Animal Services Interlocal Agreement

This AGREEMENT is made and entered into this 1st day of July, 2010, by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the City of Lake Forest Park, a Washington municipal corporation (the "City").

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

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

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

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

WHEREAS, the County is offering a similar form of Animal Services Interlocal Agreement to all cities in King County other than the City of Seattle, and has received a statement of intent to sign such agreement from all Cities listed in Exhibit C-1 to this Agreement;

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

1. **Definitions.** Unless the context clearly shows another usage is intended, the following terms shall have these meanings in this Agreement:
    a. "**Agreement**" means this Animal Services Interlocal Agreement between the Parties including any and all Exhibits hereto, unless the context clearly indicates an intention to reference all such Agreements by and between the Contracting Parties.
    b. "**Animal Services**" means Control Services, Shelter Services and Licensing Services combined, as these services are described in **Exhibit A**.

c. "**Enhanced Control Services**" are additional Control Services that the City may purchase under certain terms and conditions as described in **Exhibit E** (the "Enhance Control Services Contract").
d. "**Contracting Cities**" means all cities that are parties to an Animal Services Interlocal Agreement that has gone into effect as of July 1, 2010, per Section 15.
e. "**Parties**" means the City and the County.
f. "**Contracting Parties**" means all Contracting Cities and the County.
g. "**Estimated Payment**" means the amount the City is estimated to owe to the County for the provision of Animal Services over a six month period per the formulas set forth in **Exhibit C**. The Estimated Payment calculation may result in a credit to the City payable by the County.
h. "**Preliminary Estimated 2010 Payment**" means the preliminary estimate of the amount that will be owed by (or payable to) each Contracting Party on January 15, 2011, as shown on **Exhibit C-1.**
i. "**Final Estimated 2010 Payment**" means the amount finally determined and owed by each Contracting Party, on January 15, 2011, based on the number of Contracting Cities with respect to which the Agreement goes into effect per Section15.
j. "**Control District**" means one of the four geographic areas delineated in **Exhibit B** for the provision of Animal Control Services.
k. "**Reconciliation Adjustment Amount**" means the amount payable each August 15 (commencing 2011) by either the City or County as determined per the reconciliation process described in **Exhibit D** in order to reconcile the Estimated Payments made for the prior Service Year as compared to actual cost, revenue, population and usage data for such Service Year, so that Cities pay for Animal Services based on actual (rather than estimated) data.
l. "**Service Year**" means the calendar year in which Animal Services are or were provided; *provided that* in 2010, the Service Year is the period from July 1, 2010 – December 31, 2010.

2. **Services Provided**. The County will provide the City with Animal Services described in **Exhibit A**. The County will perform these services consistent with governing City ordinances adopted in accordance with Section 3. In providing such Animal Services consistent with **Exhibit A**, the County shall have sole discretion as to the staffing assigned to receive and dispatch calls and shall be the sole judge as to the most expeditious, efficient and effective manner of handling and responding to calls for Animal Services. Except as set forth in Section 9 (Indemnification and Hold Harmless), services to be provided by the County pursuant to this Agreement

do not include legal services, which shall be provided by the City at its own expense.

a. Enhanced Control Services. The City may request Enhanced Control Services by completing and submitting Exhibit E to the County at any time before August 1, 2011. Enhanced Services will be provided subject to the terms and conditions described in **Exhibit E**. As further detailed in **Exhibit E**, if a request for Enhanced Control Service is made after the commencement of this Agreement, the County shall decide when and if the service begins based on the necessity for and ability of the County to hire additional staff to provide the service and the increment of service requested.

3. **City Obligations.**

a. Animal Regulatory Codes Adopted. The City shall promptly enact an ordinance or resolution that includes license, fee, penalty, enforcement, impound/ redemption and sheltering provisions that are substantially the same as those of Title 11 King County Code as now in effect or hereafter amended (hereinafter "the City Ordinance"). The City shall advise the County of any City animal care and control standards that differ from those of the County.

b. Authorization to Act on Behalf of City. The City authorizes the County to act on its behalf in undertaking the following:

i. Determining eligibility for and issuing licenses under the terms of the City Ordinance, subject to the conditions set forth in such laws.

ii. Enforcing the terms of the City Ordinance, including the power to issue enforcement notices and orders and to deny, suspend or revoke licenses issued thereunder.

iii. Conducting administrative appeals of those County licensing determinations made and enforcement actions taken on behalf of the City. Such appeals shall be considered by the King County Board of Appeals unless either the City or the County determines that the particular matter should be heard by the City.

iv. Nothing in this Agreement is intended to divest the City of authority to independently undertake such enforcement actions as it deems appropriate to respond to alleged violations of City ordinances.

c. Cooperation and Licensing Support. The City will assist the County in its efforts to inform City residents regarding animal codes and regulations and licensing requirements and will promote the licensing of pets by City residents through various means as the City shall reasonably determine, including but not limited to offering the sale of pet licenses at City Hall, mailing information to residents (using existing City communication

mechanisms such as utility bill inserts or community newsletters) and posting a weblink to the County's animal licensing program on the City's official website. The City will provide accurate and timely records regarding all pet license sales processed by the City to the County; all proceeds of such sales shall be remitted to the County by the City on a quarterly basis (no later than each March 31, June 30, September 30, and December 31).

4. **Term.** This Agreement will take effect on July 1, 2010 and unless extended pursuant to Subparagraph 4.a below, shall remain in effect for a term of two and one-half years ending on December 31, 2012. *Notwithstanding anything in this section to the contrary,* this Agreement shall remain in effect for only 60 days if the Minimum Contracting Requirements in Section 15 (Terms to Implement Agreement) are not met. The Agreement may not be terminated for convenience.

   a. Extension of Term.

      i. Automatic Extension of Agreement. This Agreement shall be automatically extended for an additional two year term, ending on December 31, 2014; provided that such an automatic extension shall not occur if any Contracting Party has provided a written Notice of Intent to Not Automatically Extend as provided in subsection (ii) below.

      ii. Notice of Intent to Not Automatically Extend. Any Party may chose to not automatically extend its Agreement by providing a written notice of such intent to the other Party no later than May 1, 2012. The County will include a written reminder of this May 1 deadline when providing the City notice of its 2012 Estimated Payments (notice due December 15, 2011 per Section 5).

      iii. Process for Agreed Extension. Upon receiving or issuing a Notice of Intent to Not Automatically Extend pursuant to subsection (ii), the County shall arrange for the Contracting Parties to meet no later than June 1, 2012, in order to confer on whether they wish to extend their respective Agreements given revised costs and other implications resulting from the potential reduced number of Contracting Parties. Contracting Parties wishing to extend their respective Agreements through December 31, 2014 may mutually agree in writing to do so by no later than July 1, 2012. Absent such an agreed extension, the Agreement shall terminate on December 31, 2012.

5. **Compensation.** The County will develop an Estimated Payment calculation for each Service Year using the formulas described in **Exhibit C**, and shall transmit the

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

a. Service Year 2010: Animal Services Provided from July 1 through December 31, 2010. On or before August 1, 2010, the County shall provide notice to each Contracting Party of the Final Estimated 2010 Payment schedule. The Final Estimated 2010 Payment will be derived from the Preliminary Estimated 2010 Payment Amount set forth in **Exhibit C-1**, adjusted based on the final Contracting Cities. The City shall pay the County the Final Estimated 2010 Payment on or before January 15, 2011; provided that, if the calculation of the Final Estimated 2010 Payment shows the City is entitled to receive a payment from the County, the County shall pay the City the amount owing on or before such date. The County will issue a notice of the City's Reconciliation Adjustment Amount for Service Year 2010 on or before June 30, 2011. The Reconciliation Adjustment Amount shall be payable on or before August 15, 2011.

b. Service Years after 2010.

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

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

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

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

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

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

c. Payment Obligation Survives Expiration or Termination of Agreement. The obligation of the City (or as applicable, the County), to pay an Estimated Payment Amount or Reconciliation Adjustment Amount for a Service Year included in the term of this Agreement shall survive the Expiration or Termination of this Agreement. For example, if this Agreement terminates on December 31, 2010, the Final Estimated 2010 Payment is nevertheless due on or before January 15, 2011, and the Reconciliation Adjustment Amount shall be payable on or before August 15, 2011.

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

6. **Reconciliation of Estimated Payments and Actual Costs and Revenues.** In order that the Contracting Parties share costs of the regional Animal Services system based on their actual, rather than estimated, use of Animal Services, there will be an annual reconciliation of actual costs and usage. Specifically, on or before June 30 of each year, the County will reconcile amounts owed under this Agreement for the prior Service Year by comparing each Contracting Party's Estimated Payments to the amount derived by recalculating the formulas in **Exhibit C** using actual cost, revenue, usage and population data for such Service Period as detailed in **Exhibit D**. The County shall provide the results of the reconciliation to all Contracting Parties in writing on or before June 30. The Reconciliation Adjustment Amount shall be payable on August 15 of the then current year, regardless of the prior termination of the Agreement as per Section 5.c.

7. **Transitional Licensing Revenue Support Services**. The County will provide enhanced licensing marketing services in 2010 as described in this section to the five cities with the lowest per-capita rates of licensing revenue shown on **Exhibit C-5** (the "Licensing Revenue Support Cities"), but any such city shall receive these services only if the effective term (determined per Section 15) of its specific Agreement is for two- and one half years.
    a. The marketing support services include, on a "per unit" basis, approximately $20,000 in County staff and materials support (which may include use of volunteers or other in-kind support) and is estimated to generate 1,250 new licenses (equivalent to approximately $30,000 in licensing revenue).
        i. Licensing Revenue Support Cities over 100,000 in population will each receive two units of enhanced licensing marketing support.
        ii. Licensing Revenue Support Cities less than 100,000 in population will share in one unit of enhanced licensing marketing support.
    b. Receipt of a unit of licensing revenue support is subject to the receiving City providing in-kind services, including but not limited to: assisting in communication with City residents; publicizing any canvassing efforts the Parties have agreed should be implemented; assistance in recruiting canvassing staff, if applicable; and providing information to the County to assist in targeting its canvassing activities, if applicable.

8. **Mutual Covenants/Independent Contractor.** Both Parties understand and agree that the County is acting hereunder as an independent contractor with the intended following results:
    a. Control of County personnel, standards of performance, discipline, and all other aspects of performance shall be governed entirely by the County;
    b. All County persons rendering service hereunder shall be for all purposes employees of the County, although they may from time to time act as commissioned officers of the City;
    c. The County contact person for the City regarding citizen complaints, service requests and general information on animal control services is the Manager of Regional Animal Services.

9. **Indemnification and Hold Harmless.**
    a. <u>City Held Harmless.</u> The County shall indemnify and hold harmless the City and its officers, agents, and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the County, its officers, agents, and employees, or any of them

relating to or arising out of performing services pursuant to this Agreement. In the event that any such suit based upon such a claim, action, loss, or damages is brought against the City, the County shall defend the same at its sole cost and expense; provided that the City reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment in said suit be rendered against the City, and its officers, agents, and employees, or any of them, or jointly against the City and the County and their respective officers, agents, and employees, or any of them, the County shall satisfy the same.

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

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

d. Waiver Under Washington Industrial Insurance Act. The foregoing indemnity is specifically intended to constitute a waiver of each party's

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

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

11. **Joint City-County Committee and Collaborative Initiatives.** A committee composed of 3 county representatives (appointed by the County) and one representative from each City that has signed a like Agreement and chooses to appoint a representative shall meet not less than twice each year. Committee members may not be elected officials. The Committee shall review service issues and make recommendations regarding efficiencies and improvements to services and shall review and make recommendations regarding the conduct and findings of the collaborative initiatives identified below. Subcommittees to focus on individual initiatives may be formed, each of which shall include membership from both county and city members of the Joint City-County Committee. Recommendations of the Joint City-County Committee are non-binding. The collaborative initiatives to be explored shall include:
    a. Proposals to update animal services codes, including fees and penalties, as a means to increase revenues and incentives for residents to license, retain, and care for pets.
    b. Exploring the practicability of engaging a private for-profit licensing system operator.
    c. Pursuing linkages between County and private non-profit shelter and rescue operations to maximize opportunities for pet adoption, reduction in homeless pet population, and other efficiencies.

d. Promoting licensing through joint marketing activities of cities and the County, including recommending where the County's marketing efforts will be deployed each year.

e. Exploring options for increasing service delivery efficiencies across the board.

f. Studying options for repair and/or replacement of the Kent Shelter.

g. Reviewing results of a compensation and classification study which the County agrees to complete by July 1, 2011, benchmarking the County's Animal Services staffing policies as compared to other publicly operated animal services systems.

h. Review the results of the County's calculation of the Reconciliation Adjustment Amounts.

i. Reviewing preliminary proposed budgets for Animal Services.

j. Providing input into the formatting, content and details of periodic system reports as per Section 12 of this Agreement.

k. Reviewing and providing input on proposed Animal Services operational initiatives.

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

13. **Amendments.** Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of the County and at least two thirds (66%) of the legislative bodies of all other Contracting Parties to this Agreement (in both number and in the percentage of the prior total Estimated Payments owing from such Contracting Parties in the then current Service Year), evidenced by the authorized signatures of such approving Parties as of the effective date of the amendment; *provided that* any amendment to this Agreement affecting the Party contribution responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, or the conditions of this Section shall require consent of the legislative authorities of all Parties.

14. **General Provisions.**

a. Other Facilities. The County reserves the right to contract with other shelter service providers for housing animals received from within the City or from City residents, whose levels of service meet or exceed those at the County

shelter for purposes of addressing shelter overcrowding or developing other means to enhance the effectiveness, efficiency or capacity of the animal care and sheltering system within King County.

b. Severability. The invalidity of any clause, sentence, paragraph, subdivision, section or portion thereof, shall not affect the validity of the remaining provisions of the Agreement.

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

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

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

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

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

h. Notices. Except as otherwise provided in this Agreement, any notice required to be provided under the terms of this Agreement shall be delivered by certified mail, return receipt requested or by personal service to the following person:

For the City: Cheryl Niclai, Police Support Services Manager
City of Lake Forest Park
17425 Ballinger Way NE
Lake Forest Park, WA 98155

For the County: Caroline Whalen, Director
King County Dept. of Executive Services
401 Fifth Avenue, Suite 610
Seattle WA. 98104

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

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

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

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

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

15. **Terms to Implement Agreement.** Because it is unknown how many parties will ultimately approve the Agreement, and participation of each Contracting Party impacts the costs of all other Contracting Parties, the Agreement will go into effect for the full proposed two and a half year term only if certain Minimum Contracting Requirements are met or waived as described in this section; *provided further*, that if such conditions are not met, then the Agreement will go into effect for a six month term per subparagraph (c) or a 60-day emergency period as provided for below under subparagraph (d). The Minimum Contracting Requirements include:

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

i. **2010 Payment Test:** The Final Estimated 2010 Payment, calculated including the County and all Cities that have executed the Agreement prior to July 1, 2010 (regardless of whether such Contracting Parties have opted for a 6 month or 2.5 year initial term), does not exceed the Preliminary Estimated 2010 Payment as set forth in **Exhibit C-1** by more than five percent (5%) or $3,500, whichever is greater. Either Party may waive its failure to meet this test in order to allow the Agreement to go into effect for the 6 month term.

ii. **Implied 2011 Payment Test:** In addition, if the City has agreed to an initial term of 2.5 years, the Final Estimated 2010 Payment, calculated including the County and those Cities that have similarly opted for an Initial Term of 2.5 years, does not exceed the Preliminary Estimated 2010 Payment shown for the Party in **Exhibit C-1(A)** by more than five percent (5%) or $3,500, whichever is greater. Either Party may waive its failure to meet this test in order to allow the Agreement to go into effect for the 2.5 year term.

b. **For the County**: the **Minimum Contiguity of Service Condition** must be met, such that the County is only obligated to enter into the Agreement if the County will be providing Animal Services in areas contiguous to the City, whether by reason of having an Agreement with another City or due to the fact that the City is contiguous to unincorporated areas (excluding unincorporated islands within the City limits). The Minimum Contiguity of Service Condition may be waived by the County in its sole discretion.

c. **Term of Agreement Limited to Six Months if Implied 2011 Payment Test Not Met:** If the County's Minimum Contiguity of Service Requirement is met or waived by the County and the 2010 Payment Test with respect to both Parties is met or waived, but the 2011 Test is **not** met or waived for both Parties, then the Agreement shall take effect for a term of only six months (expiring December 31, 2010).

d. **Emergency 60-day agreement**. Notwithstanding the foregoing, if the 2010 Payment Test is not met, then regardless of whether the County's Minimum Contiguity of Service Requirement is met, this Agreement shall go into effect on July 1, 2010, on an emergency basis for a period of 60-days, terminating August 31, 2010. The City shall by January 15, 2011, pay the Final Estimated 2010 Payment calculated in accordance with Section 6.a, pro-rated to reflect the 60 day (rather than 6-month) term, provided further that there will be no reconciliation of the Estimated Payment amounts so paid.

16. **Administration**. This Agreement shall be administered by the County Administrative Officer or his/her designee, and by the Cit's Police Support Services Manager, or his/her designee.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective as of July 1, 2010.

King County	City of Lake Forest Park
Dow Constantine	Dave Hutchinson
Dow Constantine King County Executive	Dave Hutchinson Mayor
July 1, 2010 Date	6-17-10 Date
Approved as to Form:	Approved as to Form:
King County Deputy Prosecuting Attorney	City Attorney
July 1, 2010 Date	Date

List of Exhibits

Exhibit A: Animal Services Description

Exhibit B: Control Services District Map Description

Exhibit B-1: Map of Control Service District, as initially applicable

Exhibit B-2: Map of Control Service Districts beginning January 1, 2011

Exhibit C: Calculation of Estimated Payments

Exhibit C-1: Preliminary Estimated 2010 Payment *(Annualized)* *(showing participation only by those jurisdictions that have expressed interest as of May 27, 2010 in contracting for either 6 months or 2.5 years))*.

Exhibit C-1(A): "Implied 2011" Estimated Payments for purposes of Section 15.a.2 *(2010 Estimated Payment (Annualized) showing participation only of those jurisdictions that indicated they are seeking a 2.5 year Agreement—Actual Estimated 2011 Payments will be different, based on adjustments for 2011 Budgeted Total Allocable Costs, revised Revenue estimates, and application of Budget Inflator Cap)*

Exhibit C-2: Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Preliminary and Final Estimated 2010 Payment

Exhibit C-3: Calculation of Budgeted Total Allocable Animal Services Costs, Budgeted Total Non-Licensing Revenue and Budget Net Allocable Animal Services Costs for 2010

Exhibit C-4: Transition Credit, Resident Usage Credit and Impact Mitigation Credit Calculation and Allocation

Exhibit C-5: Cities receiving Transitional Licensing Revenue Support in 2010

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

Exhibit C-7: Payment and Calculation Schedule

Exhibit D: **Reconciliation**

Exhibit D-1: Calculation of Support Cost Adjustment Factor Associated with Enhanced Control Service ("O")

Exhibit E: **Enhanced Control Services Contract (Optional)**

Exhibit A
Animal Service Description

Part I: Control Services

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

1. **Call Center**
   a. The County will operate an animal control call center Monday through Friday every week (excluding holidays and County-designated furlough days, if applicable) for a minimum of eight hours per day (normal business hours). The County may adjust the days of the week the call center operates based on the final choice of Control District service days.
   b. The animal control call center will provide callers with guidance, education, options and alternative resources as possible/appropriate.
   c. When the call center is not in operation, callers will hear a recorded message referring them to 911 in case of emergency, or if the event is not an emergency, to either leave a message or call back during regular business hours.
2. **Animal Control Officers**
   a. The County will divide the area receiving Control Services into Control Districts. Each of the geographic Control Districts, as shown on **Exhibit B** will be staffed with one Animal Control Officer (ACO) five consecutive days-per-week (such days to be selected by the County) for not less than eight hours per-day ("Regular ACO Service Hours"), subject to the limitations provided in this Section. Except as the County may in its sole discretion determine is necessary to protect officer safety, Animal Control Officers shall be available for responding to calls within their assigned Control District and will not be generally available to respond to calls in other Control Districts. **Exhibit B-1** shows the map of Control Districts for the period from July 1 through December 31, 2010; **Exhibit B-2** shows the map of Control Districts for the period after 2010. The daily eight-hour service period shall be determined by the County and shall start not earlier than 7 a.m. and end not later than 7 p.m. Countywide, the County will have a total of not less than 6 Animal Control Officers (Full-Time Equivalent employees) on staff to maximize the ability of the County to staff each Control District notwithstanding vacation, sick-leave, and other absences, and to respond to high workload areas on a day-to-day basis. While the Parties recognize that

the County may at times not be able to staff all Control Districts as proposed given unscheduled sick leave or vacancies, the County will make its best efforts to establish regular hourly schedules and vacations for Animal Control Officers in order to minimize any such gaps in coverage. In the event of extended absences among the 6 Animal Control Officers, the County will re-allocate remaining Animal Control Officers as practicable in order to balance the hours of service available in each Control District.

b. Control District boundaries have been designed to balance work load, correspond to jurisdictional boundaries and facilitate expedient transportation access across each district. The County will provide for a location for Animal Control vehicles to be stationed overnight in both north and south King County.

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

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

d. Lower priority calls include all calls that are not High Priority Calls. These calls will be responded to by the call center staff over the telephone, referral to other resources, or by dispatching of an Animal Control Officer as necessary or available, all as determined necessary and appropriate in the sole discretion of the County. Particularly in the busier seasons of the year (spring through fall), lower priority calls may only receive a telephone response from the Call Center. Lower Priority calls are non-emergent requests for service, including but not limited to:

    1. Non-emergent high priority events,
    2. Patrol request – (Animal Control Officer requested to patrol a specific area due to possible code violations),
    3. Trespass,
    4. Stray Dog/Cat/other animal confined,
    5. Barking Dog,

6. Leash Law Violation,
7. Deceased Animal,
8. Trap Request,
9. Female animal in season, and
10. Owner's Dog/Cat/other animal confined.

e. In addition to the Animal Control Officers serving specific districts, the following Control Service resources will be available on a shared basis for all Parties and shall be dispatched as deemed necessary and appropriate by the County.
    1. An animal control sergeant will provide oversight of and back-up for Animal Control Officers five days per week at least 8 hours/day (subject to vacation/sick leave/training/etc.).
    2. An Animal Cruelty Sergeant will be on staff at least 40 hours per week to respond to animal cruelty cases and prepare related reports (subject to vacation/sick leave/training/etc.).
    3. Two Animal Control Officers will be on call every day at times that are not Regular ACO Service Hours (including the two days per week that are not included within Regular ACO Service Hours), to respond to High Priority Calls posing an extreme life and safety danger, as determined by the County.

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

g. Cities may contract with King County for "Enhanced Control Services" through separate agreement (as set forth in **Exhibit E)**.

Part II: Shelter Services

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

1. **Shelter Services**
    a. Services provided to animals will include enrichment, exercise, care and feeding, and reasonable medical attention.
    b. The Public Service Counter at the Shelter will be open to the public not less than 30 hours per week and not less than 5 days per week, excluding holidays and County designated furlough days, for purposes of pet redemption, adoption, license sales services and (as may be offered from

time to time) pet surrenders. The Public Service Counter at the shelter may be open for additional hours if practicable within available resources.

c. The County will maintain a volunteer/foster care coordinator at the Shelter to encourage use of volunteers working at the shelter and use of foster families to provide fostering/transitional care between shelter and permanent homes for adoptable animals.

d. The County will maintain an animal placement specialist at the Shelter to provide for and manage adoption events and other activities leading to the placement of animals in appropriate homes.

e. One veterinarian and one veterinarian technician will be scheduled to work at the Shelter six-days per week, during normal business hours. Veterinary services provided include animal exams, treatment and minor procedures, spay/neuter and other surgeries. Limited emergency veterinary services will be available in non-business hours, through third-party contracts, and engaged if and when the County determines necessary.

f. Targeted animal operating capacity at the Shelter is 7,000 per year. The County will take steps through its operating policies, codes, public fee structures and partnerships to reduce the number of animals and their length of stay in the Shelter, and may at times limit owner-surrenders and field pick-ups, adjust fees and incentivize community-based solutions.

2. **Other Shelter services**

   a. Dangerous animals will be confined as appropriate/necessary.

   b. Disaster/emergency preparedness for animals will be coordinated regionally through efforts of King County staff.

3. **Shelter for Cities contracting with PAWS (Potentially including Shoreline, Bothell, Woodinville, Lake Forest Park, Kenmore ("Northern Cities")).** For so long as a Northern City has a contract in effect for sheltering dogs and cats with the Progressive Animal Welfare Society in Lynnwood (PAWS), the County will not shelter dogs and cats picked up within the boundaries of such City(s), except in emergent circumstances and when the PAWS Lynwood shelter is not available. Dogs and cats picked up by the County within such City(s) will be transferred by the County to the PAWS shelter in Lynnwood for shelter care, which will be provided and funded solely through separate contracts between each Northern City and PAWS, and the County will refer residents of that City to PAWS for sheltering services. The County will provide shelter services for animals other than dogs and cats that are picked up within the boundaries of Northern Cities contracting with PAWS on the same terms and conditions that such shelter services are provided to other Contracting Parties. Except as provided in this Section, the County is under no obligation to drop animals picked up in any Contracting City at any shelter other than the County shelter in Kent.

4. **County Contract with PAWS.** Nothing in this Agreement is intended to preclude the County from contracting with PAWS in Lynnwood to care for animals taken in by control officers in the Northern (#200) district of the County.
5. **Service to Persons who are not Residents of Contracting Cities.** The County will not provide routine shelter services for animals brought in by persons who are not residents of Contracting Cities, but may provide emergency medical care to such animals, and may seek to recover the cost of such services from the pet owner and/or the City in which the resident lives.

Part III: Licensing Services

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

1. The public will be able to purchase pet licenses in person at the County Licensing Division public service counter in downtown Seattle (500 4th Avenue), King County Community Service Centers and the Kent Animal Shelter during regular business hours. The County will maintain on its website the capacity for residents to purchase pet licenses on-line.
2. The County will seek to engage and maintain a variety of private sector partners (e.g. veterinary clinics, pet stores, grocery stores, city halls, apartment complexes) as hosts for locations where licenses can be sold or promoted in addition to County facilities.
3. The County will furnish licenses and application forms and other materials to the City for its use in selling licenses to the public at City facilities and at public events.
4. The County will publicize reminders and information about pet licensing from time to time through inserts in County mailings to residents and on the County's public television channel.
5. The County will annually mail at least one renewal form, reminder and late notice (as applicable) to the last known addresses of all City residents who purchased a pet license from the County within the previous year (using a rolling 12-month calendar).
6. The County may make telephone reminder calls in an effort to encourage pet license renewals.
7. The County shall mail pet license tags or renewal notices as appropriate to individuals who purchase new or renew their pet licenses.
8. The County will maintain a database of pets owned, owners, addresses and violations.
9. The County will provide limited sales and marketing support in an effort to maintain the existing licensing base and increase future license sales. The County

reserves the right to determine the level of sales and marketing support provided from year to year in consultation with the Joint City-County Committee. The County will work with any City in which door-to-door canvassing takes place to reach agreement with the City as to the hours and locations of such canvassing.

Exhibit B: Control Service District Map

The attached map (**Exhibit B-1**) shows the boundaries of the 4 Control Service Districts as established at the commencement of this Agreement. **Exhibit B-2** shows the proposed boundaries for the Control Service Districts to be established effective January 1, 2011.

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

District #200 (Northern District) Shoreline Lake Forest Park Kenmore Bothell (only through December 31, 2010) Woodinville Kirkland Redmond Duvall Carnation Sammamish	District #220 (Eastern District) Bellevue Mercer Island Yarrow Point Clyde Hill Town of Beaux Arts Issaquah Snoqualmie North Bend Newcastle
District #240 (Western District) Tukwila SeaTac Kent	District #260 (Southern District) Auburn Covington Maple Valley Black Diamond Enumclaw

The Districts shall each include portions of unincorporated King County as illustrated on the **Exhibits B-1 and B-2.**

Exhibit B-1

The Control District Map, applicable through December 31, 2010

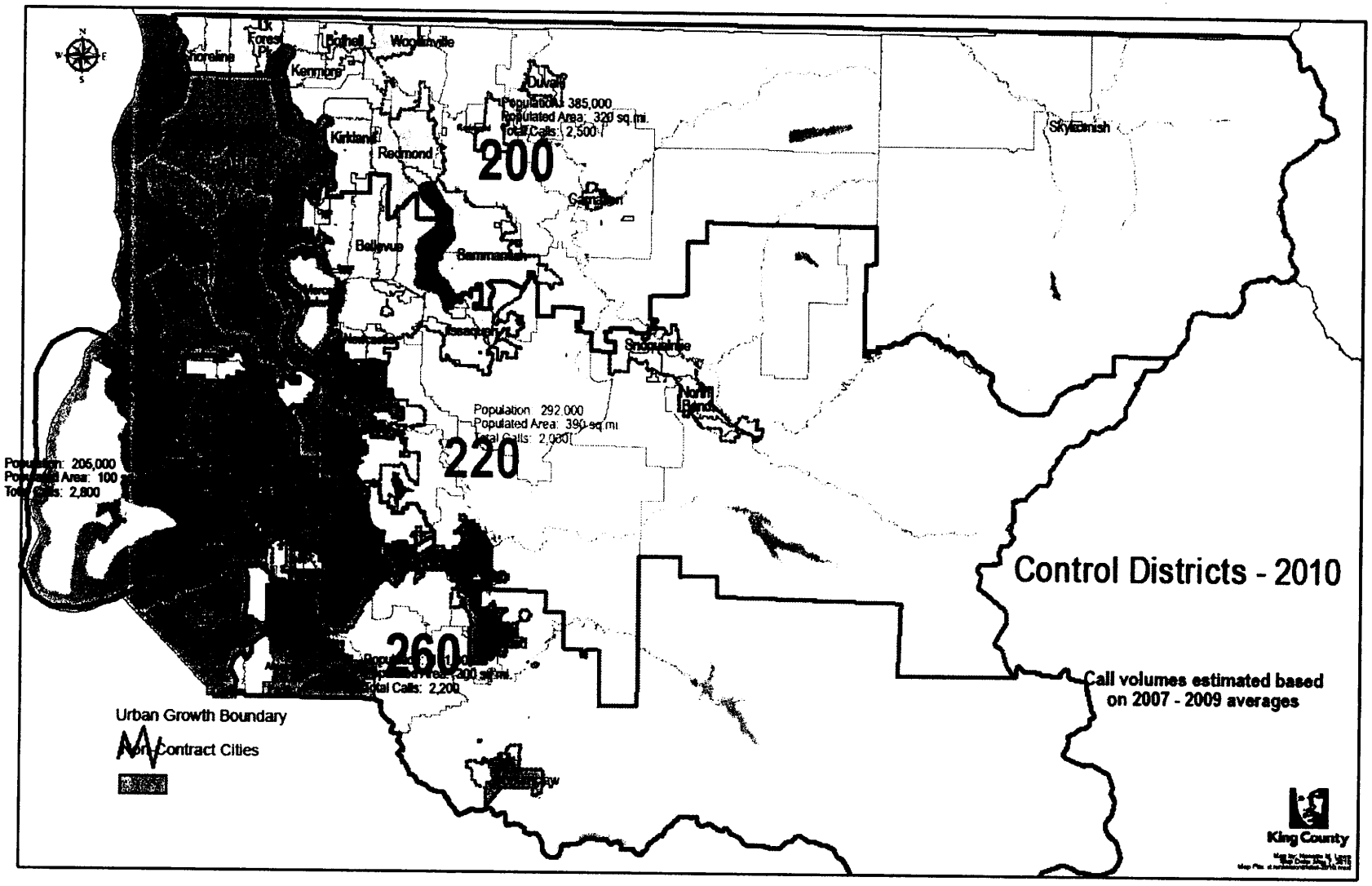

Exhibit B-2

Control District Map – applicable January 2011 and Beyond

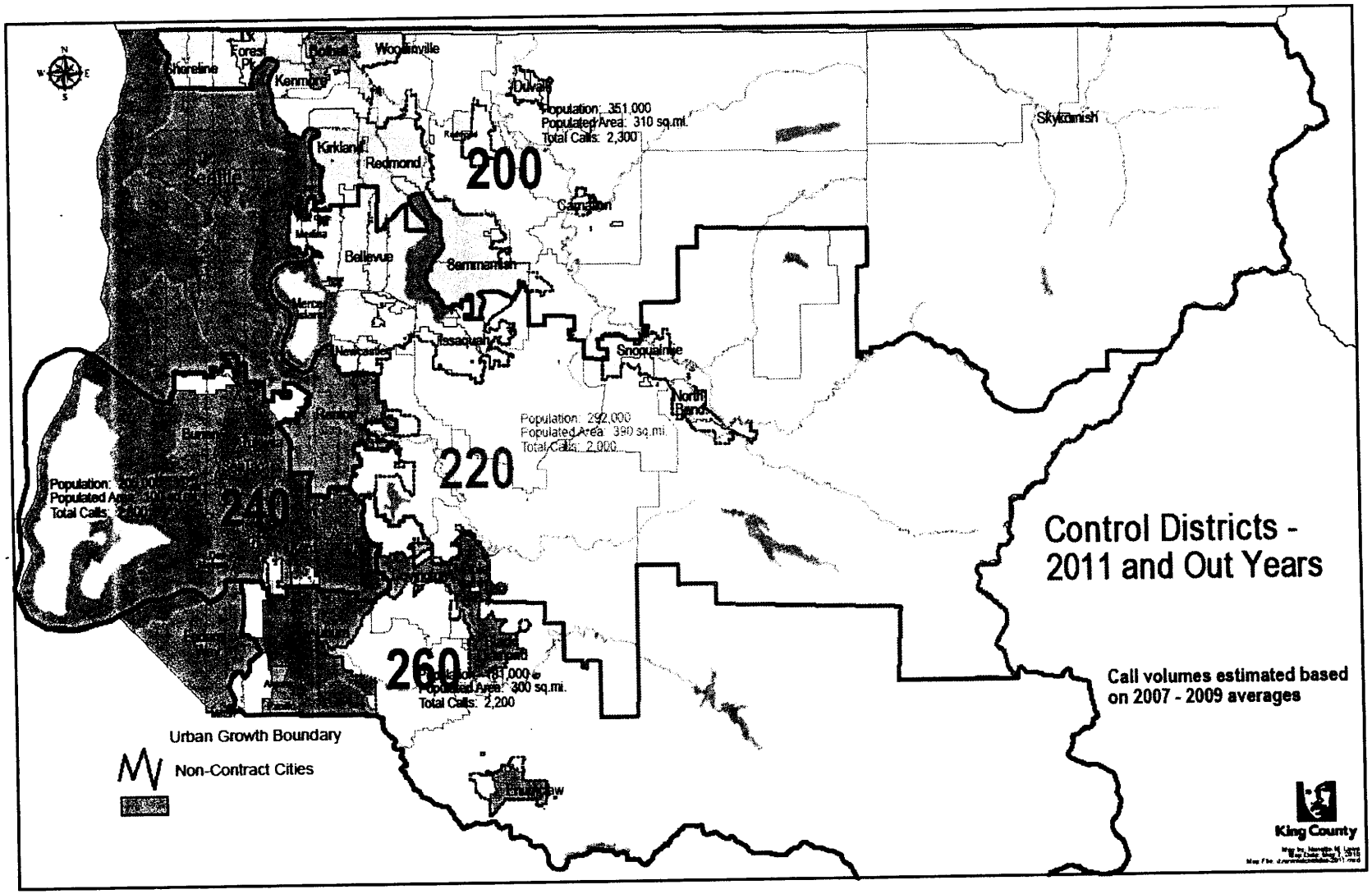

Exhibit C
Calculation of Estimated Payments

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

In summary and subject to the more detailed descriptions herein:

- Control Services costs are to be equally shared among the 4 geographic Control Districts. Each Contracting Party located within a Control District is to be allocated a share of Control District costs based 50% on the Party's relative share of total Calls for Service within the Control District and 50% on its relative share of total population within the Control District.

- Shelter Services costs are to be allocated among all Contracting Parties based 50% on their relative population and 50% on the total shelter intake of animals attributable to each Contracting Party, except that cities contracting for shelter services with PAWS will pay only a population-based charge and that charge will be one-half the regular shelter services cost population component payable by other cities; and

- Licensing Services costs are to be allocated between all Contracting Parties, based 50% on their relative population and 50% on the number of licenses issued to residents of each Contracting Party.

- Licensing revenue is to be attributed based on the residency of the individual purchasing the license.

- Each Estimated Payment covers the cost of six months of Animal Services.

- Three credits are applicable to various cities to reduce the amount of their Estimated Payments: a Transition Funding Credit (for cities with high per-capita costs); a Resident Usage Credit (for cities with low usage as compared to population); and an Impact Mitigation Credit (for cities whose projected costs were most impacted by decisions of certain cities not to participate in the regional Agreement). Application of these Credits is limited such that the Estimated Payment cannot fall below zero (before or after the annual reconciliation calculation) with respect to the Transition Funding Credit, or below $2,750 or $2,850 (both amounts are annualized) with respect to the Resident Usage Credit and

Impact Mitigation Credit (depending on whether Bothell received Animal Services in the Service Year being reconciled).

- Estimated Payments are reconciled to reflect actual revenues and actual usage as well as changes in population. The reconciliation calculation occurs in June of the following calendar year. The reconciliation calculation and payment process is described in **Exhibit D**. The receipt of Transition Funding Credits, Resident Usage Credits, or Impact Mitigation Credits can never result in the amount of the Estimated Payments as reconciled falling below the limits described in the paragraph above ($0, $2,750 or $2,875 (annualized), depending on the credit and whether Bothell received service under an Agreement during the Service Year).

Estimated Payment Formula:

EP = [EC + ES +EL - ER –T –U –M] ÷ 2

Where:

"EP" is the Estimated Payment. For Cities receiving a Transition Credit, Resident Usage Credit or Impact Mitigation Credit, the value of EP may not be less than the amounts prescribed in **Exhibit C-4**.

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

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

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

"ER" is Estimated Licensing Revenue attributable to the City. For purposes of determining the Estimated Payment in Years 2010 and 2011, ER is derived from the number of each type of active license issued to City residents in years 2009 (the "Calculation Period") shown on **Exhibit C-2.** For Service Year 2010, that number is multiplied by the cost of those licenses in 2009[1], resulting in the estimated values for Service Year 2010 shown on

[1] 2009 licensing types and costs used for purposes of calculating Estimated Licensing Revenue per jurisdiction in Exhibit C-1 include: Cat and Dog, Altered (spayed or neutered)-- $30; Cat and Dog, Unaltered-- $90; Cat and Dog, Juvenile (less than 6 months in age) -- $5; Dog, Senior (over 65)owner -- $20; Cat, Senior

Exhibit C-1, and then adding the amount of revenue estimated to be derived as a result of the Transitional Licensing Support Services in 2010 to those five Cities identified in **Exhibit C-5** (the estimated Transitional Licensing Support Services revenue is also shown on **Exhibit C-1**). License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), which generally represents a very small fraction of overall revenue, is allocated amongst the Parties based on their respective percentages of ER as compared to Total Licensing Revenue.

"T" is the **Transition Funding Credit**, if any, allocable to the City for each Service Year, calculated per **Exhibit C-4;** *provided however,* a City identified in **Exhibit C-4** is only eligible for a Transition Credit if that City agreed to enter into this Agreement for a term through December 31, 2012; *provided further,* that the amount of "T", if any, for Service Year 2010 shall be applied pro rata to the calculation of the Final Estimated 2010 Payment even if, despite the agreement of the City, the Agreement only goes into effect for 6 months or 60 days per Section 15.

"U" is the **Resident Usage Credit**, if any, allocable to the City for each Service Year, calculated per **Exhibit C-4**; *provided however,* a City identified in **Exhibit C-4** is only eligible for a Resident Usage Credit if that City agreed to enter into this Agreement for a term through December 31, 2012; *provided further,* that the amount of "U", if any, for Service Year 2010 shall be applied pro rata to the calculation of the Final Estimated 2010 Payment even if, despite the agreement of the City, the Agreement only goes into effect for 6 months or 60 days per Section 15.

"M" is the **Impact Mitigation Credit**, if any, allocable to the City for each Service Year, calculated per **Exhibit C-4**; *provided however,* a City identified in **Exhibit C-4** is only eligible for an Impact Mitigation Credit if that City agreed to enter into this Agreement for a term through December 31, 2012; *provided further,* that the amount of "M," if any, for Service Year 2010 shall be applied pro rata to the calculation of the Final Estimated 2010 Payment even if, despite the agreement of the City, the Agreement only goes into effect for 6 months or 60 days per Section 15.

And where:

"**Budgeted Net Allocable Costs**" are the estimated costs for the Service Year for the provision of Animal Services which are allocated among the Contracting Parties for the

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owner-- $12; Cat and Dog, Renewal, Service and Temporary, Senior owner renewal-- $0. License types and costs are subject to change over time.

purposes of determining the Estimated Payment. The Budgeted Net Allocable Costs are calculated as the **Budgeted Total Allocable Costs** (subject to the **Annual Budget Inflator Cap**) *less* **Budgeted Total Non-Licensing Revenue**. The Budgeted Total Allocable Costs exclude any amount expended by the County as Transition Funding Credits, Resident Use Credits, or Impact Mitigation Credits (described in **Exhibit C-4**) or to provide Transitional Licensing Revenue Support Services (described in Section 7). The calculation of Budgeted Net Allocable Costs, Budgeted Total Allocable Costs and Budgeted Total Non-Licensing Revenue for purposes of calculating the Estimated 2010 Payments is set forth in **Exhibit C-3**.

"**Total Licensing Revenue**" means all revenue received by the County's Animal Services System attributable to the sale of pet licenses excluding late fees. With respect to each Contracting Party, the amount Licensing Revenue is the revenue generated by the sale of pet licenses to residents of the jurisdiction. (With respect to the County, the jurisdiction is the unincorporated area of King County.) The value of Estimated Licensing Revenue for each Contracting Party for purposes of calculating the Estimated 2010 Payment includes amounts estimated to be generated from Transitional Licensing Revenue Support Services, and is shown on **Exhibit C-1.**

"**Total Non-Licensing Revenue**" means all revenue from fine, forfeitures, and all other fees and charges received by the County's Animal Services system, *excluding* Total Licensing Revenue.

"**Transitional Licensing Support Services**" means activities to be undertaken in specific cities in 2010 to enhance licensing revenues, per Section 7 of the Agreement.

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

"**Service Year**" is the calendar year in which Animal Services are/were provided. (In 2010, the Service Year is the period from July 1, 2010 –December 31, 2010; the Estimated Payment calculation shown in Exhibit C is based on annualized costs).

"**Calculation Period**" is the time period from which data is used to calculate the Estimated Payment. The Calculation Period differs by formula component and Service Year. In Service Years 2010 and 2011, the Calculation Period for Calls for Service ("CFS"), Animals ("A"), or Licenses Issued ("I") (all as further defined below) is based on multiple year averages as detailed in **Exhibit C-6**. **For Service Year 2012 and beyond** (if the Agreement is extended into an additional 2-year term), the Calculation Period is the year that is two calendar years prior to the Service Year (thus, for Service Year 2012, the Calculation Period is 2010). **Exhibit C-6** summarizes in table form the Calculation Periods for the usage and population factors for Service Years 2010, 2011 and 2012.

"**Population**" with respect to any Contracting Party for any Service Year means the population number derived from the State Office of Financial Management (OFM) most recent annually published report of population to be used for purposes of allocation of state shared revenues in the subsequent calendar year (typically published by OFM each July, reflecting final population estimates *as of April of the same calendar year*). The OFM reported population will be adjusted for annexations of 2,500 or more residents. *For example,* when the final Estimated Payment calculation for 2012 is provided on December 15, 2011, the population numbers used will be from the OFM report issued in July 2011 and will be adjusted for all annexations of 2,500 or more residents that occurred (or will occur) between April 1 and December 31, 2011. *By way of further example,* the reconciliation of the 2012 payment (calculated in June 2013) will incorporate adjusted population numbers based on the OFM population report issued in July 2012 adjusted for all annexations of 2,500 or more residents that occurred between April 1, 2012 and December 31, 2012. Where annexations occur, the City and County population values will be adjusted pro rata to reflect the portion of the year in which the annexed area was in the City and the portion of the year in which the area was unincorporated. The population of an annexed area will be as determined by the Boundary Review Board, in consultation with the annexing city. The population of the unincorporated area within any District will be determined by the King County demographer. *Notwithstanding the foregoing,* the population for all potential Contracting Parties for purposes of determining the final Estimated 2010 Payment will be based on the July 2009 OFM report, adjusted for annexations occurring through the end of December 2010, as known as of April, 2010, and shown on **Exhibit C-2,** and the reconciliation of the Estimated 2010 Payments (calculated in June 2011) will incorporate changes to population as reflected in the 2010 U.S. Census (results expected to be published April 2011).

Exhibit C-1 shows the ***preliminary*** calculation of **EP** for July 1 – December 31, 2010, assuming that the County and all Cities that have expressed interest in signing this Agreement as of May 27, 2010, do in fact approve and sign the Agreement and as a result the Minimum Contract Requirements with respect to all such Cities and the County are met per Section 15.

Component Calculation Formulas:

EC is calculated as follows:

EC = {[(C x .25) x .5] x CFS} + {[(C x. 25) x .5] x D-Pop}

Where:

"C" is the **Budgeted Net Allocable Control Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Control Services in the Service Year, ***less*** the Budgeted Total Non-Licensing Revenue attributable to Control Services in the Service Year (for example, fines issued in the field). Budgeted Net Allocable Control Services Cost for Service Year 2010 is $1,698,600, calculated as shown on **Exhibit C-3,** and shall be similarly derived for Service Years after 2010.

"CFS" is the total annual number of Calls for Service for the Service Year for Control Services originating within the City *expressed as a percentage* of the CFS for all Contract Parties within the same Control District. A Call for Service is defined as a request from an individual, business or jurisdiction for a control service response to a location within the City, or a response initiated by an Animal Control Officer in the field, which is entered into the County's data system (at the Animal Services call center or the sheriff's dispatch center acting as back-up to the call center) as a request for service. Calls for information, hang-ups and veterinary transfers are not included in the calculation of Calls for Service. A response by an Animal Control Officer pursuant to an Enhanced Control Services Contract will not be counted as a Call for Service. For purposes of determining the Estimated Payment in 2010 and 2011, the Calculation Period for CFS is the 3-year period from 2007-2009, resulting in an annual average number of Calls for Service for the City and each Contracting Party as shown on **Exhibit C- 2.**

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

ES is calculated as follows:

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

ES = (S x.5 x Pop) ÷2

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

ES = [S x .5 x Pop] + (ESP x Pop_2) + (S x .5 x A)

Where:

"**S**" is the Budgeted Net Allocable Shelter Services Cost for the Service Year, which equals the County's Budgeted Total Allocable Costs for Shelter Services ***less*** Budgeted Total Non-Licensing Revenue attributable to Shelter operations (i.e., adoption fees, microchip fees, impound fees, owner-surrender fees, from all Contracting Parties) in the Service Year. The Budgeted Net Allocable Shelter Services Cost for purposes of calculating Estimated 2010 Payments is $3,004,900 as shown on **Exhibit C-3**, and shall be similarly derived for Service Years after 2010.

"**ESP**" is the sum of all reduced shelter costs payable in the Service Year by all cities qualifying for such reduced charge.

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

"**Pop_2**" is the Population of the City expressed as a percentage of the Population of all Contracting Parties that <u>do not</u> qualify for the reduced population-based shelter charge.

"**A**" is the total number of animals that were: (1) picked up by County Animal Control Officers from within the City, (2) delivered by a City resident to the County shelter, or (3) delivered to the shelter that are owned by a resident of the City *expressed as a percentage* of the total number of animals in the County Shelter during the Calculation Period. For

purposes of the Estimated Payment in 2010 and 2011, the Calculation Period for "**A**" is the two year period of 2008 and 2009, resulting in an average annual shelter usage number for the City and each Contracting Party as shown in **Exhibit C-2**.

EL is calculated as follows:

EL = [(L x .5 x Pop) + (L x .5 x I)]

Where:

"**L**" is the Budgeted Net Licensing Services Cost for the Service Year, which equals the County's Budgeted Total Allocable Costs for License Services in the Service Year ***less*** Budgeted Total Non-Licensing Revenue attributable to License Services (for example, pet license late fees) in the Service Year. The Budgeted Net Licensing Cost for purposes of calculating Estimated 2010 Payments is $898,400, calculated as shown on **Exhibit C-3**, and shall be similarly derived for Service Years after 2010.

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

"**I**" is the number of active paid regular pet licenses (e.g., excluding 'buddy licenses" or temporary licenses) issued to City residents during the Calculation Period. For purposes of calculating the Estimated Payment in 2010 and 2011, the Calculation Period for "**I**" is the three year period from 2007-2009, and the resulting average annual number of licenses as so calculated for the City and each Contracting Party is shown on **Exhibit C-2**.

Exhibit C-1

Preliminary Estimated 2010 Payment (Annualized) (1)

(Showing participation only of those jurisdictions that have expressed interest as of May 27, 2010 in contracting for either 6 months or 2.5 years)

	Control	Shelter	Licensing	Total Allocable Costs	Other Licensing Revenue	Estimated Net Cost
Budgeted Total Allocable Costs	**$1,705,000**	**$3,207,400**	**$943,400**	**$5,855,800**		
Budgeted Non-Licensing Revenue	**$6,500**	**$202,500**	**$45,000**	**$254,000**		
Budgeted Net Allocable Costs	**$1,698,500**	**$3,004,900**	**$898,400**	**$5,601,800**	**$3,069,875**	**-$2,531,925**

Animal Control District Number	Jurisdiction	Estimated Control Services Cost Allocation (2)	Estimated Shelter Services Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	2009 Licensing Revenue	Estimated Net Cost Allocation	Transition Funding (5)	Credits (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Transitional Licensing Support	Estimated Net Final Cost
200	Bothell	$34,993	$23,505	$31,134	$89,632	$102,067	$12,435	$0	$0	$12,435	$0	$12,435
	Carnation	$2,650	$8,688	$1,627	$12,965	$5,723	-$7,242	$1,674	$0	-$5,568	$0	-$5,568
	Duvall	$6,806	$13,270	$5,605	$25,681	$22,113	-$3,568	$0	$865	-$2,703	$0	-$2,703
	Estimated Unincorporated King County	$108,379	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kenmore	$26,305	$14,461	$19,926	$60,691	$73,160	$12,469	$0	$0	$12,469	$0	$12,469
	Kirkland	$51,479	$102,767	$40,559	$194,804	$159,211	-$35,593	$0	$30,557	-$5,037	$0	-$5,037
	Lake Forest Park	$14,144	$9,065	$13,251	$36,461	$71,987	$35,527	$0	$0	$35,527	$0	$35,527
	Redmond	$51,589	$102,175	$42,704	$196,468	$134,311	-$62,157	$0	$43,060	-$19,097	$0	-$19,097
	Sammamish	$39,496	$71,803	$35,939	$147,237	$135,347	-$11,890	$0	$9,140	-$2,750	$0	-$2,750
	Shoreline	$73,664	$38,411	$47,910	$159,985	$189,347	$29,362	$0	$0	$29,362	$0	$29,362
	Woodinville	$15,121	$7,545	$9,849	$32,515	$37,918	$5,403	$0	$0	$5,403	$0	$5,403
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**$60,040**	**$0**	[illegible]
220	Beaux Arts	$447	$477	$313	$1,237	$900	-$337	$0	$0	-$337	$0	-$337
	Bellevue	$145,729	$245,520	$94,283	$485,532	$274,346	-$211,185	$0	$93,030	-$118,155	$60,000	-$58,155
	Clyde Hill	$3,536	$4,578	$2,566	$10,680	$8,044	-$2,636	$0	$0	-$2,636	$0	-$2,636
	Estimated Unincorporated King County	$170,844	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Hunts Point											
	Issaquah	$40,815	$61,476	$20,819	$123,110	$64,509	-$58,601	$0	$0	-$58,601	$0	-$58,601
	Mercer Island	$25,894	$39,249	$17,833	$82,976	$55,113	-$27,863	$0	$25,113	-$2,750	$0	-$2,750
	Newcastle (7)	$13,931	$19,349	$5,785	$39,065	$10,000	-$29,065	$0	$10,967	-$18,098	$0	-$18,098
	North Bend	$9,918	$15,427	$4,188	$29,531	$14,341	-$15,190	$4,172	$0	-$11,018	$0	-$11,018
	Snoqualmie	$12,448	$22,004	$7,177	$41,630	$23,667	-$17,963	$0	$3,958	-$14,005	$0	-$14,005
	Yarrow Point	$1,065	$1,461	$853	$3,379	$2,864	-$515	$0	$0	-$515	$0	-$515
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	**-$226,114**	**$60,000**	**-$166,114**
240	Burien (includes North Highline Area X Annexation)											
	Estimated Unincorporated King County	$106,877	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Kent (Includes Panther Lake Annexation)	$208,450	$694,309	$87,555	$990,314	$255,365	-$734,949	$334,834	$49,065	-$351,050	$60,000	-$291,050
	SeaTac	$62,145	$112,831	$19,605	$194,580	$53,065	-$141,516	$22,551	$7,953	-$111,012	$10,000	-$101,012
	Tukwila	$47,153	$83,996	$12,478	$143,627	$30,348	-$113,279	$15,925	$5,644	-$91,710	$10,000	-$81,710
SUBTOTAL FOR CITIES IN 240 (excludes unincorporated area)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
260	Algona											
	Auburn	$144,841	$353,200	$49,684	$547,724	$158,415	-$389,310	$199,649	$0	-$189,661	$0	-$189,661
	Black Diamond	$10,251	$18,659	$3,625	$32,534	$13,071	-$19,463	$3,664	$0	-$15,799	$0	-$15,799
	Covington	$49,589	$68,063	$16,386	$134,038	$60,534	-$73,504	$15,364	$0	-$58,140	$0	-$58,140
	Enumclaw	$30,596	$57,502	$8,885	$96,983	$22,464	-$74,519	$33,903	$169	-$40,447	$10,000	-$30,447
	Estimated Unincorporated King County	$143,389	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Maple Valley	$45,960	$68,017	$17,749	$131,726	$62,293	-$69,433	$18,265	$0	-$51,168	$0	-$51,168
	Pacific											
SUBTOTAL FOR CITIES IN 260 (excludes unincorporated area)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL FOR CITIES	**$1,169,012**	**$2,257,609**	**$618,285**	**$4,045,106**	**$2,040,523**	**-$2,004,582**	**$650,000**	**$279,521**	**-$1,075,061**	**$150,000**	**-$925,061**
	Total King County Unincorporated Area Allocation	***$529,488***	***$747,091***	***$280,115***	***$1,556,694***	***$1,029,352***	***-$527,343***					***-$527,343***

King County Transitional Costs	
• One-Time Implementation Costs (8)	***-$542,500***
• Other Operational and Reform Effort Costs (9)	***-$533,183***
• Transition Funding for Cities	***-$650,000***
• Credits	***-$279,521***
TOTAL FOR KING COUNTY	***-$2,532,547***

Source: KC Office of Management and Budget and Animal Care and Control

Date: May 31, 2010

Document Dated 5-31-10

Exhibit C-1, cont'd.

Notes:
1. Assumes the following cities do not participate: Federal Way, Seattle, Renton, Des Moines, Normandy Park, Medina, Skykomish, Milton, Hunts Point, Algona, Pacific, and Burien.
2. One quarter of control services costs are allocated to each control district, then costs are further allocated 50% by total call volume (averaged from 2007-2009) and 50% by 2009 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 50% by King County shelter volume intake (averaged for 2008-2009) and 50% by 2009 population. Values for northern cities anticipating using PAWS for sheltering include only the 50% population allocation.
4. Licensing costs are allocated 50% by population and 50% by total number of active licenses (average 2007-2009).
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. Licensing support is allocated to the five cities with the lowest per capita licensing revenue. For additional detail, see Exhibit C-4.
6. Credits include (1) the Resident Usage Credit, which limits the cost allocation in the regional model to no more than 20% greater than the charge would be under the usage only model for all cities whose net cost is greater than $5,000 and (2) the Impact Mitigation Credit which limits overall net cost increases from cities opting out of the model to not more 10% greater than in the previous model. See Exhibit C-4 for more detail.
7. Newcastle did not license with King County in 2009. The revenue value provided here assumes the 400 licenses issued by Newcastle in 2009 being issued at King County licensing costs.
8. One-time costs associated with model implementation include contract negotiation, IT system upgrade, and transitional licensing support.
9. Other operational costs include services for the mainframe systems and crossroads facility lease, King County unincorporated area only marketing efforts, and various salary and wage contingency elements. Costs associated with enhanced services contracts are revenue backed and are not reported here. Reform effort costs include changes to the clinic reporting structure, hiring consultants to review reform progress, and adding an administrator to support reform efforts. Reform efforts also include hiring an additional vet tech, however, this position will be funded by donations and therefore the cost is not reported here.

Estimated Final Net Costs for Northern Cities Contracting with PAWS, Including PAWS Sheltering Costs

		Estimated Cost for PAWS Sheltering		Estimated Final Net Cost Including PAWS Costs		
Jurisdiction	Estimated Final Net Cost	Assuming King County 2008-2009 Average Intake and $150/Animal	Assuming a 20% Increase in Intake and $150/Animal	Assuming King County 2008-2009 Average Intake and $150/Animal	Assuming a 20% Increase in Intake and $150/Animal	Potential Credit Up To
Bothell	$12,435	$13,050	$15,660	-$615	-$3,225	$475
Kenmore	$12,469	$7,575	$9,090	$4,894	$3,379	$0
Lake Forest Park	$35,527	$3,150	$3,780	$32,377	$31,747	$0
Shoreline	$29,362	$22,575	$27,090	$6,787	$2,272	$0
Woodinville	$5,403	$6,600	$7,920	-$1,197	-$2,517	$0

Exhibit C-1(A)

Implied 2011 Payments for Purpose of Section 15.a.2 (1)

(Showing participation only of those jurisdictions that have expressed interest as of May 27, 2010 in contracting for 2.5 years - actual estimated 2011 payments will be different, based on adjustments for 2011 budgeted total allocable costs, revenues, and the application of budget inflator cap)

	Control	Shelter	Licensing	Total Allocated Costs	2009 Licensing Revenue	Estimated Net Cost
Budgeted Total Allocable Costs (excluding budget infator)	**$1,705,000**	**$3,207,400**	**$943,400**	**$5,855,800**		
Budgeted Non-Licensing Revenue	**$6,500**	**$202,500**	**$45,000**	**$254,000**		
Budgeted Net Allocable Costs	**$1,698,500**	**$3,004,900**	**$898,400**	**$5,601,800**	**$2,967,808**	**-$2,633,992**

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	2009 Licensing Revenue	Estimated Net Cost Allocation	Transition Funding (5)	Credits (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Transitional Licensing Support	Estimated Net Final Cost
200	Bothell	$2,885	$8,732	$1,686	$13,302	$5,723	-$7,579	$1,674	$81	-$5,825	$0	-$5,825
	Carnation	$7,417	$13,406	$5,808	$26,631	$22,113	-$4,518	$0	$1,693	-$2,826	$0	-$2,826
	Duvall	$118,143	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Estimated Unincorporated King County	$28,650	$14,928	$20,651	$64,228	$73,160	$8,932	$0	$0	$8,932	$0	$8,932
	Kenmore	$56,116	$103,886	$42,012	$202,015	$159,211	-$42,804	$0	$37,540	-$5,264	$0	-$5,264
	Kirkland	$15,415	$9,358	$13,735	$38,509	$71,987	$33,479	$0	$0	$33,479	$0	$33,479
	Lake Forest Park	$56,251	$103,360	$44,234	$203,845	$134,311	-$69,533	$0	$48,637	-$20,897	$0	-$20,897
	Redmond	$43,070	$72,732	$37,235	$153,037	$135,347	-$17,690	$0	$14,815	-$2,875	$0	-$2,875
	Sammamish	$80,215	$39,652	$49,637	$169,505	$189,347	$19,842	$0	$0	$19,842	$0	$19,842
	Shoreline	$16,463	$7,789	$10,206	$34,458	$37,918	$3,460	$0	$0	$3,460	$0	$3,460
	Woodinville											
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated area)		**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**-$[illegible]**	**$1,674**	**$102,766**	**$28,027**	**$0**	**$28,027**
220	Beaux Arts	$447	$484	$325	$1,256	$900	-$356	$0	$0	-$356	$0	-$356
	Bellevue	$145,729	$248,274	$97,641	$491,644	$274,346	-$217,298	$0	$96,500	-$120,798	$60,000	-$60,798
	Clyde Hill	$3,536	$4,643	$2,658	$10,837	$8,044	-$2,793	$0	$0	-$2,793	$0	-$2,793
	Estimated Unincorporated King County	$170,844	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Hunts Point	$40,815	$62,090	$21,560	$124,465	$64,509	-$59,956	$0	$0	-$59,956	$0	-$59,956
	Issaquah	$25,894	$39,768	$18,468	$84,131	$55,113	-$29,018	$0	$26,143	-$2,875	$0	-$2,875
	Mercer Island	$13,931	$19,575	$5,983	$39,490	$10,000	-$29,490	$0	$10,569	-$18,921	$0	-$18,921
	Newcastle (7)	$9,916	$15,536	$4,339	$29,790	$14,341	-$15,449	$4,172	$0	-$11,277	$0	-$11,277
	North Bend	$12,448	$22,226	$7,431	$42,106	$23,667	-$18,439	$0	$4,144	-$14,295	$0	-$14,295
	Snoqualmie	$1,065	$1,483	$884	$3,432	$2,864	-$568	$0	$35	-$532	$0	-$532
	Yarrow Point											
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated area)		**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**-$[illegible]**	**$4,172**	**$137,390**	**-$231,804**	**$60,000**	**-$171,804**
240	Burien (includes North Highline Area X Annexation)	$106,877	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Estimated Unincorporated King County	$208,450	$696,894	$90,670	$996,014	$255,365	-$740,649	$334,834	$41,536	-$364,280	$60,000	-$304,280
	Kent (includes Panther Lake Annexation)	$62,145	$113,419	$20,301	$195,864	$53,065	-$142,800	$22,551	$4,645	-$115,603	$10,000	-$105,603
	SeaTac	$47,153	$84,411	$12,915	$144,480	$30,348	-$114,132	$15,925	$2,783	-$95,424	$10,000	-$85,424
	Tukwila											
SUBTOTAL FOR CITIES IN 240 (excludes unincorporated area)		**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**-$[illegible]**	**$373,309**	**$48,964**	**-$678,307**	**$80,000**	**-$495,307**
260	Algona	$144,841	$354,741	$51,441	$551,023	$158,415	-$392,608	$199,649	$0	-$192,960	$0	-$192,960
	Auburn	$10,251	$18,754	$3,755	$32,760	$13,071	-$19,689	$3,664	$0	-$16,025	$0	-$16,025
	Black Diamond	$49,589	$68,464	$16,980	$135,033	$60,534	-$74,498	$15,364	$0	-$59,134	$0	-$59,134
	Covington	$30,596	$57,764	$9,201	$97,561	$22,464	-$75,097	$33,903	$0	-$41,193	$10,000	-$31,193
	Enumclaw	$143,389	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*(see total below)*	*NA*	*NA*	*NA*	*NA*	*NA*
	Estimated Unincorporated King County	$45,960	$68,493	$18,387	$132,840	$62,293	-$70,547	$18,265	$0	-$52,282	$0	-$52,282
	Maple Valley											
	Pacific											
SUBTOTAL FOR CITIES IN 260 (excludes unincorporated area)		**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**$[illegible]**	**-$[illegible]**	**$[illegible]**	**$0**	**-$[illegible]**	**$10,000**	**-$[illegible]**
	TOTAL FOR CITIES	**$1,169,248**	**$2,250,863**	**$608,142**	**$4,018,253**	**$1,938,456**	**-$2,079,797**	**$650,000**	**$289,119**	**-$1,140,678**	**$150,000**	**-$990,678**
	Total King County Unincorporated Area Allocation	***$539,252***	***$754,037***	***$290,258***	***$1,583,547***	***$1,029,352***	***-$554,195***					***-$554,195***

King County Transitional Costs	
• One-Time Implementation Costs (8)	***-$542,500***
• Other Operational and Reform Effort Costs (9)	***-$533,183***
• Transition Funding for Cities	***-$650,000***
• Credits	***-$289,119***
TOTAL FOR KING COUNTY	***-$[illegible]***

Source: KC Office of Management and Budget and Animal Care and Control

Date: May 31, 2010

Exhibit C-1(A) cont'd.

Notes:

1. Assumes the following cities do not participate: Federal Way, Seattle, Renton, Des Moines, Normandy Park, Medina, Skykomish, Milton, Hunts Point, Algona, Pacific, Burien, and Bothell.
2. One quarter of control services costs are allocated to each control district, then costs are further allocated 50% by total call volume (averaged from 2007-2009) and 50% by 2009 population.
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 50% by King County shelter volume intake (averaged for 2008-2009) and 50% by 2009 population. Values for northern cities anticipating using PAWS for sheltering include only the 50% population allocation.
4. Licensing costs are allocated 50% by population and 50% by total number of active licenses (average 2007-2009).
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. Licensing support is allocated to the five cities with the lowest per capita licensing revenue. For additional detail, see Exhibit C-4 for more information.
6. Credits include (1) the Resident Usage Credit, which limits the cost allocation in the regional model to no more than 20% greater than the charge would be under the usage only model for all cities whose net cost is greater than $5,000 and (2) the Impact Mitigation Credit which limits overall net cost increases from cities opting out of the model to not more 10% greater than in the previous model. See Exhibit C-4 for more detail.
7. Newcastle did not license with King County in 2009. The revenue value provided here assumes the 400 licenses issued by Newcastle in 2009 being issued at King County licensing costs.
8. One-time costs associated with model implementation include contract negotiation, IT system upgrade, and transitional licensing support.
9. Other operational costs include services for the mainframe systems and crossroads facility lease, King County unincorporated area only marketing efforts, and various salary and wage contingency elements. Costs associated with enhanced services contracts are revenue backed and are not reported here. Reform effort costs include changes to the clinic reporting structure, hiring consultants to review reform progress, and adding an administrator to support reform efforts. Reform efforts also include hiring an additional vet tech, however, this position will be funded by donations and therefore the cost is not reported here.

Estimated Final Net Costs for Northern Cities Contracting with PAWS, Including PAWS Sheltering Costs

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Bothell						
Kenmore	$8,932	$7,575	$9,090	$1,357	-$158	$0
Lake Forest Park	$33,479	$3,150	$3,780	$30,329	$29,699	$0
Shoreline	$19,842	$22,575	$27,090	-$2,733	-$7,248	$4,373
Woodinville	$3,460	$6,600	$7,920	-$3,140	-$4,460	$1,585

Exhibit C-2

Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Preliminary and Final Estimated 2010 Payment

Source: KC Office of Management and Budget and Animal Care and Control
Date: May 27, 2010

Proposed District	Jurisdiction	Population (1)	3-Year Average Control Calls	2-Year Average Shelter Intake	3-Year Average Active Licenses
200	Bothell (2)	33,240	195	NA	4,301
	Carnation	1,910	19	28	206
	Duvall	5,980	41	20	775
	Estimated Unincorporated King County	103,400	600	*(see total below)*	*(see total below)*
	Kenmore	20,450	176	NA	2,840
	Kirkland	49,010	286	136	4,995
	Lake Forest Park	12,820	83	NA	1,972
	Redmond	51,890	268	112	5,228
	Sammamish	40,670	199	49	4,719
	Shoreline	54,320	511	NA	6,280
	Woodinville	10,670	108	NA	1,344
220	Beaux Arts	315	2	0	45
	Bellevue	120,600	533	299	10,900
	Clyde Hill	2,815	14	2	346
	Estimated Unincorporated King County	92,800	950	*(see total below)*	*(see total below)*
	Hunts Point				
	Issaquah	26,890	195	99	2,379
	Mercer Island	22,720	86	23	2,071
	Newcastle	9,925	62	21	400
	North Bend	4,760	59	39	548
	Snoqualmie	9,730	49	35	771
	Yarrow Pt	965	3	0	112
240	Burien (includes North Highline Area X Annexation)				
	Estimated Unincorporated King County	48,200	750	*(see total below)*	*(see total below)*
	Kent (Includes Panther Lake Annexation)	113,180	1,202	2,481	9,996
	SeaTac	25,730	467	351	2,197
	Tukwila	18,170	373	268	1,207
260	Algona				
	Auburn	67,485	672	1,191	5,325
	Black Diamond	4,180	55	59	468
	Covington	17,530	297	197	2,260
	Enumclaw	11,460	175	191	1,017
	Estimated Unincorporated King County	59,700	750	*(see total below)*	*(see total below)*
	Maple Valley	20,840	220	173	2,250
	Pacific				
City Totals		**758,255**	**6,349**	**5,769**	**74,954**
King County Unincorporated Area Totals		304,100	3,050	1,360	38,156
TOTALS		***1,062,355***	***9,399***	***7,129***	***113,110***

1. Population and usage values have been adjusted to include 2010 annexations with effective dates of July 1, 2010 or earlier (i.e., Burien, Panther Lake).
2. Bothell is opting for a 6 month option. They will not be included in allocations for 2011 and 2012.

Exhibit C-3

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

This Exhibit Shows the Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs to derive Estimated 2010 Payments. All values shown are based on annualized costs and revenues. The staffing levels incorporated in this calculation are for year 2010 only and except as otherwise expressly provided in the Agreement may change from year to year as the County determines may be appropriate to achieve efficiencies, etc.

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

The calculation of 2010 (Annualized) Control Services Costs is shown below (all costs in 2010 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$109,400
2	Direct Service Field Staff Costs	$683,300
3	Call Center Direct Service Staff Costs	$209,300
4	Overtime, Duty, Shift Differential and Temp Costs	$71,500
5	Facilities Costs	$10,200
6	Office and Other Operational Supplies and Equipment	$22,900
7	Printing, Publications, and Postage	$45,000
8	Medical Costs	$25,000
9	Other Services	$80,000
10	Transportation	$155,000
11	Communications Costs	$35,600
12	IT Costs and Services	$57,500
13	Misc Direct Costs	$25,400
14	General Fund Overhead Costs	$17,400
15	Division Overhead Costs	$111,300
16	Other Overhead Costs	$46,200
	2010 Budgeted Total Allocable Control Services Cost	$1,705,000
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Control Services	$6,500
	2010 Budgeted Net Allocable Control Services Cost	$1,698,500

NOTES:

1 Management direct service staff consists of 0.40 FTE Animal Care and Control Manager, 0.40 FTE Operations Manager, and 0.17 Information Technology Manager.

2 Direct Service Field Staff Costs consist of 1.00 FTE Animal Control Officer Sergeant, 1.00 FTE Animal Control Officer Cruelty Sergeant, 6.00 FTE Animal Control Officers.

3 Call center costs for 1.00 FTE Administrative Assistant/Lead and 2.00FTE call takers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The calculation of 2010 (Annualized) Shelter Services Costs is shown below (all costs in 2010 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$154,900
2	Direct Service Shelter Staff Costs	$1,280,200
3	Direct Service Clinic Staff Costs	$399,100
4	Overtime, Duty, Shift Differential and Temp Costs	$205,100
5	Facilities Costs	$150,000
6	Office and Other Operational Supplies and Equipment	$130,200
7	Printing, Publications, and Postage	$5,000
8	Medical Costs	$145,000
9	Other Services	$200,000
10	Transportation	$10,000
11	Communications Costs	$13,200
12	IT Costs and Services	$35,000
13	Misc Direct Costs	$33,300
14	General Fund Overhead Costs	$203,100
15	Division Overhead Costs	$195,500
16	Other Overhead Costs	$47,700
	2010 Budgeted Total Allocable Shelter Services Cost	3,207,400
17	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Shelter Services	$202,500
	2010 Budgeted Net Allocable Shelter Services Cost	$3,004,900

NOTES:

1 Management direct service staff consists of 0.60 FTE Animal Care and Control Manager, 0.60 FTE Operations Manager, and 0.17 Information Technology Manager.

2 Direct Service Shelter Staff Costs consist of 2.00 FTE Animal Control Officer Sergeants, 12.00 FTE Animal Control Officers, 1.00 FTE Placement Specialist, 1.00 FTE Volunteer Coordinator.

3 Direct Service Clinic Staff Costs consist of 2.00 FTE veterinarians and 2.00 FTE veterinarian techs.

4 These additional salary costs support complete processing of animals received late in the day, extra help during kitten season, and limited backfill for vet and vet techs when on vacation.
5 Facilities costs include maintenance and utilities for the majority (95%) of the Kent Shelter (which also houses the call center staff operations and records retention as well as providing a base station for field officers). It excludes all costs associated with the Crossroads facility.
6 This item includes the office supplies as well as a wide variety of non-computer equipment and supplies related to animal care (e.g., uniforms, food, litter, etc.).
7 This cost element consists of printing and publication costs for various materials used at the shelter.
8 Medical costs include the cost for ambulance and hospital care for animals requiring emergency services as well as the cost for consulting vets, laboratory costs, medicine, and vaccines.
9 Services for animal control operations vary by year but include costs such as shipping of food provided free of charge and sheltering of large animals.
10 Transportation costs include the cost of the maintenance, repair, and replacement of and fuel for the animal care and control vehicles used by the shelter to facilitate adoptions, as well as reimbursement for occasional job-related use of a personal vehicle.
11 Communication costs involve the direct service costs for telephone, cell phone, radio, and pager use.
12 Information technology direct costs include IT equipment replacement as well as direct services costs.
13 Miscellaneous direct costs consist of all animal care costs not listed above including but not limited to contingency, training, certification, and bad checks.
14 General fund overhead costs included in this model include building occupancy charges and HR/personnel services. No other General Fund overhead costs are included in the model.
15 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
16 Other overhead costs include IT, telecommunications, finance, and property services.
17 Non-licensing revenue attributable to sheltering operations include impound fees, microchip fees, adoption fees, and owner relinquished euthanasia costs.

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

The calculation of 2010 (Annualized) Licensing Services Costs is shown below (all costs in 2010 dollars).

		Cost Methodology
1	Direct Service Management Staff Costs	$60,000
2	Direct Service Licensing Staff Costs	$423,900
3	Overtime, Duty, Shift Differential and Temp Costs	$30,000
4	Facilities Costs	$13,100
5	Office and Other Operational Supplies and Equipment	$3,300
6	Printing, Publications, and Postage	$166,000
7	Other Services	$15,000
8	Communications Costs	$5,000
9	IT Costs and Services	$85,000
10	Misc Direct Costs	$2,000
11	General Fund Overhead Costs	$25,300
12	Division Overhead Costs	$54,800
13	Other Overhead Costs	$60,000
	2010 Budgeted Total Allocable Licensing Services Cost	$943,400
14	Less 2010 Budgeted Total Non-Licensing Revenue Attributable to Licensing Services	$45,000
	2010 Budgeted Net Allocable Licensing Services Cost	$898,400

NOTES:

1 Management direct service staff consists of 0.17 Information Technology Manager and 0.33 Licensing Section Manager.

2 Direct Service Licensing Staff Costs consist of 0.5 FTE Pet License Supervisor, 1.00 FTE Sales and Marketing Manager, 2.80 FTE Customer Specialists, 1.00 FTE Fiscal Specialist, and 1.00 Administration Assistant.

3 These additional salary costs support overtime costs as well as a limited non-jurisdiction specific marketing effort. These costs do not include the enhanced transitional licensing support to be provided by King County to certain cities.

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

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

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

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

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

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

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

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

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

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

14 Non-licensing revenue attributable to licensing operations consists of licensing late fees.

Exhibit C-4

Transition Funding Credit ("T"), Resident Usage Credit ("U") and Impact Mitigation Credit ("M") Calculation and Allocation

Transition Funding Credit

The Transition Funding Credit has been calculated to offset costs to certain cities on a declining basis over four years. Cities qualifying for this credit, as shown below, are those that under the basic Animal Services cost allocation formula (allocating costs generally based half on population and half on usage), would pay the highest per capita costs in 2010.

To determine the initial level of the Transition Funding Credit, $250,000 has been allocated to Cities with preliminary estimated 2010 cost allocations (before considering offsetting Licensing Revenue) exceeding $6 per capita; an additional $400,000 was allocated to the Cities with preliminary estimated 2010 cost allocations (before considering offsetting Licensing Revenue) exceeding $8 per capita. (The per capita cost allocations used to qualify for this credit may be derived from **Exhibit C-1** in column caption "Estimated Total Cost Allocation" divided by the population for the jurisdiction as shown in **Exhibit C-2**.)

The Transition Funding Credit declines over time: 50% of the annual amount (since the service year is six months, rather than a full year) is allocable to each qualifying City in calculating the Estimated 2010 Payment; 100% of the amount is allocable again in calculating the 2011 Estimated Payment; 66% of the amount is allocable in 2012. If the Agreement is extended for an additional two years, 33% of the amount is available in 2013; no Transition Funding Credit is allocable in 2014.

The credit is only available to a qualifying City if that City has agreed to a 2.5 Year Agreement. Application of the credit can never result in the Estimated Payment Amount being less than zero ($0) (i.e., cannot result in the County owing the City an Estimated Payment).

The allocation of the Transition Funding Credit is shown in **Table 1** below.

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Table 1: Transition Funding Credit – Initial Contract Period and Extension Period

	Initial 2 1/2-Year Contract Period			2-Year Extension Period	
Jurisdiction	2010 Transition Funding (1/2 year)	2011 Transition Funding	2012 Transition Funding	2013 Transition Funding	2014 Transition Funding
Carnation	$836	$1,674	$1,105	$552	$0
North Bend	$2,086	$4,172	$2,753	$1,376	$0
Kent	$167,417	$334,834	$220,990	$110,495	$0
SeaTac	$11,275	$22,551	$14,884	$7,442	$0
Tukwila	$7,962	$15,925	$10,510	$5,255	$0
Auburn	$99,824	$199,649	$131,768	$65,884	$0
Black Diamond	$1,832	$3,664	$2,418	$1,209	$0
Covington	$7,682	$15,364	$10,140	$5,070	$0
Enumclaw	$16,592	$33,903	$22,376	$11,188	$0
Maple Valley	$9,133	$18,265	$12,055	$6,027	$0

Notes:

1. The transitional funding credit is the same regardless of which cities sign an Agreement.

Resident Usage Credit

The Resident Usage Credit has been calculated to offset the costs of certain cities agreeing to a 2.5 year Agreement that have a low use of King County animal services relative to their population. The amount of the credit is different depending on whether the City of Bothell is receiving service during a given Service Year. The credit has been determined by comparing the estimated cost Cities would pay on an annualized basis in 2010 if the regional payment model was based solely on usage (including estimated costs payable to PAWS by cities that will be contracting for shelter services with PAWS) to the cost payable under the adopted model (which incorporates both usage and population, including estimated costs payable to PAWS by Northern Cities that will be contracting for shelter services with PAWS). The credit is set so that no City that has a Preliminary Estimated 2010 Cost Allocation after considering 2009 Licensing Revenue (as shown in **Exhibit C-1** in the column captioned "Estimated Net Cost Allocation") of over $5,000 (an annualized cost) pays more than 120% above what it would pay under a usage-based model that assumes all cities that expressed interest in participating as of May 5, 2010 sign an Agreement; *provided that,* a City must sign a 2.5 year Agreement to qualify for the credit; and *provided further,* that credits are fixed in amount as shown in **Table 2** below and will not change regardless of which Cities sign the Agreement. As annualized, the credit is carried forward each year without change through 2012. Application of the credit can never result in the Final Estimated Payments for any Service Year being less than $2,750 for receipt of Animal Services in that year if Bothell is served under an Agreement in such Service Year and not

less than $2,875 for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services). These minimum values are annualized (thus, for example, in 2010, if Bothell is served, the Final Estimated Payments cannot be less than $2750 ÷ 2 = $1,375).

Table 2: Resident Usage Credit (Annualized Values) (1)

Jurisdiction	For Service Years in which the City of Bothell Is Receiving Animal Services under an Agreement	For Service Years in Which the City of Bothell Is Not Receiving Animal Services
Kirkland	$20,084	$20,433
Kirkland PAA(2)	$16,465	$16,935
Redmond	$34,961	$35,692
Sammamish	$9,140	$14,815
Bellevue	$91,697	$93,703
Mercer Island	$25,113	$26,143
Newcastle	$8,796	$9,071
Snoqualmie	$3,958	$4,144

Notes:

1. The residential usage credit does not change with time; it only varies based on whether Bothell is receiving services. Thus, if Bothell signs a 6 month Agreement (e.g., ending December 2010), the credit payable in 2010 will be one half the value in column 2 above; the credit payable in 2011 will be the amount in column 3.
2. Kirkland will receive this credit from and after the time the Kirkland PAA is annexed, in addition to the credit noted in the row above labeled "Kirkland."

Impact Mitigation Credit

The purpose of this credit is to limit the impact to Contracting Cities signing for a 2.5 year Agreement as a result of three cities (Burien, Algona and Pacific) deciding as of May 5, 2010, that they would not participate in the model, as compared to the costs presented to all cities in April, 2010, and assuming all other Cities shown in **Exhibit C-1** sign the Agreement. The amount of the credit is sized to ensure that a City's Preliminary Estimated Payment *after* applying the Residential Use Credit and the Transition Funding Credit is not greater than 10% more than the Preliminary Estimated 2010 Cost from the April 2010 model and not greater than 15% more than such Cost if Bothell does not contract for service past December 2010; *provided* that the credit amounts are fixed as shown in **Table 3** below and will not change regardless of which Cities sign the Agreement; *provided further* that only Cities signing a 2.5 year agreement qualify for the

credit; and *provided further that* application of the credit can never result in the Estimated Payment Amount, of less than $2,750 for receipt of Animal Services in that Service Year if Bothell is served under an Agreement in such Service Year and not less than $2,875 for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services). These minimum values are annualized (thus, for example, in 2010, if Bothell is served, the Final Estimated Payments cannot be less than $2750 ÷ 2 = $1,375).

The allocation of the Impact Mitigation Credit is shown on **Table 3.**

Table 3: Impact Mitigation Credit (Annualized Values) (1, 2)

Jurisdiction	For Service Years in which the City of Bothell Is Receiving Animal Services under an Agreement	For Service Years in Which the City of Bothell Is Not Receiving Animal Services
Bothell (2)	$475	
Carnation		$81
Duvall	$865	$1,693
Kirkland	$10,473	$17,107
Redmond	$8,098	$12,945
Shoreline (2)		$4,373
Woodinville (2)		$1,585
Bellevue	$1,334	$2,797
Newcastle	$2,170	$1,498
Yarrow Point		$35
Kent	$49,065	$41,536
SeaTac	$7,953	$4,645
Tukwila	$5,644	$2,783
Enumclaw	$169	

Notes:

1. These credits do not change over the period of the Agreement.
2. These credits assume that these cities' costs to shelter animals at PAWS exceed their estimated rebate by greater than $2,750 in Column 2 situation (Bothell served) and $2,875 in the Column 3 situation (Bothell not served). At reconciliation, if a City with a PAWS shelter contract cannot demonstrate this, it will not receive the credit. Regardless of how great a PAWS shelter contract cost is, the credit cannot exceed the amount shown here.

Exhibit C-5

Transitional Licensing Revenue Support Services Provided in 2010

The Cities that will receive Transitional Licensing Revenue Support Services in 2010 are listed below. These Cities have been selected by determining which cities in 2009 had the lowest per-capita licensing revenue amongst all cities to which the County was then providing animal care and control services, and (as shown in **Exhibit C-1**).

City of Bellevue
City of Kent
City of SeaTac
City of Tukwila
City of Enumclaw

The Transitional Licensing Revenue Support Services to be provided in 2010 are detailed in Section 7 of the Agreement. The 2010 Estimated Payment for these Cities incorporates the estimated revenue expected to result from these services.

Exhibit C-6:

Summary of Calculation Periods for Use and Population Components

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

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

Calculation Periods -- Service Year 2010

Component	**Estimated 2010 Payment** (Exhibit C-1)	**Final Estimated 2010 Payment**	**Reconciliation Payment Amount** (determined June 2011)
ER	**2009**	**Same**	**Actual 2010 (July-December)**
CFS	**2007-2009**	**Same**	**Actual 2010 (July-December)**
A	**2008-2009**	**Same**	**Actual 2010 (July-December)**
I	**2007-2009**	**Same**	**Actual 2010 (July-December)**
Pop, D-Pop	**July 2009 OFM report, adjusted for annexations known approved to occur in or prior to 2010**	**Same**	**US Census (published April 2011)**

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Calculation Periods -- Service Year 2011

Component	Preliminary Estimated 2011 Payment (published August 2010)	Estimated 2011 10 Payment (published December 2010)	Reconciliation Payment Amount (determined June 2012)
ER	2007-2009	Same	Actual 2011
CFS	2007-2009	Same	Actual 2011
A	2008-2009	Same	Actual 2011
I	2007-2009	Same	Actual 2011
Pop, D-Pop	July 2010 OFM report, adjusted for annexations known approved to occur in or prior to 2011.	Same (corrected if necessary for annexations approved after August 2010 and effective during or before 2011)	July 2011 OFM report, adjusted for annexations approved after April 2011 to take effect in 2011

Calculation Periods: Service Year 2012

Component	Preliminary Estimated 2012 Payment (published August 2011)	Estimated 2012 10 Payment (published December 2011)	Reconciliation Payment Amount (determined June 2013)
ER	Actual 2010	Same	Actual 2012
CFS	Actual 2010	Same	Actual 2012
A	Actual 2010	Same	Actual 2012
I	Actual 2010	Same	Actual 2012
Pop, D-Pop	July 2011 OFM report, adjusted for annexations known approved to occur in 2012.	Same (corrected if necessary for annexations approved after August 2011 and effective during or before 2012)	July 2012 OFM report, corrected if necessary for annexations approved after April 2012 to take effect in 2012

Exhibit C-7

Payment and Calculation Schedule

Service Year 2010 (July 1, 2010 – December 31, 2010)

Item	Date
Final Estimated 2010 Payment calculation provided to City by County	August 1, 2010
2010 Estimated Payment payable by City (or County, if a credit is calculated)	January 15, 2011
Reconciliation Adjustment Amount for 2010 calculated by County; City notified	On or before June 30, 2011
Reconciliation Adjustment Amount for 2010 payable by City (or County, if a credit is calculated)	August 15, 2011

Service Year 2011

Item	Date
Preliminary estimate of 2011 Estimated Payments provided to City by County	August 1, 2010
Final Estimated 2011Payment calculation provided to City by County	December 15, 2010
First 2011 Estimated Payment due	June 15, 2011
Second 2011 Estimated Payment due	December 15, 2011
2011 Reconciliation Adjustment Amount calculated	On or before June 30, 2012
2011 Reconciliation Adjustment Amount payable	August 15, 2012

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Service Year 2012

Item	Date
Preliminary estimate of 2012 Estimated Payments provided to City by County, (together with notice of reminder of deadline for giving notice of intent not to automatically extend Agreement an additional two years.)	August 1, 2011
Final Estimated 2012 Payment calculation provided to City by County	December 15, 2011
Notice of Intent not to Automatically Extend Agreement due	May 1, 2012
First 2012 Estimated Payment due	June 15, 2012
Second 2012 Estimated Payment due	December , 2012
2012 Reconciliation Adjustment Amount calculated	On or before June 30, 2013
2012 Reconciliation Adjustment Amount payable	On or before August 15, 2013

If the Agreement is extended past December 31, 2012, the schedule is developed in the same manner as described above for years 2011 and 2012.

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

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

Exhibit D
Reconciliation

The purpose of the reconciliation calculation is to adjust payments made each Service Year by Contracting Parties to reflect actual use, population, licensing rates and licensing and non-licensing revenue data as compared to the Estimated Payments made. To accomplish this, an **Adjusted Payment "AP"** calculation is made each June for each Contracting City, ***using the same formulas from Exhibit C but substituting actual values*** as described below (with one additional component calculation related to Enhanced Service Contracts).

For Service Year 2010, **AP** is calculated based on actual values from the six month period of the Agreement from July-December 2010, compared against the 2010 Final Estimated Payment for the same six month period, thus:

EP – AP = R

For Service Years 2011 and beyond, **AP** is an annualized number, and is compared to the total Estimated Payments owed by the Party for the Service Year ("**EP x 2**") to determine a **Reconciliation Adjustment Amount ("R")**, thus:

(EP x 2) – AP = R

The value of "**R**" can be positive or negative; *provided that* in no event shall a City receiving a Transition Funding Credit for the Service Year pay less than $0 for receipt of Animal Services in that year, and in no event shall a City receiving a Resident Usage Credit or Impact Mitigation Credit for the Service Year pay less than $2,750 (annualized) for receipt of Animal Services in that year if Bothell is served, nor less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is *not* served in such year (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

As described in **Exhibit C**, the amount of the Estimated Payment(s) ("**EP**") for each Service Year are derived from applying **Budgeted Net Allocable Costs** and ***historical*** (**Calculation Period**) use, population and licensing data to the formulas set forth in **Exhibit C. These formulas are restated below, substituting actual value components** (denoted by an "A" in subscript) for purposes of calculating "**AP**." **Terms not otherwise defined here have the meanings set forth elsewhere in Exhibit C or the body of the Agreement.**

$$AP = [AC + AS + AL - AR - T - U - M]$$

Where:

$$AC = \{[(C_A \times .25) \times .5] \times CFS_A\} + \{[(C_A \times .25) \times .5] \times D\text{-}Pop_A\} + O$$

AS *(for "Northern Cities" with shelter contracts with PAWS)* $= (S_A \times .5 \times Pop_A) \div 2$

AS *(for all other cities)* $= [S_A \times .5 \times Pop_A)] + (ESP_A \times Pop_{2A}) + (S_A \times .5 \times A_A)$

$$AL = [(L_A \times .5 \times Pop_A) + (L_A \times .5 \times I_A)]$$

And where:

"AC" is the City's adjusted share of the Control Services Cost for the Service Year.

"AS" is the City's adjusted share of the Shelter Services Cost for the Service Year.

"AL" is the City's adjusted share of the Licensing Services Cost for the Service Year.

"T" is the Transition Funding Credit, if any, for the Service Year, provided that the Transition Credit will be limited if necessary so that the value of **AP** is not less than zero.

"U" is the Resident Usage Credit, if any, for the Service Year, provided that the Resident Usage Credit will be limited if necessary so that the value of **AP** is not less than $2,750 (annualized) for receipt of Animal Services in that year if Bothell is served and not less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

"M" is the Impact Mitigation Credit, if any, for the Service Year, provided that the Impact Mitigation Credit will be limited if necessary so that the value of **AP** is not less than $2,750 (annualized) for receipt of Animal Services in that year if Bothell is served and not less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

"AR" is **Actual Licensing Revenue** attributable to the City, based on actual Licensing Revenues received from residents of the City in the Service Year. (License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete

address information), will be allocated amongst the Parties based on their respective percentages of total AR).

"C_A" is **Adjusted Budgeted Net Allocable Control Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Control Services in the Service Year, ***less*** the Actual Total Non-Licensing Revenue attributable to Control Services in the Service Year.

"**CFS_A**" is the actual total annual number of Calls for the Service Year for animal control services originating within the City *expressed as a percentage* of the CFS_A for all Contract Parties within the Control District. Calls responded to by an Animal Control Officer dedicated to the City per an Enhanced Service Contract are not included in the calculation of CFS_A.

"**D-Pop_A**" is the **Adjusted Population** of the City, *expressed as a percentage* of the Population of all jurisdictions within the applicable Control District (pro- rated if necessary to account for annexations over 2,500 occurring during the Service Year)

"**Pop_A**" is the Adjusted Population of the City *expressed as a percentage* of the Population of all Contracting Parties (pro-rated if necessary to account for annexations over 2,500 occurring during the Service Year)

"**O**" is the Support Cost Adjustment Factor amount associated with Enhanced Control Service, if any, as further described in **Exhibit D-1**.

"S_A" is the **Adjusted Budgeted Net Allocable Shelter Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for Shelter Services ***less*** Actual Total Non-Licensing Revenue attributable to Shelter operations (i.e., adoption fees, microchip fees, impound fees, owner-surrender fees, from all Contracting Parties) in the Service Year.

"**ESP_A**" is the is the sum of all reduced shelter costs allocable to all cities qualifying for such reduced charge in the Service Year (thus incorporating values of **Pop_A**).

"**A_A**" is the sum of the actual number of animals that during the Service Year that were: (1) picked up by County Animal Control Officers from within the City, (2) delivered by a City resident to the County shelter, or (3) delivered to the shelter that are owned by a resident of the City, *expressed as a percentage* of the total number of animals in the County shelter during the Service Year.

"L_A" is the **Adjusted Budgeted Net Licensing Services Cost** for the Service Year, which equals the County's Budgeted Total Allocable Costs for License Services in the Service Year ***less*** Actual Total Non-Licensing Revenue attributable to License Services (for example, pet license late fees) in the Service Year.

"I_A" is the actual number of active paid regular pet licenses (e.g., excluding buddy licenses or temporary licenses) issued to City residents during the Service Year.

If the resulting calculation shows that the City's **AP** for the Service Year is *less than* **EP** for Service Year 2010 (**EP x 2** for Service Years 2011 and beyond), the difference ("**R**") shall be paid to the City by the County not later than August 15; provided that **R** shall be limited such that in no event shall the City pay less than zero for Animal Services for the Service Year if the City received a Transition Credit, and not less than $2750 (annualized) in that year if Bothell is served and not less than $2,875 (annualized) for receipt of Animal Services in that year if Bothell is not served (for Northern Cities with PAWS contracts in effect as of July 1, 2010, calculations are made inclusive of a City's actual payments for such year to PAWS for shelter services).

If the resulting calculation shows that the City's AP is *more than* the EP for the Service Year, the difference ("**R**") shall be paid by the City to the County not later than August 15.

Exhibit D-1

Calculation of Support Cost Adjustment Factor Associated with Enhanced Control Service ("O")

The Support Cost Adjustment Factor is intended re-allocate certain indirect costs associated with Animal Control Officers (ACOs) when an Enhanced Control Service Contract is in place for any Contracting Party and the Enhanced Service is being provided during Regular ACO Service Hours as defined in Exhibit A, Part I, Section 2.a.

If a Contracting Party purchases Enhanced Control Service during any part of a Service Year, and that Enhanced Control Service is provided **during Regular ACO Service Hours,** then a Support Cost Adjustment Factor ("**O**") will be calculated for all Contracting Parties ***in the same Control District.*** This calculation will be applied as part of the reconciliation process.

If no Contracting Party within the Control District purchased Enhanced Control Service during any part of a Service Year, or if Enhanced Control Service was purchased but was **not provided during Regular ACO Service Hours,** then there is no Support Cost Adjustment Factor (that is, the value of "**O**" is zero).

If "**O**" is not zero, its value will be calculated as follows:

First, identify the *Non-Direct Service Support Costs for Control Services in a single Control District* (including the management, animal cruelty sergeant, call center and IT costs and general overhead costs; excluding salary, benefits, vehicle and equipment costs).

Second, divide this Non-Direct Service Support Cost number by 2 (since half these costs are funded through the population-based factor in calculation of "C_A"), to derive the *Allocable Support Costs.*

Third, divide the *Allocable Support Costs* by 6 (the number of regular ACOs funded in the base service model) **plus** the number of Enhanced Animal Control Service Officers providing service in the Control District. *For example,* if a City (or Cities) in the Control District has purchased .5 FTE equivalent of Enhanced Service, the divisor is 6.5. The resulting dollar amount is then multiplied by the FTE equivalent for the Enhanced Service officer (in this example, .5) to derive the *Support Cost Adjustment Factor.*

The *Support Cost Adjustment Factor* is then applied as follows to determine the value of "**O**" for each Contracting Party in the Control District:

1. One Half the Support Cost Adjustment Factor multiplied by the Contracting Party's percentage of Calls for Service (CFSA) is applied as a **reduction in costs for all Contracting Parties** in the Control District.

2. One Half the Support Cost Adjustment Factor (shared pro rata if Parties are sharing an Enhanced Control Service officer within the same Control District) is applied as an **addition in costs** for the Contracting Party purchasing Enhanced Service.

A hypothetical example follows, based on 2010 *Annualized Costs*, assuming .5 FTE Enhanced Control Service purchased by 1 City in a Control District:

Total Allocable Control Service Costs in the base model (excluding costs of enhanced service officer):	$1,698,500
Allocable Control Service Costs per District ($1,698,500 ÷ 4)	$424,625
Non-Direct Service Support Costs for Control Services in a Single Control District	$196,450
Allocable Support Costs (allocable based on Use) ($196,450 ÷ 2)	$98,225
Support Cost Adjustment Factor ($98,225 ÷ 6.5) x .5FTE	$7,556
Assume 4 Parties in Control District City A % of Calls for Service, actual (CFSA) = 20% City B CFSA = 30% City C CFSA = 10% County CFSA = 40% Assume City A purchases .5 FTE Enhanced Control Service for the full Service Year. Resulting 2010 annualized costs for "O" shown for each City and County in the rows below:	
City A value of "O" is an additional cost of ($7,556÷ 2) - [20% x ($7,556 ÷ 2)] = $3,778 - $75 6 = $3,022	$3,022
City B value of "O" is a cost reduction of 30% x ($7,556 ÷ 2)	- $1,133
City C value of "O" is a cost reduction of 10% x ($7,556 ÷ 2)	- $378
County value of "O" is a cost reduction of 40% x ($7,556 ÷ 2)	- $1,511

Exhibit E

Enhanced Control Services Contract (Optional)

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

The County is prepared to offer Enhanced Control Services to the City subject to the terms and conditions as described herein. **The provisions of this Exhibit are optional and shall not be effective unless this Exhibit is executed by both the City and the County and the City and the County have entered into the underlying Agreement.** The Parties may agree to enter into this Enhanced Control Services Contract ("Contract") at any point during the term of the Animal Services Interlocal Agreement between the City and the County dated effective July 1, 2010 ("Agreement") and prior to August 1, 2011.

A. The County shall provide enhanced Control Services to the City in the form of an animal control officer dedicated to the City ("Dedicated Officer") as described in **Attachment A (Enhanced Service Options Matrix).** Such services shall be provided for the period of time and cost described on **Attachment A** and may not be for a term of less than one year except as per subparagraph 1 below. Costs identified in **Attachment A** are for one (1) year of service, in 2010 dollars, and include the cost of the employee (salary, benefits), equipment and animal control vehicle for the employee's use. Thus, the cost for service for July 1 through December 31, 2010 will be one-half the amount shown in **Attachment A.** Annual costs are subject to adjustment each year, limited by the Annual Budget Inflator Cap (as defined in the Agreement).

1. Notwithstanding the foregoing, a City requesting enhanced control services beginning in July 2010 can require that its Contract term end on December 31, 2010, in the event the County implements (at the County's expense) an additional 2 days per week of Control Services countywide beginning in January 2011 (resulting in 7-day per week/8 hour day minimum). If such additional service is not funded by the County, the City's Contract for enhanced Control Services will remain in effect for such longer period as the City has requested (not less than one-year in total).

B. Services of the Dedicated Officer shall be in addition to the Animal Services otherwise provided to the City by the County through the Agreement. Accordingly, the calls responded to by the Dedicated Officer shall **not** be incorporated in the calculation of the City's Calls for Service (as further described in **Exhibit C and D** to the Agreement). However, if the City is requesting that the Enhanced Service occur during Regular ACO Service Hours, the City will pay a Support Cost Adjustment Factor as part of the

Reconciliation Adjustment Amount, calculated per **Exhibit D-1** of the Agreement, in addition to the costs described herein.

C. The scheduling of work by the Dedicated Officer shall be determined by mutual agreement of the contract administrators identified in Section 16 of the Agreement, and the mutual agreement of officials of other Cities named as contract administrators that have committed to sharing in the expense of the Dedicated Officer; provided in the event the parties are unable to agree, the County shall have the right to finally determine the schedule of the Dedicated Officer in order to best meet the requests of multiple cities in light of work rules applicable to the Dedicated Officer.

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

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

F. An FTE will be scheduled to serve 40 hour weeks, however, with loss of service hours potentially attributable to vacation, sick leave, training and furlough days, a minimum of 1600 hours per year will be provided. Similarly, a half-time FTE will provide a minimum of 800 hours per year. The County shall submit to the City an invoice and billing voucher at the end of each calendar quarter, excepting that during the 4th quarter of each year during the term of this Contract, an invoice shall be submitted to the City no later than December 15th. All invoiced amounts shall be payable by the City within 30 days of the invoice date.

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

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

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

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

Exhibit E: Attachment A

ENHANCED CONTROL SERVICES OPTION REQUEST

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

City_____

Requested Enhanced Control Services Start Date: _____

Requested Enhanced Control Services End Date: _____*

***term of service must be at least one year, except as provided in Paragraph A.1 (alternate service end date must be provided in event sales tax vote is not approved).**

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

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

_____

_____

_____.

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

_____

_____

_____

_____.

On behalf of the City, the undersigned understands and agrees that the County will attempt to honor requests but reserves the right to propose aggregated, adjusted and variously scheduled service, *including but not limited to adjusting allocations of service from increments of 20% to 25%*, in order to develop workable employment and scheduling for the officers within then-existing workrules, and that the City will be allowed to rescind or amend its request for Enhanced Control Services as a result of such proposed changes.

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

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

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

Cities may propose a different allocation approach for County consideration.

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

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

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

*2010 annual cost; subject to annual inflator adjustment as described in Paragraph A.

Request Signed as of this ___ day of _____ , 2010.
City of _____
By:_____
Its _____