



City Council Meeting Schedule November 2020

City Council passed Resolution 20-08 on June 23, 2020, which temporarily designates the location for regular, special and study session meetings to the virtual location until Benton County enters into Phase Three of the Governor's Safe Start Reopening Plan. The City broadcasts City Council meetings on the City's website <https://www.go2kennewick.com/CouncilMeetingBroadcasts>.

November 3, 2020

*Tuesday, 6:00 p.m.

REGULAR COUNCIL MEETING

**Please note time change*

November 10, 2020

Tuesday, 6:30 p.m.

WORKSHOP MEETING (the workshop meeting will be done via Zoom and broadcast on the City's website <https://www.go2kennewick.com/CouncilMeetingBroadcasts>)

1. Water Follies Update
2. Council Committee Discussion
3. City Manager Goals & Accomplishments

November 17, 2020

Tuesday, 6:30 p.m.

REGULAR COUNCIL MEETING

November 24, 2020

Tuesday, 6:30 p.m.

WORKSHOP MEETING (the workshop meeting will be done via Zoom and broadcast on the City's website <https://www.go2kennewick.com/CouncilMeetingBroadcasts>)

1. Benton Franklin Recovery Coalition
2. Comp Plan Amendments

To assure disabled persons the opportunity to participate in or benefit from City services, please provide twenty-four (24) hour advance notice for additional arrangements to reasonably accommodate special needs.

Please be advised that all Kennewick City Council Meetings are Audio and Video Taped



CITY COUNCIL REGULAR MEETING AGENDA
November 17, 2020 at 6:30 p.m.
City's Website

City Council passed Resolution 20-08 on June 23, 2020, which temporarily designates the location for regular, special and study session meetings to the virtual location until Benton County enters into Phase Three of the Governor's Safe Start Reopening Plan.

The City of Kennewick broadcasts City Council meetings on the City's website at <https://www.go2kennewick.com/CouncilMeetingBroadcasts>. The City will be providing options for citizen comment via Zoom and the City's website (see more information under Visitors on the agenda.)

1. CALL TO ORDER

Roll Call/Pledge of Allegiance/Welcome

HONORS & RECOGNITIONS

- Retiree Recognition – Mike Meyer (24-years)

2. APPROVAL OF AGENDA

3. CONSENT AGENDA

All matters listed within the Consent Agenda have been distributed to each member of the Kennewick City Council for reading and study, are considered to be routine, and will be enacted by one motion of the Council with no separate discussion.

- a. Minutes of Regular Meeting of November 3, 2020.
- b. Motion to approve Claims Roster for the Toyota Center Operations and Box Office Accounts for September 2020.
- c. Motion to approve Payroll Roster for October 31, 2020.
- d. Resolution 20-13: Workplace Wellness Program.
- e. Motion to authorize the City Manager to provide notice of termination to Benton County for the interlocal agreement currently in place for the provision of work crew services.
- f. Motion to authorize the City Manager to sign the Toyota Center Naming Rights Agreement Extension.

4. VISITORS

The City asks all members of the public that would like to comment under the Visitors section of the agenda to fill out an online form at <https://www.go2kennewick.com/VisitorsComments> no later than 5:00 p.m. on Monday, November 16th to be included in the Council packet.

Interested parties may also submit written comments to P.O. Box 6108, Kennewick, WA 99336; or e-mail clerkinfo@ci.kennewick.wa.us no later than 5:00 p.m. on Monday, November 16th to be included in the Council packet.

If you wish to comment under the Visitors section during the meeting, please register at https://us02web.zoom.us/webinar/register/WN_eOFHQxzzTMGbEtK72pjSeQ. Registrations must be received by 4:00 p.m. on Tuesday, November 17th.

5. ORDINANCES/RESOLUTIONS

- a. Ordinance 5884: Biennial Budget Adjustment

6. PUBLIC HEARINGS/MEETINGS

- a. (1) Resolution 20-14: 2021 Property Tax Levy Substantial Need
(2) Ordinance 5885: 2021 Property Tax Levy
b. Ordinance 5886: 2021/2022 Biennial Budget

The City asks all members of the public that would like to comment regarding items under Public Hearings/Meetings fill out an online form at <https://www.go2kennewick.com/PublicHearing> no later than 5:00 p.m. on Monday, November 16th to be included in the Council packet.

Interested parties may also submit written comments to P.O. Box 6108, Kennewick, WA 99336; or e-mail clerkinfo@ci.kennewick.wa.us no later than 5:00 p.m. on Monday, November 16th to be included in the Council packet.

If you wish to comment on the public hearing during the meeting, please register at https://us02web.zoom.us/webinar/register/WN_eOFHQzzTMGbEtK72pjSeQ. Registrations must be received by 4:00 p.m. on Tuesday, November 17th.

7. NEW BUSINESS

8. UNFINISHED BUSINESS

9. COUNCIL COMMENTS/DISCUSSION

10. ADJOURNMENT

CITY OF KENNEWICK
CITY COUNCIL
Regular Meeting
November 3, 2020

1. CALL TO ORDER

Mayor Don Britain called the meeting to order at 6:00 p.m.

City Council and Staff Present:

Mayor Pro Tem Steve Lee	Marie Mosley	Emily Estes-Cross
John Trumbo	Greg McCormick	Ken Hohenberg
Bill McKay	Christina Palmer	Chad Michael
Chuck Torelli	Lisa Beaton	Evelyn Lusignan
Jim Millbauer	Terri Wright	Krystal Townsend
Mayor Don Britain	Dan Legard	

Mr. Torelli moved, seconded by Mayor Pro Tem Lee to excuse the absence of Mr. Beauchamp at tonight's meeting. The motion passed unanimously.

Mayor Britain led the Pledge of Allegiance.

2. APPROVAL OF AGENDA

Mr. Torelli moved, seconded by Mayor Pro Tem Lee to approve the Agenda as presented. The motion passed unanimously.

3. APPROVAL OF CONSENT AGENDA

- a. Minutes of Regular Meeting of October 20, 2020.
- b. (1) Motion to approve Claims Roster for October 23, 2020.
(2) Motion to approve the Claims Roster for the Columbia Park Golf Course Account for September 2020.
- c. Motion to approve Payroll Roster for October 15, 2020.
- d. Motion to authorize the Mayor to sign the agreement for the promotion of tourism with the Tri-Cities Visitor & Convention Bureau (d/b/a Visit TRI-CITIES).

Mayor Pro Tem Lee moved, seconded by Mr. Torelli to approve the Consent Agenda. The motion passed unanimously.

4. VISITORS - None

5. ORDINANCE/RESOLUTIONS - None

6. PUBLIC HEARINGS/MEETINGS

- a. 2021 HUD Draft Annual Action Plan. Alisha Piper, Community Development Coordinator reported.

Public hearing opened at 6:09 p.m.

Bobbie Littrell, CDBG Committee member spoke in support.

Public hearing closed at 6:11 p.m.

Mr. Torelli moved, seconded by Mr. Millbauer to approve the 2021 Draft Community Development Block Grant Annual Action Plan and funding recommendation as prepared by the CDBG Committee and Staff. The motion passed unanimously.

- b. 2020 Annual Action Plan Amendment. Alisha Piper, Community Development Coordinator reported.

Public hearing opened at 6:11 p.m. and closed at 6:12 p.m. No public testimony provided.

Mayor Pro Tem Lee moved, seconded by Mr. Torelli to approve the Amendment to the 2020 Community Development Block Grant (CDBG) as prepared by the CDBG Staff and Consortium. The motion passed unanimously.

7. NEW BUSINESS - None

8. UNFINISHED BUSINESS - None

9. COUNCIL COMMENTS/DISCUSSION

Council members reported on their respective activities.

10. ADJOURNMENT

Meeting was adjourned at 6:24 p.m.

Terri L. Wright, CMC
City Clerk

Council Agenda Coversheet



Agenda Item Number	3.b.	Council Date	11/17/2020
Agenda Item Type	General Business Item		
Subject	Toyota Center/Arena Accounts		
Ordinance/Reso #		Contract #	
Project #		Permit #	
Department	Finance		

Consent Agenda	<input checked="" type="checkbox"/>
Ordinance/Reso	<input type="checkbox"/>
Public Mtg / Hrg	<input type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

Staff recommends that Council approve the Claims Rosters for the Toyota Center Operations and Box Office Accounts for September 2020.

Motion for Consideration

I move to approve the Claims Rosters for the Toyota Center Operations and Box Office Accounts for September 2020 in the amount of \$69,003.23, comprised of check numbers 21657-21683 in the amount of \$68,508.58 and electronic transfers in the amount of \$494.65.

Summary

None.

Alternatives

None.

Fiscal Impact

Total \$69,003.23

Through

Dept Head Approval

City Mgr Approval

Dan Legard	
Nov 12, 17:10:59 GMT-0800 2020	
Marie Mosley	
Nov 13, 10:19:15 GMT-0800 2020	

Attachments: Roster

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Recording Required?

**Toyota Center and Toyota Arena
Operations Claims Roster
September 2020**

Num	Date	Name	Memo	Account	Paid Amount
21657	09/10/2020	Advanced Overhead Doors, LLC	VOID: Wrong vendor	1006.1 · Sterling Operating Account	
					0.00
21658	09/10/2020	Advanced Protection Services, Inc.		1006.1 · Sterling Operating Account	
R 123762	09/01/2020		Ammonia Monitoring 9/1-9/30/20	8039 · Security & Fire Alarm System	-52.07
R 123763	09/01/2020		Fire Monitoring 9/1-9/30/20	8039 · Security & Fire Alarm System	-73.79
					<u>-125.86</u>
21659	09/10/2020	Apollo Inc		1006.1 · Sterling Operating Account	
940022054	06/01/2020		HVAC Maintenance-Invoice date 6/4/19	8038 · Repairs & Maintenance-HVAC	-1,902.67
940024023	06/01/2020		HVAC Maintenance-Invoice date 9/6/19	8038 · Repairs & Maintenance-HVAC	-1,902.67
940024312	06/01/2020		Breaker work on EF-47-Invoice date 9/26/19	8038 · Repairs & Maintenance-HVAC	-200.91
940024381	06/01/2020		October HVAC Maintenance Contract-Invoice date 10/1/19	8038 · Repairs & Maintenance-HVAC	-1,902.67
940025452	06/01/2020		December HVAC Maintenance Contract-Invoice date 12/3/19	8038 · Repairs & Maintenance-HVAC	-1,902.67
940025945	06/01/2020		January HVAC Maintenance Contract-Invoice date 1/2/20	8038 · Repairs & Maintenance-HVAC	-1,902.67
					<u>-9,714.26</u>
21660	09/10/2020	Benton Franklin District Health		1006.1 · Sterling Operating Account	
Roasted 20-21	08/01/2020		Concession Permit for Slightly Roasted 2020-2021	8012.01 · Licenses & Permits, F&B	-100.00
Pizza/Pints 20-21	08/01/2020		Concession Permit for Pizza N Pints 2020-2021	8012.01 · Licenses & Permits, F&B	-100.00
					<u>-200.00</u>
21661	09/10/2020	Benton PUD		1006.1 · Sterling Operating Account	
LG SRV 7/7-8/7/20	08/12/2020		LG General Service for TC & TA 7/7/20-8/7/20	8036.3 · Electricity	-7,754.66
SM GEN 7/7-8/7/20	08/12/2020		Small General Service-Sign-7/7/20-8/7/20	8036.3 · Electricity	-401.29
					<u>-8,155.95</u>
21662	09/10/2020	Canon Solutions America (Oce)	BHA806	1006.1 · Sterling Operating Account	
4033884576	09/11/2020		QHM0777 Usage 8/24-9/23/20	8007 · Printing & Copiers	-27.98
					<u>-27.98</u>
21663	09/10/2020	Cascade Natural Gas - COL	Natural Gas Service 7/14/20-8/10/20	1006.1 · Sterling Operating Account	
7/14-8/10/20-TC	08/11/2020		Natural Gas Service 7/14/20-8/10/20	8036.2 · Natural Gas	-180.76
					<u>-180.76</u>
21664	09/10/2020	Cascade Natural Gas - ICE	Natural Gas Service 7/14/20-8/10/20	1006.1 · Sterling Operating Account	
TA-7/14-8/10/20	08/11/2020		Natural Gas Service 7/14/20-8/10/20	8036.2 · Natural Gas	-250.03
					<u>-250.03</u>
21665	09/10/2020	Chemsearch	Contract Water Treatment Program	1006.1 · Sterling Operating Account	
7053438	08/04/2020		Contract Water Treatment Program	8094 · Outside Services	-3,428.73
					<u>-3,428.73</u>
21666	09/10/2020	City of Kennewick-Water	Water Services 6/25-8/25/20	1006.1 · Sterling Operating Account	
SRV6/25-8/25/20	08/28/2020		Water Services 6/25-8/25/20	8036.4 · Water	-4,823.55
					<u>-4,823.55</u>
21667	09/10/2020	Culligan	230326	1006.1 · Sterling Operating Account	
104638	08/18/2020		Water Cooler Rental 8/18-9/18/20	8098 · Supplies & Equipment	-10.86
					<u>-10.86</u>

**Toyota Center and Toyota Arena
Operations Claims Roster
September 2020**

Num	Date	Name	Memo	Account	Paid Amount
21668	09/10/2020	Devfuzion		1006.1 · Sterling Operating Account	
W-13971	07/31/2020		July Website Hosting	8094 · Outside Services	-30.00
12988	08/01/2020		March 2020 Marketing-Dated 4/2/20	8003 · Non-Event Advertising	-187.50
13064	08/01/2020		April 2020 Marketing-Dated 5/1/20	8003 · Non-Event Advertising	-62.50
13318	08/01/2020		May 2020 Marketing-Dated 6/1/2020	8003 · Non-Event Advertising	-62.50
13065	08/01/2020		February 202 Marketing-Dated 5/1/2020	8003 · Non-Event Advertising	-33.94
14105	08/03/2020		July 2020 Marketing	8003 · Non-Event Advertising	-62.50
14130	08/21/2020		New Laptop for Marquee	8005.20 · Computer and Other IT	-250.00
W-14241	08/31/2020		August Website Hosting	8003 · Non-Event Advertising	-30.00
14370	09/02/2020		August 2020 TC Website	8003 · Non-Event Advertising	-75.00
					<u>-793.94</u>
21669	09/10/2020	Legacy Power Systems	Parts & Repair for TC Generator PO#3086	1006.1 · Sterling Operating Account	
41129	08/01/2020		Parts & Repair for TC Generator PO#3086	8041 · Repairs & Maintenance-Building	-3,703.26
					<u>-3,703.26</u>
21670	09/10/2020	Schindler Elevator Corp.	1061995	1006.1 · Sterling Operating Account	
7153171398	08/06/2020		Replacing Emergency Light, Alarm, and Phone Batteries	8094 · Outside Services	-377.41
					<u>-377.41</u>
21671	09/10/2020	Spectrum Business	Phone and Internet Services8/26-9/25/20	1006.1 · Sterling Operating Account	
0883924082620	08/26/2020		Internet Services8/26-9/25/20	8034.3 · Internet	-1,719.98
			Phone Services8/26-9/25/20	8034.1 · Telephone	-906.32
					<u>-2,626.30</u>
21672	09/10/2020	US Foods	VOID: Use credit balance	1006.1 · Sterling Operating Account	
					0.00
21673	09/10/2020	VenuWorks, Inc.		1006.1 · Sterling Operating Account	
16841	08/01/2020		August 2020 Management Fee	8124 · VenuWorks Management Fee	-9,664.08
16883	09/01/2020		September 2020 Management Fee	8124 · VenuWorks Management Fee	-9,664.08
					<u>-19,328.16</u>
21674	09/10/2020	Washington State Dept. of L&I, Elevator P		1006.1 · Sterling Operating Account	
247597	08/01/2020		Penalty for Violations-Dated 7/26/19	8012 · Licenses & Permits	-114.10
248213	08/01/2020		Renewal of Annual Operating Cert-2019-Dated 9/16/19	8012 · Licenses & Permits	-173.40
255764	08/01/2020		180 Day Penalty for Violation-Dated 12/5/19	8012 · Licenses & Permits	-285.40
265244	08/01/2020		Annual Operating Certificate-10/1/20-10/1/21	8012 · Licenses & Permits	-173.40
					<u>-746.30</u>
21675	09/10/2020	Weaver Exterminating Service, Inc.		1006.1 · Sterling Operating Account	
581201	07/27/2020		Monthly Pest/Rodent Service-TA	8094 · Outside Services	-127.05
581204	07/27/2020		Monthly Pest/Rodent Service-TC	8094 · Outside Services	-255.21
581513	08/18/2020		TC Monthly Pest/Rodent Services	8094 · Outside Services	-255.21
581511	08/18/2020		TA-Monthly Pest/Rodent Services	8094 · Outside Services	-127.06
					<u>-764.53</u>
21676	09/10/2020	Advanced Protection Services, Inc.	Toyota Center Security Monitoring 9/1/20-9/30/20	1006.1 · Sterling Operating Account	
R 123764	09/01/2020		Toyota Center Security Monitoring 9/1/20-9/30/20	8039 · Security & Fire Alarm System	-43.39
					<u>-43.39</u>
21677	09/30/2020	Apollo Inc		1006.1 · Sterling Operating Account	
940028604	07/07/2020		HVAC Maintenance July Billing	8038 · Repairs & Maintenance-HVAC	-1,902.67
940029049	08/05/2020		August HVAC Contract Billing	8038 · Repairs & Maintenance-HVAC	-1,902.67
940029628	08/26/2020		Blower Motor for office AC Unit	8038 · Repairs & Maintenance-HVAC	-861.81
940029802	09/02/2020		HVAC Maintenance-September Billing	8038 · Repairs & Maintenance-HVAC	-1,752.00
					<u>-6,419.15</u>

**Toyota Center and Toyota Arena
Operations Claims Roster
September 2020**

Num	Date	Name	Memo	Account	Paid Amount
21678	09/30/2020	Benton PUD		1006.1 · Sterling Operating Account	
Sign 8/7-9/7/20	09/12/2020		Marquee 8/7-9/7/20	8036.3 · Electricity	-372.22
8/7-9/7/20	09/12/2020		Toyota Center & Area Electricity 8/7-9/7/20	8036.3 · Electricity	-5,678.81
					<u>-6,051.03</u>
21679	09/30/2020	Cascade Natural Gas - COL	TC-Natural Gas Services 8/10-9/110/20	1006.1 · Sterling Operating Account	
8/11-9/10/20	09/14/2020		TC-Natural Gas Services 8/10-9/110/20	8036.2 · Natural Gas	-169.56
					<u>-169.56</u>
21680	09/30/2020	Cascade Natural Gas - ICE	TA-Natural Gas Services 8/10-9/110/20	1006.1 · Sterling Operating Account	
8/11-9/10/20	09/14/2020		TA-Natural Gas Services 8/10-9/110/20	8036.2 · Natural Gas	-25.44
					<u>-25.44</u>
21681	09/30/2020	Cougar Digital Marketing & Design LLC	Monthly Website Maintenance Plan	1006.1 · Sterling Operating Account	
6839	09/01/2020		Monthly Website Maintenance Plan	8103 · Advertising & Marketing	-149.00
					<u>-149.00</u>
21682	09/30/2020	Culligan	230326	1006.1 · Sterling Operating Account	
105351	09/18/2020		Water Cooler Service 9/18-10/18/20	8098 · Supplies & Equipment	-10.86
					<u>-10.86</u>
21683	09/30/2020	Weaver Exterminating Service, Inc.		1006.1 · Sterling Operating Account	
581875	09/21/2020		Rodent and Pest Control Services-TC	8094 · Outside Services	-255.21
581873	09/21/2020		Rodent and Pest Control Services-TA	8094 · Outside Services	-127.06
					<u>-382.27</u>
AUTO	09/30/2020	American Payment Solutions	Credit card processing Sept 2020	1006.1 · Sterling Operating Account	
			Credit card processing Sept 2020	8109 · Credit Card Fees	-35.45
					<u>-35.45</u>
AUTO	09/30/2020	Ignite Payment Systems	Card processing fees - TOYO Sept 2020	1006.1 · Sterling Operating Account	
			Card processing fees - TOYO Sept 2020	8109 · Credit Card Fees	-55.80
			Card processing fees - ARENA Sept 2020	8109 · Credit Card Fees	-33.45
					<u>-89.25</u>
AUTO	09/30/2020	USAePay	CC processing setup for TOYO - Sept 2020	1006.1 · Sterling Operating Account	
			CC processing setup for Center - Sept 2020	8109 · Credit Card Fees	-12.50
			CC processing setup for Arena - Sept 2020	8109 · Credit Card Fees	-12.50
					<u>-25.00</u>
Total Paid					68,658.28

I, Dan Legard, Finance Director, do hereby certify that the merchandise or services hereinbefore specified have been received, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation and that the vouchers listed above are approved for payment this day.



Dan Legard, Finance Director

The payments on this claims roster are comprised of the following:

Check numbers 21657-21683	\$ 68,508.58
Electronic transfers	149.70
	<u>68,658.28</u>
Total	\$ 68,658.28

Exceptions:

Toyota Center and Toyota Arena
Box Office Claims Roster
September 2020

Num	Date	Name	Memo	Account	Paid Amount
AUTO	09/30/2020	American Express	AMEX fees	1006.3 - Sterling Box Office Account	
			AMEX Fees - Sept 2020	8109 - Credit Card Fees	-7.95
			AMEX - Refunds issues Sept 2020	3601 - Unearned Revenue-Ticket Sales	-337.00
					<u>-344.95</u>
			Total Paid		344.95

I, Dan Legard, Finance Director, do hereby certify that the merchandise or services hereinbefore specified have been received, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation and that the vouchers listed above are approved for payment this day.



Dan Legard, Finance Director

The payments on this claims roster are comprised of the following:

Electronic transfers	\$	344.95
Total	\$	<u>344.95</u>

Exceptions:

**Council Agenda
Coversheet**



Agenda Item Number	3.c.	Council Date	11/17/2020
Agenda Item Type	General Business Item		
Subject	Payroll Roster for PPE 10/31/2020		
Ordinance/Reso #		Contract #	
Project #		Permit #	
Department	Finance		

Consent Agenda

Ordinance/Reso

Public Mtg / Hrg

Other

Quasi-Judicial

Recommendation

That Council approve the Payroll Roster.

Motion for Consideration

I move to approve the Payroll Roster for 10/31/2020 in the amount of \$1,972,645.80 comprised of check numbers 74724 through 74731 and direct deposit numbers 186010 through 186435.

Summary

None.

Alternatives

None.

Fiscal Impact

Total \$1,972,645.80.

Through	
Dept Head Approval	Dan Legard Nov 03, 17:16:43 GMT-0800 2020
City Mgr Approval	Marie Mosley Nov 13, 10:20:20 GMT-0800 2020

Attachments: payroll roster

Recording Required?

November 17, 2020

All Departments:

October 31, 2020

ADMINISTRATIVE TEAM	3,226.54
CITY COUNCIL	4,525.00
CITY MANAGER	12,760.04
CIVIL SERVICE	1,943.00
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	24,553.86
EMPLOYEE & COMMUNITY RELATIONS	40,973.89
ENGINEERING	54,504.78
FACILITIES & GROUNDS	80,229.65
FINANCE	53,525.72
FIRE	102,253.97
LEGAL SERVICES	22,637.38
MANAGEMENT SERVICES	78,066.87
POLICE	457,902.23
	<hr/>
Subtotal General Fund	937,102.93
STREETS	19,924.53
TRAFFIC	25,923.56
	<hr/>
Subtotal Street Fund	45,848.09
BI-PIN	68,030.51
BUILDING SAFETY	43,093.32
COMMUNITY DEVELOPMENT	4,025.18
CRIMINAL JUSTICE	73,021.27
EQUIPMENT RENTAL	12,411.36
MEDICAL SERVICES	353,272.52
RISK MANAGEMENT	3,609.38
STORMWATER UTILITY	18,102.89
WATER & SEWER	143,017.87
	<hr/>
Subtotal Other Funds	718,584.30
Total Salaries and Wages	1,701,535.32
 <u>Benefits:</u>	
Comp Cashout	1,136.00
Industrial Insurance	30,623.28
Medical Retirement Account	3,412.50
Retirement	140,871.95
Social Security (FICA)	93,155.14
WA Family Leave	1,911.61
	<hr/>
Total Benefits	271,110.48
Grand Total	<u>\$1,972,645.80</u>

I, Dan Legard, Finance Director, at the direction of the Council, do hereby certify that the Payroll hereinabove specified is approved for payment in the amount of \$1,972,645.80 comprised of check numbers 74724 through 74731 and direct deposit numbers 186010 through 186435.

Approved for payment:



Dan Legard, Finance Director

Council Agenda Coversheet



Agenda Item Number	3.d.	Council Date	11/17/2020
Agenda Item Type	Resolution		
Subject	Workplace Wellness Program Resolution		
Ordinance/Reso #	20-13	Contract #	
Project #		Permit #	
Department	Finance		

Consent Agenda	<input checked="" type="checkbox"/>
Ordinance/Reso	<input checked="" type="checkbox"/>
Public Mtg / Hrg	<input type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

Staff recommends that Council adopt Resolution No. 20-13, reaffirming the City of Kennewick's commitment to workplace wellness for all City employees.

Motion for Consideration

I move to adopt Resolution No. 20-13.

Summary

City Council adopted a resolution in 2009 that affirmed the City of Kennewick's commitment to workplace wellness for all employees. As part of our continued participation in the WellCity program, City Council must reaffirm Council's continued commitments to establishing and maintaining a culture of workplace wellness.

Alternatives

None recommended.

Fiscal Impact

If the City continues to earn the WellCity award, the City's health insurance premiums will remain reduced by 2%.

Through	Corey Osborn Oct 20, 08:08:29 GMT-0700 2020
Dept Head Approval	Dan Legard Oct 28, 07:48:51 GMT-0700 2020
City Mgr Approval	Marie Mosley Nov 13, 10:21:56 GMT-0800 2020

Attachments:

Recording Required?

CITY OF KENNEWICK
RESOLUTION NO. 20-13

A RESOLUTION SUPPORTING THE CITY OF KENNEWICK'S WELLNESS
PROGRAM

WHEREAS, the Kennewick City Council has determined that it is an advantage to the City to have an employee wellness program; and

WHEREAS, the City's wellness program educates and reinforces employee health awareness and healthful lifestyle choices; and

WHEREAS, the fitness and good health of City employees ensures that our citizens receive the benefit of more productive employees with fewer illnesses in the workplace;
NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON that the City Council hereby expresses their support of Kennewick's wellness program and formally reaffirms the existing wellness program.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, this 17th day of November, 2020, and signed in authentication of its passage this 17th day of November, 2020.

Attest:

DON BRITAIN, Mayor

TERRI L. WRIGHT, City Clerk

RESOLUTION NO. 20-13 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington, this 18th day of November, 2020.

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

Council Agenda Coversheet



Agenda Item Number	3.e.	Council Date	11/17/2020
Agenda Item Type	Contract/Agreement/Lease		
Subject	Work Crew Contract Termination		
Ordinance/Reso #		Contract #	
Project #		Permit #	
Department	City Manager		

Consent Agenda	<input checked="" type="checkbox"/>
Ordinance/Reso	<input type="checkbox"/>
Public Mtg / Hrg	<input type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

That City Council authorize the City Manager to provide notice of termination to Benton County for the interlocal agreement currently in place for the provision of work crew services.

Motion for Consideration

I move to authorize the City Manager to provide notice of termination to Benton County for the interlocal agreement currently in place for the provision of work crew services.

Summary

As discussed during the presentation on the proposed 2021/2022 biennial budget at the October 27th Kennewick City Council workshop, staff has been evaluating the future of the City's existing interlocal agreement with Benton County for the provision of work crew services. This agreement has been in place since early 2019 and provides for a shared work crew between the City and the County. Since March when the COVID-19 pandemic began, the City's shared work crew has been unable to operate or provide service. Despite this, the City was initially billed for its share of work crew costs for the months of April, May and June, as well as for ancillary administrative costs for the work crew in July after the County made a decision to reassign its work crew officer effective July 1st and utilize CARES Act funding received by the County to pay for the cost.

Subsequent to the October 27th workshop, the City received a notification from Benton County that it would be consolidating two of its shared work crews and would no longer be able to participate in a shared work crew with the City. The County provided the City with the option to take over full financial responsibility for the work crew effective January 1, 2021, or asked that the City provide notification if it wished to instead cancel the work crew agreement currently in place. The County also notified the City that it had made a decision to refund work crew costs paid by the City for the months of April, May and June. The City had not yet paid its July invoice, and the County will be removing it.

At this time, due primarily to the ongoing uncertainty regarding the work crew's ability to provide service under the current restrictions in place associated with the COVID-19 pandemic, staff is recommending to provide notice to Benton County that the City will be terminating our current work crew agreement. Within the notification, the City will also express a willingness to explore a new work crew agreement in the future once current restrictions are removed and work crews can operate normally.

Alternatives

None recommended.

Fiscal Impact

The City's shared work crew with Benton County has an estimated annual cost of \$85,000 for the City. As discussed with City Council at the October 27th workshop where the proposed 2021/2022 biennial budget was reviewed, City staff recommends backfilling for the services previously provided by the work crew primarily through a combination of increased seasonal (part-time) labor and contracted services.

Through	
Dept Head Approval	Dan Legard Nov 04, 15:03:14 GMT-0800 2020
City Mgr Approval	Marie Mosley Nov 13, 10:27:02 GMT-0800 2020

Attachments:

Termination Notice
Benton County Letter

Recording Required?

Leading the Way



November 18, 2020

VIA E-MAIL

Mr. Jerrod MacPherson, County Administrator
Benton County

Re: Work Crew #4

Dear Mr. MacPherson:

Thank you for your recent letter notifying the City of your intent to consolidate work crews beginning in 2021 and corresponding inquiry about the City of Kennewick's interest in assuming full financial responsibility of our shared work crew #4 at that time. I also sincerely appreciate the County's reconsideration and approval of the City's previous request for a refund of costs paid for work crew #4 for the months of April, May and June, during which the work crew was unable to provide services due to the COVID-19 pandemic. Unfortunately, due to the remaining uncertainty surrounding the pandemic and ability for the work crew to provide service in the future, the City of Kennewick is not in a position at this time to take on full financial responsibility for work crew #4.

Please accept this letter as the City of Kennewick's notice of termination, given pursuant to Section 8 of the 2019 Interlocal Agreement for the Provision of Work Crews, which provides as follows:

At the election of any party, this agreement may be terminated with or without cause upon the giving of thirty (30) days' written notice to the other party, with the time period calculated exclusive of the date of mailing and faxing the written notice.

The City of Kennewick recognizes that the work crew program provides significant value to both the City and County when the work crew is able to provide services. We would be open to revisiting a similar agreement for the provision of work crew services in the future when conditions are less restrictive and the work crew is able to operate as intended.

Should you have any questions about this notice, please do not hesitate to contact me.

Sincerely,

Marie E. Mosley
City Manager

Jerome Delvin, *District 1*
Shon Small, *District 2*
James Beaver, *District 3*



Jerrold MacPherson
County Administrator
Matt Rasmussen
Deputy County Administrator

Board of County Commissioners

November 2, 2020

Marie Mosley, City Manager
City of Kennewick

RE: Work Crew

Dear Ms. Mosley:

As you are aware on September 25, 2020 the City of Richland notified the County of its intent to cancel our long-standing agreement regarding work crew. Earlier this year the City of West Richland also canceled their work crew agreement with the County. With these recent cancelations, the County has been evaluating the future of the work crew program. The County has determined that it will convert the work crew previously used by the City of Richland for use as a County only work crew. With that change the County will no longer have a need to share a work crew with the City of Kennewick pursuant to our March 5, 2019 agreement.

The purpose of this letter is twofold. First, we are enquiring if the City of Kennewick is interested in continuing to utilize work crew #4, but assume 100% of the utilization and 100% of the actual expenditures for such crew effective January 1, 2021 or, if the City would prefer to cancel our 2019 work crew agreement. If you are agreeable to assuming the additional utilization and costs, please let us know and we can work to revise the agreement. If you are not willing to assume the additional utilization and associated costs, please advise that you prefer to cancel our agreement. We understand this represents a financial impact in difficult times but, since this also impacts the County going into our next budget cycle, we require your response by November 30, 2020 so we can make the necessary arrangements.

Second, we have reviewed your renewed request to have work crew costs paid by the City refunded for the months of April, May and June. While we do not believe we are obligated to refund any amount to you, on further consideration, the County will issue a refund of \$13,682.46. We will also remove costs associated with your unpaid invoice for July. We will process the payment as soon as possible.

Sincerely,

Jerrold MacPherson,
County Administrator

Council Agenda Coversheet



Agenda Item Number	3.f.	Council Date	11/17/2020
Agenda Item Type	Contract/Agreement/Lease		
Subject	Toyota Center Naming Rights Agreement Extension		
Ordinance/Reso #		Contract #	
Project #		Permit #	
Department	City Attorney		

Consent Agenda	<input checked="" type="checkbox"/>
Ordinance/Reso	<input type="checkbox"/>
Public Mtg / Hrg	<input type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

Staff is requesting council authorize the City Manager to sign the Toyota Center Naming Rights Agreement Extension on behalf of the City.

Motion for Consideration

I move to authorize the City Manger to sign the Toyota Naming Rights Agreement Extension.

Summary

Attached to this coversheet is Addendum #1 to the Toyota Center and Toyota Arena Naming Rights Agreement. The Addendum extends the current naming rights agreement an additional three years. The Addendum modifies the payment obligations for October and November of 2020 acknowledging the closures of both facilities due to COVID-19 for the better part of 2020. Toyota agrees to pay \$633,750 over the course of the next three years in exchange for the naming rights described in the original agreement. The Addendum allows for a payment reduction in the event the Toyota Center loses its prime tenant the Tri-City Americans Hockey Club or the Toyota Center is not permitted to operate by August 2021. Lastly, the Addendum provides an additional opt-out provision in the event Toyota Motor Sales, U.S.A. (the corporate office) alters its funding requirements for naming rights agreements. The City is a party to this agreement as the facility owner. Similar to the original Naming Rights Agreement, staff is requesting council authorize the City Manager to sign on behalf of the City.

Alternatives

None Recommended.

Fiscal Impact

If the Toyota Center and Toyota Area do not receive this sponsorship from Inland Northwest Toyota Dealers Association, it will result in additional subsidy required by the City of Kennewick to support the Toyota Center and Toyota Arena.

Through	Selena Swearingen Nov 04, 12:55:28 GMT-0800 2020
Dept Head Approval	Lisa Beaton Nov 04, 13:40:03 GMT-0800 2020
City Mgr Approval	Marie Mosley Nov 13, 10:34:26 GMT-0800 2020

Attachments:

Addendum #1 Original Agreement

Recording Required?

**TOYOTA CENTER AND TOYOTA ARENA
NAMING RIGHTS AGREEMENT ADDENDUM #1**

This NAMING RIGHTS AGREEMENT ADDENDUM #1, made this 1st day of October, 2020, by and between the VenuWorks of Kennewick, LLC., 7016 West Grandridge Blvd, Kennewick, WA 99336 (hereinafter "FACILITY MANAGER"), the City of Kennewick (hereinafter "FACILITY OWNER") and Inland Northwest Toyota Dealers Association, (hereinafter "NAMING SPONSOR").

WITNESSETH:

WHEREAS, FACILITY OWNER, owns an Arena (hereinafter referred to as "Toyota Center") and a Public Ice Arena (hereinafter referred to as the "Toyota Arena") and has arranged for the management and operations of the Toyota Center and Toyota Arena with FACILITY MANAGER.

WHEREAS, FACILITY MANAGER operates, and maintains an Arena (hereinafter referred to as the "Toyota Center") and a Public Ice Arena (hereinafter referred to as the "Toyota Arena") collectively the two facilities are hereinafter referred to as the "Complex"; and

WHEREAS, FACILITY MANAGER desires to renew the sale of the naming rights to the COMPLEX; and

WHEREAS the parties acknowledge that FACILITY OWNER was a party to the original Naming Rights Agreement and is a party to this renewed Naming Rights Agreement for the limited purposes of acknowledging FACILITY MANAGER'S authority to enter into this agreement as a part of its responsibility to operate and manage the Complex.

WHEREAS, FACILITY MANAGER and NAMING SPONSOR have agreed Toyota Center and Toyota Arena is the Mutually Agreeable Name (MAN) for the respective facilities; and

WHEREAS, NAMING SPONSOR desires to maintain the naming rights to the COMPLEX for an additional Three year period; and

WHEREAS, NAMING SPONSOR desires to assist in maximizing COMPLEX 's annual attendance and activity which will benefit both the COMPLEX and NAMING SPONSOR; and

WHEREAS, NAMING SPONSOR has agreed to pay amounts described in Article V in exchange for naming rights.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to the following changes:

Section 1. The parties agree to amend Article V A. and B. of the Toyota Center and Toyota Arena Naming Rights Agreement. Article V, Section A. and Section B. is hereby amended to read as follows:

ARTICLE V - FEES AND CHARGES

A. Payment:

The current Agreement shall be extended two (2) months to November 30, 2020 where the NAMING SPONSOR shall pay \$18,750 per month in consideration for suspending payments while the NAMING SPONSOR was closed due to Government restrictions.

NAMING SPONSOR shall pay to the FACILITY MANAGER the sum of Six Hundred Thirty Three Thousand Seven Hundred Fifty Dollars and no cents (\$633,750.00) in consideration of this agreement in the following manner:

1 st Year		
-Dec. 1, 2020- July 31, 2021	\$90,000	(\$11,250 Due 1 st of Each Month)
-Aug 1, 2021- Nov. 30, 2021	\$75,000	(\$18,750 Due 1 st of Each Month)
2 nd Year	\$225,000	Monthly Payments Due 1 st of Each Month
3 rd Year	\$225,000	Monthly Payments Due 1 st of Each Month

B. Payment Reduction:

Except as may otherwise be provided for herein, payment owed to the FACILITY MANAGER by the NAMING SPONSOR pursuant to this Agreement shall not be reduced unless the loss of the Tri City Americans Hockey Club or the Toyota Center is not permitted to operate due to continued pandemic restrictions. If the Toyota Center is not permitted to operate by August 1, 2021, the FACILITY MANAGER and NAMING SPONSOR may meet and renegotiate payment terms. In the event of the loss of the Tri City Americans, the FACILITY MANAGER has one year to replace the major tenant with a comparable one. If a major tenant is not found the FACILITY MANAGER and the NAMING SPONSOR may renegotiate the payment amount in Article V, Section A.

Section 2. The parties agree to amend Article VI Section A. of the Toyota Center and Toyota Arena Naming Rights Agreement. Article VI Section A is hereby amended to read as follows:

ARTICLE VI - TERM / TERMINATION / RENEWAL

A. Term:

The initial term of this Agreement shall commence on the date hereof ("Effective Date") and shall continue until November 30, 2023, with at least one renewal for an additional Three (3) years following the initial term at a mutually agreeable rate, unless otherwise terminated in accordance with Article VI, Section B and C. If during the term of this agreement the Toyota Center is expanded or replaced, this agreement shall extend to the designated areas expanded for the Toyota Center exclusive use or the new facility for the duration of the term. NAMING SPONSOR has the right to terminate this agreement if NAMING SPONSOR loses funding from Toyota U.S.A. with no penalty. Sponsor must inform FACILITY MANAGER of termination ninety (90) days prior to that years ending date of November 30th. Without notice this agreement continues under all Articles stated herein.

Notwithstanding the foregoing, if Toyota Motor Sales, U.S.A., Inc. alters its funding and/or co-op requirements in a manner that materially impacts NAMING SPONSOR's ability to fulfill its obligations for payment of the Sponsorship Fee as provided herein, the parties agree to use good faith efforts to negotiate and enter into an amendment to this Agreement, including review of all assets provided for herein, which will allow for a reduction in the Sponsorship Fee and/or adjustment of assets if required (the "Asset Amendment"). If the parties are unable to enter into an Asset Amendment within thirty (30) days of commencement of such efforts, NAMING SPONSORE will have the opportunity to terminate this Agreement by providing written notice to Manager, with termination to be effective as of November 30 of such year.

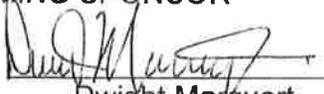
Section 3. All other terms and conditions contained in the Toyota Center and Toyota Arena Naming Rights Agreement dated October 1, 2015, not specifically amended above or inconsistent with the terms as amended above shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement Addendum on the date first above written.

FACILITY MANAGER

By: 
Corey Pearson
Its: Executive Director

NAMING SPONSOR

BY: 
Dwight Marquart
Its: Director

FACILITY OWNER

By: _____
MARIE MOSLEY, City Manager

Approved as to form:

LISA BEATON, City Attorney

TOYOTA CENTER AND TOYOTA ARENA NAMING RIGHTS AGREEMENT

This NAMING RIGHTS AGREEMENT, made this 1st day of October, 2015, by and between the VenuWorks of Kennewick, LLC., 7016 West Grandridge Blvd, Kennewick, WA 99336 (hereinafter "FACILITY MANAGER"), the City of Kennewick (hereinafter "FACILITY OWNER") and Toyota of Tri Cities, (hereinafter "NAMING SPONSOR").

WITNESSETH:

WHEREAS, FACILITY OWNER, owns an Arena (hereinafter referred to as "Toyota Center") and a Public Ice Arena (hereinafter referred to as the "Toyota Arena") and has arranged for the management and operations of the Toyota Center and Toyota Arena with FACILITY MANAGER.

WHEREAS, FACILITY MANAGER operates, and maintains an Arena (hereinafter referred to as the "Toyota Center") and a Public Ice Arena (hereinafter referred to as the "Toyota Arena") collectively the two facilities are hereinafter referred to as the "Complex"; and

WHEREAS, FACILITY MANAGER desires to renew the sale of the naming rights to the COMPLEX; and

WHEREAS the parties acknowledge that FACILITY OWNER was a party to the original Naming Rights Agreement and is a party to this renewed Naming Rights Agreement for the limited purposes of acknowledging FACILITY MANAGER'S authority to enter into this agreement as a part of its responsibility to operate and manage the Complex.

WHEREAS, FACILITY MANAGER and NAMING SPONSOR have agreed Toyota Center and Toyota Arena is the Mutually Agreeable Name (MAN) for the respective facilities; and

WHEREAS, NAMING SPONSOR desires to maintain the naming rights to the COMPLEX for a Five year period; and

WHEREAS, NAMING SPONSOR desires to assist in maximizing COMPLEX 's annual attendance and activity which will benefit both the COMPLEX and NAMING SPONSOR; and

WHEREAS, NAMING SPONSOR has agreed to pay amounts described in Article V in exchange for naming rights.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I – COMPLEX NAME; TOYOTA MARKS; PUBLIC RELATIONS;
USE OWNERSHIP**

A. Complex Name:

1. In accordance with this Agreement, the COMPLEX name shall continue to be mutually acceptable to both FACILITY MANAGER and NAMING SPONSOR, hereinafter known as Toyota Center and Toyota Arena. FACILITY MANAGER retains the right to approve any subsequent change NAMING SPONSOR requests to the COMPLEX name, provided such approval shall not be unreasonably withheld. FACILITY MANAGER shall permit, consistent with Article II and III, the COMPLEX's name on all signage, materials and other locations whether within or outside of the COMPLEX, to read Toyota Center or Toyota Arena. FACILITY MANAGER will use its best efforts to make all references to the COMPLEX made to any person, firm, corporation, or other entity, for the term of this Agreement, to be the Toyota Center or Toyota Arena including references by FACILITY MANAGER made in local, regional, and national media coverage and advertising and to representatives thereof.
2. When referring to the COMPLEX outside the Kennewick area the FACILITY MANAGER will refer to the facilities as the Toyota Center and Toyota Arena. All COMPLEX stationery items shall continue to reference Toyota Center and Toyota Arena. FACILITY MANAGER shall ensure that NAMING SPONSOR receives name recognition via regular public address announcements during events held at the Complex wherein each mention of Complex shall state the Toyota Center or Toyota Arena consistent with the location of the event.

B. Toyota Marks:

1. NAMING SPONSOR and FACILITY MANAGER will continue to work together to utilize a mutually agreeable COMPLEX logo.
2. If the NAMING SPONSOR should change their name during the term of this agreement, and such name is to be utilized by the COMPLEX, NAMING SPONSOR will be responsible for the costs associated with development of the new logo as well as the cost to replace NAMING SPONSOR's name on all existing signage, stationary, business cards, etc.

C. Public Relations Campaign.

Effective upon execution of this agreement, with NAMING SPONSOR's approval, FACILITY MANAGER shall engage in an aggressive public relations campaign announcing the continuation of the NAMING SPONSOR's support of the COMPLEX, City of Kennewick, American's Hockey Club and the Fever Indoor Football Team.

D. Use of Name and Toyota Marks:

1. Grant of License:

Subject to FACILITY MANAGER's compliance with all the terms and conditions under this Agreement, Sponsor grants to FACILITY MANAGER, for the Term of this Agreement, permission to (a) use the Toyota Marks in the MAN and the MAN logo described in Article I of the Agreement (the "MAN Logo") and to use the MAN in connection with the operation and promotion of the Complex and events occurring at the Complex; (b) to apply the MAN to materials designed, manufactured, marketed, or sold by or on behalf of FACILITY MANAGER, solely in connection with the operation or promotion of the Complex or an event held at the Complex ("Merchandise"), to advertising, marketing, or promotional materials for the Complex ("Advertising Materials"), and to materials used solely in connection with the operation and promotion of the Complex ("Operational Materials"); (c) to provide NAMING SPONSOR with the benefits expressly set forth in this Agreement subject to the restrictions set forth herein ("Licensed Use" or "Licensed Uses"). Except for the promotion or mention of the MAN in connection with any broadcast of any event held at or mentioning the Complex, which shall not be so restricted, all Advertising Materials shall be distributed solely within the continental United States and Alaska and all Merchandise and Operational materials shall be distributed only within the Southern Washington geographic area, unless otherwise agreed in writing by NAMING SPONSOR. No other or different rights are granted hereunder to FACILITY MANAGER, and FACILITY MANAGER shall have no right to use any of the Toyota Marks apart from the permitted use of the MAN. FACILITY MANAGER shall have no right to use the MAN for any purpose other than those limited rights set forth in this Agreement. Subject to the prior approval of FACILITY MANAGER (such approval not to be unreasonably withheld), NAMING SPONSOR shall retain the right to use the MAN in conjunction with the naming and sponsorship arrangements provided for under this Agreement and for the marketing and promotion of such arrangement. FACILITY MANAGER shall have the right to allow third parties to use the MAN in connection with a Licensed Use; provided, however, that FACILITY MANAGER shall ensure that any use of the MAN by third parties shall be in accordance with the terms and conditions of this Agreement.

2. Ownership of Name:

FACILITY MANAGER acknowledges and agrees that ownership of the Toyota Marks and MAN and associated goodwill shall remain with NAMING SPONSOR and Toyota Motor Sales, U.S.A., Inc. ("TMS"). FACILITY MANAGER shall not modify or alter the MAN in any way unless in accordance with the terms of this Agreement. FACILITY MANAGER shall not adopt, use of license at any time, any other trademark, service mark, trade name, or other designation that is confusingly similar to the Toyota Marks or the MAN, and shall not challenge at any time, directly or indirectly, the right of NAMING SPONSOR to, or the validity of distinctiveness of, the Toyota Marks.

3. Conditions of Use:

- (a) **Design of Advertising Materials, Operational Materials and Merchandise.** Before FACILITY MANAGER's use of the MAN on any Merchandise (including any change in or variation of any Merchandise), Advertising, or Operational Materials designed, manufactured, marketed, distributed or sold by or on behalf of FACILITY MANAGER pursuant to this Agreement, the following must occur: (i) the parties must have agreed upon the MAN, the MAN Logo, and a style guide setting forth all variations of the MAN and the MAN Logo; (ii) FACILITY MANAGER must have submitted to NAMING SPONSOR for its approval (such approval not to be unreasonably withheld, conditioned or delayed) a representative sample of Merchandise, Advertising and Operational material bearing the MAN and the MAN logo. Provided NAMING SPONSOR has approved the MAN logo, the style guide and how the MAN logo appears on a representative sample of Merchandise, Advertising and Promotional Material, FACILITY MANAGER shall not be required to obtain the written approval of NAMING SPONSOR prior to each use of the MAN on each such item of Merchandise. Advertising and Promotional Material used in accordance with this Agreement. FACILITY MANAGER shall pay all costs and expenses incurred in preparing and submitting to NAMING SPONSOR such MAN Logo and style guide.

- (b) **Merchandise.** All Merchandise bearing the MAN Logo shall be consistent with the high-quality reputation associated with Toyota products.

- (c) **Advertising Materials.** FACILITY MANAGER shall be solely responsible for producing, at its sole expense, any Advertising Materials FACILITY MANAGER reasonably deems necessary to promote the Complex in accordance with this Agreement. All Advertising Materials bearing the MAN Logo shall be of the highest quality consistent with the reputation associated with Toyota products.

4. Quality.

- (a) **Inspection and Quality Control.** All Merchandise, Operational materials and all Advertising Materials bearing the MAN Logo shall be of the highest quality, consistent with the reputation of Toyota products and the standards generally established at other similar facilities. FACILITY MANAGER shall ensure quality control procedures are developed in the manufacturing and distribution process, including, without limitation, inspection (by lot sampling or other reasonable procedure customary in the industry for similar products) of Merchandise prior to their sale, use or distribution, to ensure that all Merchandise marketed, used or sold in connection with this Agreement (i) meets the quality standard set forth above, (ii) meet all Merchandise specifications agreed upon pursuant to Article 1, Section D.3 (a) above and (iii) are free from defects in workmanship and material. FACILITY MANAGER shall provide Toyota with any information reasonably requested by Toyota relating to quality control procedures implemented by FACILITY MANAGER and the results thereof. In addition, upon reasonable request, FACILITY MANAGER shall provide Toyota with a reasonable number of production samples of each type of Merchandise, Operational Materials and all Advertising Materials to enable Toyota to verify that the Merchandise, Operational Materials and Advertising Materials satisfy all requirements of this Agreement. FACILITY MANAGER shall establish quality control procedures to ensure that any Merchandise or materials bearing the Toyota Marks or the MAN adhere to the highest standards of quality. Notwithstanding the generality of the foregoing, a use of the MAN by FACILITY MANAGER shall be deemed to satisfy NAMING SPONSOR's standards of quality of the following criteria are satisfied: (i) the use of the MAN is in connection with a Licensed Use; (ii) the appearance (e.g. form, color, type, style,

orientation, etc.) of the MAN is in accordance with the standards of usage set forth in the mutually approved style guide; (iii) the use of the MAN is consistent with the terms and conditions of this Agreement; (iv) the use of the MAN shall not feature or incorporate any obscene or defamatory subject matter; and (v) the MAN is being used, and the Complex is being operated and maintained, in a manner consistent with the standards generally established at other similar facilities.

- (b) **Compliance with Sponsor Trademark Guidelines.** FACILITY MANAGER's use of the MAN shall be in compliance with NAMING SPONSOR's Brand Guidelines which shall be provided by NAMING SPONSOR. NAMING SPONSOR standards and procedures for branding, advertising, marketing, or promotion, as applicable, shall apply in all respects to the use of any MAN. FACILITY MANAGER shall not obtain any independent rights to the MAN or Toyota Marks and shall not register or try to register any trademark or Internet domain name that, according to NAMING SPONSOR's reasonable judgment, is confusingly similar to the MAN or contains the Toyota Marks as an element.

5. Enforcement:

Upon the request of NAMING SPONSOR, FACILITY MANAGER agrees to assist NAMING SPONSOR in the protection of the MAN and shall provide, at reasonable cost as determined by FACILITY MANAGER and to be borne by FACILITY MANAGER, any evidence, documents, and testimony concerning the use by FACILITY MANAGER of the MAN, which NAMING SPONSOR may request for use in obtaining, defending, or enforcing rights in the MAN or any related application or registration. FACILITY MANAGER shall promptly notify NAMING SPONSOR in writing of any known infringements or imitations by others of the MAN of which FACILITY MANAGER becomes aware. NAMING SPONSOR shall have the right to determine whether or not any action shall be taken on account of any such infringements or imitations. In the event NAMING SPONSOR does not take any action against a third party infringing NAMING SPONSOR's rights to the MAN within ninety (90) days after receipt of notice thereof, FACILITY MANAGER shall have the right, but no obligation, to file suit or

take other appropriate action against infringers of the MAN upon notice to NAMING SPONSOR.

6. Compliance With Laws:

FACILITY MANAGER agrees to comply with all applicable federal, state, and local laws and regulations and agrees in connection with the manufacture, marketing, sale and distribution of Merchandise bearing the MAN Logo and the exercise of its rights and performance of its obligations under this Agreement and shall refrain from any activities that, according to the reasonable judgment of NAMING SPONSOR, could harm the reputation and goodwill of NAMING SPONSOR or the MAN. FACILITY MANAGER shall obtain all permits and licenses required to exercise its rights and perform its obligations hereunder and collect, pay, and remit all applicable sales and other taxes. Sponsor agrees to cooperate with FACILITY MANAGER in connection with FACILITY MANAGER's efforts to obtain and maintain all permits and licenses required to exercise NAMING SPONSOR's rights and perform its obligations hereunder.

ARTICLE II - AMENITIES

A. Signage and Displays:

Unless otherwise provided herein, FACILITY MANAGER shall provide at its sole cost and expense signage at the following locations bearing the Toyota Center or Toyota Arena name:

1. Directional Signage:

- a) Directional signage for the Complex located on SR240, each direction, before the Columbia Center Boulevard exit subject to State of Washington Department of Transportation regulations.
- b) Directional signage located on Columbia Center Boulevard subject to City of Kennewick regulations.

2. Interior Building Locations:

- a) One panel located on the top of the scoreboard at each end of the Toyota Center, for a total of two, plus two thirty second video commercials per event held at the Toyota Center so long as the video system is in use for the event, in working order and the content of the commercials are appropriate for the event.
- b) Hockey Rink center ice signage for all hockey games at Center.

- c) Hockey Rink center ice signage for all skating events at the Arena.
- d) Permanent basketball floor signage on Center court.
- e) Permanent display on the top of all dasher board pads for all indoor football games.
- f) Welcome mats to be located at entrances for the Center.
- g) Two (2) in-arena Duratrans signs in the Center.
- h) Two (2) dasher board signs in the Arena.
- i) One (1) Zamboni used for all applicable events.
- j) Two (2) dasher boards in the Center displayed at all Americans hockey games located on the dashers behind the goals at each end of the rink.
- k) The exact size, location and design of the signage will be mutually agreed between the NAMING SPONSOR and the FACILITY MANAGER.

3. Exterior Building Locations:

- a) Prominent three-dimensional name mounted on three sides of the Center.
- b) Prominent three-dimensional name mounted on Two sides of the Arena.
- c) Toyota Center Displayed on the Columbia Center marquee facing both directions.
- d) Display messages on the Columbia Center marquee top and bottom message boards facing both directions .

B. Promotional Opportunities:

FACILITY MANAGER shall further provide to NAMING SPONSOR the following at FACILITY MANAGER's sole cost and expense:

1. Toyota Center Luxury Suite:

- a) Exclusive use of suite number six (6).
- b) Ten (10) tickets for every non-restricted event at the Toyota Center.
- c) Ability to purchase 5 additional tickets for the suite.
- d) Use of Five (5) VIP parking spaces for all events.

2. Product Placement:

- a) Placement of three (3) vehicles outside of the Toyota Center
- b) Opportunity for placement of vehicles during Tri-City Americans and Tri-City Fever games, subject to direction and request of the teams.
- c) A kiosk or other promotional display relating to the NAMING SPONSOR and it's products and services in a prominent position within the Toyota Center.

3. Website:

- a) The Complex will continue to operate a branded website.
- b) The websites will remain www.yourtoyotacenter.com and www.yourtoyotaarena.com. Name recognition on tickets, media materials, printed stationery, business cards and all promotional

materials promoting the Toyota Center and Toyota Arena and the events taking place there.

4. Marketing:

- a) On-going promotional and marketing assistance, including, but not limited to, newsletters and e-mail lists to notify potential customers of upcoming events at the Complex by utilizing the sponsors network, including billing stuffers, social media, e-mail databases, etc., in order to give customers the opportunity to buy tickets public events. All of these services are subject to approval of the artist and/or promoter.
- b) Name recognition in local, regional, national and international media coverage and advertising.
- c) Additional benefits including autographed posters, mementos, etc. (subject to cooperation of performers).
- d) Ongoing promotional and marketing opportunities.
- e) Name recognition via regular P.A. announcements during applicable FACILITY MANAGER events.

5. Complimentary Building Use:

- a) One (1) Complimentary use of the Meeting Rooms annually on a mutually acceptable date.
- b) One (1) Complimentary use of the Toyota Center annually on a mutually acceptable date.
- c) One (1) Complimentary use of the Toyota Arena annually on a mutually acceptable date.
- d) NAMING SPONSOR may assign this right to a non-profit organization subject to the prior written approval of the FACILITY MANAGER.
- e) Complimentary use does not include set-up, tear-down, clean-up, other staffing services or catering. All of these services will be billed to the NAMING SPONSOR at posted rates.
- f) Complimentary uses will not interfere with cash rental business.

6. Event Tickets and Sponsorship:

- a) Subject to State law and City code, the FACILITY MANAGER will work with event promoters to make available from time to time, complimentary or specially discounted tickets available to NAMING SPONSOR for distribution to local charities, youth organizations, schools and social service agencies.
- b) NAMING SPONSOR may be required to purchase said tickets for distribution and complimentary tickets may be subject to an admissions tax that shall be the responsibility of the NAMING SPONSOR.
- c) NAMING SPONSOR shall have right of first refusal on and event sponsorship at the Complex when an event and/or promoter is seeking such a sponsorship.
- d) NAMING SPONSOR shall receive, for their use, 4-6 tickets to promoted musical events at the Toyota Arena. The number of

tickets will be contingent on availability and the agreement with the promoter.

C. Reports and Surveys:

1. NAMING SPONSOR shall receive an annual report from FACILITY MANAGER regarding events, promotions, attendance, media clippings, traffic and other elements from which NAMING SPONSOR will derive value from their sponsorship.
2. NAMING SPONSOR shall have the opportunity to survey Complex event attendees four times per year at the expense of the NAMING SPONSOR.

ARTICLE III - SIGNAGE INSTALLATION AND MAINTENANCE

A. Signage Installation:

The FACILITY MANAGER and the NAMING SPONSOR agree the appropriate NAMING SPONSOR signage has been installed at the Complex. Any subsequent name change and additional signage installation resulting there from shall be the responsibility of the NAMING SPONSOR. During the term of this agreement the NAMING SPONSOR shall have access to the Complex and other locales where signage is to be installed. "Installation" as used herein shall include equipment or structures as required, providing for an erection of signage, and providing all electrical distribution, connection, and conduit to signage unless otherwise stated.

B. Location of Signage:

The location of the signage and number of signs shall be mutually agreed upon between the parties but minimally shall include the signage outlined in Article II.

C. Maintenance:

The FACILITY MANAGER, at its own cost and expense, shall provide all reasonable maintenance of the signage and related equipment throughout the term of the agreement. Maintenance, herein, does not include capital replacement.

D. Signage as Property of FACILITY MANAGER:

Except as set forth in Article I, Section D.2, signage and related equipment provided and installed by the FACILITY MANAGER shall remain property of the FACILITY MANAGER. Signage and related equipment provided and installed by the NAMING SPONSOR shall remain the property of the NAMING SPONSOR.

ARTICLE IV-ADVERTISING

A. Advertising Policies:

NAMING SPONSOR agrees to abide by FACILITY MANAGER policies on advertising within and relative to the COMPLEX. Events may play the COMPLEX that are sponsored by other businesses, and in that case, temporary banners or other signage may be hung, scoreboard messages may appear and/or public address announcements could be made. NAMING SPONSOR further acknowledges that FACILITY MANAGER is retaining the right to sell advertising rights at the COMPLEX, subject to the provision set forth in Article IV, Section B.

B. Product Category Exclusivity:

FACILITY MANAGER shall refrain from selling Toyota Center and Toyota Arena permanent advertising rights to any person, firm, corporation, or entity that is engaged in the business of automobile sales or manufacturing, unless the FACILITY MANAGER has written permission from NAMING SPONSOR. This Article IV, Section B shall not prohibit FACILITY MANAGER from leasing suites to a Competitor; provided, however, that such Competitor shall not display advertising signage outside their box.

ARTICLE V - FEES AND CHARGES

A. Payment:

NAMING SPONSOR shall pay to the FACILITY MANAGER the sum of One Million One Hundred Twenty Five Thousand Dollars and no cents (\$1,125,000.00) in consideration of this agreement in the following manner:

1 st Year	\$225,000	Monthly Payments Due 1 st of Each Month
2 nd Year	\$225,000	Monthly Payments Due 1 st of Each Month
3 rd Year	\$225,000	Monthly Payments Due 1 st of Each Month
4 th Year	\$225,000	Monthly Payments Due 1 st of Each Month
5 th Year	\$225,000	Monthly Payments Due 1 st of Each Month

B. Payment Reduction:

Except as may otherwise be provided for herein, payment owed to the FACILITY MANAGER by the NAMING SPONSOR pursuant to this Agreement shall not be reduced unless the loss of a major tenant of the Toyota Center. If such an event occurs, the FACILITY MANAGER has one year to replace the major tenant with a comparable one. If a major tenant is not found the FACILITY MANAGER and the NAMING SPONSOR may renegotiate the payment amount in Article V, Section A. Major tenants for the purposes of this agreement are the Tri-City Americans and the Tri-City Fever. Future major tenants shall be named by mutual consent of the FACILITY MANAGER and NAMING SPONSOR.

ARTICLE VI - TERM / TERMINATION / RENEWAL

A. Term:

The initial term of this Agreement shall commence on the date hereof ("Effective Date") and shall continue until September 30, 2020, with one renewal for an additional Five (5) years following the initial term at a mutually agreeable rate, unless otherwise terminated in accordance with Article VI, Section B and C. If during the term of this agreement the Toyota Center is expanded or replaced, this agreement shall extend to the designated areas expanded for the Toyota Center exclusive use or the new facility for the duration of the term. NAMING SPONSOR has the right to terminate this agreement if NAMING SPONSOR loses funding from Toyota U.S.A. with no penalty. Sponsor must inform FACILITY MANAGER of termination ninety (90) days prior to that years ending date of September 30th. Without notice this agreement continues under all Articles stated herein.

B. Termination:

1. Defaults & Material Breaches. Each of the following shall constitute a breach and material default of this Agreement:

- a) The failure by the NAMING SPONSOR to cure a payment default under this Agreement (notwithstanding the right of the FACILITY MANAGER to interest on any such sums that become delinquent);
- b) Either party's failure to comply with a material term or condition of, or to satisfy a material obligation it has assumed under, this Agreement;
- c) If any of the following standards are not met in any given 12 month period, NAMING SPONSOR shall be allowed to terminate this agreement at any time thereafter upon written notice:
 - (i) 50 events held at the Center, which such events shall include sports events, musical events, family events, entertainment events, etc.; or
 - (ii) Total of 150,000 attendees at events.

C. Termination for Failure to Correct, Remedy, or Cease Failure or Violation of Agreement Within Reasonable Time After Receipt of Notice Thereof.

In the event either party to this Agreement fails to perform any obligation hereunder, or violates any provision of this Agreement, the other party may give notice to such party of such failure and demand the performance of such party's obligations hereunder or compliance with the terms and conditions hereof within a reasonable period after the date of such notice (the "Cure Period"), which cure Period shall not exceed ninety (90) days. Notwithstanding the foregoing, in the event of a breach of the FACILITY MANAGER's obligations under Article I, such

Cure Period shall not exceed thirty (30) days, provided, however, if the breach specified in such notice is curable but of a nature such that it cannot be cured through the exercise of reasonable diligence within the 30-day cure period, then such 30-day cure period shall be extended to a period as is reasonable (but in no event later than 180 days) to cure said breach, provided that FACILITY MANAGER has proceeded at all times and continues to proceed in a diligent and reasonable manner to cure. In the event the party receiving notice of such failure or violation does not correct, remedy, or cease such failure or violation within the Cure Period specified in such notice, the other party may terminate this Agreement, whereupon all obligations of the parties hereto that had not been incurred as of the effective termination date, including but not limited to the obligation to pay the balance of fees due, to thereafter identify the Complex as the Toyota Center and Toyota Arena and to display the Toyota Marks in connection therewith, shall terminate.

D. Remedies Available Upon Termination of a Party's Rights.

1. **NAMING SPONSOR Remedies:** In the event that FACILITY MANAGER's rights under this Agreement are terminated by NAMING SPONSOR pursuant to this section, the Annual Fee payable pursuant to Article V, Section A hereof shall be prorated on the basis of 365 calendar days, and the amount of the Annual Fee that has been paid and is attributable to the period of time after the effective date of such termination shall be refunded to NAMING SPONSOR or its successor or assignee, as appropriate.
2. **FACILITY MANAGER Remedies:** In the event that NAMING SPONSOR's rights under this Agreement are terminated by FACILITY MANAGER pursuant to this section, FACILITY MANAGER, without any further proceedings, may grant and license the title sponsorship rights to the Complex to one or more other persons or entities during any portion of the term remaining under this Agreement had it not been terminated, and receive license fees therefor; Provided, that notwithstanding such termination, NAMING SPONSOR's liability for the additional payment to be paid to the FACILITY MANAGER pursuant to Article V, Section A shall not be extinguished, and NAMING SPONSOR shall pay to FACILITY MANAGER the difference between said annual fee and the sum FACILITY MANAGER receives for the title sponsorship from such other persons or entities during the period beginning on the date NAMING SPONSOR (s) rights under this Agreement are terminated and ending on the scheduled expiration date of this Agreement. Such payment shall be made annually, within fifteen (15) days after the date of the FACILITY MANAGER's invoice to NAMING SPONSOR. In the event that NAMING SPONSOR's rights under this Agreement are terminated pursuant to this section, FACILITY MANAGER shall make a good faith effort to obtain the fair market value for the title sponsorship rights that are licensed to any

third party or parties during that portion of the term of this Agreement that follows the effective termination of NAMING SPONSOR's rights. If FACILITY MANAGER fails to negotiate a fair market value upon resale of the title sponsorship rights, NAMING SPONSOR's liability under this subsection shall be limited to an amount equal to the difference between the additional annual fees to be paid hereunder and the current fair market value of such title sponsorship rights.

- 3. Removal of Toyota Marks.** After the termination or expiration of this Agreement, FACILITY MANAGER's license to use the Complex Name and the Toyota Marks shall immediately terminate and FACILITY MANAGER shall not be entitled to use the Complex Name, except as provided in this Section D.3. Following termination or expiration of this Agreement, FACILITY MANAGER shall have a reasonable time (not to exceed six (6) months) to remove the Toyota Marks from all signage and advertising and to sell through or use up any materials bearing the Toyota Marks, provided such use is otherwise in strict accordance with terms of this Agreement. After such time, FACILITY MANAGER must destroy or deliver to Sponsor all remaining inventory of materials bearing the Complex Name.

E. Voluntary Termination:

This agreement may be terminated upon the mutual written consent of the parties.

F. Effect of Voluntary Termination:

Upon the voluntary termination of this Agreement, unless otherwise provided herein, FACILITY MANAGER and NAMING SPONSOR shall have no further obligations under this Agreement. FACILITY MANAGER shall, within thirty (30) days of termination, remit to NAMING SPONSOR such amounts that NAMING SPONSOR has pre-paid for the naming rights granted hereunder, as determined on a pro-rata basis based upon the payments specified in Article V, Section A.

G. Right of Renewal:

This agreement may be renewed by mutual agreement of both parties for one (1) additional five (5) year term at a rate to be mutually agreed upon by the parties, upon written notice in writing given by the NAMING SPONSOR to FACILITY MANAGER no later than one (1) year prior to the date this agreement would otherwise terminate.

ARTICLE VII - REPRESENTATIONS AND WARRANTIES

FACILITY MANAGER and FACILITY OWNER hereby represents and warrants to NAMING SPONSOR that:

A. Authorization:

FACILITY MANAGER has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated herein. All acts and proceedings required for the authorization, execution, delivery, and performance of this Agreement have been taken. This Agreement and all documents and instruments delivered hereunder are legal, valid, and binding on FACILITY MANAGER and enforceable in accordance with their respective terms.

B. Ownership:

FACILITY OWNER is the exclusive owner of the Complex and shall retain all rights and privileges of ownership. FACILITY MANAGER retains all rights and privileges; including but not limited to, decisions regarding programming, operations, financial affairs, promotions, marketing and management.

C. Compliance:

To the best of FACILITY MANAGER's knowledge, the ownership and operation of the Complex have been and are on the date hereof being conducted in compliance with all applicable federal, state, and local laws, rules, and regulations, including but not limited to environmental laws. FACILITY MANAGER is not in violation or breach of, or in default under any term or provision of any business commitment with any other party, and no event has occurred that, with the giving of notice or the passage of time or both, would constitute such a violation, breach or default. The execution, delivery and performance by FACILITY MANAGER of this Agreement will not:

1. require any consent or approval from any person not already received;
2. require any authorization, consent, approval, license, exemption by or filing or registration with any court or governmental department, commission, board, bureau, agency, or instrumentality of government which has not been validly and lawfully obtained;
3. cause FACILITY MANAGER to violate or contravene any provision of law, any rule or regulation of any agency or government, whether federal, state, local, or foreign, any order, writ, judgment, injunction, decree, determination or award;
4. violate or be in conflict with, result in a breach of or constitute (with or without notice or the lapse of time or both) a default under any contract with any other party; or
5. result in the creation or imposition of any lien. FACILITY MANAGER is not subject to any restriction of any kind or character which materially and adversely affects in any way the business, property, or assets of the Complex or which prohibits FACILITY MANAGER from entering into this Agreement or would prevent or make burdensome the performance of or compliance with all or any part of this Agreement or the consummation of the transactions contemplated hereby.

D. Disclosures:

To the best of FACILITY MANAGER's knowledge, there is no fact known to FACILITY MANAGER, which FACILITY MANAGER has not fully disclosed to NAMING SPONSOR in writing with respect to the assets, liabilities, financial condition, employees, ownership or performance of FACILITY MANAGER or the Complex, or, to the best of FACILITY MANAGER's knowledge, with respect to marketing, business prospects, competition, industry or similar factors of general application, which would or may be likely to have a materially adverse effect upon the existing or expected financial condition, business retention, operating results, assets, customer relations, employee relations or business prospects of the Complex. No representation or warranty by FACILITY MANAGER contained in this agreement and no statement contained in any other documents to be furnished to NAMING SPONSOR contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein not misleading.

NAMING SPONSOR hereby represents and warrants to FACILITY MANAGER that:

E. Authorization:

NAMING SPONSOR has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated herein. All acts and proceedings required for the authorization, execution, delivery, and performance of this Agreement have been taken. This Agreement and all documents and instruments delivered hereunder are legal, valid, and binding on NAMING SPONSOR and enforceable in accordance with their respective terms.

F. Compliance:

NAMING SPONSOR have been and are on the date hereof being conducted in compliance with all applicable federal, state, and local laws, rules, and regulations, including but not limited to environmental laws. NAMING SPONSOR is not in violation or breach of, or in default under any term or provision of any business commitment with any other party, and no event has occurred that, with the giving of notice or the passage of time or both, would constitute such a violation, breach or default. The execution, delivery and performance by NAMING SPONSOR of this Agreement will not:

1. require any consent or approval from any person not already received;
2. require any authorization, consent, approval, license, exemption by or filing or registration with any court or governmental department, commission, board, bureau, agency, or instrumentality of government which has not been validly and lawfully obtained;

3. cause NAMING SPONSOR to violate or contravene any provision of law, any rule or regulation of any agency or government, whether federal, state, local, or foreign, any order, writ, judgment, injunction, decree, determination or award;
4. violate or be in conflict with, result in a breach of or constitute (with or without notice or the lapse of time or both) a default under any contract with any other party; or
5. result in the creation or imposition of any lien.

G. Disclosures:

There is no fact known to NAMING SPONSOR, which NAMING SPONSOR has not fully disclosed to FACILITY MANAGER in writing with respect to marketing, business prospects, competition, industry or similar factors of general application, which would or may be likely to have a materially adverse effect upon the existing or expected financial condition, business retention, operating results, assets, customer relations, employee relations or business prospects of the NAMING SPONSOR.

ARTICLE VIII - INSURANCE

Property damage coverage on the Complex will at all times of this agreement be maintained by FACILITY OWNER. NAMING SPONSOR, and any and all of its contractors and subcontractors, shall maintain insurance coverage at all times during any NAMING SPONSOR activities, and for Sponsor occupancy of it's suite in the Toyota Center, and said insurance requirements to be consistent with standard Complex operating procedures in force.

ARTICLE IX - INDEMNIFICATION; LIMITATION OF LIABILITY

A. Indemnification:

1. FACILITY MANAGER and NAMING SPONSOR shall indemnify and hold the other (hereinafter the "indemnified parties") harmless from any and all losses, claims, actions, damages, and expenses, including attorneys' fees, arising out of or resulting from every act or omission of the indemnifying party or any of its officers, agents, contractors, consultants, or employees under this agreement.
2. In addition to the foregoing, NAMING SPONSOR shall indemnify FACILITY MANAGER from any and all losses, claims, actions, damages, and expenses, including attorneys' fees, arising out of or resulting from any breach or infringement of copyright, trademark, or other intellectual property rights in the course of the utilization of any name or logo provided or selected solely by the NAMING SPONSOR.

B. Limitation of Liability:

In no event shall either party be liable for special, indirect or consequential damages in connection with or arising out of this agreement.

C. NAMING SPONSOR as User or Tenant:

Indemnification and limitations of liability described in Article IX, Section A and B, herein shall not relieve the NAMING SPONSOR of its responsibilities for insurance and other normal tenant requirements on those occasions when the NAMING SPONSOR is a tenant or user of the ARENA.

ARTICLE X - MISCELLANEOUS

A. Amendments:

Neither this Agreement nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the parties hereto.

B. Interpretation of Agreement:

The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only and such captions shall in no way define or limit the scope of intent of any provision of this Agreement. This Agreement has been negotiated at arm's length between persons sophisticated and knowledgeable in the matters dealt with hereto and shall be interpreted to achieve the intents and purposes of the parties without any presumption against the party responsible for drafting any part of this Agreement. Provisions in this Agreement relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or FACILITY MANAGER holiday, then the last day for undertaking the action of giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Agreement, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of FACILITY MANAGER or NAMING SPONSOR is required to be obtained, FACILITY MANAGER or NAMING SPONSOR, as the case may be, may give or withhold such consent in its sole and absolute discretion.

C. Severability:

If any provision of this Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to such person, entity or circumstance other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

D. Force Majeure; Substantial Damage:

In the event that either party to this Agreement is unable to perform its obligations hereunder or to enjoy any of its benefits because of the substantial damage or destruction of the Complex due to any cause, a natural disaster, or action or decree of a governmental body with appropriate jurisdiction (hereinafter referred to as a "Force Majeure Event"), the party that has been so affected shall immediately give notice to the other party of such fact and shall do everything possible to resume its performance. Upon the other party's receipt of such notice, each party's obligations hereunder shall be suspended for the period of such Force Majeure Event and, if applicable, the payments due pursuant to Article V, Section A shall be reduced pro rata and NAMING SPONSOR shall be refunded the difference between the amounts paid and the amount of the reduced payment. If the Force Majeure Event lasts for a period of two (2) or more years from and after the date that the other party receives notice of such Force Majeure Event and the party that received such notice has been able to perform its obligations hereunder despite such Force Majeure Event, the party that received such notice may terminate this Agreement by giving notice thereof to the party unable to perform because of such Force Majeure Event.

E. Attorney Fees:

In the event that either FACILITY MANAGER or NAMING SPONSOR fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgement), including without limitation, court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees for the Office of the City Attorney shall be based on the fees regularly charged by private attorneys practicing in Kennewick with the equivalent number of years of experience in the subject matter area of law which the City Attorney's services were rendered.

F. Time of Essence:

Time is of the essence with respect to all provisions of this Agreement in which a definite time for performance is specified including, but not limited to, the expiration of the term.

G. Cumulative Remedies:

All rights and remedies of either party hereto set forth in this Agreement shall be cumulative, except as may otherwise be provided herein.

H. Survival of Indemnities:

Termination of this Agreement shall not affect the right of FACILITY MANAGER or NAMING SPONSOR to enforce any and all indemnities and representations and warranties given or made to the other party under this Agreement, nor shall it affect any provision of this Agreement that expressly states it shall survive termination hereof.

I. Notices:

All notices hereunder shall be in writing and shall be deemed to have been duly given upon receipt, if personally delivered, or on the third business day following mailing by the United States mail, postage prepaid, addressed to the parties at the following addresses or at such other addresses as shall be specified in writing and in accordance with this Section:

If to NAMING SPONSOR:

Toyota of Tri-Cities
6321 W. Canal Drive
Kennewick, WA 99339
Attn: John Manterola

With a copy to:

Toyota of Tri-Cities
6321 W. Canal Drive
Kennewick, WA 99339
Attn: Dwight Marquart, Carmen Marquart, Eric Hixson

If to FACILITY MANAGER:

Toyota Center
7000 W Grandridge Blvd
Kennewick, WA 99336

Attn: Executive Director

With a copy to:

Kennewick City Hall
210 W 6th Ave.
Kennewick, WA 99336

Attn: Marie Mosley

J. Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

K. Arbitration:

Any dispute, controversy, or claim between the parties or their successors arising out of or connected with this Agreement, its interpretation, the breach thereof or any other agreement entered into in connection with the transactions contemplated herein, including the arbitrability of such dispute, controversy, or claim, shall be settled by final and binding arbitration venued in Benton County, Washington in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgement upon the award entered by the arbitrator may be entered in any court having jurisdiction thereof; provided, however, that nothing herein shall be construed to prohibit any party from seeking in any court of competent jurisdiction any injunctive relief to which it is entitled hereunder.

L. Successors and Assigns:

NAMING SPONSOR may assign this Agreement to any parent, subsidiary, or entity purchasing substantially all of the assets of NAMING SPONSOR. FACILITY MANAGER retains the right to approve any name change to Complex pursuant to Article I, Section A.1. This Agreement shall inure to the benefit of and shall be binding upon the parties and their successors and assigns.

M. Entire Agreement:

This Agreement shall constitute the entire agreement of the parties. Any and all prior agreements or understandings of the parties shall, upon execution of this Agreement, be null and void.

N. Waiver:

Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit thereof. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement.

O. Relationship of Parties:

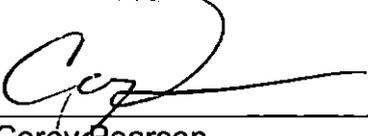
Except as may otherwise be expressly provided herein, the parties shall not be considered agents, employees, partners, or joint ventures of one another under the terms of this Agreement for any reason whatsoever.

P. Agreement Executed in Counterparts:

This Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect.

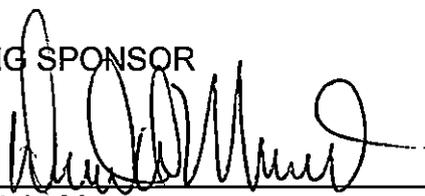
IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

FACILITY MANAGER

By: 

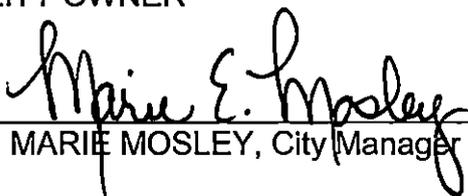
Corey Pearson
Its: Executive Director

NAMING SPONSOR

By: 

Dwight Marquart
Its: President

FACILITY OWNER

By: 

MARIE MOSLEY, City Manager

Approved as to form:



LISA BEATON, City Attorney

Council Agenda Coversheet



Agenda Item Number	5.a.	Council Date	11/17/2020
Agenda Item Type	Ordinance		
Subject	Budget Adjustment		
Ordinance/Reso #	5884	Contract #	
Project #		Permit #	
Department	Finance		

Consent Agenda	<input type="checkbox"/>
Ordinance/Reso	<input checked="" type="checkbox"/>
Public Mtg / Hrg	<input type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

Staff recommends that Council adopt Ordinance 5884.

Motion for Consideration

I move to adopt Ordinance 5884.

Summary

The fall budget adjustment ordinance provides an opportunity to formally appropriate items previously approved by Council and to bring matters of special interest to Council's attention. This is the fourth and final adjustment to the City's 2019/2020 biennial budget. As discussed at the October 27, 2020 City Council workshop, this budget adjustment includes revised projections for both operating revenues and expenditures in response to the impact the COVID-19 pandemic has had on the City. The following are some of the more significant items included with the proposed adjustment.

- To appropriate for revised projections for major tax and other revenue sources due to the COVID-19 pandemic.
- To appropriate department budget reductions in response to anticipated 2019/2020 revenue shortfalls.
- To appropriate for \$3.765M in CARES Act Coronavirus Relief Funds (CRF) awarded to Kennewick.
- To appropriate for \$319K in CARES Act CRF from Benton County to address increased 2020 jail costs.
- To appropriate \$590K in added HIDTA program costs that are fully reimbursed with a federal grant and pass through the City of Kennewick in its fiduciary capacity.
- To appropriate for snow and ice event response for the second half of 2019 through 2020.
- To appropriate for additional CARES Act CDBG funding used primarily for microenterprise & utility assistance.
- To appropriate for additional operating contribution for 2020 for the Toyota Center & Arena due to the closure of facilities under COVID-19 restrictions.

Alternatives

None recommended.

Fiscal Impact

Total increase in appropriations of \$2,388,375, which represents an increase of 0.6% to the 2019/2020 adjusted budget. Of this overall increase, \$2,297,947 is funded through new state or federal grants or other third party reimbursements.

Through	
Dept Head Approval	Dan Legard Nov 11, 15:39:52 GMT-0800 2020
City Mgr Approval	Marie Mosley Nov 13, 10:38:49 GMT-0800 2020

Attachments:

Ordinance Budget Summary 19-20 Budget Adj - Fall 2020

Recording Required?

CITY OF KENNEWICK
ORDINANCE NO. 5884

AN ORDINANCE PROVIDING FOR MODIFICATION OF THE 2019/2020
BIENNIAL BUDGET

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

Section 1. That certain expenditures as set out below must be made during 2020 that were not foreseeable at the time of preparing the 2019/2020 biennial budget and it is necessary to make appropriations as set forth below and to adjust certain fund income not forecast for 2019/2020, and to make expenditures and changes as designated below, and the following funds shall be changed as follows:

General Fund	\$797,005
Street Fund	556,610
Urban Arterial Street Fund	86,500
Community Development Fund	948,132
Public Safety Fund	(149,750)
Capital Improvement Fund	96,243
Medical Service Fund	(16,200)
Equipment Rental	<u>69,835</u>
Total Increase in Appropriations	<u>\$2,388,375</u>

Section 2. That the increases and/or decreases in appropriations and anticipated revenues in the above funds, for said uses and purposes and proper City officials be, and hereby are, authorized and directed to issue warrants or transfer of said funds in accordance with this ordinance.

Section 3. This ordinance shall be in full force and effect five days from and after its passage, approval, and publication as required by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, this 17th day of November, 2020, and signed in authentication of its passage this 17th day of November, 2020.

Attest:

DON BRITAIN, Mayor

TERRI L. WRIGHT, City Clerk

ORDINANCE NO. 5884 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this 18th day of November, 2020.

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

DATE OF PUBLICATION _____

CITY OF KENNEWICK
SUMMARY OF 2019/2020 BIENNIAL BUDGET ADJUSTMENTS

	Original Biennial Budget	Ord. #5808 Adjustment (5/19)	Ord. #5843 Adjustment (11/19)	Ord. #5870 Adjustment (6/20)	Ord. #5884 Adjustment (11/20)	Amended Biennial Budget
GENERAL GOV'T OPERATIONS						
General Fund	\$ 107,196,452	\$ 666,572	\$ 162,721	\$ 283,631	\$ 797,005	\$ 109,106,381
Street Fund	4,602,008	334,394	5,490	-	556,610	5,498,502
Subtotal	111,798,460	1,000,966	168,211	283,631	1,353,615	114,604,883
CAPITAL PROJECTS						
Urban Arterial Street Fund	27,212,594	2,610,294	575,543	(261,000)	86,500	30,223,931
Capital Improvement Fund	44,440,921	12,255,782	80,000	1,003,616	96,243	57,876,562
ENTERPRISE & INTERNAL SERVICE						
Water & Sewer Fund	72,408,188	9,585,914	-	3,258,900	-	85,253,002
Medical Services Fund	26,607,604	225,413	1,165,700	10,774	(16,200)	27,993,291
Building Safety Fund	5,580,000	556,224	-	-	-	6,136,224
Coliseum Fund	8,332,266	4,320,049	305,600	48,630	-	13,006,545
Stormwater Utility Fund	5,217,969	1,759,004	-	-	-	6,976,973
Columbia Park Golf Course Fund	916,900	480,286	65,000	-	-	1,462,186
Equipment Rental Fund	11,573,594	617,254	12,500	-	69,835	12,273,183
Central Stores Fund	656,000	(3,929)	-	-	-	652,071
Risk Management Fund	3,919,536	418,501	233,500	-	-	4,571,537
DEBT SERVICE						
Debt Service Fund	7,257,397	210	(126)	9,552,486	-	16,809,967
LID Guaranty Fund	38,000	(46)	-	-	-	37,954
SPECIAL REVENUE						
Arterial Street Fund	4,000,000	140,900	-	-	-	4,140,900
BI-PIN Operations Fund	1,168,847	-	-	-	-	1,168,847
Community Development Fund	1,305,000	47,746	-	813,328	948,132	3,114,206
Asset Forfeiture Fund	72,800	17,230	-	92,800	-	182,830
Public Safety Fund	4,864,917	39,475	-	-	(149,750)	4,754,642
Cash Reserve Fund	2,811,300	75,900	-	-	-	2,887,200
Lodging Tax Fund	4,206,285	(62,224)	-	-	-	4,144,061
Criminal Justice Sales Tax Fund	5,944,600	267,850	-	-	-	6,212,450
FIDUCIARY TRUST FUNDS						
Fire Pension Fund	1,241,000	1,071	-	-	-	1,242,071
OPEB Trust Fund	5,557,000	(12,214)	-	-	-	5,544,786
Total	\$ 357,131,178	\$ 34,341,656	\$ 2,605,928	\$ 14,803,165	\$ 2,388,375	\$ 411,270,302

Ordinance #5808 (5/19) adjusted beginning fund balances and appropriated for 2017/18 carryover.

Ordinance #5843 (11/19) is the mid-biennium budget adjustment.

Ordinance #5870 (6/20) is the spring 2020 budget adjustment.

Ordinance #5884 (11/20) final budget adjustment.

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
GENERAL FUND REVENUES					
001.000.311.10.00.00	Property Tax	\$ 25,071,096	\$ (556,610)	\$ 24,514,486	Increase tax to Street for snow & ice removal actual & potential response costs.
001.000.311.10.00.00	Property Tax	24,514,486	(89,000)	24,425,486	Increase tax to Street Fund due to reduced Motor Vehicle Tax revenue.
001.000.311.10.00.00	Property Tax	24,425,486	(735,000)	23,690,486	To appropriate for budget reductions associated with COVID.
001.000.313.11.01.00	Sales and Use Tax	20,330,000	(490,000)	19,840,000	" "
001.000.316.46.00.00	Cable Television	1,478,000	(55,000)	1,423,000	" "
001.000.316.47.00.00	Telephone Utility Tax	2,675,000	75,700	2,750,700	Appropriate for increase as a results of utility tax audit.
001.000.316.47.00.00	Telephone Utility Tax	2,750,000	(270,000)	2,480,000	To appropriate for budget reductions associated with COVID.
001.000.316.48.00.00	Benton PUD	7,959,000	(165,000)	7,794,000	" "
001.000.316.41.00.00	Water and Sewer Utility	4,052,000	(160,000)	3,892,000	" "
001.000.316.81.00.00	Gambling Tax	1,462,000	(510,000)	952,000	" "
001.000.318.11.01.00	Admissions Tax	348,000	(230,000)	118,000	" "
001.070.331.16.73.00	JAG Grant	35,807	57,183	92,990	Appropriate for COVID 19 JAG Grant.
001.070.331.95.00.10	HIDTA - Fiduciary	412,000	590,300	1,002,300	Appropriate for HIDTA Program in City's role as fiduciary.
001.070.333.16.73.80	Indirect Federal JAG Grant	-	157,310	157,310	Appropriate for Brasstrax System provided through JAG Grant.
001.070.333.21.01.90	CARES Act Coronavirus Relief Funds	-	318,824	318,824	Appropriate for CARES Act awarded to the City for increased jail costs.
001.070.333.21.99.90	Coronavirus Relief Fund Grant	-	3,765,150	3,765,150	Appropriate for Coronavirus Relief Grant received.
001.070.334.03.51.00	Traffic Safety Commission Grant	-	9,763	9,763	Appropriate for WTSC Grant for 3 radars for school zones.
001.070.342.10.11.00	Background Checks	-	40,000	40,000	Appropriate for reimbursement for background checks.
001.080.342.21.01.00	Fire Protection Services	30,420	86,145	116,565	Appropriate for IMT reimbursements for 2020 fire season.
001.110.347.30.01.00	Swim Pool Admission Fees	44,000	(18,400)	25,600	To appropriate for budget reductions associated with COVID.
001.110.347.30.02.00	Field Usage Fees	40,400	(29,000)	11,400	To appropriate for budget reductions associated with COVID.
001.110.347.30.03.00	Field Lighting Fees	20,600	(12,000)	8,600	" "
001.110.347.30.04.00	Tournament Field Usage Fees	72,900	(36,000)	36,900	" "
001.110.347.30.06.00	Swimming Lesson Fees	79,200	(39,250)	39,950	To appropriate for budget reductions associated with COVID.
001.110.347.30.07.01	Swim Pool Locker Rental Fees	400	(150)	250	" "
001.110.347.60.01.00	Special Rec Program User Fees	774,080	(186,000)	588,080	To appropriate for budget reductions associated with COVID.
001.110.347.60.02.00	Senior Program User Fees	81,800	(36,000)	45,800	" "
001.070.353.10.00.00	Traffic Infraction Penalties	1,200,000	(43,000)	1,157,000	" "
001.070.354.10.01.00	Disabled Parking Infractions	54,000	(35,000)	19,000	" "
001.070.355.20.00.00	DUI Penalties	112,000	(27,000)	85,000	" "
001.070.355.80.00.00	Criminal Traffic Penalties	176,000	(20,000)	156,000	" "
001.070.356.90.00.00	Non-Traffic Misdemeanor Penalties	244,000	(57,000)	187,000	" "
001.070.357.33.00.00	Public Defense Cost	136,000	(42,000)	94,000	" "
001.000.362.40.01.00	Rentals and Leases	61,000	(41,000)	20,000	To appropriate for budget reductions associated with COVID.
001.110.362.40.01.00	Rentals and Leases - Parks Miscellaneous	622,000	(7,500)	614,500	To appropriate for budget reductions associated with COVID.
001.110.362.40.01.00	Rentals and Leases - Parks Miscellaneous	614,500	(267,500)	347,000	To appropriate for budget reductions associated with COVID.
001.070.367.04.00.00	Donations - General	-	3,000	3,000	Appropriate for donation received for Blatman Memorial bench.
001.080.367.01.00.00	Donations - Fire Department	28,736	790	29,526	Appropriate for donation received.
001.000.397.10.35.00	Transfer from Public Safety	4,864,917	31,500	4,896,417	Appropriate for transfer increase due to results of utility tax audit.
001.000.397.10.35.00	Transfer from Public Safety	4,896,417	(181,250)	4,715,167	To appropriate for budget reductions associated with COVID.
Net Increase (Decrease) in Revenues			<u>\$ 797,005</u>		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
GENERAL FUND EXPENDITURES					
CITY MANAGER					
001.020.513.10.41.05	Consulting Services	\$ -	\$ 2,750	\$ 2,750	Appropriate for consulting services required for Council retreat.
001.020.513.10.35.01	Small Tools	-	250	250	Appropriate for unexpected replacement of shared printer.
Total City Council			3,000		
FINANCE DEPARTMENT					
<i>Finance</i>					
001.032.514.23.41.01	Audit Fees	108,400	26,800	135,200	Appropriate for costs associated with telephone utility tax audit.
001.032.514.23.43.02	Travel & Training	13,100	(1,500)	11,600	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
<i>Customer Service</i>					
001.035.514.23.49.12	Credit Card Fees	279,000	80,000	359,000	Appropriate for increased credit card fees for 2019/2020 biennium.
<i>Civil Service</i>					
001.050.518.10.11.00	Salaries and Wages	-	60,000	60,000	Appropriate for background investigations conducted as part of hiring process for City employees.
001.050.518.10.20.01	Social Security	-	4,500	4,500	
001.050.518.10.20.02	Industrial Insurance	-	1,200	1,200	"
001.050.518.10.20.07	WA Family Leave	-	100	100	"
<i>Code Enforcement</i>					
001.063.558.70.31.01	Office Supplies	7,000	(5,000)	2,000	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.063.558.70.41.08	Advertising Expense	37,750	(13,000)	24,750	
001.063.558.70.43.02	Travel & Training Expense	31,500	(10,000)	21,500	"
001.063.558.70.42.02	Cell Phone Charges	6,000	(2,000)	4,000	"
001.063.558.70.35.01	Small Tools and Office Equipment	1,000	7,000	8,000	Appropriate for office furniture for PR & Gov Affairs Director.
001.063.558.70.35.01	Small Tools and Office Equipment	8,000	250	8,250	Appropriate for unexpected replacement of shared printer.
<i>Human Resources</i>					
001.101.518.10.31.01	Office Supplies	3,000	(500)	2,500	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.101.518.10.31.08	Reproduction/Copier Charges	6,080	(2,750)	3,330	
001.101.518.10.35.01	Small Tools and Minor Equipment	2,000	(750)	1,250	"
001.101.518.10.35.01	Small Tools and Minor Equipment	1,250	250	1,500	Appropriate for unexpected replacement of shared printer.
001.101.518.10.41.11	Special Studies & Arbitration	15,000	(11,000)	4,000	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.101.518.10.43.02	Travel & Training	18,000	(7,500)	10,500	
001.101.518.10.49.11	Training Seminars/Films	8,500	(7,000)	1,500	"
001.101.518.10.49.12	Employee Relations Committee	8,820	(6,000)	2,820	"
001.101.518.10.49.14	Commercial Drivers License Fees	10,150	(6,600)	3,550	"
001.101.518.10.49.19	Art Commission	12,100	(5,000)	7,100	"
001.101.518.10.49.13	Employee Awards Program	6,000	5,000	11,000	Appropriate for modifications to the employee awards program.
Total Finance			106,500		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
MANAGEMENT SERVICES DEPARTMENT					
<i>Purchasing</i>					
001.033.518.40.31.01	Office Supplies	2,000	(500)	1,500	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.033.518.40.35.01	Small Tools and Minor Equipment	2,500	(500)	2,000	
001.033.518.40.43.02	Travel & Training	3,500	(3,200)	300	"
001.033.518.40.49.01	Dues & Subscriptions	5,060	(1,000)	4,060	"
<i>Information Systems</i>					
001.034.518.80.36.01	Software Supplies	10,000	(1,500)	8,500	"
001.034.518.80.36.02	Computer Hardware/Printers	10,000	250	10,250	Appropriate for unexpected replacement of shared printer.
001.034.518.80.36.03	Network Supplies	9,000	(4,000)	5,000	To appropriate for budget reductions associated with COVID.
001.034.518.80.42.01	Telephone Charges	180,000	(10,000)	170,000	"
001.034.518.80.42.02	Cell Phone Charges	56,555	8,000	64,555	Appropriate for increased cell costs.
001.034.518.80.42.11	WAN Charges	88,065	32,000	120,065	Appropriate for increased WAN costs.
001.034.518.80.43.02	Travel & Training	74,500	(45,000)	29,500	To appropriate for budget reductions associated with COVID.
001.034.518.89.41.05	Contractual/Consulting Services	-	25,000	25,000	Appropriate for contract services to catch GIS up on backlog.
001.034.518.89.43.02	Travel & Training	36,150	(25,000)	11,150	To appropriate for budget reductions associated with COVID.
001.034.518.89.49.01	Dues & Subscriptions	3,563	(2,300)	1,263	"
001.034.518.80.48.11	Maintenance Agreements	1,281,456	41,308	1,322,764	Appropriate for Munis maintenance starting in August 2020.
001.034.518.80.48.11	Maintenance Agreements	1,322,764	16,209	1,338,973	Appropriate for additional CivicRec maintenance fees.
<i>City Clerk</i>					
001.041.514.30.43.02	Travel & Training	26,700	(7,000)	19,700	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
	Total Management Services		22,767		
COMMUNITY PLANNING					
001.062.558.60.12.00	Overtime	2,000	(1,500)	500	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.062.558.60.31.11	Historic Preservation Commission	3,000	(1,200)	1,800	
001.062.558.60.35.01	Small Tools and Minor Equipment	3,000	(1,500)	1,500	"
001.062.558.60.42.02	Cellular Phone Charges	1,500	(1,000)	500	"
001.062.558.60.42.05	Postage Expense	3,000	(1,050)	1,950	"
001.062.558.60.43.02	Travel & Training	11,500	(5,500)	6,000	"
001.062.558.60.43.04	Planning Commission - Travel & Training	1,000	(1,000)	-	"
001.062.558.60.49.11	Public Hearing Expense	18,000	(6,000)	12,000	"
	Total Community Planning		(18,750)		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
POLICE DEPARTMENT					
<i>Administration</i>					
001.071.521.10.20.21	Uniform Allowance	10,600	(10,600)	-	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.071.521.10.42.05	Postage Expense	25,200	(4,000)	21,200	
001.071.521.10.42.11	Lexipol	-	24,165	24,165	Appropriate for purchase of Lexipol to help limit risk and enhance personnel safety.
001.071.521.10.43.02	Travel & Training	21,500	(3,000)	18,500	Reappropriate to provide funding to purchase Lexipol.
<i>Operational Services</i>					
001.072.521.21.11.00	Salaries and Wages	6,614,292	17,752	6,632,044	Appropriate for unanticipated costs due to pandemic covered by JAG Grant.
001.072.521.21.14.00	Comp Time Payout	60,000	(15,995)	44,005	To appropriate for budget reductions associated with COVID.
001.072.521.21.20.21	Uniform Allowance	78,000	(16,250)	61,750	" "
001.072.594.21.64.06	Data Processing Equipment	-	157,310	157,310	Appropriate for Brasstrax System provided through JAG Grant.
<i>Field Services</i>					
001.073.521.71.20.21	Uniform Allowance	150,000	(22,125)	127,875	To appropriate for budget reductions associated with COVID.
001.073.521.71.20.23	Uniform Purchase Allow-Reserves	8,000	(1,210)	6,790	" "
001.073.521.71.31.15	Bio Hazardous Supplies	8,500	8,877	17,377	Appropriate for unanticipated costs due to pandemic covered by JAG Grant.
001.073.521.71.35.01	Small Tools and Minor Equipment	121,501	9,763	131,264	Appropriate for WTSC Grant for 3 radars to use in school zones.
001.073.521.71.36.01	Software Supplies	13,500	22,500	36,000	Appropriate for unanticipated costs due to pandemic covered by JAG Grant.
<i>Staff Services</i>					
001.074.521.15.14.00	Comp Time Payout	18,000	(8,015)	9,985	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.074.521.15.20.21	Uniform Allowance	15,900	(7,560)	8,340	
001.074.521.15.31.01	Office Supplies	54,050	(18,000)	36,050	To provide funding to purchase Lexipol.
001.074.521.15.35.01	Small Tools and Minor Equipment	15,750	(7,940)	7,810	Reappropriate for replacement of refrigerated evidence locker.
001.074.521.15.48.02	Repair/Maintenance of Equipment	3,500	(2,000)	1,500	Reappropriate to provide funding to purchase Lexipol.
001.074.521.15.49.02	Printing & Binding	12,255	(5,745)	6,510	To appropriate for budget reductions associated with COVID.
001.074.521.23.14.00	Comp Time Payout	3,000	(3,000)	-	" "
001.074.521.23.31.11	DARE Supplies	27,500	(3,940)	23,560	" "
001.074.521.23.31.16	Every 15 Min Program Supplies	2,000	(770)	1,230	" "
001.074.521.30.48.03	Repair/Maintenance of Facilities	2,000	8,054	10,054	Appropriate for unanticipated costs due to pandemic covered by JAG Grant.
001.074.521.30.48.03	Repair/Maintenance of Facilities	10,054	(1,165)	8,889	Reappropriate to provide funding to purchase Lexipol.
<i>Administrative Services</i>					
001.075.521.20.41.12	HIDTA Contractual Services	409,700	590,300	1,000,000	Appropriate for HIDTA Program in City's role as fiduciary.
001.075.523.60.41.50	Benton County Jail Services	4,967,000	318,824	5,285,824	Appropriate for CARES Act awarded to the City for increased jail costs.
001.076.521.16.14.00	Comp Time Payout	4,200	(4,200)	-	To appropriate for budget reductions associated with COVID.
001.076.521.16.20.21	Uniform Allowance	6,000	(4,500)	1,500	" "
001.076.521.41.20.21	Uniform Allowance	3,000	(3,000)	-	" "
Total Police			1,014,530		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
FIRE DEPARTMENT					
001.081.522.10.31.01	Office Supplies	2,625	140	2,765	Appropriate for supplies for Creative Cloud software funded w/ donations.
001.082.522.20.48.01	Radio Maintenance	19,975	16,200	36,175	Reappropriate funds to provide for increased radio maintenance costs.
001.082.522.24.12.00	Overtime	27,680	73,153	100,833	Appropriate for IMT overtime and travel expenses reimbursed through
001.082.522.24.20.01	Social Security	250	885	1,135	State Dept of Natural Resources & Fire Marshal's office & US Fish &
001.082.522.24.20.02	Industrial Insurance	260	1,069	1,329	Wildlife Service.
001.082.522.24.20.03	Retirement	930	3,300	4,230	" "
001.082.522.24.20.06	Medical Retirement Account	75	290	365	" "
001.082.522.24.20.07	WA Family Leave	25	90	115	" "
001.082.522.24.43.02	Travel & Training	1,200	7,358	8,558	" "
001.082.522.10.48.11	Software Maintenance	23,778	650	24,428	Appropriate for supplies for Creative Cloud software funded w/ donations.
	Total Fire		103,135		
PARKS & RECREATION					
<i>Recreation Services</i>					
001.113.571.21.13.00	Part-Time Wages	610,000	(122,600)	487,400	To appropriate for budget reductions associated with anticipated revenue losses
001.113.571.21.20.01	Social Security (FICA)	112,447	(9,380)	103,067	due to COVID-19.
001.113.571.21.20.02	Industrial Insurance	41,803	(7,785)	34,018	" "
001.113.571.21.20.03	Retirement	157,825	(7,356)	150,469	" "
001.113.571.21.31.02	Operating Supplies	197,897	(16,300)	181,597	" "
001.113.571.21.31.02	Operating Supplies	181,597	(16,209)	165,388	Reappropriate to provide funding for IT maintenance for CivicRec.
001.113.571.21.41.11	Sports Program Officials	44,000	(16,100)	27,900	To appropriate for budget reductions associated with COVID.
001.113.571.21.44.02	State Excise Tax	6,825	(4,200)	2,625	" "
001.113.571.21.49.12	Credit Card Fees	51,131	(13,705)	37,426	" "
001.113.571.25.13.00	Part-Time Wages	132,000	(61,200)	70,800	" "
001.113.571.25.20.01	Social Security (FICA)	32,212	(4,680)	27,532	" "
001.113.571.25.20.02	Industrial Insurance	16,876	(7,560)	9,316	" "
001.113.571.25.31.02	Operating Supplies	36,000	(5,000)	31,000	" "
<i>Parks</i>					
001.114.576.81.12.00	Overtime	152,950	(32,855)	120,095	To appropriate for budget reductions associated with anticipated revenue losses
001.114.576.81.13.00	Part-Time Wages	817,000	(105,030)	711,970	due to COVID-19.
001.114.576.81.20.01	Social Security (FICA)	313,489	(10,550)	302,939	" "
001.114.576.81.20.02	Industrial Insurance	136,759	(8,750)	128,009	" "
001.114.576.81.20.03	Retirement	473,303	(8,275)	465,028	" "
001.114.576.81.31.11	Fertilizer/Weed/Insect Supplies	85,000	(10,000)	75,000	" "
001.114.576.81.31.19	Volunteer Project Supplies	18,000	(15,000)	3,000	" "
001.114.576.81.43.02	Travel & Training Expense	27,000	(4,450)	22,550	" "
001.114.576.90.31.13	Building Repair & Maintenance	93,507	2,676	96,183	Appropriate for Blatman Memorial bench funded with donation.
001.114.576.90.41.12	Contractual Services - Electric Srv	28,000	(10,000)	18,000	To appropriate for budget reductions associated with COVID.
	Total Community Services		(494,309)		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
NON-DEPARTMENTAL					
001.120.518.90.13.00	Part-Time Wages	140,000	(33,000)	107,000	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
001.120.518.91.41.11	Contractual/Consulting Services	30,300	40,000	70,300	Appropriate for payments to USACE for conveyance at Columbia Park.
001.120.597.10.00.34	Transfer to Coliseum	550,000	160,000	710,000	Appropriate for increased subsidy requirement due to COVID-19.
001.120.597.10.00.39	Transfer to Medical Services Fund	10,001,700	(16,200)	9,985,500	Reappropriate to provide funds for radio maintenance.
001.120.597.20.11.01	Allowance for Under-Expenditure	(2,345,500)	(80,750)	(2,426,250)	Appropriate for revised projection.
001.000.508.90.00.00	Ending Fund Balance	2,773,794	<u>(9,918)</u>	2,763,876	Net impact on ending fund balance.
Net Increase (Decrease) in Appropriations			<u>\$ 797,005</u>		
STREET FUND					
101.000.311.10.00.00	Real and Personal Property Tax	\$ 948,892	\$ 556,610	\$ 1,505,502	Appropriate for biennial snow & ice removal actual/potential response costs.
101.000.311.10.00.00	Real and Personal Property Tax	1,505,502	89,000	1,594,502	To appropriate for budget reductions associated with COVID.
101.000.336.00.87.00	Motor Vehicle Fuel Tax	3,840,000	<u>(89,000)</u>	3,751,000	"
Net Increase (Decrease) in Revenues			<u>\$ 556,610</u>		
<i>Snow & Ice Control</i>					
101.010.542.66.11.00	Salaries and Wages	\$ -	\$ 107,400	\$ 107,400	Appropriate for snow & ice response costs from April 2019 - October 2020.
101.010.542.66.11.00	Salaries and Wages	107,400	100,000	207,400	Appropriate for potential snow & ice response in late 2020.
101.010.542.66.12.00	Overtime	92,204	2,600	94,804	Appropriate for snow & ice response costs from April 2019 - October 2020.
101.010.542.66.12.00	Overtime	94,804	100,000	194,804	Appropriate for potential snow & ice response in late 2020.
101.010.542.66.20.01	Social Security (FICA)	-	15,500	15,500	Appropriate for benefits associated with increased salary and OT costs.
101.010.542.66.20.02	Industrial Insurance	-	4,500	4,500	"
101.010.542.66.20.03	Retirement	-	26,400	26,400	"
101.010.542.66.20.07	WA Family Leave	-	10	10	"
101.010.542.66.20.11	Medical Insurance	-	37,100	37,100	"
101.010.542.66.20.13	Life Insurance	-	100	100	"
101.010.542.66.20.14	Dental Insurance	-	3,000	3,000	"
101.010.542.66.20.15	Long Term Disability	-	500	500	"
101.010.542.66.20.16	Vision Insurance	-	500	500	"
101.010.542.66.31.03	Repair/Maintenance Supplies	258,828	59,000	317,828	Appropriate for snow & ice response costs from April 2019 - October 2020.
101.010.542.66.31.03	Repair/Maintenance Supplies	317,828	<u>100,000</u>	417,828	Appropriate for potential snow & ice response in late 2020.
Net Increase (Decrease) in Appropriations			<u>\$ 556,610</u>		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
URBAN ARTERIAL STREET FUND					
103.000.333.20.20.43	STPBG - Quinault/CCB Intersection	\$ -	\$ 86,500	\$ 86,500	Appropriate for grant received for Quinault/CCB Intersection.
	Net Increase (Decrease) in Revenues		<u>\$ 86,500</u>		
103.010.595.11.63.56	Quinault/CCB Intersection (PE)	\$ -	\$ 86,500	\$ 86,500	Appropriate for PE on project funded with STPBG Grant.
	Net Increase (Decrease) in Appropriations		<u>\$ 86,500</u>		
COMMUNITY DEVELOPMENT FUND					
107.000.331.14.21.00	HUD Block Grant	\$ 1,735,470	\$ 908,315	\$ 2,643,785	Appropriate to reflect 2019/2020 actual grant awards and PY carryover.
107.000.331.14.21.02	DPA Program Income	54,650	21,000	75,650	Appropriate program income received to date.
107.000.331.14.21.03	Housing Rehab Program Income	13,181	18,817	31,998	"
	Net Increase (Decrease) in Revenues		<u>\$ 948,132</u>		
<i>Current Program Year</i>					
107.030.514.60.41.08	Advertising - CDBG	\$ 4,000	\$ 2,000	\$ 6,000	Appropriate for additional advertising costs.
107.030.565.30.49.12	Unallocated Grant Proceeds	392,345	36,911	429,256	Increase to for additional program income from HUD Block Grant.
107.030.597.10.00.15	Transfer to Capital Improvement Fund	802,414	54,000	856,414	Appropriate for Pathway project.
107.030.597.10.00.15	Transfer to Capital Improvement Fund	856,414	10,000	866,414	Appropriate for Underwood Park project.
107.030.597.10.00.15	Transfer to Capital Improvement Fund	866,414	3,000	869,414	Appropriate for Monopoly project.
<i>CARES</i>					
107.031.514.60.35.01	Small Tools and Minor Equipment	-	1,000	1,000	Appropriate for CARES grant funding expenditures.
107.031.514.60.41.08	Advertising - CARES	-	1,000	1,000	Appropriate for CARES grant advertising.
107.031.518.63.49.20	Microenterprise Grants	-	539,221	539,221	Appropriate for Microenterprise Grants provided with CARES grant.
107.031.518.63.49.21	Emergency Utility Subsidies	-	255,000	255,000	Appropriate for emergency utility subsidies provided with CARES grant.
107.031.569.00.49.12	Senior Life Resources	-	46,000	46,000	Appropriate for senior life resource projects provided with CARES grant.
	Net Increase (Decrease) in Appropriations		<u>\$ 948,132</u>		
PUBLIC SAFETY FUND					
112.000.316.47.00.00	Telephone Utility Tax	\$ 1,114,584	\$ 31,500	\$ 1,146,084	Appropriate for increase as a results of utility tax audit.
112.000.316.47.00.00	Telephone Utility Tax	1,146,084	(112,500)	1,033,584	To appropriate for budget reductions associated with COVID.
112.000.316.48.00.00	Electric Utility Tax	3,316,250	(68,750)	3,247,500	" "
	Net Increase (Decrease) in Revenues		<u>\$ (149,750)</u>		
112.010.597.10.55.01	Transfer to General Fund	\$ 4,864,917	\$ (149,750)	\$ 4,715,167	Appropriate for transfer increase due to results of utility tax audit.
	Net Increase (Decrease) in Appropriations		<u>\$ (149,750)</u>		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
CAPITAL IMPROVEMENT FUND					
300.040.347.90.03.00	3E - Civic Area	\$ -	\$ 4,071	\$ 4,071	Appropriate park reserve revenue and increased project costs.
300.040.347.90.05.00	6E - Cascade	-	3,567	3,567	" "
300.040.347.90.17.00	6W - Southridge	-	21,605	21,605	" "
300.000.397.10.23.00	Transfer from Community Dev.	802,414	54,000	856,414	Appropriate for additional CDBG funding for ADA projects.
300.000.397.10.23.01	Transfer from Community Dev.	856,414	3,000	859,414	Appropriate for CDBG additional funding for Monopoly Park.
300.000.397.10.23.02	Transfer from Community Dev.	910,414	10,000	920,414	Appropriate for CDBG additional funding for Underwood Park.
Net Increase (Decrease) in Revenues			<u>\$ 96,243</u>		
<i>Street</i>					
300.010.591.95.78.12	PWTF Loan - US395/Ridgeline	\$ -	\$ 91,423	\$ 91,423	Appropriate for US395/Ridgeline Interchange PWTF loan payment.
300.010.592.95.83.12	PWTF Interest - US395/Ridgeline	-	16,542	16,542	" "
300.010.594.76.63.30	Underwood Park basketball court	56,000	10,000	66,000	Appropriate additional 2020 CDBG award.
300.010.594.76.63.31	Monopoly Park playground equip	101,000	3,000	104,000	" "
300.010.594.76.63.32	Monopoly Park playground equip	104,000	888	104,888	Appropriate for additional costs to be covered with PIF revenue.
300.010.595.61.63.02	Miscellaneous ADA Projects	531,414	54,000	585,414	Appropriate for additional CDBG funding for ADA projects.
<i>Land & Facilities</i>					
300.020.518.20.48.03	Vista District Common Area	75,000	15,000	90,000	Appropriate for increased irrigation system repairs.
300.020.594.21.62.09	Police Department	79,026	7,940	86,966	Appropriate for replacement of refrigerated evidence locker.
300.020.594.18.62.02	City Facility HVAC Replacement	-	22,969	22,969	Appropriate for replacement of failed HVAC in IT server room.
<i>Park Reserve</i>					
300.040.594.76.63.02	3E - Civic Area	6,263	4,071	10,334	Appropriate for increased project costs.
300.040.594.76.63.15	6W - Southridge	49,354	21,605	70,959	" "
300.040.594.76.63.16	6E - Cascade	138,364	3,567	141,931	" "
300.000.508.50.00.00	Ending Fund Balance	10,876,030	(154,762)	10,721,268	Net impact on ending fund balance.
Net Increase (Decrease) in Appropriations			<u>\$ 96,243</u>		
WATER/SEWER FUND					
<i>Water</i>					
401.010.534.54.31.13	Safety Supplies	\$ 7,000	\$ (4,000)	\$ 3,000	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
401.010.534.54.48.11	Repair/Maint of Pumping Equipment	60,000	(35,000)	25,000	
401.010.534.55.31.11	Shop Utility Supplies	2,500	(500)	2,000	" "
401.010.534.55.31.12	Field Utility Supplies	31,500	(9,500)	22,000	" "
401.010.534.55.45.03	Equipment Pool Charges	459,060	(19,220)	439,840	Reappropriate to reallocate equipment pool charges.
401.010.534.70.31.02	Operating Supplies	3,000	(1,000)	2,000	To appropriate for budget reductions associated with COVID-19.
401.010.534.70.45.03	Equipment Pool Charges	46,780	(4,420)	42,360	Reappropriate to reallocate equipment pool charges.
401.010.534.56.48.11	Repair/Maint of Pumping Equipment	56,650	(16,650)	40,000	To appropriate for budget reductions associated with COVID-19.
401.010.534.56.48.14	Repair/Main of Meter/Valve	19,000	(14,000)	5,000	" "
401.010.534.84.31.14	Hypochlorite	114,000	(4,000)	110,000	" "
401.010.534.84.41.05	Contractual Services - SCADA	2,500	(1,000)	1,500	" "

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
<i>Water (Continued)</i>					
401.010.534.90.48.11	Contractual Maintenance - Water	12,600	(5,600)	7,000	" "
401.010.534.90.48.12	Contractual Maint - Water Production	21,000	(4,000)	17,000	" "
401.010.534.56.48.03	Repair/Maintenance of Facilities	62,000	17,160	79,160	Appropriate for replacement of reservoir landscaping damaged in Bofur Fire.
<i>Sewer</i>					
401.010.535.55.45.03	Equipment Pool Charges	513,650	49,455	563,105	Reappropriate to reallocate equipment pool charges.
401.010.535.55.48.13	Repair/Maint of Main Lines	40,000	(20,000)	20,000	To appropriate for budget reductions associated with COVID-19.
401.010.535.85.31.02	Operating Supplies - HSD	40,000	(35,000)	5,000	" "
401.010.535.90.48.11	Contracted Maintenance - Wastewater	30,000	(25,000)	5,000	" "
<i>Administration</i>					
401.010.538.10.11.00	Salaries and Wages	1,876,921	(80,829)	1,796,092	Move Field Engineer position into capital salaries.
401.010.538.10.20.01	Social Security (FICA)	127,980	(6,183)	121,797	" "
401.010.538.10.20.02	Industrial Insurance	9,489	(115)	9,374	" "
401.010.538.10.20.03	Retirement	241,377	(10,395)	230,982	" "
401.010.538.10.20.07	WA Family Leave	2,494	(119)	2,375	" "
401.010.538.10.20.11	Medical Insurance	307,001	(25,290)	281,711	" "
401.010.538.10.20.13	Life Insurance	5,141	(179)	4,962	" "
401.010.538.10.20.14	Dental Insurance	24,612	(1,424)	23,188	" "
401.010.538.10.20.15	Long Term Disability	6,630	(277)	6,353	" "
401.010.538.10.20.16	Vision Insurance	4,015	(278)	3,737	" "
401.010.538.10.31.08	Reproduction Copier Charges	8,320	(1,320)	7,000	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
401.010.538.10.41.03	General Consulting Services	20,000	(2,000)	18,000	" "
401.010.538.10.41.12	W/S Rate Study Updates	59,975	(32,975)	27,000	" "
401.010.538.10.42.05	Postage Expense	10,000	(3,000)	7,000	" "
401.010.538.10.43.02	Travel & Training Expense	56,000	(16,000)	40,000	" "
<i>Revenue - Capital</i>					
401.010.594.38.11.00	Salaries and Wages	-	80,829	80,829	Move Field Engineer position into capital salaries.
401.010.594.38.20.01	Social Security (FICA)	-	6,183	6,183	" "
401.010.594.38.20.02	Industrial Insurance	-	115	115	" "
401.010.594.38.20.03	Retirement	-	10,395	10,395	" "
401.010.594.38.20.07	WA Family Leave	-	119	119	" "
401.010.594.38.20.11	Medical Insurance	-	25,290	25,290	" "
401.010.594.38.20.13	Life Insurance	-	179	179	" "
401.010.594.38.20.14	Dental Insurance	-	1,424	1,424	" "
401.010.594.38.20.15	Long Term Disability	-	277	277	" "
401.010.594.38.20.16	Vision Insurance	-	278	278	" "
401.000.508.80.00.00	Ending Fund Balance	2,773,794	<u>187,570</u>	2,961,364	Net impact on ending fund balance.
Net Increase (Decrease) in Appropriations			<u>\$ -</u>		
MEDICAL SERVICES FUND					
402.000.397.10.39.00	Transfer from General Fund	\$ 10,001,700	<u>\$ (16,200)</u>	\$ 9,985,500	Reappropriate funds to provide for increased radio maintenance costs.
Net Increase (Decrease) in Revenues			<u>\$ (16,200)</u>		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
402.010.522.10.41.05	Contractual/Consulting	\$ 26,190	\$ 50,000	\$ 76,190	Appropriate for contracted ambulance billing program effective 8/1/20.
402.010.522.70.20.21	Uniform Allowance	215,630	(16,200)	199,430	Reappropriate funds to provide for increased radio maintenance costs.
402.000.508.80.00.00	Ending Fund Balance	2,286,407	<u>(50,000)</u>	2,236,407	Net impact on ending fund balance.
	Net Increase (Decrease) in Appropriations		<u>\$ (16,200)</u>		
BUILDING SAFETY FUND					
403.010.524.20.12.00	Overtime	\$ 2,500	\$ (750)	\$ 1,750	To appropriate for budget reductions associated with COVID-19.
403.00.524.20.49.12	Credit Card Fees	38,600	33,900	72,500	Appropriate for increased credit card fees for 2019/2020 biennium.
403.010.524.20.31.01	Office Supplies	8,000	(2,000)	6,000	To appropriate for budget reductions associated with COVID-19.
403.010.524.20.43.02	Travel & Training	24,000	(2,500)	21,500	"
403.000.508.80.00.00	Ending Fund Balance	2,315,260	<u>(28,650)</u>	2,286,610	Net impact on ending fund balance.
	Net Increase (Decrease) in Appropriations		<u>\$ -</u>		
COLISEUM FUND					
404.000.362.40.01.00	Coliseum Event Revenue	\$ 2,363,800	\$ (160,000)	\$ 2,203,800	Appropriate for budget reductions associated with COVID-19.
404.000.397.10.01.00	Transfer from General Fund	550,000	<u>160,000</u>	710,000	Appropriate for increased subsidy requirement due to COVID-19.
	Net Increase (Decrease) in Revenues		<u>\$ -</u>		
STORMWATER FUND					
405.010.531.50.49.11	Stormwater Permits	\$ 52,550	\$ 20,500	\$ 73,050	Increase appropriation for water quality program annual permit costs.
405.010.531.50.41.11	Storm Comprehensive Plan	300,000	(20,500)	279,500	Reappropriate to provide for increased stormwater permit costs.
405.010.531.50.45.03	Equipment Pool Charges	460,050	44,020	504,070	Appropriate for increased equipment pool costs.
405.010.595.31.63.07	Drywell - Misc Locations	138,000	69,000	207,000	Appropriate for increased costs of project.
405.010.595.31.63.10	W 14th Pl Outfall Hartford/Garfield	530,000	<u>(340,000)</u>	190,000	Reappropriate for decreased project costs.
405.000.508.80.00.00	Ending Fund Balance	1,196,362	<u>226,980</u>	1,423,342	Net impact on ending fund balance.
	Net Increase (Decrease) in Appropriations		<u>\$ -</u>		
EQUIPMENT RENTAL FUND					
501.000.348.30.12.00	Water & Sewer Fund	1,019,490	25,815	1,045,305	Adjust M&O Fleet revenue.
501.000.348.30.19.00	Stormwater Utility Fund	460,050	<u>44,020</u>	504,070	"
	Net Increase (Decrease) in Revenues		<u>\$ 69,835</u>		
501.000.508.80.00.00	Ending Fund Balance	5,983,859	<u>69,835</u>	6,053,694	Net impact on ending fund balance.
	Net Increase (Decrease) in Appropriations		<u>\$ 69,835</u>		

CITY OF KENNEWICK
Budget Adjustment Ordinance No. 5884

BARS Account	Account Title	Adopted Budget	Proposed Adjustment	Amended Budget	Explanation
RISK MANAGEMENT FUND					
503.010.519.00.49.11	Safety Awards	\$ 4,200	\$ (3,000)	\$ 1,200	To appropriate for budget reductions associated with anticipated revenue losses due to COVID-19.
503.000.508.80.00.00	Ending Fund Balance	480,643	<u>3,000</u>	483,643	Net impact on ending fund balance.
	Net Increase (Decrease) in Appropriations		<u>\$ -</u>		
BI-PIN FUND					
634.010.594.18.64.15	NEW RMS/JMS System	\$ 2,534,945	\$ 12,100	\$ 2,547,045	Appropriate for increased costs for Socrata Analysis Mapping module.
634.000.508.10.00.00	Ending Fund Balance	544,624	<u>(12,100)</u>	532,524	Net impact on ending fund balance.
	Net Increase (Decrease) in Appropriations		<u>\$ -</u>		

Council Agenda Coversheet



Agenda Item Number	6.a.(1)	Council Date	11/17/2020
Agenda Item Type	Resolution		
Subject	2021 Property Tax Levy Substantial Need		
Ordinance/Reso #	20-14	Contract #	
Project #		Permit #	
Department	Finance		

Consent Agenda	<input type="checkbox"/>
Ordinance/Reso	<input checked="" type="checkbox"/>
Public Mtg / Hrg	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

That Council adopt Resolution 20-14 authorizing up to a 1% increase to the City's 2020 base property tax levy for the 2021 property tax levy.

Motion for Consideration

I move to adopt Resolution 20-14.

Summary

Under state law, annual increases to the City's base property tax levy are limited to the lesser of a 1% or inflation. Inflation is defined as the percentage change in the implicit price deflator for personal consumption (IPD). In most years, these factors result in a limit of 1% growth in base property tax revenue. However, as discussed at the October 27, 2020 workshop, the percentage change in IPD for 2020 was 0.6015%, which results in a lower limit for the increase to the City's base property tax levy for 2021. In years where the IPD falls below 1%, state law allows cities to pass a separate resolution approved by a super majority of City Council to allow for up to a 1% increase. If approved, Resolution 20-14 sets the limit factor for the City's 2021 property tax levy at an amount up to 1%. As also discussed at the October 27th workshop, if Resolution 20-14 is not approved, the City's 2021 property tax levy would decrease by approximately \$55,000. However, there is also a cumulative impact in that the City's base levy for future years will also be reduced by this same amount. Over a five-year period, this would result in an estimated cumulative loss of approximately \$279,000 in property tax revenue for the City.

Approving Resolution 20-14 and authorizing a full 1% increase to the City's 2020 base levy for the 2021 property tax levy would increase the 2021 levy rate by 0.7¢ per thousand of assessed value. For the owner of a 200,000 home, this would equate to an additional \$1.40 for the year.

Alternatives

Reject Resolution 20-14, which would limit the increase to the City's base property tax levy to 0.6015% (IPD) and preclude the City from "banking" levy capacity.

Fiscal Impact

The difference in levy capacity between the 1% change to the base levy normally allowed under state law and the limit factor of 0.6015% (IPD) that would be in place if Resolution 20-14 is not passed is approximately \$55,000 for 2021. This reduction in levy capacity would not only impact the City's 2021 levy, but could also have a cumulative impact of as much as \$279,000 over the five-year period from 2021-2025.

Through	
Dept Head Approval	Dan Legard Nov 09, 11:41:23 GMT-0800 2020
City Mgr Approval	Marie Mosley Nov 13, 10:43:33 GMT-0800 2020

Attachments: Resolution

Recording Required?

CITY OF KENNEWICK
RESOLUTION NO. 20-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEWICK,
WASHINGTON, MAKING A DECLARATION OF SUBSTANTIAL NEED
FOR PURPOSES OF SETTING THE LIMIT FACTOR FOR THE PROPERTY
TAX LEVY FOR 2021

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or over is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines “inflation” as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the Federal Department of Commerce by September 25th of the year before the taxes are payable; and

WHEREAS, “inflation” for purposes of the 2021 property tax levy is 0.6015 percent and the limit factor is 100.6015 percent, meaning the taxes levied in the City of Kennewick in 2020 for collection in 2021 will only increase by 0.6015 percent, except for the amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a finding of substantial need by a majority plus one councilmembers; and

WHEREAS, the City Council of the City of Kennewick has been provided with updated information on the financial resources available for general governmental operations in the 2021/2022 biennial budget at its Council workshop on September 22, 2020, and based on this updated information finds that there is a substantial need to set the levy limit at one hundred and one percent; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK,
WASHINGTON, AS FOLLOWS:

Section 1. A finding is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of one hundred and one percent for the property tax levy for 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, this 17th day of November, 2020, and signed in authentication of its passage this 17th day of November, 2020.

DON BRITAIN, Mayor

Attest:

RESOLUTION NO. 20-14 filed and recorded in the
office of the City Clerk of the City of Kennewick,
Washington, this 18th day of November, 2020.

TERRI L. WRIGHT, City Clerk

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

Council Agenda Coversheet



Agenda Item Number	6.a.(2)	Council Date	11/17/2020
Agenda Item Type	Ordinance		
Subject	Property Tax Levy 2021		
Ordinance/Reso #	5885	Contract #	
Project #		Permit #	
Department	Finance		

Consent Agenda	<input type="checkbox"/>
Ordinance/Reso	<input checked="" type="checkbox"/>
Public Mtg / Hrg	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

That Council hold a public hearing and take testimony on the property tax levy for 2021 and adopt the 2021 property tax levy.

Motion for Consideration

I move to adopt Ordinance 5885.

Summary

Ordinance 5885 establishes the City's annual property tax levy for 2021. As discussed at the October 27th City Council workshop, the proposed 2021 levy ordinance is based on the most recent preliminary assessed valuation (AV) provided by the Benton County Assessor and would reduce the City's total levy rate by approximately 4¢ to \$1.82 per 1,000 of AV. The proposed total operating levy for 2021 is estimated at \$14,107,874, of which \$67,000 will be allocated to the Firemen's Pension Fund based on the most recent actuarial study and an estimated \$362,467 will be allocated to the Capital Improvement (CIP) Fund under the requirements of the City's Local Revitalization Financing (LRF) program in Southridge. The proposed levy and levy rate for 2021 reflect a 1% change to the base levy as allowed under state law, as well as \$197 million in AV from new construction (including \$55 million in the LRF area), and a \$226 million increase in AV from revaluation of existing properties, which brings the City's total AV to just over \$7.74 billion overall.

As is the case every year, staff will finalize the levy with the County in January based on the final AV amounts provided and the intent of this ordinance.

Alternatives

None recommended. Council could adopt the property tax ordinance without the 1% change to the base levy allowed by state law. However, this would be inconsistent with the proposed 2021/2022 biennial budget and prior Council policy direction.

Fiscal Impact

For the owner of a median value home of \$196,100 in Kennewick, assuming a 3.1% increase in AV and the projected 2021 levy rate of \$1.82, the amount of property tax paid to the City would increase by \$3.25 in 2021. The 2021 levy is estimated to generate revenue of \$13,678,407 to the General and Street Funds, \$67,000 to the Firemen's Pension Fund, and \$362,467 to the CIP Fund to be pledged repayment of the City's LRF bonds under the parameters of the LRF program.

Through	
Dept Head Approval	Dan Legard Nov 12, 17:15:58 GMT-0800 2020
City Mgr Approval	Marie Mosley Nov 13, 11:14:25 GMT-0800 2020

Attachments:

Ordinance
Prop Tax Schedule I
Prop Tax Schedule II
Prop Tax Schedule III
Prop Tax Schedule IV
Prop Tax Schedule V

Recording Required?

CITY OF KENNEWICK
ORDINANCE NO. 5885

AN ORDINANCE PROVIDING FOR A PROPERTY TAX LEVY IN THE
CITY OF KENNEWICK FOR THE YEAR 2021 IN ACCORD WITH STATE
LAW

WHEREAS, the City Manager has provided the City Council with updated information on the financial resources available in the 2021/2022 biennial budget as submitted by the Treasurer at the September 22, 2020, Council workshop; and

WHEREAS, the City Council and City Manager have considered the City's anticipated financial requirements for the remaining fiscal biennium and the ensuing year; and

WHEREAS, notice of a hearing on the proposed property tax levy was published and a public hearing was held at a regular meeting of the Kennewick City Council on the 17th day of November, 2020; and

WHEREAS, the City's actual general operating levy amount from the previous year, excluding the amount to be refunded under RCW 84.55.070, was \$13,603,769; and

WHEREAS, the population of the City is more than 10,000; NOW, THEREFORE,

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

Section 1. A tax for the following sums of money, or as much thereof as may be authorized by law, including all previously certified totals that may have been adjusted according to RCW 84.56.430, to defray the expenses and liabilities of the City of Kennewick, be, and the same is hereby levied for the purpose specified against all taxable property in the City for the fiscal year 2021 which includes a 1.0101% increase over the actual operating levy amount from the previous year:

General Operating Levy:	
Base Levy	\$ 13,536,769
New Construction, State Utilities and Annexations	366,740*
1% Increase of Highest Lawful Levy since 1985	137,365
Firemen's Pension Fund	<u>67,000</u>
 TOTAL	 \$14,107,874

*Or at the final amount determined by the County Assessor.

Section 2. The Treasurer shall certify this ordinance to the Benton County Commissioners as required by RCW 84.52.020.

Section 3. This ordinance shall be in full force and effect five days from and after its passage, approval and publication as required by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, this 17th day of November, 2020, and signed in authentication of its passage this 17th day of November, 2020.

Attest:

DON BRITAIN, Mayor

TERRI L. WRIGHT, City Clerk

ORDINANCE NO. 5885 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this 18th day of November, 2020.

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

DATE OF PUBLICATION _____

2021 PROPERTY TAX LEVY

2020 Tax Levy		\$13,603,769
1% Change (over highest lawful levy since 1985)	\$13,736,545	137,365
Administrative Refunds (Provided by BC Treasurer)		-
Additions:		
New Construction *	\$197,313,100	366,740
Increased Utility Values *	-	-
	<u>197,313,100</u>	
x 2020 Tax Rate	<u>1.8587</u>	366,740
Annexation Calculation:		
Total Regular Levy (base, 1% & new construction)	14,107,874	
Valuation of original district (w/o annexations)	<u>7,742,653,190</u>	
Rate to apply to Annexations	1.822098	
Annexations *	-	<u>-</u>
2021 Levy, including Fire Pension		<u><u>\$14,107,874</u></u>
Preliminary Taxable Value*:		<u><u>\$7,742,653,190</u></u>

	Property Tax Distribution	
	<u>2021 Levy</u>	<u>2021 Tax Rate</u>
Operating Levy:		
General Fund	\$13,678,407	\$1.7666
CIP Fund - LRF Program	362,467	0.0468
Fire Pension	<u>67,000</u>	<u>0.0087</u>
Total	<u><u>\$14,107,874</u></u>	<u><u>\$1.8221</u></u>

* Preliminary values per Benton County Assessor dated 10/16/2020.

ASSESSED VALUATION
(in \$1,000s)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Projected* 2021
Assessed Valuation	\$4,682,067	\$4,858,965	\$5,061,564	\$5,203,490	\$5,330,559	\$5,403,889	\$5,617,282	\$5,794,192	\$5,933,111	\$6,630,200	\$7,319,088
New Construction	92,225	90,065	90,516	122,448	86,175	130,508	116,328	95,626	83,294	158,690	197,313
Annexations	1,100	-	-	-	-	5,000	-	-	-	-	-
Utilities	7,015	11,794	(4,882)	(3,976)	1,872	(1,538)	(626)	(212)	(4,475)	7,221	-
Increase (Decrease) *	76,558	100,740	56,292	8,597	(14,717)	79,423	61,208	43,505	618,270	522,977	226,252
Total Valuation	\$4,858,965	\$5,061,564	\$5,203,490	\$5,330,559	\$5,403,889	\$5,617,282	\$5,794,192	\$5,933,111	\$6,630,200	\$7,319,088	\$7,742,653
* Valuation Increase	1.6%	2.1%	1.1%	0.2%	-0.3%	1.5%	1.1%	0.8%	10.4%	7.9%	3.1%
Base Revenue Change	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.953%	1.0%	1.0%	1.0%	1.0%
Levy:											
General Fund Tax Levy	\$10,378,011	10,573,436	10,905,359	11,225,866	11,461,354	\$11,827,288	\$12,353,669	\$12,636,677	\$12,882,565	\$13,251,179	\$13,678,407
LRF	-	22,379	34,896	90,559	159,025	234,427	154,434	176,057	240,742	285,590	362,467
Firemen's Pension Fund	114,000	114,000	114,000	96,000	96,000	67,000	67,000	67,000	67,000	67,000	67,000
Library Bond	401,000	400,000	401,000	406,000	410,000	403,000	-	-	-	-	-
Total	\$10,893,011	\$11,109,815	\$11,455,255	\$11,818,425	\$12,126,379	\$12,531,715	\$12,575,103	\$12,879,734	\$13,190,307	\$13,603,769	\$14,107,874
Tax Rates:											
General Levy	\$2.1358	\$2.0890	\$2.0958	\$2.1059	\$2.1209	\$2.1055	\$2.1321	\$2.1299	\$1.9430	\$1.8105	\$1.7666
LRF	-	0.0044	0.0067	0.0170	0.0294	0.0417	0.0267	0.0297	0.0363	0.0390	0.0468
Firemen's Pension	0.0235	0.0225	0.0219	0.0180	0.0178	0.0119	0.0116	0.0113	0.0101	0.0092	0.0087
Subtotal General Govt	2.1593	2.1159	2.1244	2.1409	2.1681	2.1592	2.1703	2.1708	1.9894	1.8587	1.8221
Library Bond	0.0831	0.0796	0.0776	0.0766	0.0765	0.0722	0.0000	0.0000	0.0000	0.0000	0.0000
Total Levy	\$2.2424	\$2.1955	\$2.2020	\$2.2175	\$2.2446	\$2.2314	\$2.1703	\$2.1708	\$1.9894	\$1.8587	\$1.8221

* Preliminary values per Benton County Assessor dated 10/16/2020.

**2020 PROPERTY TAX RATES
(Per \$1,000 Assessed Valuation)**

	<u>Kennewick</u>	<u>Benton County</u>
State - Schools Parts 1 & 2	\$ 3.0680	\$ 3.0680
County	1.0830	1.0830
City - Regular Levy (Note 1)	1.8587	-
County Road	-	1.3632
Mid-Columbia Library District	0.3283	0.3283
School District #17	3.6813	3.6813
Kennewick Hospital	0.1130	0.1130
Fire District #1	-	1.5717
Port of Kennewick	0.2825	0.2825
Total (Note 2 & 3)	\$ 10.4148	\$ 11.4910

Note 1 - levy base valuation \$7,319,087,803.
 Note 2 - Both City and County property is also subject to a noxious weed assessment.
 Note 3 - Tax codes used as examples are K-1 and 1731.

Where does your tax dollar go?

School District 35%	State 30%	City 18%	County 10%	Library & Other 7%
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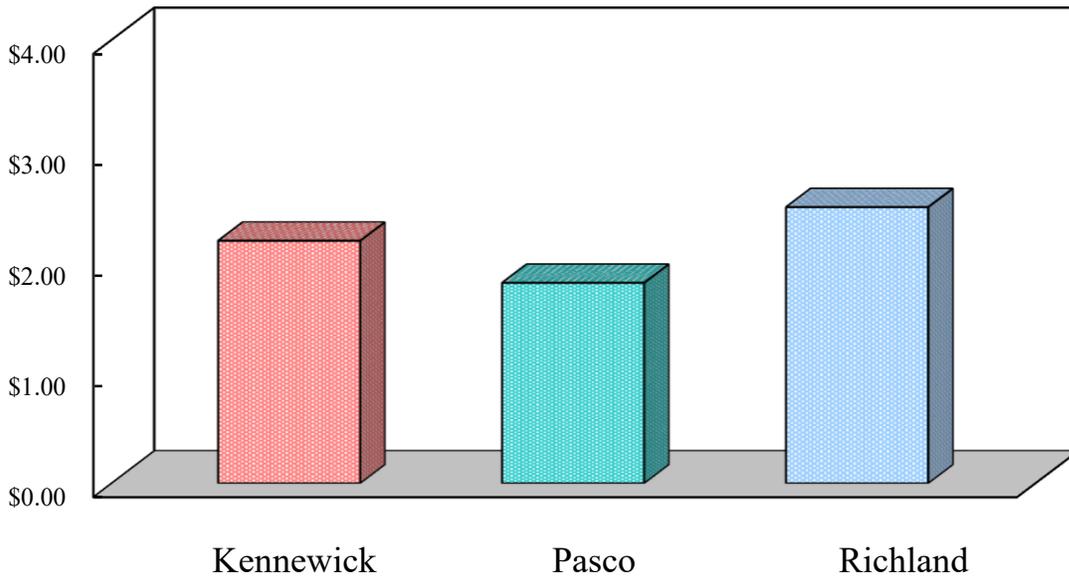


\$3.6813	\$3.0680	\$1.8587	\$1.0830	\$0.7238
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COMPARATIVE PROPERTY TAX RATES
Tri-Cities 2020

	<u>Kennewick</u>	<u>Pasco</u>	<u>Richland</u>
Regular Levy	\$ 1.8587	\$ 1.8075	\$ 2.3013
Voted G.O. Bonds	0.0000	0.0000	0.1892
Library District	<u>0.3283</u>	<u>0.0000</u>	<u>0.0000</u>
Total Rate Per \$1,000	<u><u>\$ 2.1870</u></u>	<u><u>\$ 1.8075</u></u>	<u><u>\$ 2.4905</u></u>

Property Tax Rate
per \$1,000 of Assessed Valuation



PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per \$1,000 Assessed Valuation)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City of Kennewick:										
General Fund	\$2.1593	\$2.1159	\$2.1244	\$2.1409	\$2.1681	\$2.1592	\$2.1703	\$2.1708	\$1.9894	\$1.8587
Voted G.O. Bonds	0.0831	0.0796	0.0776	0.0766	0.0765	0.0722	0.0000	0.0000	0.0000	0.0000
Total City	2.2424	2.1955	2.2020	2.2175	2.2446	2.2314	2.1703	2.1708	1.9894	1.8587
State	2.1478	2.3154	2.3914	2.3194	2.3044	2.1378	2.1453	3.1670	2.7391	3.0680
County	1.3265	1.2771	1.2796	1.2831	1.2799	1.2694	1.2753	1.2788	1.1708	1.0830
School District	4.9195	4.9063	4.9088	4.9834	5.0506	5.1535	5.0190	5.0049	3.5092	3.6813
Library District	0.3929	0.3803	0.3786	0.3775	0.3728	0.3722	0.3645	0.3671	0.3443	0.3283
Hospital	0.1456	0.1417	0.1418	0.1436	0.1439	0.1394	0.1362	0.1336	0.1209	0.1130
Port	0.3410	0.3315	0.3309	0.3337	0.3337	0.3320	0.3326	0.3333	0.3068	0.2825
Total	\$11.5157	\$11.5478	\$11.6331	\$11.6582	\$11.7299	\$11.6357	\$11.4432	\$12.4555	\$10.1805	\$10.4148

Council Agenda Coversheet



Agenda Item Number	6.b.	Council Date	11/17/2020
Agenda Item Type	Ordinance		
Subject	2021/2022 Biennial Budget		
Ordinance/Reso #	5886	Contract #	
Project #		Permit #	
Department	City Manager		

Consent Agenda	<input type="checkbox"/>
Ordinance/Reso	<input checked="" type="checkbox"/>
Public Mtg / Hrg	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>
Quasi-Judicial	<input type="checkbox"/>

Recommendation

Council hold a public hearing and take testimony on the 2021/2022 proposed biennial budget and adopt the 2021/2022 proposed biennial budget.

Motion for Consideration

I move to adopt ordinance 5886.

Summary

The 2021/2022 proposed biennial budget was prepared using our budgeting by priorities model, continuing to expand on the work that has been accomplished in the previous bienniums, where we evaluated over 300 services provided to the community. The biennial budget provides a strategic plan for a sustainable operating and capital budget into the future. This model is especially important during these difficult and uncertain times as a result of the pandemic, requiring us to reimagine how we deliver our priority programs and services.

For the most part, the proposed biennial budget continues to implement the existing programs and priorities. However, due to the economic impact of the pandemic, we are proposing modifications for some programs and a path forward for a sustainable budget into the future. This proposed budget takes a measured approach to recovery from the pandemic. We will be reducing some programs and services, using one-time funding on a temporary basis, closely evaluating vacant positions, holding the line on discretionary spending and will be doing a thorough mid-biennium review where we will be prepared to make any further adjustments to the budget if our conservative projections do not materialize.

The attached budget message and the presentation provided at the October 27th workshop outline the strategies to implement council's goals for each of the priorities areas of Community Safety, Economic Development, Infrastructure & Growth, Quality of Life and Responsible Government. The presentation also identifies major assumptions, total sources and uses for the upcoming biennial budget.

Alternatives

Modify the budget to include or eliminate programs and corresponding resources.

Fiscal Impact

The total 2021/2022 biennial budget is \$349,901,057 for all funds, which includes the general operating budget of \$112,704,680. The attached ordinance details the total biennial budget by fund.

Through

Dept Head Approval

City Mgr Approval

Marie Mosley
Nov 13, 10:12:40 GMT-0800 2020

Attachments:

Ordinance
Budget Message
Presentation

Recording Required?

CITY OF KENNEWICK
ORDINANCE NO. 5886

AN ORDINANCE ADOPTING THE BIENNIAL BUDGET FOR THE YEARS
2021/2022

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

Section 1. The biennial budget containing the total set forth for each fund for the years
2021/2022 is established as follows:

General Fund	\$ 107,892,451
Street Fund	<u>4,812,229</u>
Subtotal - Operating Budget	112,704,680
Urban Arterial Street Fund	8,680,500
Capital Improvement Fund	44,652,625
Water and Sewer Fund	68,803,501
Building Safety Fund	5,560,000
Medical Services Fund	30,596,950
Coliseum Fund	6,588,000
Stormwater Utility Fund	6,672,675
Columbia Park Golf Course	922,500
Equipment Rental Fund	13,052,260
Risk Management Fund	4,655,275
Central Stores Fund	669,750
Debt Service Fund	8,609,800
LID Guaranty Fund	38,900
Arterial Street Fund	5,000,000
Cash Reserve Fund	2,933,400
BI-PIN Operations Fund	1,779,774
Community Development Fund	1,707,115
Asset Forfeiture Fund	123,500
Public Safety Fund	4,514,542
Lodging Tax Fund	3,753,300
Criminal Justice Sales Tax Fund	6,455,000
HIDTA Program	4,500,000
Firemen's Pension Fund	1,316,000
OPEB Trust Fund	<u>5,611,010</u>
GRAND TOTAL	<u>\$349,901,057</u>

Section 2. This Ordinance shall be in full force and effect five (5) days from and after its
passage, approval, and publication as required by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON this 17th day of November, 2020, and signed in authentication of its passage this 17th day of November, 2020.

Attest:

DON BRITAIN, Mayor

TERRI L. WRIGHT, City Clerk

ORDINANCE NO. 5886 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this 18th day of November, 2020.

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

DATE OF PUBLICATION _____



City of Kennewick
Office of the City Manager

**BUDGET TRANSMITTAL
LETTER**

Date: October 27, 2020

To: Don Britain, Honorable Mayor and Members of the City Council

From: Marie E. Mosley, City Manager

Subject: 2021/2022 Biennial Budget Executive Summary

Pandemic, Protests and a Presidential Election, the trifecta that happened in 2020 has significantly affected the current biennium and will have rippling impacts into the 2021/2022 biennium and perhaps even beyond. The years of strategic planning and the leadership of our Council and Community over the past several bienniums will help us weather the effects and has set us up for success in this upcoming biennium and into the future. Now more than ever, our Budgeting by Priorities model positions us to align our resources to focus on the highest priority needs and expectations in the community.

Even under these uncertain and difficult times, it is a privilege to present the proposed 2021/2022 Biennial Budget for your consideration. One way to look at these unprecedented times is that uncertainty brings challenges and with challenges come opportunities. Throughout 2020, we have reinvented how we go about doing business and reimagined the future. This has been an unprecedented year as our community, the nation and the world has dealt with the impacts from the coronavirus pandemic. The restrictions imposed has created uncertainty for the current biennium and certainly into the 2021/2022 biennium. We have seen immense impact on our community due to the shutdown of businesses, activities, schools and essentially life as we all knew it prior to March of 2020. Despite this, we remain very optimistic about our future and this proposed biennial budget will set us up for success into the future as we recover from the pandemic and remain a strong and vibrant community and organization.

Due to the coronavirus, we were not able to have a retreat for this biennial budget although our facilitator prepared a report based on the information he heard from each of you during his interviews. Those interviews and the previous strategic direction for the 2019/2020 biennial budget formed the basis for the departments to submit their budget proposals and program requests for consideration.

For the most part, the 2021/2022 biennial budget maintains our existing programs and services, although there will be areas where we are recommending that programs be realigned or levels of service be reduced in order to provide you with a sustainable budget for the biennium as well as into the future. Maintaining our priority services is only possible because of the strategic planning efforts that have occurred over the past couple of bienniums.

The proposed 2021/2022 budget was developed using our Budgeting by Priorities model where all services have been prioritized based on Council's overall goals and the five major opportunity centers established by Council. These opportunity centers provide a unique vision as we continue to work on recruitment, retention and expansion of businesses in our community:

- Southridge
- Vista Field Redevelopment – improve and connect the Entertainment District to Vista Field
- Bridge to Bridge Area & Downtown – transform and connect the waterfront to the downtown
- Industrial Area South of I-82
- Columbia Park

Our budgeting by priorities model has prepared us to make the decisions necessary in these difficult and uncertain times. This model also will help us to make decisions on resource allocation when our revenues return to pre-pandemic levels. The five priority areas that form the basis of the biennial budget consist of:

- Community Safety
- Economic Development
- Infrastructure & Growth
- Quality of Life
- Responsible Government

The following identify the broad goals in each of the priority areas and the recommended implementation strategies for the 2021/2022 biennium to achieve Council's goals. These implementation strategies provide you with an overview of the changes included in the proposed 2021/2022 biennial budget, which achieves a sustainable operating and capital budget.

Community Safety – “I want to be safe where I live, work and play”

Objective: Continue to Ensure the Safety of our Community by Maintaining Current Service Levels & Partnerships.

- Council objectives are achieved through the following broad programs in Community Safety:
 - Police Services
 - Emergency Medical Services
 - Safe Drinking Water
 - Fire Services
 - Code Enforcement
 - Building Safety

The following are Council's goals for the 2021/2022 biennium and the implementation strategies included in the proposed biennial budget:

- **Goal #1 – Continued Focus on Combatting Criminal Gang Activity** – Benton County voters approved a 3/10% public safety sales tax that became effective on 1/1/2015. The City of Kennewick has outlined a program to combat gang activity, which supports our previous citizen budget survey results where the majority of respondents said they were willing to pay more to combat gang activity. This budget continues the implementation and focus of achieving the commitments made to our community when they approved the public safety sales tax.

During the 2019/2020 biennium, we were well-prepared to realign our staffing to address the public safety challenges created by the pandemic. We continued to accomplish the goals initially established when public safety sales tax was approved by creating a mid-shift patrol unit to combat criminal gang and drug activity. We were fortunate to have several in-house Police Cadets ready to become Police Officers when recruiting for the mid-shift patrol unit occurred, which was a pay-off on our investment of public safety sales tax funding in a cadet program. This program continues to provide opportunities for the Police Department to train and invest in our next generation of officers.

During this next biennium, we will increase our efficiency by implementing the Lexipol system that also will assist to develop comprehensive policies to limit agency risk and enhance personnel safety. This will also help to meet ongoing accreditation requirements and maintaining updates to our policies.

We will also continue to work with Benton County and the other partner jurisdictions to implement regional programs that are critical for the safety of our community. Specifically, we will continue with negotiations on the jail contract that expires at the end of 2020. We have also evaluated the existing work crew agreement with Benton County. Since April, 2020 when the COVID-19 pandemic hit, the County discontinued providing the work crew program due to restrictions imposed relating to the pandemic. In light of the future uncertainty regarding the availability of the work crew, we recommend that we discontinue this program permanently and evaluate how best to provide those services and continue to prioritize the highest needs in our community.

- **Goal #2 – Enhance School Safety** – Prior to the current 2019/2020 biennium, the Kennewick School District approached the City with a plan to add a school resource officer (SRO) in each of the five middle schools in Kennewick. For years, we have maintained a SRO in each of our three high schools. During the 2018-2019 school year, we worked together to implement a pilot program to place a SRO in two of the five middle schools (Highlands and Park). This pilot program resulted in immediate success and we agreed with the Kennewick School District that having additional officers located in each of the middle schools would help to provide a safer environment for our youth to learn.

Due primarily to issues associated with the pandemic and with schools just now considering hybrid learning, we were not able to fully implement this program during the 2019/2020 biennium. However, we remain committed to the partnership with the school district that will provide a SRO in each of the middle schools.

When we are able to move forward with this partnership, we recommend reallocating the vacant D.A.R.E. Officer position and hiring an additional two officers to supplement the existing two middle school SRO positions (2.5 paid for by the School District and 1.5 paid for by the City, in addition to the D.A.R.E. position that will be reallocated). While we will no longer have a dedicated D.A.R.E. position, the program would continue by having each of the middle school SRO positions teach the D.A.R.E curriculum within the grade schools that feed into their assigned middle school. This will provide the five officers necessary to have a SRO in each of our middle schools while still maintaining this important program. We will remain in contact with the school district on when we can jointly implement this program during the upcoming biennium.

- ***Goal #3 – Strategic Planning for the Fire Department*** – In order to properly prepare and provide for a strategic staffing and deployment model for the fire department, the foundation must be formed. We believe that the foundation starts with a strategic plan. The proposed 2021/2022 biennial budget includes funding to hire a consultant that will assist the city, our regional partners and our community with developing a strategic plan for the Fire Department. At the mid-biennium in 2017, Council implemented the recommendations from the Ambulance Utility rate study that showed we would need consistent increases to the utility’s ambulance availability charge over a four-year period beginning in 2018. The funding generated through this new rate structure sustains the staffing resources initially made available by our successful award of a \$2.3M Staffing for Adequate Fire & Emergency Response (SAFER) grant from FEMA. During the current 2019/2020 biennium, in compliance with the SAFER grant requirements, the 12 firefighters have been hired and deployed to support the existing fire station staffing. The strategic plan and standard of coverage established for the future through the strategic planning process will help to determine a sustainable path forward and provide the level of service expected by our community.
- ***Goal #4 – Provide Safe Drinking Water for our Existing and Growing Population*** – In preparation for providing a sustainable operating and capital budget for the biennium and into the future, a Water/Sewer Utility rate study update was conducted during the 2019/2020 biennium. The results of this rate study update was consistent with what has been shared with the Council over the last couple of bienniums, showing we would need rate increases at a similar level each year for the next four years in both our Water and Sewer rates. During the September 22nd Council workshop, the results were shared with the Council and Council adopted a rate increase for both our Water and Sewer utilities at the October 6th Council meeting for the 2021/2022 biennium. This rate adjustment will provide the resources to maintain our existing infrastructure, replace the highest priorities in terms of our aging infrastructure, and address expansion of our infrastructure to accommodate our growing community.

During this biennium, we will update the Water and Sewer Comprehensive Plans, providing the foundation for a rate study update, which will be conducted towards the end of 2022 for consideration with the subsequent biennial budget. These rate adjustments provide the sustainable maintenance and operations for the upcoming biennium. In addition, it will allow those necessary and priority (and in some cases, multi-year) capital projects to be financed. This financing provides a balance between existing and future customers paying for infrastructure that benefits both classes of customers to ensure intergenerational equity.

Economic Development – “I want a diverse and vibrant economy in Kennewick”

Objective: Support Existing Businesses and the Creation of Sustainable Family Wage Jobs.

- Council objectives are achieved through the following broad programs in Economic Development:
 - Tourism
 - Economic Vitality
 - Economic Growth

The following are Council’s goals for the 2021/2022 biennium and the implementation strategies included in the proposed biennial budget:

- **Goal # 1 – Support and Promote the City’s Industrial Development Area** – The City was recently successful in bringing approximately 235 acres of land South of I-82 into our urban growth area and then subsequently annexing that land into the City limits. Prior to that, less than 4% of the City’s land use was available for industrial development. There continues to be work on this objective by determining the land use for this area and working to bring in industrial development opportunities. This area will help to support the residential and commercial land use in Kennewick and provide for family wage jobs in the community.

During this biennium, we will work on a comprehensive plan amendment to assign land use designation to this area. The City will also continue its planning efforts for the extension of utilities and infrastructure into this area to facilitate future development. In addition, we will continue to work with the developer, TRIDEC and other partners to bring in new business and jobs to this newly identified industrial development opportunity.

- **Goal # 2 – Implement the Vision and Policies Established for the City’s Opportunity Centers** – In addition to the above described opportunity center (now our Southern boundary), the City has established four other opportunity centers with unique visions for the community. We will continue to work on these partnership opportunities and look for creative funding opportunities, such as grants, financing, and rural county capital funds (in partnership with Benton County). The proposed 2021/2022 biennial budget continues to focus on realizing the vision in these opportunity centers:
 - *Bridge to Bridge/Downtown* – In partnership with the Port of Kennewick, the Historical Downtown Kennewick Partnership (HDKP), Columbia Basin College

(CBC) and Benton County, we have begun redevelopment of a blighted area in our community. The vision for this area is to create a destination location and connect our waterfront to the Downtown. The first two phases of the project are completed with the Port providing the buildings for four wineries and a food truck plaza, while the City installed the associated infrastructure, utilizing in part the Rural County Capital Funds that have been allocated by Benton County.

This project will continue in the next biennium as we work on the connection from the waterfront to the downtown. The City received a \$500,000 complete street grant to achieve a more pedestrian friendly connection on Washington Street. Both the Port of Kennewick and the Historical Downtown Kennewick Partnership are important partners for the city to make this project a success. We will continue to seek other partnership opportunities and will be constructing the Washington Street improvements during the biennium.

- *Vista Entertainment District* – During the current biennium the City and A-1 Pearl development team established a partnership to bring the much needed expansion to the Three Rivers Convention Center, as well as a performing arts center, new headquarter hotel, and an added retail component. Working together, the City will build the Convention Center expansion and A-1 Pearl will build the hotel and retail component. Upon successful completion of this first phase, A-1 Pearl will begin phase 2, which includes additional retail space, office space, and condominiums to support the entertainment district as well as the Vista Field Development vision established by the Port of Kennewick with the assistance of the community and stakeholders. In addition, the City will complete Fire Station #3 in the Vista Field area and work in partnership with the Port of Kennewick on the access road and landscaping that will begin to achieve the vision for this area.
- *Columbia Park* – In conjunction with the neighboring jurisdictions and stakeholders in the community, the City will continue to work with our Federal legislators and the US Army Corps of Engineers (USACE) to allow conveyance of the shoreline that is currently owned by the USACE and leased to the local jurisdictions to maintain. Through conveyance, the City will be able to implement some complementary commercial activity that will support the recreation efforts (that is the mission of the USACE) and provide vibrancy to a very under-utilized regional park.
- *Southridge* – With the opening of Bob Olson Parkway, significant residential development has occurred and we will be working with the property owners and developers on potential opportunities for mixed use and commercial development in this area that will utilize the infrastructure and planning that has already occurred within this area.
- ***Goal #3 – Support Legislative Efforts for Creative Economic Development Incentives*** – Senator Brown has drafted a bill that would provide a similar type of financing mechanism that the City used in our Southridge area, which was the Local Revitalization

Financing (LRF) program. This would allow the City to provide bonding to construct the infrastructure needed for development. The sales and property tax increments generated from the new development (both from the State & from local taxing authorities) pays the debt service on the bonds issued to build the infrastructure that created the growth. This was a very successful program in our Southridge area (generating over a 500% return on investment to the State). It is the City's intent to utilize this BBE funding, when approved by the legislators and awarded to the City of Kennewick, for the infrastructure for Vista Field development. We will continue to work with our legislators, AWC and lobbyist to support this and other creative economic development incentives that will help the economy to recover from the pandemic and continue to grow and be vibrant.

Reopening our businesses and economic recovery will remain a top priority for the City, as well as a focus on bringing tourism, tournaments and events to our region. In preparation for the reopening of our economy, our recommendation is to leave the Economic Development Manager position that became vacant during the 2019/2020 biennium open through 2021 and focus instead on enhancing our partnership with other economic development organizations working on behalf of the city such as TRIDEC to better leverage our existing partnerships. In addition, we will focus our efforts internally on enhancing our digital marketing and other materials that will help us to be in a better position when the economy opens back up to bring business, industry and tourism to the City. In alignment with that goal, we have included one-time funding to hire a consultant to produce video and marketing information. We will be seeking partnership opportunities to leverage these dollars.

Infrastructure & Growth – “I want a well-maintained city whose infrastructure keeps pace with growth”

Objective: Maintain existing infrastructure and build new infrastructure to support economic development & expansion.

- Council objectives are met through the following broad programs in Infrastructure & Growth:
 - Safe Streets
 - Infrastructure Planning
 - Environmental Services

The following are Council's goals for the 2021/2022 biennium and the implementation strategies included in the proposed biennial budget:

- ***Goal #1 – Strategic Funding & Implementation of the Sustainable Capital Plan*** –The Blue Ribbon Committee was formed and provided a recommendation to the City council regarding priorities and funding for a 25-year strategic general governmental capital program. Since that time, staff continues to update the 25-year capital plan. In an effort to continue implementation of the Blue Ribbon Committee's recommendations, the following is included in this biennial budget:
 - *Pavement Preservation* – Our citizens and Council have identified pavement preservation as a priority and a need for sustainable capital funding into the future. The proposed 2021/2022 biennial budget continues the commitment of

\$2M annually for pavement preservation. We also have funded an evaluation of the pavement condition during 2021 (through prioritization of a small portion of our signal and roundabout capital line items). Once we have evaluated the results of the pavement condition rating system update and assuming the update supports additional investment, we have provided for an additional \$1M in the CIP pavement preservation allocation in 2022, bringing that total biennial amount to \$3M.

- *One-Time Funding Strategy* – Our general governmental capital projects budget has adequate funding to provide for the priority capital projects in this biennium as well as into the future. One of our existing budget policies is to transfer \$1M in general governmental funding to the capital project fund annually. We are recommending that we forgo the annual transfer for this biennium to help in our pandemic recovery efforts. We believe even without this transfer, we are able to provide for the priority capital projects in this biennium and into the future. This strategy will help to balance our operating and capital priorities, without having to implement immediate reductions that may not be necessary in the long-term, as we work to recover from the pandemic. We are committed to take the appropriate action during the 2021/2022 biennium to have a sustainable operating and capital budget for the future bienniums. The mid-biennium review will be an opportunity to thoroughly review our revenue recovery as well as the priority operating and capital programs and make the appropriate adjustments as necessary.
- *Other Projects Included in the CIP* – the following are a list of other priority projects that are included to receive funding during the biennium:
 - *Regional Animal Shelter* – The cities of Pasco, Kennewick and Richland have been working together to find the most effective way to replace an end of life animal shelter facility located in Pasco. During the October 13, 2020 Council workshop the City of Pasco, who is the administrative agency for the animal control authority, provided an update and recommendation for replacement of the existing shelter. In alignment with this recommendation, we have included \$2M in the biennial budget for our share of the facility.
 - *Police Fleet Replacement* – ongoing funding from the capital improvement program
 - *Fire Fleet Replacement* – ongoing funding from the capital improvement program & Ambulance Utility
 - *Parks & Street Fleet Replacement* – ongoing partial funding for the highest priority replacements from the capital improvement program
 - *Fire Stations* – we have bonded for and have begun the replacement of Station #3. In addition, we are in the process of purchasing property to rebuild Station #1, which we anticipate will begin in 2021. The planning efforts for a new station in our Southridge area (Station #6) will continue during the upcoming biennium in conjunction with the strategic planning effort we are recommending for the Fire Department.

- *Ridgeline/395 Intersection* – A multi-year project in partnership with WSDOT that will help support the vision for our Southridge opportunity center.
 - *Replacement of City Hall* – Currently the City has aging facilities that are in need of major repair. A facility strategic plan was completed in 2014, which we are proposing to update in this biennium along with a strategic planning effort for the broader civic center complex. The proposed six-year capital improvement program anticipates selling bonds in the next five years for the replacement of City Hall and covering the debt service on those bonds by reallocating existing capital dollars. Also during the upcoming 2021/2022 biennium, while planning for the future City Hall replacement project, we will evaluate the Frost Facility and City Shops to determine the best overall approach to these aging facilities, while also creating a work environment that meets our objectives of providing exceptional customer service and working across departmental lines.
 - *Technology Improvements* – Continue to implement the updated IT strategic plan, which includes several of the highest priority projects that support the replacement of our Enterprise Resource Planning (ERP) and Bi-County Police Information Network (BIPIN) software systems. In addition, we have included funding for network equipment replacement and resiliency priority projects, phase 1 of a workstation replacement project, and telephone system replacements.

- ***Goal #2 – Continue Infrastructure Planning and Development of Creative Solutions to Achieve Council’s Strategic Goals in our Opportunity Centers*** – The proposed 2021/2022 biennial budget anticipates continued work with our legislators, public and private partners to implement the vision of our opportunity centers. Some examples of those would be:
 - *Building Business Ecosystems Bill*
 - *Other Legislative Economic Development Opportunities and Incentives*
 - *Rural County Capital Funds* – in partnership with Benton County & the Port of Kennewick
 - *Grant & Loan Opportunities*
 - *Public/Private Partnership Opportunities*

- ***Goal #3 – Implement Creative Solutions to Maintain the City’s Existing Infrastructure & Provide for Growth in the Most Efficient Manner Possible***
 - *Capital Projects Team* – We are working on consolidating our parks and public works capital projects teams and prioritizing the highest priority general governmental projects for this team to focus on during the biennium. As part of this effort, we will be reviewing several positions to determine how best to transition responsibilities, which may lead to a reduction in the overall number of in-house positions dedicated to this function. These changes may also require contracting project management with outside consultants for some of our major capital projects in the future.

- *Water Sewer Rate Review* – The results of this rate study update was consistent with what we have shared with the Council over the last couple of bienniums. Those results showed we would need rate increases at a similar rate each year for at least the next four years in both our Water and Sewer rates. During the September 22, 2020 Council workshop, the results were shared with the Council and Council adopted a rate increase for both our Water and Sewer utilities at the October 6, 2020 Council meeting for the 2021/2022 biennium. Even after these rate adjustments are implemented, City of Kennewick ratepayers will continue to have some of the lowest water and sewer rates in our local area as well as in relationship to similar sized jurisdictions across the entire state. Those rate increases will sustain our ongoing programs and support the following:
 - *Automated Metering Infrastructure (AMI)* – which will provide the ability to reallocate our existing meter reader positions to priority needs in the City
 - *Continue construction of the new 6MG Reservoir (18th & Kellogg)*
 - *Wastewater Treatment Plan Improvements* – Implement the Florida Green plan for plant expansion and the most effective operations and maintenance of our infrastructure

- *Stormwater Rate Review* – Similar to our Water/Sewer rate study and implementation plan, we continue to implement the recommendations from our most recent Stormwater rate study. With this dedicated funding source, we recommend continuing our current operations and providing the following recommendations from the most recent study to maintain a sustainable operating and capital stormwater utility:
 - *Increase the funding dedicated to drywell repairs and rehabilitation by an additional \$125,000 in this biennium*
 - *Priority Infrastructure capital needs*

Quality of Life – “I want to enjoy access to a variety of amenities and opportunities in a safe environment”

Objective: Maintain Parks, Provide for Diverse Entertainment Options, Offer Recreation Programs for a Well Planned Community.

- Council objectives are met through the following broad programs in Quality of Life:
 - Recreation & Entertainment Opportunities
 - Parks & Facilities
 - Livable Community
 - Community Planning

The following are Council’s goals for the 2021/2022 biennium and the implementation strategies included in the proposed biennial budget:

- ***Goal #1 – Support and Promote Conveyance of Columbia Park*** – In conjunction with the US Army Corps of Engineers (USACE), TRIDEC, our neighboring jurisdictions, and in partnership with our Federal legislators, we are working on conveyance of the portion of the shoreline that is no longer needed by the USACE. Columbia Park is included in

that proposal and we are actively supporting this effort to move forward so that we can better utilize this regional park located along the waterfront in Kennewick. As part of this effort, the City has been working with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) on a Memorandum of Understanding (MOU) for how we can form a partnership and work together on mutually beneficial projects.

- *Columbia Park Golf Course & Bite at the Landing* – We are recommending extending the Columbia Park Golf Course contract with CourseCo that is set to expire at the end of 2020 for one additional year as we evaluate options for the future operations of the Golf Course. Similarly, the lease agreement in place for the Bite at the Landing has not had an opportunity to be properly evaluated in 2020 due to the pandemic and the shutdown that occurred in March when the Bite would have been able to open the deck. We will continue to work with both partners during 2021 and provide Council with a recommended path forward for the future.
- ***Goal #2 – Leverage Community Partnerships and Align our Service Delivery to Implement Council Goals and Priorities*** – The following priority programs are recommended for implementation in the 2021/2022 biennium:
 - *Wildland/Urban Interface Mitigation Plan* – Zintel Canyon is a nature trail in our community that is very under-utilized and has several issues that require mitigation efforts so that we have a nice natural trail that can be utilized as the walking path and nature trail that it was intended. The City has established a cross functional team consisting of Police, Fire, Parks, Public Works, City Attorney, Public Relations and our partner the Kennewick Irrigation District (KID). Priority needs are being identified as well as a long-term plan that will be funded in the upcoming and future bienniums. We will continue to work with the homeowners and stakeholders that abut and utilize this nature trail.
 - *Recreation Program Recommendations* – In conjunction with our partners, we will evaluate the most appropriate method to deliver services without duplication of effort or competition.
 - *Community Center* – reduce the hours of operation at the community center by three hours on Monday-Thursday and close the facility at 5pm rather than 8pm. This recommendation still allows for additional rentals after hours where the staffing costs associated with the rental are funded by the organization that rents the facility.
 - *Partnership with Boys and Girls Club & YMCA* – we will work with our partners during 2021 to determine where duplication of effort occurs and what is the best method to deliver recreation programs in our community
 - *Reinvent and Restructure Priority Recreation Programs* – we have reviewed our recreation programs and recommend that we restructure and focus our efforts on providing the highest priority and most utilized programs to our community. In doing so, we will be eliminating programs that can be provided by other community partners and businesses.

- *Homelessness & Housing* – we will continue to work with our community partners to identify and implement creative solutions to affordable housing and homelessness concerns. Some of our partner agencies include the Kennewick Housing Authority, Benton County and our existing social service agencies.
- ***Goal # 3 – Prepare for Future Growth through Implementation of our Strategic Comprehensive Plan***
 - *Park & Greenway Maintenance* – in alignment with maintaining our existing level of service in our parks and throughout our greenways, we are continuing to work on creative solutions for ongoing, sustainable maintenance of our Parks & Greenways. Some of the strategies we are recommending to implement are:
 - *Tree Replacement* – Ongoing funding for the priority tree replacement and maintenance program and evaluate the cost/benefit of contracting this service versus having in-house staff perform this maintenance work
 - *Art in the Roundabouts* – Provide funding for maintaining existing and implementing new and creative solutions for art in city roundabouts, which will include sponsorship opportunities.
 - *Jail Crew* – Eliminate the jail work crew currently shared with Benton County. Since April, 2020 this work crew has not operated due to the pandemic and restrictions required at the jail and on the work crew. We are recommending eliminating this contract permanently and to prioritize the services the work crew provided within the existing park maintenance crew and through contracted services.

Responsible Government – “I want a City government that is responsive, responsible and fiscally accountable”

Objective: Provide Exceptional Public Service, Stewardship, Transparency and a Sustainable Future.

- Council objectives are met through the following broad programs in Responsible Government:
 - Risk Management
 - Community Outreach & Engagement
 - Internal Infrastructure
 - Regional Collaboration
 - Sound Financial Management
 - Excellence in Service

The following are Council’s goals for the 2021/2022 biennium and the implementation strategies included in the proposed biennial budget:

- ***Goal #1 – Utilize Creativity and Flexibility in Program Delivery:***
 - *Cross Functional Teams & Staff Development* – as we prepare for 27% of our workforce being eligible for retirement in the next five years, we will continue to focus on cross functional teams and staff development that will provide effective operations and creative solutions that will make us the absolute best organization.
 - *Cross Functional Teams* – examples include:

- Development Review – continue to work across departmental lines and align staffing resources to available funding
 - Inspection Program
 - Zintel Canyon Mitigation and other Opportunities
 - Consolidate and/or Establish Cross Functional Team for Parks & Public Works Capital Project Design and Management
- **Goal # 2 – Maintain Internal Infrastructure**
 - *Implement the IT Strategic Plan* – This biennium we will continue to implement our updated IT strategic plan with the following programs recommended for funding:
 - *ERP/Eden System Replacement* – continue implementation
 - *BIPIN System Replacement* – complete implementation
 - *Network Equipment Replacement* – phase 1 priorities
 - *Network Resiliency* – phase 1 priorities
 - *Telephone System Replacement* – phase 1 priorities
 - *Workstation Replacement* – phase 1 priorities
- **Goal #3 – Enhance and Leverage Community Partnerships for Most Efficient and Effective Service Delivery**
 - *Succession Planning* – we continue to work with existing staff to identify successor interest and provide support to develop that staff for future leadership roles and opportunities within the organization as many of our long-term staff will be retiring and we seek to develop and retain the next generation of our workforce.
 - *Realignment of Existing Personnel* – we continue to evaluate where we can provide efficiencies in service delivery through alignment of staff across departmental lines. An example of this will be the implementation of an Automated Meter Reading (AMR) system that is part of the water and sewer utility’s capital program. We will continue to evaluate how the existing meter readers can be incorporated into other areas in our organization where we have identified needs. We will also focus on implementation of priority capital and recreation programs as we continue to evaluate and realign staffing resources.
 - *Work with Partner Agencies* – we will continue to work with our public partner agencies (KID, Port, Neighboring Jurisdictions, Benton County, PUD, etc.) as well as private businesses and developers, to provide the best service to our citizens and this community.
 - *Budgeting by Priorities Model Evaluation* – throughout the biennium we will be monitoring our revenue projections and providing updates. During the mid-biennium review, priority programs will be evaluated for potential consideration and the lower priority programs will be reduced or eliminated as deemed appropriate. Vacant positions will also be closely monitored and only positions

that are necessary to achieve priority programs will be filled until the economy recovers from the pandemic.

The implementation of your Council goals for each of the priority areas are realized in this proposed biennial budget that also provides for sustainable operating and capital budget strategies into the future. The implementation of these recommendations will become my and the organization's performance goals for the 2021/2022 biennium.

Although we have presented a balanced and sustainable budget, we recognize there are vulnerabilities that exist in this budget and are prepared to address them during the upcoming biennium as we continue to implement a Budgeting by Priorities strategic approach to decision making. In addition, there are strategic funding opportunities that would provide a more sustainable operating and capital budget into the future and achieve Council's long-term goals and priorities that are also aligned with the priorities that we heard from our citizens. Some of the vulnerabilities and opportunities that we will be monitoring and discussing with Council in the upcoming biennium are:

- **Pandemic Impacts and Recovery** – we will continue to work with the Benton Franklin Health District, Department of Health, the Governor's Office and our regional partners to encourage a safe and responsible reopening of our community. At the time of this writing, we were just moved to phase 2 of the Governor's 4-phase reopening plan from being in phase 1.5 since the first part of July. We continue to promote the reopening of certain activities and industries that are still not allowed in phase 2. We are working to better understand the State's future reopening plans in order for us to prepare for the reopening of additional businesses and activities. We will continue to advocate for a safe, responsible reopening and the recovery of our economy. While doing so, we will be prepared to recommend additional actions that may be necessary in alignment with our budgeting by priorities model and our broad goal of providing a sustainable operating and capital budget not only for the biennium but also into the future.
- **Contracted Services** – The City of Kennewick has some very large contracted services, such as Jail, District Court, Probation Services, Dispatch Services, Emergency Management, Golf Course Management, Union Contracts and others. In many cases, we have limited control over what our annual assessments will be for these contracts. We will continue to closely monitor these large expenditures and be prepared to modify the budget as needed if our current estimates do not materialize. The largest of these contracted services is the jail contract, which will expire at the end of 2020 and we are currently in the process of negotiating a new contract with Benton County.
- **State Challenges and Potential Unfunded Mandates** – We will be working to preserve the City's existing state shared revenues, continuing to support revenue flexibility and trying to ensure that additional unfunded mandates are not enacted or that additional fees and charges from the State are not passed on to local governments. This is especially important during these uncertain times when businesses and industries are closed due to the pandemic. The State's current budget forecasts for its General Fund indicate a significant deficit for both its current and upcoming bienniums. It is very possible

legislators will be looking for balancing strategies and we will need to preserve the existing revenue sources that we have at a local level.

- **Strategies for Aging Infrastructure and Sustainable Capital Funding** – Identifying funding for critical transportation infrastructure, City facilities, and other capital projects continues to be both a challenge and an opportunity for the City. It is important for the City to maintain the proper balance when allocating its limited resources between capital programs and the operating needs of the City and to continue exploring opportunities for dedicated funding sources, like the Transportation Benefit District (TBD) or Metropolitan Park District (MPD) that are discussed below. We will continue to consider these dedicated funding options with Council during the upcoming biennium.
 - *Transportation Benefit District* – The State has allowed this revenue option to be specifically dedicated for transportation funding. Last year, I-976 passed, which eliminated this funding option. However, recently the State Supreme Court struck down the initiative. More work in the upcoming biennium will be required to determine the legal issues associated with this revenue source. Some of the considerations in reviewing a TBD in the future are discussed below:
 - *Pavement Preservation* – in alignment with past citizen survey results, road maintenance and repairs are a priority for our citizens. This funding source could be dedicated to our pavement preservation program, allowing the City to maintain our existing streets as we identify the priority projects through our pavement management system.
 - *State Legislature & Transportation Commission* – we continue to hear from the state legislature and transportation commission that they expect local governments to implement their local funding options before requesting additional state funding. The State has also not been sympathetic to local governments losing state shared revenues if they have not fully implemented the funding sources directly available to them. I believe that we will continue to see pressure from the State to implement our local taxing authority in order to maintain our current state shared revenues and continue to receive grant opportunities from the State in the future.
 - *Water Sewer & Stormwater Rate Reviews* – we will continue to evaluate and update our rate study for our water and sewer and stormwater utilities prior to the next biennium to determine how their operating and capital programs are actually performing compared to the rate review expectations. We have utility infrastructure priorities as well as operating needs as we prepare for a sustainable utility into the future. It is important that we balance the burden of infrastructure improvements to our existing and future ratepayers, which can be achieved by financing some of the larger, multi-year infrastructure improvements.
 - *Ambulance Utility* – the rate study previously conducted identified the full costs to provide Emergency Medical Services (EMS) in our community. We have appropriately allocated our Fire & EMS costs to the Ambulance Utility

(Emergency Medical Services) and the General Fund (Fire Suppression, Prevention and Training). There remains a significant General Fund contribution required to support the Ambulance Utility, leaving a future opportunity to align the cost to provide EMS services with future rate adjustments, resulting in a more sustainable utility and general fund operation.

- *Metropolitan Park District* – the implementation of a Metropolitan Park District (MPD) would provide a dedicated funding source for parks, trails, and recreation programs within our community. As we continue to review sustainable options that implement the goals and priorities of the Council and our citizens, we may want to consider the opportunities that a MPD can provide to the City of Kennewick and potentially to our region. During this pandemic where we are required to prioritize and ultimately reduce or eliminate some of our recreation programs, this funding source can be considered to help restore programs that become priorities in the future.
- *Public Facility District* – the Kennewick and Regional Public Facilities District (PFD) is another opportunity to provide priority regional amenities for our community. As we continue to work with the Port of Kennewick to implement the vision of Vista Field and our developer partners to implement the vision of the entertainment district, we will continue to evaluate a combination of options. Those options may include a project utilizing the authority established by the PFD in combination with existing sources that implement the community vision for the Entertainment District and help spur private development opportunities.

In addition to providing a sustainable capital budget, the Council’s budgeting by priorities model, described below, will allow us to proactively address changes to priorities or budget assumptions that occur during the biennium.

- **Budgeting by Priorities** – During this biennial budget process over 300 services were identified and prioritized. This effort allows the City to respond quickly to any unanticipated reduction in revenues or increase in costs that occur during the biennium. The lower priority services will continue to be evaluated to determine if there is an alternative way to deliver these services, or a reduction in service level or elimination of these services is necessary as we continue to evaluate budget vulnerabilities during the upcoming biennium.

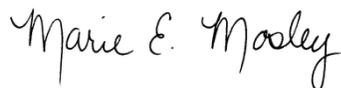
It is important to note that lower priority items are not services deemed needless, inefficient or unwanted by our community. The City takes great pride in delivering every service and citizens have certain expectations for each one. In recent years, City departments have significantly streamlined programs and increased efficiencies to meet priorities with fewer staff and increased population. Due to these recent efforts, further reductions or reallocations in any of these services will be challenging to implement, will result in further vulnerabilities, and may also be difficult for our citizens to accept.

In summary, I believe this proposed biennial budget is fiscally responsible and provides our citizens with creative means to deliver priority services. We recognize there are vulnerabilities, and we are prepared to strategically address them in the upcoming biennium using our budgeting by priorities model to allocate resources based on the priorities of Council and our community for service delivery. During the upcoming biennium we will continue to review and consider strategies that will provide sustainability into the future. The implementation of Council's strategic goals through this biennial budget will set the City up for success and provide a sustainable operating & capital budget and path forward into the future.

I would like to acknowledge and thank our employees who work diligently every day to implement City-wide goals and objectives by providing exceptional customer service to our citizens and who critically evaluate the most innovative and effective manner to deliver those services. I would also like to thank the Department Head team for carefully reviewing their budget submittals and recognizing that there are limited resources to be allocated to City-wide priorities. They have approached this biennial budget as a team and from the perspective of identifying the services our citizens expect as a whole from the City, not from a departmental perspective. They continue to implement innovative solutions for effective service delivery. Finally, I would like to thank Dan Legard for his leadership in preparing the biennial budget document. He and the Finance staff have done an exceptional job, with limited resources, much uncertainty and under a very tight timeframe.

I would be happy to answer any questions that you have regarding this biennial budget and strategies for continuing to optimize our limited resources into the future and in preparation for any unforeseen circumstances and economic recovery from the pandemic during the upcoming biennium.

Respectfully,

A handwritten signature in cursive script that reads "Marie E. Mosley".

Marie E. Mosley
City Manager

The background features a faint, light blue illustration of a tree on the left and a person sitting on a log in the center. The overall color scheme is a gradient of light blue.

2021/2022 Biennial Budget Recommendations

**October 27, 2020
Kennewick City Council Workshop**

Biennial Budget Preparation

- ✿ Council-Facilitator Interviews & Written Report (Formed the Foundation):
 - ✿ Reaffirmed the 5 Priority Areas & Program Areas
- ✿ Overarching Goal – Provide for a Sustainable Operating & Capital Budget for the Future
- ✿ Budget Instructions & Preparation – Summer/Fall
- ✿ September 22nd Council Workshop – Budget assumptions & projections (incl. impacts of COVID-19)
- ✿ 2021/2022 Biennial Budget – Maintains Existing Programs & sets forth the implementation plan for Council's goals while providing for future sustainability

Priority Areas



*I want to be safe where I live, work
and play.*



Community Safety

Objective - Continue to Ensure the Safety of our Community by Maintaining Current Service Levels & Partnerships

- ✿ Continued Focus on Combatting Criminal Gang Activity
- ✿ Enhance School Safety
- ✿ Conduct a Strategic Plan for the Fire Department
- ✿ Maintain the Availability of Safe Drinking Water for a Growing Population



Biennial Budget Recommendations

- ✿ **Combat Gang Activity:**
 - ✧ Continue implementation of existing program commitments
 - ✧ Work with Benton County on partnership opportunities
 - ✧ District Court, OPD, Probation contracts
 - ✧ Negotiate a jail contract
 - ✧ Provide Recommendation on the future of the Work Crew Program
 - ✧ Implement Lexipol to develop comprehensive police policies
- ✿ **Enhance School Safety:**
 - ✧ Work with the School District to evaluate SRO's in all 5 middle schools
- ✿ **Strategic Planning for the Fire Department:**
 - ✧ Hire a Consultant to develop a Strategic Plan
 - ✧ Work with the Council, staff, Regional Partners and Community to seek input
 - ✧ Provide Recommendation and Strategy for Future Implementation
- ✿ **Safe Drinking Water – Implement recommendations from the Water/Sewer rate study**
 - ✧ Priority Capital Projects
 - ✧ Water and Sewer Comprehensive Plan Updates

*I want a diverse and vibrant economy
in Kennewick.*



Economic Development

Objective – Support Existing Businesses and the Creation of Sustainable Family Wage Jobs

- ✿ Support and Promote the City's Industrial Development Area
 - ✿ Update the Comprehensive Plan
 - ✿ Work with Partners on Development
- ✿ Implement the Vision and Policies Established for the City's Opportunity Centers:
 - ✿ Bridge to Bridge/Downtown
 - ✿ Vista Entertainment District
 - ✿ Columbia Park
 - ✿ Southridge
- ✿ Support Legislative Efforts for Creative Economic Development Incentives



Biennial Budget Recommendations

- ✿ **Support & Promote the Industrial Development Area:**
 - * Implement the comprehensive plan amendment for land use designation
 - * Partnership with the developer and TRIDEC to identify new businesses
 - * Plan for extension of Utilities and Infrastructure
- ✿ **Connect the Waterfront to the Downtown:**
 - * **Wine Village & Columbia Drive** – In partnership with the Port of Kennewick, Columbia Basin College, Benton County and Historic Downtown Kennewick Partnership; Washington Street Improvements making a more pedestrian friendly connection
- ✿ **Vista Field Partnership:**
 - * Identify the funding source for expanding the Convention Center
 - * Work in Partnership with A1 Pearl as they identify funding for the hotel
 - * In partnership with the Port of Kennewick, construct Fire Station #3, the access road and landscaping to achieve the vision for Vista Field
- ✿ **Opportunity Centers:**
 - * Work in partnership with property owners and developers to implement the vision of Southridge
 - * Reopen & Economic Recovery – Focus on Tournaments & Tourism in partnership with Visit Tri-Cities, Toyota Center, Carousel of Dreams, Historic Downtown Kennewick Partnership and others
- ✿ **Support Economic Development Incentives** – work with our legislators and lobbyist to identify and support incentives (including Building Business Ecosystems) to help our economy recover from the pandemic and create growth and vibrancy
- ✿ **Economic Development Priorities** – evaluate the economic development manager position during the biennium and focus efforts on contracting video and digital marketing materials in preparation for the future

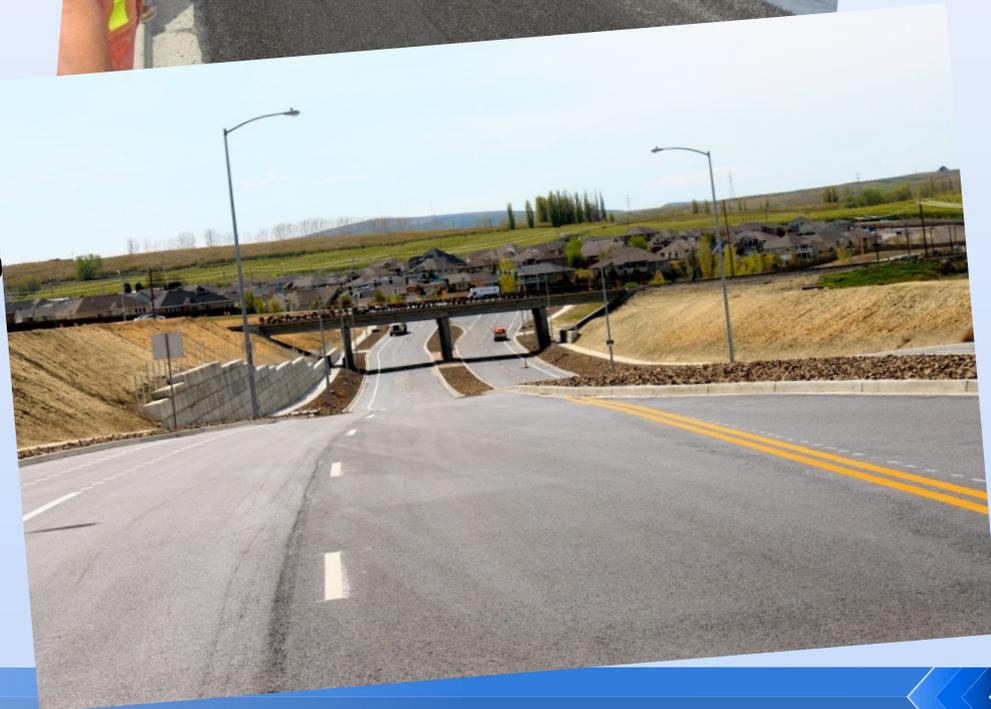
I want a well-maintained City whose infrastructure keeps pace with growth.



Infrastructure and Growth

Objective - Maintain Existing Infrastructure and Build New Infrastructure to Support Economic Development & Expansion

- ✿ Strategic Funding & Implementation of a Sustainable Capital Facilities Plan
 - ✱ Pavement Rating & Preservation
 - ✱ Transportation Projects
 - ✱ Utility Infrastructure
 - ✱ City Owned Facilities & Parks
- ✿ Continue Infrastructure Planning and the Development of Creative Solutions to Achieve Council's Strategic Goals in our Opportunity Centers
- ✿ Implement Creative Solutions to Maintain the City's Existing Infrastructure & Provide for Growth in the Most Efficient Manner Possible



Biennial Budget Recommendations

- ✿ Sustainable Funding for Priority General Governmental Capital Facilities Plan:
 - ✿ Pavement Preservation – \$2M annually plus funding of pavement condition rating update and funding for an additional \$1M in 2022 if determined to be needed
 - ✿ One-Time Funding – \$2M Capital Transfer – defer for the biennium
 - ✿ Priority Capital Needs (strategic plan to deal with aging infrastructure, while providing sustainability into the future):
 - ✿ Animal Shelter – \$2M to build shelter in partnership with Pasco & Richland
 - ✿ Police & Fire Fleet Replacement Program
 - ✿ Street & Parks Partial Fleet Replacement – highest priorities
 - ✿ Fire Stations – complete station #3 and begin station #1 replacements
 - ✿ Ridgeline/395 Intersection – in partnership with WSDOT
 - ✿ Replacement of City Hall – (in 5 years) update facility study and include civic center master planning efforts
 - ✿ Technology Improvements – continue implementation of IT Strategic Plan

Biennial Budget Recommendations

* Implement Creative Solutions to Maintain Existing Infrastructure:

- * Capital Project Team – Consolidate the Park and PW capital project team and prioritize the highest priority projects

* Sustainable Funding for Utility Capital Facility Plan Priority Projects

- * Utility capital Priorities – The following priority projects are included in the Water, Sewer and Stormwater rate study recommendations:
 - * Advanced Metering Infrastructure (AMI) project– continue implementation of the new system along with meters which provide the ability to reallocate existing meter reader positions
 - * Priority plant & infrastructure capital needs
 - * Continue construction of 6MG Reservoir (18th & Kellogg)
 - * Planning for future plant expansion & most effective operations and maintenance of our infrastructure (Florida Green Model for the Wastewater treatment plant improvements)
 - * Increase the funding for drywell repairs and rehabilitation by an additional \$125,000 in this biennium

I want to enjoy access to a variety of amenities and opportunities in a safe environment.



Quality of Life

Objective – Maintain Parks, Provide for Diverse Entertainment Options, and Offer Recreation Programs for a Well Planned Community

- ❁ Support and Promote Conveyance of Columbia Park
- ❁ Leverage Community Partnerships and Align our Service Delivery to Implement Council Goals and Priorities
- ❁ Prepare for Future Growth through Implementation of our Strategic Comprehensive Plan



Biennial Budget Recommendations

- ✿ Support & Promote Conveyance of Shoreline
 - ✿ Partner with USACE, TRIDEC & other agencies on Shoreline Reconveyance
 - ✿ Discuss Options for Golf Course Mgmt and Bite at the Landing Partnership
- ✿ Leverage Partnerships in Community
 - ✿ Wildland/Urban interface mitigation plan – Zintel Canyon partnership with KID and cross functional team
 - ✿ Recreation Program Recommendations:
 - ✿ Reduce Community Center Hours M-TH closing at 5pm rather than 8pm
 - ✿ Partner with Boys & Girls Club & YMCA – Evaluation of all recreation programs (to include day camp and study hall type of programs) to determine best service delivery method
 - ✿ Realign recreation staffing resources to focus on priority programs
 - ✿ Housing & Homelessness – cross functional team partnership with Housing Authority, Benton County Human Services, United Way and Other Agencies
- ✿ Park & Greenway Maintenance
 - ✿ Continue tree replacement and maintenance program – highest priority work and evaluate the cost/benefit of contract services vs. in-house crews
 - ✿ Work on creative solutions (Art in Roundabouts); work with Arts Commission and seek sponsorship opportunities
 - ✿ Eliminate jail work crew and reallocate dollars to contract services & seasonal part-time wages as well as prioritizing workload within existing staffing

Columbia Park Golf Course

- * **Quality of Life** - Similar to our Parks, the Golf Course provides our community with Quality of Life, Economic Development opportunities vs. an Enterprise Type of Activity where fees fully cover the cost of the operations
- * **Partnerships:**
 - * **CourseCo** – Operates and maintains the Golf Course and we pay a management fee (Contract)
 - * **Bite at the Landing** – Contract for operations of the Club House Restaurant for a lease payment (Lease Agreement)
 - * Restaurant Operations
 - * Special Events Operations (with potential shared revenue)

Toyota Center & Arena

- * Quality of Life Activities and Economic Driver – Similar to the Golf Course
- * Partnerships:
 - * PFD – Interlocal Agreement for Management
 - * City Owns Toyota Center & Toyota Arena
 - * PFD Owns Convention Center – City & PFD Sales Tax Credit Contributions
 - * VenuWorks – PFD administers the contract for management of the Campus & we pay a Management Fee for Toyota Center & Arena as does the PFD for the Convention Center
 - * Sponsorships – Toyota of Tri-Cities, Retter & Company, HAPO
- * Operating Subsidy – Covered by Admission Tax generated by the Toyota Center/Arena & Lodging Tax

*I want a City government that is responsive,
responsible and fiscally accountable.*



Responsible Government

Objective – Provide Exceptional Public Service, Stewardship, Transparency and a Sustainable Future

- ✦ Utilize Creativity and Flexibility in Program Delivery:
 - ✦ Cross-Functional Teams
 - ✦ Staff Development
- ✦ Maintain Internal Infrastructure
 - ✦ Fully Implement the 5-Year IT Strategic Plan
- ✦ Enhance and Leverage Community Partnerships for Most Efficient and Effective Service Delivery

Leading The Way

We will provide excellent public service and ensure the safety and wellbeing of our community and one another through the empowerment of each employee. *We value...*

INTEGRITY...

INCLUSIVENESS...

STEWARDSHIP...

AND COMMUNICATION

We are accountable to our community for innovative and collaborative efforts that anticipate needs, leverage resources and deliver solutions.

Integrity: We hold ourselves to the highest standard of professionalism and ethical conduct.

Inclusiveness: We embrace diversity and value different perspectives as we work together for the common good.

Stewardship: We ensure the public's resources are used responsibly to provide the greatest benefit.

Communication: We will listen and engage in an open, honest and timely exchange of information.



Biennial Budget Recommendations

- ✿ IT Strategic Plan – Implement recommendations from the updated IT Strategic Plan:
 - ✿ ERP/Eden System Replacement – Continue Implementation
 - ✿ BIPIN System Replacement – Complete Implementation
 - ✿ Network Equipment Replacements – phase 1 priorities
 - ✿ Network Resiliency – phase 1 priorities
 - ✿ Telephone System Replacement – phase 1 priorities
 - ✿ Workstation Replacement – phase 1 priorities

Biennial Budget Recommendations

- ✿ Internal Cross Functional Teams and Succession Planning:
 - ✿ Implement Cross Function Teams:
 - ✿ Development Review
 - ✿ Inspection Program
 - ✿ Zintel Canyon Mitigation & Opportunity
 - ✿ Consolidate Parks & Public Works Capital Program
- ✿ Evaluate Vacant Positions – fill vacancies based on priority work
- ✿ Budgeting by Priorities Model Evaluation:
 - ✿ Monitor Revenue Projections & Provide Updates
 - ✿ Mid-Biennium Review – evaluate potential reductions for implementation as needed and based on priorities

Major Revenue Assumptions (General & Street Funds)

* Tax Revenues:

- * Sales Tax – 2% incr. in 2021 (relative to 2020) and 3% incr. in 2022 (relative to projected 2021)
- * Property Tax:
 - * 2021 – 1% growth in base levy and 2020 preliminary AV
 - * 2022 – 1% growth in base levy and \$100M in new construction
 - * Projections allow for 5% reduction due to late payments
- * Utility Tax:
 - * Electric – 1% incr. in 2021 and 2.5% incr. in 2022
 - * Telephone – 7.5% reduction each year
 - * Cable – 1% decr. in 2021 and 2.5% decr. in 2022
 - * Other Utilities – generally no growth in 2021 and 2% growth in 2022
- * Gambling/Admissions Taxes – estimated at 60% of 2019 amounts for 2021 and 100% of 2019 amounts for 2022
- * State Shared Revenue – No reduction in current funding

Major Revenue Assumptions (cont'd)

(General & Street Funds)

- * Rec Programs – estimated at 80% of the average of 2018-2019 for 2021 and 100% of the same average for 2022
- * Fines & Forfeitures - estimated at 80% of the average of 2018-2019 for 2021 and 100% of the same average for 2022
- * Facility Rentals – mirrors assumptions for rec programs
- * Interest – low interest rate environment for 2021 and 2022 (0.50% on average)
- * Other Revenues – generally anticipate 2% increase per year (on lower base for 2021)

Major Revenue Assumptions

(Other General Governmental Funds)

- * Public Safety Sales Tax – 1% incr. in 2021 (relative to 2020) and 4.75% incr. in 2022 (relative to projected 2021)
- * Lodging Taxes:
 - * 2021 – 25% reduction (compared to 2019)
 - * 2022 – 5% reduction (compared to 2019)
 - * Trending towards a return to 2019 revenue levels by 2023
- * Real Estate Excise Tax (CIP)– 0% incr. for 2021 and 3% incr. for 2022
 - * Remains \$350K - \$450K below peak revenue in 2019

Major Expenditure Assumptions

(General & Street Funds)

* Personnel Costs:

- * Wages – Per contract terms or anticipated contract terms where applicable
 - * Allowance for Under-Expenditures of \$3M
- * Medical Rates – premium increases of 5% in 2021 and 2022 with increases to employee paid premiums
- * Retirement – Per DRS projections

* Major Interlocal Contract Assumptions:

- * Jail Services – Contract currently in negotiations. Assuming budget allocation of 14.59% of net billable costs based on current contract terms
- * SeComm/BCES – 2021 preliminary assessment & 5% incr. in 2022
- * District Court/OPD – 21.52% and 36% allocation, respectively

Major Expenditure Assumptions (cont'd)

(General & Street Funds)

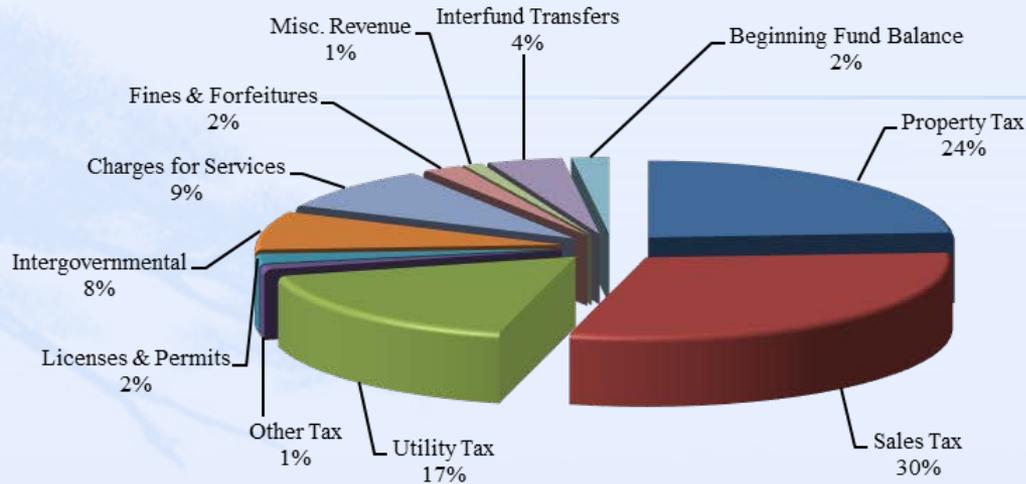
* Transfers:

- * Toyota Center & Arena - \$400K (+\$640K lodging tax)
 - * General Fund contribution offset by admissions taxes receipted into the General Fund
- * Columbia Park Golf Links Operations - \$247K
- * Risk Management - \$1.65M
 - * General & Street Fund's portion of Property/Liability Ins.
- * Ambulance Utility - \$10.12M
 - * No Change in general fund support
- * Capital Improvement Fund – No transfer for 2021/2022

* Other expenditures – generally no increase for biennium

Sources of Funding - General and Street Funds

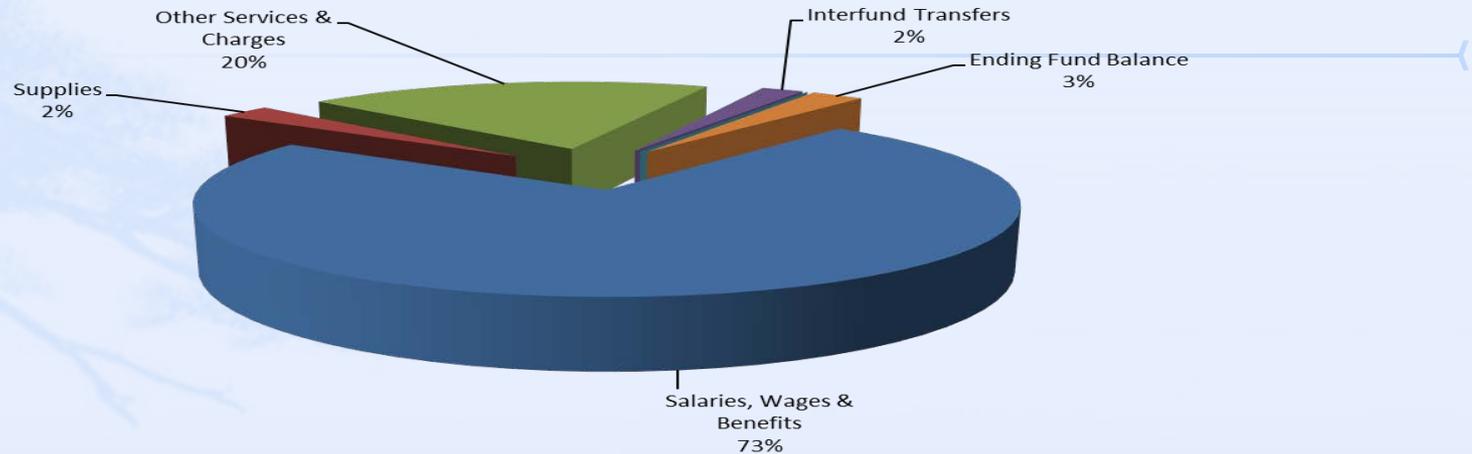
2021/2022 Proposed Budget



Sources of Funding Operating Funds	2017-2018	2019-2020	2021-2022	19/20 - 21/22	
	Actual	Adjusted Budget	Proposed Budget	\$ Change	% Change
Property Tax	\$24,873,815	\$26,019,988	\$27,279,108	\$1,259,120	5%
Sales Tax	29,779,991	32,709,800	33,419,700	709,900	2%
Utility Taxes	18,640,926	18,954,000	19,055,936	101,936	1%
Other Taxes	2,149,206	2,220,400	1,688,700	(531,700)	-24%
Licenses & Permits	2,201,912	2,204,100	2,326,300	122,200	6%
Intergovernmental	8,725,958	9,187,342	8,705,579	(481,763)	-5%
Charges for Services	9,312,434	10,589,701	10,034,615	(555,086)	-5%
Fines & Penalties	1,910,912	2,056,400	1,960,200	(96,200)	-5%
Miscellaneous Revenue	1,191,620	1,155,854	945,000	(210,854)	-18%
Interfund Transfers	5,009,701	4,878,517	4,514,542	(363,975)	-7%
Subtotal Revenues:	103,796,475	109,976,102	109,929,680	(46,422)	0%
Beginning Fund Balance	3,767,421	3,275,166	2,775,000	(500,166)	-15%
Total Sources	\$107,563,896	\$113,251,268	\$112,704,680	(\$546,588)	-0.5%

Uses of Funding – General and Street Funds

2021/2022 Proposed Budget



Uses of Funding Operating Funds	2017-2018 Actual	2019-2020 Adjusted Budget*	2021-2022 Proposed Budget	19/20 - 21/22	
				\$ Change	% Change
Salaries, Wages & Benefits	\$76,645,481	\$80,133,906	\$82,434,833	\$2,300,927	3%
Supplies	3,864,125	3,225,214	2,832,967	(392,247)	-12%
Other Services & Charges	19,521,537	22,237,829	22,249,923	12,094	0%
Interfund Transfers	4,245,400	4,798,000	2,297,400	(2,500,600)	-52%
Capital Outlay	12,187	82,525	-	(82,525)	-100%
Subtotal Appropriations:	104,288,730	110,477,474	109,815,123	(662,351)	-1%
Ending Fund Balance	3,275,166	2,773,794	2,889,557	115,763	4%
Total Uses:	\$107,563,896	\$113,251,268	\$112,704,680	(\$546,588)	-0.5%

2021/2022 Proposed Budget

CITY OF KENNEWICK COMPARATIVE BUDGET SUMMARY

FUND	ACTUAL 2017/2018	ADJUSTED BUDGET 2019/2020	PROPOSED BUDGET 2021/2022	VARIANCE
OPERATING (GENERAL & STREET)	\$107,563,896	\$113,251,268	\$112,704,680	0%
CAPITAL PROJECTS	60,072,401	92,058,650	58,333,125	-37%
ENTERPRISE & INTERNAL SERVICE				
Water & Sewer	53,690,413	85,253,002	68,803,501	-19%
Building Safety	5,613,667	6,136,224	5,560,000	-9%
Medical Services	13,562,131	28,009,491	30,596,950	9%
Coliseum Fund	8,589,045	13,006,545	6,588,000	-49%
Stormwater	3,477,017	6,976,973	6,672,675	-4%
Columbia Park Golf Course	1,636,317	1,462,186	922,500	-37%
Equipment Rental	12,819,671	12,203,348	13,052,260	7%
Risk Management	3,863,391	4,571,537	4,655,275	2%
Central Stores	646,068	652,071	669,750	3%
Subtotal	103,897,720	158,271,377	137,520,911	-13%
DEBT SERVICE	6,822,651	16,847,921	8,648,700	-49%
SPECIAL REVENUE				
Cash Reserve Fund	2,887,200	2,887,200	2,933,400	2%
BI-PIN Operations	697,087	1,168,847	1,779,774	52%
Community Development	1,837,119	2,166,074	1,707,115	-21%
Asset Forfeiture Fund	117,998	182,830	123,500	-32%
Public Safety	5,024,058	4,904,392	4,514,542	-8%
Lodging Tax Fund	3,810,344	4,144,061	3,753,300	-9%
Criminal Justice Sales Tax	5,819,677	6,212,450	6,455,000	4%
HIDTA Program	-	-	4,500,000	-
Subtotal	20,193,483	21,665,854	25,766,631	19%
FIDUCIARY TRUST FUNDS	6,313,455	6,786,857	6,927,010	2%
TOTAL	\$304,863,606	\$408,881,927	\$349,901,057	-14%

Council Compensation

* 2020 City Council Compensation Survey:

- * Study utilized cities of similar size and make-up (Council/Manager for Mayor comparisons)
 - * Kennewick Mayor Monthly Salary - \$113 below 75th Percentile
 - * Kennewick Council Monthly Salary - \$120 below 75th Percentile
 - * Council salaries scheduled to increase \$25 per month in 2021 & 2022
 - * Majority of comparators offered medical, dental, vision and life insurance benefits as well as ability to apply for/participate in PERS retirement
 - * A majority of comparators offered medical insurance at varying levels of coverage and premium sharing including:
 - * Full coverage available for council member and dependents with 100% of premium paid by council member
 - * Full coverage for council member and dependents with a percentage premium share
 - * Full coverage for council member only with no premium share
 - * Full coverage for council member and dependents with no premium share
 - * Other benefits offered – mileage or auto allowance, cafeteria plan/allowance, MEBT defined contribution retirement plan

Utility Budget Policies

Operate utilities in a responsive and fiscally sound manner.

- ✿ Utility rate studies shall be conducted at least every five years **and updated every two years in conjunction with the biennial budget process** to update assumptions and ensure the long term solvency and viability of City utilities.
- ✿ Utility rates should be reviewed annually and adjusted if necessary to reflect inflation, construction goals, maintain bond covenants and avoid major periodic increases.
- ✿ Rates for the water/sewer utility ~~shall include~~ **will be established with a target goal to provide** an annual capital contribution equal to the recovery of annual depreciation.

Utility Budget Policies (cont'd)

- Fund balances in enterprise funds shall be maintained at levels established through rate studies or at levels necessary to meet operating capital and contingency requirements.
 - * An Operating Reserve with a minimum target balance between 60 and 90 days of O&M expenses shall be maintained in the City's water and sewer, medical services, building safety, and stormwater enterprises funds.
 - * The City's water and sewer and stormwater enterprise funds shall maintain a capital reserve with a minimum target balance of one percent of plant-in-service.
- Excess fund balances shall be used to offset rate increases where possible, with any remaining balances being used for approved capital purposes.
- The City's water and sewer and stormwater utilities shall target a minimum debt service coverage ratio of 2 and shall maintain a minimum debt service coverage ratio of 1.25 at all times.



Questions?

2021 Property Tax Levy

Kennewick City Council Workshop

October 27, 2020

Property Tax Distribution

School District - 35¢

State - 30¢

City - 18¢

County - 10¢

Other - 7¢



2020 Total Property Tax Levy – \$10.41 per \$1,000 AV

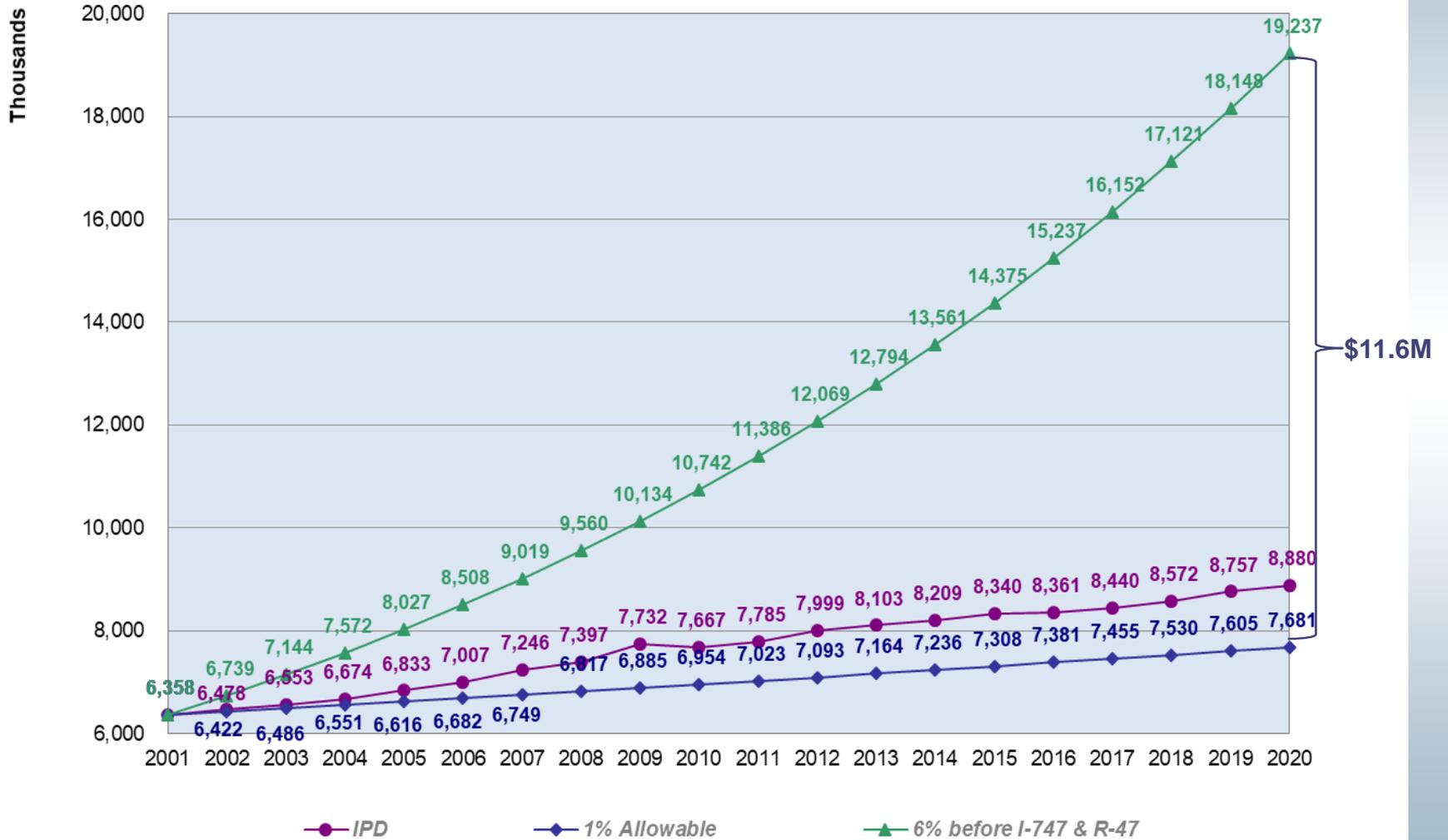
Tri-City 2020 Levy Rate Comparison

	<u>Kennewick</u>	<u>Pasco</u>	<u>Richland</u>
Regular Levy	\$ 1.8587	\$ 1.8075	\$ 2.3013
Voted G.O. Bonds	0.0000	0.0000	0.1892
Library District	<u>0.3283</u>	<u>0.0000</u>	<u>0.0000</u>
Total Rate Per \$1,000	<u><u>\$ 2.1870</u></u>	<u><u>\$ 1.8075</u></u>	<u><u>\$ 2.4905</u></u>

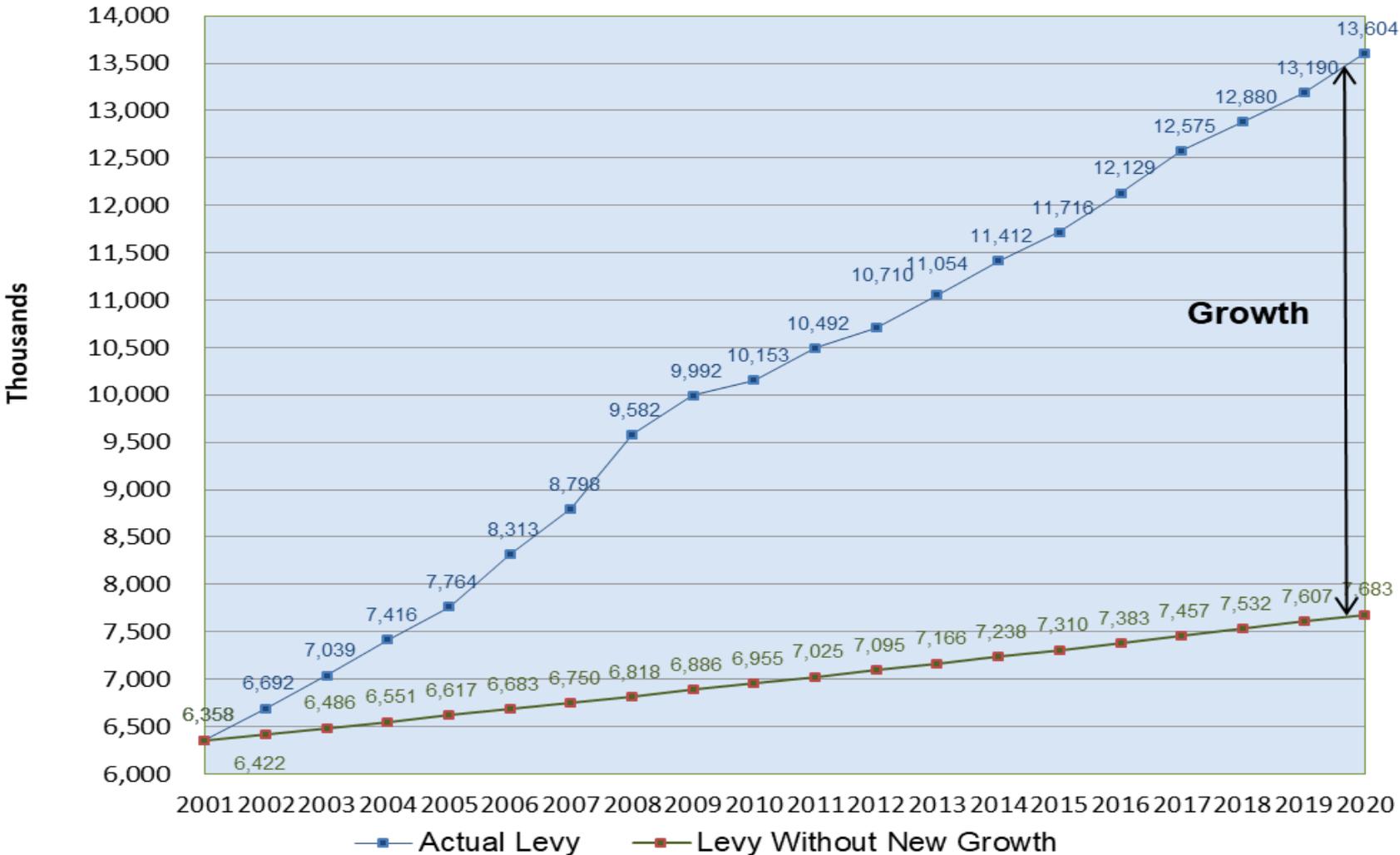
Property Tax Overview

- Statutory Maximum Levy Rate is \$3.325 for Kennewick (\$3.825 less \$.50 library district) without voter approval
- Prior to November, 1997 the base limit factor was 106%
- Referendum 47 (1997) reduced limit to Implicit Price Deflator (IPD) but allowed for up to a 6% increase if approved by a super-majority vote of the Council
- I-747 (2001) reduced the limit to the lesser of IPD or 1%
 - Revenue derived from New Construction & Annexations are above limit
 - I-747 declared unconstitutional in 2007, but was then added to state law

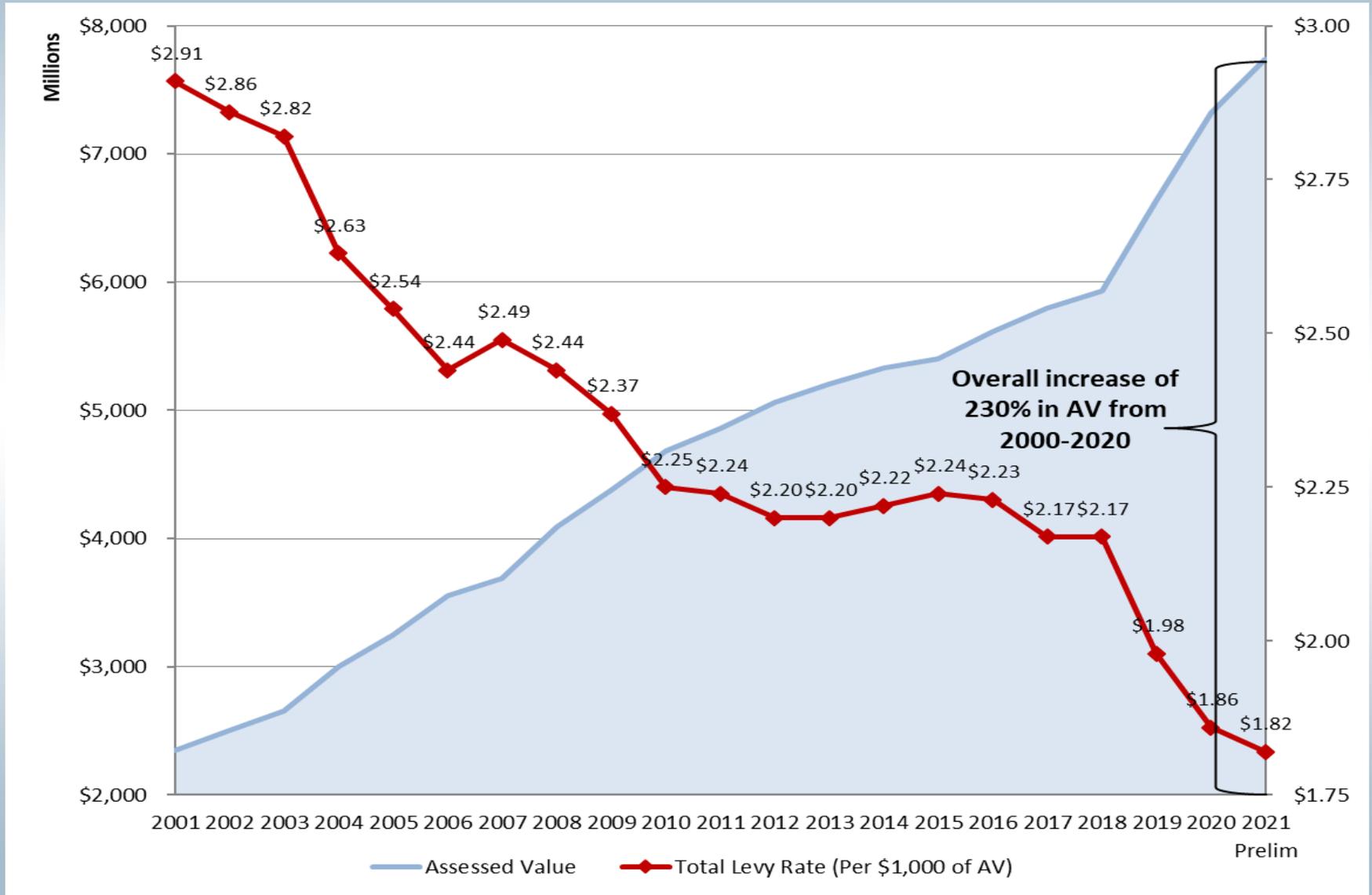
Reduced Levy Capacity



Property Tax Levy History 2001-2020



AV & Levy Rate 2001-2021



2021 Property Tax Levy Proposal

- **Property Tax Levy Rate** – Reduction of 4¢ to \$1.82 (per \$1,000 AV)
 - Increase of \$3.25 for the owner of a median value home (\$196,100)
 - Assumes AV of home increases by average change in AV for 2020 (3.1%)
 - Assumes levy rate reduction from \$1.86 to \$1.82 per \$1,000 of AV
- **Assessed Valuation**– Increased by \$362M (Total of \$7.74B)
 - \$197.3M from new construction.
 - \$55M in Southridge LRA (75% dedicated to LRF program)
 - \$226.3M from revaluation of existing property – 3.1% incr.
- **Property Tax Levy** – Overall increase of \$504k to \$14,107,874
 - New Construction/Annexation (\$197.3M in AV) - \$367k (\$77k to LRF)
 - Change to Base Levy - \$137k (1%)
 - Requires a Separate Resolution of Substantial Need
 - July 2020 IPD = 0.60152%
 - Additional 0.39848% adds \$55K to levy (0.7¢ per \$1,000 to levy rate)

Questions?

Fall Budget Adjustment (Thousands)

Fund Type	2019/2020 Adjusted Budget	Fall 2020 Budget Adjustment	2019/2020 Adjusted Budget
General & Street	\$ 113,251	\$ 1,354	\$ 114,605
Special Revenue Funds	25,807	798	26,605
Debt Service Funds	16,848	-	16,848
Capital Funds	87,918	182	88,100
Proprietary Funds	158,271	54	158,325
Trust Funds	6,787	-	6,787
Totals:	\$ 408,882	\$ 2,388	\$ 411,270

(0.6% Incr.)

- Includes revised projections for major tax and other revenue sources due to the COVID-19 pandemic.
- Includes department budget reductions in response to anticipated 2019/2020 revenue shortfalls.
- Includes \$3.765M in CARES Act Coronavirus Relief Funds (CRF) awarded to Kennewick.
- Includes \$319K in CARES Act CRF from Benton County to address increased 2020 jail costs.
- Includes \$590K in added HIDTA program costs that are fully reimbursed with a federal grant.
- Includes snow and ice event response costs for the second half of 2019 through 2020.
- Includes \$908K in CARES Act CDBG funding used primarily for microenterprise & utility assistance.
- Includes an additional \$160,000 operating contribution for 2020 for the Toyota Center & Arena.

CITY TAXES & FEES

AVERAGE FAMILY HOUSEHOLD

Assuming a median annual household income of \$55,132 and home value of \$196,100 per the U.S. Census Bureau (2018 data)

Property Taxes

The 2020 Property Tax Levy is \$10.41 per \$1,000 in assessed valuation. The City receives 18¢ per \$1.00 paid.

Admissions Taxes

The City collects a 5% admissions tax on admission charges to any place or event, except school events.

Sales Taxes

The City receives just 0.85% of the 8.6% Sales Tax rate. In addition, the criminal justice sales tax of 0.10% and a portion of a voter approved public safety sales tax is distributed back to all jurisdictions in Benton County based on population through State Shared Revenues.



How much does the City of Kennewick receive from the average household?

State Shared Revenue

State shared revenues are collected by the State and include Gas Tax, Liquor Tax, PUD Privilege Tax, and Criminal Justice funding. Distributions are made on a per capita basis.

Utility Taxes

The City levies an 8.5% utility tax on electric, natural gas & telephone services, 7% on cable & garbage, and 15.5% on water/sewer services (6.5% is added to customer's bill).

Ambulance Utility Fee

Kennewick citizens pay \$12.16 per month for ambulance services.

Gambling Taxes

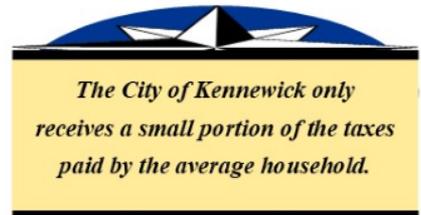
The City currently levies a 10% tax for punch-board, pull-tab, and card room activities; 5% for bingo; and 2% for amusement games.



	Estimated Annual Spending	Estimated Annual Tax	Amount Distributed to the City
Property Tax	\$ 2,042	\$ 2,042	\$ 364
Water/Sewer	\$ 704	\$ 94	\$ 610
Utilities	\$ 5,379	\$ 449	\$ 449
Retail Sales	\$ 16,085	\$ 1,383	\$ 137
Admissions/Entertainment	\$ 2,000	\$ 100	\$ 100
Gambling/Arcade Games	\$ 500	\$ 10	\$ 10
State Shared Revenues	\$ 6,512	\$ 1,506	\$ 71
Ambulance Utility	\$ 146	\$ 146	\$ 146
Stormwater Utility	\$ 66	\$ 66	\$ 66
TOTALS:	\$ 33,434	\$ 5,796	\$ 1,953

Stormwater Utility Fee

Kennewick residents pay \$5.49 per month to help fund the stormwater program.



The City of Kennewick only receives a small portion of the taxes paid by the average household.

What does your \$163 per month get you?

For just \$163 per month, the average household in the City of Kennewick receives these basic services.





Questions or Comments

2021/2022 Biennial Budget Recommendations

2021 Property Tax Levy

Fall 2020 Budget Adjustment



City Council Meeting Schedule December 2020

City Council passed Resolution 20-08 on June 23, 2020, which temporarily designates the location for regular, special and study session meetings to the virtual location until Benton County enters into Phase Three of the Governor's Safe Start Reopening Plan. The City broadcasts City Council meetings on the City's website <https://www.go2kennewick.com/CouncilMeetingBroadcasts>.

December 1, 2020
Tuesday, 6:30 p.m. REGULAR COUNCIL MEETING

December 8, 2020
Tuesday, 6:30 p.m. WORKSHOP MEETING (the workshop meeting will be done
via Zoom and broadcast on the City's website
<https://www.go2kennewick.com/CouncilMeetingBroadcasts>)
1. TRIDEC Annual Update

December 15, 2020
Tuesday, 6:30 p.m. REGULAR COUNCIL MEETING

December 22, 2020
Tuesday, 6:30 p.m. WORKSHOP MEETING - CANCELLED

December 29, 2020
Tuesday, 6:30 p.m. NO MEETING SCHEDULED

To assure disabled persons the opportunity to participate in or benefit from City services, please provide twenty-four (24) hour advance notice for additional arrangements to reasonably accommodate special needs.

Please be advised that all Kennewick City Council Meetings are Audio and Video Taped