AGENDA
REGULAR MEETING DES MOINES CITY COUNCIL
December 11, 2003 - 6:30 p.m.

CALL TO ORDER - Mayor Steenrod all

PLEDGE OF ALLEGIANCE Sheckler

ROLL CALL all present but White. excused

CORRESPONDENCE 1 letter

COMMENTS FROM THE PUBLIC: At this time you are invited to comment on items that you wish to bring to Council's attention. Please sign in prior to the meeting and limit your comments to three minutes or less. Bob Pond

skipped until 7:30

BOARD & COMMITTEE REPORTS

PRESIDING OFFICER'S REPORT

ADMINISTRATION REPORTS

CONSENT CALENDAR* passed - 6-0

1. Motion is to approve the special and regular meeting minutes of November 20, 2003.
2. Findings: Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the City Council.
   Motion: As of this date the Des Moines City Council, by unanimous vote, does approve for payment those vouchers and payroll transfers included in the above list and further described as follows:
   Claim checks # through # & electronic fund transfers in the total amount of $
   Payroll fund transfers in the total amount of $
3. Motion is to authorize the City Manager to approve all vouchers for payment of the following claims during the period of December 5, 2003 through December 18, 2003:
   a. All vouchers for payment of payroll checks, including Marina payroll, and
   b. All vouchers for payment of claims and Marina checks, provided that all vouchers and checks approved by the City Manager in accordance with this motion shall be presented at the January 8, 2004 Council meeting.
4. Motion is to authorize the City Manager to sign the agreement with the Washington State Department of Community, Trade and Economic Development for the $30,000 Growth Management Grant. The agreement shall be substantially in a form as approved by the City Attorney. ? from Scott T
5. Motion is to approve the Interlocal Agreement with King County for I-Net Services and to direct the City Manager to sign the Interlocal Agreement with King County substantially in the form as submitted.
6. Motion is to authorize the purchase of an additional 450 square feet of property at 22200 Pacific Highway South from Mr. And Mrs. Kon Hwang in the amount of $9,405 and further to authorize the Finance Department to issue payment.

*NOTE: Items on the Consent Calendar are either
routine or have been previously discussed.
Any item may be removed by a Councilmember.

OLD BUSINESS

1. Preliminary 2004 Budget - Policy Issues
   SUMMARY: This item is intended to facilitate Council's discussion on policy issues that were addressed previously in the 2004 budget presentations to Council. Policy issues will include discussion of the CIP Funds.

2. Draft Ordinance No. 03-307 – Adoption of Year 2004 Budget, Second Reading
   SUMMARY: A public hearing for the Draft Ordinance No. 03-307, adopting the Year 2004 Budget was conducted November 13, 2003. Council will provide direction to staff regarding the proposed ordinance.

waive 26(b) passed 4-2 Benjamin/Peterson NO
passed on 1st reading 5-1 Benjamin NO

NEW BUSINESS

1. Draft Ordinance No. 03-324 - Adoption of 2003 Budget Amendments
   SUMMARY: The proposed amendments of the 2003 Budget will be presented to Council for adoption.

2. Draft Resolution No. 03-309 - Adoption of 2004-2009 Capital Improvement Plan
   SUMMARY: In response to the Growth Management Act of 1990's requirement that communities adopt comprehensive plans to guide the orderly development of growth, Council will consider adoption of the proposed 2004-2009 Capital Improvement Plan.

NEXT MEETING DATE - Regular Meeting, December 18, 2003

ADJOURNMENT

Item #1

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: 2003 Budget Amendments	FOR AGENDA OF: December 11, 2003
	DEPT. OF ORIGIN: Finance
ATTACHMENTS: Draft Ordinance No. 03-324 Attachment A	DATE SUBMITTED: December 10, 2003
	CLEARANCES: [ ] Finance ph [ ] Legal Lam
	APPROVED BY CITY MANAGER FOR SUBMITTAL: AT

Purpose and Recommendation

Suggested motions:

1. "I move to suspend Council Rule 26(b) to consider Draft Ordinance No. 03-324 on first reading."

2. "I move to adopt Draft Ordinance No. 03-324 relating to municipal finance, amending the 2003 budget adopted in Ordinance No. 1314."

Background

The intentions of these budget adjustments are to formally incorporate Council decisions and staff recommendations during 2003 into the final budget. The 2003 budget amendments reflect routine housekeeping adjustments resulting from unanticipated revenues and expenditures that were not known at the time the budget was adopted. The formality of adopting a budget amendment for these adjustments is required in order to meet legal budgetary compliance whereby expenditures do no exceed legal authorized appropriations per RCW 35A.33.120. A brief explanation of the supplemental appropriation identified in "Appendix A" of draft Ordinance No. 03-324 is identified below.

Explanation of Budget Amendments

Funds Amended:

Facility Repair & Replacement Fund: $4,200
This fund is used for the repair or replacement of city owned buildings and fixtures not covered by insurance. This adjustment covers the expenditure for the unanticipated repair of the generator at the police facility.

Police Drug Seizure Fund: $19,625
This adjustment represents the purchase of a replacement vehicle and equipment offset by additional federal forfeited funds and proceeds from the sale of the vehicle replaced.

Grant Control Fund: $80,000
The purpose of this fund is to account for grant revenues and expenditures. The additional expenditures represent grants received in 2003, but not awarded until after the budget was approved. These grants include traffic safety, tobacco (from State settlement), DUI, domestic violence, and waste reduction. Some of these expenditures are fully funded by the grant; others require City funding match totaling approximately $12,000.

1995 GO Bond – Police Facility: $100
This adjustment represents additional fiscal agent fees, not originally budgeted.

Local Improvement District Fund: $10,300
The purpose of this fund is to pay LID debt service. This adjustment represents additional principal paid in 2003 and $300 for miscellaneous expenses.

1997 GO Bond – City Hall Remodel: $200
This adjustment represents additional fiscal agent fees, not originally budgeted.

1998 GO Bond – Park Land Acquisition: $300
This adjustment represents additional fiscal agent fees, not originally budgeted.

Debt Service Fund: $3,000
This adjustment represents interest charges on the line of credit for the Pacific Highway South Projec

Marina Revenue Fund: $50,000
This adjustment represents an additional $50,000 for the purchase of fuel for resale which is offse additional revenue collected through the sale.

Marina Repair and Replacement Fund: $3,100
This adjustment represents the unanticipated repair of the navigation light at the end of the p pier. This light was destroyed by vandals and was not covered by insurance based on the de

Equipment Rental Operations Fund: $55,000
This adjustment represents an additional $20,000 for the purchase of fuel for resale to u Fuel is purchased in this fund and then "sold" to user departments which offset the

revenue collected through the resale. An additional $35,000 was used for the major repair of patrol vehicles damaged during accidents in 2003, and paid for with insurance proceeds.

Equipment Replacement Fund: $35,000
This adjustment represents the replacement of a damaged vehicle plus auxiliary equipment paid for with insurance proceeds.

Funds Closed:

1978 GO Bond-Police Station: $4,000
The $4,000 is a residual equity transfer-out to the General Fund, to close Fund 204. The debt service for the 1978 GO Bond has been paid in full.

1987 GO Bond-Library/Park: $43,700
The $43,700 is a residual equity transfer-out to the General (approx. $6,180) and MCI (approx. $37,520) Funds, to close Fund 207. The debt service for the 1987 GO Bond has been paid in full.

1992 GO Bond-Downtown Improvement: $1,200
The $1,200 is a residual equity transfer-out to the General Fund, to close Fund 209. The debt service for the 1992 GO Bond has been paid in full.

Recommendation

It is recommended that the City Council adopt Draft Ordinance No. 03-324, amending the City of Des Moines 2003 Budget.

(12) **Equipment Replacement Fund: Increased Expenditure of $35,000.** This adjustment represents the replacement of a damaged vehicle plus auxiliary equipment paid for with insurance proceeds.

(13) **1978 GO Bond-Police Station: Increased Expenditure of $4,000.** The $4,000 is a residual equity transfer-out to the General Fund, Fund 001, to close Fund 204. The debt service for the 1978 GO Bond has been paid in full.

(14) **1987 GO Bond-Library/Park Fund: Increased Expenditure of $43,700.** The $43,700 is a residual equity transfer-out to the General Fund, Fund 001, and the Municipal Capital Improvement Fund, Fund 310, to close Fund 207. The debt service for the 1987 GO Bond has been paid in full.

(15) **1992 GO Bond-Downtown Improv: Increased Expenditure of $1,200.** The $1,200 is a residual equity transfer-out to the General Fund, Fund 001, to close Fund 209. The debt service for the 1992 GO Bond has been paid in full.

and,

WHEREAS, the City Council finds that the 2003 budget amendments to the City's budget are in the public interest; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. Findings. Each and every of the findings expressed in the recitals to this ordinance are hereby adopted and incorporated by reference.

Sec. 2. Amendment to 2003 Budget. The 2003 budget, originally approved as Ordinance No. 1314, enacted on December 19, 2002, is amended as reflected in Appendix "A", which is incorporated herein by this reference.

Sec. 3. Ratification and Confirmation. All acts taken by City officers and staff prior to the enactment of this ordinance that are consistent with and in furtherance of the purpose or intent of this ordinance are hereby ratified and confirmed by the City Council.

Sec. 4. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court or competent jurisdiction; such decision shall not affect the validity of the remaining portions of this ordinance.

(2) If the provisions of this ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this ordinance deems control.

Sec 5. Effective date. This ordinance shall take effect and be in full force five (5) days after its passage, approval and publication according to law.

PASSED BY the City Council of the City of Des Moines this ____ day of ______, 2003 and signed in authentication thereof this ____ day of _______, 2003.

____
M A Y O R

APPROVED AS TO FORM:

____
City Attorney

ATTEST:

____
City Clerk

Published: _______, 2003

DRAFTORD/03-324

APPENDIX A

Fund		Expenditure As stated in Ord. No. 1314	Supplemental Appropriation	New Total
106	Facility Repair & Replacement	80,000	4,200	84,200
107	Police Drug Seizure Fund	20,000	19,625	39,625
150	Grant Control Fund	146,936	80,000	226,936
204	1978 GO Bond - Police Station	0	4,000	4,000
207	1987 GO Bond - Library/Park	0	43,700	43,700
209	1992 GO Bond - Downtown Improv.	0	1,200	1,200
211	1995 GO Bond - Police Facility	562,675	100	562,775
212	LID Fund	51,656	10,300	61,956
216	1997 GO Bond - City Hall Remodel	133,343	200	133,543
218	1998 GO Bond - Park Land Acquistion	168,643	300	168,943
220	Debt Service Fund	25,640	3,000	28,640
401	Marina Revenue Fund	2,929,822	50,000	2,979,822
403	Marina Repair and Replacement	0	3,100	3,100
500	Equipment Rental Operations Fund	277,053	55,000	332,053
501	Equipment Replacement Fund	0	35,000	35,000

Passed ✓

NEW BUSINESS
Item #1

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT:
2003 Budget Amendments

ATTACHMENTS:
Draft Ordinance No. 03-324
Attachment A

FOR AGENDA OF: December 11, 2003

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: December 10, 2003

CLEARANCES:
[ ] Finance ____
[ ] Legal ____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: ____

Purpose and Recommendation

Suggested motions:

passed 26(b) 4-2 Benjamin + Peterson NO

1. "I move to suspend Council Rule 26(b) to consider Draft Ordinance No. 03-324 on first reading."

2. "I move to adopt Draft Ordinance No. 03-324 relating to municipal finance, amending the 2003 budget adopted in Ordinance No. 1314."

passed 5-1 Benjamin NO

Background

The intentions of these budget adjustments are to formally incorporate Council decisions and staff recommendations during 2003 into the final budget. The 2003 budget amendments reflect routine housekeeping adjustments resulting from unanticipated revenues and expenditures that were not known at the time the budget was adopted. The formality of adopting a budget amendment for these adjustments is required in order to meet legal budgetary compliance whereby expenditures do no exceed legal authorized appropriations per RCW 35A.33.120. A brief explanation of the supplemental appropriation identified in "Appendix A" of draft Ordinance No. 03-324 is identified below.

Explanation of Budget Amendments

Funds Amended:

Facility Repair & Replacement Fund: $4,200
This fund is used for the repair or replacement of city owned buildings and fixtures not covered by insurance. This adjustment covers the expenditure for the unanticipated repair of the generator at the police facility.

Police Drug Seizure Fund: $19,625
This adjustment represents the purchase of a replacement vehicle and equipment offset by additional federal forfeited funds and proceeds from the sale of the vehicle replaced.

Grant Control Fund: $80,000
The purpose of this fund is to account for grant revenues and expenditures. The additional expenditures represent grants received in 2003, but not awarded until after the budget was approved. These grants include traffic safety, tobacco (from State settlement), DUI, domestic violence, and waste reduction. Some of these expenditures are fully funded by the grant; others require City funding match totaling approximately $12,000.

1995 GO Bond – Police Facility: $100
This adjustment represents additional fiscal agent fees, not originally budgeted.

Local Improvement District Fund: $10,300
The purpose of this fund is to pay LID debt service. This adjustment represents additional principal paid in 2003 and $300 for miscellaneous expenses.

1997 GO Bond – City Hall Remodel: $200
This adjustment represents additional fiscal agent fees, not originally budgeted.

1998 GO Bond – Park Land Acquisition: $300
This adjustment represents additional fiscal agent fees, not originally budgeted.

Debt Service Fund: $3,000
This adjustment represents interest charges on the line of credit for the Pacific Highway South Project.

Marina Revenue Fund: $50,000
This adjustment represents an additional $50,000 for the purchase of fuel for resale which is offset by the additional revenue collected through the sale.

Marina Repair and Replacement Fund: $3,100
This adjustment represents the unanticipated repair of the navigation light at the end of the public fishing pier. This light was destroyed by vandals and was not covered by insurance based on the deductible.

Equipment Rental Operations Fund: $55,000
This adjustment represents an additional $20,000 for the purchase of fuel for resale to user departments. Fuel is purchased in this fund and then "sold" to user departments which offset the expenditure with

revenue collected through the resale. An additional $35,000 was used for the major repair of patrol vehicles damaged during accidents in 2003, and paid for with insurance proceeds.

Equipment Replacement Fund: $35,000
This adjustment represents the replacement of a damaged vehicle plus auxiliary equipment paid for with insurance proceeds.

Funds Closed:

1978 GO Bond-Police Station: $4,000
The $4,000 is a residual equity transfer-out to the General Fund, to close Fund 204. The debt service for the 1978 GO Bond has been paid in full.

1987 GO Bond-Library/Park: $43,700
The $43,700 is a residual equity transfer-out to the General (approx. $6,180) and MCI (approx. $37,520) Funds, to close Fund 207. The debt service for the 1987 GO Bond has been paid in full.

1992 GO Bond-Downtown Improvement: $1,200
The $1,200 is a residual equity transfer-out to the General Fund, to close Fund 209. The debt service for the 1992 GO Bond has been paid in full.

Recommendation

It is recommended that the City Council adopt Draft Ordinance No. 03-324, amending the City of Des Moines 2003 Budget.

CITY ATTORNEY'S FIRST DRAFT, 12/05/03

DRAFT ORDINANCE NO. 03-324

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON relating to municipal finance, amending the 2003 budget adopted in Ordinance No. 1314 by amending Fund Nos. 106 (Facility Repair and Replacement Fund),107 (Police Drug Seizure Fund), 150 (Grant Control Fund), 211 (1995 GO Bond - Police Facility), 212 (Local Improvement District Fund), 216 (1997 GO Bond - City Hall Remodel), 218 (1998 GO Bond - Park Land Acquisition), 220 (Debt Service Fund), 401 (Marina Revenue Fund), 403 (Marina Repair and Replacement Fund), 500 (Equipment Rental Operations Fund), and 501 (Equipment Replacement Fund), and by closing Fund Nos. 204 (1978 GO Bond-Police Station Fund, 207 (1987 GO Bond-Library/Park Fund), and 209 (1992 GO Bond-Downtown Improvement Fund), and by authorizing certain expenditures in the amounts specified in this ordinance.

WHEREAS, the City Council finds that current revenue and expenditure reports for the City differ from forecasts used to create the 2003 budget, enacted by Ordinance No. 1314, and further finds that such differences justify certain adjustments regarding obligations incurred and expenditures of proceeds for fiscal year 2003, all as described as follows:

(1) **Facility Repair and Replacement Fund: Increased Expenditure of $4,200.** This adjustment represents the unanticipated repair of a generator at the police facility.

(2) **Police Drug Seizure Fund: Increased Expenditure of $19,625.** This adjustment represents the purchase of a replacement vehicle and equipment offset by additional federal forfeited funds and proceeds from the sale of the vehicle replaced.

(3) **Grant Control Fund: Increased Expenditure of $80,000.** The purpose of this fund is to account for grant revenues and expenditures. The additional expenditures represent grants received in 2003, but not awarded until after the budget was approved. These grants include traffic safety, tobacco (from State settlement), DUI, domestic violence, and waste reduction. Some of these expenditures are fully funded by the grant; others require City funding match totaling approximately $12,000.

(4) **1995 GO Bond-Police Facility Fund: Increased Expenditure of $100.** This adjustment represents additional fiscal agent fees not budgeted.

(5) **Local Improvement District Fund: Increased Expenditure of $10,300.** This adjustment represents additional principal paid in 2003, along with $300 in miscellaneous charges.

(6) **1997 GO Bond-City Hall Remodel: Increased Expenditure of $200.** This adjustment represents additional fiscal agent fees not budgeted.

(7) **1998 GO Bond-Park Land Acquisition: Increased Expenditure of $300.** This adjustment represents additional fiscal agent fees not budgeted.

(8) **Debt Service Fund: Increased Expenditure of $3,000.** This adjustment represents interest charges on the line of credit for the Pacific Highway South Project.

(9) **Marina Revenue Fund: Increased Expenditure of $50,000.** This adjustment represents an additional $50,000 for the purchase of fuel for resale which is offset by the additional revenue collected through the sale.

(10) **Marina Repair and Replacement Fund: Increased Expenditure of $3,100.** This adjustment represents the unanticipated repair of the navigation light at the end of the public fishing pier.

(11) **Equipment Rental Operations Fund: Increased Expenditure of $55,000.** This adjustment represents an additional $20,000 for the purchase of fuel for resale to user departments. Fuel is purchased in this fund and then "sold" to user departments which offset the expenditure with revenue collected through the resale. An additional $35,000 was used for the major repair of patrol vehicles damaged during accidents in 2003, and paid for with insurance proceeds.

(12) **Equipment Replacement Fund: Increased Expenditure of $35,000.** This adjustment represents the replacement of a damaged vehicle plus auxiliary equipment paid for with insurance proceeds.

(13) **1978 GO Bond-Police Station: Increased Expenditure of $4,000.** The $4,000 is a residual equity transfer-out to the General Fund, Fund 001, to close Fund 204. The debt service for the 1978 GO Bond has been paid in full.

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(15) **1992 GO Bond-Downtown Improv: Increased Expenditure of $1,200.** The $1,200 is a residual equity transfer-out to the General Fund, Fund 001, to close Fund 209. The debt service for the 1992 GO Bond has been paid in full.

and,

WHEREAS, the City Council finds that the 2003 budget amendments to the City's budget are in the public interest; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. Findings. Each and every of the findings expressed in the recitals to this ordinance are hereby adopted and incorporated by reference.

Sec. 2. Amendment to 2003 Budget. The 2003 budget, originally approved as Ordinance No. 1314, enacted on December 19, 2002, is amended as reflected in Appendix "A", which is incorporated herein by this reference.

Sec. 3. Ratification and Confirmation. All acts taken by City officers and staff prior to the enactment of this ordinance that are consistent with and in furtherance of the purpose or intent of this ordinance are hereby ratified and confirmed by the City Council.

Sec. 4. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court or competent jurisdiction; such decision shall not affect the validity of the remaining portions of this ordinance.

(2) If the provisions of this ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this ordinance deems control.

Sec 5. Effective date. This ordinance shall take effect and be in full force five (5) days after its passage, approval and publication according to law.

PASSED BY the City Council of the City of Des Moines this ____ day of ______, 2003 and signed in authentication thereof this ____ day of _______, 2003.

____
M A Y O R

APPROVED AS TO FORM:

____
City Attorney

ATTEST:

____
City Clerk

Published: _______, 2003

DRAFTORD/03-324

APPENDIX A

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403	Marina Repair and Replacement	0	3,100	3,100
500	Equipment Rental Operations Fund	277,053	55,000	332,053
501	Equipment Replacement Fund	0	35,000	35,000

PRELIMINARY
SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES November 20, 2003

The special meeting was called to order at 6:35 p.m. by Mayor Pro Tem Benjamin in the City Hall Conference Room, 21630 11th Avenue South, Suite A.

ROLL CALL - Present: Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Bob Sheckler, Dan Sherman, Scott Thomasson and Susan White. Absent: Mayor Maggie Steenrod. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, ACC Staff Kelly Evans, City Attorney Linda Marousek, and Assistant City Attorney Richard Brown. ACC Attorney Peter Eglick appeared by telephone at 6:35 and departed at 7:15. Public Works Director Tim Heydon and Assistant City Engineer Maiya Andrews attended from 7:15 to 7:30.

Mayor Pro Tem Benjamin announced that the Council would hold an Executive Session for approximately one hour to discuss with legal counsel representing the City litigation or potential litigation to which the City was or was likely to become a party, and about which public knowledge regarding the discussion was likely to result in an adverse legal or financial consequence to the City.

At 7:30 p.m., Assistant City Manager Loch announced that the Council would remain in executive session for approximately fifteen minutes more.

At 7:45 p.m., Assistant City Manager Loch announced that Council would remain in executive session for an additional five minutes.

No formal action was taken.

ADJOURNMENT

The special meeting adjourned at 7:50 p.m.

Respectfully submitted,

Linda A. Marousek
City Attorney

PRELIMINARY
REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES November 20, 2003

EXECUTIVE SESSION

At 7:30 p.m., Assistant City Manager Loch announced that Council would remain in executive session for an additional fifteen minutes.

At 7:45 p.m., Assistant City Manager Loch announced that Council would remain in executive session for an additional five minutes.

The regular meeting of the Des Moines City Council was called to order at 7:55 p.m. by Mayor Pro Tem Benjamin in the Council Chambers, 21630 11th Avenue South, Suite B.

PLEDGE OF ALLEGIANCE to the Flag was led by Councilmember Sherman.

OATH OF OFFICE

City Attorney Marousek administered the oath of office to Councilmember Sherman.

ROLL CALL - Present: Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Dan Sherman, Bob Sheckler, Scott Thomasson and Susan White. Absent: Mayor Maggie Steenrod. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Park and Recreation Director Patrice Thorell, and Deputy City Clerk Angela Chanfty.

MOTION was made by Councilmember Sherman, seconded by Councilmember Petersen, and passed unanimously to excuse Mayor Steenrod from the meeting.

COMMENTS FROM THE PUBLIC

Donald Gerlick, 23641 7th Avenue South

Mr. Gerlick said that he wanted to clarify the meaning of the statement "Kill the Chicken" that he had made during a previous meeting.

Assistant City Attorney Marousek explained that as the statement pertained to a public hearing, the comments would be out of order at this time. If Council wished to receive clarification of Mr. Gerlick's comment, they should question him during the public hearing process.

Alex White, 22030 7th Avenue South

Mr. White thanked the City for hosting a Business Roundtable discussion. He appreciated the wide spectrum of businesses represented at the meeting. Mr. White asked Council to attend the next roundtable discussion as he felt it would aid staff and Council in providing a consistent message to City business owners.

Debbie Workman, 23903 7th Avenue South

Ms. Workman voiced support for Mr. White's comments. Although she was unable to attend the roundtable discussion, she had attended a Chamber of Commerce meeting. Ms. Workman encouraged residents to become involved in the community. She encouraged the City to have more business roundtable discussions. In closing, Ms. Workman thanked Council for their hard work.

BOARD AND COMMITTEE REPORTS

Airport Communities Coalition (ACC)

Councilmember Sheckler announced that the ACC and Port of Seattle had appeared before the Washington State Supreme Court on November 18, 2003 to present their arguments regarding the Port of Seattle's appeal of water quality standards and testing procedures set by the Pollution Control Hearing Board. Options before the Supreme Court include:

- Confirm the Pollution Control Hearing Board's decision,
- Rule the Pollution Control Hearing Board's decision too restrictive, or
- Remand the issue back to the Pollution Control Hearing Board for revision.

A decision is expected later this year or early next year. Councilmember Sheckler noted that ACC had originally requested $200,000 from the City for 2003 but the City had only paid $150,000 so far. The ACC has submitted a request for $70,000 to the City.

MOTION was made by Councilmember Sheckler, seconded by Councilmember Thomasson to allocate $70,000 to the ACC to complete the City's obligation for this fiscal year.

Councilmember Thomasson said that he preferred to limit the payment to $50,000 as originally requested.

In response to Councilmember Sherman's question regarding the availability of money in the Airport Defense Fund, City Manager Piasecki explained that no appropriation was attached to the Airport Defense Fnnd. Use of the money would require the passage of a budget amendment by a super-majority vote of Council.

Councilmember Sherman voiced support for the motion.

Upon the request of Mayor Pro Tem Benjamin, City Manager Piasecki explained that, for 2003, Bnrien had committed $250,000, Normandy Park had committed $200,000, and Des Moines had committed $200,000 to the ACC. Burien actually paid $220,000 for the year. The ACC Executive Board requested that Normandy Park and Des Moines increase their allocation to $220,000. Normandy Park has agreed to this request. The issue was now being presented to the Des Moines' Council.

Councilmember Sheckler said that the ACC was asking Des Moines to provide an equal share.

Mayor Pro Tem Benjamin said that Normandy Park had chosen to fund the ACC rather than the Mount Rainier Pool as a matter of priority. He said that he did not support allocating more funds to the third runway fight.

Councilmember Sheckler said that Mayor Pro Tem Benjamin's comment regarding Normandy Park was an assumption.

VOTE ON MOTION: Motion passed, 4 – 2, with Mayor Pro Tem Benjamin and Councilmember Petersen opposed.

Business Roundtable

Councilmember White informed Council that she had attended the Business Roundtable. She expressed the following concerns voiced at the meeting:

- The permitting process frustrated business owners.
- The permitting process needed to be simplified
- Better coordination between City departments was needed.
- Business owners desired a clear picture of the development requirements and the expected timelines.
- Business owners requested electronic access to review a project's status.
- The City's Comprehensive Plan and DMMC should be in agreement with each other.
- Council and staff's relationship was not cohesive as staff's recommendations were not supported by Council.

Councilmember White felt that it was important to hire a person to rewrite the City Code and simplify the process. She felt that economic development should be the number one issue at Council's retreat.

Election to Council Position

Councilmember Sherman thanked citizens for their votes. He said that Council needed to work on leadership, police force issues, and the financial status of the City.

Mount Rainier Pool

Mayor Pro Tem Benjamin said that he looked forward to addressing the Mount Rainier Pool issue as the proposed agreements were a collaborative effort.

ADMINISTRATION REPORT

Business Roundtable Meeting

City Manager Piasecki said that the participants of the Business Roundtable discussions had said that the permitting process and fees should be more predictable and coordination between departments, utilities, and the fire department should be improved.

Ordinance 1329 – Adopting the 2004 Property Tax Levy

City Manager Piasecki verified that only four votes of Council were required to approve the 2004 Property Tax Levy ordinance.

Chip and Slurry Sealed Streets

City Manager Piasecki announced that a map of chip & slurry sealed streets in Tacoma had been provided to Council. He encouraged them to view the streets.

2004 Council Retreat

City Manager Piasecki distributed potential dates for the 2004 Council retreat. He asked Council to determine a specific date.

Councilmember Sherman suggested that Council meet locally on two Saturdays rather than going away for an entire weekend.

City Manager Piasecki asked Council to provide direction.

CONSENT CALENDAR was read by Deputy City Clerk Chaufty.

1. Motion is to approve the minutes of November 6, 2003
2. Motion is to authorize the City Manager to approve all vouchers for payment of the following claims during the period of November 7, 2003 through November 20, 2003:
   a. All vouchers for payment of payroll checks, including Marina payroll, and
   b. All vouchers for payment of claims and Marina checks, provided that all vouchers and checks approved by the City Manager in accordance with this motion shall be presented at the December 11, 2003 Council meeting.
3. Motion is to approve the Consent Judgment and Decree of Appropriation in King County Superior Court Cause No. 02-2-19402-8 KNT and to authorize the City Attorney to approve said Judgment and Decree and present it to the court, for approval and entry, substantially in the form as submitted.
4. Draft Ordinance No. 03-001 ***[Assigned Ord. No. 1330]*** - Motion is to approve the second reading of Draft Ordinance No. 03-001, vacating that portion of unopened 19th Avenue South (previously identified as 20th Street) consisting of the area between Blocks 10 and 11 from Lots 9 through 16, inclusive, between South 222nd Street and South 223rd Street, situated in the City of Des Moines, as per the plat of Bay View addition recorded in Volume 4 of Plats, Page 97, records of King County, Washington; while obtaining the necessary surface water utility easement, and conditioning the street vacation with the necessary lot consolidations and native growth protection easements.

MOTION was made by Councilmember White, seconded by Councilmember Petersen and passed unanimously to approve the consent calendar as read.

CONTINUED PUBLIC HEARING

SEPA Appeal and Unclassified Use Permit Zenith Viewpointe

Councilmember White recused herself from the hearing.

City Manager Piasecki noted that the hearing was open but the comment period was closed. He confirmed that the briefs submitted by Mr. Jensen (Exhibit 28) and by Ms. Rogers (Exhibit 29) had been received by Council.

City Attorney Marousek said that Mr. Jensen's brief had raised appearance of fairness issues concerning Mayor Pro Tem Benjamin. She recounted the following allegations and Mayor Pro Tem Benjamin's response to them:

1) At the hearing on October 30, 2003, he [Mayor Pro Tem Benjamin] displayed unmistakable bias and prejudgment against the project. He took great pleasure in announcing to the other Councilmembers and the public that it was time to "kill the chicken".

Response: Mayor Pro Tem Benjamin said that he felt that the people had waited long enough for a decision. He was encouraging Council to make a decision rather than expressing a position.

2) During recesses at most hearings, Councilmember Benjamin frequently talked with opponents of the project, including the former mayor, in hushed tones and often stopped speaking when Alex or his representatives approached.
Response: Mayor Pro Tem Benjamin said that he had discussed unrelated topics (fishing and onions) with the Workman's. He was only exchanging pleasantries with former Mayor Don Wasson.

3) At the hearing on September 11, 2003, Councilmember Benjamin abused his position by seeking to disqualify Councilmember Sheckler for accepting campaign contributions from people who live near the property, when there is no evidence that Councilmember Sheckler was acting with bias or had prejudged the project.
Response: Mayor Pro Tem Benjamin said that he had raised the issue and it had been addressed.

City Attorney Marousek explained that, for Des Moines, campaign contributions legally reported to the Public Disclosure Commission were acceptable contributions. In her opinion, based upon Mayor Pro Tem Benjamin's explanations, an Appearance of Fairness challenge against Mayor Pro Tem Benjamin would not likely be successful. She questioned whether any Councilmember would like to raise the issue with Mayor Pro Tem Benjamin.

Councilmember Sheckler indicated that he would.

As only one Councilmember had challenged, City Attorney Marousek asked Mayor Pro Tem Benjamin whether he would continue to participate in the hearing.

Mayor Pro Tem Benjamin said that he agreed with the City Attorney's opinion and that he had not pre-judged the issue. He would continue to participate in the hearing.

Mayor Pro Tem Benjamin questioned if Council had any questions for any of the speakers.

No questions were voiced.

Mayor Pro Tem Benjamin closed the hearing.

In response to Councilmember Sherman's question, City Attorney Marousek explained that, as a quasi-judicial body, Council must take an action on the issues before them.

In regard to the sensitive area exception request, Councilmember Thomasson said that the DMMC identified the purpose of regulating slopes was to avoid soil instability, erosion, runoff, destruction of a community's aesthetic resources, and future expenditures due to damage. Councilmember Thomasson stated his belief that natural function still existed on the hillside. No specific testimony stating how much of the land area was covered by buildings had been received but pictures of the site indicated that at least 60% of the property had not been disturbed. Therefore, he was not in support of eliminating the 60% condition. Councilmember Thomasson said that, in his opinion, the 60% of the exception rule only applied to the land and not the right-of-way area. The Code said that use of the right-of-way shall be avoided unless there were no practical alternatives. He agreed that the right-of-way was needed to access the property. Councilmember Thomasson stated that the SEPA requirement to regrade the street to 14% did not adequately consider the sensitive area issue.

MOTION was made by Councilmember Thomasson and seconded by Councilmember Sherman to direct Administration to prepare the necessary resolution and findings to deny the requested Sensitive Area Exception request.

City Attorney Marousek advised Council that it was important to handle the separate issues in the proper order when final action was taken.

Councilmember Sherman voiced support for Councilmember Thomasson's comments as he believed significant vegetation was still providing stability to the slope. He said that no testimony indicating that the slope had been altered had been provided.

VOTE ON MOTION: Motion passed unanimously.

MOTION as made by Mayor Pro Tem Benjamin and seconded by Councilmember Thomasson to deny the SEPA appeal and the Unclassified Use Permit.

Mayor Pro Tem Benjamin said that SEPA had been satisfied but, in regard to the Unclassified Use Permit, the project was out of character with the neighborhood.

In response to Councilmember Sheckler's questioning, Community Development Director Kilgore explained that if Council denied the SEPA appeal (upheld the SEPA decision), they still reserved the right to deny the UUP and Development Exception. If Council approved the SEPA Appeal, the process would stop until SEPA was completed.

In regard to the Unclassified Use Permit, Councilmember Sherman said that he believed businesses in the Neighborhood-Business zone must he compatible and useful to the immediate residential neighborhoods. In his opinion, condominiums were the primary purpose of the project and the business was included to allow approval of the project.

Councilmember Sheckler said that he did not believe the proposed development was acceptable as the business use was secondary.

Councilmember Sherman said that he still had questions regarding the actual zoning of the property.

City Attorney Marousek noted that zoning was not one of the three issues before Council. She advised Council to not consider the zoning of the property.

Upon request, Mayor Pro Tem Benjamin **clarified that the intent of his motion** was to direct administration to prepare the necessary documents and findings of fact to deny the SEPA appeal and the Unclassified Use Permit.

Regarding the Unclassified Use Permit, Councilmember Thomasson said that the number of units discussed in the project exceeded the test of the Unclassified Use Permit. While a smaller number of units might be acceptable, Council's duty was to review the present development. He believed that the development was incompatible with the surrounding neighborhood and that the business should provide a service to the neighborhood. Councilmember Thomasson said that the SEPA conditions limited the business use to uses that did not serve the neighborhood. He felt this was contrary to the zoning. Councilmember Thomasson said that the SEPA appeal was a quagmire of issues. Although he thought there were defects within the proposed SEPA mitigation conditions, he did not believe they warranted remanding the project for an EIS. Councilmember Thomasson said that he was not content upholding SEPA as it would imply that he was satisfied with existing SEPA mitigation. He preferred to change the mitigation that required a 14% slope to match natural grade. He said that he might wish to have the limitation on the business opportunities eliminated, as it was not, in his opinion, in conformance with the intent of the zoning. He said he preferred to changed the mitigation conditions. Councilmember Thomasson said that he could support denial of the Unclassified Use Permit, but felt that the SEPA mitigations were not satisfied. He stressed the importance of applying a proper and thorough process for the SEPA issues.

City Attorney Marousek suggested that Council deal with the issues separately for drafting and subsequent action purposes.

As the maker and seconder of the motion on the table, Mayor Pro Tem Benjamin and Councilmember Thomasson **amended the motion** to direct administration to prepare the necessary documents and findings to deny the unclassified use permit based on the project being incompatible with the surrounding neighborhood.

Councilmember Sherman felt it was important to clarify an appropriate project for the property for the property owner.

Councilmember Sheckler said that he was not convinced that the SEPA Official had made a bad decision but that the project was out of character and incompatible with the neighborhood.

Councilmember Thomasson said that the size, shape and bulk of the conceptual plan made it incompatible with the neighborhood. If it complied with the code, the project would look much different.

VOTE ON MOTION: Motion passed unanimously.

Councilmember Thomasson said that he did not believe the project needed to be remanded for an EIS but felt the SEPA conditions should be changed.

In response to Councilmember Thomasson's questioning, City Attorney Marousek said that Council could propose or substitute SEPA conditions.

MOTION was made by Councilmember Thomasson to uphold the SEPA official's decision with the following changes to the SEPA mitigations:

- Not require South 239th Street to he built to a 14% grade but to follow the existing grade, plus or minus two feet.
- Require full curb and gutter on both sides of the street.
- Eliminate the restriction to the commercial area (Item 12) as it was incompatible with Council's finding that the business uses were incompatible as they would not provide a service to the neighborhood.

- Delete Item 13 as not enough of the project had been presented for Council to determine whether it was a good idea.

In response to Councilmember Sheckler's questioning, Councilmember Thomasson said that he had several additional items to add to the motion.

Councilmember Sheckler suggested that Councilmember Thomasson submit his proposed revisions to staff so that they might be given an opportunity to respond to them.

City Attorney Marousek advised that the proceedings should be conducted on the record.

Councilmember Thomasson noted that the motion had not yet been seconded. **Motion died** for lack of a second.

MOTION was made by Councilmember Thomasson and seconded by Councilmember Sheckler to table the SEPA issue to the next regular meeting.

Councilmember Sherman proposed that Councilmember Thomasson meet with staff to draft a document addressing his issues. The document could then be presented to Council in open session.

City Attorney Marousek advised that the discussion be held on the record as it was a public hearing.

Councilmember Thomasson said that he could work with staff on a proposed mitigation document that would address his interests. He could then bring back the document to Council and have the discussion at that point.

Mayor Pro Tem Benjamin urged Council to continue discussing the issue.

At 9:35 p.m., Mayor Pro Tem Benjamin declared a ten-minute break.

VOTE ON MOTION: Motion passed, 3 – 2, with Mayor Pro Tem Benjamin and Councilmember Petersen opposed.

PUBLIC HEARING

2003 Comprehensive Plan Amendments – Parks, Recreation and Senior Services Master Plan and Environmentally Sensitive Areas

Mayor Pro Tem Benjamin opened the hearing.

Assistant City Manager Loch informed Council that the Planning Agency had conducted a hearing on the proposed Greater Des Moines Comprehensive Plan (GDMCP) amendments and had recommended adoption. He explained that the following two types of amendments were before Council:

- Adoption of new environmentally sensitive area (critical area) maps as part of the Conservation Element of the GDMCP.
- Adoption of the 2003 Parks, Recreation and Senior Services Master Plan.

Assistant City Manager Loch said that the proposed maps were a technical mapping exercise only as nine maps had been consolidated into seven maps. He briefly described and displayed current and proposed versions of the following maps:

- Slope and Topography
- Drainage Basins
- Surface Water
- Wetlands
- Geologically Hazardous Areas
- Frequently Flooded Areas
- Critical Aquifer Recharge Areas (no current map for this subject)

Park and Recreation Director Thorell informed Council of the 2003 Parks, Recreation and Senior Services Master Plan. The purpose of the Master Plan was to assess the current recreational needs and interests of Des Moines stakeholders, to provide a vision, goals, and priorities for the program and service needs, and to meet the requirements of the Growth Management Act and Washington State funding agencies through the development of a needs analysis and a comprehensive capital planning tool. She informed Council of the Master Plan process and highlighted the following capital policy recommendations:

- Dedicate a sustainable portion of Real Estate Excise Tax as an ongoing capital funding source for the major capital maintenance of existing recreation buildings and park facilities.
- Consider a Levy Lid Lift to fund future projects and a citizen voted bond issue to fund the future Community Center project.
- Actively seek joint use and shared cost opportunities.
- Support economic development.
- Support Marina and Redondo Waterfront improvement plans to capitalize upon Des Moines' waterfront amenities.

Park and Recreation Director Thorell reviewed the following Master Plan Capital Project recommendations:

- Acquire two new park sites
  - East Woodmont Park
  - Pacific Ridge Park
- Acquire one interlocal park site
  - Midway Park/Puget Sound Energy property expansion
- Renovate or repair existing park and recreation facilities
  - Activity Center
  - Beach Park
  - Cecil Powell Park
  - Des Moines Memorial
  - Field House Park
  - Kiddy Park
  - Midway Park
  - Parkside Park
  - Wooton Park

- Renovate or repair interlocal park and recreation facilities
  - Watertower Park
  - Zenith Park
- Develop new park facilities
  - Steven J. Underwood Memorial Park Phase II
  - Des Moines Creek Trail Phase II
  - Community Center
  - East Woodmont Park
  - Pacific Ridge Park
- Develop new interlocal facilities
  - Aquatics facility
  - Off-leash dog park
  - Midway Park expansion

Park and Recreation Director Thorell explained that adoption of the proposed amendment would cause Section 5 of the Des Moines Parks, Recreation, and Senior Services Master Plan to supersede the Parks, Recreation and Open Space Element (Chapter 6) of the GDMCP. Contents of Chapter 6 would be deleted and replaced with a reference to the 2003 Parks, Recreation and Senior Services Master Plan. She noted that a funding plan was recommended in the Master Plan.

Mayor Pro Tem Benjamin called for speakers.

Lauren Lord, 601 South 227th, #208N
Ms. Lord said that many young and elderly individuals resided in the City and used the park facilities. She voiced support for implementing a levy lid lift for future park developments. Ms. Lord recommended that the funds previously re-programs to the arterial street program be returned to the Priority 1 Park and Recreation needs. She said that maintenance was important and its expense needed to be regularly budgeted.

Alli Larkin, 21937 7th Avenue South, #210
As a citizen of Des Moines, Ms. Larkin informed Council of her concern regarding the recent storms' affect on the Des Moines Beach Park. She distributed pictures of the area during the storm to Council. Ms. Larkin said it was imperative to deal with the culvert and bridge project as a top priority. As the November 18, 2003 rainfall of 2" had a greater affect on the Des Moines Beach Park than the October 20, 2003 rainfall of 5.2", Ms. Larkin questioned whether the Port of Seattle released more water into the creek system during certain periods. She noted that the Department of Fisheries and Wildlife was accepting comments regarding the orcas until February 3, 2004.

Victor Anderson, 27036 8th Avenue South
Mr. Anderson asked Council to designate the East Woodmont Park as a number one priority as there were many youth living south of Saltwater State Park. The land for the project would need to be identified soon. Mr. Anderson asked Council to always consider parking needs when considering projects.

Bill Rudberg, 22715 10th Avenue South

As a member of the Park, Recreation, and Senior Services Master Plan, Mr. Rudberg thanked staff for their efforts on the Plan. He hoped that Council could identify funding sources for the projects.

Mayor Pro Tem Benjamin called for additional speakers.

None responded.

Mayor Pro Tem Benjamin closed the public comment portion of the hearing.

Councilmembers Sherman and Sheckler asked whether the Parks, Recreation, and Senior Services Master Plan members were willing to promote and support a levy lid or bond issue if it were presented to the voters.

Councilmember Sheckler voiced support for the Master Plan but felt that the current city budget could not support its wish list. He said that he would be willing to support presenting a levy lift to the voters at some point.

In response to Councilmember Thomasson's question regarding the scientific basis for the proposed Aquifer Recharge Area map and delineation, Assistant City Manager Loch explained that most of the data had been obtained from Water District #54.

As the City had its own Municipal Code, Councilmember Thomasson asked that the notes on the proposed maps reference the Des Moines Municipal Code rather than King County's Code. If Massey Creek was an influence to Water District #54's well, he felt that it was not reasonable to have the creek wander in and out of the recharge area. Councilmember Thomasson said he was not content to adopt a regulatory map if it was not based on science.

Assistant City Manager Loch confirmed that wellhead protection areas were included in the definition of Critical Aquifer Recharge Areas yet the implications of the designation were difficult to determine scientifically. Staff met with resistance from one of the water districts as they did not want to disclose information that could be used for inappropriate purposes.

Councilmember Thomasson asked staff to explain why they proposed that the contents of Chapter 6 be deleted and replaced with a reference to the 2003 Parks, Recreation and Senior Services Master Plan. He asked that the explanation be provided when the item comes before Council for a second reading.

Mayor Pro Tem Benjamin closed the public hearing.

MOTION was made by Councilmember Sheckler, seconded by Councilmember White and passed unanimously to move the subject to a second reading on December 11, 2003.

NEXT MEETING DATE – Regular Meeting, December 4, 2003

ADJOURNMENT

At 10:25 p.m., **motion** was made by Councilmember Sheckler, seconded by Mayor Pro Tem Benjamin and passed unanimously to adjourn the meeting.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk

ACTION ITEMS FROM NOVEMBER 20, 2003 MEETING

- Prepare the necessary resolution and findings to deny the Sensitive Area Exception request for the Zenith Viewpointe project.
- Prepare the necessary documents and findings to deny the unclassified use permit for the Zenith Viewpointe project.
- Explain during Council's second reading of the 2003 Comprehensive Plan Amendments why staff proposed that the contents of Chapter 6 of the GDMCP be deleted and replaced with a reference to the 2003 Parks, Recreation and Senior Services Master Plan.

accepted CONSENT CALENDAR
Item #4

AGENDA ITEM

SUBJECT: Growth Management Grant

ATTACHMENTS:
1. Grant agreement.

AGENDA OF: December 11, 2003
DEPT. OF ORIGIN: Administration
DATE SUBMITTED: November 24, 2003

CLEARANCES:
[X] Comm. Dev. ______
[X] Legal ______

APPROVED BY CITY MANAGER
FOR SUBMITTAL: ______

Purpose and Recommendation:

The purpose of this agenda items is to accept a $30,000 grant from the State of Washington for the preparation of design guidelines or a similar project.

Suggested Motion

"I move to authorize the City Manager to sign the agreement with the Washington State Department of Community, Trade and Economic Development for the $30,000 Growth Management Grant. The agreement shall be substantially in a form as approved by the City Attorney."

Background:

City staff applied for and received a grant to help fund land use planning efforts called for by the Growth Management Act. We have received similar grants in the past. In 2002-03, grant funds were used to purchase orthophotography and to pay salaries related to preparation of the new environmentally sensitive area maps.

The Growth Management Act (GMA) requires that Des Moines maintain a detailed comprehensive plan and adopt development regulations consistent with the comprehensive plan.

Discussion:

Staff proposes to use the grant funds to prepare and adopt design guidelines for multifamily and commercial properties. Design guidelines express a community's preferences regarding the appearance and function of new construction. The guidelines help property owners and architects attain swift permit approval by providing early information about aesthetics and other issues not contained within the Zoning Code. Diagrams, photographs, and text are combined in design guidelines to articulate the kinds of design features that are desired. Good architectural and site design can reduce land use conflicts, make a community more interesting and attractive, reduce crime, and streamline permit processing. Successful examples of design guidelines are the Crime Prevention Through Environmental

Design (CPTED) features that are used throughout the United States. Presently, the City has adopted design guidelines only for the Pacific Ridge area.

Staff has considered tackling other planning projects with this grant. Unfortunately, $30,000 is not enough to fund a re-write of the Zoning Code. However, the grant could help offset a portion of that project cost. Potentially, the grant could be used to fund a master plan study for Des Moines Beach Park. At this time, design guidelines appear to be the best choice for the grant. Final decisions about the use of the grant money can be made at a future Council meeting.

Alternatives:

1. Authorize the City Manager to sign the intergovernmental agreement for grant funds.

2. Do not authorize the City Manager to sign the intergovernmental agreement for grant funds.

Financial Impact:

There is no local match requirement for this grant.

Recommendation/Conclusion:

Authorize the City Manager to sign the intergovernmental agreement for grant funds.

Concurrence:

N/A.

STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT
128 - 10th Avenue SE • PO Box 42525 • Olympia, Washington 98504 • (360) 725-4000

November 13, 2003

Mr. Corbitt Loch
Assistant City Manager
City of Des Moines
21630 11th Avenue South, Suite A
Des Moines, Washington 98198

Dear Mr. Loch:

I am pleased to inform you that the City of Des Moines has been selected by the Department of Community, Trade and Economic Development (CTED) to receive a grant award in the amount of $30,000. The grant is being awarded through the Growth Management Update program to develop design guidelines for multi-family and commercial properties.

Enclosed are two copies of the contract between the City of Des Moines and CTED for your 2004 Update grant. The scope of work is based on the application that the City of Des Moines submitted. If the contract meets your approval, please have both copies signed by the authorized signator and return them to me.

Also enclosed is a payment voucher. Please sign and return this at the same time as the contracts so that we can send your first payment to you. This payment is an advance, and no work needs to be completed on your grant in order to collect it. Expenses are eligible to be billed against this grant from July 1, 2003.

Please be aware that if funding to CTED is reduced before the completion of your contract, then the award may be reduced accordingly. If you have any questions about this or the contract process in general, please contact me at (360) 725-3057.

Regards,

Matthew Ojennus

Matthew Ojennus
Associate Planner
Growth Management Services

Enclosures

WASHINGTON STATE DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT
GROWTH MANAGEMENT SERVICES

1. GRANTEE: CITY OF DES MOINES 21630 11TH AVENUE SOUTH, SUITE A DES MOINES, WASHINGTON 98198	2. AWARD DATE: November 12, 2003	3. END DATE: December 31, 2004
4. GRANTEE REPRESENTATIVE: NAME: CORBITT LOCH PHONE: (206) 870-6568 FAX: (206) 870-6540 E-MAIL: cloch@cityofdesmoines.com	5. CTED REPRESENTATIVE: NAME: IKE NWANKWO PHONE: (360) 725-3056 FAX: (360) 753-2950 E-MAIL: iken@cted.wa.gov	
6. SOURCE OF STATE FUNDS: (GROWTH MANAGEMENT SERVICES) $30,000	7. GRANTEE TAX IDENTIFICATION NUMBER: 91-6016496	

8. SUMMARY: To develop design guidelines for multi-family and commercial properties

The DEPARTMENT and GRANTEE acknowledge and accept the terms of this CONTRACT and attachments and have executed this CONTRACT as of the date and year written below. The rights and obligations of both parties to this CONTRACT are governed by this CONTRACT and other documents incorporated by reference: CONTRACT Terms and Conditions including Attachment "A," Work Plan and Attachment "B," Budget.

FOR THE DEPARTMENT OF COMMUNITY TRADE AND ECONOMIC DEVELOPMENT: ____________________ Nancy K. Ousley, Assistant Director Local Government Division DATE: ________________	FOR THE CITY OF DES MOINES: ____________________ Name ____________________ Title DATE: ________________
APPROVED AS TO FORM ONLY: Signature on file Melissa Burke-Cain, Senior Counsel Office of the Attorney General of Washington DATE: October 20, 2003	

CONTRACT TERMS & CONDITIONS

SECTION 1 - PREAMBLE

This CONTRACT, entered into by the City of Des Moines, (hereinafter referred to as the GRANTEE) and the Department of Community, Trade and Economic Development (hereinafter referred to as the DEPARTMENT), WITNESSES THAT:

WHEREAS, the DEPARTMENT has the responsibility under RCW 43.330.050(5) to provide financial and technical assistance to the communities of the state, to assist in improving the delivery of federal, state, and local programs; and to provide communities with opportunities for productive and coordinated development beneficial to the well-being of communities and their residents; and

WHEREAS, the DEPARTMENT has the statutory authority under RCW 43.330.120 to offer technical and financial assistance to cities and counties planning under the Growth Management Act; and

WHEREAS, the DEPARTMENT has selected the GRANTEE to receive funds and the GRANTEE shall use the funds to undertake a project which furthers the goals and objectives of the DEPARTMENT's Growth Management Services Unit in accordance with its mission.

THEREFORE, the parties mutually agree to the following terms and conditions:

SECTION 2 - WORK PLAN

Over the course of the CONTRACT period, the GRANTEE shall accomplish the activities described in Attachment "A": Work Plan that is incorporated into the CONTRACT by reference.

SECTION 3 - FUNDING

The total funds to be reimbursed to the GRANTEE for costs incurred during the CONTRACT period shall be a sum not to exceed $30,000.

SECTION 4 - BUDGET

An approved budget by category of expenditure is included as Attachment "B" of this CONTRACT that is incorporated into the CONTRACT by reference. The total amount of transfers of funds between line item budget categories shall be as specified in Attachment "B." If the cumulative amount of these transfers exceeds or is expected to exceed the amount specified in Attachment "B," the total project budget shall be subject to justification and negotiation of a CONTRACT amendment by the GRANTEE and the DEPARTMENT.

SECTION 5 - CONTRACT PERIOD

A. The effective date of this CONTRACT shall be the date all parties sign and complete execution of the CONTRACT. This CONTRACT shall terminate on December 31, 2004 except for any remaining obligations of the GRANTEE as may exist under Section 7.

B. Costs to be reimbursed by the DEPARTMENT under this CONTRACT are those eligible costs incurred during the performance of the CONTRACT work program on or after July 1, 2003.

SECTION 6 - REIMBURSEMENT PROVISIONS

A. Funds will be disbursed per the schedule established in Attachment "B."

B. Only eligible project-related costs will be reimbursed. Ineligible costs include, but are not necessarily limited to: capital expenses, such as land acquisition or construction costs; purchase of machinery; hosting expenses, such as meals, lodging, or transportation incurred by persons other than staff and volunteers working directly on the project; lobbying or political influencing; and other costs which are not directly related to the project.

C. Within twenty (20) days after receiving and approving the voucher, the DEPARTMENT shall remit to the GRANTEE a warrant covering the DEPARTMENT's share of the costs incurred for work performed.

D. The final invoice voucher covering costs incurred for work performed on or before December 31, 2004, must be submitted by the GRANTEE prior to January 9, 2005 to allow the DEPARTMENT sufficient time to process it. Payment of the final voucher shall be contingent upon the DEPARTMENT's receipt and approval of any products or deliverables designated in Attachment "A."

SECTION 7 - REPORTS

A. The GRANTEE shall submit a brief semiannual progress report on a form approved by the DEPARTMENT which describes the progress made on the work program outlined in Attachment "A." Progress reports will be submitted on a semiannual calendar cycle. The semiannual progress report shall also provide detail on the dedicated matching funds.

B. The GRANTEE shall furnish, along with or prior to submitting the final invoice voucher, two copies of each final product designated in Attachment "A."

SECTION 8 - ACKNOWLEDGMENT OF STATE FUNDING

The GRANTEE shall provide all project-related press releases to the DEPARTMENT. Press releases shall identify the DEPARTMENT as a project financier.

Publications such as reports and pamphlets which are developed totally or in part with funds provided under this CONTRACT shall give credit to the funding source by including the following: "Funds made available through the Washington State Department of Community, Trade and Economic Development."

SECTION 9 - DOCUMENTATION, MONITORING, AND AUDIT

During the CONTRACT period and following its termination, the GRANTEE shall follow accounting procedures and shall maintain books, records, documents, and other evidence which sufficiently and properly reflect all project specific costs expended in the performance of this CONTRACT. The Office of the State Auditor or any persons duly authorized by the DEPARTMENT shall have full access to and the right to inspect, excerpt, audit, or examine any of these materials at all reasonable times for a period of six years after termination of the CONTRACT.

The DEPARTMENT may require a copy of the GRANTEE's most recent audit and management letter.

The DEPARTMENT may require the GRANTEE to obtain an audit for specific expenditures under this CONTRACT. Costs of a required audit are an allowable expense.

SECTION 10 - RECAPTURE PROVISIONS

In the event that the GRANTEE fails to expend funds under this CONTRACT in accordance with state laws and/or the provisions of this CONTRACT, the DEPARTMENT reserves the right to recapture state funds in an amount equivalent to the extent of the noncompliance.

Such right of recapture shall exist for a period not to exceed six years following CONTRACT termination. Repayment by the GRANTEE of funds under this recapture provision shall occur within 30 days of demand. In the event that the DEPARTMENT is required to institute legal proceedings to enforce the recapture provision, the DEPARTMENT shall be entitled to its costs thereof, including reasonable attorney's fees.

SECTION 11 - CONTRACT AMENDMENTS

A. The DEPARTMENT or the GRANTEE may request changes to the CONTRACT or its provisions. It is agreed and understood that no material or substantive alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by both parties. Any oral understanding or agreements shall not be binding unless made in writing and signed by both parties.

B. CONTRACT amendments shall not be made which result in an extension of the CONTRACT period beyond June 30, 2005.

SECTION 12 - NONDISCRIMINATION CLAUSE

During the performance of this CONTRACT, the GRANTEE shall comply with all federal and state nondiscrimination laws, including, but not limited to chapter 49.60 RCW. Washington's Law Against Discrimination, and 42, U.S.C. 12101 et seq., the Americans with Disabilities Act (ADA).

In the event of the GRANTEE's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this CONTRACT may be rescinded, canceled, or terminated in whole or in part, and the GRANTEE may be declared ineligible for further CONTRACTS with the DEPARTMENT. The GRANTEE shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with Section 20.

SECTION 13 - TERMINATION OF CONTRACT

A. If, through any cause, the GRANTEE shall fail to fulfill its obligations under this CONTRACT in a timely and proper manner; or if the GRANTEE shall violate any of its covenants, agreements, or stipulations; the DEPARTMENT shall have the right to terminate this CONTRACT. The DEPARTMENT may withhold the balance of state funding if such default or violation is not corrected within twenty (20) days after the DEPARTMENT submits written notice to the GRANTEE describing such default or violation.

B. Notwithstanding any provisions of this CONTRACT, either party may terminate this CONTRACT by providing written notice of such termination, specifying the effective date thereof, at least thirty (30) days prior to such date.

C. Reimbursement for GRANTEE work performed, and not otherwise paid for by the DEPARTMENT prior to the effective date of such terminations, shall be as the DEPARTMENT reasonably determines.

D. In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this CONTRACT and prior to normal completion, the DEPARTMENT may unilaterally reduce the scope of work and budget or terminate this CONTRACT.

SECTION 14 - GRANTEE NOT EMPLOYEE OF DEPARTMENT

The GRANTEE, its employees, or agents performing under this CONTRACT are not deemed to be employees neither of the DEPARTMENT nor as agents of the DEPARTMENT in any manner whatsoever. The GRANTEE will not hold itself out as or claim to be an officer or employee of the DEPARTMENT or of the State of Washington and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the DEPARTMENT or of the State of Washington.

SECTION 15 - USE OF SUBCONTRACTS

The GRANTEE may enter into subcontracts for any of the work contemplated under this CONTRACT without obtaining prior written approval of the DEPARTMENT. The GRANTEE shall follow local policies regarding procurement, or in absence of local policies, shall use a competitive procurement process.

Each CONTRACT that the GRANTEE enters into with subcontractors, creditors and others shall contain a clause providing notice that the state and the DEPARTMENT are not responsible for any legal obligation, financial or otherwise, incurred by the GRANTEE.

The DEPARTMENT reserves the right to monitor the subcontractor selection process and contractual documents either during or following the selection process.

The GRANTEE is responsible for the performance of any subcontractors. The GRANTEE shall require all subcontractors to follow the same rules and regulations as described in this document. All subcontractors must be monitored by the GRANTEE to ensure fiscal accountability.

SECTION 16 - OWNERSHIP OF PROJECT MATERIALS

All finished or unfinished documents, data, studies, surveys, drawings, models, photographs, films, duplicating plates, computer disks and reports prepared by the GRANTEE under this CONTRACT shall be works for hire under U.S. copyright law. The DEPARTMENT may duplicate, use, and disclose in any manner and for any purpose whatsoever, all materials prepared under this CONTRACT.

The GRANTEE must have prior approval of the DEPARMENT to produce patents, copyrights, patent rights, inventions, original books, manuals, films, or other patentable or copyrightable materials, in whole or in part with funds received under this CONTRACT. The DEPARTMENT reserves the right to determine whether protection of inventions of discovery shall be disposed of and administered in order to protect the public interest. Before the GRANTEE copyrights any materials produced with funds under this CONTRACT, the DEPARTMENT reserves the right to negotiate a reasonable royalty fee and agreement.

SECTION 17 - TRAVEL AND SUBSISTENCE REIMBURSEMENT

Travel and subsistence reimbursement shall be made in accordance with the guidelines followed by the GRANTEE in the course of normal operations. In the absence of local provisions, per diem rates and travel allowances shall be paid in accordance with rates set for state employees pursuant to RCW 43.03.050 and RCW 43.03.060 as now existing or hereafter amended.

SECTION 18 - SPECIAL PROVISION

The DEPARTMENT's failure to insist upon the strict performance of any provision of this CONTRACT or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any right under this CONTRACT.

SECTION 19 - HOLD HARMLESS

The GRANTEE agrees to defend, hold harmless, and indemnify the State of Washington and the DEPARTMENT, their officers, agents, employees, and assigns against any and all damages of claims from damages resulting or allegedly resulting from the GRANTEE's performance of activities under the terms of this CONTRACT.

SECTION 20 - DISPUTE RESOLUTION

Except as otherwise provided in this CONTRACT, when a bona fide dispute arises between the parties and it cannot be resolved through discussion and negotiation, either party may request a dispute hearing. The parties shall select a dispute resolution team to resolve the dispute. The team shall consist of a representative appointed by the DEPARTMENT, a representative appointed by the GRANTEE, and a third party mutually agreed upon by both parties. The team shall attempt, by majority vote, to resolve the dispute. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

SECTION 21 - GOVERNING LAW AND VENUE

The CONTRACT shall be construed and enforced in accordance with, and the laws of the State of Washington hereof shall govern the validity and performance. Venue of any suit between the parties arising out of this CONTRACT shall be the Superior Court of Thurston County, Washington.

SECTION 22 - APPLICABLE LAWS AND REGULATIONS

The GRANTEE shall comply with all existing applicable laws, ordinances, codes, regulations and policies of local, state, and federal governments, as now or hereafter amended.

SECTION 23 - SEVERABILITY

In the event any term or condition of this CONTRACT or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications of this CONTRACT which can be given effect without the invalid term, condition, or application. To this end, the terms and conditions of this CONTRACT are declared severable.

SECTION 24 – ENTIRE AGREEMENT

This contract, including referenced exhibits, represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

The attachments to this agreement are as follows:

ATTACHMENT A: "Work Plan," consisting of 1 page(s); and
ATTACHMENT B: "Budget," consisting of 1 page(s).

ATTACHMENT A: WORK PLAN

Grantee: City of Des Moines

Summary: To develop design guidelines for multi-family and commercial properties.

Estimated Completion Dates & Activities:

Goals/ Actions/ Deliverables	Description	Start Date	End Date
Goal	To create and adopt design guidelines for multi-family and commercial properties		
Action	Gather design guidelines from other communities	10/1/03	12/15/03
Action	Hire consultant	11/1503	1/15/04
Action	Gather images of desirable and undesirable development	1/1/04	3/1/04
Action	Identify desired design themes and elements	2/1/04	3/31/04
Action	Prepare draft design guidelines	3/1/04	7/30/04
Action	Solicit public participation and input	8/1/04	9/30/04
Action	Prepare SEPA checklist and issue SEPA threshold determination	8/1/04	9/30/04
Action	Conduct public meetings and public hearing	9/1/04	12/1/04
Action	Adopt final design guidelines	11/1/04	12/1/04
Deliverable	Final adopted design guidelines		12/1/04

Deliverables: Final adopted design guidelines

Status reports due by: December 15, 2003, June 15, 2004, and December 15, 2004

Products to be submitted by: December 15, 2004.

ATTACHMENT B: BUDGET

The budget shall consist of the following elements:

1. Category of Expenditure

	SFY 2004	SFY 2005	Total
Salaries and Benefits	$1,000	$2,000	$3,000
Goods and Supplies			
Professional Services	$10,000	$20,000	$30,000
Other Goods and Services	$100	$400	$500
Total	$11,100	$22,400	$33,500

2. Budget Summary

	SFY 2004	SFY 2005	Total
CTED Funds	$10,000	$20,000	$30,000
Other Funds	$1,100	$2,400	$3,500
Total	$11,100	$22,400	$33,500

3. Payment Disbursement Schedule

Upon final signing of contract and before June 30, 2004:	$10,000
After submission of first status report and before June 30, 2004:	$10,000
After submission of second status report, after July 1, 2004 and before December 31, 2004:	$7,000
Upon completion of the contract, after July 1, 2004 and before December 31, 2004:	$3,000

4. Special Budget Provisions

   A. For CONTRACTS over $30,000 the total amount of transfers of funds between line item budget categories shall not exceed ten (10) percent of the total budget. If the cumulative amount of these transfers exceeds or is expected to exceed ten percent, the total budget shall be subject to justification and negotiation of a CONTRACT amendment by the GRANTEE and the DEPARTMENT.

   B. For CONTRACTS under $30,000 the total amount of transfers of funds between line item budget categories shall not exceed twenty (20) percent of the total budget. If the cumulative amount of these transfers exceeds or is expected to exceed twenty percent, the total budget shall be subject to justification and negotiation of a CONTRACT amendment by the GRANTEE and the DEPARTMENT.

   C. A sum of ten (10) percent of funds shall be withheld until all tasks, activities, and final products defined in ATTACHMENT "A" have been successfully completed by the GRANTEE and accepted fully by the DEPARTMENT.

CONSENT CALENDAR
Item #5

passed

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: King County I-Net Agreement

ATTACHMENTS:
Contract with King County to provide Institutional Network Services

FOR AGENDA OF: December 11, 2003

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: Dec. 03, 2003

CLEARANCES:
[X] Legal

APPROVED BY CITY MANAGER FOR SUBMITTAL:

Purpose and Recommendation

The purpose of this item is to request City Council approval of the Contract for Institutional Network Services (I-Net) with King County.

Recommended Motion: "To approve the Interlocal with King County for I-net Services and to direct the City Manager to sign the Interlocal Agreement with King County substantially in the form as attached."

Background

The King County Institutional Network (I-Net) is a fiber optic network that the County has built to provide cities a high-speed connection they can use for accessing the Internet, judicial video services, and various county/state software applications.

Discussion

Currently the city maintains three separate connections that provide access to the Internet, the King County Inter-Govermental Network (IGN), the Washington State Office of the Courts (OAC) and the Washington State Patrol (WSP). The maximum speed of those connections is 1.5mb per second. The dedicated speed of I-Net will be 6mb per second with the ability to increase to 20mb as needed. This additional speed will be required for the Des Moines Municipal Court to use their proposed video arraignment system.

Alternatives

Maintain our current network configuration. This will allow us to continue our current level of service but will not provide the additional data capacity needed to accommodate video arraignments.

Financial Impact

The City is paying $800 per month for three separate data links to the IGN, OAC, and WSP. Using I-Net would allow us to consolidate to one connection that will provide a higher data speed for the same $800 monthly cost. The I-Net contract is a one-year contract that will renew automatically from year to year for five (5) one-year terms.

Connecting to I-Net will require us to purchase a new Internet router and firewall at a cost of $5500 and $2500 respectively. These items are needed to accommodate the higher speed data rate. The firewall was already scheduled for replacement next year and is included in the 2004 computer replacement budget. Although the router was not budgeted for 2004 there are sufficient reserves in the computer replacement fund to purchase this item. There is also a one-time installation fee of $1995 that I-Net has agreed to waive if the contract is approved and signed by year-end.

Recommendation/Conclusion

It is recommended that City Council approve the contract for institutional network service with King County in the amount of $8,000.00, plus tax.

Concurrence

Administration and Court Services recommend approval of Contract with King County.

Contract Between

King County, Washington

And

City of Des Moines

For Institutional Network Services

09CODM03

TABLE OF CONTENTS

This Contract, made this ___________by and between King County, Washington (hereinafter "County") and City of Des Moines, with its principal place of business at 21630 – 11th Avenue South, Des Moines, WA (hereinafter "Customer"), collectively the "Parties."

1. Preface

This Contract includes these terms and conditions and the following attachments:

Attachment A – Site locations covered by this Contract and Site Access Contact for each Site

Attachment B – Connectivity Change Request Form

Attachment C – Appropriate Use Policy

Attachment D - Definitions

Attachment E – Key Persons

Attachment F - Termination

Attachment G – Service List

Attachment H – Service Levels

Attachment I – IP Address Space

Attachment J – Evidence of Insurance Coverage

2. Recitals

WHEREAS, County has deployed the Institutional Network (hereinafter "I-Net"); and

WHEREAS, the County offers I-Net services to municipal, county, school, library and other governmental and non-profit agencies; and

WHEREAS, Customer wants to purchase I-Net services as defined below; and

WHEREAS, the Customer agrees that it will use I-Net facilities and services solely for educational, public access, County and government communication purposes, and not for any for-profit commercial purposes by itself or third parties; and

WHEREAS, the purpose of this Contract is to establish the Contractual, service and support responsibilities between the County and the Customer.

NOW, THEREFORE, in consideration of payments, covenants, and Contracts hereinafter mentioned, to be made and performed by the County and Customer (hereinafter "Parties"), the Parties covenant and do mutually agree as follows:

3. Definitions

Words and terms Shall be given their ordinary and usual meanings. Where used in the Contract documents, the words and terms Contained in *Attachment D - Definitions* Shall have the meanings indicated therein. The meanings Shall be applicable to the singular, plural, masculine, feminine and neuter of the words and terms.

4. Use of the I-Net

The I-Net services provided under this Contract are for the exclusive use of the Customer at the authorized Sites. Use of I-Net services by organizations other than those listed in *Attachment A-Site locations covered by this Contract and Site Access Contact for each Site* must be approved in advance in writing by County. Allowing any other Site or agency to connect to or use I-Net services is a material breach of this Contract and may be cause to terminate service in whole or in part.

Customers may use the I-Net solely for educational, public access, and County and government communication purposes and not for any for-profit commercial purposes. Contrary use could result in the County losing the right to use most of the fibers that make up the I-Net. Customer covenants that it will comply with this requirement, and will monitor and regulate the traffic content it transports on the network to ensure its compliance with this requirement. This requirement does not prevent the Customer from collecting fees to pay the direct costs of providing non-commercial services, such as fees for video class instruction or charges to recover the cost of special use equipment. *See also, Attachment C – Appropriate Use Policy.*

Customer agrees that it Shall not resell any of the services provided under this Contract without the County's prior written permission, and Shall comply with *Attachment C – Appropriate Use Policy.*

5. Term of Contract

This Contract is effective upon execution by both Parties, and Shall remain in effect for the remainder of the calendar year in which it is signed. Thereafter, this Contract Shall renew automatically from year to year for five (5) one-year terms, subject to the terms and conditions of applicable franchise agreements as amended or the lease agreement, as amended, as set forth in the termination provisions herein.

6. Notices

Whenever this Contract provides for notice to be provided by one Party to another, such notice Shall be in writing using the U.S. postal service, express mail, e-mail or via an accepted web interface. Any time within which a Party must take some action Shall be computed from the date that said Party receives the written notice.

6.1 Notices To County for Service Matters

Report I-Net Problems to:

I-Net Network Operations Center (County)
Voice: 206.263-7000
King County I-Net Operations Center

700 5th Ave., Suite. 2300
Seattle, WA 98104
e-mail: inet.operations@metrokc.gov
Network Operations Center Supervisor
Karen Mark
206-263-4879 – Desk
206-399-7465 – Cellular
e-mail: Karen.mark@metrokc.gov

6.2 Key Persons

County and Customer have identified the persons listed in *Attachment E – Key Persons* as essential to the successful completion of the tasks identified in this Contract. The roles and authority for each of these people Shall be as defined in *Attachment E – Key Persons.*

7. Charges and Payment Procedures

7.1 Invoiced Charges

A service cost summary applicable to Contract is provided in *Attachment A-Site locations covered by this Contract and Site Access Contact for each Site.* I-Net charges will begin thirty (30) Days after this Contract is signed by both Parties.

7.2 Installation and Monthly Fees

A table indicating Customer Sites, service levels and costs as provided by this Contract is shown in *Attachment A-Site locations covered by this Contract and Site Access Contact for each Site.*

7.3 Invoicing and Payment

Charges will be invoiced Monthly (12 invoice periods per year).

Payment is due within 60 Days of receipt of invoice. Thereafter, interest will be charged at the rate of 1.5% per Month on the balance due. Des Moines asserts that the maximum statutory interest for this Contract should be 0.0% pursuant to RCW 39.76.020(1). Notwithstanding the City's objection to the interest rate, the City of Des Moines agrees to the term identified in this Contract.

7.4 New Site Costs

Additional Sites may be added during the term of this Contract, upon execution of an amendment to this Contract. Upon request, the County will prepare a written estimate of the costs necessary to prepare, install and connect the new Site to the I-Net, and the service rate. See *Attachment H – Service Levels* for further information. All requests for new Site connectivity must come from the Primary Contact for the Customer.

7.5 Circuits: Types and Approvals

7.5.1 Intra-Agency Circuits

Requests for Circuits where both ends are in Sites owned or controlled by the same Customer require only the approval of the Customer's Primary Contact.

7.5.2 Inter-Agency Circuits

There are two potential types of inter-agency Circuits:

- I-Net Site to I-Net Site
  Inter-Agency Connection requests require the approval of the Primary Contact at each Customer involved in the Circuit Connection.

- I-Net Site to External Agency
  Connection requests between Customer and an External service Provider or organization must originate with the Customer. The County will facilitate the Connection between the two at the I-Net NAP (Network Access Point) in the Westin Building.

7.6 Initiation or Change Requests

All requests for Circuit additions or changes must come from the Primary Contact for the Customer, and be on a signed Connectivity Change Request Form as provided in *Attachment B – Connectivity Change Request Form*, and on-line at the I-Net Web Site. The change request will be evaluated by the County to assess engineering issues, and to determine whether the change is a no-cost change under the Customer's Contracted Service, or an additional cost item. If it is an additional cost item, the additional costs must be separately approved in writing by the Customer's Primary Contact, and the associated costs will be added to the Customer's invoiced bill.

7.7 No Cost Changes

Basic service options 1 and 2 include one Circuit Change per Site per year included in the Contract Price. A Circuit Change is defined as one that requires reprogramming only, with no equipment moves or adds. Additional changes will be charged at a rate to be determined based on the time necessary to implement the change request. The County will provide a written estimate of the cost of the change as part of the Change Order process.

8. Reporting

The I-Net Network Operations Center will actively monitor the state of the network (e.g., alarms and errors, bandwidth utilization, and trending). Reports on the Customer's Circuits will be used as part of the annual Contract review.

9. Sub-Contracting

The County may sub-Contract for some or all of the services covered by this Contract.

10. Insurance

During the term of the Contract both Parties Shall maintain Commercial General Liability insurance with limits of not less than $1 million combined single limit per occurrence, $2 million aggregate. The above policies Shall cover or be endorsed to cover the other Party, its officers, officials, employees and agents as an additional insured. If either Party is a municipal corporation or an agency of the state of Washington and is self-insured or a member of the Washington Cities Insurance Corporation for any of the above insurance requirements, a certificate of self-insurance or a letter of coverage Shall be attached hereto as *Attachment J – Evidence of Insurance Coverage* and be incorporated by reference and Shall constitute complianco with this section. By requiring such minimum insurance, neither Party Shall be deemed or construed to have assessed the risks that may be applicable to the other Party under this Contract. Each Party Shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

11. Indemnification

Each Party Shall protect, defend, indemnify, and save harmless the other Party, its officers, employees, and agents from any and all costs, claims, judgments, and/or awards of damages, for injuries to persons and/or damage to tangible property, arising out of or in any way resulting from each Party's own negligent acts or omissions associated with the I-Net services provided by the Contract to the extent each Party is liable for such acts or omissions. In the event the indemnified party incurs any costs including attorney fees to enforce the provisions of this paragraph, all such costs and fees Shall be recoverable from the Indemnitor.

11.1 Limitation of Liability

Neither party will be liable for any indirect, incidental, special or consequential damages, including but not limited to lost data or profits, however arising, even if it has been advised of the possibility of such damages.

11.2 Survival

The provisions of this Section Shall survive the expiration or termination of this Contract with respect to any event occurring prior to expiration or termination.

12. Change Orders

Either Party may request changes to this Contract. Proposed changes which are mutually agreed upon Shall be incorporated by written amendment to this Contract. If any Change Order causes an increase or decrease in the price (fees) for, or the time required for, performance of any part of the Work under this Contract, the Parties Shall agree to an equitable adjustment in the Contract Price, the delivery schedule, or both. The County Shall be responsible for preparing all County-required documents associated with modifying the Contract to include the agreed upon Change Order. No written request, oral order, or conduct by the County will constitute a binding Change Order unless confirmed in writing by the Parties.

13. Force Majeure

The term "force majeure" Shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, fire, accidents, shutdowns for purpose of emergency repairs, strikes and any other industrial, civil or public disturbances, causing the inability to perform the requirements of this Contract. If any Party is rendered unable, wholly or in part, by Act of Nature or any other cause not within such Party's reasonable control, to perform or comply with any obligation or condition of this Contract, upon giving notice and full particulars to the other Party, such obligation or condition Shall be suspended but only for the time and to the extent necessary to restore normal operations.

14. Severability

Whenever possible, each provision of this Contract will be interpreted to be effective and valid under applicable law. If any provision is found to be invalid, illegal or unenforceable, then such provision or portion thereof Will be modified to the extent necessary to render it legal, valid and enforceable and have the intent and economic effect as close as possible to the invalid, illegal and unenforceable provision. If it is not possible to modify the provision to render it legal, valid and enforceable, then the provision will be severed from the rest of this Contract and ignored. The invalidity, illegality or unenforceability of any provision will not affect the validity, legality or enforceability of any other provision of this Contract, which will remain valid and binding.

15 Nondiscrimination

15.1 No Discrimination.

15.1.1 The Customer must comply with all applicable local, state and federal laws and regulations prohibiting discrimination, including without limitation, laws and regulations prohibiting discrimination in the provision of services or employment under this Contract. These laws include, but are not limited to, Titles VI and VII of the Civil Rights Act of 1964, as amended, Chapter 49.60 of the Revised Code of Washington, as amended, and Chapters 12.16 and 12.18 of the King County Code, as amended. If Customer engages in unfair employment practices as defined in King County Code Chapter 12.18, as amended, the remedies set forth in that Chapter, as amended Shall apply.

15.1.2 The Customer is specifically prohibited from discriminating among persons or taking any retaliatory action against a person because of that person's exercise of any right it may have under federal, state, or local law, nor may the Customer require a person to waive such rights as a condition of taking service.

15.1.3 The Customer is specifically prohibited from denying access or levying different rates and charges on any individual or group because of the income of the residents of the local area in which such group resides.

15.1.4 To the extent the County may enforce such a requirement; the Customer is specifically prohibited from discriminating in its rates or charges or from granting undue preferences to any individual or group.

15.1.5 During the performance of this Contract, neither Customer nor any party subcontracting under the authority of this Contract Shall discriminate on the basis of age, ancestry, creed, color, marital status, national origin, race, religion, sex, sexual orientation, or presence of any mental, physical or sensory handicap against any employee or applicant for employment, unless based on a bona fide occupational qualification, or in the administration or delivery of services or any other benefit under this Contract.

15.1.6 During the term of this Contract, the Customer Shall not create barriers to open and fair opportunities to participate in the use of these services., and Shall not discriminate against any person on the basis of race, color, creed, religion, sex, age, nationality, marital status, sexual orientation or the presence of any mental or physical disability in an otherwise qualified disabled person.

15.1.7 Any violation of the mandatory requirements of the provisions of this Section Shall be a material breach of Contract for which the Customer may be subject to damages and sanctions provided for by Contract and by applicable law.

16. Termination

This Contract may be terminated only in accordance with the provisions of *Attachment F – Termination.*

17. Applicable Law and Forum

Except as hereinafter specifically provided, this Contract Shall be governed by and construed according to the laws of the State of Washington. Any suit arising herefrom Shall be brought in King County Superior Court, which Shall have sole and exclusive jurisdiction and venue. The Parties Shall comply with all local, state and federal laws and regulations applicable to this Contract.

17.1 Dispute Resolution and Mediation

1. The Parties to this Contract may seek to resolve disputes pursuant to mediation as set forth herein, but are not required to do so. Nothing in this Subsection precludes any Party from seeking relief from the King County Superior Court.

2. Disputes. In the event that a dispute arises between the Parties which cannot be resolved in the normal course, the following dispute resolution procedures Shall be followed:

   A. If a dispute arises, then (i) within ten (10) business days of a written request by either Party, County's Project Manager and Customer's Site Manager Shall meet and resolve the issue; if these Parties cannot resolve the issue within ten (10) business days of the meeting, then (ii) the issue Shall be submitted to each Party's designated information systems manager; if these Parties cannot resolve the issue within fifteen (15) business days of submission to them, then (iii) the issue Shall be submitted for resolution to the King County Director of Information and Administrative Services and Customer's business contact.

17.2 Mediation and Arbitration

Nothing in this paragraph precludes any Party from seeking relief from King County Superior Court. If a dispute arises out of or relates to this Contract, or the breach thereof, and if said dispute cannot be settled through direct discussions, the Parties agree to first endeavor to settle the dispute in an amicable manner by mediation. Thereafter, any unresolved controversy or claim arising out of or relating to this Contract, or breach thereof, may be resolved by arbitration, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof or litigation in the King County Superior Court. The Parties to this Contract may seek to resolve disputes pursuant to mediation or arbitration, but are not required to do so.

Deleted: [illegible]

18. Services to be Provided by I-Net

The specific services applicable to this Contract are listed in Attachment A-Site locations covered by this Contract and Site Access Contact for each Site. The Parties Shall conduct an annual joint review to determine if the services provided meet the Customer's needs, and whether modifications or changes in service levels should be made. The services Shall be selected from the Service List contained in *Attachment G – Service List.*

18.1 Handoff/Demarcation Points

The Handoff or Demarcation Points for each of the Customer's Site subject to this Contract are defined and listed in *Attachment A-Site locations covered by this Contract and Site Access Contact for each Site.*

19. Service Levels

Service levels and corresponding prices Shall be provided in accordance with *Attachment H – Service Levels.* Procedures for reporting and handling problems are also contained in that attachment.

20. Services Not Provided by I-Net

The following services are not covered by this Contract:

- Applications development or support.
- Customer LAN or desktop support services.
- Telephone support for Users not named in this Contract.
- Other non-transport Customer network design or support on the Customer side of the I-Net Demarcation Point.

21. Service Requirements

The Customer agrees it will complete the items listed below throughout the Contract at no cost to the County. Failure to do so Shall be grounds for and may result in the termination of I-Net service or delay in the County's installation.

Provide the County with any contact person changes within five (5) Days of the change. Failure to keep the Contact information current may result in delays in processing of service requests.

Provide County with access to the Sites.

Provide, at no cost to the County, sufficient rack or wall space, sufficient cooling to maintain a temperature no greater than 80 degrees Fahrenheit and one 20-amp isolated ground electrical circuit.

Keep the area around the I-Net equipment locked, dry, clean, and free of obstructions to facilitate airflow and protect the equipment investment.

Notify County of any damage or other apparent problems with the equipment or fibers.

Keep the I-Net equipment in the place where the County has installed it, and not move or alter the equipment in any way without the written permission of The County.

22. Security

The Customer Shall ensure that all I-Net Hubs are located inside secure, limited access facilities, providing a high level of physical security. The Circuit-oriented nature of an ATM network inherently provides a high level of data integrity. Physical security of the I-Net racks and cabinets located at the Customer's Sites will be the responsibility of the Customer. The Customer is responsible for securing its computer resources attached to the I-Net against all unauthorized access or usage.

The County requires the installation of security measures as a condition of starting or continuing to receive I-Net Service, and may change those requirements from time to time. A Security Policy for King County data networks and applications is being developed by ITS. County will incorporate this policy into its network security procedures when it is available.

IN WITNESS, THEREOF, the Parties have executed this Contract.

KING COUNTY	CITY OF DES MOINES
______________________	______________________
King County Executive	
______________________	______________________
(Date)	(Date)
Approved as to form only by:	Approved as to form only by:
______________________	______________________
King County Deputy Prosecuting Attorney	Attorney
______________________	______________________
(Date)	(Date)

Attachment A – Site Locations Covered by this Contract and Site Access Contact for Each Site

All Site and contact data will be kept in a database maintained by I-Net Operations. Customer agencies Shall report changes in contact personnel or location data to the I-Net Operations Center. The table below Site ID (number), name, address, city, contact, Hub, Demarcation Point, equipment owner, package and cost for each Site covered under this Contract.

City of Des Moines **09CODM03**

NON-RECURRING Charges

		TBD	Installation fee(s) waived if Contract is signed within 60 days from the time Customer receives the final contract documents from the County for their signature.
Installation Fee(s)*	TBD		
Site Provisioning (if needed)	TBD		
Additional Services for all sites			
TOTAL NON-RECURRING:	TBD		

Site ID	Site Name	Street/City	Hub	Site Access Contact	Demarcation Point	Equipment Owner	D= Dark Fiber Access B1= Basic I-Net Option 1 B2= Basic I-Net Option 2	Monthly Cost
2083	City of Des Moines	21900 11th Ave S. Des Moines					B1	$700.00
2083	City of Des Moines	21900 11th Ave S. Des Moines					48 IP Addresses-$100.00/mo	$100.00
							MONTHLY TOTAL:	$800.00

Attachment B - Connectivity Change Request Form

Please see: *Paragraph 7.6 Initiation or Change Requests.*

Connectivity Change Request Form is on the following page.

I-Net Connectivity Change Request Form

Date of Request:

Customer Agency:

Requestor's Name:

Please indicate if you are the Primary or Backup Contact for this Agency:

- ☐ **Primary Contact**
- ☐ **Backup Contact**

Please provide a brief description of the request:

Sites involved in change (please include site name and address, I-Net site number if known):

Duration of Change (permanent, or if temporary please state duration dates):

- ☐ **Permanent**
- ☐ **Temporary**
- ♦ **Duration (for temporary changes):**

Note: All change requests must be submitted by either the Customer Agency's Primary or Backup Contact and will be implemented per the terms of their I-Net Contract.

Attachment C - Appropriate Use Policy

IMPORTANT: The County's agreements with Comcast Corporation prohibits the County from building or running a cable television network or any commercial for-profit endeavor over the fiber optic cable. The restrictions in the franchises flow down and apply to the Customer.

The County has formulated this Acceptable Use Policy (Policy) for the purposes of furthering the responsible use of the I-Net and to enabling Users to receive reliable, high quality services.

In General.

I-Net must be used solely for lawful and intended purposes. No one Shall Use or aid anyone else in Using it to transmit, distribute or store material: (1) in violation of any applicable law or regulation, including export or encryption laws or regulations, or this Policy; or (2) that may expose the County to criminal or civil liability. Customers and Users are further prohibited from assisting any other person in violating any part of this Policy. Any Customer or User the County determines has violated any element of this Policy may be subject to a temporary or permanent suspension of service, including, if the County deems it necessary, immediate suspension or termination of such Customer's or User's service without notice. The County may take such further action as it deems appropriate under the circumstances to eliminate or preclude repeat violations. The Customer will protect, defend and indemnify the County from any liability whatsoever arising out of any violation of the Appropriate Use of the I-Net and the County Shall not be liable for any damages of any nature suffered by any Customer, User, or any third party.

Responsibility for Content.

The County takes no responsibility for any material created or accessible on or through the I-Net. No User or customer should hold an expectation of privacy with respect to any matter transmitted over or by the I-Net. By entering into this Contract with King County, Customer acknowledges and accepts the absence of privacy in transmitting or using the I-Net. The County may monitor the I-Net traffic for maintenance or repair or to determine usage of the I-Net. The County does not plan to exercise any editorial control over material transmitted over or by the I-Net, but reserves the right to do so consistent with applicable laws. If the County becomes aware that any material may violate this Policy, the County reserves the right to block access to such material and to suspend or terminate any User or Customer creating, storing or disseminating such material. The County further reserves the right to cooperate with cable system representatives, legal authorities and third parties in the investigation of alleged wrongdoing, including disclosing the identity of any User or Customer.

Impermissible Content.

Customers and Users Shall not Use I-Net to transmit or distribute material not permitted under the County's franchise Contracts, permits, or other Contracts with or grants to cable television or communications companies. Customers and Users Shall not Use I-Net to transmit or distribute unlawful materiel or information containing fraudulent material, or to make any offer containing unlawful, false, deceptive, or misleading statements, claims, or representations. In addition, Customers and Users are prohibited from submitting any unlawful, false or inaccurate information regarding I-Net's use to the County or any other Person.

Customers and Users Shall not Use I-Net to transmit, distribute or store material that is unlawful, including but not limited to material that is indecent, obscene, pornographic defamatory, libelous, or not Constitutionally protected. The Parties agree that law enforcement may intentionally receive and store information or materials that may be indecent, obscene, pornographic, defamatory or libelous. Such use by law enforcement, as part of its law enforcement activities Shall not be considered a violation of this Appropriate Use Policy. Customers and Users Shall not use material in any unlawful manner that would infringe, violate, dilute or misappropriate any Person's protection under privacy, publicity, or other personal rights or intellectual property rights, including but not limited to, copyrights and laws protecting patents, trademarks, trade secrets or other proprietary information. The use of a domain name in connection with any of the I-Net services, Shall not violate the trademark, service mark, or similar rights of any third party.

Customers and Users Shall not Use I-Net to transmit, distribute or store material that contains a virus, worm, Trojan horse, or other component harmful to the I-Net, to any other network or equipment, or to other Customers or Users.

Third Party Rules; Usenet.

Customers and Users may have access through I-Net to search engines, subscription Web services, chat areas, bulletin boards, Web pages, USENET, or other services that promulgate rules, guidelines or Contracts to govern their use. Users must adhere to any such rules, guidelines, or Contracts. Users who post messages to Usenet news groups are responsible for becoming familiar with any written charter or FAQ governing use of such news groups and complying therewith.

System and Network Security.

Customers and Users Shall not Use I-Net to violate or attempt to violate the security of any Person or network, including, without limitation, (a) accessing data not intended for such Customer or User or logging into a server or account which such Customer or User is not authorized to access, (b) impersonating County personnel, (c) attempting to probe, scan or test the vulnerability of a system or network or to breach security or authentication measures without proper authorization, (d) attempting to interfere with, disrupt or disable service to any User, host or network, including, without limitation, via means of overloading, "flooding", "mailbombing", "denial of service" attacks or "crashing", (e) forging any TCP/IP packet header or any part of the header information in any e-mail or news group posting, (f) taking any action in order to obtain services to which such User is not entitled, or (g) attempting to utilize another Customer's or User's account name or persona without that Person's authorization. Customers and Users are also prohibited from attempting any action designed to circumvent or alter any method of measuring or billing for I-Net services. Security violations may result in civil or criminal liability. The County will investigate occurrences which may include such violations and may involve, and cooperate with, law enforcement authorities in prosecuting Customers and Users who are involved in such violations.

Modification.

The County reserves the right to modify this Acceptable Use Policy in its discretion at any time. Such modifications will be effective when the Customer receives notice from the County.

Attachment D - Definitions

ASP or Application Service Provider
A business that allows another organization to use, lease, or license a Web-based service or application which is hosted and/or managed by the business at an outside facility rather than at the organization's facility.

ATM
Asynchronous Transfer Mode: A very high-speed transmission technology. ATM is a high bandwidth, low-delay Connection-oriented packet-like switching and multiplexing technique. Usable capacity is segmented into 53-byte fixed-size cells, consisting of header and information fields, allocated to services on demand.

AUP
Acceptable Use Policy:
The rules for running on the network.

Broadband
A WAN term. A transmission facility providing bandwidth greater than 45 Mbps (T3). Broadband systems generally are fiber optic in nature.

Call
A Call is an association between two or more Users or between a User and a network entity that is established by the use of network capabilities. This association may have zero or more Connections.

Circuit
A point-to-point (Site-to-Site) ATM link, with defined operational characteristics. It may include various virtual Circuit types including T-1, TLS, or PVC.

CLR or Cell Loss Ratio
A negotiated QoS parameter wherein acceptable values are network specific. The objective is to minimize CLR provided the end-system adapts the traffic to the changing ATM layer transfer characteristics. The Cell Loss Ratio is defined for a Connection as: Lost Cells/Total Transmitted Cells. The CLR parameter is the value of CLR that the network agrees to offer as an objective over the lifetime of the Connection. It is expressed as an order of magnitude, having a range of 10-1 to 10-15 and unspecified.

Connection
An ATM Connection consists of concatenation of ATM Layer links in order to provide an end-to-end information transfer capability to access points. In switched virtual Connection (SVC) environments the LAN Emulation Management entities set up Connections between each other using UNI signaling.

Connectionless
Refers to ability of existing LANs to send data without previously establishing Connections.

CTD
Cell Transfer Delay: This is defined as the elapsed time between a cell exit event at the measurement point 1 (e.g., at the source UNI) and the corresponding cell entry event at measurement point 2 (e.g., the destination UNI) for a particular Connection. The cell transfer delay between two measurement points is the sum of the total inter-ATM node transmission delay and the total ATM node processing delay.

Customer or Customer Agency

A municipality, school district, college or other governmental or non-profit agency that is a participant in the King County Institutional Network. See *Attachment A-Site locations covered by this Contract and Site Access Contact for each Site* for the specific Site locations included in this Contract.

Dark Fiber Access
In some cases, Customer may be offered Dark Fiber Access for Sites that connect to a single Hub. Only Customers with at least one Basic service Site (service under paragraphs 1a or 1b of Attachment G) through a Comcast Hub will be eligible to acquire a right to access Dark Fiber through that Hub. A design will be developed for each Hub and the Dark Fiber access requested. Both the Customer and County Shall approve this design in writing and it must be included on ATTACHMENT A—SITE LOCATIONS COVERED BY THIS CONTRACT, AND SITE ACCESS CONTACT FOR EACH SITE before the County begins any work to provide Dark Fiber Access.

Day
Calendar Day unless otherwise specified.

Demarcation Point
The point of interconnection between the County's I-Net fibers or Hardware and the Customer's fibers or Hardware.

DNS or Domain Name Services
Services which convert domain names into IP addresses.

DS-0
Digital Signal, Level 0: The 64 kbps rate that is the basic building block for both the North American and European digital hierarchies; a worldwide standard.

DS-1
Digital Signal, Level 1: The North American Digital Hierarchy signaling standard for transmission at 1.544 Mbps. This standard supports 24 simultaneous DS-0 signals. The term is often used interchangeably with T1 carrier although DS-1 signals may be exchanged over other transmission systems.

External Agency
An organization or ASP that is not a member of the Institutional Network, but that an I-Net Customer has requested Connection to via the I-Net NAP.

Fee Basis
A service is provided on a Fee Basis if there is a charge, whether in money, in-kind service, or otherwise, to those using the service or application. Customers using I-Net transport to charge other agencies will be charged a fee.

Handoff Point
The point in the Site where the ownership or control of the fibers or Equipment changes from the Site owner or Customer to the I-Net.

Hardware
The actual physical computing machinery, including the Firmware which is combination Hardware/Software that is "burned into" a Programmable Read Only Memory chip or chips as opposed to Software. An Integrated Access Device is an example of Hardware.

Hub
A switching location on Comcast's primary ring or one of its secondary rings.

I-Net

The King County Institutional Network, a fiber optic based transport network shared by municipal, county, school, library and other governmental and non-profit agencies in for the purpose of supporting voice, video and data communication among the participants.

Integrated Access Device or IAD
A physical device which is capable of forwarding packets between legacy interworking interfaces (e.g., Ethernet, Token Ring, T-1, etc.) and ATM interfaces based on data-link and network layer information but which does not participate in the running of any network layer routing protocol. An Integrated Access Device obtains forwarding descriptions using the route distribution protocol.

IP
Internet Protocol: Part of the TCP/IP family of protocols describing Software that tracks the Internet address of nodes, routes outgoing messages, and recognizes incoming messages.

ISP
Internet Service Provider.

ITS or Information and Telecommunications Services
A division of the Department of Information and Administrative Services within King County government.

King County
King County, Washington. A political subdivision of the State of Washington.

LAN
Local Area Network: A network designed to move data between stations within a campus.

MAN
Metropolitan Area Network: A network designed to carry data over an area larger than a campus such as an entire city and its outlying area.

Mbps
Million bits per second.

MMF
Multimode Fiber optic Cable: Fiber optic cable in which the signal or light propagates in multiple modes or paths. Since these paths may have varying lengths, a transmitted pulse of light may be received at different times and smeared to the point that pulses may interfere with surrounding pulses. This may cause the signal to be difficult or impossible to receive. This pulse dispersion sometimes limits the distance over which a MMF link can operate.

Month
The period commencing on the first calendar Day of a calendar Month and ending on and including the last Day of that calendar Month.

Multicasting
The transmit operation of a single PDU by a source interface where the PDU reaches a group of one or more destinations.

Multipoint-to-Multipoint Connection
A Multipoint-to-Multipoint Connection is a collection of associated ATM VC or VP links, and their associated nodes, with the following properties:
All Nodes in the Connection, called endpoints, serve as a Root Node in a Point-to-Multipoint Connection to all of the (N-1) remaining endpoints.

Each of the endpoints on the Connection can send information directly to any other endpoint, but the receiving endpoint cannot distinguish which of the endpoints is sending information without additional (e.g., higher layer) information.

NAP
Network Access Point. The County's NAP is in the Westin Building in Downtown Seattle.

NMS or Network Management System
A system of Hardware and Software that implements functions at the Network Management Layer or Element Management Layer functions and is used to monitor, control and manage the County's INET Network. A NMS may manage one or more other Network Management Systems.

NOC or Network Operations Center
The administrative group within King County charged with the Day-to-Day operation of the I-Net.

OSI
Open Systems Interconnect. A network model developed by the International Standards Organization.

PBX
Private Branch eXchange: PBX is the term given to a device which provides private local voice switching and voice-related services within the private network. A PBX could have an ATM API to utilize ATM services, for example Circuit Emulation Service.

Pilot Phase
A period of I-Net installation and Testing before the I-Net moves to full operations. Customers are not required to pay for services during this period but still must pay other charges, if any. The Pilot Phase begins Q1 2001 and ends Q2 2001.

Point-to-Point Connection
A Connection with only two endpoints.

PRI
Primary Rate Interface: An ISDN standard for provisioning of 1.544 Mbit/s (DS1 - North America, Japan, et al) or 2.048 Mbit/s (E1 - Europe) ISDN services. DS1 is 23 "B" channels of 64 kbit/s each and one signaling "D" channel of 64 kbit/s/ E1 is 30 "B" channels of 64 kbit/s each and one signaling "D" channel of 64 kbit/s.

Provider
King County Institutional Network (I-Net), as managed and operated by King County Information and Telecommunications Services I-Net Operations Section.

PVC or Permanent Virtual Circuit
A link with a static route defined in advance, usually by manual setup.

QoS
Quality of Service: Quality of Service is defined on an end-to-end basis in terms of the following attributes of the end-to-end ATM Connection:

Cell Loss Ratio
Cell Transfer Delay
Cell Delay Variation

Rate Card
The list of rates and charges for the provision of I-Net services.

Router

A physical device that is capable of forwarding packets based on network layer information and that also participates in running one or more network layer routing protocols.

Shall or Will
Whenever used to stipulate anything, Shall or Will means that the action or inaction is mandatory by either the Customer or the County, as applicable, and means that the Customer or the County, as applicable, has thereby entered into a covenant with the other Party to do or perform the same.

Site
A single building or location. Each Site is counted as a unit for purposes of the Customer's Use Charge.

SM or Single Mode Fiber
Fiber optic cable in which the signal or light propagates in a Single Mode or path. Since all light follows the same path or travels the same distance, a transmitted pulse is not dispersed and does not interfere with adjacent pulses. SM fibers can support longer distances and are limited mainly by the amount of attenuation. Refer to MMF.

Software
All or any portion of the binary computer programs and enhancements thereto, including source code, localized versions of the binary computer programs and enhancements thereto, including source code and documentation residing on County-owned Hardware. Software is the list of instructions to operate the Hardware.

SVC
Switched Virtual Circuit: A Connection established via signaling. The User defines the endpoints when the Call is initiated.

T-1
A dedicated phone Connection supporting data rates of 1.544Mbits per second. A T-1 line actually consists of 24 individual or DS0's, each of which supports 64Kbits per second. Each 64Kbit/second channel can be configured to carry voice or data traffic. Most telephone companies allow you to buy just some of these individual channels, known as *fractional T-1* access. T-1 lines are sometimes referred to as *DS1* lines.

Testing
The process of ensuring the fiber, in the case of Dark Fiber Access, and the equipment and fiber, in the case of any other service, provides the services described in this Contract.

TLS or Transparent LAN Service
A service providing for the interconnection of LANs over I-Net in native mode.

UNI
User-Network Interface: Specifications for the procedures and protocols between User equipment and either an ATM or Frame Relay network. The UNI is the physical, electrical and functional Demarcation Point between the User and the public network service Provider.

Use Charge
The amount the Customer owes for receipt of I-Net services. A Use Charge may include both Monthly and non-Monthly costs.

User
An employee, client, or other person accessing the network or using I-Net services at a facility controlled by a Customer.

WAN

Wide Area Network: This is a network which spans a large geographic area relative to office and campus environment of LAN (Local Area Network). WAN is characterized by having much greater transfer delays due to laws of physics.

Attachment E - Key Persons

The Primary Contact and the Backup Contact listed below Shall have authority, on behalf of the Customer to request and approve all network Connections to other I-Net agencies or external agencies and to add, delete or modify services and Sites, including both cost and no-cost changes.

The Backup Contact is granted complete authority in the absence of the Primary Contact. All change requests must come from and be signed by either the Primary Contact or the Backup Contact listed below, and no changes can be made to the Customer's Circuit configuration without a prior written request approval. The Customer Shall provide updated written information to the County within five (5) business days should this contact change.

The Technical Contact will be the lead on all technical and troubleshooting issues regarding I-Net transport services. The Customer Shall provide updated information to the County within five (5) business days should this contact change.

The Site Access Contact will provide physical access to the I-Net equipment at an individual Site. These contacts are listed in *Attachment A-Site locations covered by this Contract and Site Access Contact for each Site.* The Customer Shall provide updated information to the County within five (5) business days should this contact information change.

COUNTY	City Of Des Moines
Primary Contact Name: Betty Richardson Title: Network and Systems Manager Address: 700 Fifth Avenue, Suite 2300 Seattle, WA 98104 Phone: 206-296-0608 E-mail: betty.Richardson@metrokc.gov	Primary Contact Name: Dale Southwick Title: Information Systems Coordinator Address: 21650 11th Avenue South Des Moines, WA 98198 Phone: 206-870-6545 E-mail: dsouthwick@cityofdesmoines.com
Back up Contact Name: Walt Yeager Title: Marketing Manager Address: 700 Fifth Avenue, Suite 2300 Seattle, WA 98104 Phone: 206-263-4814 E-mail: walt.yeager@metrokc.gov	Back up Contact Name: Corbitt Loch Title: Assistant City Manager Address: 21630 11th Avenue South Des Moines, WA 98198 Phone: 206-870-6568 E-mail: cloch@cityofdesmoines.com
Technical Contact Name: Karen Mark Phone: 206-399-7465 E-mail: Karen.mark@metrokc.gov	Technical Contact Name: Dale Southwick Title: Information Systems Coordinator Des Moines, WA 98198 Phone: 206-870-6545 E-mail: dsouthwick@cityofdesmoines.com
	Site Access Contact Name: On Duty Police Records Specialist. Address: 21900 11th Avenue South Des Moines, WA 98198 Phone: 206-878-3301

Attachment F - Termination

1. This Contract may be terminated by either Party without cause, in whole or in part, upon providing the other Party one hundred eighty (180) Days advance written notice of the termination.

   If the Contract is terminated pursuant to this *paragraph 1*: (1) the Customer will be liable only for payment in accordanco with the terms of this Contract for services rendered prior to the effective date of termination; and (2) the County Shall be released from any obligation to provide further services pursuant to the Contract.

2. Either Party may terminate this Contract, in whole or in part, upon thirty (30) Days advance written notice in the event: (1) a corrective action plan has not been accepted by the non-breaching Party within thirty (30) Days; (2) the other Party materially breaches any duty, obligation, or services required pursuant to this Contract which can not be cured; (3) the duties, obligations, or services required herein become impossible, illegal, or not feasible or (4) the Parties have agreed to a corrective action plan and the breaching Party has not commanded or completed corrective action as specified in the plan.

   If the termination results from acts or omissions of the Customer, including but not limited to, damage to fiber optic lines or to County-owned equipment, or the failure to pay amounts due, the Customer Shall return to the County immediately any County-owned equipment and pay all amounts due to the County, including replacement, e.g. costs for fiber and equipment damaged as a result of the breach.

3. If expected or actual Customer or County funding is withdrawn, reduced or limited in any way prior to the termination date set forth above or in any amendment hereto, the Party without funding may, upon written notice to the other Party, terminate this Contract, in whole or in part, as of the time funding will not be available. Either Party Shall provide the other Party at least ninety (90) days notice of termination for non-appropriation.

   If the Contract is terminated pursuant to this Section, paragraph 3: (1) the Customer will be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination; and (2) the County Shall be released from any obligation to provide further services pursuant to the Contract.

   County funding under this Contract beyond the current appropriation year is conditional upon appropriation by the County Council of sufficient funds to support the activities described in this Contract. Should such an appropriation not be approved, this Contract will terminate at the close of the current appropriation year which ends on December 31st.

4. Nothing herein Shall limit, waive, or extinguish any right or remedy provided by this Contract or law that either Party may have in the event that the obligations, terms and conditions set forth in this Contract are breached by the other Party.

Attachment G - Service List

1. Basic I-Net Service

Basic I-Net Service at a Site includes the following:

- Initial configuration and installation of County equipment and service, including customization of Circuits. All County-installed equipment whether at a Customer's Site or not, remains the sole property of the County.
- One (1) I-Net Basic Service package; Customer may select either Option 1 or Option 2 as described in Section 18. Services to be provided by I-Net. Attachment A – Site locations covered by this Contract and Site Access Contact for each Site lists Sites covered in this Contract.
- One (1) change or reconfigure per service (e.g., T-1, TLS) per year at no cost. See Section 7.7 No Cost Changes for further details.
- 7 x 24 support. The Customer will be able to call the I-Net NOC for technical support or to initiate a trouble ticket at any hour of the day or night.

County engineers will work with the Customer's Technical Contact to design the Circuits and provisioning for the Customer's Sites. Typically the device installed at a Site will be an Integrated Access Device providing a 10/100 Mbps Ethernet Connection; T-1 interfaces will be available on the same Integrated Access Device. All installed Equipment remains the sole property of the County.

In some cases a Customer will prefer to connect to the I-Net using its own ATM-aware Hardware. These exceptions will be factored into the Customer's Circuit topology design. Such devices will be owned and supported by the Customer Agency, not I-Net Operations. Customers will initially have to purchase and install an ATM OC-3 Single Mode intermediate reach interface in its equipment (e.g., PBX, Router) if not already available.

1.a Basic Service Option 1

The following table describes Basic Service Option 1 available from I-Net.

SERVICE NAME	INCLUDED IN BASIC SERVICE	SERVICE DESCRIPTION	BANDWIDTH COMMITTED (Mbps)	BURST (Mbps)	USAGE
TLS	2 Circuit ends	Bridged Ethernet Circuits	6	20	Between any two I-Net Sites within a single Customer Agency
T1 Circuits	2 Circuit ends	DS1 point-to-point, or point-to-multi-point (structured)	1.5	N/A	Initially may be used to replace existing T1 voice (or data) lines between I-Net Sites. An example would be tying central PBX systems to key systems at remote

					Sites.
INAP	1 Connection per participant; 1 more per each additional 5 I-Net Sites. <u>Dark fiber is not included in this count.</u>	IP Network Access Point; for interchange among I-Net Customers and between I-Net and ASP/ISP, etc. Counts as a Circuit end.	1.5	8	
Basic Internet Service	1 Connection plus backup (via INAP Connections in previous Section) per Customer Agency	Data, DNS, <u>no POP3 service</u>			

1.b. Basic Service Option 2

The following table describes Basic Service Option 2 available from I-Net.

SERVICE NAME	INCLUDED IN BASIC SERVICE	SERVICE DESCRIPTION	BANDWIDTHCOMMITTED (Mbps)	BURST (Mbps)	USAGE
ATM UNI	Alternate Basic	ATM OC3 delivered on SM Fiber may be used in place of the basic TLS/2xT1 Package. I-Net will support bandwidth and Circuits equivalent to the Basic package on this interface. The ATM equipment must provide an OC3 Single Mode intermediate reach fiber interface, and must support the ATM UNI standard.	6	20	At a central Hub for larger I-Net participating agencies - as the Connection point between I-Net and the internal data (and voice) networks.
INAP	1 Connection per participant; 1 more per each additional 5 I-Net Sites. <u>Dark fiber is not included in this count.</u>	IP Network Access Point; for interchange among I-Net Customers and between I-Net and ASP/ISP, etc. Counts as a Circuit end.	1.5	8	
Basic Internet	1 Connection plus backup	Data, DNS			

Service	(via INAP Connections in previous Section) per Customer Agency				

2. **Dark Fiber Access**

In some cases, Customer may be offered Dark Fiber Access for Sites that connect to a single Hub. Only Customers with at least one Basic Service Site (service under paragraphs 1a or 1b of Attachment G) through a Comcast Hub will be eligible to acquire a right to access Dark Fiber through that Hub. A design will be developed for each Hub and the Dark Fiber Access requested. Both the Customer and County Shall approve this design in writing and it must be included on ATTACHMENT A—SITE LOCATIONS COVERED BY THIS CONTRACT, AND SITE ACCESS CONTACT FOR EACH SITE before the County begins any work to provide Dark Fiber Access.

Attachment H - Service Levels

1. Network Latency
The end-to-end network latency will not be greater than 3 milliseconds.

2. System Availability

Customer Circuits will be up and operating satisfactorily at least 99.9%, as measured over each billing period, not including in this calculation scheduled maintenance time.

3. Maintenance Window

Regularly scheduled maintenanca is maintenance means upgrades and non-emergency repairs that are not the result of an emergency. Scheduled maintenance procedures may be performed on Sunday mornings between 6:00a.m.and 9:00a.m.

Notice will be given to Customer of planned network outages when such an outage will affect Customer. An I-Net Outage Notification list, comprised of Customers designated Technical Contact, will be maintained for this purpose. The County will notify Customer of scheduled outages at least seventy-two (72) hours in advance. The County will endeavor to notify Customer of emergency outages as soon as possible.

4. Reliability
The I-Net network core is a redundant, self-healing network. Recovery due to a network break in the primary ring should be not greater than three (3) seconds under worst case conditions, with detection and rerouting typically occurring in approximately one (1) second.

5. Problem Reporting and Escalation Procedure

- End Users will initially report problems to their agency's Information Technology (IT) organizations per their existing internal policies.

- The Customer's IT personnel Shall troubleshoot the problem to eliminate application, User platform or other potential problem sources within its internal network.

- If Customer then believes it is an I-Net Circuit problem, the Customer's designated Technical Contact(s) Shall contact the I-Net Network Operations Center.

- A work order (trouble ticket) will be created based on the trouble call, and the I-Net troubleshooting process and time clock will begin.

- I-Net Operations will provide a Problem Reporting and Escalation Procedure to the Customer, and provide the Customer with progress and status information on trouble calls. The Customer should receive an initial callback regarding the status of the problem within thirty (30) minutes of the initial trouble report.

6. Problem Escalation
- I-Net Operations will attempt to resolve most problems within 2 hours of the problem report initially being logged and a trouble ticket being generated. The NOC will notify the Customer regarding the status of the reported problem, and the estimated time to repair completion.

- If, after 2 additional hours, the problem has not been resolved (within the parameters of the support window and problem severity), the Customer may contact the I-Net

Operations Manager to escalate the problem priority. At this point, the Operations Manager will assess the situation, escalate the trouble ticket's priority as necessary, and provide a best estimate of time to repair completion.

7. Additional Service Charge

If an I-Net technician is required to visit a Site to repair or troubleshoot a problem, Customer may be charged for this service. There will be no charge if the problem necessitating the visit is due to a failure with the County's equipment or network that was not the result of Customer activity, or is caused by the County. In all other situations, Customer will be charged for the visit. The charge for this service will be $150 per hour, including travel time, with a minimum 2-hour charge. This charge will be added to the Monthly invoice.

8. New Service

- For Sites already receiving I-Net service, the County will add new services requiring only a Software change within ten (10) Days from the receipt of a written request for the additional service from the Customer and I-Net engineering approval of the change. Services requiring Hardware changes will be scheduled with the Customer.

- For locations not receiving I-Net service, the County's ability to provide requested service will be dependent upon the availability of existing fiber provisioning to the Site and of the required network equipment. It will also depend on design integration with the Customer's other existing Sites on the I-Net. This design will require the participation of both Parties. The County will add service to a new Site where minimal facilities engineering and provisioning tasks are required within sixty (60) Days from receipt of a written request for the service from the Customer's Primary Contact. When more than minimal facilities engineering and provisioning tasks are required, the installation of service will be scheduled with the Customer.

- After execution of this Contract by both Parties, the Customer must pay the full costs of new fiber design and construction required for the possible addition of a Site. Any Sites added after March 1, 2001 – and which have not already been designated as a build - will be required to pay fees to help defray the cost of equipment for the Site, as well as paying the full costs of the new fiber design and construction required for the possible addition of the Site.

9. Circuit Changes

All requests for Circuit additions or changes Shall be in writing from the Customer. A Connectivity Change Request Form is provided in *Attachment B – Connectivity Change Request Form*, and will be available on-line at the I-Net Web Site as well. The Change Request will be evaluated to assess engineering issues, and to determine whether the change is a no-cost change or is an additional cost item under this Contract. If it is an additional cost item, it must be approved in writing by the Customer and the cost will be added to the invoiced bill. The County will provision new ATM Circuits within ten (10) Days of receipt of a signed change request order and I-Net engineering approval of the change. See also Section 7.5 Circuits: Types and Approvals.

Attachment I – IP Address Space

<u>IMPORTANT</u>: IP ADDRESS SPACE IS OWNED BY THE COUNTY AND REMAINS THE PROPERTY OF KING COUNTY. THE CUSTOMER HAS THE USE OF THIS ADDRESS SPACE ONLY WHILE THIS CONTRACT IS IN PLACE.

Attachment J – Evidence of Insurance Coverage

AGENDA ITEM

SUBJECT: Purchase of Additional Property for Pacific Highway Project

ATTACHMENTS:

A. Administrative Offer Summary
B. Administrative Settlement
C. Acquisition Map-Parcel #64

AGENDA OF: December 11, 2003

DEPT. OF ORIGIN: Public Works

DATE SUBMITTED: December 5, 2003

CLEARANCES:
[X] Finance pl
[X] Public Works
[X] Legal

APPROVED BY CITY MANAGER FOR SUBMITTAL: CTL for TP

Purpose and Recommendation:

The purpose of this item is to seek Council approval to purchase an additional 450 square feet of property to be used for a utility vault for the Pacific Highway South Redevelopment Project.

Suggested Motion

The following motion will appear on the Consent Calendar:

1) "I move to authorize the purchase of an additional 450 square feet of property at 22200 Pacific Highway South from Mr. and Mrs. Kon Hwang in the amount of $9,405.00 and further to authorize the Finance Department to issue payment."

Background:

The Pacific Highway South Redevelopment Project requires right-of-way purchases along SR 99 from Kent Des Moines Road to South 216th Street as well as three full lots for detention ponds. The City Council has previously approved proceeding with purchasing the required property. Because the project is funded through federal, state and local grants, there are special procedures for obtaining the needed properties. An appraisal was prepared for each property by our consultant appraiser. A state-certified independent review appraiser reviewed the appraisals, then offers were made for the appraised value of the property. There were 50 parcels that required purchase of some portion of their right of way. We have successfully closed on all but one parcel of property required, and it is under mediation and negotiation. The Pacific Highway South Redevelopment Project was construction contract was awarded to Ceccanti. Construction has been underway since August of this year.

Discussion:

Mr. and Mrs. Kon Hwang are owners of a vacant lot at 22200 Pacific Highway South, and have agreed to sell an additional 450 square feet of their property at a purchase price of $9,405 for placement of a utility vault. We purchased seven (7) feet of right of way frontage along SR 99 from the Hwang's in 2001. The original land value was updated as noted in Attachment A of the Administrative Offer for a price of $8,550; however, the owners countered within the allowable 10% administrative settlement range.

The City's contractor (Ceccanti) has already attempted to install the vault within the right of way per the contract plans. However, there were conflicts and the vault could not be fit in its planned location. Ceccanti was forced to stop work and move to another location. They have now nearly completed their underground installations on the west side of the highway, and they are pressing to complete this work. Staff believes it is reasonable to pay the additional $855 to settle this acquisition and to avoid causing expensive to delays to the construction contract. Upon Council's approval, staff will proceed with closing.

Alternatives:

There are no viable alternatives that would not result in considerable alteration to the project design and as well as delay, causing increased costs to the project.

Financial Impact:

The purchase prices are consistent with federal, state and city guidelines regarding appraisals and other pertinent factors involved in valuing property in the affected area. This price is within the current project budget.

Recommendation/Conclusion:

Staff recommends this motion be approved to ensure that the Pacific Highway South project stays on schedule.

Concurrence:

The Legal Department and City Manager are kept apprised of negotiations and approve all paperwork as required. When specific issues come up that require input by Community Development, we solicit their input. This is a joint effort to improve the conditions along Pacific Ridge.

ADMINISTRATIVE OFFER SUMMARY

PROJECT: Pacific Highway South Redevelopment Project – City of Des Moines

OWNERS NAME: KON IL HWANG & SONG CHIN WANG

PROPERTY LOCATION: 22200 Pacific Highway So., Des Moines, WA. 98198

BEFORE AREA: 18,940 SF **AFTER AREA:** 18,640 SF

ACQUISITION AREA

FEE: 450 SF (area) None (type) **EASEMENT:** 0 SF (area)

CURRENT USE: *See below **ZONING:** PR-C-1 Pacific Ridge Commercial

HIGHEST & BEST USE: Commercial

EFFECTS OF ACQUISITION: *Unimproved except for paving and minor site improvements. The intended purpose of existing improvements appear to be for the use of adjacent property to the north (sales car/truck lot storage). There are no site improvements within the acquisition area. Acquisition is to acquire a 15'x30' partial fee for an above grade utility vault. A 7' strip of fee along Hwy 99 frontage had been previously acquired for the project. The utility vault appears to not adversely impact future access, functional utility or potential development of the site.

SUBJECT SALES HISTORY Partial Acquisition to City of Des Moines 9/26/2001, 5 years prior - none.

SALES RELIED ON: See attachment A

ACQUISITION COMPENSATION

FEE

LAND:

450 SF (area)	$19/SF (unit value)	$ $8,550.00
IMPROVEMENTS:		
None (type and size)	(unit value)	$ N/A
EASEMENT:		
None		$ N/A
DAMAGES:		
None		$ N/A
TOTAL:		$ $8,550.00

Sheet 5 of 7 Tax Parcel No. 215640-0250-07

Plan Approval Date 3/03/01 Revision Date 11/10/03 Worksheet Date 11/13/03

Prepared By: Mitch Legel, SR/WA Universal Field Services, Inc. Date: 11/13/03

I concur in the value estimate herein and authorize an Administrative Offer be made in said amount.

Agency (Date) 11/18/03

This form is prepared in conformance with WSDOT policy and procedures.
Federal Aid # STPUL-TA96(024)SL-2751 Tax /Project Parcel # 215640-0250-07 / Pcl 64

ATTACHMENT A

ATTACHMENT A

The estimated square foot land value for this site, is as of the date of this worksheet, and was relied upon from recent appraisal analysis and reports completed for the Pacific Highway South Redevelopment Project. The appraisal reports referred to below have been completed by WSDOT approved appraisers. "Appraisal Group of the Northwest" and the "Bonjorni Company" were the firms completing the Appraisals and Appraisal Reviews, respectively.

All comparable sales data and analysis of data are contained in the addenda and format of each report below and are hereby referenced to for the purposes of this Administrative Offer Summary worksheet.

Appraisal Reports

Project Parcel Number	Appraisal Dates	Estimated Land Unit Value
9	8/21/2001	$16.25 per SF
10	5/22/2001	$16.00 per SF
63	5/22/2001	$16.50 per SF
64	5/07/2001	$17.00 per SF
65	5/07/2001	$17.50 per SF

Parcel number 64 is the subject of this summary worksheet with an estimated land unit value of $17.00 per square foot and will be the basis for the adjusted land unit value.

The elapsed time upon the completed "Appraisal Dates" is approximately 2.5 years. Therefore, an adjustment of 12% upward for time will be the basis in determining the adjusted land unit value.

$17.00 / SF (12%) = $2.04

Therefore, $17.00 plus $2.04 equates to an adjusted land unit value of $19.04

Estimated Land Unit Value $19.00 / SF (rounded)

PUBLIC WORKS ENGINEERING

MEMORANDUM

DATE: November 26, 2003

TO: Timothy C. Heydon, Public Works Director

FROM: Roy Lukens/Universal Field Services

SUBJECT: City of Des Moines
Pacific Highway South Redevelopment Project-
South 216th Street to Kent-Des Moines Road
ADMINISTRATIVE SETTLEMENT
Parcel No. 64
Owner: Hwang

Issue: Partiall acquisition of Parcel 64

Approved Administrative offer $8,550.00
(Land Value $8,550 or $19.00 per square foot (450 square feet):

Proposed Settlement $9,405.00
(Land Value $9,405.00 or $20.90 per square foot (450 square feet):

The subject parcel is required for construction of the Pacific Highway South Redevelopment Project.

Background:

The subject property consists of a rectangular shaped parcel, and is located on the east side of Pacific Highway South and north of S 222nd St..

This site has approximately 115 feet of frontage on Pacific Highway S. According to the King County Assessment Records and the City of Des Moines Right of Way Plans, the subject site contains an area of approximately 19,741 square feet. All public utilities are available to the site. The site is generally level, but above street grade at the south end and the back eastside portion of the property. There is currently a auto sales lot on the front level portion of the property fronting the highway.. The parking area is paved with asphalt and there is adequate parking for the auto sales business located on this site.

The property is currently zoned Pacific Ridge Commercial 1 (PR-C-1) This zoning permits general commercial zoning with a variety of uses, but specific to the area of Pacific Highway South as it passes through the City of Des Moines. Lot area requires a lot to have a minimum of 7,500 SF and a minimum width of 75 feet. There are no setbacks on the front or side, but, there is a 15 foot rear yard setback. The highest and best use of the subject would be development of a retail building and meets all four highest and best use criteria. The subject's lot is partially paved with asphalt and the other portion is in an undeveloped condition with potential future use and is the Highest and Best Use as improved.

Counteroffers and negotiations relative thereto:

On November 18, 2003, the property owner offered a counter offer in the amount of $9,405.00 for the land. This amount was based on the higher value for the land..

Justification for Settlement:

The City deemed that this adjustment to the offer was minimal and should be accepted.

ATTACHMENT B

Recommendation

For the reasons above stated, I recommend an administrative settlement in the amount of $855.00 (or 10% increase in value) for a total proposed settlement of $9,405.00.

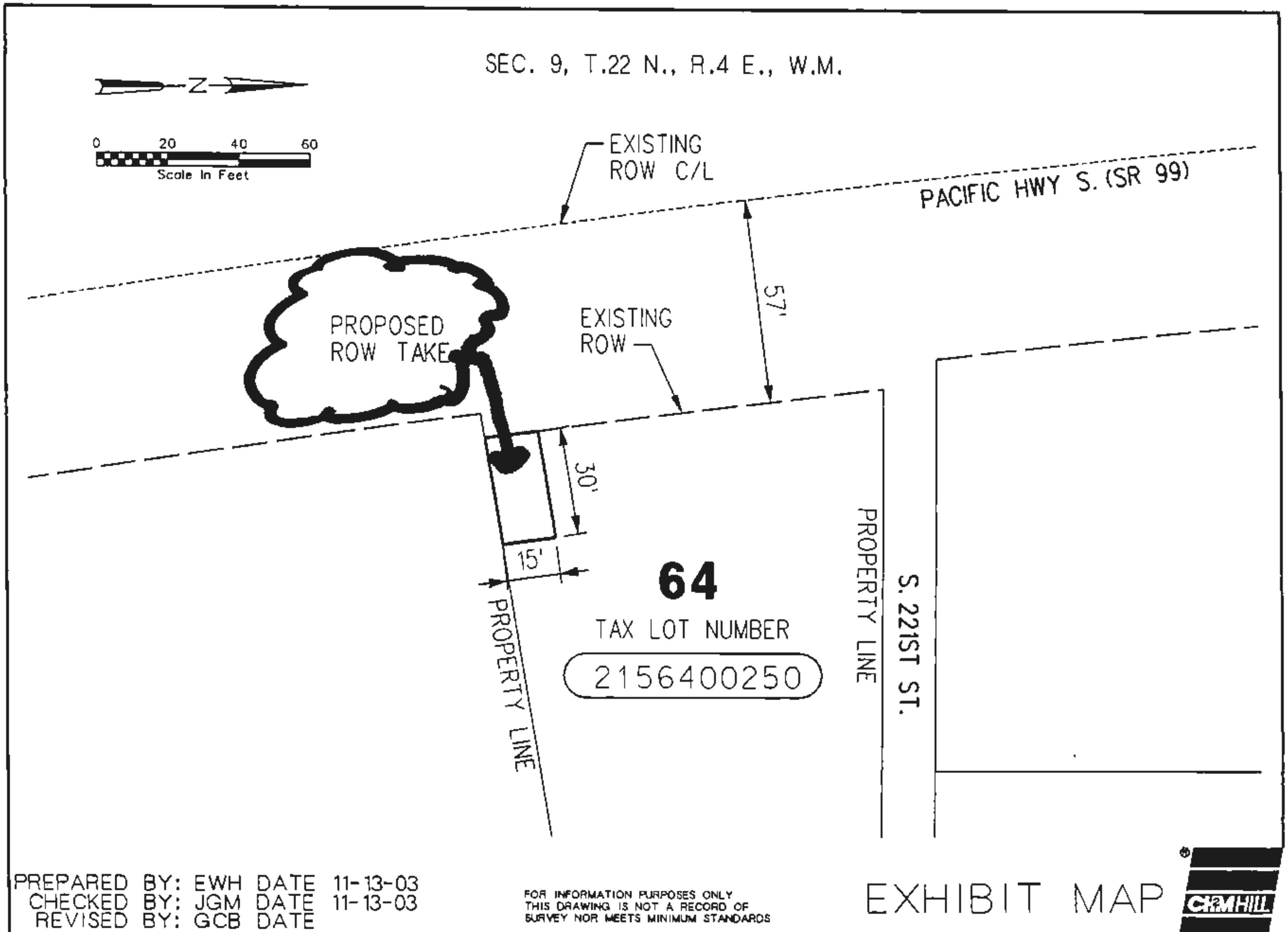
Recommended by:

Roy H. Lukens
Senior Right of Way Negotiator
Universal Field Services, consultant
to the City of Des Moines

Approved by:

Timothy C. Heydon, Public Works Director

ATTACHMENT C



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"EXHIBIT A"

ACQUISITION FROM PARCEL NO 2156400250

The south 15 feet of the west 30 feet, containing 450 square feet, more or less, of the following described parcel A:

Parcel A

Parcel A, Des Moines Short Plat No. DE-MO-SP-78-9, recorded under Recording Number 7809250855, being a portion of the southwest quarter of the southeast quarter in Section 9, Township 22 North, Range 4 East, W.M. in King County, Washington.

(ALSO KNOWN AS a portion of Tract 11, East Des Moines Five Acre Tracts, according to the unrecorded plat thereof.);

Except that portion conveyed to the City of Des Moines for Pacific Highway South by deed recorded under King County Recording No. 20011018001911.

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT:
2004 Budget – Policy Issues

ATTACHMENTS:
A. Year 2004 Budget Policy Issues 1 - 16
B. 2004 Unmet Needs Listing 1 – 3
C. Capital Improvement Plan Summaries

FOR AGENDA OF: December 11, 2003

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: December 5, 2003

CLEARANCES:
[x] Finance pl

APPROVED BY CITY MANAGER
FOR SUBMITTAL: CN for TP

Purpose and Recommendation

The public hearing on the 2004 operating budget was held at the November 13th Council meeting to solicit public comment. First reading of draft Ordinance 03-307 adopting the 2004 budget was passed by Council on November 13. This agenda item is intended to facilitate Council's discussion on policy issues that were addressed previously in 2004 budget presentations to Council and to provide direction for finalizing the 2004 budget appropriations.

The purpose of this agenda item is to report to the City Council the 2004 budget policy issues. Policy issues encompass department's unmet needs previously presented to Council during departments' 2004 budget reviews. In addition, staff is recommending the following policy changes: General Fund indirect assessments to proprietary funds including the Marina, Surface Water Management, Equipment Rental and Computer Operations Funds, and Self-Insurance Fund; funding patrol vehicles out of the Equipment Replacement Fund by establishing annual assessments, and revising the reserve requirement formula in the Revenue Stabilization Fund by adding additional revenues to replace the declining local government assistance revenue source.

Council direction is needed to determine level of support for Airport Defense funding.

These policy discussions will provide staff with direction for finalizing the 2004 operating budget authorizations

Council direction is also requested for finalizing the 2004-2009 Capital Improvement Plans for the Municipal Capital Improvements Fund, Arterial Street Fund, Marina Depreciation and Improvement Fund, and the Surface Water Management Capital Fund.

Background

The 2004 budget process focused on cost containment and staff was directed to maintain discretionary expenditures to 2003 levels. The base budgets provided were developed within these cost constraints. In addition, departments' have submitted their highest unmet budget needs for Council's review.

Alternatives

1. Direct staff to prepare the 2004 budget ordinance as proposed by the City Manager.
2. Modify the 2004 budget as proposed by the City Manager.

Recommendation

Council direction is requested to finalize the 2004 budget appropriations and prepare the 2004 budget ordinance.

City of Des Moines

Year 2004 Budget Policy Issues

2004 Budget Policy Issues

- **Funding Unmet Needs**
- **Change in General Fund Indirec Assessments to Proprietary Funds**
- **Fund Patrol Vehicles by Equipment Replacement Assessments**
- **Change in Revenue Stabilization Fund Reserve Requirement**
- **Airport Defense Funding**
- **Mt. Rainier Pool Continued Operations**
- **Changes to Capital Improvement Plans**

2004 Budget Policy Issues

General & Street Funds:

Item	2003 YE Estimated	2004 Proposed	2005 Projected	2006 Projected
Begin Fund Balance	$782,947	$1,566,380	$1,877,701	$1,480,408
Revenues	14,011,260	14,799,251	14,779,990	13,291,730
Expenditures	13,227,827	14,487,930	15,177,283	15,907,504
Ending Fund Balance	$1,566,380	$1,877,701	$1,480,408	($1,135,366)

2004 Unmet Needs

General & Street Funds:

2004 Estimated Ending Fund Balance	$1,877,701
Less 7% Reserve	-1,015,000
Remaining Balance	$862,701
Carry Forward to 2005	281,514
Available to Fund Unmet Needs	$581,187

2004 Unmet Needs
City Manager Recommendations

General & Street Funds:

Priority	Item	Request	Accum $	On-Going
1	Ltd Term Building Inspector	$37,800	$37,800	$70,800
2	Ltd Term Permit Technician	54,000	91,800	54,000
3	Ltd Term Economic Dev Coord	98,400	190,200	0
4	Replace Six Patrol Vehicles (3 Funded by Vacant Position due to Military Call-up) (1 Funded by Insurance Proceeds) (Request includes 2 Vehicles-$55,000 & Eqp Rental Replacement Assess-$75,625)	130,625	320,825	75,625

Attachment

2004 Unmet Needs
City Manager Recommendations

General & Street Funds: (Continued)

Priority	Item	Request	Accum $	On-Going
5	Engineering-Various Traffic Safety Equipment & Monitoring Systems & AutoCAD Upgrade	$50,448	$371,273	$0
6	1 FTE Park Mtc Worker-$55,632 (Eliminate 2,617 PT Hours - $41,143; Offset by $10,000 Revenue)	4,489	375,762	4,489
7	Zoning Code Rewrite	50,000	425,762	50,000
8	**Court Video Conferencing**	**20,000**	445,762	-10,000
9	GASB 34 Fixed Assets Assistance	10,000	455,762	0
10	Upgrade Permit Tech to Coord	3,224	458,986	3,224

2004 Unmet Needs
City Manager Recommendations

General & Street Funds: (Continued)

Priority	Item	Request	Accum $	On-Going
11	Emergency Mgt Consultant	25,000	$483,986	0
12	Six Video Cameras-Police	35,871	519,857	0
13	PT Human Services Specialist	32,000	551,857	32,000
14	Street Lights Installation	10,000	561,857	0
15	Miscellaneous Street System Repair	10,000	571,857	0
16	Forklift (1/3 SWM; 2/3 Park & Streets)	4,000	575,857	0

2004 Unmet Needs
City Manager Recommendations

General & Street Funds (Continued)

Priority	Item	Request	Accum $	On-Going
23	Transport Trailer	$5,330	$581,187	$0
	Totals	$581,187		$280,138

2004 Unmet Needs
City Manager Recommendations

Marina:

Priority	Item	Request	Accum $	On-Going
24	Moorage & Electric Rate Study	$20,500	$20,500	$0

Surface Water Management Operations Fund:

Priority	Item	Request	Accum $	On-Going
17	Forklift (1/3 SWM; 2/3 Park & Streets)	$2,000	$2,000	$0

2004 Unmet Needs
City Manager Recommendations

Computer Operations Fund:

Priority	Item	Request	Accum $	On-Going
Estimated 2004 Ending Fund Balance - $12,869				
18	Training (Windows 2003)	$4,250	$4,250	$0

Computer Equipment Capital Fund:

Priority	Item	Request	Accum $	On-Going
2004 Estimated Ending Fund Balance - $112,401				
19	Server Room Cooling System	$5,000	$5,000	$0

2004 Unmet Needs
City Manager Recommendations

Facility Repair & Replacement Fund:

Priority	Item	Request	Accum $	On-Going
2004 Estimated Ending Fund Balance - $206,950				
20	Fieldhouse Flooring/Restroom Fixtures	$24,000	$24,000	$0
21	Downtown Banners	9,000	33,000	0
22	Beach Park Restroom & Sun Home Lodge Fixtures/Flooring	15,000	48,000	0

2004 Unmet Needs
City Manager Recommendations

Equipment Rental Replacement Fund:

Item	Cost	Sales/Ins	Net
2004 Estimated Ending Fund Balance (without Replacements) - $1,199,742			
2004 Equipment Replacement Requests:			
Camel Flush Truck	$239,360	$40,000	$199,360
Asphalt Roller/Trailer	41,400	2,000	39,400
Parks Truck	22,200	1,000	21,200
Parks Mower	40,500	0	40,500
Two Community Development Vehicles	30,500	2,700	27,800
Police Chief Vehicle (Tsf to Commander)	29,800	0	29,800
Sergeant's Vehicle (Reimb by Insurance)	29,800	27,000	2,800
Total	**$433,560**	**$72,700**	**$360,860**

Change in General Fund Indirect Assessments

	2003 BGT	2004 BGT	2005 BGT
Marina	$687,375	$490,000	$490,000
Surface Wtr Mgt	51,300	86,000	115,000
Eqp Rental Ops	0	25,000	25,000
Computer Ops	0	10,000	10,000
Self Insurance	0	12,100	12,100
Total	$738,675	$623,100	$652,100

Airport Defense Fund

- Available Fund Balance $143,364
- ACC Contribution $50,000 - $100,000
- RCAA Request $22,000

Revenue Stabilization Fund

- Due to Decline in Local Government Assistance
  – Add Liquor Excise Taxes & Liquor Board Profits to Reserve Requirement Formula

Total 2004 Reserves (based on existing formula)				$812,850
Liquor Excise Tax	$105,000	10%	3 Yrs	31,500
Liquor Board Profits	$175,000	10%	3 Yrs	52,500
Revised 2004 Reserve Requirement				$896,850
Total Estimated 2004 Ending Fund Balance				1,283,503
Reserves Exceeding Requirement				$386,653

Capital Improvement Plan

- Changes to the Capital Budgets?
  - Municipal Capital Improvements Fund
  - Arterial Street Fund
  - Surface Water Management Capital Fund
  - Marina Depreciation & Improvement Fund

Municipal Capital Improvements Fund
Option 1

	2004	2005	2006	2007	2008	2009
PARKS AND RECREATION PROJECTS:						
Des Moines Beach Park Repairs	**$14,500**	$75,000				
Field House Renovation	$20,000		$260,100			
Activity Center	$53,910	$56,668				
SJU Memorial Park PH II	$362,320			$980,302		
Midway Park	$136,372					
Community Center						$6,968,000
Total	**$587,102**	**$131,668**	**$260,100**	**$980,302**	**$0**	**$6,968,000**

Municipal Capital Improvements Fund
Option 1

	2004	2005	2006	2007	2008	2009
GENERAL GOVERNMENTAL PROJECTS:						
Accounting Software Upgrade	$51,475					
(Bus License - $31,975; Quadrant Upgrade - $12,000; Add'l Budget User Licenses - $7,500)						
City Hall North Wing Remodel	$293,056					
City Hall Parking Lot	$11,000	$46,500				
Rewrite Shoreline Master Plan	0	**$47,825**	**$30,450**	**Deferred to 2005 - 2006**		
On-Site Records Storage	$44,530					
PEG Access/Video Arraignment	**$160,000**					
Total	**$560,061**	**$94,325**	**30,450**	**$0**	**$0**	**$0**

Municipal Capital Improvements Fund Option 2

	2004	2005	2006	2007	2008	2009
PARKS AND RECREATION PROJECTS:						
Des Moines Beach Park Repairs	**$14,500**	$75,000		$68,202	$400,000	$600,000
Field House Renovation	$20,000	$260,100				
Activity Center	$53,910	$56,668				
SJU Memorial Park PH II	$362,320			$980,302		$595,100
Midway Park	$136,372					
Bldg Life-Cycle Study		$100,000				
Park Playgrd Repair			$144,668	$124,608	$144,168	$68,710
DM Creek Trail						$227,080
Community Center						$6,968,000
Total	**$587,102**	**$491,768**	**$144,668**	**$1,173,112**	**$544,168**	**$8,458,890**

Municipal Capital Improvements Fund
Option 2

	2004	2005	2006	2007	2008	2009
GENERAL GOVERNMENTAL PROJECTS:						
Accounting Software Upgrade	$51,475					
(Bus License - $31,975; Quadrant Upgrade - $12,000; Add'l Budget User Licenses - $7,500)						
City Hall North Wing Remodel	$293,056		$379,000			
City Hall Parking Lot	$11,000	$46,500				
Rewrite Shoreline Master Plan	$0	**$47,825**	**$30,450**	**Deferred to 2005 - 2006**		
On-Site Records Storage	$44,530					
PEG Access/Video Arraignment	**$160,000**					
Total	**$560,061**	**$94,325**	**$409,450**	**$0**	**$0**	**$0**

Arterial Street Fund

	2004	2005	2006	2007	2008	2009
Street Improvements:						
Arterial Mtc Prog	$500,000	$1,200,000	$600,000	$800,000	$400,000	$900,000
Neighborhood Traffic Program	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Pacific Highway	$11,407,249					
16th Ave S Improvement PHI	$516,224	$5,662,010				
KDM Rd 16th to 24th	$209,408		$577,052	$5,302,587		
Pacific Ridge Sidewalks		$133,154				
Wesley Home Pedestrian Signal	$83,000					
S 216th-24th Signal	$498,880					
North Twin Bridge				$122,931	$1,085,376	
Total Expenditures	**$13,239,761**	**$7,020,164**	**$1,202,052**	**$6,260,518**	**$1,591,018**	**$925,000**

Surface Water Capital Fund

	2004	2005	2006	2007	2008	2009
PROJECT FUNDING REQUESTS:						
MVD Bridge	$5,882,600					
DM Creek Basin	$55,450	$118,100	$26,450			
MVD-Woodmont Dr Culvert	$143,600					
Barnes Creek Detention Facility		$1,008,150	$330,795			
Barnes Creek Culvert Replacemt		$78,500	$595,530			
McSorley Creek		$100,000				
Lower Massey Creek				$100,000	$603,100	
199th North Hill Trunk Line				$280,170		
North Hill NE Trunk Line						$387,800
Total Expenditures	**$6,081,650**	**$1,304,750**	**$952,775**	**$380,170**	**$603,100**	**$387,800**

Attachment

Marina Depreciation & Improvement Fund

	2004	2005	2006	2007	2008	2009
PROJECT FUNDING REQUESTS:						
Dry Stack Storage	$1,060,106		$130,300			
Guest Moorage PH I	$245,000	$340,000				
New Decking H to N	$98,458	$50,000	$50,000			
Power Distribution Sy	$681,550					
S Restroom Upgrade	$25,000					
N Dock Elect Wiring	$50,000					
Restaurant/Boat Yd Bldg Repairs	$50,000					
N Seawall/Sidewalk		$985,000				
Guest Moorage PH II			$2,200,000	$2,200,000		
Commercial Bldg			$250,000			
Seawall Repl N to I				$1,610,000		
S Restroom Repl				$250,000		
Floating Dock Repl				$450,000		
Seawall Repl H to A					$893,340	$506,660
Redondo Improve	**$700,000**					
Total Expenditures	**$2,910,114**	**$1,375,000**	**$2,630,300**	**$4,510,000**	**$893,340**	**$506,660**

2004 UNMET NEEDS

GENERAL AND STREET FUNDS:

Department	Item	One-Time	On-Going
Court	Video Conferencing	$ 20,000	$ (10,000)
Finance	GASB 34 Fixed Assets Assistance	$ 10,000	
	Comprehensive Continuity & Disaster Recovery Plan	$ 50,000	
Records	Scanner/Software for Record Preservation	$ 1,250	
Personnel	Training-Workplace Issues	$ 4,500	
Legal	Improved Lighting	xx	
	.3 FTE - Part-time File Clerk		$ 8,800
	Domestic Violence Advocate-FT		$ 57,600
Law Enforcement	10 Patrol Cars (4 year lease schedule)	$ 89,085	$ 62,768
	6 Digital Video Cameras	$ 35,871	
	Spillman upgrade to 5.3	$ 43,825	
	Spillman Summit Photo Imaging	$ 38,500	
	Police Building Repair and Maintenance	$ 42,073	
	Host Citizen Academy (2)	$ 11,386	
	Emergency Management Consultant	$ 25,000	
Community Development			
Building Division	Ltd Term Building Inspector	$ 32,800	$ 65,800
	Desk and Equipment	$ 5,000	
	Used Vehicle (New $17,500)	$ 12,000	$ 5,000
	Miscellaneous (Training/Books)	$ 5,000	
	Upgrade Wagner 13E to 16D		$ 3,224
	Ltd Term Permit Technician		$ 54,000
	Replace two vehicles	$ 20,800	
	Sierra to Eden System	$ 157,000	
Development Services	Police Radio for Code Enforcement Officer	$ 2,500	
	Ltd Term Economic Development Coordinator		$ 98,400
Plan Development	Zoning Code Re-write ($70,000 - $100,000)	$ 100,000	
	New File Cabinets	$ 10,000	
Engineering:	Synchro/Sim Traffic (2 licenses)	$ 5,298	
	Upgrade to AutoCAD 2004 LT (2 licenses)	$ 1,450	
	Auto-turn	$ 400	
	GPS Unit	$ 20,000	
	Survey Equipment	$ 15,000	
	Traffic Accident Mapping/Track. System	$ 15,000	
	Traffic Counters	$ 9,600	
	Binoculars	$ 300	
Recreation			
Administration	Volunteer Assessment	$ 10,000	$ 5,000
	Cultural Arts Plan	$ 10,000	
Park Operations	Transport Trailer	$ 5,330	
	1/3 Forklift (1/3 Streets, 1/3 SWM)	$ 2,000	
	1 Park Maint Wkr (reduced pt hrs, increased revenue)		$ 4,489
	Move .40 Park Maintenance Worker to ACB		$ (25,813)
All City Buildings	.40 Park Maintenance/Facility Worker (.60 in Parks)		$ 25,813

GENERAL AND STREET FUNDS (continued):

Department	Item	One-Time	On-Going
Human Services	Human Services Study Update	$ 10,000	
	PT Human Services Specialist position		$ 32,000
Streets	Shoulder Mower (1/2 in SWM, Total Cost $107,000)	$ 53,500	
	1/3 Forklift (1/3 Parks, 1/3 SWM)	$ 2,000	
	Self Loading Racks for Sand Spreaders (3 each)	$ 7,500	
	Street Lights Installation	$ 20,000	
	Street System Repair - Miscellaneous	$ 20,000	
GENERAL & STREET FUNDS TOTAL:		$ 923,968	$ 387,081

MARINA REVENUE FUND:

Department	Item	One-Time	On-Going
Administration	Moorage & Electric Rate Study	$ 20,500	
MARINA REVENUE FUND TOTAL:		$ 20,500	$ -

SURFACE WATER MANAGEMENT OPERATIONS FUND:

Department	Item	One-Time	On-Going
Maintenance	Shoulder Mower (1/2 in Streets, Total Cost $107,000)	$ 53,500	
	1/3 Forklift (1/3 Streets, 1/3 Parks)	$ 2,000	
SURFACE WATER MANAGERMENT OPERATIONS FUND TOTAL:		$ 55,500	$ -

COMPUTER EQUIPMENT OPERATIONS FUND:

Department	Item	One-Time	On-Going
	Training (Windows 2003)	$ 4,250	
COMPUTER EQUIPMENT OPERATIONS FUND TOTAL:		$ 4,250	$ -

COMPUTER EQUIPMENT CAPITAL FUND:

Department	Item	One-Time	On-Going
	Server Room Cooling System	$ 5,000	
COMPUTER EQUIPMENT CAPITAL FUND TOTAL:		$ 5,000	$ -

2004 UNMET NEEDS

MUNICIPAL CAPITAL IMPROVEMENT FUND:

Department	Item	One-Time	On-Going
	Business License Program	$ 31,975	
MUNICIPAL CAPITAL IMPROVEMENT FUND TOTAL:		$ 31,975	$ -

FACILITY REPAIR AND REPLACEMENT FUND:

Department	Item	One-Time	On-Going
	Bch Prk Restroom & Sun Hme Ldg Fixtures/Flooring	$ 15,000	
	Fieldhouse/Restroom Flooring & Fixtures	$ 24,000	
	Downtown Banners	$ 9,000	
FACILITY REPAIR AND REPLACEMENT FUND TOTAL:		$ 48,000	$ -

EQUIPMENT RENTAL REPLACEMENT FUND:

Department	Item	One-Time	On-Going
	SWM Camel Flush Truck	$ 199,360	
	Asphalt Roller/Trailer	$ 39,400	
	Parks Truck P-237 Replacement	$ 21,200	
	Parks 455D Mower	$ 40,500	
	Two Community Development Vehicles	$ 27,800	
	Police Chief Vehicle	$ 29,800	
	Sergeant's Vehicle	$ 2,800	
EQUIPMENT RENTAL REPLACEMENT FUND TOTAL:		$ 360,860	$ -

CIP PROJECTS
MUNICIPAL CAPITAL IMPROVEMENT FUND - OPTION 1

		2004	2005	2006	2007	2008	2009
BEGINNING FUND BALANCE		$ 607,862	$ 47,765	$ 87,377	$ 347,347	$ 93,055	$ 110,193
LOCAL REVENUES							
Transfer from General Fund		$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Transfer from General Fund	Debt Service	130,848	132,988	129,628	131,268	132,668	133,828
Interest Earnings		3,900	1,900	6,800	7,800	4,000	5,400
Real Estate Excise Tax		650,000	650,000	650,000	650,000	650,000	650,000
Haunted House proceeds (CODM portion)		14,000	14,000	14,000	14,000	14,000	14,000
Park In Lieu Fees		50,000	50,000	50,000	50,000	50,000	50,000
TOTAL LOCAL REVENUES		$ 998,748	$ 998,888	$ 1,000,428	$ 1,003,068	$ 1,000,668	$ 1,003,228
PROJECT REVENUES							
CDBG - Sr Land Acquisition	Debt Service	$ 72,088	$ -	$ -	$ -	$ -	$ -
CDBG	Midway Park	65,000					
Donations	Activity Center	15,000					
Donations	SJU Park PH II	10,000					
King County	Midway Park	50,000					
IAC	SJUM Park II	75,000			300,000		
King County	SJUM Park II	50,000					
Bond Proceeds	Community Center						6,968,000
Grant	Field House			130,050			
DOE Grant	Re-write of Shoreline MP		47,825	30,450			
TOTAL PROJECT REVENUES		$ 337,088	$ 47,825	$ 160,500	$ 300,000	$ -	$ 6,968,000
TOTAL REVENUES & FUND BALANCE		$ 1,943,698	$ 1,094,478	$ 1,248,305	$ 1,650,415	$ 1,093,723	$ 8,081,421
PROJECT EXPENSES							
Des Moines Beach Park Repairs		$ 14,500	$ 75,000	$ -	$ -	$ -	$ -
Field House Renovation CDBG & WA Heritage		20,000		260,100			
Activity Center Remodel		53,910	56,668				
Steven J Underwood Memorial Park Phase II		362,320			980,302		
Midway Park Improvements		136,372					
Community Center							6,968,000
Accounting Software Upgrade		51,475					
City Hall North Wing Remodel		293,056					
Re-write of Shoreline Master Plan		-	47,825	30,450			
Onsite Records Storage		44,530					
City Hall Parking Lot		11,000	46,500				
Upgrade Public, Education & Government Broadcast system		160,000					
TOTAL PROJECT EXPENDITURES		$ 1,147,163	$ 225,993	$ 290,550	$ 980,302	$ -	$ 6,968,000
DEBT/OPERATING TRANSFERS							
Debt-1998 GO Bond-Myers land (Less portion for 4.14 acres)		$ 95,934	$ 98,120	$ 99,530	$ 95,790	$ 96,895	$ 97,685
Debt-1998 GO Bond-Soundview Bap land (4.14ac elig/CDBG)		71,988					
Debt-1997 GO Bond-City Hall Expansion		130,848	132,988	129,628	131,268	132,668	133,828
Transfer to Arterial Street Fund		450,000	550,000	381,250	350,000	753,967	740,000
TOTAL DEBT/OPERATING TRANSFERS		$ 748,770	$ 781,108	$ 610,408	$ 577,058	$ 983,530	$ 971,513
TOTAL EXPENDITURES		$ 1,895,933	$ 1,007,101	$ 900,958	$ 1,557,360	$ 983,530	$ 7,939,513
ENDING FUND BALANCE		$ 47,765	$ 87,377	$ 347,347	$ 93,055	$ 110,193	$ 141,908
RESERVED FUND BALANCE							
Park In Lieu Fees		$ -	$ -	$ 50,000		$ 50,000	$ 100,000
CDBG		2,698	2,798	2,798	2,798	2,798	2,798
King County Open Space		32,469	32,469	32,469	32,469	32,469	32,469
TOTAL RESERVED FUND BALANCE		$ 35,167	$ 35,267	$ 85,267	$ 35,267	$ 85,267	$ 135,267
UNRESERVED FUND BALANCE		$ 12,598	$ 52,110	$ 262,080	$ 57,788	$ 24,926	$ 6,641

CIP PROJECTS
MUNICIPAL CAPITAL IMPROVEMENT FUND - OPTION 1

	2004	2005	2006	2007	2008	2009
PORTION OF PROJECTS FUNDED BY PARK IN LIEU						
Steven J Underwood Memorial Park Phase II	$ 50,000	$ -	$ -	$ 150,000	$ -	$ -
TOTAL FUNDED BY PARK IN LIEU	**$ 50,000**	**$ -**	**$ -**	**$ 150,000**	**$ -**	**$ -**
PORTION OF PROJECTS FUNDED BY REET						
Des Moines Beach Park		$ 75,000	$ -	$ -	$ -	$ -
Field House Renovation	$ 20,000		$ 130,080			
Activity Center	38,910	56,668				
Midway Park	71,372					
Steven J Underwood Memorial Park Phase II	177,320			530,302		
City Hall Parking Lot	11,000	46,500				
City Hall North Wing Remodel	293,056					
Transfer to Arterial Street Fund	3,329	373,712	381,250	63,048	553,105	552,315
Debt Service-1998 GO Park Land Acq/Sports Park Land Acq	95,934	98,120	99,530	95,790	96,895	97,685
TOTAL AMOUNT FUNDED BY REET	**$ 710,921**	**$ 650,000**	**$ 610,860**	**$ 689,140**	**$ 650,000**	**$ 650,000**
PORTION OF PROJECTS FUNDED BY NON-REET						
Accounting Software Upgrade	$ 51,475	$ -	$ -	$ -	$ -	$ -
On-Site Records Storage	44,530					
Debt Service-1997 GO Bond-City Hall Expansion	130,848	132,988	129,628	131,268	132,668	133,828
Transfer to Arterial Street Fund	446,671	176,288		286,952	200,862	187,685
TOTAL AMOUNT FUNDED BY NON-REET	**$ 673,524**	**$ 309,276**	**$ 129,628**	**$ 418,220**	**$ 333,530**	**$ 321,513**

CIP PROJECTS
MUNICIPAL CAPITAL IMPROVEMENT FUND - OPTION 2

		2004	2005	2006	2007	2008	2009
BEGINNING FUND BALANCE		**$ 607,862**	**$ 47,765**	**$ 194,328**	**$ 624,729**	**$ 582,816**	**$ 984,462**
LOCAL REVENUES							
Transfer from General Fund		$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Transfer from General Fund	Debt Service	130,848					
Interest Earnings		3,900	3,100	12,500	20,800	29,900	25,800
Levy Lid Lift $.20			418,789	422,977	427,207	431,479	435,794
Real Estate Excise Tax		650,000	650,000	650,000	650,000	650,000	650,000
Haunted House proceeds (CODM portion)		14,000	14,000	14,000	14,000	14,000	14,000
Park In Lieu Fees		50,000	50,000	50,000	50,000	50,000	50,000
TOTAL LOCAL REVENUES		$ 998,748	$ 1,285,889	$ 1,299,477	$ 1,312,007	$ 1,325,379	$ 1,325,594
PROJECT REVENUES							
CDBG - Sr Land Acquisition	Debt Service	$ 72,088	$ -	$ -	$ -	$ -	$ -
CDBG	Midway Park	65,000					
Donations	Activity Center	15,000					
Donations	SJU Park PH II	10,000					
Grants	DM Beach Park					200,000	300,000
King County	Midway Park	50,000					
IAC	SJUM Park II	75,000			300,000		200,000
King County	SJUM Park II	50,000					
CDBG	Park & Playgrd Eqp			65,000	65,000		
Bond Proceeds	Community Center						6,968,000
Grant	Field House		130,050				
DOE Grant	Re-write of Shoreline MP		47,825	30,450			
TOTAL PROJECT REVENUES		$ 337,088	$ 177,875	$ 95,450	$ 365,000	$ 200,000	$ 7,468,000
TOTAL REVENUES & FUND BALANCE		**$ 1,843,698**	**$ 1,511,529**	**$ 1,589,255**	**$ 2,301,736**	**$ 2,108,195**	**$ 9,778,056**
PROJECT EXPENSES							
Des Moines Beach Park Repairs		$ 14,500	$ 75,000	$ -	$ 68,202	$ 400,000	$ 600,000
Field House Renovation CDBG & WA Heritage		20,000	260,100				
Activity Center Remodel		53,910	56,668				
Steven J Underwood Memorial Park Phase II		362,320			980,302		595,100
Midway Park Improvements		136,372					
Community Center							6,968,000
Park & Playground Repair & Replacement				144,668	124,608	144,168	68,710
Des Moines Creek Trail							227,080
Building Life-Cycle Maintenance Study			100,000				
Accounting Software Upgrade		51,475					
City Hall North Wing Remodel		293,056		379,000			
Re-write of Shoreline Master Plan		-	47,825	30,450			
Onsite Records Storage		44,530					
Upgrade Public, Education & Government Broadcast system		160,000					
City Hall Parking Lot		11,000	46,500				
TOTAL PROJECT EXPENDITURES		$ 1,147,163	$ 586,093	$ 554,118	$ 1,173,112	$ 544,168	$ 8,458,890
DEBT/OPERATING TRANSFERS							
Debt-1998 GO Bond-Myers land (Less portion for 4.14 acres)		$ 95,934	$ 98,120	$ 99,530	$ 95,790	$ 96,895	$ 97,685
Debt-1998 GO Bond-Soundview Bap land (4.14ac elig/CDBG)		71,988					
Debt-1997 GO Bond-City Hall Expansion		130,848	132,988	129,628	131,268	132,668	133,828
Transfer to Arterial Street Fund		450,000	500,000	181,250	318,750	350,002	800,000
TOTAL DEBT/OPERATING TRANSFERS		$ 748,770	$ 731,108	$ 410,408	$ 545,808	$ 579,565	$ 1,031,513
TOTAL EXPENDITURES		**$ 1,895,933**	**$ 1,317,201**	**$ 964,526**	**$ 1,718,920**	**$ 1,123,733**	**$ 9,490,403**
ENDING FUND BALANCE		**$ 47,765**	**$ 194,328**	**$ 624,729**	**$ 582,816**	**$ 984,462**	**$ 287,653**
RESERVED FUND BALANCE							
Park In Lieu Fees		$ -	$ -	$ 50,000	$ -	$ -	$ -
CDBG		2,698	2,798	2,798	2,798	2,798	2,798
King County Open Space		32,469	32,469	32,469	32,469	32,469	32,469
TOTAL RESERVED FUND BALANCE		**$ 35,167**	**$ 35,267**	**$ 85,267**	**$ 35,267**	**$ 35,267**	**$ 35,267**
UNRESERVED FUND BALANCE		**$ 12,598**	**$ 159,061**	**$ 539,462**	**$ 547,549**	**$ 949,195**	**$ 252,386**

CIP PROJECTS
MUNICIPAL CAPITAL IMPROVEMENT FUND - OPTION 2

	2004	2005	2006	2007	2008	2009
PORTION OF PROJECTS FUNDED BY PARK IN LIEU						
Steven J Underwood Memorial Park Phase II	$ 50,000	$ -	$ -	$ 150,000	$ -	$ 50,000
Playground & Park Repair & Repl					50,000	
TOTAL FUNDED BY PARK IN LIEU	**$ 50,000**	**$ -**	**$ -**	**$ 150,000**	**$ 50,000**	**$ 50,000**
PORTION OF PROJECTS FUNDED BY REET						
Des Moines Beach Park	$ -	$ 75,000	$ -	$ -	$ 200,000	$ 73,387
Field House Renovation	20,000	130,080				
Activity Center	38,910	56,668				
Midway Park	71,372					
Steven J Underwood Memorial Park Phase II	177,320			363,334		345,100
Park & Playground Repair & Repl			79,668	59,608	94,168	
City Hall Parking Lot	11,000	46,500				
City Hall North Wing Remodel	293,056		159,924			
Transfer to Arterial Street Fund	3,329	110,644	181,250		126,269	
Debt Service-1998 GO Park Land Acq/Sports Park Land Acq	95,934	98,120	99,530	95,790	96,895	97,685
Debt Service-1997 GO Bond-City Hall Expansion		132,988	129,628	131,268	132,668	133,828
TOTAL AMOUNT FUNDED BY REET	**$ 710,921**	**$ 650,000**	**$ 650,000**	**$ 650,000**	**$ 650,000**	**$ 650,000**
PORTION OF PROJECTS FUNDED BY NON-REET						
Accounting Software Upgrade	$ 51,475	$ -	$ -	$ -	$ -	$ -
On-Site Records Storage	44,530					
Debt Service-1997 GO Bond-City Hall Expansion	130,848					
Des Moines Beach Park				68,202		226,613
Steven J Underwood Memorial Park Phase II				166,968		
Park & Playground Repair & Repl						68,710
Des Moines Creek Trail						227,080
Building Life-Cycle Maintenance Study		100,000				
City Hall North Wing Remodel			219,076			
Transfer to Arterial Street Fund	446,671	389,356		318,750	223,733	800,000
TOTAL AMOUNT FUNDED BY NON-REET	**$ 673,524**	**$ 489,356**	**$ 219,076**	**$ 553,920**	**$ 223,733**	**$ 1,322,403**

CIP PROJECTS
ARTERIAL STREET FUND

		2004	2005	2006	2007	2008	2009
BEGINNING FUND BALANCE		$ 3,665,735	$ 1,025,756	$ 809,622	$ 1,229,416	$ 464,658	$ 2,176,117
LOCAL REVENUES							
Motor Vehicle Fuel Tax	Flat Tax (2.3 ¢ per gallon)	$ 192,483	$ 197,142	$ 201,085	$ 205,107	$ 209,209	$ 213,393
Interest Earnings		35,700	29,100	55,700	73,300	101,400	163,500
Transfer From MCI Fund		450,000	550,000	381,250	350,000	753,967	740,000
Transfer in from LID Fund	4th St LID	2,142	2,072	2,003	1,933	1,864	1,794
	TOTAL LOCAL REVENUES	$ 680,325	$ 778,314	$ 640,038	$ 630,340	$ 1,066,440	$ 1,118,687
PROJECT REVENUES							
Federal Way School Dist	16th Avenue-260th to 272nd	$ 84,000	$ -	$ -	$ -	$ -	$ -
PWTF Loan	16th Avenue-260th to 272nd		2,483,524				
TIB Grant (Confirmed)	16th Avenue-260th to 272nd	134,859					
TIB Grant (Unconfirmed)	16th Avenue-260th to 272nd		2,960,000				
TIB Grant (Unconfirmed)	KDM - 16th Ave S to 24th				3,711,811		
Line of Credit	Pacific Highway	43,985					
PWTF Loan	Pacific Highway	2,814,345					
TEA21 CMAQ	Pacific Highway	2,850,000					
TEA21 STP	Pacific Highway	744,531					
HES Design Grant	Pacific Highway	215,000					
TIB	Pacific Highway	2,706,241					
WSDOT	Pacific Highway	1,003,700					
METRO, King County *	Pacific Highway	350,000					
City of Kent	Pacific Highway	10,000					
QWEST	Pacific Highway	425,000					
Comcast	Pacific Highway	80,500					
CDBG	Pacific Ridge Sidewalks		133,154				
2002 CDBG (Confirmed)	Wesley homes Pedestrian Signal	59,774					
AIP Grant	S 216th St and 24th Ave S Signal	285,102					
BRAC (Unconfirmed)	North Twin Bridge				119,638	1,049,417	
Traffic Impact Fees			525,000	1,200,000	1,350,000	1,500,000	1,500,000
	TOTAL PROJECT REVENUES	$ 11,807,037	$ 6,081,678	$ 1,200,000	$ 5,181,449	$ 2,549,417	$ 1,500,000
	TOTAL REVENUES & FUND BALANCE	$ 16,153,097	$ 7,885,748	$ 2,649,660	$ 7,041,205	$ 4,080,515	$ 4,794,804
RECURRING PROJECTS							
Arterial Maintenance Program		$ 500,000	$ 1,200,000	$ 600,000	$ 800,000	$ 400,000	$ 900,000
Neighborhood Traffic Control Program		25,000	25,000	25,000	25,000	25,000	25,000
PROJECTS CONTINUED FROM PRIOR YEARS							
Pacific Highway South		11,407,249					
16th Ave South Improvements (Phase 1)		516,224	5,662,010				
KDM Road/16th Ave. to 24th Ave.		209,408		577,052	5,302,587		
NEW PROJECTS							
Pacific Ridge Sidewalks			133,154				
Wesley Homes Pedestrian Signal		83,000					
S 216th St and 24th Ave S Signal		498,880					
North Twin Bridge Project					132,931	1,166,018	
	TOTAL PROJECT EXPENDITURES	$ 13,239,761	$ 7,020,164	$ 1,202,052	$ 6,260,518	$ 1,591,018	$ 925,000
TRANSFERS TO DEBT SERVICE FUND							
PWTF Loan-Downtown Utility Undergrounding (P&I)		$ 26,736	$ 25,329	$ 23,922	$ -	$ -	$ -
Line of Credit Payoff - Principal & Interest		1,860,801					
PWTF Loan - Pacific Hwy Preconstruction		43	2,550	2,538	2,525	2,513	
PWTF Loan - Pacific Hwy Construction			26,083	167,096	165,692	164,288	162,883
PWTF Loan - 16th Ave S. Improvements (Phase 1)				24,636	147,812	146,580	145,348
	TOTAL DEBT SERVICE	$ 1,887,580	$ 55,962	$ 218,192	$ 316,029	$ 313,381	$ 308,231
	TOTAL EXPENDITURES	$ 15,127,341	$ 7,076,126	$ 1,420,244	$ 6,576,547	$ 1,904,399	$ 1,233,231
	ENDING FUND BALANCE	$ 1,025,756	$ 809,622	$ 1,229,416	$ 464,658	$ 2,176,117	$ 3,561,572
RESERVED FUND BALANCE							
In Lieu		$ 406,040	$ 59,726				
Traffic Impact Fees		-	-	629,363	-	1,888,587	3,388,587
	TOTAL RESERVED FUND BALANCE	$ 406,040	$ 59,726	$ 629,363	$ -	$ 1,888,587	$ 3,388,587
	UNRESERVED FUND BALANCE	$ 619,716	$ 749,896	$ 600,053	$ 464,658	$ 287,530	$ 172,985

CIP PROJECTS
ARTERIAL STREET FUND

	2004	2005	2006	2007	2008	2009
PORTION OF PROJECTS FUNDED BY FUND BALANCE						
Arterial Maintenance Program	$ 500,000	$ 1,200,000	$ 000,000	$ 800,000	$ 400,000	$ 900,000
Neighborhood Traffic Control Program	25,000	25,000	25,000	25,000	25,000	25,000
Transportation Comp Update						
Pacific Highway South/S. 216th to KDM						
KDM Road/16th Ave. to 24th Ave.	209,408		107,052			
10th Ave S. Culvert Replacement						
Wesley homes Pedestrian Signal	23,226					
S 216th St and 24th Ave S Signal						
North Twin Bridge Project				13,293	116,602	
Line of Credit Interest	23,400					
PWTF Loan-Downtown utility undergrounding (P&I)	26,736	25,329	23,922			
PWTF Loan - Pacific Hwy Preconstruction	43	2,560	2,538	2,525	2,513	
PWTF Loan - Pacific Hwy Construction		28,083	26,679	25,275	23,871	22,467
PWTF Loan - 16th Ave S.			24,876	149,252	148,008	146,764
TOTAL USE OF FUND BALANCE	$ 807,813	$ 1,280,962	$ 810,067	$ 1,015,345	$ 715,994	$ 1,094,231
PORTION OF PROJECTS FUNDED BY IN-LIEU FEES						
Pacific Highway South	$ 44,433	$ -	$ -	$ -	$ -	$ -
S 216th St & 24th Ave Signal	30,397					
16th Ave S Improvements King County	271,464	42,226				
16th Ave S Improvements Ace Hardware		17,500				
TOTAL USE OF IN-LIEU FEES	$ 346,314	$ 59,726	$ -	$ -	$ -	$ -
PORTION OF PROJECTS FUNDED BY TRAFFIC IMPACT FEES						
KDM Rd - 16th Ave S to 24th Ave S	$ -	$ -	$ 470,000	$ 1,590,776	$ -	$ -
S 216th St & 24th Ave Signal	183,381					
Pacific Highway South	163,499					
16th Ave S Improvements	25,881	178,760				
TOTAL USE OF TRAFFIC IMPACT FEES	$ 372,761	$ 178,760	$ 470,000	$ 1,590,776	$ -	$ -

CIP PROJECTS
SURFACE WATER CAPITAL FUND

			2004	2005	2006	2007	2008	2009
BEGINNING FUND BALANCE			$ 643,688	$ 739,271	$ 548,712	$ 318,458	$ 202,865	$ 173,353
LOCAL REVENUES								
Interest Income			$ 10,300	$ 14,100	$ 12,100	$ 7,700	$ 5,600	$ 3,100
Transfer from SWM operations			400,000	300,000	320,000	330,000	340,000	350,000
TOTAL LOCAL REVENUES			$ 410,300	$ 314,100	$ 332,100	$ 337,700	$ 345,600	$ 353,100
PROJECT REVENUES								
Bridge - WSDOT Fish Enhance		SWM-18	$ 200,000	$ -	$ -	$ -	$ -	$ -
Bridge - Basin Interlocals	*	SWM-18	4,743,200					
Bridge - Midway Sewer	*	SWM-18	388,600	-	-	-	-	-
Bridge - Seattle Public Utility	*	SWM-18	450,800	-	-	-	-	-
Des Moines Creek - Basin Interlocal	*	SWM-26	-	-	-	-	-	-
McSorley Creek Basin - WRIA 9/other	*	SWM-29		50,000	-	-	-	-
Barnes Creek Detention - PWTF Loan	*	SWM-06		806,550	264,595	-	-	-
KDM/Barnes Creek Culvert - Fish Grant	*	SWM-12			200,000	-	-	-
Lower Massey Creek Channel	*	SWM-01					300,000	
TOTAL PROJECT REVENUES			$ 5,782,600	$ 856,550	$ 464,595	$ -	$ 300,000	$ -
*These grants and/or loans need to be applied for.								
TOTAL REVENUES & FUND BALANCE			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PROJECT EXPENSES								
Marine View Drive Bridge		SWM-18	$ 5,882,600	$ -	$ -	$ -	$ -	$ -
Des Moines Creek Basin Projects		SWM-26	55,450	118,100	26,450	-	-	-
Woodmont Culvert/Overflow		SWM-30	143,600	-	-	-	-	-
McSorley Creek Basin Plan		SWM-29		100,000				
Barnes Creek Detention Facility/Culvert		SWM-06	-	1,008,150	330,795	-	-	-
Barnes Creek/KDM Rd. Culvert Repl.		SWM-12		78,500	595,530	-	-	-
199th N Hill Trunk Line		SWM-20				280,170		
Lower Massey Creek Channel		SWM-01				100,000	603,100	-
North Hill NE Trunkline Project		SWM-32						387,800
TOTAL PROJECT EXPENSES			$ 6,081,650	$ 1,304,750	$ 952,775	$ 380,170	$ 603,100	$ 387,800
DEBT SERVICE EXPENSES								
State Revolving Loan #2-Barnes Creek (Design)		SWM-06	$ 15,667	$ -	$ -	$ -	$ -	$ -
PWTF Loan - Barnes Creek Detention		SWM-06		56,459	74,174	73,103	72,032	70,960
TOTAL DEBT EXPENSES			$ 15,667	$ 56,459	$ 74,174	$ 73,103	$ 72,032	$ 70,960
TOTAL EXPENSES			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ENDING FUND BALANCE			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UNRESERVED FUND BALANCE			$ 739,271	$ 548,712	$ 318,458	$ 202,865	$ 173,353	$ 67,693
AMOUNT OF PROJECT FUNDED BY SWM								
Marine View Drive Bridge		SWM-18	$ 100,000	$ -	$ -	$ -	$ -	$ -
Des Moines Creek Basin Projects		SWM-26	55,450	118,100	26,450	-	-	-
Woodmont Drive Culvert/Overflow		SWM-30	143,600	-	-	-	-	-
McSorley Creek Basin Plan		SWM-29		50,000				
Barnes Creek Detention Facility/Culvert		SWM-06	-	201,600	66,200			
Barnes Creek/KDM Rd. Culvert Repl.		SWM-12		78,500	395,530			
199th N Hill Trunk Line		SWM-20				280,170		
Lower Massey Creek Channel		SWM-01				100,000	303,100	
State Revolving Loan #2-Barnes Creek (Design)		SWM-06	15,667					
North Hill NE Trunkline Project		SWM-32						387,800
PWTF Loan ($1,071,145), Barnes Creek Detention		SWM-06		56,459	74,174	73,102	72,031	70,960
TOTAL FUNDED BY SWM			$ 314,717	$ 504,659	$ 562,354	$ 453,272	$ 375,131	$ 458,760

CIP PROJECTS
MARINA CAPITAL FUND

	2004	2005	2006	2007	2008	2009
BEGINNING FUND BALANCE	**$4,310,476**	**$ 1,761,081**	**$ 685,131**	**$ 4,830,840**	**$ 995,940**	**$ 257,700**
LOCAL REVENUES						
Interest Earnings	$ 41,700	$ 26,300	$ 79,500	$ 95,100	$ 15,100	$ 123,400
Bond Proceeds			6,900,000			6,600,000
Transfer From Marina Revenue Fund	382,628	468,628	469,228	1,027,056	1,029,001	1,031,156
TOTAL LOCAL REVENUES	**$ 424,328**	**$ 494,928**	**$ 7,448,728**	**$ 1,122,156**	**$ 1,044,101**	**$ 7,754,556**
PROJECT REVENUES						
IAC Grant - Redondo Boat Ramp Const. (Confirmed)	214,769	-	-	-	-	-
King County Allocation	20,000					
IAC Grant - Guest Moorage (Unconfirmed)	$ 34,250	$ 34,250	$ -	$ -	$ -	$ -
IAC Grant - North Seawall and Sidewalk (Unconfirmed)		98,500				
BIG Grant - Seawall and Sidewalk to N Dock (Unconfirmed)			440,000	440,000		
TOTAL PROJECT REVENUES	**$ 269,019**	**$ 132,750**	**$ 440,000**	**$ 440,000**	**$ -**	**$ -**
TOTAL REVENUES & FUND BALANCE	**$ 5,003,823**	**$ 2,388,759**	**$ 8,573,859**	**$ 6,392,996**	**$ 2,040,041**	**$ 8,012,256**
PROJECT EXPENSES						
Dry Stack Boat Storage	$ 1,060,106	$ -	$ 130,300	$ -	$ -	$ -
Redondo Improvements	700,000	-	-	-	-	-
Expanded Guest Moorage Phase I	245,000	340,000	-	-	-	-
North Seawall and Sidewalk	-	985,000			-	-
New Decking H to N/Fire Suppression System	98,458	50,000	50,000	-	-	-
Expanded Guest Moorage & Seawall Phase II	-	-	2,200,000	2,200,000	-	-
Commercial Building	-	-	250,000	-	-	-
Power Distribution System Electrical Upgrades	681,550	-	-	-	-	-
Seawall Replacement Project, N to I Dock	-	-		1,610,000	-	-
Seawall Replacement Project, H to A Dock	-	-	-	-	893,340	506,660
N Dock Electrical Upgrades & Water Supply	50,000					
South Marina Restroom Upgrade	25,000	-	-	-	-	-
South Marina Restroom Replacement	-	-	-	250,000	-	-
Floating Dock Replacement and Reconfiguration Phase I	-	-	-	450,000	-	-
Building Repairs-Restaurant and Boat Yard	50,000	-	-	-	-	-
TOTAL PROJECT EXPENSES	**$ 2,910,114**	**$ 1,375,000**	**$ 2,630,300**	**$ 4,510,000**	**$ 893,340**	**$ 506,660**
DEBT SERVICE EXPENSES						
Debt Service #1	$ 332,628	$ 328,628	$ 329,228	$ 329,278	$ 328,753	$ 332,628
Debt Service #2				557,778	560,248	558,528
Bond Issuance Costs			221,816			212,176
Debt Reserve			561,675			536,588
TOTAL DEBT EXPENSES	**$ 332,628**	**$ 328,628**	**$ 1,112,719**	**$ 887,056**	**$ 889,001**	**$ 1,639,920**
TOTAL EXPENSES	**$ 3,242,742**	**$ 1,703,628**	**$ 3,743,019**	**$ 5,397,056**	**$ 1,782,341**	**$ 2,146,580**
ENDING FUND BALANCE	**$ 1,761,081**	**$ 685,131**	**$ 4,830,840**	**$ 995,940**	**$ 257,700**	**$ 5,865,676**
Reserved for Bond Proceeds	(1,716,145)	(473,895)	(4,400,104)	(351,872)	-	(5,344,576)
UNRESERVED FUND BALANCE	**$ 44,936**	**$ 211,236**	**$ 430,736**	**$ 644,068**	**$ 257,700**	**$ 521,100**
PORTION OF PROJECTS FUNDED BY FUND BALANCE						
Dry Stack Boat Storage	$ 108,286	$ -	$ -	$ -	$ -	$ -
Redondo Improvements	40,074					
South Marina Restroom Upgrade	25,000					
Building Repairs-Restaurant and Boat Yard	50,000					
Seawall Replacement Project H to A Dock					541,468	
N Dock Electrical Upgrades	50,000					
South Marina Restroom Replacement				21,768		
TOTAL USE OF FUND BALANCE	**$ 271,360**	**$ -**	**$ -**	**$ 21,768**	**$ 541,468**	**$ -**
PORTION OF PROJECTS FUNDED BY BOND PROCEEDS						
Dry Stack Boat Storage	$ 953,820	$ -	$ 130,300	$ -	$ -	$ -
Redondo Improvements	$ 425,157					
Power Distribution System/Electrical Upgrades	681,550					
Expanded Guest Moorage Phase I	210,750	305,750	-	-	-	
North Seawall & Sidewalk		886,500				
New Decking H to N/Fire Suppression System	98,458	50,000	50,000	-	-	
Expanded Guest Moorage & Seawall Phase II			1,760,000	1,760,000		
Commercial Building			250,000			
Seawall Replacement Project H to A Dock					351,962	506,660
Seawall Replacement Project N to I Dock				1,610,000		
South Marina Restroom Replacement				228,232		
Floating Dock Replacement and Reconfiguration Phase I				450,000		
TOTAL USE OF BOND PROCEEDS	**$ 2,369,735**	**$ 1,242,250**	**$ 2,190,300**	**$ 4,048,232**	**$ 351,962**	**$ 506,660**

OLD BUSINESS
Item #2

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT:
Draft Ordinance 03-307 - Adoption of Year 2004 Budget

ATTACHMENTS:
Draft Ordinance No. 03-307
Appendix A

FOR AGENDA OF: December 11, 2003

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: December 5, 2003

CLEARANCES:
[X] Finance pl
[ ] Legal

APPROVED BY CITY MANAGER

FOR SUBMITTAL: CSL for TP

Purpose and Recommendation

Continue discussion of Draft Ordinance No. 03-307 adopting the Year 2004 budget.

Suggested motions:
1) "I move to adopt Draft Ordinance No. 03-307, adopting the Year 2004 Budget.

2) "I move to continue Draft Ordinance No. 03-307, adopting the Year 2004 Budget, to the December 18th, 2003 Council meeting."

Background

The 2004 preliminary budget has been presented to Council over the last several weeks. At the November 13, 2003 Council meeting, a public hearing was conducted and closed. The 2004 budget is summarized in Appendix A.

Recommendation

It is recommended that the City Council provide direction regarding Draft Ordinance No. 03-307.

DRAFT ORDINANCE NO. 03-307

CITY ATTORNEY'S FIRST DRAFT 11/06/03

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON adopting the final budget for the City of Des Moines, Washington, for the fiscal year ending December 31, 2004, in summary form, ratifying and confirming revenues and expenditures previously implemented for fiscal year 2003, as such revenues and expenditures form the basis for development of the budget for fiscal year 2004, approving revenues and expenditures for fiscal year 2004, and temporarily suspending the effect of any ordinance, code provision or other City requirement with which the fund adjustments and transfers proposed by the City Manager for the 2003 budget might be inconsistent.

WHEREAS, the City Manager for the City of Des Moines has prepared and submitted a preliminary budget for the fiscal year ending December 31, 2004 to the City Council and has filed this budget with the Finance Director, and

WHEREAS, the City Council finds that the City Manager's proposed budget for fiscal year 2004 reflects revenues and expenditures that are intended to ensure provision of vital municipal services at acceptable levels, and

WHEREAS, the City Council finds that the City Manager's proposed budget for fiscal year 2004 appropriately relies upon anticipated year-end balances derived from revenues and expenditures previously approved and authorized by the City Council as part of the City's budget for fiscal year 2003, and

WHEREAS, the City Council finds that the fund adjustments and transfers proposed by the City Manager for fiscal year 2003 are necessary and in the public's interest, and

WHEREAS, by motion regularly passed, the Des Moines City Council scheduled a public hearing for November 13, 2003, to take public comment with respect to the proposed 2004 budget, and

WHEREAS, notice of the public hearing was given to the public in accordance with law and a public hearing was held on the 13th day of November, 2003, and all persons wishing to be heard were heard; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. The findings set forth in the preamble to this ordinance are hereby adopted and incorporated by reference.

Sec 8. Effective date. This ordinance shall take effect and be in full force (5) five days after its passage, approval and publication in accordance with law.

PASSED BY the City Council of the City of Des Moines this _____ day of ______________, 2003 and signed in authentication thereof this _____ day of ____________, 2003.

____
M A Y O R

APPROVED AS TO FORM:

____
City Attorney

ATTEST:

____
City Clerk

Published:

DRAFT ORDINANCE NO. 03-307
APPENDIX A 2004 BUDGET

		Expenditure	Ending Fund Balance	Total	Revenue	Beginning Fund Balance	Total
ANNUAL APPROPRIATION FUNDS:							
001	**General Fund**	13,487,212	1,527,468	**15,014,680**	13,937,251	1,077,429	**15,014,680**
101	**Street Fund**	1,000,718	350,233	**1,350,951**	862,000	488,951	**1,350,951**
104	**Revenue Stabilization Fund**	-	1,283,503	**1,283,503**	19,000	1,264,503	**1,283,503**
105	**Airport Defense Fund**	-	145,784	**145,784**	2,150	143,634	**145,784**
106	**Facility Repair and Replacement Fund**	20,000	206,950	**226,950**	67,733	159,217	**226,950**
107	**Police Drug Seizure Fund**	32,790	9,530	**42,320**	30,150	12,170	**42,320**
110	**Mt. Rainier Pool Contributors Fund**	182,000	3,050	**185,050**	185,050	-	**185,050**
211	**1995 GO Bond - Police Facility**	579,938	14,307	**594,245**	579,938	14,307	**594,245**
212	**LID Fund**	25,446	596	**26,042**	7,000	19,042	**26,042**
216	**1997 GO Bond - City Hall Remodel**	130,748	33,256	**164,004**	130,748	33,256	**164,004**
218	**1998 GO Park Land Acquisition**	167,922	3	**167,925**	167,922	3	**167,925**
220	**Debt Service Fund**	2,050,442	-	**2,050,442**	2,050,442	0	**2,050,442**
401	**Marina Revenue Fund**	2,795,249	590,948	**3,386,197**	2,881,451	504,746	**3,386,197**
403	**Marina Repair and Replacement**	-	301,006	**301,006**	4,500	296,506	**301,006**
450	**Surface Water Operations Fund**	1,351,175	107,577	**1,458,752**	1,268,821	189,931	**1,458,752**
500	**Equip Rental Operations**	362,730	101,196	**463,926**	318,205	145,721	**463,926**
501	**Equip Rental Replacement**	433,560	811,882	**1,245,442**	294,775	950,667	**1,245,442**
510	**Computer Equipment Operations Fund**	166,952	12,869	**179,821**	163,450	16,371	**179,821**
511	**Computer Equipment Capital Fund**	47,800	112,401	**160,201**	98,644	61,557	**160,201**
520	**Self-Insurance Fund**	366,994	103,549	**470,543**	403,273	67,270	**470,543**
530	**Unemployment Insurance Fund**	20,000	273,129	**293,129**	25,000	268,129	**293,129**
	SUB-TOTAL	**23,221,676**	**5,989,237**	**29,210,913**	**23,497,503**	**5,713,410**	**29,210,913**
CONTINUING APPROPRIATION FUNDS (MEMO ONLY):							
102	**Arterial Street Fund**	15,127,341	1,025,756	**16,153,097**	12,487,362	3,665,735	**16,153,097**
310	**Municipal Capital Improvements**	1,895,933	47,765	**1,943,698**	1,335,836	607,862	**1,943,698**
404	**Marina Depreciation & Improvement**	3,242,742	1,761,081	**5,003,823**	693,347	4,310,476	**5,003,823**
451	**Surface Water Capital Fund**	6,097,317	739,271	**6,836,588**	6,192,900	643,688	**6,836,588**
	SUB-TOTAL	**26,363,333**	**3,573,873**	**29,937,206**	**20,709,445**	**9,227,761**	**29,937,206**
	TOTAL	**49,585,009**	**9,563,110**	**59,148,119**	**44,206,948**	**14,941,171**	**59,148,119**

NEW BUSINESS
Item #2

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT:
Year 2004-2009 Capital Improvement Plan

ATTACHMENTS:
Draft Resolution No. 03-309

FOR AGENDA OF: December 11, 2003

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: December 4, 2003

CLEARANCES:
[ ] Finance pl
[ ] Legal (WM)

APPROVED BY CITY MANAGER

FOR SUBMITTAL: GTL for TP

Purpose and Recommendation

Suggested motion:
"I move to adopt draft Resolution 03-309 approving the City of Des Moines 2004-2009 Capital Improvement Plan".

Background

The Capital Improvement Plan provides a multi-year list of proposed major capital expenditures and associated operating costs for the City. The Growth Management Act of 1990 requires communities to adopt comprehensive plans to guide the orderly development of growth. Also, the Plan focuses the community and Council's attention on prioritizing projects, given the competing needs for projects.

The 2004-2009 Capital Improvement Plan reflects capital projects of the Municipal Capital Improvement, Arterial Streets, Surface Water Management, and Marina Depreciation and Improvement funds.

Recommendation

It is recommended that the City Council adopt Draft Resolution No. 03-309, approving the City of Des Moines 2004-2009 Capital Improvement Plan.

CITY ATTORNEY'S FIRST DRAFT 11/06/03

DRAFT RESOLUTION NO. 03-309

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, relating to capital improvement planning, adopting the 2004-2009 City of Des Moines Capital Improvement Plan, and superseding Resolution No. 946.

WHEREAS, the City Council of the City of Des Moines adopted the 2003-2008 Capital Improvement Plan by Resolution No. 946, and

WHEREAS, the City Council finds it to be in the public interest to adopt the 2004-2009 Capital Improvement Plan; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The City of Des Moines Capital Improvement Plan 2004-2009 is adopted by reference, as a guide for future capital improvement projects and policies.

Sec. 2. The City Manager is directed to submit to the City Council, for approval or adoption, annual updates to the Des Moines Capital Improvement Plan at least once a year.

Sec. 3. The City Manager is directed to submit to the City Council, for approval or adoption, amendments to specific projects contained in the Capital Improvement Plan when any project exceeds or will exceed budgetary authorization.

Sec. 4. The City Manager is directed to submit to the City Council, for approval, significant changes to the scope of any project contained in the Capital Improvement Plan as adopted in this resolution. Determinations regarding what constitutes a significant change in a CIP project shall rest with the City Manager, provided in all circumstances that the provisions of Sec. 3 are enforced. Finally, three City Councilmembers may determine a significant change has occurred or is proposed to occur with respect to any project contained in the CIP, which determination shall bring the matter before the full City Council for approval or authorization.

Sec. 5. Any new capital project meeting the criteria for inclusion in the CIP shall not be authorized without review and amendment to the 2004-2009 Capital Improvement Plan by the City Council.

Sec. 6. Resolution No. 946 is hereby superseded.

ADOPTED BY the City Council of the City of Des Moines, Washington this ______ day of ______, 2003 and signed in authentication thereof this ____ day of __________, 2003.

____
M A Y O R

APPROVED AS TO FORM:

____
City Attorney

ATTEST:

____
City Clerk

revenue collected through the resale. An additional $35,000 was used for the major repair of patrol vehicles damaged during accidents in 2003, and paid for with insurance proceeds.

Equipment Replacement Fund: $35,000
This adjustment represents the replacement of a damaged vehicle plus auxiliary equipment paid for with insurance proceeds.

Funds Closed:

1978 GO Bond-Police Station: $4,000
The $4,000 is a residual equity transfer-out to the General Fund, to close Fund 204. The debt service for the 1978 GO Bond has been paid in full.

1987 GO Bond-Library/Park: $43,700
The $43,700 is a residual equity transfer-out to the General (approx. $6,180) and MCI (approx. $37,520) Funds, to close Fund 207. The debt service for the 1987 GO Bond has been paid in full.

1992 GO Bond-Downtown Improvement: $1,200
The $1,200 is a residual equity transfer-out to the General Fund, to close Fund 209. The debt service for the 1992 GO Bond has been paid in full.

Recommendation

It is recommended that the City Council adopt Draft Ordinance No. 03-324, amending the City of Des Moines 2003 Budget.