City Council Special Meeting

AGENDA
REVISED

June 12, 2012 6:30 pm – 10:00 pm

Roll Call

Pledge of Allegiance

Approval of Agenda

Public Comment
*This is an opportunity for the public to address the Council. Three-minutes limit per person or 5 minutes if representing the official position of a recognized community organization***.**

Topics

- Presentation: Special Approach to Gifted Education (SAGE) Program
- Update: Community Center
- SE 8th Street Park Master Plan
- Discussion: Surface Water Fees, Capital Improvement Project and Rates
- Economic Development Self-Assessment Tool
- Interlocal: Animal Control Services/King County
- Appointment: Human Services Committee

- **Council Reports**
- **Council Committee Reports**
- **City Manager Report**

Executive Session: Land Acquisition Pursuant to RCW 42.30.110(1)(b) and Personnel Pursuant to RCW 42.30.110(1)(g)

Adjournment

City Council meetings are wheelchair accessible. American Sign Language (ASL) interpretation is available upon request. Please phone (425) 295-0500 at least 48 hours in advance. Assisted Listening Devices are also available upon request.

City of Sammamish Washington

Department of Parks and Recreation

801 - 228TH AVENUE SE • SAMMAMISH, WASHINGTON 98075 • TEL 425-295-0500 • FAX 425-295-0600 • WWW.CI.SAMMAMISH.WA.US

Date: June 12, 2012

To: City Council

From: Ben Yazici, City Manager

CC: Jessi Richardson, Director Parks & Recreation

Subject: Community Center Project Update

At the council retreat held in January 2012, the City Council discussed reducing the scope of the community and aquatic center project. Staff was directed to explore additional scenarios and a recap of this work is provided below.

Coordination with YMCA:

Initial discussions have been held with the YMCA to identify a reduced scope for the potential facility. The primary changes to the design program include eliminating the banquet halls and commercial kitchen. A 4-lane lap pool is proposed for the initial phase, but the facility would allow for the addition of a competitive pool at some point in the future. One of the two gyms will also be reduced in size. These changes will result in a smaller facility of approximately 64,000 square feet.

In addition, the Y has been in talks with board members of the Mary Queen of Peace Church regarding programming partnerships and mutually beneficial shared parking solutions. The Y is also open to partnering with the City on the development of the Y-owned property adjacent to Pine Lake Middle School.

The Financial section below provides additional information on capital funding and the operations plan.

Parking Study:

A revised parking plan has been developed that will include terraced parking in addition to some surface parking. The terraced parking replaces the underground parking garage introduced during the 2011 Feasibility Study. The terraced parking will accommodate approximately 240 cars, 190 of which are proposed to be structured parking.

The Sammamish Municipal Code requires 213 parking stalls for a 64,000 square foot facility. 80% of the total required parking (171 stalls) is required to be structured parking. Therefore, the vehicular circulation proposed in the parking study is consistent with the Town Center regulations. Additional surface parking options around the building could accommodate approximately 110 more cars.

Thus, the proposed project will have 190 structured parking stalls and up to 160 surface parking stalls, thereby accommodating a total number of 350 parking stalls on site.

At the time this memo was prepared, Matson Carlson Cost Consultants were reviewing the estimated costs for the revised parking plan, but had not yet completed their work. An updated estimate will be presented at the council meeting on June 12.

Financial:

Capital Financing:

The estimated cost of the modified 64,000 SF facility with 350 parking stalls, is approximately $29 million. Again, as of this writing several of the cost estimates were still being verified. Staff will confirm the final estimated cost at the council meeting on June 12.

Based on recent discussions, the YMCA has agreed to raise approximately $5 million towards capital funding. The 2011-12 biennial budget includes an allocation of a little more than $6 million for this project. The remaining $18 million could potentially be funded using City reserves.

Operating Costs:

Under the proposed partnership, the YMCA would be the operator of the facility. Details on the operation are still being discussed, but the city will not contribute financially to daily operations of the facility or on-going annual maintenance expenses.

FEASIBILITY STUDY SUMMARY – RECAP of 2011 PROCESS

At the direction of City Council, a Feasibility Study for a Community Center was completed in 2011. Although no decision has been made to build a Community Center, the study helped determine what type of facility the community may want, the preferred location of the facility, the marketability of such a facility and projected potential construction and operating costs.

Consultant Selection:

Barker Rinker Seacat (BRS), a Denver-based architectural firm was selected through a comprehensive interview process that included members of the City Council, Parks & Recreation Commission and staff. The consultant team included Ballard * King, community recreation marketing specialists; Water Technology, aquatic specialists; Site Workshop, landscape architects; Dowl HKM, civil engineers; Glumac, energy consultants; and Architectural Cost Consultants specializing in cost estimating.

Public Outreach:

Five community workshops were held from March to July of 2011 to give the public and city officials an opportunity to weigh in on the process:

- **March 2011:** Hopes, Dreams and Fears Discussion
- **April 2011:** Market Analysis and Programming
- **May 2011:** Design Concepts, Site Analysis and Budget Options
- **June 2011:** Aquatic Amenities and Operations Plan
- **July 2011:** Presentation of Site Investigations and Draft Preferred Concept Design

Other forms of public outreach included maintaining an informative project webpage, press releases, newspaper articles, hosting a market booth and focus group meetings.

Site Selection:

In a community survey conducted by the City as part of the Parks & Recreation Open Space Plan, the proposed Town Center was identified as the preferred location for a Community center. A list of 7 potential sites was analyzed by Council in 2010. Site acreage ranged from 4.5 acres to 15 acres for the seven sites. Three sites, specifically the Kellman site, SE 4th Street property and the Lake Washington School District property were short-listed by Council for further analysis and design. A resolution was passed by the City Council on June 20, 2011 identifying the Kellman site as the preferred location for the potential community center.

Facility Concept:

The result of the feasibility study was a proposed $44.5 million, 98,127 square foot community center, a $21 million, 400 (below grade) car-parking structure that will service the community center as well as the existing City Hall, library, town center and Lower Sammamish Commons and potential right-of-way improvements to 228th Avenue SE valued at $4 million. This is a master plan, so the project size and costs represent a full build out. In other words, the full facility need not be built in Phase I and was designed with the full intention of being phased.

Market projections indicate that the revenue potential for a leisure pool is greater than that of a lap pool. A key project phasing recommendation is to construct the lap pool at a later date, which would save approximately $10 M dollars in construction costs and approximately $100,000 annually in operating costs. The building design anticipates the potential for phasing the lap pool.

The proximity of the proposed community center to City Hall and the library provides an opportunity to integrate the buildings into a cohesive civic campus. An array of fitness and multi-purpose spaces form part of the design program. These include three multipurpose community meeting rooms which can combine to seat 250 people, a commercial kitchen, classroom space, a children's indoor playground, a short-term child watch room, a senior adult lounge, a jog/walk track, two group fitness rooms, a double high school-sized gymnasium and an 8,400 square foot fitness studio. Aquatic features include a leisure pool, a 25 yard, 8-lane lap pool with bleachers for 200 people, a family spa, party rooms and associated locker rooms.

Market Analysis & Business Plan:

The Market Analysis formed one of the most important aspects of the feasibility study and is included in the final report. The study found that there are no comprehensive public indoor sports, fitness or aquatic facilities in the City of Sammamish or the secondary service area. There is also no public pool (indoor or outdoor) in the City or either school district. Other than Council Chambers and the Beaver Lake Lodge, the City does not have any significant community space either. The demographic characteristics indicate households with children and higher income levels. However, the population has lower numbers of people ages 25-44, which is one of the primary age groups that support and use an indoor community center.

The feasibility study identified a number of organizations and entities as possible partners for the project such as the YMCA, community and other non-profit organizations, private health clubs, other communities, school districts, and sports organizations, to list a few.

Financial:

A total of $6.3 million was allocated in the 2011-12 Biennial Budget for the Community Center project. A portion of this funding (approximately $155K) has been used to fund the Feasibility Study. The additional amount is a "placeholder" for a future project.

Capital Financing:

Two possible tax scenarios for capital funding were developed in 2011 through the feasibility study. The first is based on a property tax increase and the second on a utility tax.

Operating Costs:

Operating costs represent the additional expenses that will be needed to manage the facility, less the revenue generated from the operation. Total operating costs are based on cost recovery of the operational programming, utilization of the facility, and a decision on price points and subsidy levels. Based on the direction provided by City Council during the feasibility study for operational targets and subsidy levels, the operations analysis computed a 91% recovery rate for the full center and a 94% recovery rate for a center without a pool.

Memorandum

DATE: June 12, 2012

TO: Ben Yazici, City Manager

FROM: Jessi Richardson, Director of Parks and Recreation

RE: SE 8th Street Park – Master Plan Process Update

I am pleased to inform you that we have completed the first round of public meetings for the SE 8th Street Park Master Plan. The Parks and Recreation Planning Team conducted a series of public meetings and town hall discussions with the Parks Commission and members of the community and received preliminary feedback for the development of our newest park.

This memo describes the three alternative plans and their various amenities. Staff will present a brief presentation at the council meeting on June 12, further describing the site proposals.

Project Background:

SE 8th Street Park (Site A) opened to the public in October 2011 after being transferred to the city as part of a phased land donation by Mary Pigott. Site A, the first parcel of three, was transferred to the city in early 2011. The second donation, Site B, will transfer in approximately 5-7 years while the final donation, Site C will occur approximately 20 years from now and/or at the discretion of Ms. Pigott.

Located in the center of the city, just north of Pine Lake, Site A is partially wooded with conifers and deciduous trees. Buildings on the site include a single family home and a barn. Wood chipped trails meander throughout the dense forest and open meadow, leading past wetlands and over streams, through diverse vegetation and scenic views.

Ms. Pigott graciously allowed the City to include Site B in the master planning process even though this site is still in her ownership and will not transfer for another 5-7 years. Site B consists of dense woodlands, diverse wetlands, a seasonal stream, open meadows and varied topography. Buildings on Site B include the Tanner home, built in the early 1900's, a sauna added in the 1950's, as well as a detached garage. The Tanner home has been updated significantly, including the addition of a new roof, windows and indoor plumbing. These updates have considerably altered the home's historic character.

As of just one week ago, Site B is also home to the Reard-Freed House, which was moved from the 212th Avenue SE location to the property on June 3, 2012. The City and the Sammamish Heritage

Society entered into a lease agreement on December 1, 2011 to relocate the Reard home onto the property.

Master Plan Process:

The master plan process began with a site analysis and inventory of Site A (16 acres) and Site B (20 acres). The inventory of both sites included critical areas reconnaissance, mapping topography, wildlife and view corridors, soil conditions and existing trail locations. The site and building inventory was analyzed and helped guide the first steps of the master plan through a discussion regarding site opportunities and limitations.

The public process was kicked off with a "Hopes, Dreams & Fears" presentation with the Parks Commission on January 4, followed by a meeting with the City Council on January 10 and a public meeting on January 11. Some early ideas included building a park that inspires adventure, learning, creativity and honors the Plateau's long and extensive history.

Energized and inspired from the first round of public meetings, the Park Planning Team further explored the ideas that came forth. The team developed three alternatives for SE 8th Street Park.

Each alternative includes incorporating similar park elements such as an activity center, rental facilities, outdoor gathering spaces, canopy walks, tree houses, trails, a community garden and picnic areas in a slightly different design. Also included in each alternative is the opportunity for outdoor environmental education as well as incorporating elements of art, history and culture within the landscape.

The following outlines the major differences of each alternative in regards to parking, access and level of development.

<u>Alternative 1</u>

- Parking along SE 8th Street (40 parking stalls)
- The front meadow at Site A will remain as is while preserving the character of the site.
- One-way access through Site A with 13 parking stalls located near the activity center and rental facility/storage.
- A large community garden space that includes orchards, themed gardens, a community garden, green houses, potting shed and harvest building.
- Access to Site B via 220th Ave SE with parking (57 parking stalls).

<u>Alternative 2</u>

- Parking along SE 8th Street (36 parking stalls)
- The front meadow at Site A is slightly sculpted and incorporates points of interest (landscape art)

- Two-way access through Site A that terminates at a small parking lot (10 stalls) near the activity center and art center/storage. Two ADA parking stalls are provided near the activity center.
- A large formal lawn, p-patch, orchard and seasonal gardens are located around the existing buildings on Site B.
- Access to Site B via 220th Ave SE with parking (30 stalls)

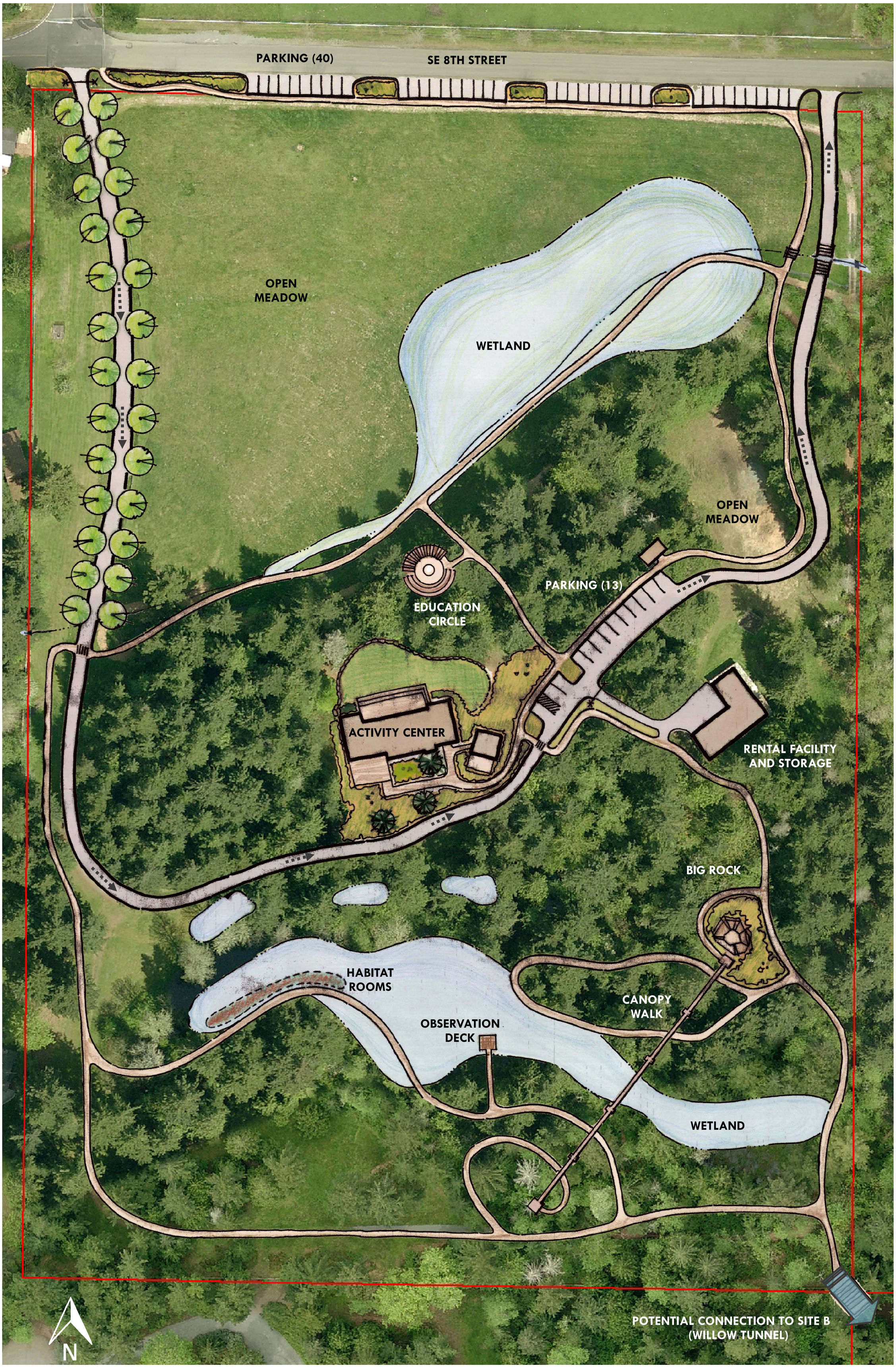
Alternative 3

- There is no parking proposed along SE 8th Street.
- The front meadow and wetland on Site A is enhanced while the entrance to the park is located at the center of the north property line.
- Two-way access through Site A terminates at a large parking lot (23 stalls) near the art and rental facility/storage. Two ADA parking stalls are provided near the activity center. Note that all parking is onsite.
- A small orchard, p-patch and seasonal gardens are designed around the existing buildings on Site B
- Access to Site B via 220th Ave SE with parking (44 stalls) located in the southeast area of the property

The three alternatives were presented in a second round of public meetings including a presentation to the community on April 25 and to the Parks Commission on May 2 and June 6. Initial feedback was positive, although significant concerns were raised in regards to parking and access on Site B. The next public meeting will be dedicated solely to a discussion on parking and access at both sites. The date for the next meeting has not yet been identified.

Master Plan Timeline:

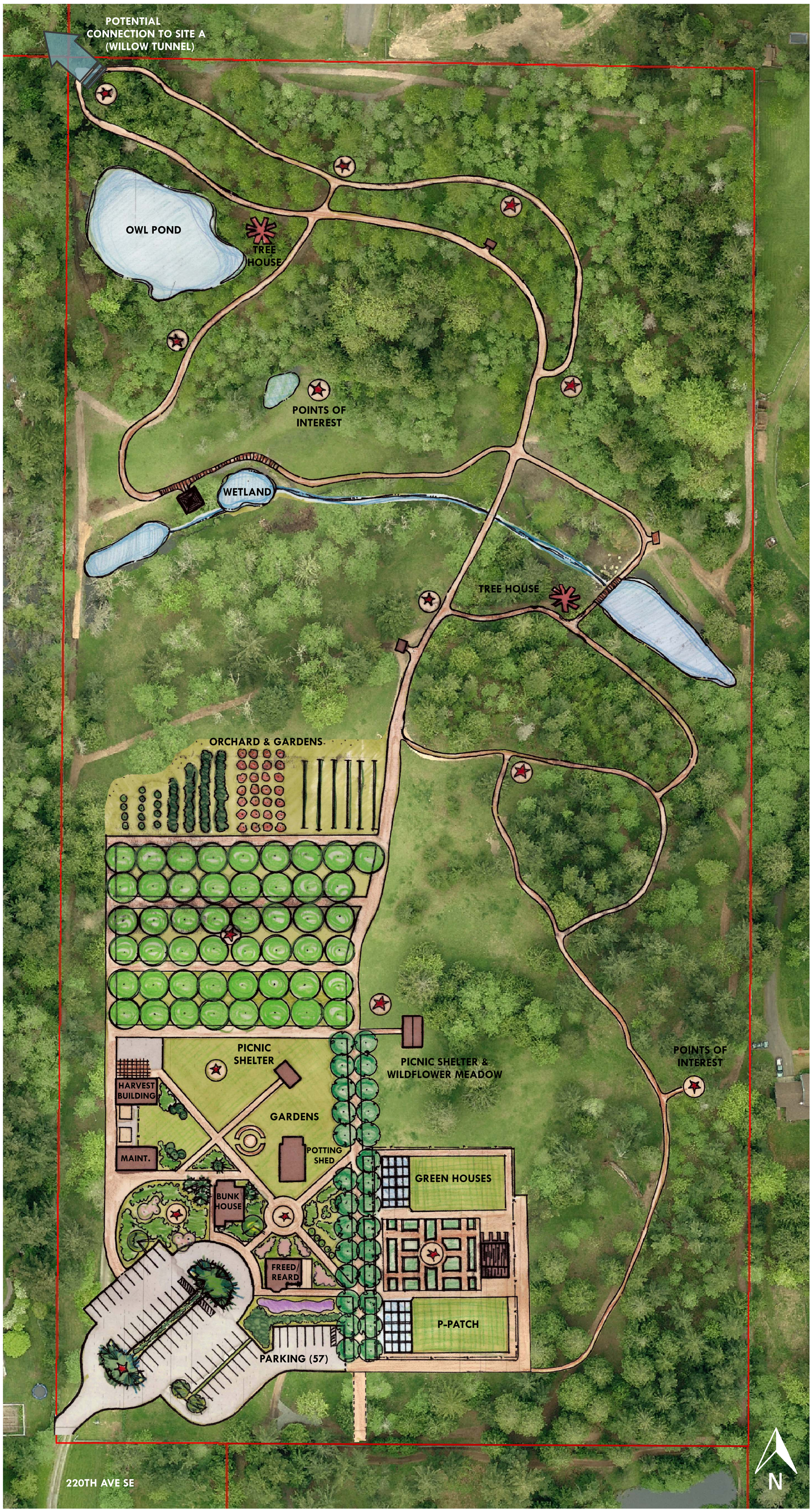
- Site Inventory and Site Analysis Studies: October - December 2011 **(complete)**
- Hopes, Dreams & Fears Meeting (Meeting #1): January 11, 2012 **(complete)**
- On-Line Survey: January 2012 **(complete)**
- Development of Initial Concepts: February - April 2012 **(complete)**
- Initial Concepts (Meeting #2): April 25, 2012 **(complete)**
- Parking and Access Meeting (Meeting #3): July 2012 – Date TBD
- Preferred Site Plan Meeting (Meeting #4): September 2012 – Date TBD
- SEPA Review: Fall 2012
- Master Plan Adoption: Winter 2013
- Permit and Construction Documents: TBD



ALTERNATIVE 1 - SITE A

SE 8TH STREET PARK MASTER PLAN

City of Sammamish Washington



ALTERNATIVE 1 - SITE B

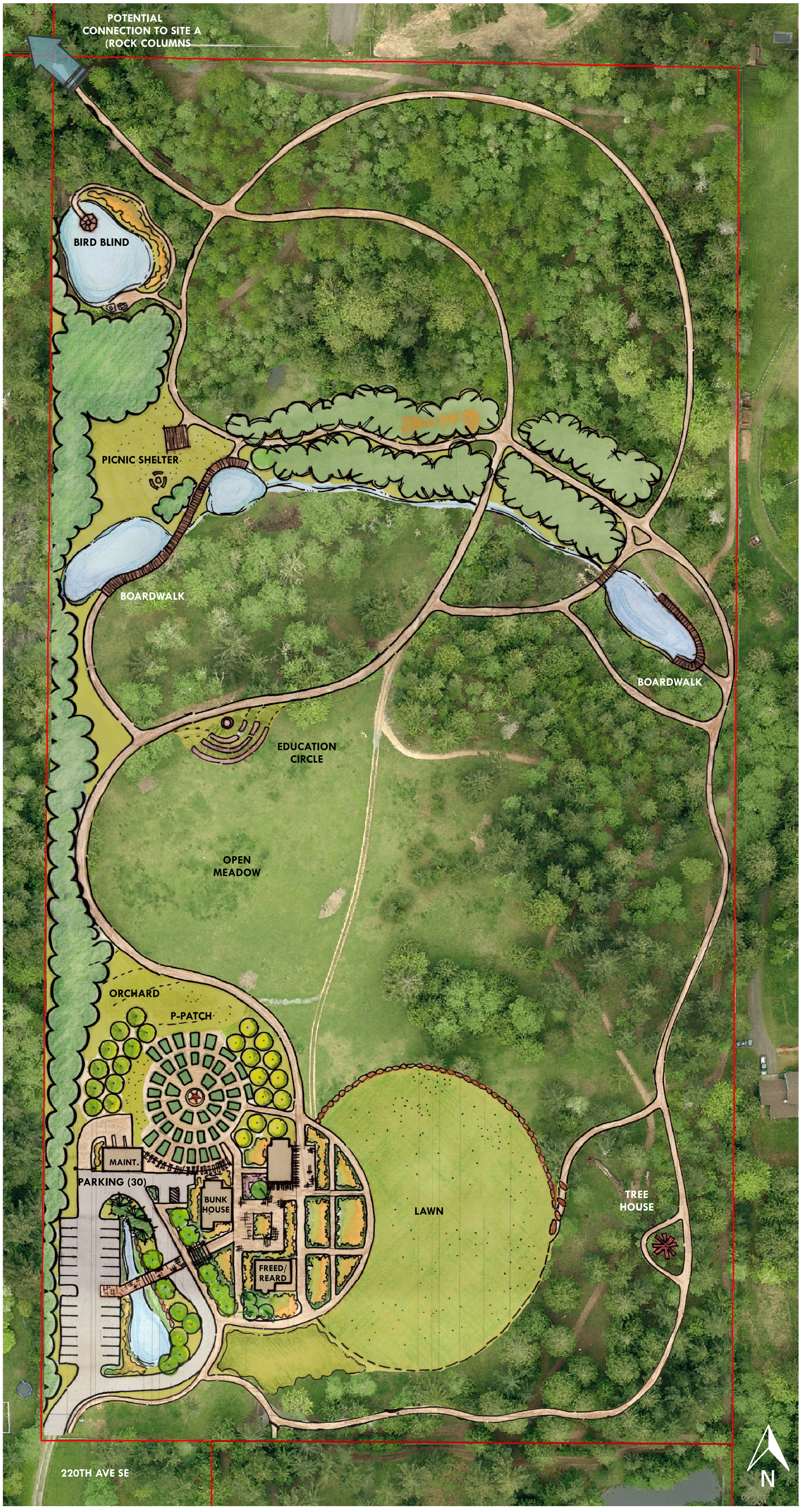
SE 8TH STREET PARK MASTER PLAN

City of Sammamish Washington

ALTERNATIVE 2 - SITE A

SE 8TH STREET PARK MASTER PLAN

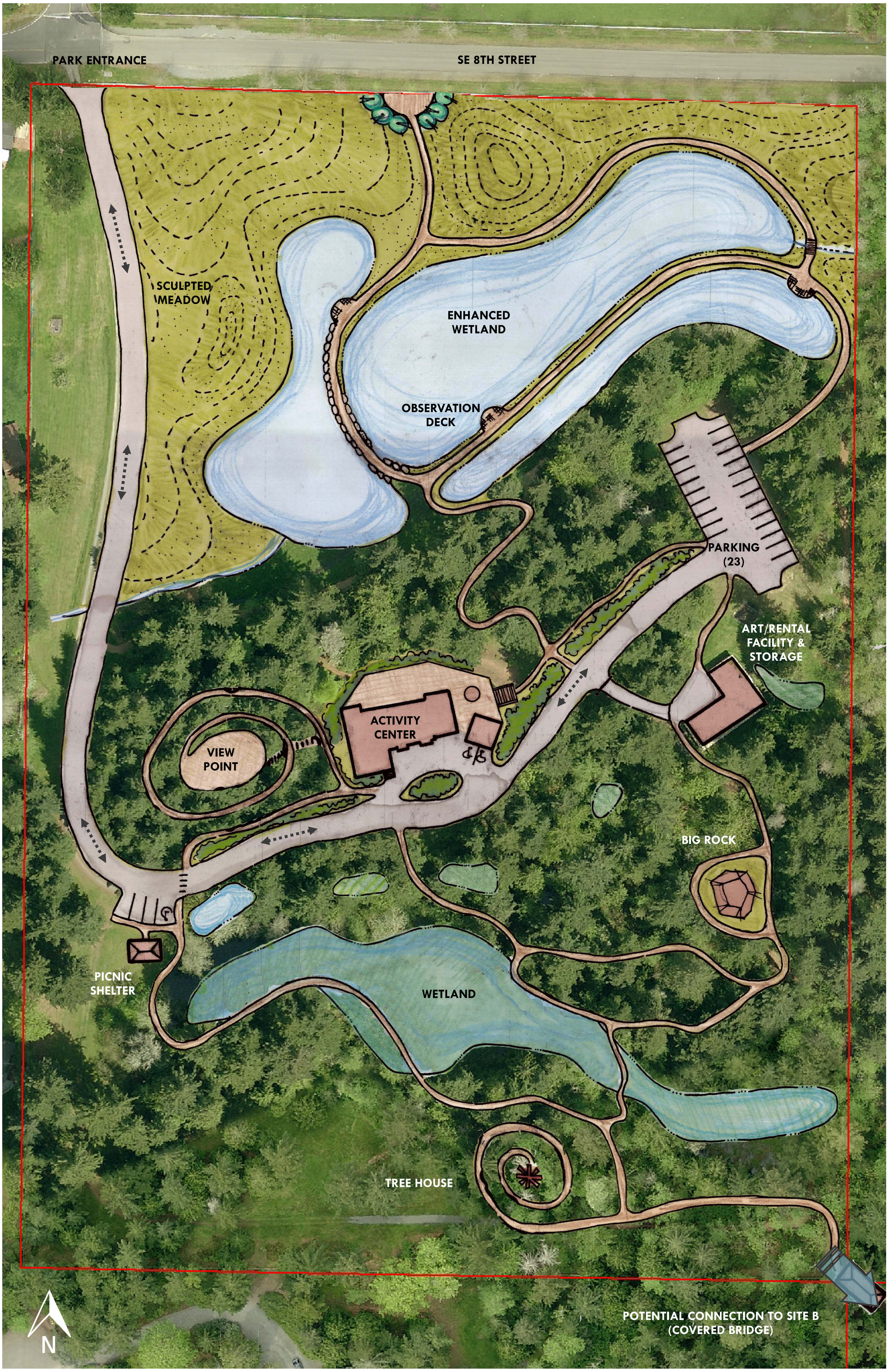
City of Sammamish Washington



ALTERNATIVE 2 - SITE B

SE 8TH STREET PARK MASTER PLAN

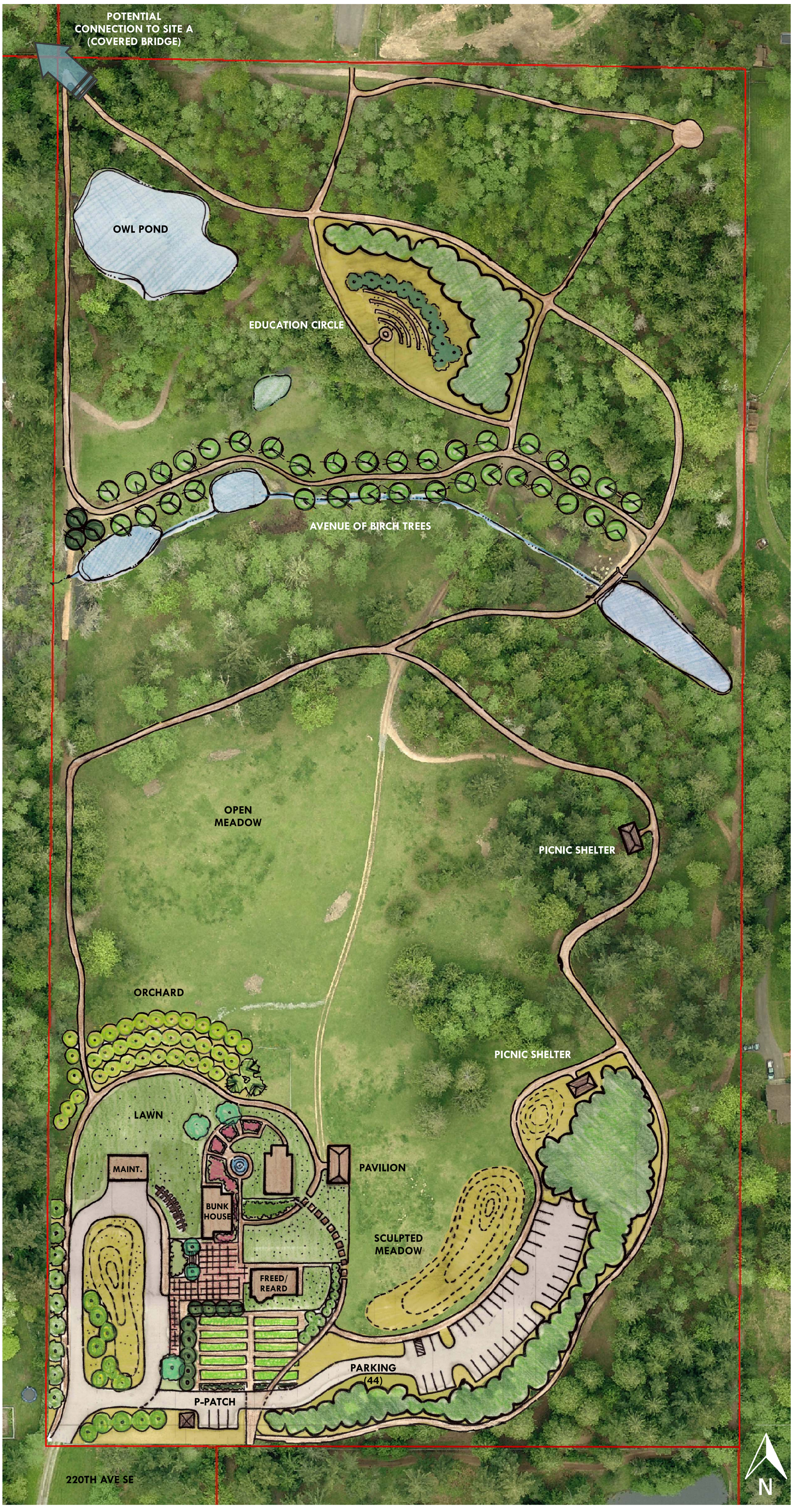
City of Sammamish Washington



ALTERNATIVE 3 - SITE A

SE 8TH STREET PARK MASTER PLAN

City of Sammamish Washington



ALTERNATIVE 3 - SITE B

SE 8TH STREET PARK MASTER PLAN

City of Sammamish Washington

Memorandum

DATE: June 7, 2012

TO: City Council
Ben Yazici, City Manager

FROM: Laura Philpot, PE; Public Works Director

RE: 6 Year Surface Water Capital Improvement Plan and Surface Water Fees

At the City Council study session, scheduled for June 12, 2012, staff will be presenting a draft 6 year Capital Improvement Plan (CIP) for the Surface Water program. The draft plan is not being included in the packet material, as staff is continuing to refine some of the recommended projects and costs prior to presenting to the City Council.

The adoption of a 6 year CIP is a critical component of the Surface Water Fee calculations. As part of the 2012 work plan in preparation of the 2013-2014 budget, staff is developing the operational and capital needs of the Surface Water Program. It is important that we look at both the current and future requirements from the National Pollution Discharge Elimination System (NPDES) permit as we develop the system needs. In order to meet and sustain the operational and capital needs of Sammamish, the current Surface Water Fees will likely need to be adjusted. The impacts to the fees cannot be fully determined until the CIP is finalized and adopted.

June 6, 2012

To: Sammamish City Council

FR: Mike Sauerwein, Director of Administrative Services

RE: Interlocal Agreement for Regional Animal Services

Background:

In 2010 the City of Sammamish entered into an Interlocal Agreement with King County and 25 other Cities to establish a regional animal services system. The system includes three core service areas: animal control (field services); shelter; and licensing. The Interlocal Agreement will expire December 31, 2012.

In 2011 a joint City County Workgroup was formed to review and potentially revise the Interlocal Agreement. The proposed new Interlocal Agreement would extend services through December 31, 2015.

Proposed Interlocal Agreement

The Agreement includes the following provisions:

Animal Control – The County has been divided into 3 Animal Control Districts, (see attached map). Our District will have an Animal Control Officer assigned 40 hours per week. King County will have a total of 6 Animal Control Officers on Staff.

Animal Shelter – The Kent Shelter will remain open 7 days a week and have a capacity of 7,000 animals per year.

Pet Licensing – King County will continue to be responsible for administration of the licensing program, including marketing, education, and outreach.

Length of Agreement – 3 ½ years, July 1, 2012 – December 31, 2015, with the option for a 2 year extension.

Animal Services Committee – Cities and the County would continue to collaborate and explore options for system improvements through a joint City-County Animal Services Committee.

Financial Impact:

The proposed Interlocal Agreement includes a cost allocation model which is detailed on the attached spreadsheet.

Each jurisdiction's (Cities and unincorporated areas) costs for animal control, shelter, and licensing administration are allocated 80% based on usage of the service and 20% based on population. In addition, King County is contributing $869,776 in transitional funding to Cities whose cost per capita is above the median for all participating Cities and/or participating Cities with low per capita licensing revenue.

Sammamish's Allocation

The City of Sammamish has a relatively low rate of animal control and sheltering costs and a relatively high rate of compliance with pet licensing regulations.

Sammamish's Allocation for Animal Control	$ 35,341
Sammamish's Allocation for Animal Shelter	$ 44,214
Sammamish's Allocation for Pet Licensing Administration	$ 31,129
Sammamish's Cost for Animal Services	**$110,684**
Sammamish's 2011 Estimated Licensing Revenue	$117,649
Sammamish's Annualized Net Cost for 2013 (Revenue exceeds Cost)	**$ 6,965**

Enhanced Control Services

The proposed Interlocal Agreement gives Cities the option of contracting for an Animal Control Officer to provide dedicated service to that City, (see Interlocal Agreement Exhibit E page 61). The 2012 rate for this service is $51.00 per hour + mileage. As part of the 2013-2014 Budget Staff will be requesting funding for a dedicated Animal Control Officer 10-15 hours per month.

City Staff Recommendation

Staff recommends that the City Council discuss the proposed Interlocal Agreement and place it on the June 18, 2012 Regular City Council Meeting Agenda for final action.

Animal Services Interlocal Agreement for 2013 Through 2015

This AGREEMENT is made and entered into effective as of this 1st day of July, 2012, by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the City of Sammamish, a Washington municipal corporation (the "City").

WHEREAS, the provision of animal control, sheltering and licensing services protects public health and safety and promotes animal welfare; and

WHEREAS, providing such services on a regional basis allows for enhanced coordination and tracking of regional public and animal health issues, consistency of regulatory approach across jurisdictional boundaries, economies of scale, and ease of access for the public; and

WHEREAS, the Contracting Cities are partners in making regional animal services work effectively, and are customers of the Animal Services Program provided by the County; and

WHEREAS, in light of the joint interest among the Contracting Parties in continuing to develop a sustainable program for regional animal services, including achievement of sustainable funding resources, the County intends to include cities in the process of identifying and recommending actions to generate additional revenues through the Joint City-County Committee, and further intends to convene a group of elected officials with a representative from each Contracting City to discuss and make recommendations on any potential countywide revenue initiative for animal services requiring voter approval, the implementation of which would be intended to coincide with the end of the term of this Agreement; and

WHEREAS, by executing this Agreement, the City is not implicitly agreeing to or supportive of any potential voter approved levy initiative in support of animal services; and

WHEREAS, the City and the County are parties to an Animal Services Interlocal Agreement dated July 1, 2010, which will terminate on December 31, 2012 (the "2010 Agreement"); and

WHEREAS, the City and County have negotiated a successor agreement to the 2010 Agreement in order to extend delivery of Animal Services to the City for an additional three years beginning January 1, 2013; and

WHEREAS, certain notification and other commitments under this successor Agreement arise before January 2013, but the delivery of Animal Services under this Agreement will not commence until January 1, 2013; and

WHEREAS, nothing in this Agreement is intended to alter the provision of service or manner and timing of compensation and reconciliation specified in the 2010 Agreement for services provided in 2012; and

WHEREAS, the City pursuant to the Interlocal Cooperation Act (RCW Chapter 39.34) , is authorized and desires to contract with the County for the performance of Animal Services; and

WHEREAS, the County is authorized by the Interlocal Cooperation Act, Section 120 of the King County Charter and King County Code 11.02.030 to render such services and is willing to render such services on the terms and conditions hereinafter set forth; and

WHEREAS, the County is offering a similar form of Animal Services Interlocal Agreement to cities in King County listed in Exhibit C-1 to this Agreement, and has received a non-binding statement of intent to sign such agreement from those cities;

NOW THEREFORE, in consideration of the promises, covenants and agreements contained in this Agreement, the parties agree as follows:

1. **Definitions.** Unless the context clearly shows another usage is intended, the following terms shall have these meanings in this Agreement:
    a. "**Agreement**" means this Animal Services Interlocal Agreement for 2013 Through 2015 between the Parties including any and all Exhibits hereto, unless the context clearly indicates an intention to reference all such Agreements by and between the County and other Contracting Cities.
    b. "**Animal Services**" means Control Services, Shelter Services and Licensing Services combined, as these services are described in **Exhibit A**. Collectively, "Animal Services" are sometimes referred to herein as the "**Program**."
    c. "**Enhanced Control Services**" are additional Control Services that the City may purchase under certain terms and conditions as described in **Exhibit E** (the "Enhance Control Services Contract").
    d. "**Contracting Cities**" means all cities that are parties to an Agreement.
    e. "**Parties**" means the City and the County.
    f. "**Contracting Parties**" means all Contracting Cities and the County.
    g. "**Estimated Payment**" means the amount the City is estimated to owe to the County for the provision of Animal Services over a six month period per the

formulas set forth in **Exhibit C**. The Estimated Payment calculation may result in a credit to the City payable by the County.

h. "**Pre-Commitment Estimated 2013 Payment**" means the preliminary estimate of the amount that will be owed by (or payable to) each Contracting Party for payment June 15, 2013 and December 15, 2013 as shown on **Exhibit C-1.**

i. "**Preliminary Estimated 2013 Payment**" means the amount estimated by the County on or before August 1, 2012 per Section 5, to be owed by each Contracting Party on June 15, 2013 and December 15, 2013 based on the number of Contracting Cities with respect to which the Agreement goes into effect per Section 15. This estimate will also provide the basis for determining whether the Agreement meets the "2013 Payment Test" in Section 15.

j. The "**Final Estimated 2013 Payment**" means the amount owed by each Contracting Party on June 15, 2013 and December 15, 2013, notice of which shall be given to the City by the County no later than December 15, 2012.

k. "**Control District**" means one of the three geographic areas delineated in **Exhibit B** for the provision of Animal Control Services.

l. "**Reconciliation Adjustment Amount**" means the amount payable each August 15 by either the City or County as determined per the reconciliation process described in **Exhibit D**. "**Reconciliation**" is the process by which the Reconciliation Adjustment Amount is determined.

m. "**Service Year**" means the calendar year in which Animal Services are or were provided.

n. "**2010 Agreement**" means the Animal Services Agreement between the Parties effective July 1, 2010, and terminating at midnight on December 31, 2012.

o. "**New Regional Revenue**" means revenue received by the County specifically for support of Animal Services generated from regional marketing campaigns (excluding local licensing canvassing efforts by Contracting Cities or per Section 7), and new foundation, grant, donation and entrepreneurial activities, except where revenues from these sources are designated for specific purposes within the Animal Services program; *provided that* New Regional Revenue does not include Licensing Revenue, Non-Licensing Revenue or Designated Donations, as defined in **Exhibit C**. The manner of estimating and allocating New Regional Revenue is prescribed in **Exhibit C-4** and **Exhibit D**.

p. "**Latecomer City**"means a city receiving animal services under an agreement with the County executed after July 1, 2012, per the conditions of Section 4.a.

2. **Services Provided**. Beginning January 1, 2013, the County will provide the City with Animal Services described in **Exhibit A**. The County will perform these services consistent with governing City ordinances adopted in accordance with Section 3. In providing such Animal Services consistent with **Exhibit A**, the County will engage in good faith with the Joint City-County Committee to develop potential adjustments to field protocols; provided that, the County shall have sole discretion as to the staffing assigned to receive and dispatch calls and the manner of handling and responding to calls for Animal Service. Except as set forth in Section 9 (Indemnification and Hold Harmless), services to be provided by the County pursuant to this Agreement do not include services of legal counsel, which shall be provided by the City at its own expense.
    a. Enhanced Control Services**.** The City may request Enhanced Control Services by completing and submitting **Exhibit E** to the County. Enhanced Services will be provided subject to the terms and conditions described in **Exhibit E**, including but not limited to a determination by the County that it has the capacity to provide such services.

3. **City Obligations.**
    a. Animal Regulatory Codes Adopted. To the extent it has not already done so, the City shall promptly enact an ordinance or resolution that includes license, fee, penalty, enforcement, impound/ redemption and sheltering provisions that are substantially the same as those of Title 11 King County Code as now in effect or hereafter amended (hereinafter "the City Ordinance"). The City shall advise the County of any City animal care and control standards that differ from those of the County.
    b. Authorization to Act on Behalf of City**.** Beginning January 1, 2013, the City authorizes the County to act on its behalf in undertaking the following:
        i. Determining eligibility for and issuing licenses under the terms of the City Ordinance, subject to the conditions set forth in such laws.
        ii. Enforcing the terms of the City Ordinance, including the power to issue enforcement notices and orders and to deny, suspend or revoke licenses issued thereunder.
        iii. Conducting administrative appeals of those County licensing determinations made and enforcement actions taken on behalf of the City. Such appeals shall be considered by the King County Board of Appeals unless either the City or the County determines that the particular matter should be heard by the City.
        iv. Nothing in this Agreement is intended to divest the City of authority to independently undertake such enforcement actions as it deems appropriate to respond to violations of any City ordinances.

c. Cooperation and Licensing Support. The City will assist the County in its efforts to inform City residents regarding animal codes and regulations and licensing requirements and will promote the licensing of pets by City residents through various means as the City shall reasonably determine, including but not limited to offering the sale of pet licenses at City Hall, mailing information to residents (using existing City communication mechanisms such as bill inserts or community newsletters) and posting a weblink to the County's animal licensing program on the City's official website. The City will provide to the County accurate and timely records regarding all pet license sales processed by the City. All proceeds of such sales shall be remitted to the County by the City on a quarterly basis (no later than each March 31, June 30, September 30, and December 31).

4. **Term.** Except as otherwise specified in Section 15, this Agreement will take effect as of July 1, 2012 and, unless extended pursuant to Subparagraph 4.b below, shall remain in effect through December 31, 2015. The Agreement may not be terminated for convenience.
   a. Latecomers. The County may sign an agreement with additional cities for provision of animal services prior to the termination or expiration of this Agreement, but only if the later agreement will not cause an increase in the City's costs payable to the County under this Agreement. Cities that are party to such agreements are referred to herein as "Latecomer Cities."
   b. Extension of Term**.** The Parties may agree to extend the Agreement for an additional two-year term, ending on December 31, 2017. For purposes of determining whether the Agreement shall be extended, the County will invite all Contracting Cities to meet in September 2014, to discuss both: (1) a possible extension of the Agreement under the same terms and conditions; and (2) a possible extension with amended terms.
      i. Either Party may propose amendments to the Agreement as a condition of an extension.
      ii. Nothing in this Agreement shall be construed to compel either Party to agree to an extension or amendment of the Agreement, either on the same or different terms.
      iii. The County agrees to give serious consideration to maintaining the various credits provided to the Contracting City under this Agreement in any extension of the Agreement.
   c. Notice of Intent to Not Extend. No later than March 1, 2015, the Parties shall provide written notice to one another of whether they wish to extend this Agreement on the same or amended terms. The County will include a written reminder of this March 1 deadline when providing the City notice of

its 2015 Estimated Payments (notice due December 15, 2014 per Section 5). By April 5, 2015, the County will provide all Contracting Cities with a list of all Contracting Parties submitting such notices indicating which Parties do not seek an extension, which Parties request an extension under the same terms, and which Parties request an extension under amended terms.

d. Timeline for Extension. If the Contracting Parties wish to extend their respective Agreements (whether under the same or amended terms) through December 31, 2017, they shall do so in writing no later than July 1, 2015. Absent such an agreed extension, the Agreement shall terminate on December 31, 2015.

e. Limited Reopener and Termination. If a countwide, voter approved property tax levy for funding some or all of the Animal Services program is proposed that would impose new tax obligations before January 1, 2016, this Agreement shall be re-opened for the limited purposes of negotiating potential changes to the cost and revenue allocation formulas herein. Such changes may be made in order to reasonably ensure that the Contracting Cities are receiving equitable benefits from the proposed new levy revenues. Re-opener negotiations shall be initiated by the County no later than 60 days before the date of formal transmittal of such proposal to the County Council for its consideration. Notwithstanding anything in this Agreement to the contrary, if the re-opener negotiations have failed to result in mutually agreed upon changes to the cost and revenue allocation formulas (as reflected in either an executed amendment to this Agreement or a memorandum of understanding signed between the chief executive officers of the Parties) within 10 days of the date that the election results confirming approval of such proposal are certified, either Party may terminate this Agreement by providing notice to the other Party no sooner than the date the election results are certified and no later than 15 days following the end of such 10-day period. Any termination notice so issued will become effective 180 days following the date of the successful election, or the date on which the levy is first imposed, whichever is sooner.

f. The 2010 Agreement remains in effect through December 31, 2012. Nothing in this Agreement shall limit or amend the obligation of the County to provide Animal Services under the 2010 Agreement as provided therein and nothing in this Agreement shall amend the obligations therein with respect to the calculation, timing, and reconciliation of payment of such services.

5. **Compensation.** The County will develop an Estimated Payment calculation for each Service Year using the formulas described in **Exhibit C**, and shall transmit the payment information to the City according to the schedule described below. The

County will also calculate and inform the City as to the Reconciliation Adjustment Amount on or before June 30 of each year, as described in Section 6 below and **Exhibit D**, in order to reconcile the Estimated Payments made by the City in the prior Service Year. The City (or County, if applicable) will pay the Estimated Payment, and any applicable Reconciliation Adjustment Amounts as follows (a list of all payment-related notices and dates is included at **Exhibit C-7**):

a. Service Year 2013: The County will provide the City with a calculation of the Preliminary Estimated Payment amounts for Service Year 2013 on or before August 1, 2012, which shall be derived from the Pre-Commitment Estimated 2013 Payment Amount set forth on **Exhibit C-1**, adjusted if necessary based on the Contracting Cities and other updates to Calendar Year 2011 data in **Exhibit C-2**. The County will provide the City with the Final Estimated Payment calculation for Service Year 2013 by December 15, 2012. The City will pay the County the Preliminary Estimated Payment Amounts for Service Year 2013 on or before June 15, 2013 and December 15, 2013. If the calculation of the Preliminary Estimated Payment shows the City is entitled to receive a payment from the County, the County will pay the City such amount on or before June 15, 2013 and December 15, 2013. The Reconciliation Adjustment Amount for Service Year 2013 shall be paid on or before August 15, 2014, as described in Section 6.

b. Service Years after 2013.

   i. Initial Estimate by September 1. To assist the City with its budgeting process, the County will provide the City with a non-binding, preliminary indication of the Estimated Payments for the upcoming Service Year on or before each September 1.

   ii. Estimated Payment Determined by December 15. The Estimated Payment amounts for the upcoming Service Year will be determined by the County following adoption of the County's budget and applying the formulas in **Exhibit C**. The County will by December 15 provide written notice to all Contracting Parties of the schedule of Estimated Payments for the upcoming Service Year.

   iii. Estimated Payments Due Each June 15 and December 15**.** The City will pay the County the Estimated Payment Amount on or before each June 15 and December 15. If the calculation of the Estimated Payment shows the City is entitled to receive a payment from the County, the County will pay the City such amount on or before each June 15 and December 15.

   iv. The Reconciliation Adjustment Amount for the prior Service Year shall be paid on or before August 15 of the following calendar year, as described in Section 6.

v. If a Party fails to pay an Estimated Payment or Reconciliation Adjustment Amount within 15 days of the date owed, the Party owed shall notify the owing Party that they have ten (10) days to cure non-payment. If the Party fails to cure its nonpayment within this time period following notice, the amount owed shall accrue interest thereon at the rate of 1% per month from and after the original due date and, if the nonpaying Party is the City, the County at its sole discretion may withhold provision of Animal Services to the City until all outstanding amounts are paid. If the nonpaying Party is the County, the City may withhold future Estimated Payments until all outstanding amounts are paid. Each Party may examine the other's books and records to verify charges.

vi. Unless the Parties otherwise direct, payments shall be submitted to the addresses noted at Section 14.g.

c. Payment Obligation Survives Expiration or Termination of Agreement**.** The obligation of the City (or as applicable, the County), to pay an Estimated Payment Amount or Reconciliation Adjustment Amount for a Service Year included in the term of this Agreement shall survive the Expiration or Termination of this Agreement. For example, if this Agreement terminates on December 31, 2015, the Final Estimated 2015 Payment is nevertheless due on or before December 15, 2015, and the Reconciliation Adjustment Amount shall be payable on or before August 15, 2016.

d. The Parties agree the payment and reconciliation formulas in this Agreement (including all Exhibits) are fair and reasonable.

6. **Reconciliation of Estimated Payments and Actual Costs and Revenues.** In order that the Contracting Parties share costs of the regional Animal Services Program based on their actual, rather than estimated, licensing revenues, there will be an annual reconciliation. Specifically, on or before June 30 of each year, the County will reconcile amounts owed under this Agreement for the prior Service Year by comparing each Contracting Party's Estimated Payments to the amount derived by recalculating the formulas in **Exhibit C** using actual revenue data for such Service Period as detailed in **Exhibit D**. There will also be an adjustment if necessary to account for annexations of areas with a population of 2,500 or more and for changes in relative population shares of Contracting Parties' attributable to Latecomer Cities. The County will provide the results of the reconciliation to all Contracting Parties in writing on or before June 30. The Reconciliation Adjustment Amount will be paid on or before August 15 of the then current year, regardless of the prior termination of the Agreement as per Section 5.c.

7. **Regional Revenue Generation and Licensing Revenue Support**
    a. The Parties intend that the provision of Animal Services becomes significantly more financially sustainable over the initial three year term of this Agreement through the development of New Regional Revenue and the generation of additional Licensing Revenue. The County will develop proposals designed to support this goal. The County will consult with the Joint City-County Committee before proceeding with efforts to implement proposals to generate New Regional Revenue.
    b. The Parties do not intend for the provision of Animal Services or receipt of such Services under this Agreement to be a profit-making enterprise. Where a Contracting Party receives revenues in excess of its costs under this Agreement (including costs of PAWS shelter service and Enhanced Control Service, if applicable), they will be reinvested in the Program to reduce the costs of other Contracting Parties and to improve service delivery: the cost allocation formulas of this Agreement are intended to achieve this outcome.
    c. <u>Licensing Revenue Support</u>.
        i. In 2013, the County will provide licensing revenue support to the nine Contracting Cities identified on **Exhibit C-5** (the "Licensing Revenue Support Cities").
        ii. The City may request licensing revenue support from the County in 2014 and 2015 by executing **Attachment A** to **Exhibit F**. The terms and conditions under which such licensing revenue support will be provided are further described at **Exhibit C-5** and **Exhibit F**. Except as otherwise provided in **Exhibit C-5** with respect to Licensing Revenue Support Cities with a Licensing Revenue Target of over $20,000 (per Table 1 of **Exhibit C-5)**, provision of licensing revenue support in 2014 and 2015 is ***subject to*** the County determining it has capacity to provide such services, with priority allocation of any available services going first to Licensing Revenue Support Cities on a first-come, first-served basis and thereafter being allocated to other Contracting Cities requesting service on a first-come, first-served basis. Provision of licensing revenue support is further subject to the Parties executing a Licensing Support Contract (**Exhibit F**).
        iii. In addition to other terms described in **Exhibit F**, receipt of licensing revenue support is subject to the recipient City providing in-kind services, including but not limited to: assisting in communication with City residents; publicizing any canvassing efforts the Parties have agreed should be implemented; assisting in the recruitment of canvassing staff, if applicable; and providing information to the County to assist in targeting its canvassing activities, if applicable.

8. **Mutual Covenants/Independent Contractor.** The Parties understand and agree that the County is acting hereunder as an independent contractor with the intended following results:
    a. Control of County personnel, standards of performance, discipline, and all other aspects of performance shall be governed entirely by the County;
    b. All County persons rendering service hereunder shall be for all purposes employees of the County, although they may from time to time act as commissioned officers of the City;
    c. The County contact person for the City staff regarding all issues arising under this Agreement, including but not limited to citizen complaints, service requests and general information on animal control services is the Manager of Regional Animal Services.

9. **Indemnification and Hold Harmless.**
    a. <u>City Held Harmless.</u> The County shall indemnify and hold harmless the City and its officers, agents, and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the County, its officers, agents, and employees, or any of them relating to or arising out of performing services pursuant to this Agreement. In the event that any such suit based upon such a claim, action, loss, or damages is brought against the City, the County shall defend the same at its sole cost and expense; provided that the City reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment in said suit be rendered against the City, and its officers, agents, and employees, or any of them, or jointly against the City and the County and their respective officers, agents, and employees, or any of them, the County shall satisfy the same.
    b. <u>County Held Harmless.</u> The City shall indemnify and hold harmless the County and its officers, agents, and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them relating to or arising out of performing services pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damages is brought against the County, the City shall defend the same at its sole cost and expense; provided that the County reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment be rendered against the County, and its officers, agents, and

employees, or any of them, or jointly against the County and the City and their respective officers, agents, and employees, or any of them, the City shall satisfy the same.

c. Liability Related to City Ordinances, Policies, Rules and Regulations. In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility that arises in whole or in part as a result of the application of City ordinances, policies, rules or regulations that are either in place at the time this Agreement takes effect or differ from those of the County; or that arise in whole or in part based upon any failure of the City to comply with applicable adoption requirements or procedures. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance, policy, rule or regulation is at issue, the City shall defend the same at its sole expense and, if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and reasonable attorney's fees.

d. Waiver Under Washington Industrial Insurance Act. The foregoing indemnity is specifically intended to constitute a waiver of each party's immunity under Washington's Industrial Insurance Act, Chapter 51 RCW, as respects the other party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

10. **Dispute Resolution.** Whenever any dispute arises between the Parties or between the Contracting Parties under this Agreement which is not resolved by routine meetings or communications, the disputing parties agree to seek resolution of such dispute in good faith by meeting, as soon as feasible. The meeting shall include the Chief Executive Officer (or his/her designee) of each party involved in the dispute and the Manager of the Regional Animal Services Program. If the parties do not come to an agreement on the dispute, any party may pursue mediation through a process to be mutually agreed to in good faith by the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties to the dispute shall share equally the costs of mediation and assume their own costs.

11. **Joint City-County Committee and Collaborative Initiatives**. A committee composed of 3 county representatives (appointed by the County) and one

representative from each Contracting City that chooses to appoint a representative shall meet upon reasonable request of a Contracting City or the County, but in no event shall the Committee meet less than twice each year. Committee members may not be elected officials. The Committee shall review service issues and make recommendations regarding efficiencies and improvements to services, and shall review and make recommendations regarding the conduct and findings of the collaborative initiatives identified below. Subcommittees to focus on individual initiatives may be formed, each of which shall include membership from both county and city members of the Joint City-County Committee. Recommendations of the Joint City-County Committee are non-binding. The collaborative initiatives to be explored shall include, but are not necessarily limited to:

a. Proposals to update animal services codes, including fees and penalties, as a means to increase revenues and incentives for residents to license, retain, and care for pets.
b. Exploring the practicability of engaging a private for-profit licensing system operator.
c. Pursuing linkages between County and private non-profit shelter and rescue operations to maximize opportunities for pet adoption, reduction in homeless pet population, and other efficiencies.
d. Promoting licensing through joint marketing activities of Contracting Cities and the County, including recommending where the County's marketing efforts will be deployed each year.
e. Exploring options for continuous service improvement, including increasing service delivery efficiencies across the board.
f. Studying options for repair and/or replacement of the Kent Shelter.
g. Reviewing the results of the County's calculation of the Reconciliation Adjustment Amounts.
h. Reviewing preliminary proposed budgets for Animal Services.
i. Providing input into the formatting, content and details of periodic Program reports as per Section 12 of this Agreement.
j. Reviewing and providing input on proposed Animal Services operational initiatives.
k. Providing input on Animal Control Services response protocols with the goal of supporting the most appropriate use of scarce Control Services resources.
l. Establishing and maintaining a marketing subcommittee with members from within the Joint City-County committee membership and additional staff as may be agreed.
m. Collaborating on response and service improvements, including communication with 911 call centers.

n. Developing alternative dispute mechanisms that may be deployed to assist the public in resolving low-level issues such as barking dog complaints.
o. Working with Contracting Cities to plan disaster response for animal sheltering and care.
p. Ensuring there is at least one meeting each year within each Control District between the County animal control officer representatives and Contracting Cities' law enforcement representatives.
q. Identifying, discussing and where appropriate recommending actions to implement ideas to generate additional revenue to support operation and maintenance of the Animal Services Program, including but not limited to providing input and advice in shaping the terms of any proposed Countywide voted levy to provide funding support for the Animal Services Program.

12. **Reporting.** The County will provide the City with an electronic report not less than monthly summarizing call response and Program usage data for each of the Contracting Cities and the County and the Animal Services Program. The formatting, content and details of the report will be developed in consultation with the Joint City-County Committee.

13. **Amendments.** Any amendments to this Agreement must be in writing. This Agreement shall be deemed to incorporate amendments to Agreements between the Contracting Parties that are approved by the County and at least two thirds (66%) of the legislative bodies of all other Contracting Parties (in both number and in the percentage of the prior total Estimated Payments owing from such Contracting Parties in the then current Service Year), evidenced by the authorized signatures of such approving Parties as of the effective date of the amendment; *provided that* this provision shall not apply to any amendment to this Agreement affecting the Party contribution responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, or the conditions of this Section.

14. **General Provisions.**
    a. Other Facilities. The County reserves the right to contract with other shelter service providers for housing animals received from within the City or from City residents, whose levels of service meet or exceed those at the County shelter for purposes of addressing shelter overcrowding or developing other means to enhance the effectiveness, efficiency or capacity of animal care and sheltering within King County.

b. Survivability. Notwithstanding any provision in this Agreement to the contrary, the provisions of Section 9 (Indemnification and Hold Harmless) shall remain operative and in full force and effect, regardless of the withdrawal or termination of this Agreement.

c. Waiver and Remedies. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Failure to insist upon full performance of any one or several occasions does not constitute consent to or waiver of any later non-performance nor does payment of a billing or continued performance after notice of a deficiency in performance constitute an acquiescence thereto. The Parties are entitled to all remedies in law or equity.

d. Grants. Both Parties shall cooperate and assist each other toward procuring grants or financial assistance from governmental agencies or private benefactors for reduction of costs of operating and maintaining the Animal Services Program and the care and treatment of animals in the Program.

e. Force Majeure. In the event either Party's performance of any of the provisions of this Agreement becomes impossible due to war, civil unrest, and any natural event outside of the Party's reasonable control, including fire, storm, flood, earthquake or other act of nature, that Party will be excused from performing such obligations until such time as the Force Majeure event has ended and all facilities and operations have been repaired and/or restored.

f. Entire Agreement. This Agreement represents the entire understanding of the Parties and supersedes any oral representations that are inconsistent with or modify its terms and conditions.

g. Notices. Except as otherwise provided in this Agreement, any notice required to be provided under the terms of this Agreement shall be delivered by E-mail (deemed delivered upon E-mail confirmation of receipt by the intended recipient), certified U.S. mail, return receipt requested or by personal service to the following person (or to any other person that the Party designates in writing to receive notice under this Agreement):

For the City:

For the County: Caroline Whalen, Director
King County Dept. of Executive Services
401 Fifth Avenue, Suite 135
Seattle WA. 98104

h. Assignment. No Party may sell, transfer or assign any of its rights or benefits under this Agreement without the approval of the other Party.

i. Venue. The Venue for any action related to this Agreement shall be in Superior Court in and for King County, Washington.

j. Records. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection and review by the County or City for such period as is required by state law (Records Retention Act, Ch. 40.14 RCW) but in any event for not less than 1 year following the expiration or termination of this Agreement.

k. No Third Party Beneficiaries. This Agreement is for the benefit of the Parties only, and no third party shall have any rights hereunder.

l. Counterparts. This Agreement and any amendments thereto, shall be executed on behalf of each Party by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance. The Agreement may be executed in any number of counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument.

15. **Terms to Implement Agreement.** Because it is unknown how many parties will ultimately approve the Agreement, and participation of each Contracting Party impacts the costs of all other Contracting Parties, the Agreement will go into effect as of July 1, 2012, only if certain "Minimum Contracting Requirements" are met or waived as described in this section. These Minimum Contracting Requirements will not be finally determined until August 15, 2012. If it is determined on or about August 15 that Minimum Contracting Requirements are **not** met and not waived, then the Agreement will be deemed to have never gone into effect, regardless of the July 1, 2012 stated effective date. If the Minimum Contracting Requirements are met or waived, the Agreement shall be deemed effective as of July 1, 2012. The Minimum Contracting Requirements are:

a. **For both the City and the County:**

1. **2013 Payment Test:** The Preliminary Estimated 2013 Payment, calculated on or before August 1, 2012, to include the County and all cities that have executed the Agreement on or prior to July 1, 2012, does not exceed the Pre-Commitment Estimated 2013 Payment as set forth in **Exhibit C-1** by more than five percent (5%) or $3,500, whichever is greater. **If the 2013 Payment Test is not met,** either Party may waive this condition and allow the Agreement to go into effect, provided that such waiver must be exercised by giving notice to the other Party (which notice shall meet the requirements of Section 14.g) no later than August 15, 2012.

b. **For the County**: The **Minimum Contiguity of Service Condition** must be met, such that the County is only obligated to enter into the Agreement if the County will be providing Animal Services in areas contiguous to the City, whether by reason of having an Agreement with another City or due to the fact that the City is contiguous to unincorporated areas (excluding unincorporated islands within the City limits). The Minimum Contiguity of Service Condition may be waived by the County in its sole discretion. The County shall provide the City notice meeting the requirements of Section 14.g no later than July 21, 2012 if the Minimum Contiguity of Service Condition has not been met.

c. On or before August 21, 2012, the County shall send all Contracting Cities an informational email notice confirming the final list of all Contracting Cities with Agreements that have gone into effect.

16. **Administration.** This Agreement shall be administered by the County Administrative Officer or his/her designee, and by the City Manager, or his/her designee.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective as of July 1, 2012.

King County	**City of Sammamish**
_____	_____
Dow Constantine King County Executive	City Manager/Mayor
_____	_____
Date	Date
Approved as to Form:	Approved as to Form:
_____	_____
King County Deputy Prosecuting Attorney	City Attorney
_____	_____
Date	Date

List of Exhibits

Exhibit A: **Animal Services Description**

Exhibit B: **Control Service District Map Description**
Exhibit B-1: Map of Control Service District

Exhibit C: **Calculation of Estimated Payments**

Exhibit C-1: **Pre-Commitment Estimated 2013 Payment (***showing participation only by jurisdictions that have expressed interest in contracting for an additional 3 year term)*

Exhibit C-2: **Estimated Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Pre-Commitment Estimated 2013 Payment**

Exhibit C-3: **Calculation of Budgeted Total Allocable Animal Services Costs, Budgeted Total Non-Licensing Revenue and Budget Net Allocable Animal Services Costs for 2013**

Exhibit C-4: **Calculation and Allocation of Transition Credit, Shelter Credit, and Estimated New Regional Revenue**

Exhibit C-5: Licensing Revenue Support

Exhibit C-6: Summary of Calculation Periods for Use and Population Components

Exhibit C-7: Payment and Calculation Schedule

Exhibit D: **Reconciliation**

Exhibit E: Enhanced Control Services Contract (Optional)

Exhibit F: Licensing Support Contract (Optional)

Exhibit A
Animal Service Description

Part I: Control Services

Control Services include the operation of a public call center, the dispatch of animal control officers in response to calls, and the handling of calls in the field by animal control officers, including the collection and delivery of animals to the Kent Shelter (or such other shelters as the County may utilize in accordance with this Agreement).

1. **Call Center**
    a. The County will operate an animal control call center five days every week (excluding holidays and County-designated furlough days, if applicable) for a minimum of eight hours per day (normal business hours). The County will negotiate with applicable unions with the purpose of obtaining a commitment for the five day call center operation to include at least one weekend day. The County may adjust the days of the week the call center operates to match the final choice of Control District service days.
    b. The animal control call center will provide callers with guidance, education, options and alternative resources as possible/appropriate.
    c. When the call center is not in operation, callers will hear a recorded message referring them to 911 in case of emergency, or if the event is not an emergency, to either leave a message or call back during regular business hours.
2. **Animal Control Officers**
    a. The County will divide the area receiving Control Services into three Control Districts as shown on **Exhibit B**. Subject to the limitations provided in this Section 2, Control Districts 200 and 220 will be staffed with one Animal Control Officer during Regular ACO Service Hours and District 500 will be staffed with two Animal Control Officers (ACOs) during Regular ACO Service Hours. Regular ACO Service Hours is defined to include not less than 40 hours per week. The County will negotiate with applicable unions with the intention of obtaining a commitment for Regular ACO Service Hours to include service on at least one weekend day. Regular ACO Service Hours may change from time to time.
        i. Except as the County may in its sole discretion determine is necessary to protect officer safety, ACOs shall be available for responding to calls within their assigned Control District and will not be generally available to respond to calls in other Control Districts. **Exhibit B-1** shows the map of Control Districts.

ii. Countywide, the County will have a total of not less than 6 ACOs (Full-Time Equivalent employees) on staff to maximize the ability of the County to staff all Control Districts notwithstanding vacation, sick-leave, and other absences, and to respond to high workload areas on a day-to-day basis. While the Parties recognize that the County may at times not be able to staff all Control Districts as proposed given unscheduled sick leave or vacancies, the County will make its best efforts to establish regular hourly schedules and vacations for ACOs in order to minimize any such gaps in coverage. In the event of extended absences among the 6 ACOs, the County will re-allocate remaining ACOs as practicable in order to balance the hours of service available in each Control District. In the event of ACO absences (for any causes and whether or not such absences are extended as a result of vacancies or other issues), the first priority in allocating ACOs shall be to ensure there is an ACO assigned in each Control District during Regular ACO Service Hours.

b. Control District boundaries have been designed to balance work load, correspond to jurisdictional boundaries and facilitate expedient transportation access across each district. The County will arrange a location for an Animal Control vehicle to be stationed overnight in Control Districts ("host sites") in order to facilitate service and travel time improvements or efficiencies.

c. The County will use its best efforts to ensure that High Priority Calls are responded to by an ACO during Regular ACO Service Hours on the day such call is received. The County shall retain full discretion as to the order in which High Priority calls are responded. High Priority Calls include those calls that pose an emergent danger to the community, including:

    1. Emergent animal bite,
    2. Emergent vicious dog,
    3. Emergent injured animal,
    4. Police assist calls—(police officer on scene requesting assistance from an ACO),
    5. Emergent loose livestock or other loose or deceased animal that poses a potential danger to the community, and
    6. Emergent animal cruelty.

d. Lower priority calls include all calls that are not High Priority Calls. These calls will be responded to by the call center staff over the telephone, referral to other resources, or by dispatching of an ACO as necessary or available, all as determined necessary and appropriate in the sole discretion of the

County. Particularly in the busier seasons of the year (spring through fall), lower priority calls may only receive a telephone response from the Call Center. Lower Priority calls are non-emergent requests for service, including but not limited to:

1. Non-emergent high priority events,
2. Patrol request – (ACO requested to patrol a specific area due to possible code violations),
3. Trespass,
4. Stray Dog/Cat/other animal confined,
5. Barking Dog,
6. Leash Law Violation,
7. Deceased Animal,
8. Trap Request,
9. Female animal in season, and
10. Owner's Dog/Cat/other animal confined.

e. The Joint-City County Committee is tasked with reviewing response protocols and recommending potential changes to further the goal of supporting the most appropriate use of scarce Control Service resources countywide. The County will in good faith consider such recommendations but reserves the right to make final decisions on response protocols. The County will make no changes to its procedures that are inconsistent with the terms of this **Exhibit A**, *except that* upon the recommendation of the Joint City-County Committee, the County may agree to modify response with respect to calls involving animals other than horses, livestock, dogs and cats.

f. In addition to the ACOs serving specific districts, the following Control Service resources will be available on a shared basis for all Parties and shall be dispatched as deemed necessary and appropriate by the County.

1. An animal control sergeant will provide oversight of and back-up for ACOs five days per week at least 8 hours/day (subject to vacation/sick leave/training/etc.).
2. Staff will be available to perform animal cruelty investigations, to respond to animal cruelty cases, and to prepare related reports (subject to vacation/sick leave/training/etc.).
3. Not less than 1 ACO will be on call every day at times that are not Regular ACO Service Hours (including the days per week that are not included within Regular ACO Service Hours), to respond to High Priority Calls posing an extreme life and safety danger, as determined by the County.

g. The Parties understand that rural areas of the County will generally receive a less rapid response time from ACOs than urban areas.

h. Contracting Cities may contract with King County for "Enhanced Control Services" through separate agreement (as set forth in **Exhibit E);** ***provided that*** a City may not purchase Enhanced Control Services under Option 1 as described in **Exhibit E** if such City is receiving a Transition Funding Credit, Shelter Credit, or licensing revenue support the cost of which is not reimbursed to the County.

Part II: Shelter Services

Shelter services include the general care, cleaning and nourishment of owner-released, lost or stray dogs, cats and other animals. Such services shall be provided 7-days per week, 365 days per year at the County's animal shelter in Kent (the "Shelter") or other shelter locations utilized by the County, including related services described in this section. The County's Eastside Pet Adoption Center in the Crossroads area of Bellevue will be closed to the public.

During 2013-2015, major maintenance of the Shelter will continue to be included in the Program costs allocated under this Agreement (as part of the central County overhead charges allocated to the Program), but no major renovation, upgrades or replacements of the Shelter established as a capital project within the County Budget are anticipated nor will any such capital project costs be allocated to the Contracting Cities in Service Years 2013-2015.

1. **Shelter Services**
    a. Services provided to animals will include enrichment, exercise, care and feeding, and reasonable medical attention.
    b. The Public Service Counter at the Shelter will be open to the public not less than 30 hours per week and not less than 5 days per week, excluding holidays and County designated furlough days, for purposes of pet redemption, adoption, license sales services and (as may be offered from time to time) pet surrenders. The Public Service Counter at the shelter may be open for additional hours if practicable within available resources.
    c. The County will maintain a volunteer/foster care function at the Shelter to encourage use of volunteers working at the shelter and use of foster families to provide fostering/transitional care between shelter and permanent homes for adoptable animals.
    d. The County will maintain an animal placement function at the Shelter to provide for and manage adoption events and other activities leading to the placement of animals in appropriate homes.
    e. Veterinary services will be provided and will include animal exams, treatment and minor procedures, spay/neuter and other surgeries. Limited

emergency veterinary services will be available in non-business hours, through third-party contracts, and engaged if and when the County determines necessary.

f. The County will take steps through its operating policies, codes, public fee structures and partnerships to reduce the number of animals and their length of stay in the Shelter, and may at times limit owner-surrenders and field pick-ups, adjust fees and incentivize community-based solutions.

2. **Other Shelter services**
   a. Dangerous animals will be confined as appropriate/necessary.
   b. Disaster/emergency preparedness for animals will be coordinated regionally through efforts of King County staff.
3. **Shelter for Contracting Cities contracting with PAWS (Potentially including Woodinville, Shoreline, Lake Forest Park, Kenmore ("Northern Cities")).** For so long as a Northern City has a contract in effect for sheltering dogs and cats with the Progressive Animal Welfare Society in Lynnwood (PAWS), the County will not shelter dogs and cats picked up within the boundaries of such City(s), except in emergent circumstances and when the PAWS Lynwood shelter is not available. Dogs and cats picked up by the County within such City(s) will be transferred by the County to the PAWS shelter in Lynnwood for shelter care, which will be provided and funded solely through separate contracts between each Northern City and PAWS, and the County will refer residents of that City to PAWS for sheltering services. The County will provide shelter services for animals other than dogs and cats that are picked up within the boundaries of Northern Cities contracting with PAWS on the same terms and conditions that such shelter services are provided to other Contracting Parties. Except as provided in this Section, the County is under no obligation to drop animals picked up in any Contracting City at any shelter other than the County shelter in Kent.
4. **County Contract with PAWS.** Nothing in this Agreement is intended to preclude the County from contracting with PAWS in Lynnwood to care for animals taken in by County ACOs.
5. **Service to Persons who are not Residents of Contracting Cities.** The County will not provide routine shelter services for animals brought in by persons who are not residents of Contracting Cities, but may provide emergency medical care to such animals, and may seek to recover the cost of such services from the pet owner and/or the City in which the resident lives.

Part III: Licensing Services

Licensing services include the operation and maintenance of a unified system to license pets in Contracting Cities.

1. The public will be able to purchase pet licenses in person at the County Licensing Division public service counter in downtown Seattle (500 4th Avenue), King County Community Service Centers and the Kent Animal Shelter during regular business hours. The County will maintain on its website the capacity for residents to purchase pet licenses on-line.
2. The County may seek to engage and maintain a variety of private sector partners (e.g. veterinary clinics, pet stores, grocery stores, city halls, apartment complexes) as hosts for locations where licenses can be sold or promoted in addition to County facilities.
3. The County will furnish licenses and application forms and other materials to the City for its use in selling licenses to the public at City facilities and at public events.
4. The County will publicize reminders and information about pet licensing from time to time through inserts in County mailings to residents and on the County's public television channel.
5. The County will annually mail or E-mail at least one renewal form, reminder and late notice (as applicable) to the last known addresses of all City residents who purchased a pet license from the County within the previous year (using a rolling 12-month calendar).
6. The County may make telephone reminder calls in an effort to encourage pet license renewals.
7. The County shall mail pet license tags or renewal notices as appropriate to individuals who purchase new or renew their pet licenses.
8. The County will maintain a database of pets owned, owners, addresses and violations.
9. The County will provide limited sales and marketing support in an effort to maintain the existing licensing base and increase future license sales. The County reserves the right to determine the level of sales and marketing support provided from year to year in consultation with the Joint City-County Committee. The County will work with any City in which door-to-door canvassing takes place to reach agreement with the City as to the hours and locations of such canvassing.
10. The County will provide current pet license data files (database extractions) to a Contracting City promptly upon request. Data files will include pets owned, owners, addresses, phone numbers, E-mail addresses, violations, license renewal status, and any other relevant or useful data maintained in the County's database on pets licensed within the City's limits. A City's database extraction will be provided in electronic format agreed to by both parties in a timely fashion and in a standard data release format that is easily usable by the City.

Exhibit B: Control Service District Map

The attached map (**Exhibit B-1**) shows the boundaries of the 3 Control Service Districts as established at the commencement of this Amended and Restated Agreement.

The cities and towns included in each Control District are as follows:

District 200 (Northern District)	District 220 (Eastern District)
Shoreline Lake Forest Park Kenmore Woodinville Kirkland Redmond Sammamish Duvall Carnation	Bellevue Mercer Island Yarrow Point Clyde Hill Town of Beaux Arts Issaquah Snoqualmie North Bend Newcastle
District 500 (Southern District) Tukwila SeaTac Kent Covington Maple Valley Black Diamond Enumclaw	

The Districts shall each include portions of unincorporated King County as illustrated on **Exhibit B-1.**

Exhibit B-1

Control District Map

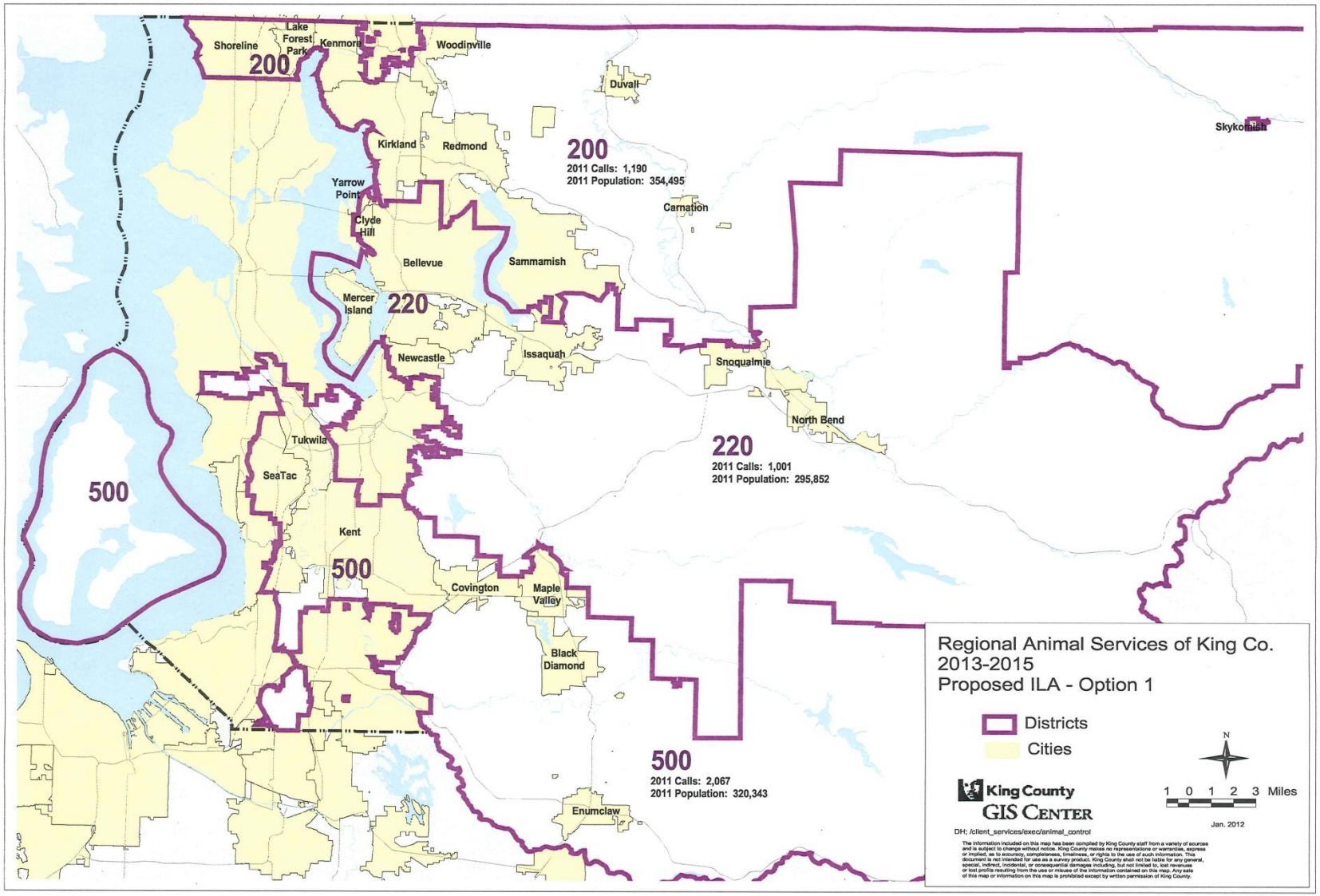


Exhibit C
Calculation of Estimated Payments

The Estimated Payment is the amount, before reconciliation, owed by the City to the County (or owed by the County to the City if the amount calculated is less than $0) for the provision of six months of Animal Services, based on the formulas below.

In summary and subject to the more detailed descriptions below, an initial cost allocation is made for Service Year 2013 based on the cost factors described in **Part 1** below; costs are offset by various revenues as described in **Part 2**. An annual reconciliation is completed as described in **Part 3**. In Service Years 2014 and 2015, the Contracting Parties' allocable costs are adjusted based on: (1) the actual change in total allocable costs over the previous Service Year (subject to an inflator cap), (2) changes in revenues, and (3) to account for annexations (in or out of the Program service area) of areas with a population of 2,500 or more, and for changes in relative population share of all Contracting Parties due to any Latecomer Cities. If the Agreement is extended past 2015, the cost allocation in 2016 will be recalculated in the same manner as for Service Year 2013 and adjusted in 2017 per the process used for Service Years 2014 and 2015.

Based on the calculation process described in **Parts 1** and **2**, an "Estimated Payment" amount owed by each City for each Service Year is determined. Each Estimated Payment covers six months of service. Payment for service is made by each City every June 15 and December 15.

<u>Part 1: Service Year 2013 Cost Allocation Process</u>

- Control Services costs are to be shared among the 3 geographic Control Districts; one quarter of such costs are allocated to Control District 200, one quarter to Control District 220, and one half are allocated to Control District 500. Each Contracting Party located within a Control District is to be allocated a share of Control District costs based 80% on the Party's relative share of total Calls for Service within the Control District and 20% on its relative share of total population within the Control District.

- Shelter Services costs are to be allocated among all Contracting Parties based 20% on their relative population and 80% on the total shelter intake of animals attributable to each Contracting Party, except that cities contracting for shelter services with PAWS will pay only a population-based charge.

- Licensing Services costs are to be allocated among all Contracting Parties, based 20% on their relative population and 80% on the number of licenses issued to residents of each Contracting Party.

Part 2: Revenue and Other Adjustments to the 2013 Cost Allocation.

In 2013 and each Service Year thereafter, the costs allocable to each Contracting Party are reduced by various revenues and credits:

- Licensing revenue will be attributed to each Contracting Party based on the residency of the individual purchasing the license (see **Part 3** for reconciliation of Licensing Revenues). As Licensing Revenue and Non-Licensing Revenues change from year to year, the most recent historical actual data for these amounts will be incorporated to offset costs (See **Exhibit C-6** for calculation periods).

- Two credits are applicable to various Contracting Cities to reduce the amount of their Estimated Payments: a Transition Funding Credit (fixed at 2013 level, payable annually through 2015) for cities with high per-capita costs and a Shelter Credit (for Contracting Cities with the highest per capita intakes (usage)) (also fixed at a 2013 level, payable annually through 2015). Application of these Credits is limited such that the Estimated Payment cannot fall below zero (before or after the annual Reconciliation calculation).

- In addition to the Transition Funding and Shelter credits, in 2013 the County will provide Licensing Revenue Support to nine identified Contracting Cities (selected based on the general goal of keeping 2013 costs the same or below 2012 costs). In exchange for certain in-kind support, these "Licensing Revenue Support Cities" are assured in 2013 of receiving an identified amount of additional licensing revenue or credit equivalent (the "Licensing Revenue Target"). In 2014 and 2015, all Contracting Cities may request licensing revenue support by entering into a separate licensing support contract with the County (**Exhibit F**): this support is subject to availability of County staff, with priority going to the nine Licensing Revenue Support Cities, *provided that,* Licensing Revenue Support Cities with a Licensing Revenue Target over $20,000/year will be assured such service in 2013-2015 by entering into a licensing support contract by September 1, 2012.

- As New Regional Revenues are received by the County to support the Animal Services Program, those Revenues shall be allocated as follows:

- Half of New Regional Revenues shall be applied to reduce allocable Control Services Costs, Shelter Services Costs, and Licensing Services Costs (in 2013, by 17%, 27% and 6%, respectively, of total New Regional Revenues; in 2014 and 2015 the 50% reduction is simply made against Total Allocable Costs).
- The remaining half of New Regional Revenues shall be applied in the following order of priority:

  (a) to offset amounts expended by the County as Transition Funding Credits, Shelter Credits and unreimbursed licensing revenue support;
  (b) to offset other County Animal Services Program costs that are not allocated in the cost model;
  (c) to reduce on a *pro-rata* basis up to 100% of the costs allocated to each Contracting Party by the population factor of the cost allocation formulas (20%) with the intent of reducing or eliminating the population-based cost allocation; and
  (d) if any funds remain thereafter, as an offset against each Contracting Party's final reconciled payment obligation. Items(c) and (d) above are unlikely to arise during the 3 year term of the Agreement and shall be calculated only at Reconciliation.

- In Service Years 2014 and 2015, allocable costs are adjusted for each Contracting Party based on the actual increase or decrease in allocable costs from year to year for the whole Program. Total Budgeted Allocable Costs cannot increase by more than the Annual Budget Inflator Cap. The Annual Budget Inflator Cap is the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including the unincorporated area and all Contracting Cities).

- In all Service Years, costs are also adjusted for annexations (in or out of the Program service area) of areas with a population greater of 2,500 or more and the shift in relative population shares among all Contracting Parties as a result of any Latecomer Cities.

Part 3: Reconciliation

- Estimated Payments are reconciled to reflect actual revenues as well as changes in population attributable to annexations of areas with a population of 2,500 or more (in or out of the Program) and the shifts in relative population among all Contracting Parties as a result of any Latecomer Cities. The Reconciliation occurs

by June 30 of the following calendar year. The Reconciliation calculation and payment process is described in **Exhibit D**.

- The receipt of Transition Funding Credits or Shelter Credits can never result in the amount of the Estimated Reconciliation Adjustment Payment falling below $0.

- If a jurisdiction's licensing revenues exceed its net costs payable under this Agreement, then in the annual reconciliation process, the excess licensing revenue is reallocated *pro rata* amongst all Contracting Parties which will otherwise incur net costs; *provided that,* the determination of net costs shall be adjusted as follows: (1) for a Contracting City purchasing shelter services from PAWS, net costs includes consideration of the amounts paid by such City to PAWS; and (2) for a Contracting City purchasing Enhanced Control Services per Exhibit E, net costs includes consideration of the amounts paid for such services.

Part 4: Estimated Payment Calculation Formulas

For Service Year 2013:[1]

EP = [(EC + ES + EL) – (ER + T + V)] ÷ 2

For Service Years 2014 and 2015:

EP = [(B x LF) – (ER +T + V)] ÷ 2

Where:

"EP" is the Estimated Payment. For Contracting Cities receiving a Transition Credit or Shelter Credit, the value of EP may not be less $0.

"EC" or "Estimated Control Services Cost" is the City's estimated share of the Budgeted Net Allocable Control Services Cost for the Service Year. *See formula below for deriving "EC."*

"ES" or "Estimated Shelter Services Cost" is the City's estimated share of the Budged Net Allocable Shelter Services Cost for the Service Year. *See formula below for deriving "ES."*

[1] This formula also applies to Service Year 2016 if the Agreement is extended. The EP formula for Years 2014 and 2015 would apply to Service Years after 2016.

"EL" or "Estimated Licensing Services Cost" is the City's estimated share of the Budgeted Net Allocable Licensing Services Cost for the Service Year. *See formula below for deriving "EL."*

"ER" is Estimated Licensing Revenue attributable to the City. For purposes of determining the Estimated Payment in Year 2013, ER is based on the number of each type of active license issued to City residents in years 2011 (the "Calculation Period"). **Exhibit C-2** shows a preliminary estimate of 2011 Licensing Revenue; the numbers in this exhibit are subject to Reconciliation by June 30, 2012. For Licensing Revenue Support Cities identified in **Exhibit C-5,** or other Contracting Cities which have entered into a Licensing Support Contract per **Exhibit F**, **ER** is increased by adding the amount of revenue, if any, estimated to be derived as a result of licensing revenue support provided to the City (the "Licensing Revenue Target" or "**RT**"); this amount is also shown in the column captioned "Estimated Revenue from Proposed Licensing Support" on **Exhibit C-1**). License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), which generally represents a very small fraction of overall revenue, is allocated amongst the Parties based on their respective percentages of ER as compared to Total Licensing Revenue. Notwithstanding the foregoing, "**ER**" may be based on a *estimated* amount of licensing for the Service Year for the City if, in the reasonable judgment of the County, an estimated Licensing Revenue amount can be proposed that is likely to more closely approximate the actual Licensing Revenue for the Service Year than the data from the Calculation Period; *provided that* the use of any estimates shall be subject to the conditions of this paragraph. The County shall work with the Joint City-County Committee to develop estimated Licensing Revenue amounts for all Contracting Cities for the upcoming Service Year. If the Joint City County Committee develops a consensus proposal (agreement shall be based on the consensus of those Contracting Cities present at the Joint City/County meeting in which Licensing Revenue estimates are presented in preparation for the September 1 Preliminary Estimated Payment Calculation notification), it shall be used in developing the September 1 Preliminary Estimated Payment Calculation. If a consensus is ***not*** reached, the County shall apply the actual Licensing Revenue from the Calculation Period for the Service Year to determine the Preliminary Estimated Payment. For the Final Estimated Payment Calculation (due December 15), the County may revisit the previous estimate with the Joint City-County Committee and seek to develop a final consensus revenue estimate. If a consensus is not reached, the County shall apply the Actual Licensing Revenue from the applicable Calculation Period in the calculation of the Final Estimated Payment.

"T" is the **Transition Funding Credit**, if any, allocable to the City for each Service Year calculated per **Exhibit C-4.**

"**V**" is the **Shelter Credit**, if any, allocable to the City for each Service Year calculated per **Exhibit C-4**.

"B" is the "**Budgeted Total Net Allocable Costs**" estimated for the Service Year for the provision of Animal Services which are allocated among all the Contracting Parties for the purposes of determining the Estimated Payment. The Budgeted Total Net Allocable Costs are calculated as the **Budgeted Total Allocable Costs** (subject to the **Annual Budget Inflator Cap**) *less* **Budgeted Total Non-Licensing Revenue** and *less* **50% of Estimated New Regional Revenues.** The Budgeted Total Allocable Costs *exclude* any amount expended by the County as Transition Funding Credits, or Shelter Credits (described in **Exhibit C-4**), or to provide Licensing Revenue Support (described in **Section 7** and **Exhibit C-5**). A preliminary calculation (by service area—Control, Shelter, Licensing) of Budgeted Total Net Allocable Costs, Budgeted Total Allocable Costs and Budgeted Total Non-Licensing Revenue for purposes of calculating the Pre-Commitment Estimated 2013 Payments is set forth in **Exhibit C-3**.

"**LF**" is the "**Program Load Factor**" attributable to the City. **LF** has two components, one fixed, and one subject to change each Service Year and at Reconciliation. The first, fixed component relates to the City's share of Budgeted Total Net Allocable Costs: it is the City's 2013 Service Year Total Animal Services Cost Allocation (See Column 6 of **Exhibit C-1**) *expressed as a percentage* of the Budgeted Total Net Allocable Costs for 2013. The pre-commitment estimate of **LF** appears in column 7 of **Exhibit C-1**. This component of **LF** (as determined based on the Final 2013 Estimated Payment) remains constant for Service Years 2014 and 2015. The second component of **LF** relates to annexations of areas with a population of 2,500 or more or to Latecomer Cities. This second component is calculated as described in the definition of "**Population,**" below.

"**Total Licensing Revenue**" means all revenue received by the County's Animal Services Program attributable to the sale of pet licenses excluding late fees. With respect to each Contracting Party, the amount of "**Licensing Revenue**" is the revenue generated by the sale of pet licenses to residents of the jurisdiction. (With respect to the County, the jurisdiction is the unincorporated area of King County.)

"**Total Non-Licensing Revenue**" means all revenue from fine, forfeitures, and all other fees and charges imposed by the County's Animal Services program in connection with the operation of the Program, *but excluding* **Total Licensing Revenue, Estimated New Regional Revenues** and **Designated Donations.**

"**Estimated New Regional Revenues**" ("**ENR**") are revenues projected to be received by the County specifically for support of Animal Services which result from regional marketing campaigns (thus excluding local licensing canvassing efforts pursuant to **Section 7**), and new foundation, grant, donation and entrepreneurial activities, except where revenues from these sources are designated for specific purposes within the Animal Services Program. Calculation and allocation of Estimated and Actual New Regional Revenues are further described in **Exhibit C-4**. For Service Year 2013, Estimated New Regional Revenues are assumed to be zero. If New Regional Revenues are received in 2013, they will be accounted for in the reconciliation of 2013 Payments. **ENR** excludes **Designated Donations, Total Non-Licensing Revenue** and **Total Licensing Revenue.**

"**Designated Donations**" mean donations from individuals or other third parties to the County made for the purpose of supporting specific operations, programs or facilities within the Animal Services Program.

"**Licensing Revenue Support"** means activities or funding to be undertaken in specific cities to enhance licensing revenues, per **Section 7**, **Exhibit C-5** and **Exhibit F**.

"**Annual Budget Inflator Cap**" means the maximum amount by which the Budgeted Total Allocable Costs may be increased from one Service Year to the next Service Year, and year to year, which is calculated as the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including the unincorporated area and all Contracting Cities), as identified by comparing the two most recently published July OFM city and county population reports. The cost allocations to individual services (e.g. Control Services, Shelter Services or Licensing Services) or specific items within those services may be increased or decreased from year to year in so long as the Budgeted Total Annual Allocable Costs do not exceed the Annual Budget Inflator Cap.

"**Service Year**" is the calendar year in which Animal Services are/were provided.

"**Calculation Period**" is the time period from which data is used to calculate the Estimated Payment. The Calculation Period differs by formula component and Service Year. **Exhibit C-6** sets forth in table form the Calculation Periods for all formula factors for Service Years 2013, 2014 and 2015.

"**Population**" with respect to any Contracting Party for Service Year 2013 means the population number derived from the State Office of Financial Management (OFM) most recent annually published report of population used for purposes of allocating state shared revenues in the subsequent calendar year (typically published by OFM each July,

reflecting final population estimates *as of April of the same calendar year*). For each Service Year, the OFM reported population will be adjusted for annexations of 2,500 or more residents known to be occurring after April, 2012 and before the end of the Service Year. *For example*, when the final Estimated Payment calculation for 2013 is provided on December 15, 2012, the population numbers used will be from the OFM report issued in July 2012 and will be adjusted for all annexations of 2,500 or more residents that occurred (or are known to be occurring) between April 2012 and December 31, 2013. In any Service Year, if: (1) annexations of areas with a population of 2,500 or more people occurs to impact the population within the jurisdiction of a Contracting Party; or (2) a Latecomer City is brought under contract with the County, these changes shall be accounted for in the calculation of the Estimated Payment for such Service Year by adjusting the "**Program Load Factor**" (or "**LF**") for each Contracting Party. Such adjustment shall be made at the next occurring possibility (e.g., at calculation of the Preliminary Estimated Payment, Final Estimated Payment, or Reconciliation, whichever is soonest). The adjustment in **LF** will be made on a *pro rata* basis to reflect the portion of the year in which the population change was in effect.

- In the case of an annexation, the LF calculation will consider the time the annexed area was in the Contracting Party's jurisdiction and the portion of the year in which the area was not in such Party's jurisdiction, as well as the relative shift in population (if any) *attributable solely to the annexation* as between all Contracting Parties, by adding (or subtracting) to the **LF** for each Contracting Party an amount that is 20% (reflecting the general allocation of cost under the Agreement based on population) of the *change in population* for each Contracting Party (*expressed as a percentage* of the Contracting Party's population as compared to the total population for all Contracting Parties) derived by comparing the Final 2013 Estimated Payment population percentage (**LF**) to the population percentage after considering the annexation. The population of an annexed area will be as determined by the Boundary Review Board, in consultation with the annexing city. The population of the unincorporated area within any District will be determined by the County's demographer.
- In the case of a Latecomer City, the population shall be similarly adjusted among all Contracting Parties in the manner described above for annexations, by considering the change in population between all Contracting Parties *attributable solely* to the Latecomer City becoming a Contracting Party.

Exhibit C-1 shows the calculation of Pre-Commitment **EP** for Service Year 2013, assuming that the County and all Cities that have expressed interest in signing this Agreement as of May 16, 2012, do in fact approve and sign the Agreement and as a result the Minimum Contract Requirements with respect to all such Cities and the County are met per **Section 15**.

<u>Component Calculation Formulas (used in Service Year 2013):</u>

EC is calculated as follows:

EC = {[(C x .5) x .8] x CFS} + {[(C x .5) x .2] x D-Pop}

Where:

"C" is the **Budgeted Net Allocable Control Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Control Services in the Service Year, ***less*** the Budgeted Total Non-Licensing Revenue attributable to Control Services in the Service Year (for example, fines issued in the field) ***and less 17%*** of Estimated New Regional Revenues ("**ENR**"). For purposes of determining the Pre-Commitment Estimated Payments for 2013, the Budgeted Net Allocable Control Services Cost is $1,690,447, calculated as shown on **Exhibit C-3,** and shall be similarly derived to determine the Preliminary and Final Estimated Payment for 2013 and for Service Year 2016 if the Agreement is extended beyond December 31, 2015.

"**CFS"** is the total annual number of Calls for Service for the Service Year for Control Services originating within the City *expressed as a percentage* of the CFS for all Contract Parties within the same Control District. A Call for Service is defined as a request from an individual, business or jurisdiction for a control service response to a location within the City, or a response initiated by an Animal Control Officer in the field, which is entered into the County's data system (at the Animal Services call center or the sheriff's dispatch center acting as back-up to the call center) as a request for service. Calls for information, hang-ups and veterinary transfers are not included in the calculation of Calls for Service. A response by an Animal Control Officer pursuant to an Enhanced Control Services Contract will not be counted as a Call for Service. For purposes of determining the Estimated Payment in 2013, the Calculation Period for CFS is calendar year 2011 actual data. **Exhibit C-2** shows a preliminary estimate of 2011 **CFS** used to determine the Pre-Commitment Estimated 2013 Payment; the numbers in this Exhibit C-2 are subject to Reconciliation by June 30, 2012.

"D-Pop" is the **Population** of the City, *expressed as a percentage* of the Population of all jurisdictions within the applicable Control District.

ES for Service Year 2013 is calculated as follows:

If, as of the effective date of this Agreement, the City has entered into a contract for shelter services with the Progressive Animal Welfare Society (PAWS) in Lynnwood, WA, then, for so long as such contract remains in effect, the City will not pay a share of shelter costs associated with shelter usage ("**A**" as defined below) and instead the Estimated Payment will include a **population-based charge only,** reflecting the regional shelter benefits nonetheless received by such City, calculated as follows (the components of this calculation are defined as described below).

ES = (S x.2 x Pop)

If the City **does not** qualify for the population-based shelter charge only, ES is determined as follows:

ES = (S x .2 x Pop) + (S x .8 x A)

Where:

"S" is the Budgeted Net Allocable Shelter Services Cost for the Service Year, which equals the County's Budgeted Total Allocable Costs for Shelter Services ***less*** Budgeted Total Non-Licensing Revenue attributable to Shelter operations (i.e., adoption fees, microchip fees, impound fees, owner-surrender fees, from all Contracting Parties) ***and less*** 27% of Estimated New Regional Revenues (**ENR**) in the Service Year. For purposes of determining the Pre-Commitment Estimated Payments for 2013, the Budgeted Net Allocable Shelter Services Cost is $2,707,453, calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Preliminary and Final Estimated Payments for 2013 and for Service Year 2016 if the Agreement is extended beyond December 31, 2015.

"Pop" is the population of the City expressed as a percentage of the Population of all Contracting Parties.

"A" is the total number of animals that were: (1) picked up by County Animal Control Officers from within the City, (2) delivered by a City resident to the County shelter, or (3) delivered to the shelter that are owned by a resident of the City *expressed as a percentage* of the total number of animals in the County Shelter during the Calculation Period. For purposes of the 2013 Estimated Payment, the Calculation Period for "**A**" is calendar year 2011. **Exhibit C-2** shows a preliminary estimate of "**A**" for 2011 used to determine the Pre-Commitment Estimated 2013 Payments; the numbers in this exhibit are subject to Reconciliation by June 30, 2012.

EL for Service Year 2013 is calculated as follows:

EL = (L x .2 x Pop) + (L x .8 x I)

Where:

"L" is the Budgeted Net Licensing Services Cost for the Service Year, which equals the County's Budgeted Total Allocable Costs for License Services in the Service Year ***less*** Budgeted Total Non-Licensing Revenue attributable to License Services (for example, pet license late fees) in the Service Year ***and less* 6%** of Estimated New Regional Revenues (ENR) in the Service Year. For purposes of determining the Pre-Commitment Estimated Payments for 2013, the Budgeted Net Licensing Cost is $660,375, calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Preliminary and final Estimated Payments for 2013 and for Service Year 2016 if the Agreement is extended beyond December 31, 2015.

"Pop" is the Population of the City expressed as a percentage of the population of all Contracting Parties.

"I" is the number of active paid regular pet licenses (e.g., excluding 'buddy licenses" or temporary licenses) issued to City residents during the Calculation Period. For purposes of calculating the Estimated Payment in 2013, the Calculation Period for **"I"** is calendar year 2011. **Exhibit C-2** shows a preliminary estimate of "**I**" to be used for calculating the Pre-Commitment Estimated 2013 Payments; the numbers in this Exhibit are subject to reconciliation by June 30, 2012.

Exhibit C-1

Regional Animal Services of King County
Pre-Commitment Estimated 2013 Payment Calculation (Annualized)

Allocation Method: Population = 20%, Usage = 80%, Three (3) Control Districts: 200, 220, with Control Districts 240 and 260 combined into one (500), costs to districts 25%, 25%, 50%. Usage and Licensing Revenue based on 2011 Preliminary Year End.

	Control	Shelter	Licensing	Total Allocated Costs (1)	2011 Licensing Revenue (est)	Estimated Net Cost
Budgeted Total Allocable Costs	**$1,770,487**	**$2,819,960**	**$673,640**	**$5,264,087**		
Budgeted Non-Licensing Revenue	**$80,040**	**$112,507**	**$13,265**	**$205,812**		
Budgeted New Regional Revenue (50%)	**$0**	**$0**	**$0**	**$0**		
Budgeted Net Allocable Costs	**$1,690,447**	**$2,707,453**	**$660,375**	**$5,058,275**	**$2,480,689**	**-$2,577,586**

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	Program Load Factor (9)	2011 Licensing Revenue (Estimated)	Estimated Net Cost Allocation	2013-2015 Transition Funding (Annual) (5)	2013 - 2015 Shelter Credits (Annual) (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Proposed Licensing Support (7)	Estimated Net Final Cost (8)
200	Carnation	$4,118	$3,497	$1,239	$8,854	0.1750%	$4,752	-$4,102	$552	$0	-$3,550	$966	-$2,584
	Duvall	$11,261	$15,264	$5,351	$31,876	0.6302%	$21,343	-$10,533		$0	-$10,533	$7,658	-$2,875
	Estimated Unincorporated King County	$83,837	*(see total below)*	*(see total below)*	*(see total below)*		*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kenmore	$37,911	$11,592	$15,423	$64,926	1.2836%	$58,602	-$6,324	$0	$0	-$6,324	$0	-$6,324
	Kirkland	$84,595	$99,626	$59,940	$244,162	4.8270%	$208,000	-$36,162		$0	-$36,162	$23,853	-$12,309
	Lake Forest Park	$22,894	$7,034	$12,099	$42,027	0.8309%	$48,504	$6,477	$0	$0	$6,477	$0	$6,477
	Redmond	$37,867	$54,303	$32,308	$124,478	2.4609%	$116,407	-$8,071	$0	$0	-$8,071	$0	-$8,071
	Sammamish	$35,341	$44,214	$31,129	$110,684	2.1882%	$117,649	$6,965	$0	$0	$6,965	$0	$6,965
	Shoreline	$92,519	$29,677	$38,194	$160,391	3.1709%	$145,689	-$14,702	$0	$0	-$14,702	$0	-$14,702
	Woodinville	$12,268	$6,103	$7,708	$26,079	0.5156%	$29,220	$3,141	$0	$0	$3,141	$0	$3,141
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		**$338,775**	**$271,310**	**$203,392**	**$813,477**		**$750,166**	**-$63,311**	**$552**	**$0**	**-$62,759**	**$32,477**	**-$30,282**
220	Beaux Arts	$86	$167	$246	$500	0.0099%	$930	$430	$0	$0	$430	$0	$430
	Bellevue	$142,322	$161,486	$75,249	$379,056	7.4938%	$273,931	-$105,125		$0	-$105,125	$34,449	-$70,676
	Clyde Hill	$1,866	$3,168	$1,952	$6,985	0.1381%	$7,170	$185	$0	$0	$185	$0	$185
	Estimated Unincorporated King County	$166,199	*(see total below)*	*(see total below)*	*(see total below)*		*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Issaquah	$53,351	$46,167	$16,279	$115,797	2.2893%	$55,947	-$59,850	$0	$0	-$59,850	$0	-$59,850
	Mercer Island	$13,581	$18,177	$13,853	$45,611	0.9017%	$49,962	$4,351	$0	$0	$4,351	$0	$4,351
	Newcastle	$16,484	$12,318	$4,657	$33,459	0.6615%	$15,271	-$18,188	$0	$0	-$18,188	$2,599	-$15,589
	North Bend	$15,851	$16,273	$4,128	$36,252	0.7167%	$15,694	-$20,558	$1,376	$586	-$18,596	$6,463	-$12,133
	Snoqualmie	$12,248	$11,116	$6,737	$30,101	0.5951%	$25,065	-$5,036	$0	$0	-$5,036	$0	-$5,036
	Yarrow Point	$625	$561	$760	$1,945	0.0385%	$2,700	$755	$0	$0	$755	$0	$755
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		**$256,413**	**$269,432**	**$123,862**	**$649,707**		**$446,670**	**-$203,037**	**$1,376**	**$586**	**-$201,075**	**$43,511**	**-$157,564**
500	Kent	$263,232	$794,101	$69,400	$1,126,733	22.2750%	$253,944	-$872,789	$110,495	$495,870	-$266,424	$0	-$266,424
	SeaTac	$79,732	$184,894	$13,311	$277,938	5.4947%	$47,232	-$230,706	$7,442	$116,611	-$106,653	$0	-$106,653
	Tukwila	$49,635	$110,787	$9,229	$169,652	3.3539%	$32,705	-$136,947	$5,255	$61,987	-$69,705	$0	-$69,705
	Black Diamond	$8,084	$14,340	$2,685	$25,108	0.4964%	$10,185	-$14,923	$1,209	$3,263	-$10,451	$2,001	-$8,450
	Covington	$52,490	$82,456	$12,634	$147,580	2.9176%	$48,982	-$98,598	$5,070	$36,409	-$57,119	$0	-$57,119
	Enumclaw	$41,747	$56,672	$6,920	$105,340	2.0825%	$25,307	-$80,033	$11,188	$28,407	-$40,438	$5,973	-$34,465
	Estimated Unincorporated King County	$309,089	*(see total below)*	*(see total below)*	*(see total below)*		*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Maple Valley	$41,215	$68,380	$15,080	$124,675	2.4648%	$56,628	-$68,047	$6,027	$6,867	-$55,153	$6,956	-$48,197
SUBTOTAL FOR CITIES IN 500 (excludes unincorporated area)		**$536,135**	**$1,311,631**	**$129,259**	**$1,977,025**		**$474,983**	**-$1,502,042**	**$146,686**	**$749,414**	**-$605,942**	**$14,930**	**-$591,012**
	TOTAL FOR CITIES	**$1,131,322**	**$1,852,373**	**$456,514**	**$3,440,209**		**$1,671,819**	**-$1,768,390**	**$148,614**	**$750,000**	**-$869,776**	**$90,918**	**-$778,858**
	Total King County Unincorporated Area Allocation	***$559,125***	***$855,080***	***$203,861***	***$1,618,065***	31.9885%	***$808,870***	***-$809,195***					***-$809,195***
		$1,690,447	$2,707,453	$660,375	$5,058,275	100.00%	$2,480,689	-$2,577,586					

Source: Regional Animal Services of King County

Date: Jan 30, 2012 (Draft) Updated 5-25-12

Numbers are estimates only for the purpose of negotiation discussions. The numbers and allocation methodology are subject to change while negotiations are underway.

Exhibit C-1, cont'd.

Notes:

1. Based on various efficiencies and changes to the RASKC operating budget, adjustments for reduced intakes overall, reduced usage with Auburn out, and shifting two positions out of the model (county sponsored), the 2013 Estimated Budgeted Total Allocable Cost has been reduced to $5,264,087.
2. One quarter of control services costs are allocated to control districts 200 and 220, and one half of control costs are allocated to district 500, then costs are further allocated 80% by total call volume (2011 Calls - Preliminary year end) and 20% by 2011 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 80% by King County shelter volume intake (2011 Preliminary year end) and 20% by 2011 population.
4. Licensing costs are allocated 20% by population (2011) and 80% by total number of Pet Licenses issued (2011) less $0.00 Sr. Lifetime Licenses.

5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. For additional detail, see 2010 Interlocal Agreement Exhibit C-4 (2013 column) for more information. Transition Funding does not change for years 2013 - 2015.
6. Credits are allocated to those jurisdictions whose shelter intakes per capita exceeded the system average (.0043) and are intended to help minimize the impact of changing the cost allocation methodology from 50% population/50 usage to the new 20% population/80% usage model. See Interlocal Agreement Exhibit C-4 for more detail.
7. New Transition License Funding has been included for certain jurisdictions to help limit the Estimated Net Final Cost to the 2012 estimated level. Receipt of support is contingent on city providing in-kind services and county ability to provide resources and/or recover costs
8. Net Final Costs greater than $0 will be reallocated to remaining jurisdictions with a negative net final cost, northern cities Net Final Costs shall be inclusive of their PAWS Sheltering costs.
9. Program Load Factor (LF) , per ILA Exhibit C, Part 4, Estimated Payment Calculation Formula, is the City's share of Budgeted Total Net Allocable Costs: it is the City's 2013 Service Year Total Animal Services Cost Allocation expressed as a percentage of the Budgeted Total Net Allocable Costs for 2013. Refer to the ILA for additional details.

Exhibit C-2

Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Pre-Commitment 2013 Estimated

Source: Wash. St. Office of Financial Management, KC Office of Management and Budget, Regional Animal Services of KC
Date: February 22, 2012

Proposed District	Jurisdiction	2011 Population	Estimated 2013 Calls	Estimated 2013 Intakes	Estimated 2013 Licenses
200	Bothell				
	Carnation	1,780	13	5	160
	Duvall	6,715	34	23	712
	Estimated Unincorporated King County	65,642	240	*(see total below)*	*(see total below)*
	Kenmore	20,780	116	0	2,021
	Kirkland	80,738	230	109	7,855
	Lake Forest Park	12,610	70	0	1,666
	Redmond	55,150	87	47	3,980
	Sammamish	46,940	85	36	3,970
	Shoreline	53,200	281	0	4,967
	Woodinville	10,940	34	0	998
220	Beaux Arts	300	0	0	33
	Bellevue	123,400	317	185	9,380
	Clyde Hill	2,985	3	3	248
	Estimated Unincorporated King County	87,572	418	*(see total below)*	*(see total below)*
	Issaquah	30,690	132	58	1,942
	Mercer Island	22,710	21	11	1,727
	Newcastle	10,410	40	13	520
	North Bend	5,830	42	26	535
	Snoqualmie	10,950	27	10	842
	Yarrow Pt	1,005	1	0	100
500	Kent (Includes Panther Lake Annexation)	118,200	614	1,454	8,555
	SeaTac	27,110	200	339	1,544
	Tukwila	19,050	121	200	1,065
	Auburn	0	0	0	0
	Black Diamond	4,160	18	24	340
	Covington	17,640	132	145	1,642
	Enumclaw	10,920	110	101	872
	Estimated Unincorporated King County	100,333	783	*(see total below)*	*(see total below)*
	Maple Valley	22,930	89	111	1,919
City Totals		**782,785**	**2,817**	**2,900**	**57,593**
King County Unincorporated Area Totals		187,905	1,441	1,425	27,175
TOTALS		***970,690***	***4,258***	***4,325***	***84,768***

Note: Usage data from 2011 activity. License count excludes Senior Lifetime Licenses

Exhibit C-3

Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

This Exhibit Shows the Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs to derive Pre-Commitment Estimated 2013 Payments. All values shown are based on annualized costs and revenues. The staffing levels incorporated in this calculation are for year 2013 only and except as otherwise expressly provided in the Agreement may change from year to year as the County determines may be appropriate to achieve efficiencies, etc.

Control Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of Pre-Commitment Estimated 2013 Control Services Costs is shown below (all costs in 2012 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$148,361
2	Direct Service Field Staff Costs	$725,879
3	Call Center Direct Service Staff Costs	$229,697
4	Overtime, Duty, Shift Differential and Temp Costs	$80,891
5	Facilities Costs	$8,990
6	Office and Other Operational Supplies and Equipment	$17,500
7	Printing, Publications, and Postage	$34,000
8	Medical Costs	$22,500
9	Other Services	$80,000
10	Transportation	$141,904
11	Communications Costs	$38,811
12	IT Costs and Services	$50,626
13	Misc Direct Costs	$41,900
14	General Fund Overhead Costs	$15,842
15	Division Overhead Costs	$110,490
16	Other Overhead Costs	$23,096
	2010 Budgeted Total Allocable Control Services Cost	$1,770,487
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Control Services	$80,040
18	Less 17% of Estimated New Regional Revenues for 2013	0
	2010 Budgeted Net Allocable Control Services Cost	$1,690,447

NOTES:

4 These additional salary costs support complete response to calls at the end of the day, limited response to emergency calls after hours, and extra help during peak call times.

5 Facilities costs include maintenance and utilities for a portion (5%) of the Kent Shelter (which houses the call center staff operations and records retention as well as providing a base station for field officers). Excludes all costs associated with the Crossroads facility.

6 This item includes the office supplies required for both the call center as well as a wide variety of non-computer equipment and supplies related to animal control field operations (e.g., uniforms, tranquilizer guns, boots, etc.).

7 This cost element consists of printing and publication costs for various materials used in the field for animal control.

8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services.

9 Services for animal control operations vary by year but consist primarily of consulting vets and laboratory costs associated with cruelty cases.

10 Transportation costs include the cost of the maintenance, repair, and replacement of the animal care and control vehicles and cabs, fuel, and reimbursement for occasional job-related use of a personal vehicle.

11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.

12 Information technology direct costs include IT equipment replacement as well as direct services costs. Excludes approximately $50,000 in service costs associated with mainframe systems.

13 Miscellaneous direct costs consist of all animal control costs not listed above including but not limited to contingency, training, certification, and bad checks.

14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.

15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.

16 Other overhead costs include IT, telecommunications, finance, and property services.

17 Non-licensing revenue attributable to field operations include animal control violation penalties, charges for field pickup of deceased/owner relinquished animals, and fines for failure to license.

Shelter Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of Pre-Commitment Estimated 2013 Shelter Services Costs is shown below (all costs in 2012 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$214,815
2	Direct Service Shelter Staff Costs	$1,168,436
3	Direct Service Clinic Staff Costs	$286,268
4	Overtime, Duty, Shift Differential and Temp Costs	$159,682
5	Facilities Costs	$170,814
6	Office and Other Operational Supplies and Equipment	$94,200
7	Printing, Publications, and Postage	$20,000
8	Medical Costs	$127,500
9	Other Services	$122,500
10	Transportation	$10,566
11	Communications Costs	$6,200
12	IT Costs and Services	$51,360
13	Misc Direct Costs	$60,306
14	General Fund Overhead Costs	$113,614
15	Division Overhead Costs	$176,572
16	Other Overhead Costs	$37,124
	2010 Budgeted Total Allocable Shelter Services Cost	$2,819,960
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Shelter Services	$112,507
18	Less 27% of Estimated New Regional Revenues for 2013	0
	2010 Budgeted Net Allocable Shelter Services Cost	$2,707,453

NOTES:

5 Facilities costs include maintenance and utilities for the majority (95%) of the Kent Shelter (which also houses the call center staff operations and records retention as well as providing a base station for field officers). It excludes all costs associated with the Crossroads facility.

6 This item includes the office supplies as well as a wide variety of non-computer equipment and supplies related to animal care (e.g., uniforms, food, litter, etc.).

7 This cost element consists of printing and publication costs for various materials used at the shelter.

8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services as well as the cost for consulting vets, laboratory costs, medicine, and vaccines.

9 Services for animal control operations vary by year but include costs such as shipping of food provided free of charge and sheltering of large animals.
10 Transportation costs include the cost of the maintenance, repair, and replacement of and fuel for the animal care and control vehicles used by the shelter to facilitate adoptions, as well as reimbursement for occasional job-related use of a personal vehicle.
11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.
12 Information technology direct costs include IT equipment replacement as well as direct services costs.
13 Miscellaneous direct costs consist of all animal care costs not listed above including but not limited to contingency, training, certification, and bad checks.
14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
16 Other overhead costs include IT, telecommunications, finance, and property services.
17 Non-licensing revenue attributable to sheltering operations include impound fees, microchip fees, adoption fees, and owner relinquished euthanasia costs.

Licensing Services: Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs

The calculation of Pre-Commitment Estimated 2013 Licensing Services Costs is shown below (all costs in 2012 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$52,917
2	Direct Service Licensing Staff Costs	$346,523
3	Overtime, Duty, Shift Differential and Temp Costs	$26,295
4	Facilities Costs	$13,100
5	Office and Other Operational Supplies and Equipment	$3,300
6	Printing, Publications, and Postage	$74,600
7	Other Services	$14,500
8	Communications Costs	$2,265
9	IT Costs and Services	$77,953
10	Misc Direct Costs	$2,000
11	General Fund Overhead Costs	$9,884
12	Division Overhead Costs	$39,280
13	Other Overhead Costs	$11,023
	2010 Budgeted Total Allocable Licensing Services Cost	$673,640
14	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Licensing Services	$13,265
15	Less 6% of Estimated New Regional Revenue	-0-
	2010 Budgeted Net Allocable Licensing Services Cost	$660,375

NOTES:

4 Facilities costs include maintenance and utilities for the portion of the King County Administration building occupied by the pet licensing staff and associated records.

5 This item includes the office supplies required for the licensing call center.

6 This cost element consists of printing, publication, and distribution costs for various materials used to promote licensing of pets, including services to prepare materials for mailing.

7 Services for animal licensing operations include the purchase of tags and monthly fees for online pet licensing hosting.

8 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.

9 Information technology direct costs include IT equipment replacement as well as direct services costs. Excludes approximately $120,000 in service costs associated with mainframe systems.

10 Miscellaneous direct costs consist of all pet licensing costs not listed above including but not limited to training, certification, transportation, and bad checks.

11 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
12 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
13 Other overhead costs include IT, telecommunications, finance, and property services.
14 Non-licensing revenue attributable to licensing operations consists of licensing late fees.

Exhibit C-4

Calculation and Allocation of Transition Funding Credit (”T”), Shelter Credit (“V”), and Estimated New Regional Revenue (“ENR”)

A. Transition Funding Credit

The Transition Funding Credit as originally calculated in the 2010 Agreement offset costs to certain Contracting Cities that would have otherwise paid the highest per capita costs for Animal Services in 2010. The credit was scheduled on a declining basis over four years (2010-2013). In this Agreement, the Contracting Cities qualifying for this credit are listed in Table 1 below; these cities will receive the credit at the level calculated for 2013 in the 2010 Agreement for Service Years 2013, 2014 and 2015, provided that, application of the credit can never result in the Estimated Payment Amount being less than zero ($0) (i.e., cannot result in the County owing the City an Estimated Payment). The allocation of the Transition Funding Credit is shown in **Table 1** below.

Table 1: Transition Funding Credit – Annual Amount to be allocated each year in the period from 2013-2015

Jurisdiction	Transition Funding Credit
Carnation	$552
North Bend	$1,376
Kent	$110,495
SeaTac	$7,442
Tukwila	$5,255
Black Diamond	$1,209
Covington	$5,070
Enumclaw	$11,188
Maple Valley	$6,027

Note: The Transitional Funding Credit is the same regardless of which cities sign the Agreement.

B. Shelter Credit

The Shelter Credit is designed to offset costs for those Contracting Cities whose per capita shelter intakes (“**A**”) exceed the average for all Contracting Parties. A total of $750,000 will be applied as a credit in each of the Service Years 2013-2015 to Contracting Cities whose per capita average shelter intakes (“**A**”) exceeds the average for all Contracting Parties; *provided that* application of the Shelter Credit can never result in the Estimated Payment amount being less than zero ($0) (i.e., cannot result in the County owing the City an Estimated Payment.) The 2013 Shelter Credit was determined based on estimated animal

intakes ("**A**") for Calendar Year 2011 as shown on **Exhibit C-2**. The $750,000 was allocated between every Contracting City with animal intakes over the estimated 2011 Program average, based on each Contracting City's relative per capita animal intakes in excess of the average for all Contracting Parties. The Shelter Credit will be paid at the 2013 level in Service Years 2014 and 2015. The County will consider providing the Shelter Credit in Service Years 2016 and 2017 at the same level as for Service Year 2013.

Table 3: Annual Shelter Credit Allocation—2013 through 2015

City	Shelter Credit
North Bend	$586
Kent	$495,870
SeaTac	$116,611
Tukwila	$61,987
Black Diamond	$3,263
Covington	$36,409
Enumclaw	$28,407
Maple Valley	$6,867

C. New Regional Revenue: Estimation and Allocation

Goal

New Regional Revenue for each Service Year shall be estimated as part of the development of the Estimated Payment calculations for such Service Year. The goal of the estimate shall be to reduce the amount of Estimated Payments where New Regional Revenue to be received in the Service Year can be calculated with reasonable certainty. The Estimated New Regional Revenue will be reconciled annually to account for actual New Regional Revenue received, per **Exhibit D**.

Calculation of Estimated New Regional Revenue (ENR)

1. The value of the Estimated New Regional Revenue for Service Year 2013 is zero.

2. For Service Years after 2013, the Estimated New Regional Revenue will be set at the amount the County includes for such revenue in its adopted budget for the Service Year. For purposes of the Preliminary Estimated Payment calculation, the County will include its best estimate for New Regional Revenue at the time the calculation is issued, after first presenting such estimate to the Joint City County Committee for its input.

Application of ENR

1. For Service Years 2013 and 2016, 50% of the Estimated New Regional Revenue is incorporated into the calculations of **EC** and **ES** and **EL** as described in **Exhibit C, specifically:**
    a. 17% of total Estimated New Regional Revenue is applied to reduce the total Budgeted Net Allocable Control Services Cost.
    b. 27% of total Estimated New Regional Revenue is applied to reduce the total Budgeted Net Allocable Shelter Services Cost.
    c. 6% of total Estimated New Regional Revenue is applied to reduce the total Budgeted Net Allocable Licensing Services Cost.

    These amounts are reconciled as against actual New Regional Revenue (**ENR**$_A$) in the annual Reconciliation process. In 2014, 2015 and 2017 the 50% is simply deducted against Budgeted Total Allocable Costs to derive Budgeted Total Net Allocable Costs.

2. For each Service Year, the remaining 50% of Estimated New Regional Revenue is first applied to offset County contributions to the Program, in the following order of priority.
    a. Offset payments made by the County to fund Transition Funding Credits, Shelter Credits, Impact Mitigation Credits (if any) and un-reimbursed Licensing Revenue Support.
    b. Offset County funding of Animal Services Program costs that are not included in the cost allocation model described in **Exhibit C**, specifically, costs of:
        i. The medical director and volunteer coordinator staff at the Kent Shelter.
        ii. Other County-sponsored costs for Animal Services that are not included in the cost models described in **Exhibit C**.
    c. In the event any of the 50% of Estimated New Regional Revenue remains after applying it to items (a) and (b) above, the remainder ("**Residual New Regional Revenue**") shall be held in a reserve and applied to the benefit of all Contracting Parties as part of the annual Reconciliation process, in the following order of priority:
        i. First, to reduce *pro-rata* up to 20% of each Contracting Party's Estimated Total Animal Services Cost Allocation (6th column in the spreadsheet at **Exhibit C-1**), thereby reducing up to all cost allocations based on population. This is the factor "**X**" in the Reconciliation formula.
        ii. Second, to reduce *pro rata* the amount owing from each Contracting Party with net final costs > 0 after consideration of all other factors in the Reconciliation formula.

Offsets described in (a) and (b) above do not impact the calculation of Estimated Payments or the Reconciliation of Estimated Payments since they are outside the cost model. The allocations described in (c) above, if any, will be considered in the annual Reconciliation as described in **Exhibit D**.

Exhibit C-5
Licensing Revenue Support

A. The Contracting Cities that will receive licensing revenue support in 2013 are listed below (collectively, these nine cities are referred to as the "Licensing Revenue Support Cities"). These Cities have been selected by comparing the estimated 2013 Net Final Costs shown in **Exhibit C-1** to the 2012 Estimated Net Final Cost.[2] Where the 2013 Net Final Cost estimate was higher than the 2012 estimate, the difference was identified as the 2013 Licensing Revenue Target.

B. For any Licensing Revenue Support City in **Table 1** whose Preliminary 2013 Estimated Payment is lower than the Pre-Commitment Estimate shown in **Exhibit C-1**, the Licensing Revenue Target ("**RT**") and the Revenue Goal ("**RG**") will be the reduced by an amount equivalent to the reduction between the Pre-Commitment and Preliminary Estimated Payment amounts for 2013.

Table 1:
2013 Licensing Revenue Support Cities, Licensing Revenue Targets and Revenue Goals*

City	2013 Licensing Revenue Target "RT" (*increment*)	Base Year Revenue (2011 Estimate per Exhibit C-2) "Base Amount"	Revenue Goal "RG" (*total*)
City of Carnation	$966	$4,752	$5,718
City of Duvall	$7,658	$21,343	$29,001
City of Kirkland	$23,853	$208,000	$231,853
City of Bellevue	$34,449	$273,931	$308,380
City of Newcastle	$2,599	$15,271	$17,870
City of North Bend	$6,463	$15,694	$22,157
City of Black Diamond	$2,001	$10,185	$12,186
City of Enumclaw	$5,973	$25,307	$31,280
City of Maple Valley	$6,956	$56,628	$63,584

*Amounts in this table are subject to adjustment per Paragraph B above.

C. The 2013 Licensing Revenue Target ("**RT**") is the amount each City in **Table 1** will receive in 2013, either in the form of additional licensing revenues over the Base Year amount or as a **Licensing Revenue Credit** ("**LRC**") applied at Reconciliation.

[2] For Contracting Cities that purchase shelter services from PAWS, the target was based on the Pre-Commitment 2013 Estimated Payment calculated in February 2012 during contract negotiations.

D. As further described in **Section 7** and **Exhibit C-5**, licensing revenue support services include the provision of County staff and materials support (which may include use of volunteers or other in-kind support) as determined necessary by the County to generate the Licensing Revenue Target.

E. In 2014 and 2015, any Licensing Revenue Support City or other Contracting City may request licensing revenue support services from the County under the terms of **Exhibit F.** Provision of such services is subject to the County determining it has capacity to perform such services. *Notwithstanding the foregoing*, a Licensing Revenue Support City for which **RT** is in excess of $20,000 per year may receive licensing revenue support service in all three years, but only if by September 1, 2012, it commits to providing in-kind support in all three Services Years by executing the contract in **Exhibit F** with respect to ***all 3 Service Years*** (2013, 2014 and 2015). Allocation of licensing revenue support services in 2014 and 2015 will be prioritized first to meet the County's contractual commitment, if any, to a Licensing Revenue Support City that has entered into a 3-year agreement for such service. Thereafter, service shall be allocated to Licensing Revenue Support Cities requesting such service on first-come, first-served basis; and thereafter to any other Contracting City requesting such service on a first-come, first-served basis.

Table 2:
Calculation of Estimated Payments and Licensing Revenue Credits for Licensing Revenue Support Cities

For Service Year 2013:

- The Estimated Payment calculation will include the 2013 Licensing Revenue Support Target ("RT"), if any, for the City per Table 1 above in the calculation of Estimated Licensing Revenues ("ER") (these amounts are shown in separate columns on **Exhibit C-1**).

- At Reconciliation:
  - For Cities with a **RT** > $20,000, Actual Licensing Revenue for 2013 **("AR_{2013}")** will be determined by allocating 65% of Licensing Revenues received (if any) over the Base Amount to determine AR_{2013}
  - if Actual Licensing Revenue for 2013 **("AR_{2013}")** ≥ Revenue Goal **("RG")**, then no additional credit is payable to the City **("LRC"** = $0)
  - If **AR_{2013} < RG**, then the difference (**RG-AR**) is the Licensing Revenue Credit ("**LRC**") included in the Reconciliation Adjustment Amount ***provided that***, for Cities whose **RT** >$20,000, 35% of Licensing Revenues over the Base Amount shall be allocated to *increase* ("LRC") when the value of $ANFC_0$ is being calculated at Reconciliation, *and provided further*, that in all cases **LRC** cannot exceed the 2013 Licensing Revenue Target for the City.

For **Service Year 2014**, if the City and County have executed a Licensing Support Contract per **Exhibit F**, and the City is therefore providing additional in-kind services in order to generate licensing revenue support in 2014, then:

- The Estimated Payment for 2014 will include Estimated Licensing Revenues calculated at the amount of Actual Revenue ("**AR**") for 2012 or the Revenue Goal (**RG)**, whichever is greater. **RG** will be the amount in Table 1 for Licensing Revenue Support Cities, or such other amount as the Parties may agree in the Licensing Support Contract.
- At Reconciliation:
  - For Cities with a **RT** > $20,000, $\mathbf{AR}_{2014}$ will be determined by allocating 65% of Licensing Revenues received (if any) over the Base Amount to determine $\mathbf{AR}_{2014}$
  - If Actual Licensing Revenue in 2014 is greater than the Revenue Goal ($\mathbf{AR}_{2014} \geq \mathbf{RG}$), then
    - no Licensing Revenue Credit is payable to the City (**LRC** = $0), and
    - The County shall charge the City for an amount which is ***the lesser of***: (a) the cost of County's licensing support services in 2014 to the City (as defined in the Licensing Support Contract for 2014), or (b) the amount by which $\mathbf{AR}_{2014} > \mathbf{RG}$.
  - If $\mathbf{A}_{R2014} < \mathbf{RG}$, then the difference ($\mathbf{RG-A}_{R2014}$) is **LRC.** The **LRC** amount is added to reduce the City's costs when calculating the Reconciliation Adjustment Amount, ***provided that***, for Cities whose **RT** >$20,000, 35% of Licensing Revenues over the Base Amount shall be allocated to *increase* ("LRC") a when the value of $ANFC_0$ is being calculated at Reconciliation, and ***provided further*** that in all cases **LRC** cannot exceed the 2013 Licensing Revenue Target for the City.

For **Service Year 2015**, the process and calculation shall be the same as for 2014, e.g.: if the City and County have executed **Exhibit F**, and the City is therefore providing additional in-kind services in order to generate Licensing Revenue Support in 2015, then:

- The Estimated Payment for 2015 will include Estimated Licensing Revenues calculated at the amount of Actual Revenue ("**AR")** for 2013 (excluding **LRC** paid for Service Year 2013) or **RG**, whichever is greater. **RG** will be the amount in **Table 1** for Licensing Revenue Support Cities, or such other amount as the Parties may agree in the Licensing Support Contract.
- At Reconciliation:
  - For Cities with a **RT** > $20,000, $\mathbf{AR}_{2015}$ will be determined by allocating 65% of Licensing Revenues received (if any) over the Base Amount to determine $\mathbf{AR}_{2015}$
  - If Actual 2015 Licensing Revenue is greater than the Revenue Goal ($\mathbf{AR}_{2015} \geq$

RG), then

- no Licensing Revenue Credit is payable to the City (**LRC** = $0), and
- The County shall charge the City for an amount which ***is the lesser of***: (a) the cost of County's licensing support services in 2015 to the City (as defined in the Licensing Support Contract for 2015), or (b) the amount by which $\mathbf{AR_{2015} > RG}$.

- If $\mathbf{AR_{2015} < RG}$, then the difference ($\mathbf{RG\text{-}AR_{2015}}$) is **LRC**. The **LRC** amount is added to reduce the City's costs when calculating the Reconciliation Adjustment Amount; ***provided that***, for Cities whose **RT** >$20,000, 35% of Licensing Revenues over the Base Amount shall be allocated to *increase* ("LRC") when the value of $ANFC_0$ is being calculated at Reconciliation, and and ***provided further*** that in all cases **LRC** cannot exceed the 2013 Licensing Revenue Target for the City.

Exhibit C-6:

Summary of Calculation Periods for Use and Population Components

This Exhibit restates in summary table form the Calculation Periods used for calculating the usage and population components in the formulas to derive Estimated Payments. *See* **Exhibit C** for complete formulas and definitions of the formula components.

ER is estimated Licensing Revenue attributable to the City
CFS is total annual number of Calls for Service originating in the City
A is the number of animals in the shelter attributable to the City
I is the number of active paid regular pet licenses issued to City residents
ENR is the New Regional Revenue estimated to be received during the Service Year
Pop is Population of the City expressed as a percentage of all Contracting Parties; **D-Pop** is Population of the City expressed as a percentage of the population of all jurisdictions within a Control District

Calculation Periods -- Service Year 2013

Component	**Preliminary Estimated 2013 Payment** (published August 2012)	**Estimated 2013 Payment (final)** (published December 15 2012)	**Reconciliation Payment Amount** (determined June 2014)
ER (Estimated Revenue)	**Actual 2011**	**Same**	**Actual 2013**
CFS (Calls for Service)	**Actual 2011**	**Same**	**N/A**
A (Animal intakes)	**Actual 2011**	**Same**	**N/A**
I (Issued Pet Licenses)	**Actual 2011**	**Same**	**N/A**
ENR (Estimated New Regional Revenue)	**Estimated 2013 ($0)**	**Estimated 2013 ($0)**	**Actual 2013**
Pop, D-Pop (Population)	**July 2012 OFM report, adjusted for annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April 2012 and before the**	**Same, adjusted for all annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April 2012 and before the end of 2013**	**Same, adjusted for all annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April and before the end of 2013**

	end of 2013.		

Calculation Periods: Service Year 2014

Component	**Preliminary Estimated 2014 Payment** (published September 2013)	**Estimated 2014 Payment** (published December 2013)	**Reconciliation Payment Amount** (determined June 2015)
ER	**Actual 2012**	**Same**	**Actual 2014**
CFS	**N/A**	**N/A**	**N/A**
A	**N/A**	**N/A**	**N/A**
I	**N/A**	**N/A**	**N/A**
ENR	**Estimated 2014**	**Estimated 2014**	**Actual 2014**
Pop, D-Pop	**July 2012 OFM report, adjusted for all annexations ≥ 2,500 known to take effect (and Latecomer Cities joining) after April 2012 and before the end of 2014.**	**Same, adjusted for all annexations ≥ 2,500 known to take effect (and Latecomer Cities joining) after April 2012 and before the end of 2014**	**Same, adjusted for all annexations ≥ 2,500 (and Latecomer Cities joining) occurring after April 2012 and before the end of 2014**

Calculation Periods: Service Year 2015

Component	**Preliminary Estimated 2015 Payment** (published September 2014)	**Estimated 2015 Payment** (published December 2014)	**Reconciliation Payment Amount** (determined June 2016)
ER	**Actual 2013**	**Same**	**Actual 2015**
CFS	**N/A**	**N/A**	**N/A**
A	**N/A**	**N/A**	**N/A**
I	**N/A**	**N/A**	**N/A**
ENR	**Estimated 2015**	**Estimated 2015**	**Actual 2015**
Pop, D-Pop	**July 2012 OFM report, adjusted for all annexations ≥ 2,500 known take effect (and Latecomer Cities joining) after April 2012 and before the end of 2015.**	**Same, adjusted for all annexations ≥ 2,500 known to take effect (and Latecomer Cities joining) after April 2012 and before the end of 2015**	**Same , adjusted for all annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April 2012 and before the end of 2015**

If the Agreement is extended past 2015 for an additional 2 years, the calculation periods for 2016 shall be developed in a manner comparable to Service Year 2013, and for 2017 shall be developed in a manner comparable to year 2014.

Exhibit C-7
Payment and Calculation Schedule

Service Year 2013

Item	Date
Preliminary estimate of 2013 Estimated Payments provided to City by County	August 1, 2012
Final Estimated 2013 Payment calculation provided to City by County	December 15, 2012
First 2013 Estimated Payment due	June 15, 2013
Second 2013 Estimated Payment due	December 15, 2013
2013 Reconciliation Adjustment Amount calculated	On or before June 30, 2014
2013 Reconciliation Adjustment Amount payable	On or before August 15, 2014

Service Year 2014

Item	Date
Preliminary estimate of 2014 Estimated Payments provided to City by County	September 1, 2013
Final Estimated 2014 Payment calculation provided to City by County	December 15, 2013
First 2014 Estimated Payment due	June 15, 2014
Second 2014 Estimated Payment due	December 15, 2014
2014 Reconciliation Adjustment Amount calculated	On or before June 30, 2015
2014 Reconciliation Adjustment Amount Payable	August 15, 2015

Service Year 2015

Item	Date
Preliminary estimate of 2015 Estimated Payments provided to City by County	September 1, 2014
Final Estimated 2015 Payment calculation provided to City by County	December 15, 2014
First 2015 Estimated Payment due	June 15, 2015
Second 2015 Estimated Payment due	December 15, 2015
2015 Reconciliation Adjustment Amount calculated	On or before June 30, 2016
2015 Reconciliation Adjustment Amount Payable	August 15, 2016

If the Agreement is extended past December 31, 2015, the schedule is developed in the same manner as described above for years 2016 and 2017.

Additional timelines are in place to commence and complete negotiations for an extension of the Agreement:

County convenes interested Contracting Cities to discuss (1) a possible extension on the same terms and (2) a possible extension on different terms.	September 2014
Notice of Intent by either Party not to renew agreement on the same terms (Cities also indicate whether they wish to negotiate for an extension on different terms or to let Agreement expire at end of 2015)	March 1, 2015
Deadline for signing an extension (whether on the same or amended terms)	July 1, 2015

See Section 4 of Agreement for additional details on Extension of the Agreement Term for an additional two years.

Dates for remittal to County of pet license sales revenues processed by Contracting Cities (per section 3.c)	**Quarterly, each March 31, June 30, September 30, December 31**

Except as otherwise provided for Licensing Revenue Support Cities with a Licensing Revenue Target greater than $20,000/year, requests for **Licensing Revenue Support** in Service Years 2014 or 2015 may be made at any time between June 30 and October 31 of the prior Service Year. (See **Exhibit C-5** for additional detail).

Exhibit D
Reconciliation

The purpose of the reconciliation calculation is to adjust payments made each Service Year by Contracting Parties to reflect actual licensing and non-licensing revenue, various credits, and New Regional Revenue, as compared to the estimates of such revenues and credits incorporated in the Estimated Payment calculations, and to adjust for population changes resulting from annexations of areas with a population of over 2,500 (if any) and the addition of Latecomer Cities. To accomplish this, an "**Adjusted Net Final Cost" ("ANFC")** calculation is made each June for each Contracting Party as described below, and then adjusted for various factors as described in this **Exhibit D**.

As noted in **Section 7** of the Agreement, the Parties intend that receipt of Animal Services should not be a profit-making enterprise. When a City receives revenues in excess of its costs under this Agreement (including costs of PAWS shelter service, if applicable), such excess will be reinvested to reduce costs incurred by other Contracting Parties. The cost allocation formulas of this Agreement are intended to achieve this outcome.

Terms not otherwise defined here have the meanings set forth in **Exhibit C** or the body of the Agreement.

Calculation of ANFC and Reconciliation Adjustment Amount

The following formula will be used to calculate the Reconciliation Adjustment Amount, which shall be payable by August 15. The factors in the formula are defined below. As described in paragraphs A and B, the subscript "0" denotes the initial calculation; subscript "1" denotes the final calculation.

$$\mathbf{ANFC_0 = (AR + T + V + X + LRC) - (B \times LF)}$$

A. **If $ANFC_0 \geq 0$,** i.e., revenues and credits are greater than costs (adding the cost factor **"W"** in the formula for Contracting Cities purchasing shelter services from PAWS or purchasing Enhanced Control Services**), then**:

   $ANFC_1 = 0$, i.e., it is ***reset to zero*** and the difference between $ANFC_0$ and $ANFC_1$ is set aside by the County (or, if the revenues are not in the possession of the County, then the gap amount is payable by the City to the County by August 15) and **all such excess amounts from all Contracting Parties where $ANCF_0 \geq 0$ are allocated *pro-rata* to parties for which $ANFC_1 < 0$**, per paragraph B below. Contracting Parties for which **$ANFC_0 \geq 0$** do not receive a reconciliation payment.

B. If **$ANFC_0$ < 0,** i.e., costs are greater than revenues (*without* considering "W" for those Contracting Cities purchasing shelter services from PAWS or purchasing Enhanced Control Services), then the negative dollar amount is not "reset" and $ANFC_1$ is the same as $ANFC_0$. Contracting Parties in this situation will receive **a *pro-rata* allocation from the sum of excess revenues from those Parties for which $ANFC_0$ ≥ 0** per paragraph A. In this way, excess revenues are reallocated across Contracting Parties with net final costs.

C. If, after crediting the City with its *pro rata* share of any excess revenues per paragraph B, **$ANFC_1$ < Total Estimated Payments made in the Service Year**, then the difference shall be paid by the County to the City no later than August 15; if **$ANFC_1$ > Total Estimated Payments made in the Service Year**, then the difference shall be paid by the City to the County no later than August 15.

Where**:**

"AR" is **Actual Licensing Revenue** attributable to the City, based on actual Licensing Revenues received from residents of the City in the Service Year, adjusted for Cities with a Licensing Revenue Target > $20,000 as described in **Exhibit C-5**. (License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), will be allocated amongst the Parties based on their respective percentages of total **AR**).

"**T**" is the Transition Funding Credit, if any, for the Service Year.

"**V**" is the Shelter Credit, if any, for the Service Year.

"**W**" is the actual amount paid by a City receiving shelter services to PAWS for such services during the Service Year, if any, plus the actual amount paid by a City to the County for the purchase of Enhanced Control Services during the Service Year, if any.

"**X**" is the amount of Residual New Regional Revenue, if any, allocable to the City from the 50% of New Regional Revenues which is first applied to offset County costs for funding Shelter Credits, Transition Funding Credits and any Program costs not allocated in the cost model. The residual is shared amongst the Contracting Parties to reduce *pro-rata* up to 20% of each Contracting Party's Estimated Total Animal Services Cost Allocation (See column titled "Estimated Total Animal Services Cost Allocation" in the spreadsheet at **Exhibit C-1**).

"**LRC**" is the amount of any **Licensing Revenue Credit or Charge** to be applied based on receipt of licensing support services. For a Licensing Revenue Support City designated in **Exhibit C-5**, the amount shall be determined per **Table 2** of **Exhibit C-5** and the associated

Licensing Support Contract, if any. Where a Licensing Revenue Support City is due a Licensing Revenue Credit, the amount applied for this factor is a positive dollar amount (e.g., increases City's revenues in the amount of the credit); if a Licensing Revenue Support City is assessed a Licensing Revenue Charge, the amount applied for this factor is a negative amount (e.g., increases City's costs). For any Contracting City receiving licensing support services per a Licensing Support Contract/ **Exhibit F** other than a Licensing Revenue Support City, **LRC** will be a negative amount (increasing the City's costs) equal to the County's cost of the licensing support set forth in the Attachment A to the Licensing Support Contract.

"**B**" is the "**Budgeted Total Net Allocable Costs**" as *estimated* for the Service Year for the provision of Animal Services to be allocated between all the Contracting Parties for the purposes of determining the Estimated Payment, calculated as described in **Exhibit C**.

"**LF**" is the "**Program Load Factor**" attributable to City for the Service Year, calculated as described in **Exhibit C**. **LF** will be recalculated if necessary to account for annexations of areas with a population of 2,500 or more people, or for Latecomer Cities if such events were not accounted for in the Final Estimated Payment Calculation for the Service Year being reconciled.

Additional Allocation of New Regional Revenues after calculation of all amounts above: If there is any residual New Regional Revenue remaining after allocating the full possible "**X**" amount to each Party (to fully eliminate the population based portion of costs), the remainder shall be allocated on a *pro rata* basis to all Contracting Parties for which $\mathbf{ANFC_1 < 0}$. If there is any residual thereafter, it will be applied to improve Animal Services.

Exhibit E

Enhanced Control Services Contract (Optional)

Between City of _____ ("City") and King County ("County")

The County will to offer Enhanced Control Services to the City during Service Years 2013, 2014 and 2105 of the **Animal Services Interlocal Agreement for 2013 Through 2015** between the City and the County dated and effective as of July 1, 2012 (the "Agreement") subject to the terms and conditions as described herein. **The provisions of this Contract are optional to both Parties and shall not be effective unless executed by both Parties.**

A. The City may request services under two different options, summarized here and described in further detail below:

Option 1: for a period of ***not less than one year***, the City may request service from an Animal Control Officer dedicated to the City ("Dedicated Officer"). Such service must be confirmed in writing through both Parties entering into this Enhanced Control Services Contract no later than August 15 of the year prior to the Service Year in which the service is requested.

Option 2: for a period of ***less than one year***, the City may request a specified number of over-time service hours on specified days and time from the 6 Animal Control Officers staffing the three Control Districts. Unlike Option 1, the individual officers providing the service will be determined by the County and may vary from time to time; the term "Dedicated Officer" used in context of Option 2 is thus different than its meaning with respect to Option 1. Option 2 service must be requested no later than 60 days prior to the commencement of the period in which the service is requested, unless waived by the County.

The City shall initiate a request for enhanced service by completing and submitting **Attachment A** to the County. If the County determines it is able to provide the requested service, it will so confirm by completing and countersigning **Attachment A** and signing this Contract and returning both to the City for final execution.

B. The County will provide enhanced Control Services to the City in the form of an Animal Control Officer dedicated to the City ("Dedicated Officer") as described in **Attachment A** and this Contract**.**

1. Costs identified in **Attachment A** for **Option 1 are** for one (1) year of service in 2010, in 2010 dollars, and include the cost of the employee (salary, benefits), equipment and animal control vehicle for the employee's use). Costs are subject

to adjustment each year, limited by the Annual Budget Inflator Cap (as defined in the Agreement).

2. Costs for **Option 2** will be determined by the County each year based on its actual hourly overtime pay for the individual Animal Control Officers providing the service, plus mileage at the federal reimbursement rate. The number of miles for which mileage is charged shall be miles which would not have been traveled but for the provision of the enhanced service.

3. Costs paid for enhanced services will be included in the Reconciliation calculation for each Service Year, as described in **Exhibit D** of the Agreement.

C. Services of the Dedicated Officer shall be in addition to the Animal Services otherwise provided to the City by the County through the Agreement. Accordingly, the calls responded to by the Dedicated Officer shall **not** be incorporated in the calculation of the City's Calls for Service (as further described in **Exhibit C and D** to the Agreement).

D. The scheduling of work by the Dedicated Officer will be determined by mutual agreement of the contract administrators identified in the Agreement, and (in the case of a purchase of service under **Option 1**) the mutual agreement of officials of other Contracting Cities named as contract administrators that have committed to sharing in the expense of the Dedicated Officer. In the event the parties are unable to agree on scheduling, the County shall have the right to finally determine the schedule of the Dedicated Officer(s).

E. Control Services to be provided to the City pursuant to this Enhanced Services Contract include Control Services of the type and nature as described under the Agreement with respect to Animal Control Officers serving in Control Districts, and include but are not limited to, issuing written warnings, citations and other enforcement notices and orders on behalf of the City, or such other services as the Parties may reasonably agree.

F. The County will provide the City with a general quarterly calendar of scheduled service in the City, and a monthly report of the types of services offered and performed.

G. **For Services purchased under Option 1**: An FTE will be scheduled to serve 40 hour weeks, however, with loss of service hours potentially attributable to vacation, sick leave, training and furlough days, not less than 1600 hours per year will be provided. Similarly, a half-time FTE will provide not less than 800 hours per year. The County shall submit to the City an invoice and billing voucher at the end of each calendar

quarter, excepting that during the 4th quarter of each year during the term of this Contract, an invoice shall be submitted to the City no later than December 15th. All invoiced amounts shall be payable by the City within 30 days of the invoice date.

H. **For Services purchased under Option 2**: The County shall submit to the City an invoice and billing voucher at the end of each calendar quarter. All invoiced amounts shall be payable by the City within 30 days of the invoice date.

I. The City or County may terminate this Enhanced Services Contract with or without cause upon providing not less than 3 months written notice to the other Party; provided that, if the City has purchased services under **Option 1** and is sharing the Enhanced Control Services with other Contracting Cities, this Contract may only be terminated by the City if: (1) all such other Contracting Cities similarly agree to terminate service on such date, or (2) if prior to such termination date another Contracting City or Cities enters into a contract with the County to purchase the Enhanced Control Service that the City wishes to terminate; *provided further*: except as provided in Paragraph A.1, a Contract may not be terminated if the term of service resulting is less than one year.

J. All terms of the Agreement, except as expressly stated otherwise in this Exhibit, shall apply to this Enhanced Control Services Contract. Capitalized Terms not defined herein have those meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Enhanced Services Contract to be executed effective as of this ____ day of _____, 201__.

King County	**City of _____**
_____	_____
Dow Constantine King County Executive	By: Mayor /City Manager
_____	_____
Date	Date
Approved as to Form:	**Approved as to Form:**
_____	_____
Deputy Prosecuting Attorney	City Attorney

Exhibit E: Attachment A

ENHANCED CONTROL SERVICES OPTION REQUEST

(to be completed by City requesting Enhanced Control Services; final service terms subject to adjustment by County and agreement by City and will be confirmed in writing executed and appended to Enhanced Control Service Contract/Exhibit E)

City_____

Requested Enhanced Control Services Start Date: _____

Requested Enhanced Control Services End Date: _____*
***term of service must be at least one year, except if purchasing services under Option 2.**

Please indicate whether City is requesting services under Option 1 or Option 2:

_____ Option 1:
% of Full Time Equivalent Officer (FTE) requested: _____ (minimum request: 20%; requests must be in multiples of either 20% or 25%)

_____ Option 2:
Overtime Hours purchase from existing ACO staff: ___ hours per (week /month)

General Description of desired services (days, hours, nature of service):
_____
_____
_____.

<u>For Option 1</u>:

Contracting Cities with whom the City proposes to share the Enhanced Control Services, and proposed percentages of an FTE those Cities are expected to request:
_____
_____
_____
_____.

On behalf of the City, the undersigned understands and agrees that the County will attempt to honor requests but reserves the right to propose aggregated, adjusted and variously scheduled service, *including but not limited to adjusting allocations of service from*

increments of 20% to 25%, in order to develop workable employment and scheduling for the officers within then-existing workrules, and that the City will be allowed to rescind or amend its request for Enhanced Control Services as a result of such proposed changes.

Requests that cannot be combined to equal 50% of an FTE, 100% of an FTE, or some multiple thereof may not be honored. Service must be requested for a minimum term of one-year, except as permitted by Paragraph A.1. .Service may not extend beyond the term of the Agreement.

City requests that alone or in combination with requests of other Contracting Cities equal at least 50% of an FTE will be charged at the rate in Column 1 below.

City requests that alone or in combination with other requests for Enhanced Control Services equal 100% of an FTE will be charged at the rate in Column 2 below.

Cities may propose a different allocation approach for County consideration.

An FTE will be scheduled to serve 40 hour weeks, however, with loss of hours potentially attributable to vacation, sick leave, training and furlough days, a minimum of 1600 hours per year will be provided. A half-time FTE will provide a minimum of 800 hours per year. *For example*, a commitment to purchase 20% of an FTE for enhanced service will result in provision of not less than 320 hours per year.

Hours of service lost for vacation, sick leave, training and furlough days will be allocated on ***pro rata*** basis between all Contracting Cities sharing the services of that FTE.

Column 1: Aggregate of 50% of an FTE Requested by all Participating Cities	**Column 2:** Aggregate of 1 FTE Requested by all Participating Cities
Cost to City: (% of Half-Time FTE requested) x $75,000/year in 2010* *Example:* if City A requests 25% of an FTE ** and City B requests 25% of an FTE**, then each city would pay $18,750 for Enhanced Control Services from July 1, 2010 through December 31, 2011 (6 months). **(50% of a Half-Time FTE)	Cost to City: (% of FTE requested) x $115,000/year in 2010 * *Example:* If City A requests 25% of an FTE and City B requests 25% of an FTE and City C requests 50% of an FTE, Cities A and B would pay $14,375 and City C would pay $28,750 for Enhanced Control Services from July 1, 2010 through December 31, 2011 (6 months)

* This example is based on 2010 costs. Actual costs will be based on actual Service Year FTE costs.

For Option 2:

On behalf of the City, the undersigned understands and agrees that the County will confirm what services, if any, it can provide, and at what costs, by completing this Attachment A, and the City must signify whether it accepts the County's offer by signing the Enhanced Services Contract.

Request Signed as of this ___ day of _____ , 201__.
City of _____
By:_____
Its _____

<u>To be completed by King County:</u>

____ **Option 1**: The County hereby confirms its ability and willingness to provide Enhanced Control services as requested by the City in this **Attachment A**, *with adjustments as noted below (if any):*

The FTE Cost for the Service Year in which the City has requested service is: $_____.

____ **Option 2**: the County confirms its ability to provide control service overtime hours as follows (*insert description—days/hours*):

Such overtime hours shall be provided at a cost of $_____, (may be a range) per service hour, with the actual cost depending on the individual(s) assigned to work the hours, plus mileage at the federal reimbursement rate.

King County

By: _____
Its_____
Date:_____

Exhibit F

Licensing Support Contract (Optional)

Between City of _____("City") and King County ("County")

The County is prepared to offer licensing revenue support to the City subject to the terms and conditions described in this Licensing Support Contract ("Contract"). The provisions of this Exhibit are optional and shall not be effective unless this Exhibit is executed by both the City and the County and both parties have entered into the underlying Animal Services Interlocal Agreement for 2013 Through 2015 (the "Agreement").

A. <u>Service Requests, Submittal</u>: Requests to enter into a licensing support contract should be made by submitting the Licensing Revenue Support Services Request (**Attachment A** to this **Exhibit F**) to the County between June 30 and October 31 of the calendar year prior to year in which such services are requested ("Service Year"). A separate Request shall be submitted for each Service Year, excepting that a Licensing Support City with a revenue target in excess of $20,000/year may submit a request by September 1, 2012 in order to receive service in all three Service Years (2013, 2014 and 2015).

B. <u>County to Determine Service Availability</u>: The County will determine whether it has capacity to provide the requested service based on whether it has staff available, and consistent with the priorities stated in **Section 7.c** and **Exhibit C-5** of the Agreement.

C. <u>Services Provided by County, Cost</u>: The County will determine the licensing revenue support activities it will undertake to achieve the Licensing Revenue Target. Activities may include, but are not limited to canvassing, mailings, calls to non-renewals. In completing **Attachment A** to confirm its ability to provide licensing support services to the City, the County shall identify the cost for such service for each applicable Service Year. If the City accepts the County's proposed costs, it shall so signify by countersigning **Attachment A**.

D. <u>Services Provided by City</u>: In exchange for receiving licensing revenue support from the County, the City will provide the following services:

1. Include inserts regarding animal licensing in bills or other mailings as may be allowed by law, at the City's cost. The County will provide the design for the insert and coordinate with the City to deliver the design on an agreed upon schedule.
2. Dedicate a minimum level of volunteer/staff hours per month (averaged over the year), based on the City's Licensing Revenue Target for the Year (as

specified/selected in Attachment A) to canvassing and/or mailings and outbound calls to non-renewals. City volunteer/staff hour requirements are scaled based on the size of the Licensing Revenue Target per **Table A** below:

Table A: Volunteer/Staff Hours to be Provided by City

If the Licensing Revenue Target for the Service Year is between:	The City shall provide volunteer/staff hours support (averaged over the year)
$0 and $5,000	9 hours per month
$5,001-$10,000	18 hours per month
$10,000-$20,000	27 hours per month
$20,001 and $40,000	36 hours per month
>$40,000	45 hours per month

3. Provide representation at a minimum of two public events annually to inform City residents about the Animal Services Program and promote pet licensing.
4. Inform City residents about the Animal Services Program and promote pet licensing utilizing print and electronic media including the city's website, social media, community brochures and newsletter ads/articles, signage/posters and pet licensing applications in public areas of city buildings and parks.
5. Appoint a representative to serve on the joint City-County marketing subcommittee; this representative shall attend the quarterly meetings of the subcommittee and help shape and apply within the City the joint advertising strategies developed by consensus of the subcommittee.

E. <u>Selection of Licensing Revenue Target and Payment for Licensing Revenue Support:</u>

1. For **Licensing Revenue Support Cities** (those identified in **Exhibit C-5** of the Agreement):
   In 2014 and 2015, Licensing Revenue Support Cities may receive licensing revenue support intended to generate total annual Licensing Revenue at or above the Revenue Goal in Table 1 of **Exhibit C-5**. The City will receive a **Licensing Revenue Credit or Charge** at Reconciliation in accordance with the calculations in **Table 2** of **Exhibit C-5**. A Licensing Revenue Support City may request service under subparagraph 2 below.

2. For **all other Contacting Cities**: The City will identify a proposed Licensing Revenue Target in **Attachment A**. The County may propose an alternate Revenue Target. If the Parties agree upon a Licensing Revenue Target, the County shall indentify its annual cost to provide service designed to achieve the target. At Reconciliation, the City shall be charged for licensing support service at the cost specified and agreed in **Attachment A** (the "**Licensing Revenue Charge**"),

regardless of the amount of Licensing Revenue received by the City during the Service Year (see **Exhibit D** of the Agreement for additional detail).

F. <u>Other Terms and Conditions</u>:

1. Before January 31 of the Service Year, each Party will provide the other with a general calendar of in-kind services to be provided over the course of the Service Year.
2. Each Party will provide the other with a monthly written report of the services performed during the Service Year.
3. Either Party may terminate this Contract with or without cause by providing not less than 2 months' advance written notice to the other Party; provided that all County costs incurred to the point of termination remain chargeable to the City as otherwise provided.
4. All terms of the Agreement, except as expressly stated otherwise herein, shall apply to this Contract, and Capitalized Terms not defined herein have the meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract for Licensing Support Services to be executed effective as of this ___ day of ____, 201_.

King County	**City of _____**
_____	_____
Dow Constantine King County Executive	By: Mayor /City Manager
_____	_____
Date	Date
Approved as to Form:	Approved as to Form:
_____	_____
Deputy Prosecuting Attorney	City Attorney

Exhibit F: Attachment A
LICENSING REVENUE SUPPORT SERVICES REQUEST

(to be completed by City requesting licensing support services; one request per Service Year except for a Licensing Support City with a Licensing Revenue Target over $20,000/year; final terms subject to adjustment by County and agreement by City confirmed in writing, executed and appended to the Contract for Licensing Support Services—**Exhibit F** of the ***Animal Services Interlocal Agreement for 2013 Through 2015*** ("the Agreement") dated effective as of July 1, 2012.)

1. City _____ Date of Request: _____

2. Licensing Revenue Target (the amount by which the City seeks to increase its revenues in the Service Year): $_____

   Note:
   - For Licensing Revenue Support Cities, the Licensing Revenue Support Target is defined in **Table 1** of **Exhibit C-5** of the Agreement, unless the Parties otherwise agree.
   - The amount of volunteer/staff hours and other in-kind services required of the City in exchange for receipt of licensing support services is based on the size of the Licensing Revenue Target (see Licensing Support Contract/ **Exhibit F** of Agreement).

3. Contact person who will coordinate City responsibilities associated with delivery of licensing support services:
   Name:
   Title:
   Phone:
   Fax:

I understand that:

A. provision of licensing revenue support services is subject to the County determining it has staff available to provide the services;
B. For Contracting Cities other than Licensing Revenue Support Cities, the County may propose an adjustment in the requested Licensing Revenue Target;
C. the County will, by September 1 of the current calendar year, provide the City with a firm cost to provide the amount of licensing support services the County proposes to provide by completing this **Attachment A**;
D. the County cannot verify and does not guarantee a precise level of Licensing Revenues to be received by the City as a result of these services;
E. Receipt of service is subject to County and City agreeing on the Licensing Revenue Target and County charge for these services (incorporated in

calculation of the **Licensing Revenue Credit/Charge** per the Agreement), and executing the Licensing Support Contract (**Exhibit F** of the Agreement).

Request signed as of this ___ day of _____, 201__.
City of _____

By: _____
Its: _____

To be completed by King County:

The County offers to provide the City licensing revenue support services in Service Year 201____ intended to generate $_____ (the "Licensing Revenue Target") in additional Licensing Revenue for a total Service Year cost of $_____, some or all of which cost may be charged to the City in calculating the Licensing Revenue Charge, as further described in the Licensing Support Contract and **Exhibits C-5** (for Licensing Support Cities) and **D** of the Agreement.

King County

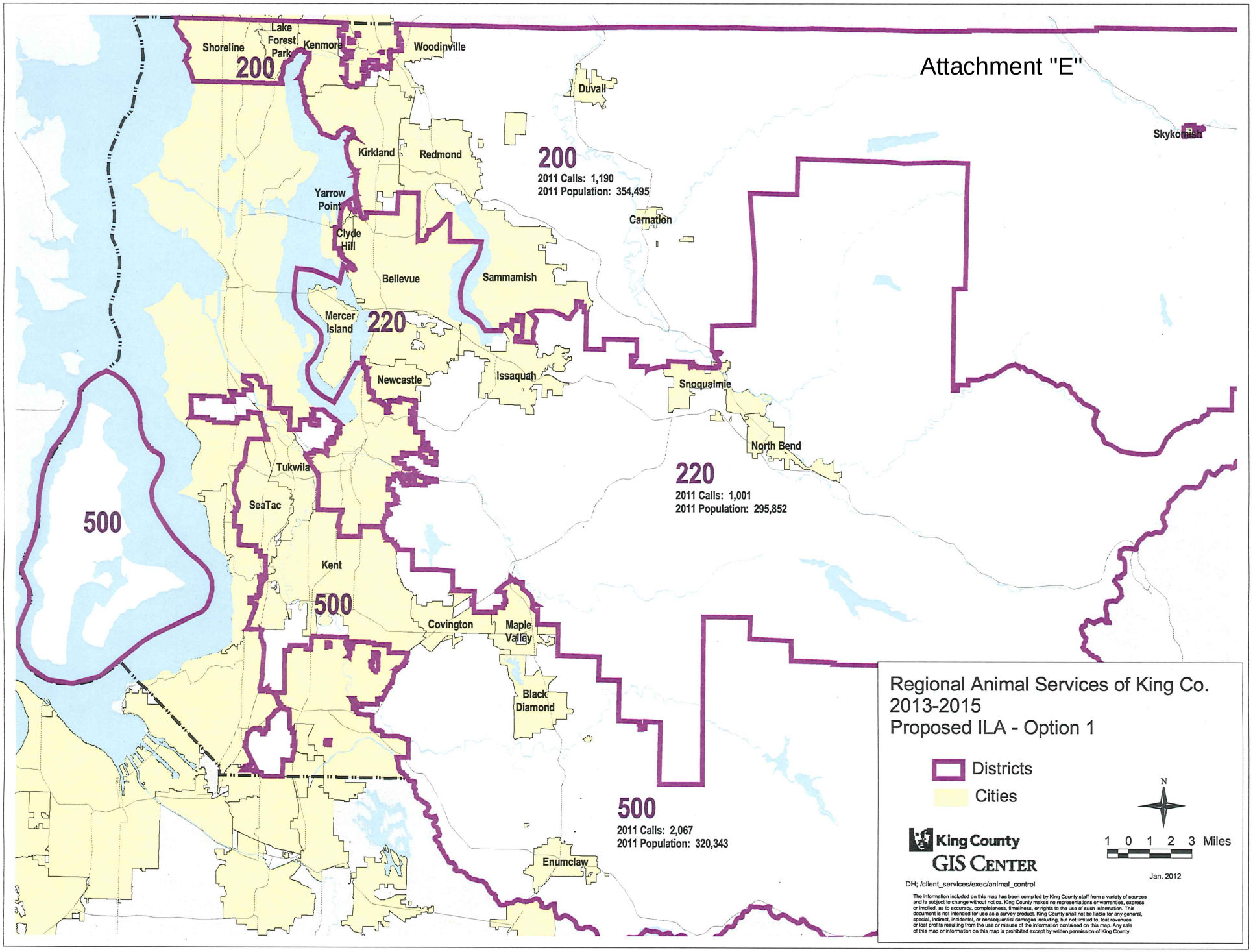
By:_____
Its: _____
Date:_____

<u>To be completed by the City:</u>

The County offer is accepted as of this ___ day of _____, 201__.
City of _____

By: _____
Its:_____

Attachment "E"



Regional Animal Services of King County
DRAFT 2013 Estimated Payment Calculation

Auburn Out, Allocation Method: Population = 20%, Usage = 80%, Three (3) Control Districts: 200, 220, with Control Districts 240 and 260 combined into one (500), costs to districts 25%, 25%, 50%. Usage and Licensing Revenue based on 2011 Preliminary Year End.

OPTION #1

	Control	Shelter	Licensing	Total Allocated Costs (1)	2011 Licensing Revenue (est)	Estimated Net Cost
Budgeted Total Allocable Costs	**$1,770,487**	**$2,819,960**	**$673,640**	**$5,264,087**		
Budgeted Non-Licensing Revenue	**$80,040**	**$112,507**	**$13,265**	**$205,812**		
Budgeted New Regional Revenue (50%)	**$0**	**$0**	**$0**	**$0**		
Budgeted Net Allocable Costs	**$1,690,447**	**$2,707,453**	**$660,375**	**$5,058,275**	**$2,480,689**	**-$2,577,586**

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	Program Load Factor (9)	2011 Licensing Revenue (Estimated)	Estimated Net Cost Allocation	2013-2015 Transition Funding (Annual) (5)	2013 - 2015 Shelter Credits (Annual) (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Proposed Licensing Support (7)	Estimated Net Final Cost (8)
200	Carnation	$4,118	$3,497	$1,239	$8,854	0.1750%	$4,752	-$4,102	$552	$0	-$3,550	$966	-$2,584
	Duvall	$11,261	$15,264	$5,351	$31,876	0.6302%	$21,343	-$10,533		$0	-$10,533	$7,658	-$2,875
	Estimated Unincorporated King County	$83,837	*(see total below)*	*(see total below)*	*(see total below)*		*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kenmore	$37,911	$11,592	$15,423	$64,926	1.2836%	$58,602	-$6,324	$0	$0	-$6,324	$0	-$6,324
	Kirkland	$84,595	$99,626	$59,940	$244,162	4.8270%	$208,000	-$36,162		$0	-$36,162	$23,853	-$12,309
	Lake Forest Park	$22,894	$7,034	$12,099	$42,027	0.8309%	$48,504	$6,477	$0	$0	$6,477	$0	$6,477
	Redmond	$37,867	$54,303	$32,308	$124,478	2.4609%	$116,407	-$8,071	$0	$0	-$8,071	$0	-$8,071
	Sammamish	$35,341	$44,214	$31,129	$110,684	2.1882%	$117,649	$6,965	$0	$0	$6,965	$0	$6,965
	Shoreline	$92,519	$29,677	$38,194	$160,391	3.1709%	$145,689	-$14,702	$0	$0	-$14,702	$0	-$14,702
	Woodinville	$12,268	$6,103	$7,708	$26,079	0.5156%	$29,220	$3,141	$0	$0	$3,141	$0	$3,141
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		**$338,775**	**$271,310**	**$203,392**	**$813,477**		**$750,166**	**-$63,311**	**$552**	**$0**	**-$62,759**	**$32,477**	**-$30,282**
220	Beaux Arts	$86	$167	$246	$500	0.0099%	$930	$430	$0	$0	$430	$0	$430
	Bellevue	$142,322	$161,486	$75,249	$379,056	7.4938%	$273,931	-$105,125		$0	-$105,125	$34,449	-$70,676
	Clyde Hill	$1,866	$3,168	$1,952	$6,985	0.1381%	$7,170	$185	$0	$0	$185	$0	$185
	Estimated Unincorporated King County	$166,199	*(see total below)*	*(see total below)*	*(see total below)*		*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Issaquah	$53,351	$46,167	$16,279	$115,797	2.2893%	$55,947	-$59,850	$0	$0	-$59,850	$0	-$59,850
	Mercer Island	$13,581	$18,177	$13,853	$45,611	0.9017%	$49,962	$4,351	$0	$0	$4,351	$0	$4,351
	Newcastle	$16,484	$12,318	$4,657	$33,459	0.6615%	$15,271	-$18,188	$0	$0	-$18,188	$2,599	-$15,589
	North Bend	$15,851	$16,273	$4,128	$36,252	0.7167%	$15,694	-$20,558	$1,376	$586	-$18,596	$6,463	-$12,133
	Snoqualmie	$12,248	$11,116	$6,737	$30,101	0.5951%	$25,065	-$5,036	$0	$0	-$5,036	$0	-$5,036
	Yarrow Point	$625	$561	$760	$1,945	0.0385%	$2,700	$755	$0	$0	$755	$0	$755
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		**$256,413**	**$269,432**	**$123,862**	**$649,707**		**$446,670**	**-$203,037**	**$1,376**	**$586**	**-$201,075**	**$43,511**	**-$157,564**
500	Kent	$263,232	$794,101	$69,400	$1,126,733	22.2750%	$253,944	-$872,789	$110,495	$495,870	-$266,424	$0	-$266,424
	SeaTac	$79,732	$184,894	$13,311	$277,938	5.4947%	$47,232	-$230,706	$7,442	$116,611	-$106,653	$0	-$106,653
	Tukwila	$49,635	$110,787	$9,229	$169,652	3.3539%	$32,705	-$136,947	$5,255	$61,987	-$69,705	$0	-$69,705
	Black Diamond	$8,084	$14,340	$2,685	$25,108	0.4964%	$10,185	-$14,923	$1,209	$3,263	-$10,451	$2,001	-$8,450
	Covington	$52,490	$82,456	$12,634	$147,580	2.9176%	$48,982	-$98,598	$5,070	$36,409	-$57,119	$0	-$57,119
	Enumclaw	$41,747	$56,672	$6,920	$105,340	2.0825%	$25,307	-$80,033	$11,188	$28,407	-$40,438	$5,973	-$34,465
	Estimated Unincorporated King County	$309,089	*(see total below)*	*(see total below)*	*(see total below)*		*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Maple Valley	$41,215	$68,380	$15,080	$124,675	2.4648%	$56,628	-$68,047	$6,027	$6,867	-$55,153	$6,956	-$48,197
SUBTOTAL FOR CITIES IN 500 (excludes unincorporated area)		**$536,135**	**$1,311,631**	**$129,259**	**$1,977,025**		**$474,983**	**-$1,502,042**	**$146,686**	**$749,414**	**-$605,942**	**$14,930**	**-$591,012**
	TOTAL FOR CITIES	**$1,131,322**	**$1,852,373**	**$456,514**	**$3,440,209**		**$1,671,819**	**-$1,768,390**	**$148,614**	**$750,000**	**-$869,776**	**$90,918**	**-$778,858**
	Total King County Unincorporated Area Allocation	***$559,125***	***$855,080***	***$203,861***	***$1,618,065***	31.9885%	***$808,870***	***-$809,195***					***-$809,195***
		$1,690,447	$2,707,453	$660,375	$5,058,275	100.00%	$2,480,689	-$2,577,586					

Source: Regional Animal Services of King County

Date: Jan 30, 2012 (Draft) Updated 5-7-12

Numbers are estimates only for the purpose of negotiation discussions. The numbers and allocation methodology are subject to change while negotiations are underway.

Notes:

1. Based on various efficiencies and changes to the RASKC operating budget, adjustments for reduced intakes overall, reduced usage with Auburn out, and shifting two positions out of the model (county sponsored), the 2013 Estimated Budgeted Total Allocable Cost has been reduced to $5,264,087.
2. One quarter of control services costs are allocated to control districts 200 and 220, and one half of control costs are allocated to district 500, then costs are further allocated 80% by total call volume (2011 Calls - Preliminary year end) and 20% by 2011 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 80% by King County shelter volume intake (2011 Preliminary year end) and 20% by 2011 population.
4. Licensing costs are allocated 20% by population (2011) and 80% by total number of Pet Licenses issued (2011) less $0.00 Sr. Lifetime Licenses.

5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. For additional detail, see 2010 Interlocal Agreement Exhibit C-4 (2013 column) for more information. Transition Funding does not change for years 2013 - 2015.
6. Credits are allocated to those jurisdictions whose shelter intakes per capita exceeded the system average (.0043) and are intended to help minimize the impact of changing the cost allocation methodology from 50% population/50 usage to the new 20% population/80% usage model. See Interlocal Agreement Exhibit C-4 for more detail.
7. New Transition License Funding has been included for certain jurisdictions to help limit the Estimated Net Final Cost to the 2012 estimated level. Receipt of support is contingent on city providing in-kind services and county ability to provide resources and/or recover costs
8. Net Final Costs greater than $0 will be reallocated to remaining jurisdictions with a negative net final cost, northern cities Net Final Costs shall be inclusive of their PAWS Sheltering costs.
9. Program Load Factor (LF) , per ILA Exhibit C, Part 4, Estimated Payment Calculation Formula, is the City's share of Budgeted Total Net Allocable Costs: it is the City's 2013 Service Year Total Animal Services Cost Allocation expressed as a percentage of the Budgeted Total Net Allocable Costs for 2013. Refer to the ILA for additional details.