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CITY OF DUVALL

2018 Regional Animal Services Interlocal Agreement

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This AGREEMENT is made and entered into effective as of this 1st day of January, 2018, by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the City of Duvall, a Washington municipal corporation (the "City").

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

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

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

WHEREAS, the City and the County are parties to an Animal Services Interlocal Agreement for 2013 through 2015 which, as extended, will terminate on December 31, 2017 (the "2013 Agreement"); and

WHEREAS, nothing in this Agreement is intended to alter the provision of service or manner and timing of compensation and reconciliation specified in the 2013 Agreement for services provided through December 31, 2017; 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

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 2018 Animal Services Interlocal Agreement, including any and all Exhibits hereto. Unless the context clearly indicates otherwise, the term "Agreement" is intended to reference all 2018 Animal Services Interlocal Agreements by and between the County and other Contracting Cities.

   b. "**Animal Services**" means Control Services, Shelter Services and Licensing Services combined, as these services are described in **Exhibit A**. Collectively, "Animal Services" are sometimes referred to herein as the "**Program**."

   c. "**Contracting Cities**" means all cities, including Latecomer Cities, that are parties to an Agreement.

   d. "**Contracting Parties**" means all Contracting Cities and the County.

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

   f. "**Enhanced Control Services**" are additional Control Services that the City may purchase under certain terms and conditions as described in **Exhibit E** (the "Enhanced Control Services Contract").

   g. "**Enhanced Licensing Support Services**" are additional Licensing Support Services that the City may purchase under certain terms and conditions as described in **Exhibit F ("Enhanced Licensing Support Services – Terms of Service")**

   h. "**Latecomer City**" means a city receiving animal services under an agreement with the County executed after January, 2018, per the conditions of Section 5.

   i. "**Parties**" means the City and the County.

j. "**Service Year**" means the calendar year in which Animal Services are or were provided pursuant to this Agreement.

2. **Services Provided**. Beginning January 1, 2018, the County will provide the City with Animal Services described in **Exhibit A**. The County will perform these services on behalf of the City, consistent with governing City ordinances adopted in accordance with Section 3. In providing such Animal Services consistent with **Exhibit A**, the County will engage in good faith with the Joint City-County Collaboration Committee to develop potential adjustments to field protocols; provided that, the County shall have sole discretion as to the staffing assigned to receive and dispatch calls and the manner of handling and responding to calls for Animal Service. Except as set forth in Section 10 (Indemnification and Hold Harmless), services to be provided by the County pursuant to this Agreement do not include services of legal counsel, which shall be provided by the City at its own expense.

   a. Enhanced Control Services. The City may request Enhanced Control Services by completing and submitting **Exhibit E** to the County. Enhanced Services will be provided subject to the terms and conditions described in **Exhibit E**, including but not limited to a determination by the County that it has the capacity to provide such services.

3. **City Obligations.**

   a. Animal Regulatory Codes Adopted. To the extent it has not already done so, the City shall promptly enact an ordinance or resolution that includes license, fee, penalty, enforcement, appeal, 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 provisions that differ from those of the County and of any amendments to the City Ordinance adopted subsequent to the effective date of this Agreement.

   b. Authorization to Act on Behalf of City. Beginning January 1, 2018, 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 conducted by the King County Hearing Examiner or the County's successor administrative appeals body or officer on behalf of the City unless either the City or the County determines that the particular matter should be heard by the City.

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

c. Cooperation and Licensing Support. The City will assist the County in its efforts to inform City residents regarding animal codes and regulations and licensing requirements and will promote the licensing of pets by City residents through various means as the City shall reasonably determine, including but not limited to offering the sale of pet licenses at City Hall, mailing information to residents (using existing City communication mechanisms such as bill inserts or community newsletters) and posting a weblink to the County's animal licensing program on the City's official website. The City will provide to the County accurate and timely records regarding all pet license sales processed by the City. All proceeds of such sales shall be remitted to the County by the City on a monthly basis (no later than fifteen (15) calendar days from the end of each calendar month) or more frequently.

4. **Term.** This Agreement will take effect on January 1, 2018 and, unless extended pursuant to subparagraphs 4a or 4b, shall remain in effect until December 31, 2022.

a. **Automatic Extension.** The Agreement shall automatically continue for a second five year term, until December 31, 2027, unless one or more of the Contracting Parties provide written notice by June 30, 2021, of their intent to opt out of a second term. Notice from contracting cities is to be provided in writing to the County, who will subsequently inform the other city partners, in writing, within 14 days of the County receiving the written notification.

b. **Contingent Extension.** If one or more Contracting Cities provides written notice to the County of its intent to opt out of a second term, the Agreement shall continue for a second five-year term, until December 31, 2027, if:

(i) the cost to any remaining party is not estimated to increase by more than ten percent, based on the Estimated Animal Services Cost Allocation to the City (the cost allocation before revenue and credit off-sets) as noted in the Estimated Payment Calculation that includes the non-renewing party, compared to the Estimated Animal Services Cost Allocation to the City in the Estimated Payment Calculation that excludes the non-renewing City; and

(ii) no later than March 1, 2022, the remaining Parties agree in writing upon terms that substantially carry forward the cost and service levels in the initial term. If the Parties do not reach agreement on such revised terms by March 1, 2022, the automatic extension is not effective, and this Agreement shall terminate at the end of the initial term.

c. **Date References.** For purposes of construing date specific rights and responsibilities of the Parties upon extension of this Agreement for a second term, references in this Agreement to an initial term date shall mean a date that is five years later. This subsection is not intended to authorize more than one five-year extension period.

d. **Termination.** Any Contracting Party may, without cause and in its sole discretion, determine not to renew this Agreement for a second term by providing written notice of its decision to the other parties no later June 30, 2021. The Agreement may not be terminated for convenience during either the first or second term. Notice from contracting cities is to be provided in writing to the County, who will subsequently inform the other city partners, in writing, within 14 days of the County receiving the written notification.

5. **Latecomers.** The County may sign an agreement with additional cities for provision of animal services prior to the termination or expiration of this Agreement, but only if the later agreement will not cause either a decrease in the level of services provided to the Cities by the County or an increase in the costs payable by the Cities to the County under this Agreement. Cities that are party to such agreements are referred to herein as "Latecomer Cities."

6. **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 7 below and Exhibit D, in order to reconcile the Estimated Payments made by the City in the prior Service Year. The City will pay the Estimated Payment, and any applicable Reconciliation Adjustment Amounts as follows (a list of payment-related notices and dates is included at Exhibit C-7):

   a. **Service Year 2018:** The County will provide the City with a calculation of the Estimated Payment amounts for Service Year 2018 on or before December 15, 2017, which shall be derived from the Estimated 2018 Payment Amount set forth on **Exhibit C-1**, adjusted if necessary based on the Contracting Cities and other updates to Calendar Year data in **Exhibit C-2**. The City will pay the County the Estimated Payment Amounts for Service Year 2018 on or before August 15, 2018. The Reconciliation Adjustment Amount for Service Year 2018 shall be paid by the City, or by the County if the calculation shows the City is entitled to receive a payment from the County, on or before August 15, 2019, as described in this section.

   b. **Service Years after 2018.**

      i. 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**.

      ii. Estimated Payments Due August 15. The City will pay the County the Estimated Payment Amount on or before each August 15.

      iii. The Reconciliation Adjustment Amount for the prior Service Year shall be paid on or before August 15 of the following calendar year, as described in Section 7.

      iv. If a Party fails to pay an Estimated Payment or Reconciliation Adjustment Amount within 15 days of the date owed, the Party owed shall notify the owing Party that they have ten (10) days to cure non-

payment. If the Party fails to cure its nonpayment within this time period following notice, the amount owed shall accrue interest thereon at the rate of 1% per month from and after the original due date and, if the nonpaying Party is the City, the County at its sole discretion may withhold provision of Animal Services to the City until all outstanding amounts are paid. If the nonpaying Party is the County, the City may withhold future Estimated Payments until all outstanding amounts are paid. Each Party may examine the other's books and records to verify charges.

v. Unless the Parties otherwise direct, payments shall be submitted to the addresses noted at Section 15.g.

c. **Payment Obligation Survives Expiration or Termination of Agreement.** The obligation of the City (or as applicable, the County), to pay an Estimated Payment Amount or Reconciliation Adjustment Amount for a Service Year included in the term of this Agreement shall survive the Expiration or Termination of this Agreement. For example, if this Agreement terminates on December 31, 2022, the Estimated 2022 Payment is nevertheless due on or before August 15, 2022, and the Reconciliation Adjustment Amount shall be payable on or before August 15, 2023.

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

7. **Reconciliation of Estimated Payments and Revenues.**

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

or before August 15 of the then current year, regardless of the prior termination of the Agreement as per Section 5.c.

b. The Parties intend that the provision of Animal Services becomes more financially sustainable over the term of this Agreement.. The County will develop proposals designed to support this goal. The County will consult with the Joint City-County Collaboration Committee on any proposals to generate new revenue.

c. The Parties do not intend for the provision of Animal Services or receipt of such Services under this Agreement to be a profit-making enterprise. Where a Contracting Party receives revenues in excess of its costs under this Agreement (including costs of PAWS (or other animal services provider,) shelter service, Enhanced Control Service, and Enhanced Licensing Support Services, if applicable), they will be reinvested in the Program to reduce the County's costs of the system that are not included in the allocation to cities and to improve service delivery.

8. **Enhanced Licensing Support Services**

a. A City may request Enhanced Licensing Support Services from the County during the term of this Agreement by executing **Attachment A** to **Exhibit F**. The terms and conditions under which such Enhanced Licensing Support Services will be provided are further described at **Exhibit F**. Provision of Enhanced Licensing Support Services during the term of this agreement is ***subject to*** the County determining it has capacity to provide such services. Provision of Enhanced Licensing Support Services is further subject to the Parties executing an Enhanced Licensing Support Services Agreement and Acknowledgement Form (**Exhibit F, Attachment A**).

b. In addition to other terms described in **Exhibit F**, receipt of Enhanced Licensing Support Services is subject to the recipient City providing in-kind services, including but not limited to: assisting in communication with City residents; publicizing any canvassing efforts the Parties have agreed should be implemented; assisting in the recruitment of canvassing staff, if applicable; and providing information to the County to assist in targeting its canvassing activities, if applicable.

c. The County has the option to implement Enhanced Licensing Support Services for cities receiving transition and shelter credits.

9. **Mutual Covenants/Independent Contractor.** The Parties understand and agree that the County is acting hereunder as an independent contractor and that:

   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 all issues arising under this Agreement, including but not limited to citizen complaints, service requests and general information on animal control services is the Manager of Regional Animal Services.

10. **Indemnification and Hold Harmless.**

   a. City Held Harmless. 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.

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

The parties to the dispute shall share equally the costs of mediation and assume their own costs.

12. **Joint City-County Collaboration Committee.** A committee composed of 3 county representatives (appointed by the County) and one representative from each Contracting City that chooses to appoint a representative shall meet upon reasonable request of a Contracting City or the County, but in no event shall the Committee meet less than twice each year. Committee members may not be elected officials. The Committee shall review service, revenue and cost issues and make recommendations regarding efficiencies and improvements to services and revenues, and shall review and make recommendations regarding the conduct and findings of the collaborative initiatives. 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 Collaboration Committee. Recommendations of the Joint City-County Collaboration Committee are non-binding. The collaborative initiatives to be explored include, but are not necessarily limited to:

    a. Services provided (as described in Section 2 of this agreement); Control Services; Shelter Services and Licensing Services;

    b. RASKC Revenues and Costs, including any future proposals for significant revenues to support RASKC.

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

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

15. **General Provisions.**

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

b. Survivability. Notwithstanding any provision in this Agreement to the contrary, the provisions of Section 10 (Indemnification and Hold Harmless) shall remain operative and in full force and effect, regardless of the withdrawal or termination of this Agreement.

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

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

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

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

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

For the City:
City of Duvall
Attn: City Clerk's Office
P.O. Box 1300
Duvall, WA 98019

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective as of January 1, 2018.

King County

Dow Constantine
King County Executive

8/29/17
Date

Approved as to Form:

King County
Deputy Prosecuting Attorney

8.10.17
Date

City of Duvall

Will Ibershof, Mayor
City Manager/Mayor

7/18/17
Date

Approved as to Form:

Rachel Bianchi
City Attorney

7/18/17
Date

List of Exhibits

Exhibit A: Animal Services Description

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

Exhibit C: Calculation of Estimated Payments

Exhibit C-1: Pre-Commitment Estimated 2018 Payment *(showing participation only by jurisdictions that have expressed interest in contracting for an additional 3 year term)*

Exhibit C-2: Estimated Population, Calls for Service, Shelter Use and Licensing Data for Jurisdictions, Used to Derive the Pre-Commitment Estimated 2018 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 2018

Exhibit C-4: Calculation and Allocation of Transition Credit, Shelter Credit

Exhibit C-5: [Intentionally Omitted]

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

Exhibit C-7: Payment and Calculation Schedule

Exhibit D: Reconciliation

Exhibit E: Enhanced Control Services Contract (Optional)

Exhibit F: Enhanced Licensing Support Services – Terms of Service (Optional)

Exhibit A
Animal Service Description

Part I: Control Services

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

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

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

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

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

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

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

lower priority calls may only receive a telephone response from the Call Center. Lower Priority calls are non-emergent requests for service, including but not limited to:

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

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

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

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

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

h. Contracting Cities may contract with King County for "Enhanced Control Services" through separate agreement (as set forth in **Exhibit E**); ***provided that*** a City may not purchase Enhanced Control Services under Option 1 as described in **Exhibit E** if such City is receiving a Transition Funding Credit and/or Shelter Credit.

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.

Major maintenance of the Shelter will continue to be included in the Program costs allocated under this Agreement (as part of the central County overhead charges allocated to the Program). No major renovation, upgrades or replacements of the Shelter established as a capital project within the County Budget are anticipated. Nor will any such capital project costs be allocated to the Contracting Cities during the term of this Agreement without prior agreement of the Contracting Cities.

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

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

2. **Other Shelter services**
   a. Dangerous animals will be confined as appropriate/necessary.
   b. Disaster/emergency preparedness for animals will be coordinated regionally through efforts of King County staff.
3. **Shelter for Contracting Cities contracting with PAWS (Potentially including Woodinville, Shoreline, Lake Forest Park, Kenmore ("Northern Cities")).** For so long as a Northern City has a contract in effect for sheltering dogs and cats with the Progressive Animal Welfare Society in Lynnwood (PAWS), or other animal service providers 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 Lynnwood (or other animal service providers), 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 (or other animal service providers)for shelter care, which will be provided and funded solely through separate contracts between each Northern City and PAWS, (or other animal service providers)and the County will refer residents of that City to PAWS (or other animal service providers) 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 (or other animal service providers) 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, or other animal service providers.** Nothing in this Agreement is intended to preclude the County from contracting with other entities to care for animals taken in by 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 may seek to engage and maintain a variety of private sector partners (e.g. veterinary clinics, pet stores, grocery stores, city halls, apartment complexes) as hosts for locations where licenses can be sold or promoted in addition to County facilities.
3. The County will furnish licenses and application forms and other materials to the City for its use in selling licenses to the public at City facilities and at public events.
4. The County will publicize reminders and information about pet licensing from time to time through inserts in County mailings to residents and on the County's public television channel.
5. The County will annually mail or E-mail at least one renewal form, reminder and late notice (as applicable) to the last known addresses of all City residents who purchased a pet license from the County within the previous year (using a rolling 12-month calendar).
6. The County may make telephone reminder calls in an effort to encourage pet license renewals.
7. The County shall mail pet license tags or renewal notices as appropriate to individuals who purchase new or renew their pet licenses.
8. The County will maintain a database of pets owned, owners, addresses and violations.
9. The County will provide limited sales and marketing support in an effort to maintain the existing licensing base and increase future license sales. The County reserves the right to determine the level of sales and marketing support provided from year to year in consultation with the Joint City-County Collaboration Committee. The County will work with any City in which door-to-door canvassing takes place to reach agreement with the City as to the hours and locations of such canvassing.
10. The County will provide current pet license data files (database extractions) to a Contracting City promptly upon request. Data files will include pets owned, owners, addresses, phone numbers, E-mail addresses, violations, license renewal status, and any other relevant or useful data maintained in the County's database on pets licensed within the City's limits. A City's database extraction will be provided in electronic format agreed to by both parties in a timely fashion and in a standard data release format that is easily usable by the City.

Exhibit B: Control Service District Map

The attached map (**Exhibit B-1**) shows the boundaries of the 3 Control Service Districts.

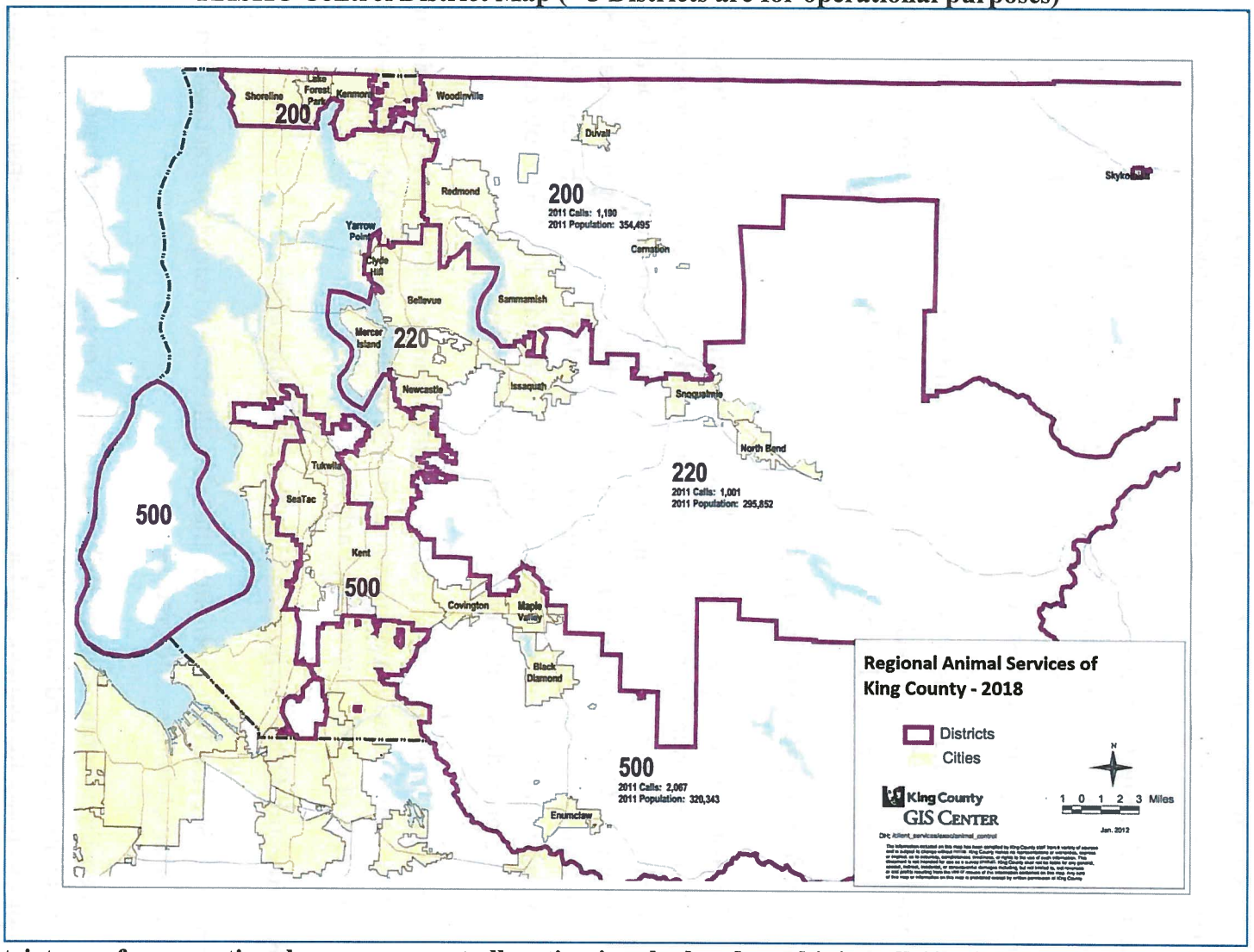
The cities and towns included in each Control District are as follows:

District 200 (Northern District)	District 220 (Eastern District)
Shoreline	Bellevue
Lake Forest Park	Mercer Island
Kenmore	Yarrow Point
Woodinville	Clyde Hill
Redmond	Town of Beaux Arts
Sammamish	Issaquah
Duvall	Snoqualmie
Carnation	North Bend
	Newcastle

District 500 (Southern District)
Tukwila
SeaTac
Kent
Covington
Maple Valley
Black Diamond
Enumclaw

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

Exhibit B-1
RASKC Control District Map (* 3 Districts are for operational purposes)



***Note: 3 districts are for operational purposes; cost allocation is calculated combining all districts into one)**

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 one (1) year of Animal Services, based on the formulas below.

In summary and subject to the more detailed descriptions below, an initial cost allocation is made for the Service Year (example 2018) based on the cost factors described in **Part 1** below; costs are offset by various revenues as described in **Part 2**. An annual reconciliation is completed as described in **Part 3**.

Based on the calculation process described in **Parts 1** and **2**, an "Estimated Payment" amount owed by each City for each Service Year is determined. Each Estimated Payment covers one (1) year of service. Payment for service is made by each City every August 15.

Part 1: Service Year Cost Allocation Process

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

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

Part 2: Revenue and Other Adjustments to the Cost Allocation

In 2018 and each Service Year thereafter, the costs allocable to each Contracting Party are reduced by various revenues and credits:

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

year, or the most recent December – November actual, whichever is more, unless otherwise approved by the Joint City County Collaboration Committee.

- Two credits are applicable to various Contracting Cities to reduce the amount of their Estimated Payments: a Transition Funding Credit (fixed at 2013 level, payable annually through 2022) for cities with high per-capita costs and a Shelter Credit (for Contracting Cities with the highest per capita intakes (usage)) (adjusted annually as indicated in Exhibit C-4, payable annually through 2022,). The County agrees to give serious consideration to maintaining the various credits provided to the Contracting City under this Agreement in any extension of the Agreement. Application of these Credits is limited such that the Estimated Payment cannot fall below zero (before or after the annual Reconciliation calculation).

- All Contracting Cities may request Enhanced Licensing Support Services by executing a separate Enhanced Licensing Support Services Agreement and Acknowledgement form with the County (**Exhibit F, Attachment A**). This support is subject to availability of County staff.

- In each Service Year subsequent to 2018, allocable costs are adjusted for each Contracting Party based on the actual increase or decrease in allocable costs from year to year for the whole Program. Total Budgeted Allocable Costs cannot increase by more than the Annual Budget Inflator Cap. The Annual Budget Inflator Cap is the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including the unincorporated area and all Contracting Cities).

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

Part 3: Reconciliation

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

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

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

- If a jurisdiction's licensing revenues exceed its net costs payable under this Agreement, then in the annual reconciliation process, the excess licensing revenue is reallocated to offset the County's costs not included in the cost allocation model *provided that,* the determination of net costs shall be adjusted as follows: (1) for a Contracting City purchasing shelter services from PAWS (or other animal service provider);, net costs includes consideration of the amounts paid by such City to PAWS (or other animal service provider); and (2) for a Contracting City purchasing Enhanced Control Services per Exhibit E, and/or purchasing Enhanced Licensing Support Services per Exhibit F , net costs includes consideration of the amounts paid for such services.

Part 4: Estimated Payment Calculation Formulas

For Each Service Year .

EP = [(EC + ES + EL) – (ELR + TC + SC)]

Where:

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

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

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

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

"ELR" is Estimated Licensing Revenue attributable to the City. For purposes of determining the Estimated Payment in Year 2018, ELR is based on the amount of revenue from each type of active license issued to City residents in 2016, or December 2015-November 2016, whichever is more (the "Calculation Period"). **Exhibit C-2** shows a preliminary estimate of 2016 Licensing Revenue; the numbers in this exhibit are subject to Reconciliation by June 30, 2019. Additional factors for Estimated Licensing Revenue:

For Contracting Cities that have executed an Enhanced Licensing Support Services Agreement and Acknowledgement form per **Exhibit F**, **ER** is increased by adding the estimated net amount of revenue, if any, estimated to be derived as a result of Enhanced Licensing Support Services provided to the City (the "Licensing Revenue Target" or "**RT**" less the estimated Enhanced Licensing Support Services cost); this amount is shown in the column captioned "Estimated Revenue from Enhanced Licensing Support" on **Exhibit C-1**).

License Revenue that cannot be attributed to a specific Party (e.g., License Revenue associated with incomplete address information), which generally represents a very small fraction of overall revenue, is allocated amongst the Parties based on their respective percentages of ELR as compared to Total Licensing Revenue.

Notwithstanding the foregoing, "**ELR**" may be based on an *estimated* amount of licensing for the Service Year for the City if, in the reasonable judgment of the County, an estimated Licensing Revenue amount can be proposed that is likely to more closely approximate the actual Licensing Revenue for the Service Year than the data from the Calculation Period; *provided that* the use of any estimates shall be subject to the conditions of this paragraph. The County shall work with the Joint City-County Collaboration Committee to develop estimated Licensing Revenue amounts for all Contracting Cities for the upcoming Service Year. If the Joint City County Collaboration Committee develops a consensus proposal (agreement shall be based on the consensus of those Contracting Cities present at the Joint City-County Collaboration Committee meeting in which Licensing Revenue estimates are presented in preparation for the December 15 Estimated Payment Calculation notification), it shall be used in developing the December 15 Final Estimated Payment Calculation. If a consensus is ***not*** reached, the County shall apply the actual Licensing Revenue from the Calculation Period for the Service Year to determine the Preliminary Estimated Payment.

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

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

"B" is the "**Budgeted Total Net Allocable Costs**" estimated for the Service Year for the provision of Animal Services which are allocated among all the Contracting Parties for the purposes of determining the Estimated Payment. The Budgeted Total Net Allocable Costs are calculated as the **Budgeted Total Allocable Costs** (subject to the **Annual Budget Inflator Cap**) *less* **Budgeted Total Non-Licensing Revenue.** The Budgeted Total Allocable Costs *exclude* any amount expended by the County as Transition Funding Credits, or Shelter Credits (described in **Exhibit C-4**), or to provide Enhanced Licensing Support Services (described in **Section 8**). A preliminary calculation (by service area—Control, Shelter, Licensing) of Budgeted Total Net Allocable Costs, Budgeted Total Allocable Costs and Budgeted Total Non-Licensing Revenue for purposes of calculating the Pre-Commitment Estimated 2018 Payments is set forth in **Exhibit C-3**.

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

"**Total Non-Licensing Revenue**" means all revenue from fines, forfeitures, and all other fees and charges imposed by the County's Animal Services program in connection with the operation of the Program, *but excluding* **Total Licensing Revenue, Designated Donations, grants, or** entrepreneurial activities.

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

"**Enhanced Licensing Support Services"** means activities or funding to be undertaken in specific cities to enhance licensing revenues, per **Section 8** and **Exhibit F**.

"**Annual Budget Inflator Cap**" means the maximum amount by which the Budgeted Total Allocable Costs may be increased from one Service Year to the next Service Year, and year to year, which is calculated as the rate of inflation (based on the annual change in the September CPI-U for the Seattle-Tacoma-Bremerton area over the rate the preceding year) plus the rate of population growth for the preceding year for the County (including the

unincorporated area and all Contracting Cities), as identified by comparing the two most recently published July OFM city and county population reports. The cost allocations to individual services (e.g. Control Services, Shelter Services or Licensing Services) or specific items within those services may be increased or decreased from year to year in so long as the Budgeted Total Annual Allocable Costs do not exceed the Annual Budget Inflator Cap.

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

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

"**Population**" with respect to any Contracting Party for Service Year 2018 means the population number derived from the State Office of Financial Management (OFM) most recent annually published report of population used for purposes of allocating state shared revenues in the subsequent calendar year (typically published by OFM each July, reflecting final population estimates *as of April of the same calendar year*). For each Service Year, the OFM reported population will be adjusted for annexations of 2,500 or more residents known to be occurring after April, 2017 and before the end of the Service Year. *For example,* when the final Estimated Payment calculation for 2018 is provided on December 15, 2017, the population numbers used will be from the OFM report issued in July 2017 and will be adjusted for all annexations of 2,500 or more residents that occurred (or are known to be occurring) between April 1, 2017 and December 31, 2018. In any Service Year, if: (1) annexations of areas with a population of 2,500 or more people occurs to impact the population within the jurisdiction of a Contracting Party; or (2) a Latecomer City is brought under contract with the County, these changes shall be accounted for in the calculation of the Estimated Payment for such Service Year. Such adjustment shall be made at the next occurring possibility (e.g., at calculation of the Final Estimated Payment, or Reconciliation, whichever is soonest). The adjustment will be made on a *pro rata* basis to reflect the portion of the year in which the population change was in effect.

- The population of an annexed area will be as determined by the Boundary Review Board, in consultation with the annexing city. The population of the unincorporated area within any District will be determined by the County's demographer.
- In the case of a Latecomer City, the population shall be similarly adjusted among all Contracting Parties in the manner described above for annexations, by considering the change in population between all Contracting Parties *attributable solely* to the Latecomer City becoming a Contracting Party.

Exhibit C-1 shows the calculation of Pre-Commitment **EP** for Service Year 2018 assuming that the County and all Cities that have expressed interest in signing this Agreement as of December 31, 2016, do in fact approve and sign the Agreement.

Component Calculation Formulas (used in each Service Year):

Estimated Control (EC) Services Costs is calculated as follows:

$$EC = ((C \times .8) \times ACFS) + ((C \times .2] \times Pop\%)$$

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). For purposes of determining the Pre-Commitment Estimated Payments for 2018, the Budgeted Net Allocable Control Services Cost is $1,979,509., calculated as shown on **Exhibit C-3,** and shall be similarly derived to determine the Final Estimated Payment for 2018 and each Service Year.

"ACFS" is the total Average annual number of Calls for Service during the Calculation Period for the Service Year for Control Services originating within the City *expressed as a percentage* of the ACFS for all Contract Parties.. 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 for each Service Year, the Calculation Period for **ACFS** is the rolling annual average based on the most recently completed three (3) calendar years actual usage. For example 2014-2016 for 2018 Service Year. **Exhibit C-2** shows a preliminary estimate of **ACFS** for 2014-2016, used to determine the Pre-Commitment Estimated 2018 Payment; the numbers in this Exhibit C-2 are subject to Reconciliation by June 30, 2017.

"Pop%" is the Population of the City or unincorporated County, expressed as a percentage of the Population of all Contracting Parties.

Estimated Shelter (ES) cost for each Service Year 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, (or other animal service provider), then, for so long as such contract remains in effect, the City will not pay a share of shelter costs associated with shelter usage ("**AA**" as defined below) and instead the Estimated Payment will include a **population-based charge only,** reflecting the regional shelter benefits nonetheless received by such City, calculated as follows (the components of this calculation are defined as described below).

ES = (S x.2 x Pop%)

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

ES = (S x .2 x Pop%) + (S x .8 x AA)

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). For purposes of determining the Pre-Commitment Estimated Payments for 2018, the Budgeted Net Allocable Shelter Services Cost is $2,960,088., calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Final Estimated Payments for 2018 and for each Service Year.

"Pop%" is the population of the City, or unincorporated County, expressed as a percentage of the Population of all Contracting Parties.

"AA" is the animal intakes 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, averaged during the Calculation Period and *expressed as a percentage* of the total number of animals in the County Shelter during the Calculation Period. For purposes of calculating the Estimated Payment for each Service Year, the Calculation Period for "**AA**" is the rolling annual average based on

the most recently completed three (3) calendar years (for example 2014-2016 for Service Year 2018)(actual usage). **Exhibit C-2** shows a preliminary estimate of "**AA**" for 2014-2016 used to determine the Pre-Commitment Estimated 2018 Payments; the numbers in this exhibit are subject to Reconciliation by June 30, 2017.

Estimated Licensing (EL) cost for each Service Year is calculated as follows:

EL = (L x .2 x Pop%) + (L x .8 x ALI)

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 . For purposes of determining the Pre-Commitment Estimated Payments for 2018, the Budgeted Net Licensing Cost is $686,512., calculated as shown on **Exhibit C-3**, and shall be similarly derived to determine the Final Estimated Payments for 2018 and each Service Year.

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

"ALI" (Average Licenses Issued) 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 for each Service Year, the Calculation Period for **"ALI"** is the rolling annual average based on the most recently completed three (3) calendar years actual usage. For example 2014-2016 for 2018 Service Year. **Exhibit C-2** shows a preliminary estimate of "**ALI**" to be used for calculating the Pre-Commitment Estimated 2018 Payments; the numbers in this Exhibit are subject to reconciliation by June 30, 2017.

2018 Estimated Payment Calculation (Draft)

Jurisdiction	Cost Allocation				Pet Licensing Revenue*	Estimated Net Cost	Credits	Enhanced Licensing Net Revenue (est'd)	Net Final Cost
	Field Cost	Shelter Cost	Licensing Cost	Total Cost					
	[a]	[b]	[c]	a+b+c = [d]	[e]	e - d = [f]	[g]	[h]	f+g+h = [i]
Beaux Arts	$ 447	$ 188	$ 281	$ 917	$1,271	$ 354	$ -		$ 354
Bellevue	$ 165,398	$ 186,770	$ 95,183	$ 447,350	$373,682	$ (73,668)	$ -		$ (73,668)
Black Diamond	$ 9,188	$ 18,017	$ 4,031	$ 31,236	$15,765	$ (15,471)	$ 5,816		$ (9,655)
Carnation	$ 4,628	$ 4,837	$ 1,743	$ 11,207	$7,999	$ (3,208)	$ 552		$ (2,656)
Clyde Hill	$ 3,210	$ 2,534	$ 1,996	$ 7,741	$7,448	$ (293)	$ -		$ (293)
Covington	$ 61,463	$ 109,188	$ 17,754	$ 188,385	$88,655	$ (99,730)	$ 52,621		$ (47,109)
Duvall	$ 13,708	$ 11,401	$ 6,125	$ 31,233	$25,031	$ (6,202)	$ -		$ (6,202)
Enumclaw	$ 41,052	$ 51,268	$ 10,293	$ 102,614	$45,077	$ (57,537)	$ 26,546		$ (30,991)
Issaquah	$ 63,302	$ 40,710	$ 19,444	$ 123,455	$72,357	$ (51,098)	$ -		$ (51,098)
Kenmore	$ 47,880	$ 14,016	$ 19,017	$ 80,913	$90,879	$ 9,966	$ -		$ 9,966
Kent	$ 328,893	$ 860,393	$ 77,478	$ 1,266,764	$356,270	$ (910,494)	$ 547,583		$ (362,911)
Lake Forest Park	$ 24,688	$ 8,126	$ 11,372	$ 44,185	$44,144	$ (41)	$ -		$ (41)
Maple Valley	$ 61,112	$ 71,308	$ 21,307	$ 153,727	$94,772	$ (58,955)	$ 6,027		$ (52,928)
Mercer Island	$ 21,488	$ 22,208	$ 14,911	$ 58,607	$56,155	$ (2,452)	$ -		$ (2,452)
Newcastle	$ 20,060	$ 14,315	$ 7,770	$ 42,144	$34,419	$ (7,725)	$ -		$ (7,725)
North Bend	$ 13,348	$ 15,151	$ 6,363	$ 34,863	$24,262	$ (10,601)	$ 1,376		$ (9,225)
Redmond	$ 67,148	$ 70,494	$ 34,638	$ 172,280	$128,550	$ (43,730)	$ -		$ (43,730)
Sammamish	$ 64,870	$ 59,289	$ 40,364	$ 164,524	$156,757	$ (7,767)	$ -		$ (7,767)
SeaTac	$ 91,581	$ 237,977	$ 13,430	$ 342,989	$43,288	$ (299,701)	$ 146,076		$ (153,625)
Shoreline	$ 111,659	$ 34,532	$ 38,389	$ 184,580	$143,418	$ (41,162)	$ -		$ (41,162)
Snoqualmie	$ 18,983	$ 20,483	$ 8,319	$ 47,786	$32,462	$ (15,324)	$ -		$ (15,324)
Tukwila	$ 68,213	$ 177,656	$ 9,487	$ 255,356	$32,550	$ (222,806)	$ 112,017		$ (110,789)
Woodinville	$ 18,015	$ 7,266	$ 8,119	$ 33,400	$32,487	$ (913)	$ -		$ (913)
Yarrow Pt	$ 1,079	$ 653	$ 734	$ 2,465	$2,719	$ 254	$ -		$ 254
Unincorp. King County	$ 658,097	$ 921,327	$ 217,965	$ 1,797,389	$ 860,267	$ (937,122)	$ -		$ (937,122)
Total	$ 1,979,509	$ 2,960,088	$ 686,512	$ 5,626,109	$ 2,770,684	$ (2,855,425)	$ 898,614	$ -	$ (1,956,811)

Summary	Field Cost	Shelter Cost	Licensing Cost	Total Cost
Budgeted Total Allocable Cost	$ 2,121,959	$ 3,088,288	$ 763,512	$ 5,973,759
Budgeted Non-Licensing Revenue	$ 142,450	$ 128,200	$ 77,000	$ 347,650
Budgeted New Regional Revenue	$ -	$ -	$ -	$ -
Budgeted Net Allocable Cost	$ 1,979,509	$ 2,960,088	$ 686,512	$ 5,626,109

*Pet License assumption based on 2016 Actual (Preliminary)

Note: Estimated for Precommitment period based on most current data. 2018 Final Estimated Payment Calculation will be issued per the terms of the 2018 IIA

Regional Animal Services of King County
Draft 1-20-17

Exhibit C-2

Population, Calls for Service, Shelter Intakes, and Licenses Issued - Data by Jurisdiction - Used to Derive the Precommitment 2018 Estimated Cost Allocation

Jurisdiction	2016 Population	Average Calls for Service 2014 -2016	Average Intakes 2014 - 2016	Average Licenses Issued 2014 - 2016
Beaux Arts	300	1	-	40
Bellevue	139,400	333	162	12,605
Black Diamond	4,305	23	25	573
Carnation	1,850	12	6	248
Clyde Hill	3,060	6	1	261
Covington	18,750	167	159	2,529
Duvall	7,425	33	11	849
Enumclaw	11,410	113	72	1,453
Issaquah	34,590	152	31	2,425
Kenmore	22,320	120	-	2,654
Kent	124,500	862	1,277	9,990
King County (Uninc'd)*	245,920	1,729	1,252	30,662
Lake Forest Park	12,940	60	-	1,597
Maple Valley	24,790	158	91	2,979
Mercer Island	23,660	36	12	1,930
Newcastle	11,090	48	12	1,036
North Bend	6,570	33	18	910
Redmond	60,560	130	53	4,346
Sammamish*	61,250	122	34	5,293
SeaTac	27,810	249	360	1,579
Shoreline	54,990	276	-	5,114
Snoqualmie	13,110	42	20	1,079
Tukwila	19,540	187	270	1,118
Woodinville	11,570	41	-	1,083
Yarrow Pt	1,040	2	-	98
Grand Total	942,750	4,935	3,866	92,451

Notes: 3-Year Average is rounded to nearest whole number. (2016 Source data based on preliminary usage count)
Final usage data (2014-2016) and population data for 2017 will be used to update and determine the Final 2018 Payment Calculation
Source: WA ST Office of Financial Management (population), Regional Animal Services of King County (usage)
*Usage adjusted for 2016 Klahanie Annexation

Regional Animal Services of King County
1-20-2017

Exhibit C-3

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

This Exhibit Shows the Calculation of Budgeted Total Allocable Costs, Budgeted Total Non-Licensing Revenue, and Budgeted Net Allocable Costs to derive Pre-Commitment Estimated 2018 Payments. All values shown are based on annualized costs and revenues. The staffing levels incorporated in this calculation are for year 2018 only and except as otherwise expressly provided in the Agreement may change from year to year as the County determines may be appropriate to achieve efficiencies, etc.

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

The calculation of Pre-Commitment Estimated 2018 Control Services Costs is shown below.

		Cost
1	Direct Service Management Staff Costs	$161,969
2	Direct Service Field Staff Costs	$799,269
3	Call Center Direct Service Staff Costs	$268,415
4	Overtime, Duty, Shift Differential and Temp Costs	68,340
5	Facilities Costs	8,055
6	Office and Other Operational Supplies and Equipment	$17,500
7	Printing, Publications, and Postage	$23,000
8	Medical Costs	$50,000
9	Other Services	$75,000
10	Transportation	$200,981
11	Communications Costs	39,336
12	IT Costs and Services	$126,625
13	Misc Direct Costs	$90,536
14	General Fund Overhead Costs	47,140
15	Division Overhead Costs	$121,798
16	Other Overhead Costs	23,995
	2018 Budgeted Total Allocable Control Services Cost	$2,121,959
17	Less 2018 Budgeted Total Non-Licensing Revenue Attributable to Control Services	$142,450
	2018 Budgeted Net Allocable Control Services Cost	$1,979,509

NOTES:

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

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

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.

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.

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

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

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

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

The calculation of Pre-Commitment Estimated 2018 Shelter Services Costs is shown below.

		Cost
1	Direct Service Management Staff Costs	$242,954
2	Direct Service Shelter Staff Costs	$1,349,896
3	Direct Service Clinic Staff Costs	$311,401
4	Overtime, Duty, Shift Differential and Temp Costs	$121,686
5	Facilities Costs	$151,916
6	Office and Other Operational Supplies and Equipment	$145,166
7	Printing, Publications, and Postage	$11,000
8	Medical Costs	$150,000
9	Other Services	122,500
10	Transportation	$13,132
11	Communications Costs	$1,200
12	IT Costs and Services	$99,009
13	Misc Direct Costs	$70,300
14	General Fund Overhead Costs	$83,923
15	Division Overhead Costs	$207,655
16	Other Overhead Costs	$6,550
	2018 Budgeted Total Allocable Shelter Services Cost	$3,088,288
17	Less 2018 Budgeted Total Non-Licensing Revenue Attributable to Shelter Services	$128,200
	8	
	2018 Budgeted Net Allocable Shelter Services Cost	$2,960,088

NOTES:

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

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 shelter operations vary by year but include costs such as shipping of food 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 and radio.
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. .
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 fees.

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

The calculation of Pre-Commitment Estimated 2018 Licensing Services Costs is shown below.

		Cost
1	Direct Service Management Staff Costs	$52,291
2	Direct Service Licensing Staff Costs	$404,377
3	Overtime, Duty, Shift Differential and Temp Costs	$7,742
4	Facilities Costs	$14,000
5	Office and Other Operational Supplies and Equipment	$3,300
6	Printing, Publications, and Postage	$81,700
7	Other Services	$37,109
8	Communications Costs	$2,000
9	IT Costs and Services	$76,424
10	Misc Direct Costs	$1,966
11	General Fund Overhead Costs	$19,160
12	Division Overhead Costs	$42,280
13	Other Overhead Costs	$21,163
	2018 Budgeted Total Allocable Licensing Services Cost	$763,512
14	Less 2018 Budgeted Total Non-Licensing Revenue Attributable to Licensing Services	$77,000
	2018 Budgeted Net Allocable Licensing Services Cost	$686,512

NOTES:

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

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

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

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

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

9 Information technology direct costs include IT equipment replacement as well as direct services costs.

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. .

12 Division overhead includes a portion of the following personnel time as well as a portion of division administration non-labor costs, both based on FTEs: division director, assistant division director, administration, program manager, finance officer, payroll/accounts payable, and human resource officer.
13 Other overhead costs include IT, telecommunications, finance, and property services.
14 Non-licensing revenue attributable to licensing operations consists of licensing late fees.

Exhibit C-4

Calculation and Allocation of Transition Funding Credit ("TC"), and Shelter Credit ("SC")

A. Transition Funding Credit

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

Table 1: Transition Funding Credit – Annual Amount to be allocated each year

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

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

During Reconciliation, if a City receiving Transition Funding Credit is due a refund as a result of more revenue being collected than was anticipated in the Final Estimated Payment Calculation for the Service Year, the refund amount shall first be applied to reduce the Transition Funding Credit and Shelter Credit until reduced to zero, upon which any excess shall be used to adjust the City's net final cost until the Net Final Cost is zero.

B. Shelter Credit

The Shelter Credit is designed to offset costs for those Contracting Cities whose per capita average shelter intakes ("**AA**") exceed the average for all Contracting Parties. During the initial term of this Agreement, a total of $750,000 will be applied as a credit in each Service Year to Contracting Cities whose per capita average shelter intakes ("**AA**") exceeds the average for all Contracting Parties; *provided that* application of the Shelter Credit can never

result in the Estimated Payment amount being less than zero ($0) (i.e., cannot result in the County owing the City an Estimated Payment.) The Shelter Credit shall be calculated annually as part of the Final Estimated Payment Calculation provided prior to the Service year. The Shelter Credit shall be determined based on the City's relative per capita three (3) year average of animal intakes ("**AA**") in excess of the three (3) year average for all contracting parties for the same period. The County will consider providing the Shelter Credit in the second term at the same level as for the initial term.

Table 3: Shelter Credit Allocation—2018

Regional Animal Services of King County

Proposed Credit Distribution (3Yr Average Intakes) (2016 Population)

Jurisdiction	District	2016 Pop	Average Intakes (2014 - 2016)	Intake per Capita	Difference between 3 Yr Syst. Avg and 3 Yr city Average per Capita	Intake over the Per capita System Avg.	Pro Rata % of Jurisdiction per capita intake over the average (Excl. KC)	Pro Rata Allocation of Shelter Credit
Carnation	200	1,850	6.00	0.0032	(0.0006)	1		
Duvall	200	7,425	11.00	0.0015	(0.0024)	18		
Kenmore	200	22,320	-	-	(0.0039)	86		
Kirkland*	200	84,680	92.00	0.0011	(0.0028)	234		
Lake Frst Pk	200	12,940	-	-	(0.0039)	50		
Redmond	200	60,560	53.00	0.0009	(0.0030)	180		
Sammamish	200	61,250	28.00	0.0005	(0.0034)	208		
Shoreline	200	54,980	-	-	(0.0039)	212		
Woodinville	200	11,570	-	-	(0.0039)	45		
Beaux Arts	220	300	-	-	(0.0039)	-		
Bellevue	220	139,400	162.00	0.0012	(0.0027)	375		
Clyde Hill	220	3,060	1.00	0.0003	(0.0035)	11		
Issaquah	220	34,590	31.00	0.0009	(0.0030)	102		
Mercer Island	220	23,660	12.00	0.0005	(0.0033)	79		
Newcastle	220	11,090	12.00	0.0011	(0.0028)	31		
North Bend	220	6,570	18.00	0.0027	(0.0011)	7		
Snoqualmie	220	13,110	20.00	0.0015	(0.0023)	30		
Yarrow Point	220	1,040	-	-	(0.0039)	4		
Kent	500	124,500	1,277.00	0.0103	0.0064	(798)	58.28%	$ 437,059
SeaTac	500	27,810	360.00	0.0129	0.0091	(253)	18.48%	$ 138,607
Tukwila	500	19,540	270.00	0.0138	0.0100	(195)	14.23%	$ 106,736
Black Dmnd	500	4,305	25.00	0.0058	0.0020	(8)	0.62%	$ 4,615
Covington	500	18,750	159.00	0.0085	0.0046	(87)	6.34%	$ 47,566
Enumclaw	500	11,410	72.00	0.0063	0.0025	(28)	2.05%	$ 15,377
Maple Valley	500	24,790	91.00	0.0037	(0.0002)	4		$ -
King Cnty Unincrp*	All	245,920	1,257.00	0.0051	0.0013	(310)		
Total		1,027,480	3,967	0.00385	0	(1,368)	100%	$ 750,000
Average:		System Per Capita Average (Intakes/Population)	0.00385				Credit to be applied:	750,000

Numbers are estimates only for the purpose of negotiation discussions. The numbers and allocation methodology are subject to change while negotiations are underway. System average is calculated by dividing the sum of each jurisdiction's annual average intakes over a rolling three year period divided by the total population.

*Unincorporated King County intakes include non-RAS intakes.

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During Reconciliation, if a City receiving Shelter Funding Credit is due a refund as a result of more revenue being collected than was anticipated in the Final Estimated Payment Calculation for the Service Year, the refund amount shall first be applied to reduce the Transition Funding Credit and Shelter Credit until reduced to zero, upon which any excess shall be used to adjust the City's net final cost until the Net Final Cost is zero.

Exhibit C-5:

[Intentionally Omitted]

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.

ELR is Estimated Licensing Revenue attributable to the City
ACFS (Average Calls for Service) is the rolling three (3) year average number of Calls for Service originating in the City
AA (Average Animals) is the rolling three (3) year average number of animals in the shelter attributable to the City
ALI (Average Licenses Issued) is the Rolling three (3) year average 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;

Calculation Periods -- Service Year 2018

Component		**Estimated 2018 Payment (final)** (published December 15 2017)	**Reconciliation Payment Amount** (determined by June 2019)
ELR (Estimated Revenue)		**> of December 2016–November 2017 just prior to Service Year or 2016 Actual**	**Actual Licensing Revenue 2018**
ACFS (Avg. Calls for Service)		**Three (3) year rolling average (2014, 2015, 2016)**	**N/A**
AA (Avg. Animal intakes)		**Three (3) year rolling average (2014, 2015, 2016)**	**N/A**
ALI (Avg. Licenses Issued)		**Three (3) year rolling average (2014, 2015, 2016)**	**N/A**
Pop, (Population)		**OFM April 2017, adjusted for all annexations ≥ 2,500 occurring (and**	**Same, adjusted for all annexations ≥ 2,500 occurring (and Latecomer Cities joining) after April**

		Latecomer Cities joining) after April 2017 and before the end of 2018	2017 and before the end of 2018

Calculation Periods: Service Year 2019 and subsequent Service Years

Component		Estimated (Service Year) Payment (published December 15 prior to Service Year)	Reconciliation Payment Amount (determined by June 30 following each Service Year)
ELR		> of December-November just prior to Service Year or previous complete calendar year	Actual Licensing Revenue (Service Year)
ACFS		Three (3) year rolling average (2014, 2015, 2016)	N/A
AA		Three (3) year rolling average (2014, 2015, 2016)	N/A
ALI		Three (3) year rolling average (2014, 2015, 2016)	N/A
Pop,		OFM April prior to prior to Service Year, adjusted for all annexations ≥ 2,500 and/or Latecomer Cities joining that are known to take effect prior to or during the Service Year.	Same, adjusted for all annexations ≥ 2,500 and/or Latecomer Cities joining, occurring prior to or during the Service Year.

If the Agreement is extended for a second term, calculated cost and reconciliation shall be developed in a manner comparable to Service Year 2019 as shown above.

Exhibit C-7
Payment and Calculation Schedule

Service Year 2018

Item	Date
Final Estimated 2018 Payment calculation provided to City by County	December 15, 2017
2018 Estimated Payment due	August 15, 2018
2018 Reconciliation Adjustment Amount calculated	On or before June 30, 2019
2018 Reconciliation Adjustment Amount payable	On or before August 15, 2019

Service Year 2019 and subsequent years

Item	Date
Final Estimated 2019 Payment calculation provided to City by County	December 15, 2018 (December 15 prior to start of Service Year)
2019 Estimated Payment due	August 15, 2019 (August 15 of Service Year
2019 Reconciliation Adjustment Amount calculated	On or before June 30, 2020 (by June 30 immediately following the Service Year)
2019 Reconciliation Adjustment Amount Payable	August 15, 2020 (by August 15 immediately following the Service Year)

The schedule is developed in the same manner as described above for all Service Years unless otherwise noted in the Agreement.

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

Notice of Intent by one or more of the Parties to opt out of the automatic extension for an additional five (5) year term.	June 30, 2021
Deadline for written agreement to Contingent Extension (per section 4(b)	March 1, 2022

See Section 4 of Agreement for additional details on Extension of the Agreement Term for an additional five (5) year term.

Dates for remittal to County of pet license	**Not less than monthly, 15 days following**

sales revenues processed by Contracting Cities (per section 3.c)	**the end of the calendar month.**

Requests for **Enhanced Licensing Support Services** in a Service Year may be made at any time on or before December 1, prior to the Service Year, unless mutually agreed to by the County and City.

Exhibit D
Reconciliation

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

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

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

Calculation of ANFC and Reconciliation Adjustment Amount

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

$ANFC_0$ =	Actual Revenue	+	Transition Credit	+	Shelter Credit	-	Cost Allocation	-	Other Services Charge	
	AR		TC		SC		CA		OSC	

$ANFC_0$ = AR + TC + SC – CA – OSC

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

$ANFC_1 = 0$, i.e., it is ***reset to zero*** and the difference between $ANFC_0$ and $ANFC_1$ is set aside by the County (or, if the revenues are not in the possession of the County, then the gap amount is payable by the City to the County by August 15) and **all such excess amounts from all Contracting Parties where $ANFC_0 \geq 0$ are allocated to the County to offset costs incurred by the County that are not included in the cost allocation model (excluding unincorporated area only costs).** Contracting Parties for which **$ANFC_0 \geq 0$** do not receive a reconciliation payment.

B. If **$ANFC_0 < 0$,** i.e., costs are greater than revenues (*without* considering "W" for those Contracting Cities purchasing shelter services from PAWS,(or other animal service providers) Enhanced Control Services, and/or Enhanced Licensing Support Services), then the negative dollar amount is not "reset" and $ANFC_1$ is the same as $ANFC_0$.

C. If, **$ANFC_1$ < Total Estimated Payments made in the Service Year**, then the difference shall be paid by the County to the City no later than August 15, except that if a City is receiving a Transition Credit and/or a Shelter Credit, the difference shall be used to offset the Credit (s) until the Credit (s) are reduced to zero, at which point the remaining difference shall be paid by the County to the City; if **$ANFC_1$ > Total Estimated Payments made in the Service Year**, then the difference shall be paid by the City to the County no later than August 15.

Where:

"AR" is **Actual Licensing Revenue, less refunds and rebates,** 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**).

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

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

"**OSC**" Other Services Charge is the actual amount paid by a City receiving shelter services to PAWS (or other animal service providers) for such services during the Service Year, if any, plus the actual amount paid or owed by a City to the County for the purchase of Enhanced Control Services and/or Enhanced Licensing Support Services, during the Service Year, if any.

"**CA**" is the "**Cost Allocation**" as *estimated* for the Service Year for the provision of Animal Services allocated between all the Contracting Parties for the purposes of determining the Estimated Payment. The Cost Allocation is the sum of Estimated Control (EC) costs, Estimated Shelter (ES) costs, and Estimated Licensing (EL) costs calculated as described in **Exhibit C**.

Exhibit E

Enhanced Control Services Contract (Optional)

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

The County will offer Enhanced Control Services to the City during the term of the Animal Services Interlocal Agreement, subject to the terms and conditions as described herein. **The provisions of this Contract are optional to both Parties and shall not be effective unless executed by both Parties.**

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

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

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

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

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

1. Costs identified in **Attachment A** for **Option 1 are** for one (1) year of service beginning in 2018. Costs will be based on the budgeted annual cost for the service year for which the service is provided, and shall include the cost of the employee (salary, benefits), equipment (which shall not exceed 3,000 annually)

and animal control vehicle for the employee's use). Costs are subject to adjustment each year.

2. Costs for **Option 2** will be determined by the County each year based on its actual hourly overtime pay for the individual Animal Control Officers providing the service, plus mileage at the federal reimbursement rate. The number of miles for which mileage is charged shall be miles which would not have been traveled but for the provision of the enhanced service.
3. Costs paid for enhanced services will be included in the Reconciliation calculation for each Service Year, as described in Exhibit D of the Agreement (see "Other Service Charges").

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

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

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

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

G. **For Services purchased under Option 1**: An FTE will be scheduled to serve 40 hour weeks, however, with loss of service hours potentially attributable to vacation, sick leave, training and furlough days, not less than 1600 hours per year will be provided. Similarly, a half-time FTE will provide not less than 800 hours per year. The County shall submit to the City an invoice and billing voucher at the end of each calendar quarter, excepting that during the 4th quarter of each year during the term of this

Contract, an invoice shall be submitted to the City no later than December 15th. All invoiced amounts shall be payable by the City within 30 days of the invoice date. Alternatively, the City (s) and the County may agree to include the cost of the Enhanced Services into the Reconciliation process. Either way, if the costs are paid during the Service Year, they shall be credited as part of Reconciliation.

H. **For Services purchased under Option 2**: The County shall submit to the City an invoice and billing voucher at the end of each calendar quarter. All invoiced amounts shall be payable by the City within 30 days of the invoice date. Alternatively, the City (s) and the County may agree to include the cost of the Enhanced Services into the Reconciliation process. Either way, if the cost are paid during the Service Year, they shall be credited as part of Reconciliation.

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

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

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

King County	**City of** _____
_____	_____
By:	By:
_____	_____
Date	Date

Exhibit E: Attachment A

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

City_____

Requested Enhanced Control Services Start Date: _____

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

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

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

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

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

For Option 1:

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

On behalf of the City, the undersigned understands and agrees that the County will attempt to honor requests but reserves the right to propose aggregated, adjusted and

variously scheduled service, *including but not limited to adjusting allocations of service from increments of 20% to 25%*, in order to develop workable employment and scheduling for the officers within then-existing work rules, 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. Option 1. .Service may not extend beyond the term of the Agreement.

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

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

Cities may propose a different allocation approach for County consideration.

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

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

Option 1 - Example 1: Aggregate of 50% of an FTE Requested by all Participating Cities	**Option1 - Example 2:** Aggregate of 1 FTE Requested by all Participating Cities
Cost to City: (% of Half-Time FTE requested) x $69,182/year in 2018 *Example:* if City A requests 25% of an FTE ** and City B requests 25% of an FTE**, then each city would pay $17,295for Enhanced Control Services from July 1, 2018 through December 31, 2018 (6 months). **(50% of a Half-Time FTE)	Cost to City: (% of FTE requested) x 118,152/year in 2018* *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 $14,769and City C would pay $29,538 for Enhanced Control Services from July 1, 2018 through December 31, 2018 (6 months)

* This example is based on 2018 budgeted costs. Costs will be based on actual Service Year budgeted costs.

For Option 2:

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

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

To be completed by King County:

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

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

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

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

King County

By: _____
Its_____
Date:_____

Exhibit F

Enhanced Licensing Support Services – Terms of Service (Optional)

The County is prepared to offer Enhanced Licensing Support Services to the City subject to the terms and conditions described herein, between a City and the County having executed the Enhanced Licensing Support Services Agreement and Acknowledgement form ("Acknowledgement"). The provisions of this Exhibit are optional and shall not be effective unless this Exhibit is executed by both the City and the County and both parties have entered into the underlying Animal Services Interlocal Agreement (the "Agreement").

A. **Service Requests, Submittal**: Requests for the County to provide Enhanced Licensing Support Services should be made by submitting the Enhanced Licensing Support Services Acknowledgment form (**Attachment A** to this **Exhibit F**) to the County between June 30 and December 1 of the calendar year prior to year in which such services are requested ("Service Year"). A separate Acknowledgment shall be submitted for each Service Year, unless specified otherwise in the Acknowledgement between the City and the County. The Acknowledgement form shall identify the Revenue Target (the amount of licensing revenue estimated to be gained through Enhanced Licensing Support Services) requested by the City.

B. **County to Determine Service Availability**: The County will determine whether it has capacity to provide the requested service based on whether it has staff and other resources available, and consistent with the priorities stated in **Section 7.c** of the Agreement. The County may adjust the Licensing Revenue Target based on the capacity of the County to fulfill the requested service.

C. **Services Provided by County, Cost**: The County will determine the Enhanced Licensing Support Service activities it will undertake to achieve the Licensing Revenue Target. Activities may include, but are not limited to canvassing, mailings, calls to non-renewals. In completing **Attachment A** to confirm its ability to provide Enhanced Licensing Support Services to the City, the County shall identify the cost for such service for the applicable Service Year or years if more than one year is requested. If the City accepts the County's proposed costs, it shall so signify by countersigning **Attachment A**.

D. **Services Provided by City**: Active participation by the City is an important success factor in the overall pet licensing process. The City may, at the City's additional cost,

engage in the following activities to help enhance the overall effectiveness of the marketing effort:

1. Include inserts regarding animal licensing in bills or other mailings as may be allowed by law, at the City's cost. The County may provide the design for the insert and coordinate with the City to deliver the design on an agreed upon schedule.

2. Dedicate volunteer/staff hours to help follow up on pet licenses that are not renewed.
3. Provide representation at local public events to inform City residents about the Animal Services Program and promote pet licensing.
4. Inform City residents about the Animal Services Program and promote pet licensing utilizing print and electronic media including the city's website, social media, community brochures and newsletter ads/articles, signage/posters and pet licensing applications in public areas of city buildings and parks.
5. Appoint a representative to serve on the Joint City-County Collaboration Committee marketing subcommittee; this representative shall attend the quarterly meetings of the subcommittee and help shape and apply within the City the joint advertising strategies developed by consensus of the subcommittee.

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

1. For **all Contacting Cities**: The City will identify a proposed Licensing Revenue Target (RT) in **Attachment A**. The County may propose an alternate Revenue Target. If the Parties agree upon a Licensing Revenue Target, the County shall identify its annual cost to provide service designed to achieve the target. County cannot verify and does not guarantee a precise level of Licensing Revenues to be received by the City as a result of these services. At Reconciliation, the City shall be charged for Enhanced Licensing Support Services an amount not to exceed the cost specified and agreed to in **Attachment A** (the "**Licensing Revenue Charge**"), *regardless of the amount of Licensing Revenue received by the City during the Service Year* (see **Exhibit D** of the Agreement for additional detail).

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

1. Before January 31 of the Service Year, for each City contracting for Enhanced Licensing Support Services, the County shall submit an Enhanced Licensing Support Services Marketing Plan for the upcoming season. The Marketing Plan

shall generally identify the various activities, scope, and scheduling to be performed. The City and County shall mutually agree on the Marketing Plan.

2. Each Party will provide the other with a periodic report of the services performed during the Service Year.
3. Either Party may terminate this Contract with or without cause by providing not less than a two (2) week advance written notice to the other Party; provided that all County costs incurred to the point of termination remain chargeable to the City as otherwise provided.
4. All terms of the Agreement, except as expressly stated otherwise herein, shall apply to this Contract, and Capitalized Terms not defined herein have the meanings as set forth in the Agreement.

G. <u>Execution of Enhanced Licensing Support Services Agreement and Acknowledgment Form</u>

Unless otherwise amended in writing, the Terms of Service noted above, if agreed, shall be documented and acknowledged by the City and County by mutually executing the Enhanced Licensing Support Services Agreement and Acknowledgment form (Exhibit F, Attachment A)

Exhibit F: Attachment A
ENHANCED LICENSING SUPPORT SERVICES AGREEMENT and ACKNOWLEDGEMENT FORM

Final terms subject to adjustment by County and agreement by City confirmed in writing, executed and appended to the Enhanced Licensing Support Services Terms of Service —**Exhibit F** of the ***Animal Services Interlocal Agreement for 2018 Through 2022*** ("the Agreement") dated effective as of July 1, 2017.)

1. City _____ Date of Request: _____

2. Enhanced Licensing Support Services for Service Year: _____.

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

4. Contact person who will coordinate City responsibilities associated with delivery of Enhanced Licensing Support Services:
   Name:
   Title:
   Phone:
   Email:

To be completed by King County:

The County agrees to provide the City Enhanced Licensing Support Services in Service Year _____ intended to generate $_____ (the "Licensing Revenue Target") in additional Licensing Revenue for a total Service Year cost of $_____, some or all of which cost may be charged to the City in calculating the Enhanced Licensing Support Services Charge, as further described in the Enhanced Licensing Support Services – Terms of Service and **Exhibit D** of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract for Enhanced Licensing Support Services to be executed, per the terms as specified in the Enhanced Licensing Support Services – Terms of Service, effective as of this ____day of _____, 20__.

King County	City of _____
_____	_____
By:	By:
Date:_____	Date:_____