459,269
March	436,263	1,183,893	432,130	464,260
Apr	444,213	1,216,182	440,568	469,251
May	452,164	1,219,922	449,007	480,011
June	460,115	1,234,348	457,446	498,109
July	468,066	1,242,534	465,885	510,345
Aug	476,017	1,256,424	474,324	525,381
Sept	483,968	1,262,239	482,763	537,617
Oct	491,918		491,201	
Nov	499,869		499,640	
Dec	507,820		508,079	
2011-2012	507,820		508,079	
Total Actual to Date vs Total Budget		249%		106%



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

SURFACE WATER MANAGEMENT FUND

	2011-2012 Amended Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Amended Budget Revenue	2011-2012 Actual Revenue
2011	3,504,478	2,301,189	2,172,624	1,604,654
Jan	3,617,978	2,320,252	2,303,517	1,622,286
Feb	3,731,478	2,428,578	2,434,409	1,702,096
March	3,844,977	2,517,079	2,565,302	1,880,583
Apr	3,958,477	2,638,049	2,696,194	2,352,875
May	4,071,977	2,720,924	2,827,087	2,678,976
June	4,185,477	2,798,168	2,957,979	2,685,934
July	4,298,976	2,893,020	3,088,872	2,893,509
Aug	4,412,476	2,900,909	3,219,764	2,914,728
Sept	4,525,976	3,044,829	3,350,657	2,930,419
Oct	4,639,476		3,481,549	
Nov	4,752,975		3,612,442	
Dec	4,866,475		3,743,334	
2011-2012	4,866,475		3,743,334	
Total Actual to Date vs Total Budget		63%		78%



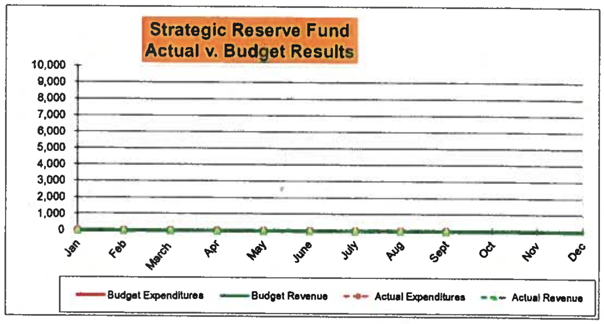
This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.

I:\Admin & Finance\Monthly Reports\2012\Sept.xlsx\Other Funds Graphs

City of Kenmore, Washington
Other Funds Monthly Activity
September 30, 2012

STRATEGIC RESERVE FUND

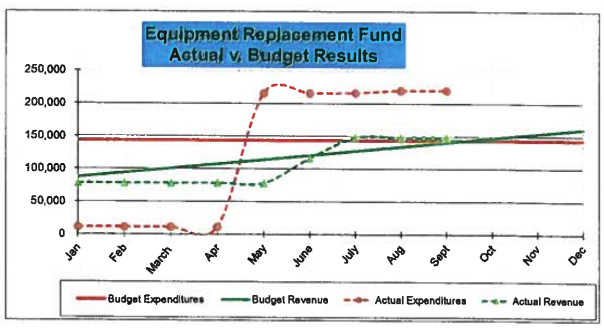
	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0		0	
Nov	0		0	
Dec	0		0	
2011-2012	0		0	
Total Actual to Date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



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

EQUIPMENT REPLACEMENT FUND

	2011-2012 Budget Expenditures	2011-2012 Actual Expenditures	2011-2012 Budget Revenue	2011-2012 Actual Revenue
2011	143,497	11,385	81,072	79,164
Jan	143,497	11,385	87,776	79,164
Feb	143,497	11,385	94,480	79,164
March	143,497	11,385	101,184	79,164
Apr	143,497	11,385	107,888	79,164
May	143,497	215,949	114,592	79,164
June	143,497	215,949	121,296	117,064
July	143,497	216,499	128,000	148,564
Aug	143,497	220,137	134,704	148,564
Sept	143,497	220,137	141,408	148,564
Oct	143,497		148,112	
Nov	143,497		154,816	
Dec	143,497		161,520	
2011-2012	143,497		161,520	
Total Actual to Date vs Total Budget		153%		92%



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

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City of Kenmore, Washington
Cash and Investment Report
September 30, 2012

Fund	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	$4,834,241	$472,782	$668,697	$4,638,325
Street	2,167,431	37,831	41,973	2,163,290
Arterial Street	1,105,022	0	197,855	907,167
Public Art	68,564	0	500	68,064
Park Impact Fee	1,545,920	20,296	0	1,566,216
Transp Impact Fee	555,245	67,472	0	622,717
Swamp Creek Basin	1,641,351	0	66,170	1,575,180
Municipal Capital	588,457	83,169	0	671,625
Capital Projects	-670,321	12,236	5,816	-663,901
Capital Projects-Retainage	0	0	0	0
Surface Water Mgt.	1,604,100	15,691	143,920	1,475,871
Strategic Reserve	1,264,465	0	0	1,264,465
Equipment Replacement	452,736	0	0	452,736
Trust & Agency	251,444	784	655	251,573
Totals	$15,408,654	$710,261	$1,125,586	$14,993,329

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	$956,214	$3,681,709	$4,637,923
Street	1,313,290	850,000	2,163,290
Arterial Street	907,168	0	907,168
Public Art	53,063	15,000	68,063
Park Impact Fee	636,216	930,000	1,566,216
Transp Impact Fee	592,718	30,000	622,718
Swamp Creek Basin	175,181	1,400,000	1,575,181
Municipal Capital	671,625	0	671,625
Capital Projects	-1,113,901	450,000	-663,901
Surface Water Mgt.	965,871	510,000	1,475,871
Strategic Reserve	414,465	850,000	1,264,465
Equipment Replacement	2,737	450,000	452,737
Trust & Agency	151,572	100,000	251,572
Totals	$5,726,220	$9,266,709	$14,992,929

City of Kenmore, Washington
Schedule of Investments
September 30, 2012

		Average Yield to Maturity-Securities						Overall Average Yield	0.48%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	Yield Equivalents
Piper Jaffray									
	313371PC4	FHLB	12/12/2014	6/7/2011	0.68%	0.88%	no call	991,238.90	8,722.90
	3136G0QY0	FNMA	7/25/2017	7/25/2012	0.75%	0.75%	7/25/2013	1,000,000.00	7,500.00
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffrey Purchases								2,885,970.78	26,360.21
Seattle Northwest Securities									
								-	-
Time Value Investments									
	313586QR3	FNMA	7/5/2014	6/7/2011	1.00%	compounds	no call	998,858.37	9,988.58
	31398A4N9	FNMA	10/15/2013	12/8/2010	1.00%	1.00%	4/15/2011	999,990.00	9,999.90
	3136FTPX1	FNMA	11/13/2015	11/30/2011	1.15%	1.15%	11/30/2012	1,000,000.00	11,500.00
Total TVI Purchases								2,998,848.37	9,999.90
Wells Fargo Bank									
	3136FTXD6	FNMA	12/28/2015	12/28/2011	1.10%	1.10%	12/28/2012	1,000,000.00	11,000.00
Total Wells Fargo Purchases								1,000,000.00	11,000.00
Banner Bank CD's									
	5740005425	CD	2/6/2013	2/6/2012	0.45%	0.45%		1,132,694.88	5,097.13
Total Banner Bank CD's								1,132,694.88	5,097.13
Sound Community Bank CD's									
	18299229	CD	2/11/2014	8/17/2012	0.65%	0.65%		1,000,000.00	6,500.00
Total Sound Community Bank CD's								1,000,000.00	6,500.00
Opus Bank CD's									
	280140042	CD	3/16/2015	3/15/2011	1.15%	1.15%		249,194.49	2,865.74
Total Cascade Bank CD's								249,194.49	2,865.74
TOTAL ALL SECURITIES								$ 9,266,708.52	$ 61,822.98
			Banner Checking and Savings			**0.17%**	**Banner**	1,480,082.19	2,516.14
			Opus Bank			**0.20%**		11,073.18	22.15
			Cash					1,005.00	-
			Local Government Investment Pool			**0.18%**	**LGIP**	4,234,058.37	7,468.86
									-
				Total Accounts				$ 14,992,927.26	71,830.14

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XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington

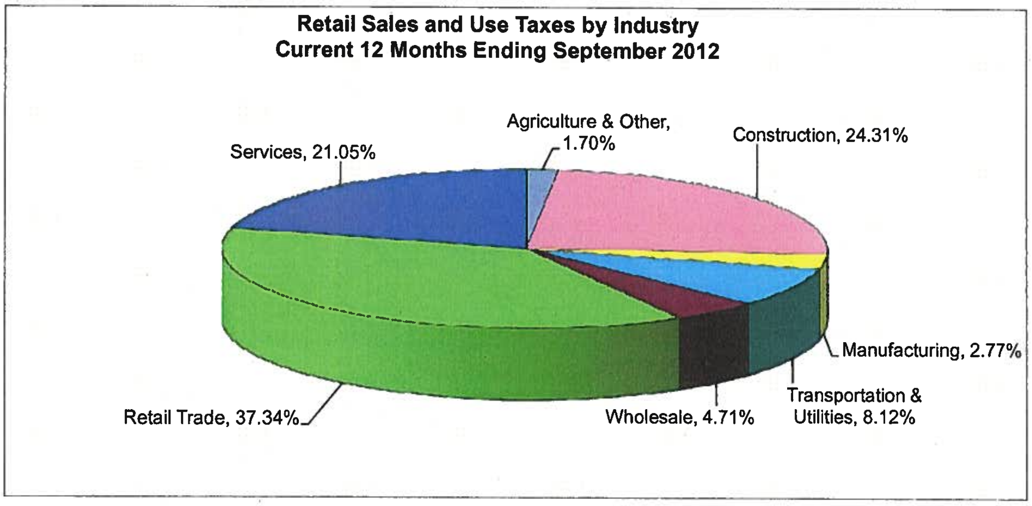
SALES TAX RECEIPTS BY BUSINESS TYPE

September 2012

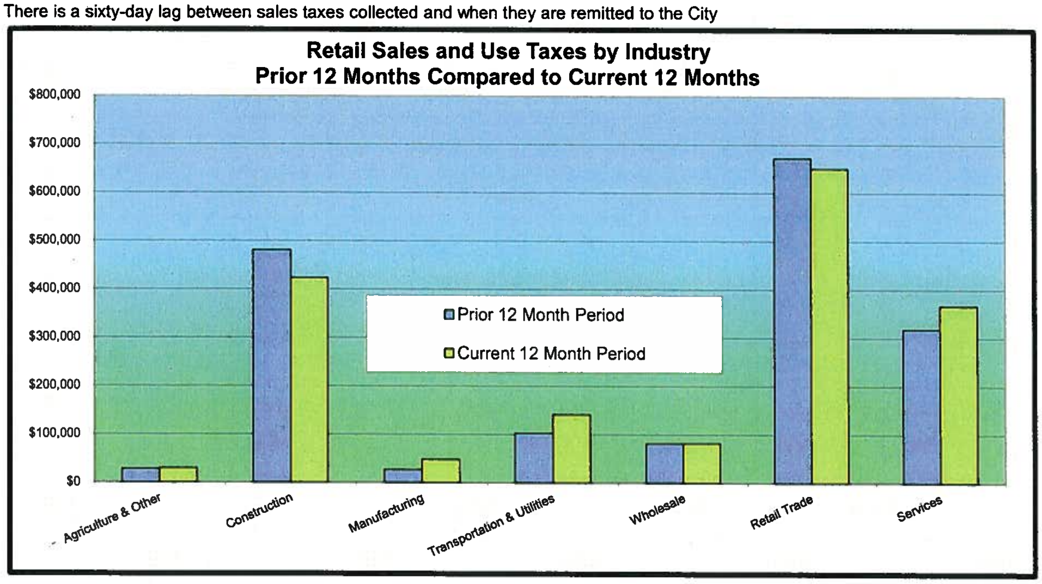
	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	2,490.54	4.20	2,494.74	1.7%
CONSTRUCTION	32,296.18	928.53	33,224.72	22.2%
MANUFACTURING	3,207.02	6.51	3,213.52	2.1%
TRANSPORTATION & UTILITIES	15,805.98	2,139.99	17,945.98	12.0%
WHOLESALE	7,531.76	35.42	7,567.18	5.1%
RETAIL TRADE	48,866.29	464.05	49,330.33	32.9%
SERVICES	29,800.57	1,860.29	31,660.86	21.1%
PUBLIC SERVICES	4.97	4,352.53	4,357.50	2.9%
	140,003.31	9,791.52	149,794.83	100.0%

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
September 30, 2012

Industry	Prior 12 Months ending September 2011	Current 12 Months ending September 2012		% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	$27,855	$29,637		6.40%	1.70%
Construction	480,119	423,192	*	-11.86%	24.31%
Manufacturing (Printing, Publishing, Other Manuf.)	26,861	48,130		79.18%	2.77%
Transp/Comm/Utilities (Telecomm., Air Transport.)	102,452	141,385		38.00%	8.12%
Wholesale (Lumber, Other Wholesale)	81,341	81,973		0.78%	4.71%
Retail Trade (Eating, Merchandise, Food Stores)	671,748	649,995		-3.24%	37.34%
Services (Auction, Recreation, Auto Repair, Financial)	317,864	366,329		15.25%	21.05%
Totals	$1,708,239	$1,740,641		1.90%	100%
Increase/(Decrease)		$32,403		1.90%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.
* Approximately 10% of this is due to the Brightwater project.
There is a sixty-day lag between sales taxes collected and when they are remitted to the City



City of Kenmore, Washington
Real Estate Excise Tax Report
September 30, 2012

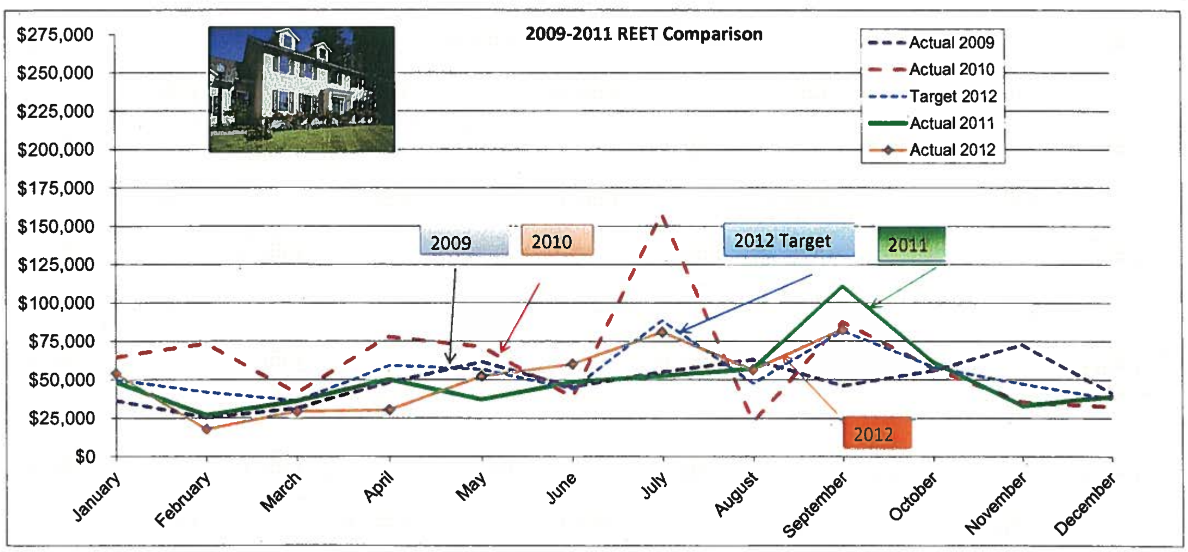
Real Estate Excise Taxes (REET)
2008 - 2012 Monthly Receipts

	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Target 2012
January	167,796	36,640	64,792	48,679	54,359	50,037
February	39,354	25,466	73,383	27,294	18,064	42,048
March	42,409	31,468	41,445	36,507	29,691	36,474
April	75,958	48,355	78,233	50,463	30,662	59,017
May	50,369	61,743	71,622	37,671	52,575	57,012
June	45,084	45,639	38,919	48,938	60,408	44,499
July	102,721	55,328	158,221	53,012	81,316	88,853
August	93,364	63,161	23,033	57,471	56,626	47,888
September	68,457	46,508	87,734	111,107	82,785	81,783
October	39,607	55,905	57,761	61,805		58,490
November	60,295	72,456	35,585	33,475		47,172
December	34,608	41,723	32,962	39,510		38,065
	$820,021	$584,392	$763,689	$605,931	$466,487	$651,337

For 2012, REET is $4,655 more than the same period last year and below the 2012 target by $41,124

Real Estate Excise Taxes (REET)
2008 - 2012 Property Sales > $500,000
(The sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue)

	2008	2009	2010	2011	2012	Taxes from > $500,000 Sale Amounts 2008	2009	2010	2011	2,012
January	28,479,285	3,809,950	3,790,500	1,046,085	5,515,283	140,972	18,859	18,763	5,178	27,301
February	4,994,900	2,819,838	4,805,000	547,257	1,152,000	24,725	13,958	23,785	2,709	5,702
March	6,016,500	2,923,000	1,149,000	1,100,000	750,000	29,782	14,469	5,688	5,445	3,713
April	9,089,830	3,942,750	1,779,000	1,075,000	870,000	44,995	19,517	8,806	5,321	4,307
May	4,285,470	7,254,950	1,859,000	2,372,000	2,796,250	21,213	35,912	9,202	11,741	13,841
June	5,868,926	560,000	540,000	2,605,000	1,215,000	29,051	2,772	2,673	12,895	6,014
July	15,533,779	3,739,900	18,013,000	3,354,950	4,196,500	76,892	18,513	89,164	16,607	20,773
August	12,492,130	3,857,600	1,020,000	3,045,950	1,756,200	61,836	19,095	5,049	15,077	8,693
September	6,504,602	2,275,000	11,276,760	15,691,044	4,859,500	32,198	11,261	55,820	77,671	24,055
October	3,397,877	5,949,213	610,000	7,873,950		16,819	29,449	3,020	38,976	0
November	5,851,865	6,393,000	1,020,000	875,000		28,967	31,645	5,049	4,331	0
December	619,950	1,855,348	2,178,000	2,189,000		3,069	9,184	10,781	10,836	0
	$103,135,114	$45,380,549	$48,040,260	$41,775,236	$23,110,733	$510,519	$224,634	237,800	206,787	114,399



* NOTE THE 2012 TARGET IS BASED ON A 3-YEAR AVERAGE (2009-2011) OF ACTUAL RECEIPTS.

XIIB. September 2012 Financial Report Presentation - Joanne Gregory, Finance & Administration Director

City of Kenmore, Washington
Monthly Report for Kenmore Village
September 30, 2012

		September		Biennium-to-Date		Biennium Budget
Revenues						
Lease Income (USPS & Kenmore Village)	$	10,186	$	112,642	$	88,266
Return of Security Deposit		-		3,257		0
Other Rent Income		2,050		15,700		0
Insurance Proceeds		-		19,672		0
Leasehold Excise Returned		-		2,824		0
Total Revenues	$	12,236	$	154,094		88,266
Expenditures						
6700 Building Improvements	$	863	$	38,415		40,820
Utilities and Insurance - Kenmore Village		2,465		84,699		0
Repairs, Maintenance, Other Services		1,800		1,800		0
Leasehold Tax (12.84% of Lease Income)		-		5,345		0
Total Expenditures	$	5,128	$	130,260		40,820
Net Income (Loss)	$	7,108	$	23,835	$	47,446

City of Kenmore, Washington
SR 522 Phase I Revenue and Expenditure History
as of September 30, 2012

Actuals Received on Cash Basis

Phase I

Stage 3 Burke Gilman Trail @73rd Ave NE-nearing completion
Stage 1 SR 522 Central Segment 65th to 73rd and other Improvements, in construction
Stage 2 SR 522 West Segment 57th to 65th and other improvements, pending funding

		Secured:	Cumulative through 2008	2009	2010	2011	September 2012	Year to Date 2012	Life to Date
Revenues:									
Wa State Transportation Improve. Board:									
	to Street Fund	5,047,000	851,786	0	0	0	0	0	**851,786**
	to Arterial Street Fund	0	148,214	2,545,308	1,501,692	0	0	0	**4,195,214**
Wa State Gas Tax		4,663,620	3,119,047	1,765,416	0	0	0	0	**4,884,463**
Federal Surface Transportation Prog		12,045,444	1,708,895	8,535,460	1,781,817	0	0	55	**12,026,227**
Brightwater		15,000	15,000	0	0	0	0	0	**15,000**
Federal: Wa State Dept of Trans Signal		357,914	0	0	546,862	0	0	0	**546,862**
King County Parks		906,500	514,616	201,467	0	0	0	0	**716,083**
King County Roads		350,000	350,000	0	0	0	0	0	**350,000**
Northshore Utility District Reimb		432,400	80,559	0	0	0	0	0	**80,559**
Puget Sound Energy Reimb		264,100	0	0	0	0	0	0	**0**
Northshore School Dist Reimb		22,258	0	0	0	0	0	0	**0**
Library Reimb		10,000	0	0	0	0	0	0	**0**
Comcast Reimb		168,800	88,620	0	0	0	0	113,383	**202,003**
Urban Partners		75,000	0	25,000	54,438	0	0	0	**79,438**
Fire District Reim		49,000	0	0	0	0	0	63,245	**63,245**
City Art Fund		126,486	0	0	0	0	0	0	**0**
BWR St. 1 Ph. 1 Settlement							0	0	**0**
City Funds:		5,607,250	0	0	0	0	0	200,000	**200,000**
	Transfer from REET Muni Cap		1,083,250	0	3,290,000	0	0	0	**4,373,250**
	Transfer from Street Fund		0	0	521,870	0	0	0	**521,870**
Stage 1/181st	Transfer from REET Muni Cap		0	334,000	0	0	0	0	**334,000**
Stage 2	Transfer from REET Muni Cap	700,000	0	700,000	0	470,174	0	157,468	**1,327,642**
	Transfer from Trans Impact Fees		900,000	0	0	0	0	0	**900,000**
Total Revenues		30,840,772	8,859,987	14,106,651	7,696,679	470,174	0	534,151	**31,667,642**
Expenditures:									
	Street Fund		15,148,961	1,090	0	0	0	0	**15,150,051**
	Street-Interfund Loan Interest		0	0	0	0	0	0	**0**
	1% Art Fund		0	0	0	0	0	0	**0**
	Arterial Street Fund		253,860	11,708,313	2,874,519	154,162	0	384,564	**15,375,418**
Stage 2 Design	Arterial Street Fund			483,830	435,358	132,834	2,001	34,130	**1,086,153**
	Muni Cap Fund		46,782	0	0	0	0	0	**46,782**
Total Expenditures			15,449,603	12,193,233	3,309,877	352,046	2,001	418,694	**31,658,404**

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City of Kenmore, Washington
SR 522 Phase II Revenue and Expenditure History
as of September 30, 2012

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

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

	Secured:	Cumulative through 2008	2009	2010	Year to Date 2011	September 2012	Year to Date 2012	Life to Date
Revenues:								
Wa State Transportation Improve. Board:	3,450,000	3,145,975	131,526	172,500	0	0	0	3,450,000
Sound Transit	8,192,307	8,192,307	0	0	0	0	0	8,192,307
Brightwater	250,000	0	0	0	0	0	0	0
Federal Grant via WSDOT	697,312	578,381	91,120	0	6,683	0	0	676,184
Federal: WSDOT Signal/Overlay	683,608	185,272	498,322	0	0	0	0	683,594
Regional Mobility WSDOT	1,800,000	1,441,827	358,173	0	0	0	0	1,800,000
King County Metro	400,000	0	0	400,000	0	0	0	400,000
Wa State Gas Tax Grant	8,336,380	4,636,717	2,951,182	439,620	0	0	0	8,027,519
Comcast Reimb	147,770	92,680	0	55,090	0	0	0	147,770
Northshore Utility District Reimb	1,621,486	1,024,376	441,836	0	0	0	0	1,466,212
Northshore School District Reimb	28,914	0	0	0	2,694	0	2,444	5,138
PSE Reimbursement	150,000	0	0	0	0	0	0	0
City: Art Fund	161,006	0	0	0	0	0	0	0
City:	2,870,793			0	0	0	0	0
Investment Earnings		92,191	15,331	2,532	0	0	0	110,054
Fuel Tax		274,153	0	0	0	0	0	274,153
Transfer of Trans Impact Fees		512,000	430,698	450,000	387,500	0	0	1,392,698
Transfer from Street Fund		0	0	1,000,000	0	0	0	1,000,000
Transfer of REET		1,096,420	0	0	215,307	0	0	1,096,420
Total Revenues	28,789,576	21,272,299	4,918,188	2,519,742	612,184	0	2,444	28,722,050
Expenditures:								
Arterial Street		22,497,211	4,671,626	1,068,152	1,403,237	0	44,364	29,684,589
Interfund Loan Interest		127,175	0	0	0	0	0	127,175
Art 1%		0	0	0	0	0	0	0
Transportation Impact Fee Fund		100,000	0	0	0	0	0	100,000
Total Expenditures		22,724,386	4,671,626	1,068,152	1,403,237	0	44,364	29,911,764

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: **Proposed Kenmore Key Marketing Messages: Discussion** **Proposed Council Action/Motion:** Discussion and Direction on Proposed Key Marketing Messages	**For Council Meeting Agenda of: 13 November 2012** **Department: Executive** **Prepared by: Nancy Ousley** **Initial & Date** **Approved by Department Head:** NKO 30 OCT 2012 **Approved by City Attorney:** **Approved by Finance Director:** 10/30/12 **Approved by City Manager:** RCK **Exhibits/Attachments:** 1) Proposed Key Messages 2) Notes from July 20 2012 Meeting

Expenditure Required $n/a **Amount Budgeted** $ **Appropriation Required** $0

INFORMATION/BACKGROUND:
Erika Schmidt, President/Chief Operating Officer of Frause Full Spectrum Communications, will review proposed key messages that have been developed for use in marketing efforts for the City of Kenmore. This work commenced in July 2012 in a work session that involved Councilmembers Sperry and Smith, community members, Bastyr University staff and senior City staff.

The 2009 Economic Development Strategy emphasizes the need to promote Kenmore's image as a means of business development and recruitment, and as we proceed with marketing activities through an enhanced website and other materials, having a set of descriptive and interesting messages is essential.

FISCAL CONSIDERATION:
These messages will be the foundation for marketing, website and media investments, making them more effective and consistent.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:
Implement the 2009 Economic Development Strategy. Goal I. of the Strategy is: Establish Kenmore's image by promoting its high quality of life and many assets.

ATTACHMENT
1

City of Kenmore
Key Messages – DRAFT FOR DISCUSSION
NOVEMBER 2012

Prepared by Erika Schmidt, Frause

General

Puget Sound's next innovation hub is launching in Kenmore.

Proof Points:

- The city economic development strategy focuses on attracting health care and technology start-ups, as well as existing businesses seeking to expand.
- The city is developing a pilot business incubator.
- Council members and city staff are promoting and implementing economic development strategies for a robust and active downtown, including Kenmore Village.
- There is a strong relationship with Bastyr University, the top natural medicine university and research institute in the U.S. and Kenmore's largest employer.
- The city's foundation is a reflection of the hard work and innovation of small business owners, and that spirit is a core component of the community.

Development

Innovative businesses soar without limits in Kenmore.

Proof Points:

- Kenmore has short permit cycles, newer infrastructure and the city staff is interested in helping development move forward.
- Time to market is less than in other areas, commercial site plan review is streamlined and incentives for development are in place.
- The city has an exceptional location within easy reach of the Metro areas of Seattle, Bellevue, and Snohomish County employment centers.
- The city is near medical and technology universities, such as Bastyr University, University of Washington Seattle and University of Washington Bothell.
- Kenmore's population is highly educated and offers a viable workforce for technical companies.
- The city hall staff is business friendly.
- There is under-developed and accessible land ready for new investment
- The city has minimal municipal debt and no B&O tax.

Livability of location	**Kenmore is the best-kept secret in the Puget Sound.** <u>Proof Points:</u> • Residents and business owners consider it an awesome place to live and work. • Kenmore has a low crime rate and established neighborhoods with homes of varied types (including new and Mid-Century Modern). Homes have maintained their value better in Kenmore than other area communities in recent years. • Residents value the Northshore School District and are proud of Inglemoor High School as a public school academic success story. • The serenity of nature is everywhere. • The beauty and accessibility of Lake Washington are community asset highlights. • The residents have invested in maintaining Kenmore's heritage. • Many residents and businesses have lived and worked in Kenmore for years. • Kenmore is a walkable city with amazing views.
Location	**You can swiftly get to everywhere from Kenmore.** <u>Proof Points:</u> • SR-522 is a toll-free route to and from Seattle, Bellevue and SeaTac International Airport. • Interstates are close by the city. • Parking is easy and accessible in Kenmore. • Kenmore Air offers service to the San Juan Islands and Canada.
Tourist/Activities	**Come spread your wings in Kenmore.** <u>Proof Points:</u> • There is an abundance of outdoor recreational opportunities in the area. • Kenmore has miles of trails, including the Burke Gilman Regional Trail. • St. Edwards State Park has plenty of land to roam. • There is a unique Heron rookery in the area and unique places to bird watch. • There are numerous locations to kayak and boat. • It is easy to enjoy a variety of activities such as concerts, golf, walking, running, cycling and bowling.
Future	**Our excitement for the city's future is reaching maximum velocity.** <u>Proof Point:</u> • Residents, businesses and city representatives are sharing a positive anticipation around "what's next" for Kenmore.

City of Kenmore
Key Message Brainstorm Notes – Rough Draft
Held – July 20, 2012 in City Hall conference room

In preparation for constructing Key Messages about the City of Kenmore, Erika Schmidt of Frause led a group of City Council members, staff and volunteers in a two-hour brainstorm. The resulting notes from the session are below. These notes are a verbatim recap of the information generated. Further documentation is available with the Key Message deliverables.

Competition

The group brainstormed what communities they considered competition for economic and tourism dollars. They also indicated what they believe makes those communities desirable.

Priority

- Bothell (everything about it)
- #2 Kirkland (it has a sense of place)

Secondary

- Seattle (employment center)
- Redmond (work location)
- Edmonds (restaurants, shops, water)
- Woodinville (national brands, chain restaurants)
- Lake Forest Park (3rd Place Books)
- Young cities like Maple Valley, Covington, Sammamish (they are similar to us but have different amenities), which are also much like City of Kenmore
- Shoreline (visual changes to the communities – now has a better sense of place)
- Mill Creek (town center, one-of-a-kind restaurants, well-organized community, zoning, balance between open spaces and planned community, highway is next to it, nice neighborhoods, family friendly, walkable/accessible)

Audiences

This section covers who the group felt were the audiences that needed to hear positive messages about the city moving forward.

Priority

- Potential businesses and site selectors
- Developers
- Current businesses
- Residents, trust/pride/ambassadors (consumers, students)
- Funding Partners

Secondary

- Potential residents
- City staff
- Other agencies
- Regional agencies
- Media
- Visitors/consumers
- Venture/investments
- Drivers who pass through the city

<u>Differentiation</u>

This brainstorm focused on what makes City of Kenmore unique when compared against other communities.

- We are the best kept secret – awesome place to live and work
- There is anticipation in Kenmore for what's next
- Easy to find parking
- Many options to get around
- School system
  - Specifically, Inglemoor high school
    - IB program
  - DECA
  - Top IB candidates in the state
  - People move to Kenmore for schools
  - Top notch teachers, that kids like
  - UW takes more Inglemoor students than other communities (except MI)
  - College acceptance
  - Established
  - Music offered in many schools
- Heritage
- An energy around positive change [business area]
- Lower than average taxes
- Business friendly city hall
  - Speedy service
  - Easier to get a permit
  - Inspectors aren't as tough
- Low crime rate
- No toll bridge for commuters to east and west
- Great demographics
  - Educated
  - Median income
- Lake Washington (popular)

- Gas dock
  - Marinas
  - Boat ramp
  - Public waterfront access
  - Seaplane
  - International port of call
  - View
  - Undeveloped shoreline
- Universities in Kenmore, another nearby
  - Baster
  - In the path between UW and UW Bothell
- Underdeveloped accessible land
  - Residential lots bigger/more privacy
- One of five historical golf courses
- Financial situation/public interest
- Proximity to Metroplex (Seattle and Bellevue area)
- Park system/public green areas

<u>SWOT Analysis</u>

Beyond the differentiation discussion, the group did a round robin about strengths, weaknesses, opportunities and threats. This type of information is useful for understanding what to emphasize in key messages and what to de-emphasize.

Strengths [emphasized in addition to differentiation]

- Location/Lake Washington
- Affordable housing
- Rivers and wetlands, Sammamish River
- 20 minute to malls
- Lights [community feature]
- Relationship with Bastyr
- Low municipal debt

Weaknesses

- Central gathering place
- Shopping here
- 20 minute malls
- Lack of enough water accessibility
- No one-of-a-kind dinning place for dinners and large groups
  - No organic vegetables, local, fresh food and seafood
  - Dinner, large groups
  - Demographic
  - Organic veg, local, fresh, seafood

- SR522
- Perceived as a neighborhood

Opportunities

- History/heritage
- Travelers on SR522
- Available land/ Underdeveloped land
- City hall/staff
- Business community
- Lack of health care or natural health industry
- Bastyr (offering potential unmet needs)
- Some public access to water
- Diversified economic base
- Multi-generational perspectives
- Proven good place to build long-term business/successful
- Well located – driving, flying or walking
- Affordable place to live and grow business
- A number of parking lots to hop on to Burke Gilman trail
- Places for Bastyr students to work (retail and clinical rotations)
    - Bastyr has a shuttle driver

Threats

- Tolls/520
- Flat/declining revenues
- Increased costs
- Environmental issues
- Infrastructure needs

Describing Resident/Business Owners

When asked how to describe those individuals who live and work in the community, the following descriptions resulted.

- Invested
- Established
- Caring
- High level of involvement
- Significant environmental awareness - 92 acre wetland
    - Talk @ ecosystem (sensitive eco. fragile)
    - Marine life
    - Birds
- Vocal
- Well-known

- Family owned/small business
- Value the urban, suburban mixed w/wildlife
    - 10 minutes to urban
- Balanced (urban & natural)

<u>Potential Resident Messages</u>

- Award winning schools
- Lake Washington and rivers
- Near and not near Seattle
- Trail
- Easily walk to coffee
- Can easily hike within the city's open spaces for 1 ½ hours
- Reasonably priced – bargains for commuters
- Safe
- You can buy a bigger house
- Major employment centers nearby
- Accessible amenities
- Highest quality NW lifestyle

<u>Potential Business Messages</u>

- City is very walkable
- Business friendly
- Other people are investing in the area – you are not the first
- There are other small businesses
- Customers are here (demographics)
- Kenmore Village
- Kenmore camera – regional draw
- Bastyr (students)
- Natural/water views

<u>Potential Natural Health Industry Professionals Messages</u>

- Bastyr
- Natural health industry students are here
- Aesthetics of environmental and community spaces
- Physical space
- Like-minded people
- Kenmore is aware of the industry
- Don't have to get into the car
- Work and live close to the university
- Students can live between the university and the clinic in Seattle

Potential Developer Messages

- We are the “before” – you bring the “after”
- Public investments are online
- Table is set for developers
- We can help you move fast
- We have built the infrastructure developers need, including utilities
- Infrastructure
- Utilities
- Capacity for mixed use
  - Sewer infrastructure is ready
- Least amount of risk
  - Time to market is less
  - We provide certainty
- Commercial site plan review is streamlined
- Kenmore camera is already developing

Potential Visitor Messages

- Come kayak and play outdoors
- St. Edwards Park
  - Hiking
  - Mt. biking
- We have fun things to do like the brewery along the bike path
- We have amazing views
- Marina
- Concerts/festivals

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Business Registration: Preliminary Proposal Elements Proposed Council Action/Motion: Discussion and Direction on Elements of Business Registration Proposal	For Council Meeting Agenda of: 13 November 2012 Department: Executive Prepared by: Nancy Ousley Initial & Date Approved by Department Head: NKO 31 OCT 2012 Approved by City Attorney: ____ Approved by Finance Director: 11/1/12 Approved by City Manager: RJK Exhibits/Attachments: Staff Memo

Expenditure Required $ Staff and City Attorney time	Amount Budgeted $	Appropriation Required $0

INFORMATION/BACKGROUND:

The 2009 Economic Development Strategy recommendations include establishing a Business Registration requirement in order to have a better understanding of the types of business activities operating in Kenmore. Staff have identified some key elements for consideration that we would like to discuss with Council before we proceed with preparing proposed Kenmore Municipal Code amendments. These features have been identified based on examples from other jurisdictions and to reflect consultation with local business people on the topic. General feedback from businesses indicate support for a program with nominal fees, particularly if a Kenmore Business Directory could be prepared based on the registration information.

Kenmore Police Department, Development Services, City Clerk, Executive and the City Attorney are collaborating on the proposal. The proposal will be presented to the Council in 1st Quarter 2013 for action.

FISCAL CONSIDERATION:

Fees collected would support producing a Kenmore Business Directory and other activities that would support and promote local businesses.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Implement the 2009 Economic Development Strategy

City Of Kenmore, Washington

MEMO

30 October 2012

TO: Rob Karlinsey, City Manager

FR: Nancy Ousley, Assistant City Manager NKO

RE: Business Registration Preliminary Proposal

This memo outlines the main features being considered for a proposed Ordinance that would establish a Business Registration Program for Kenmore businesses. I look forward to reviewing this material with the City Council for comments and direction as we move forward with drafting the Ordinance.

The 2009 Economic Development Strategy recommended establishing a Business Registration requirement with a modest fee as a way to better understand the make-up of the business sector, help identify potential business clusters and to respond to the needs of local businesses. Kenmore is unusual in that we don't have a general Business Registration or license requirement, other than what appears to be a hold-over from King County Code requiring licenses for a small sector of businesses.

We have surveyed and discussed the potential for Business Registration at Business Open Houses and in numerous conversations with local business people, and have generally learned that they are open to the idea, particularly if the fee is reasonable. Local business people have also expressed support for the City to use the Business Registration information to produce a Kenmore Business Directory that would be sent to Kenmore addresses and available on the City website. We have also reviewed Business License or Registration codes from a number of cities to identify provisions that we are interested in incorporating into the proposal.

Key Features:

State of Washington Master Business License Program: we recommend joining the growing number of cities that use the Master Business License Program administered through the Department of Revenue. When businesses apply for or renew their state license, they also register for local licenses. This is convenient for business owners, as it can be done online or at Department of Revenue offices. It's also efficient for administration, as Revenue handles renewal reminders and reporting. Cities retain their regulatory authority in reviewing applications submitted through DOR. I have attached a listing of participating cities and their local business registration/license annual fees.

Exemptions: Cities often exempt certain activities from business registration requirements, such as newspaper deliveries, religious organizations, or participants in city-sponsored events. We will propose reasonable exemptions.

Fee: based on our conversations and surveys with local businesses, we are comfortable recommending a $25 annual fee for businesses of any size, including home occupations. This fee would assist in producing a directory and would support other marketing or other activities for the Kenmore business community.

Requirements for Registration if Doing Business in Kenmore: in addition to businesses physically located in Kenmore, we are considering requiring registration for businesses that are physically located elsewhere but do business in Kenmore, with reasonable exclusions and thresholds. We will work with the Department of Revenue and check further with other cities that have this requirement.

Additional License Requirements for Certain Business Types: Title 5 of the Kenmore Municipal Code addresses Business Licenses and Regulations. Business Licenses are required for businesses such as: adult entertainment and retail; massage parlors and bathhouses; pawnbrokers; secondhand dealers; outdoor musical entertainment; go-kart tracks; and peddlers/solicitors/transient merchants. The Code needs to be reviewed and updated for general relevance to today's conditions, but it may be prudent from a public safety standpoint to continue requiring additional license requirements and fees for certain types of business activities. Some cities follow this practice—Bellevue and University Place are examples—and staff will likely propose this type of provision in the draft Ordinance.

Unlawful Activities and Business Registration/License Denial, Suspension or Revocation: some cities such as Lakewood in Pierce County list grounds for denying, suspending or revoking licenses that address criminal history relevant to the business, allowing a public nuisance to exist, or allowing/failing to prevent unlawful activity on the business premises. We will incorporate similar language into the proposal.

Home Occupation Requirements: home occupation development or location requirements are contained in the Zoning Code, and at this time staff do not anticipate recommending any changes to those provisions. We do however plan to summarize the requirements on the application form and refer applicants to the relevant code sections.

Non Profit Registration Requirements: we recommend requiring non-profits located in Kenmore to register at no cost.

Fire and Emergency Information: we will work with Northshore Fire District to incorporate and streamline inspection information into this program.

Staff will present a proposed Ordinance for Council action in 1st Quarter 2013.

Attachment

18120 68th Ave NE · PO Box 82607 · Kenmore, WA 98028
Office: (425) 398-8900 · Fax: (425) 481-3236 · cityhall@kenmorewa.gov · www.kenmorewa.gov

State of Washington
Business Licensing Service
PO Box 9034
Olympia WA 98507-9034
1-800-451-7985

City License Fee Sheet

In most cities, a city license is required for businesses operating within the city limits, including those businesses that are located outside the city limits but perform services for customers inside the city limits. Businesses located outside city limits must carry a copy of their license while operating in the city.

Some cities **may** exempt special types of businesses from being licensed. Examples of those types of business may include:

- Farmers selling their own produce
- Newspaper deliveries
- Limited number of casual sales (garage sales)
- Churches and other religious organizations
- Charitable fundraising organizations
- Fraternal benefit societies
- Participants in a city-sponsored community event
- Delivery of goods sold outside the city

A city may require proof of qualifying for an exemption. If you think your business qualifies for exemption, contact the city directly for more information.

You may apply for the General Business License for the following cities using the Business License Application at the same time you apply for state licenses and registrations. In addition to the General Business License some cities may require other licenses, such as a Home Occupation Permit or peddlers license, to conduct particular business activities. Contact the cities directly for more information.

Additional forms and city approval are required for each city.

City of Anacortes

General Business License	**$30**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Bellevue

General Business Registration	**$84**

In addition to the general registration, a Home Occupation Permit is required for businesses that conduct any part of business from their home in Bellevue if there is any external indication of commercial activity, nonresident employees, client visits, business deliveries or vehicle signs. For information contact the Bellevue Dept. of Planning & Community Development at (425) 452-4188.

Bellevue regulatory licenses which may be needed in addition to the General Business Registration.

Ambulance	**No fee**
Cabaret	**$400**
Adult Cabaret	**$700**
Dance Hall Premises	**$375**
Pawnbroker	**$100**
Dealer–Precious Metals/Gems	**$100**
Panoram	**$200**

City of Bellingham

General Business License	**$40**

Note: Nonprofit businesses are required to obtain a general business license.

City of Blaine

General Business License	**$65**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Bonney Lake

General Business License	**$60**
Nonprofit Business License	**No fee**

Businesses located **outside** of the City of Bonney Lake are not required to be licensed by the city.

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Buckley

General Business License	**$75**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Carnation

General Business License	**$75**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Clyde Hill

General Business License	**$25**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of College Place

General Business License	**No Fee**

Note: Businesses located **outside** of the City of College Place are not required to be licensed by the city.

City of Connell

General Business License	**$30**

Note: Nonprofit businesses are exempt from this city's business license requirement.

Continued on page 2

City of Covington

General Business License	**$60**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of DuPont

General Business License	**$50**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Duvall

General Business License	**$55**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

Town of Eatonville

General Business License	**$50**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Edgewood

General Business License	**$35**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Enumclaw

General Business License	**$50**

Note: Nonprofit business licenses must be obtained directly from the City of Enumclaw at (360) 825-3593.

City of Fircrest

General Business License	**$65**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Gig Harbor

General Business License	**$30**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Gold Bar

General Business License	**$40**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Granite Falls

General Business License	**$45**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Ilwaco

General Business License	**$125**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Issaquah

General Business License	**$60**
Nonprofit Business License	**No fee**

A business with less than $3,000 gross annual income is exempt from this city's business license requirement.

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Lake Stevens

General Business License	**$40**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Leavenworth

General Business License	**$115**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Liberty Lake

General Business License	**$26**

Note: Nonprofit businesses are exempt from this city's business license requirement if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Long Beach

General Business License	**$125**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Longview

General Business License	**$50**
Nonprofit Business License	**$50**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Marysville

General Business License	**$50**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Millwood

General Business License	**$5**
Nonprofit Business License	**$5**

Businesses located **outside** of the City of Millwood are not required to be licensed by the city.

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

Continued on page 3

City of Milton

General Business License	**$88**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Monroe

General Business License	**$50**
Nonprofit Business License	**No fee**

Businesses located **outside** of the City of Monroe are not required to be licensed by the city.

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Newcastle

General Business License	**$31**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Olympia

General Business License	**$80**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Port Orchard

General Business License	**$35**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Port Townsend

General Business License	**$28**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Poulsbo

General Business License	**$65**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of Secretary of State as a nonprofit corporation

City of Prosser

General Business License	**$50**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Pullman

General Business License	**$20**
Nonprofit Business License	**No fee**

Businesses located **outside** of the City of Pullman are not required to be licensed by the city.

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Richland

General Business License	**$40**
Per employee fee (first 2 employees free)	**$12**
Property rental fee (per rental unit)	**$2**

See Richland License Category Sheet and addendum for more information.

Town of Ruston

General Business License	**$40**

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Sammamish

General Business License	**$15**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Sedro Woolley

General Business License	**$35**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Selah

General Business License	**$25**

Note: Nonprofit businesses may be exempt from city licensure. Please contact the city for more information.

City of Sequim

General Business License	**$50**
Nonprofit Business License	**$50**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Shoreline

General Business License	**$40**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

Town of Skykomish

General Business License	**$50**
Nonprofit Business License	**No fee**

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

Continued on page 4

City of Spokane Valley

General Business License	$13
Nonprofit Business License	$3

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation or submit a copy of the business' IRS 501 (c) certificate with their Business License Application. Nonprofit organizations located outside of the city are exempt from this city's business license requirement.

City of Stanwood

General Business License	$35
Nonprofit Business License	No fee

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Sultan

General Business License	$75

Note: Nonprofit businesses are exempt from this city's business license requirement.

City of Sumner

General Business License	$40
Nonprofit Business License	No fee

Businesses qualify for the nonprofit license if they have been granted a 501(c) tax exemption by the IRS.

City of Tumwater

General Business License	$50

Includes canvassers, peddlers, solicitors and mobile units as well as other commercial businesses.

Nonprofit Business License	No fee

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation. Nonprofit organizations located outside of the city are exempt from this city's business license requirements.

City of University Place

General Business License	$50
Nonprofit Business License	No fee

Home based businesses with less than $12,000 gross annual income are exempt from this city's business license requirement.

Businesses qualify for the nonprofit license if they are registered with the Office of the Secretary of State as a nonprofit corporation.

City of Washougal

General Business License	$25

Note: Nonprofit businesses are required to obtain a general business license.

City of West Richland

General Business License	$40
Nonprofit Business License	No fee

City Contacts:

Anacortes	(360) 299-1968
Bellevue	(425) 452-6851
Bellingham	(360) 778-8025
Blaine	(360) 332-8311
Bonney Lake	(253) 862-8602
Buckley	(360) 829-1921
Carnation	(425) 333-4192
Clyde Hill	(425) 453-7800
Connell	(509) 234-2701
College Place	(509) 525-0510
Covington	(253) 638-1110
DuPont	(253) 964-8121
Duvall	(425) 788-1185
Eatonville	(360) 832-3361
Edgewood	(253) 952-3299
Enumclaw	(360) 825-3593
Fircrest	(253) 564-8901
Gig Harbor	(253) 851-8136
Gold Bar	(360) 793-1101
Granite Falls	(360) 691-6441
Ilwaco	(360) 642-3145
Issaquah	(425) 837-3100
Lake Stevens	(425) 334-1012
Leavenworth	(509) 548-5275
Liberty Lake	(509) 755-6700
Long Beach	(360) 642-4421
Longview	(360) 442-5000
Marysville	(360) 363-8202
Millwood	(509) 924-0960
Milton	(253) 922-8733
Monroe	(360) 794-7400
Newcastle	(425) 649-4444
Olympia	(360) 753-8327
Port Orchard	(360) 876-7020
Port Townsend	(360) 379-4412
Poulsbo	(360) 394-9880
Prosser	(509) 786-2332
Pullman	(509) 338-3342
Richland	(509) 942-7313
Ruston	(253) 759-3544
Sammamish	(425) 295-0500
Sedro Woolley	(360) 855-0929
Selah	(509) 698-7326
Sequim	(360) 683-4908
Shoreline	(206) 801-2230
Skykomish	(360) 677-2388
Spokane Valley	(509) 921-1000
Stanwood	(360) 629-2181
Sultan	(360) 793-2231
Sumner	(253) 863-8300
Tumwater	(360) 754-4136
University Place	(253) 460-2510
Washougal	(360) 835-8501
West Richland	(509) 967-3431

Additional cities may join the Business Licensing Service. Visit business.wa.gov/BLS or call 1-800-451-7985 for a current listing.

City Council Business Agenda Item
City of Kenmore, WA

<table>
<tr><td>Subject/Topic:

Property at 18804 73rd Avenue NE

Proposed Council Action/Motion:

Staff Requests That Council Provide Direction for Management of the Property</td><td>For Council Meeting Agenda of: November 13, 2012

Department: Engineering & Environmental Services

Prepared by: Kris Overleese, PE

Initial & Date
Approved by Department Head: KUO 11/2/12
Approved by City Attorney: NA
Approved by Finance Director: [illegible] 11/2/12
Approved by City Manager: RQK

Exhibits/Attachments:

Attachment A: Grant Application Update</td></tr>
<tr><td colspan="2">Expenditure Required NA   Amount Budgeted NA   Appropriation Required $NA</td></tr>
</table>

INFORMATION/BACKGROUND:

The City acquired the properties at 18804 and 18808 73rd Avenue NE as part of the City's policy to purchase homes within the Swamp Creek flood plain. City staff is working to demolish the structure at 18808 (the home closest to the street).

The City has been awarded funds from the King County Conservation Futures program for the home at 18808 73rd Avenue NE. The home at 18804 73rd Avenue NE has been given preliminary approval for funding from the CFT program. The approval of the CFT reimbursement list is slated for this November within the King County budget adoption process.

There has been interest in keeping the structure at 18804 73rd Avenue NE as an environmental center. Staff has spent significant time investigating the structures integrity, access opportunities, parking, and environmental considerations. The attached memo outlines the staff review to date.

At the October 29, 2012 Council meeting, staff was asked to explore the timing flexibility with the Conservation Futures Program staff. Staff has learned that once the property (18804 73rd Avenue NE) is approved for reimbursement by the King County Council, the City has two years to enter into an agreement and request reimbursement. The two-year clock will likely start later this month when the King County Council adopts their budget.

XIIE. Budget Review

- Transportation Capital Budget

FISCAL CONSIDERATION:

The attached memo outlines the fiscal impact of keeping the structure at 18804 73rd Avenue NE. The original City intent was to demolish this structure. Should the City choose to keep the structure, CFT has indicated it is possible. However, CFT would not reimburse the City for the purchase of the structure, only the land.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The purchase of the home and property at 18804 73rd Avenue NE furthered Council Goals:

8. Move the City Council's interconnectivity vision forward towards implementation (parks, trails, open space, institutions, and shuttle bus).

10. Address watershed issues affecting the City.

XIIE. Budget Review

- Transportation Capital Budget

City Of Kenmore, Washington

Memorandum

Date: October 19, 2012

To: Rob Karlinsey, City Manager

From: Kris Overleese, City Engineer KO

Cc: Debbie Bent, Community Development Director
Bryan Hampson, Development Services Director

Subject: Grant Application Update

Rob, per your request, this memo outlines the information gathered regarding the Abagobez property and the potential to keep the house in place for environmental education purposes.

History
As part of the 73rd Street bridge rehabilitation, Council established a policy to purchase residences in the floodplain when the flood elevation was within one foot of the floor elevation of the habitable space and the owner was a willing seller. This 71,438 square foot parcel at 18804 73rd Avenue NE (Abagobez) consistently flooded during the winter and the residents used a boat at times to access the residence. The owners approached the City for inclusion in the program as willing sellers. Based on the difficult access to the residence during the winter the City acquired the parcel. Please see attachment A, the Council report for this acquisition.

The purchase price for the property was $345,000 plus the acquisition costs (staff and consultants) to total $370,810. The property was acquired in 2012 using revenues from the City's surface water capital fund to cover the total expenditures. In 2012 the City applied for King County Conservation Futures Tax (CFT) funding. The City is eligible for $185,405 of CFT funding. The City anticipates the funding to be available late in 2012. Conditions of CFT funding require that future use of the property is restricted to low impact,passive-use recreation as the intent of CFT funding is protection of open space.

The City's original intent was to demolish the building and return the property to open space. During Council's discussion of the Park Capital Improvement Program (CIP) 6/25/12, retaining the 2,240 sq.ft. Abagobez residence for environmental education use was identified as a potential park project. At that meeting, Council also gave direction for staff to complete a review of the building structure, including an assessment of mold or asbestos if needed. Development Services staff completed an assessment of the building in July 2012 (See Attachment B). If the City retains the building then the amount of CFT funding is reduced (see table below).

XIIE. Budget Review
- Transportation Capital Budget

City Of Kenmore, Washington

Memorandum

The 2013-2014 Preliminary Proposed City Budget includes $10,000 in the 2013 park capital improvement budget for assessing site/engineering issues and regulations related to critical areas, parking, access and drainage to support the use of the residence for environmental education use. $40,000 is allocated in the 2015 park capital budget for potential improvements, though this number is a planning level estimate. Staff has been gathering information on site/engineering issues over the last few weeks.

Environmental Education Center Potential
There is interest in keeping the Abagobez home/structure for an environmental education center. As this is different than the original intent, staff was asked to investigate this potential. The review was a coordinated effort between Engineering, Community Development, and Development Services. The key issues to review are as follows:

- Funding (impact to CFT reimbursement)
- Structural Improvement and Access Requirements
- Parking
- Environmental Compliance

The following table compares demolition cost of the Abagobez structure to keeping it for an environmental center.

	Demolish Abagobez Structure	Keep Structure for Other Use
CFT Reimbursement Lost	0	$92,794
Demolition cost	$12,000	0
Upgrade Structure & Access	0	$50,000
Parking	0	TBD
Environmental Compliance	0	TBD
Total Est of Cost	$12,000	$142,794

Reimbursement Cost: The City paid $345,000 for the land and structure and additional resources for administrative settlement. The Conservation Futures Tax (CFT) program has tentatively agreed to reimburse the City $185,405 (half of the land and half of the structure, plus administrative costs). If the City were to keep the house intact, CFT has indicated this is possible, but they would not reimburse us for any of the structure. The City would receive $92,794 less.This summary does not include long term maintenance costs.

Upgrade Structure and Access: The Abagobez home has a deck that was not permitted and there are other issues with the home that would require fixing. Please see Attachment B, a report written by the Development Services group outlining deficiencies and cost. The report also identifies a cost for building a boardwalk from the street to the structure. Staff continues to investigate the best way for pedestrians to access the structure and ADA access should also be built.

Parking: Turning the home into a nature center would require parking. Staff does not recommend putting parking where the current Schmidt home exists (between the Abagobez home and the street) as the area floods. Staff will investigate the options for street parking. Parking beyond street parking would require additional resources.

Environmental Compliance: The property is almost entirely within a Class 1 wetland. This wetland is also regulated under shoreline rules. The property is within the floodplain with a portion in the floodway. The property is also within a mapped seismic hazard area. A variance was granted by King County (prior to Kenmore's incorporation) to allow the residence to be built in the wetland. The house was elevated to comply with floodplain regulations and a wetland mitigation area was required to the east of the residence. The prior owner of the property built a deck without permits within the critical areas and wetland mitigation area.

The City has not completed an assessment of whether the deck could be retained in compliance with all critical area regulations. It is possible that a Reasonable Use Exception (RUE) land use permit would be required. Several criteria must be met in order to approve a RUE permit and these criteria have not been assessed. A shoreline variance would also possibly be required in order to keep the deck and the Department of Ecology has the final authority in granting a variance to shoreline regulations. Again the City has not assessed the criteria for granting a shoreline variance. Additional mitigation may also be required to keep the deck. Any additional site work or improvements (e.g. for access or parking) would also need to be assessed for compliance with critical area regulations.

XIIE. Budget Review

- Transportation Capital Budget

Attachment A.

CITY OF KENMORE, WASHINGTON

AGENDA BILL SUMMARY

AGENDA TITLE	MEETING DATE
Authorize the City Manager to execute a settlement agreement and purchase and sale agreement to acquire the 71,438 square foot parcel at 18804 73rd Ave NE with Surface Water Management Funds in the amount of $410,000.	November 28, 2011

DEPARTMENT	DIRECTOR	CONTACT PERSON	PHONE
Engineering	Ron Loewen	Ron Loewen	425-398-8900

COST OF PROPOSAL:

Item	Amount
Property Acquisition	$345,000
Acquisition Fees	$ 13,900
Site Restoration	$ 35,000
Settlement Agreement	$ 65,000
Staff Costs	$ 5,000
Contingency	$ 4,000
Total	$467,900

ACCOUNT NUMBER:
4100 6354

AMOUNT BUDGETED:

2011 – 2012 Mid Biennium Budget	$878,000
6 Year Capital Improvement Plan	$900,000

NAME AND FUND #:
Fund #41Surface Water Management Fund

ATTACHMENT(S) TO AGENDA PACKET ITEM:

1) Site location map
2) Settlement Agreement
3) Purchase and Sale Agreement

SUMMARY STATEMENT:

As part of the 73rd Street bridge rehabilitation, Council established a policy to purchase residences in the floodplain when the flood elevation was within one foot of the floor elevation of the habitable space and the owner was a willing seller. This 71,438 square foot parcel is consistently flooded during the winter and the residents are required to use a boat at times to access the residence. The owners approached the City for inclusion in the program as willing sellers. Based on the difficult access to the residence during the winter the policy should be extended to include the acquisition of this parcel.

Additionally the parcel is adjacent to several other City owned parcels. This acquisition would increase the City's contiguous ownership at this location from 13 Acres to 14.6 Acres. See attached site location map. The property will also help to increase wetland functions and improve fish and wildlife habitat.

Following discussions with the property owner, they agreed to sell their property to the City. An appraisal report was prepared to establish fair market value for the property. Universal Field Services was contracted for $12,926 to assist with purchase negotiations. The owner has tentatively agreed to the purchase price of $345,000 and an additional $65,000 to resolve claim issues. The total compensation amount includes all closing costs. Closing is scheduled for December.

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Once the property has been acquired, the residence will be removed and the housing site graded and seeded. Site restoration is estimated to cost $35,000. The funds for the settlement agreement and purchase sale agreement are included in 2011-2012 Budget and as amended by the 2011-2012 Mid Biennium Budget Amendment. The proposed 6-year Surface Water Management Fund budget includes $900,000 dollars for property acquisitions within the Swamp Creek Basin. These funds include a Washington State Cities Risk Pool reimbursement of $10,000 as part of the settlement resolution. The City will pursue a Conservative Futures Tax (CFT) funds grant application which may reimburse the City for up to half of the acquisition cost. Previous purchases of property along Swamp Creek have been approved to receive CFT funds and it is expected that funds would be approved for this parcel as well.			
CONSISTENT WITH OR COMPARISON TO PAST COUNCIL POLICIES, ORDINANCES, DIRECTION: Comprehensive Plan Policy SW 42.1.5 Pursue a regional system for managing surface water in the Swamp Creek Basin that addresses overall planning, development regulations, funding, enforcement of rules, acquisition of significant properties, and construction of capital facilities.			
Authorize the City Manager to execute a settlement agreement and purchase and sale agreement to acquire the 71,438 square foot parcel at 18804 73rd Ave NE with Surface Water Management Funds in the amount of $410,000.			
REVIEWED BY FINANCE DIRECTOR:		REVIEWED BY CITY ATTORNEY:	APPROVED BY CITY MANAGER:
TODAY'S DATE: November 14, 2011	REVISION DATE(S):		FILE NAME & PATH (HYPERLINK): S:\0165 Abagobez Property Acquisition\City Council\November Agenda Bill 11-15-11.docx

XIIE. Budget Review

- Transportation Capital Budget

Attachment B.

431 CITY OF KENMORE, WA
BUILDING ANALYSIS REPORT

18120 68th Ave NE, Kenmore, WA 98028 425-398-8900 www.kenmorewa.gov

GENERAL INFO

Date:	July 27, 2012
Building Name:	Abagobez House
Address:	18804 73rd AVE NE, Kenmore WA 98028
Parcel Number:	011410-1009
Report Prepared By:	Bryan Hampson and Mark Schwarzwalter
Date of Inspection:	July 2,2012
Weather Conditions:	Cloudy, Dry, approximately 72 degrees

Type of Building:	Occupancy Use:
☒ Single-family Residence	Residential
Gross Floor Area (sf):	2,240 square foot
Number of Stories:	2
Year Built:	1999
Lot Size:	71,434 sf
Zoning:	R-1

SUMMARY

List of items not working and/or major deficiencies:	Estimated price range ($):	
Replace underfloor insulation	1,000	
Replace underfloor ductwork	4,000	
Install underfloor soffit board	1,000	
Pressure wash roof	350	
Replace broken window	500	
Install smoke detectors	200	
Service furnaces, water heaters, range and dishwasher	750	
Insulate piping underfloor	100	
Cabinet and handrail repair	250	
Replace exhaust fan and kitchen hood	750	
Replace carpet	3,000	
Replace linoleum	250	
Repaint interior walls, ceilings, doors and moldings	2,500	
Reconstruct deck footings[1]	2,500	
Reconstruct patio cover (optional)[1]	5,000	
OPTION 1: Construct ramp in lieu of stairs (need a 60'x4' ramp for rise)[1]	4,800	
Install one accessible parking stall and access aisle	4,000	
OPTION 2: Construct a boardwalk from the right-of-way to deck (210'x5')[1]	-	21,000
Subtotal	30,950	43,150
Building Permit[1]	825	1,050
Variance Permit (within critical area)[1]	2,500	2,500
Total	34,275	46,700

Note 1: The deck, patio cover and boardwalk are not considered unreasonable, would not create a health or safety hazard or create an adverse impact to the critical areas and buffers based on the size, configuration, height and openness and therefore would be allowed through the proper permitting process.

XIIE. Budget Review

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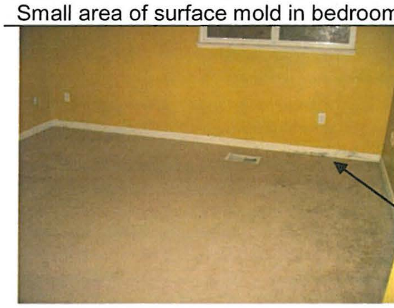
			Satisfactory	N/A
FOUNDATION	Crawlspace	  Underfloor area completely submerged in water.		
	Foundation:	Concrete. No signs of settlement or deterioration.	☒	☐
	Floor Structure:	Wood Joists. No signs of deterioration or mold 	☒	☐
	Vapor Barrier:		☐	☒
	Insulation:	Insulation has been destroyed by rodents and/or animals. The insulation would need to be replaced, (recommend rigid insulation and soffit board).	☐	☐
	Ventilation:		☒	☐
	Mechanical:	Mechanical forced air ducts have been destroyed by rodents and/or animals All ductwork would need to be replaced (recommend rigid duct with internal Insulation.	☐	☐
	Pipes:	Underfloor plumbing pipes are exposed.	☐	☐
	Water Damage/Rot/ Mold:	No rot or mold observed.		☐
	Signs of Rodents:	Yes.		☐
ROOF			Satisfactory	N/A
	Roof Structure:	Wood Trusses	☒	☐
	Roofing Material:	Composition Shingles. Roof needs moss and leaves cleaned off.	☒	☐
	Insulation:	Attic not inspected	☐	☐
	Ventilation:	Attic not inspected	☐	☐
	Mechanical:	Attic not inspected	☐	☐
	Pipes:	Attic not inspected	☐	☐
	Gutters &	None observed	☐	☒

XIIE. Budget Review

- Transportation Capital Budget

			Satisfactory	N/A
	Downspouts			
	Water Damage/Rot/ Mold:	None observed		☒
	Signs of Rodents:	None observed		☒
WALLS	Wall Structure:	Wood studs	☒	☐
	Exterior Materials:	Wood Siding	☒	☐
	Windows:	Insulated, double pane. Exterior pane of one window broken upstairs living Room	☒	☐
	Doors:		☒	☐
	Chimney:		☐	☒
	Water Damage/Rot/ Mold:	Small area of surface mold in bedroom #2 downstairs		☐

broken pane (outside pane)



mold

			Satisfactory	N/A
ELECTRICAL	Electrical Service:	Over head service, main panel located in the laundry room and subpanel upstairs	☒	☐
	Amps:	200 Amps,	☒	☐
	Grounding & Bonding:	Could not verify	☐	☐
	Circuits:		☒	☐
	Outlets and Fixtures:		☒	☐

XIIE. Budget Review

- Transportation Capital Budget

			Satisfactory	N/A
	Smoke Detectors:	Smoke detectors missing throughout	☐	☐
HEATING/COOLING	Heating System:	Forced air furnace, 40,000 btu/h, downstairs and 25,000btu/h upstairs. Recommend servicing both furnaces prior to use.	☒	☐
		 		
	Shut off valve:		☒	☐
	Combustion Air:		☒	☐
	Ductwork:	Underfloor ductwork completely destroyed by animals or rodents	☐	☐
	Cooling System:		☐	☒
	Heat Pump:		☐	☒
PLUMBING	Water Service:	Public	☒	☐
	Main Shutoff:	Not located	☐	☐
	Pipes:	Piping is satisfactory, no leaks observed, underfloor are exposed (not insulated)	☐	☐
				
	Fixtures:	Tubs, showers, sinks and toilets need cleaning	☐	☐
		  		
	Drain, Waste, & Vent:		☒	☐

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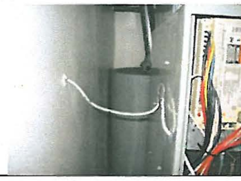
Water Heater:	Gas water heater, 40 gallons downstairs; 20 gallons upstairs	☒	☐




Fire Sprinklers:	None	☐	☒
Leaks:	None observed		☐

KITCHEN

		Satisfactory	N/A
Cabinets & Countertop:	Drawer front needs repair, cabinets need cleaning	☒	☐

Appliances:	Dishwasher was not operating, needs cleaning Range, not operating, gas was turned off, needs cleaning	☐	☐

Floor Covering:	Linoleum	☒	☐
Ventilation:	Ductless, not operating	☐	☐
Other:		☐	☐

INTERIOR

		Satisfactory	N/A
Floor Covering:	Hardwood downstairs in living area is satisfactory Carpet in bedrooms downstairs and throughout upstairs needs replacement, burned and stained throughout. Bathrooms have linoleum (pealing in some areas).	☐	☐



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	Wall Covering/ paint	Walls throughout need repainting, stained and dirty 	☐	☐
	Stairs/Railings:	Interior handrail needs repair. Stairs satisfactory.	☐	☐
	Fireplace:		☐	☒
	Interior Doors:	Doors themselves are satisfactory, need repainting, stained, dirty	☐	☐
	Exhaust Fans:	Not operating in downstairs hall bathroom, other bathroom fans are operating	☐	☐

			Satisfactory	N/A
EXTERIOR	Deck:	Deck and patio cover were installed without a permit. Deck posts are submerged in water, the deck footings would need to be extended above the flood level.	☐	☐
				
	Patio:		☐	☒
	Patio Cover:	The patio cover was installed without a permit. The roof framing is over spanned and is showing signs of water damage.	☐	☐
				
	Porch:		☐	☒
	Stairs/Handrails:	Stairs and handrails to deck constructed without permits. One handrail and guardrail are missing. Stair treads, risers and openings are not constructed to building code requirements. Ramp would be required if changed to public use.	☐	☐

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Carport:		☐	☒
Outbuildings:		☐	☒
Grading:	Land around the house is flooded.	☐	☐
	 		
Driveway:	Driveway is gravel and portions get submerged underwater when water rises	☐	☐

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