

RESOLUTION R-5610

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT WITH LAKE WASHINGTON INSTITUTE OF TECHNOLOGY TO PROVIDE OPPORTUNITIES FOR CITY EMPLOYEES TO ACCESS CHILDCARE.

1 WHEREAS, lack of access to reliable, high-quality, and
2 affordable childcare negatively affects working families and inhibits the
3 ability of employers to recruit and retain talent; and
4

5 WHEREAS, City of Kirkland employees have identified that
6 access to reliable, high-quality, and affordable childcare is a desired
7 benefit that could improve recruitment and retention efforts; and
8

9 WHEREAS, the Lake Washington Institute of Technology
10 (LWTech) has successfully operated an Early Learning Center (ELC) on
11 its campus for nearly thirty years, providing childcare for children ages
12 18 months to six years; and
13

14 WHEREAS, LWTech is willing to partner with the City to provide
15 City employees with access to the ELC, and both parties see mutual
16 benefit in a relationship that provides guaranteed access to a specific
17 number of childcare spots and that provides LWTech with guaranteed
18 funding to operate the ELC at an expanded level, with opportunity for
19 continued partnering throughout the ELC's future expansion; and
20

21 WHEREAS, entering into an agreement with LWTech for
22 childcare access supports the City Council's 2023-2024 City Work
23 Program priority to ensure that Kirkland is a preferred employer that
24 attracts and retains talented and diverse employees.
25

26 NOW, THEREFORE, be it resolved by the City Council of the
27 City of Kirkland as follows:
28

29 Section 1. The City Manager is hereby authorized and directed
30 to execute an Interlocal Agreement with the Lake Washington Institute
31 of Technology to provide childcare services for City of Kirkland
32 employees substantially similar to the agreement attached hereto.
33

34 Passed by majority vote of the Kirkland City Council in open
35 meeting this 12th day of December, 2023.
36

37 Signed in authentication thereof this 12th day of December,
38 2023.



Penny Sweet, Mayor

Attest:

Kathi Anderson
Kathi Anderson, City Clerk

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND THE LAKE
WASHINGTON INSTITUTE OF TECHNOLOGY TO PROVIDE CHILDCARE SERVICES FOR
CITY OF KIRKLAND EMPLOYEES**

THIS AGREEMENT is made and entered into by and between the City of Kirkland, a Washington municipal corporation (“City”), and the Lake Washington Institute of Technology, a Washington public institution of higher education (“LWTech”). The City and LWTech shall collectively be referred to herein as “the Parties.” The purpose of this agreement is to set forth the operational relationship between the Parties consistent with the Interlocal Cooperation Act, chapter 39.34 RCW.

RECITALS

A. The Kirkland City Council has prioritized establishing the City as a preferred employer that attracts and retains talented and diverse employees, and employees of the City have identified that access to consistent, quality, accessible, and affordable childcare could improve recruitment and retention efforts.

B. LWTech has successfully operated its Early Learning Center (“ELC”) on their campus for nearly 30 years and has expressed interest in working with City to expand affordable and quality childcare in the community.

C. Guaranteed enrollment from City staff will allow the ELC to operate additional classrooms sustainably while fulfilling the City’s workplace recruitment and retention goals. The Parties will receive mutual benefit in guaranteed access and guaranteed enrollment in the ELC.

D. This Agreement reserves City slots in LWTech’s ELC for City employees at the established rates discounted below the community rate.

E. The City and LWTech commit to continued discussion and exploration of expanded cooperative services such as, increased hours of coverage to accommodate swing and/or night shift care; potentially reserving additional space in LWTech’s planned expansion through a capital contribution from the City; and the offering of infant care services.

F. On September 5, 2023, the Kirkland City Council authorized the City Manager to negotiate and create the interlocal agreement described in this Agreement through the passage of Resolution R-5598.

NOW, THEREFORE, the Parties have entered into this Agreement under the terms and conditions set forth herein and agree as follows:

1. PURPOSE AND SCOPE

The purpose of this operational Agreement is to set forth the terms and conditions under which LWTech shall provide access to childcare provided by the ELC for City employees.

2. SCOPE OF SERVICES

2.1 LWTech shall perform those services, including providing a minimum number of guaranteed childcare spaces for the children of City of Kirkland employees, described on **Exhibit A** attached hereto, which is incorporated by this reference as if fully set

forth. All such services provided by LWTech will be rendered with the degree of skill and care exercised by members of the early childcare profession practicing under similar circumstances at the same time and in the same or similar locale, and in compliance with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.

- 2.2 LWTech shall maintain all necessary certificates, licenses, and permits to perform the services set forth in **Exhibit A**.
- 2.3 LWTech shall regularly perform and certify that all adults working at the ELC have passed a criminal background check and have attended initial and ongoing training, and the ELC must pass health and safety inspections. All requirements set forth by the Washington State Department of Children, Youth, and Families applicable to the ELC shall be satisfied during the entire duration of this Agreement.

3. ALLOCATION OF GUARANTEED CITY SPACES

The City shall identify which City staff will have access to the benefits of this Agreement in recognition of potential bargaining requirements with represented employees and staff schedules. The City, in its sole discretion, shall have the authority to allot, designate, and prioritize City guaranteed childcare spaces among City employees consistent with **Exhibit A**.

4. DURATION AND MODIFICATION

- 4.1 Duration. This Agreement shall be effective on the later of _____, 2023, or the date of the latest signature below and shall continue in effect until 11:59 p.m. on December 31, 2025. Thereafter, unless either party gives at least 180 days' notice of nonrenewal, this Agreement shall automatically renew for an additional five-year term ("Renewal Term").
- 4.2 Modification. This Agreement is intended to express the entire Agreement of the Parties on the provisions herein and may not be altered or modified in any way unless such modification is reduced to writing and agreed upon and signed by each Party.

5. COMPENSATION AND METHOD OF PAYMENT

- 5.1 Once LWTech confirms in writing to the City that it has sufficient capacity for City employees to enroll new students in guaranteed spaces as described in Exhibit A, but no sooner than January 1, 2024, the City will be responsible for making or ensuring guaranteed payments to LWTech.
- 5.2 LWTech will receive payment for all childcare spaces filled by a child of a City employee based upon the compensation schedule set forth in **Exhibit B** attached hereto.
 - 5.2.1 The compensation provided by this Agreement does not include those administrative fees LWTech charges to enrolled families, such as enrollment fees, supply fees, and late pickup fees. Those fees will be the responsibility of enrolled families, and the City is not responsible for payment of those fees.

- 5.3 LWTech shall be paid the guaranteed amount per year stated in **Exhibit B** for the guaranteed minimum childcare spaces stated in **Exhibit A**. The City shall not be responsible for payment of any funds that exceeds what is set forth and agreed to in Exhibit B.
- 5.4 The City shall pay LWTech any undisputed portion of an invoice under this Agreement within thirty (30) days invoice. LWTech agrees to complete and return a Taxpayer Identification Number document to City prior to or along with the first invoice.
- 5.5 To satisfy the City's guaranteed payments, the parties may agree in writing to proceed under either Payment Option 1 (Section 5.5.1) by paying LWTech directly for all guaranteed spaces, Payment Option 2 (Section 5.5.2) by having LWTech directly bill families for enrolled students and invoice the City for only unfilled guaranteed spaces, or Payment Option 3 (Section 5.5.3) by having the City pay LWTech directly for all guaranteed spaces with the exception of certain identified City employees who LWTech will directly bill. Absent agreement on the payment option, Payment Option 3 will apply.
- 5.5.1 Payment Option 1: LWTech will invoice the City at the end of each quarter for a minimum of all childcare spaces guaranteed for children of City employees, whether the space is filled or unfilled, except for those spaces temporarily released for others' use as described in Exhibit A.
- 5.5.2 Payment Option 2: LWTech will accept payment from enrolled children's families either monthly or weekly, as selected by the child's family in their contract with LWTech, and then LWTech will invoice the City at the end of each quarter for any unfilled childcare spaces guaranteed for a child of a City employee, except for those spaces temporarily released for others use as described in Exhibit A, and for any delinquent payments outstanding from enrolled children.
- 5.5.3 Payment Option 3: To address unusual circumstances (for example, where payroll deductions by the City for a certain employee would present a hardship), LWTech will accept payment from those certain enrolled children's families agreed to by the parties either monthly or weekly, as selected by the child's family in their contract with LWTech, and then LWTech will invoice the City at the end of each quarter for the remainder of the childcare spaces guaranteed for a child of a City employee, except for those spaces temporarily released for others use as described in Exhibit A. The parties will agree in writing identifying those employees who will be paying LWTech directly.

6. COMMUNICATION AND COORDINATION AMONG THE PARTIES

- 6.1 The Parties will meet each year on a bi-annual basis with one another, with such meetings held in May and November unless different dates are otherwise agreed by the parties. During such Joint Review meetings, the parties will discuss, as appropriate, performance and compliance with this Agreement, and will work on any unexpected challenges and promptly resolve issues. The Parties also will promptly meet on an ad hoc basis at the request of either Party to resolve issues as quickly as possible.

- 6.2 Both parties agree to explore additional childcare partnership opportunities, including the potential to expand to night and/or swing shift coverage, accessing the ELC during LWTech's planned annual closures, offering infant care services, and expansion of the ELC (including potential capital contributions from the City). The Parties may implement any of these options through a subsequent joint agreement or revision of this Agreement. At minimum, the parties agree to discuss options for each of these opportunities at the first bi-annual joint review meeting.

7. INDEMNIFICATION

The Parties shall indemnify one another as follows:

- 7.1 Each party to this Agreement will be responsible for the negligent acts or omissions of its own officers, officials, employees, and agents in the performance of this Agreement. Neither party will be considered the agent of the other and neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a party to this Agreement.
- 7.2 Each Party to this Agreement agrees to protect, defend, hold harmless, and indemnify the other Party and its officers, officials, employees, and agents ("Indemnified Parties") from any and all costs, claims, claims for delay, judgments, and/or awards of damages arising out of or in any way resulting from the Indemnifying Party's default, failure of performance, or intentional or negligent conduct or omission associated with this Agreement by the Indemnifying Party and/or its officers, officials, employees, and agents.
- 7.3 Each Party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each Party's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as respects the other Party, and only to the extent necessary to provide each Party with a full and complete indemnity of claims made by the other Party's employees or agents. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.
- 7.4 In the event any Party incurs any costs, including attorney fees or expert witness fees, to enforce this Agreement, and prevails in such enforcement action, all such costs and fees shall be recoverable from the losing Party/Parties.
- 7.5 The provisions of this Section shall survive the expiration or earlier termination of this Agreement with regard to any event that occurred prior to or on the date of expiration or termination.

8. DISPUTE RESOLUTION AND JURISDICTION

- 8.1 Disputes between the Parties. It is the Parties' intent to resolve any disputes relating to the interpretation or application of this Agreement, including billing, informally through discussions at staff level. If a dispute arises from or relates to this Agreement or the breach thereof, and if the dispute cannot be resolved through direct discussions, the Parties agree to endeavor first to settle the dispute in an amicable manner by

mediation pursuant to chapter 7.07 RCW. All fees and expenses for mediation shall be borne by the Parties equally. However, each Party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence. The Parties shall not resolve any dispute by mandatory arbitration.

- 8.2 Disputes between parent/guardians and LWTech or the ELC. Any disputes that may arise between LWTech and a City employee who has a child enrolled in the ELC shall be handled consistent with LWTech's ELC policies. This Section 8 shall not apply or modify ELC parent-child policies related to communications, disputes, or requested changes involving a child enrolled in the program.

9. INDEPENDENT CONTRACTOR

Each Party to this Agreement is an independent contractor with respect to the subject matter herein. Nothing in this Agreement shall make any employee of one Party the employee of any other Party or Parties for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded by virtue of their employment.

10. NOTICES

Any notice or other communication given hereunder shall be deemed sufficient, if in writing and addressed as follows, or to such other address as may be designated by the addressee by written notice to the other Parties:

City of Kirkland:
Human Resources Director
123 5th Ave
Kirkland, WA 98033

LWTech:
Director, Early Learning Center
11605 132nd Avenue NE
Kirkland, WA 98034

11. RECORDS, AUDITS, AND INSPECTIONS

- 11.1 Ownership, Form, and Use of Documents. All documents and other materials produced by LWTech in connection with the services rendered under this Agreement shall be the property of LWTech.
- 11.2 Recordkeeping. LWTech shall maintain accounts and records, including personnel, property, financial, and programmatic records, that sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. LWTech shall also maintain such other records as may be deemed necessary by City to ensure proper accounting of all funds contributed by City to the performance of this Agreement and of the parties' compliance with this Agreement. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by City.
- 11.3 Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the term of this Agreement. The City shall have the right to conduct an

audit of LWTech's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of LWTech.

12. INSURANCE

- 12.1 Lake Washington Technical College, a higher education institution of the State of Washington, certifies that it is self-insured against liability claims in accordance with the state risk management and tort claims statutes, including chapter 4.92 RCW. The tort claims procedure, RCW 4.92.100 et seq., provides the fundamental remedy for all tort liability claims against the college and its officers, employees, and agents acting as such, and all such claims must be filed and processed as provided therein. Claims against Lake Washington Technical College and its employees, officers, and agents in the performance of their duties under this Agreement will be paid from the tort claims liability account as provided in chapter 4.92 RCW.
- 12.1.1 *Additional Insurance Provisions.* LWTech shall provide the Cities with written notice of any coverage cancellation within two (2) business days of LWTech's receipt of such notice.
- 12.1.2 *Certificates of Insurance.* Within fifteen (15) days of the execution of this Agreement, LWTech shall deliver original certificates or coverage letters evidencing the insurance coverage described herein.
- 12.2 LWTech's maintenance of insurance or risk coverage as required or described by this Agreement shall not be construed to limit LWTech's liability to the coverage provided by such commercial or self-insurance, or otherwise limit City's recourse to any remedy available at law or in equity.

13. TERMINATION

- 13.1 Any Party may elect to terminate this Agreement on one hundred eighty (180) days' written notice of termination to the other Parties, given in accordance with this Agreement; provided, that if LWTech's insurance coverage is canceled for any reason or LWTech fails to comply with any Child Care Licensing Policies or Rules set forth by the Washington State Department of Children, Youth, and Families, the City may, after giving fifteen (15) business days' notice to LWTech to begin remediating the breach, immediately terminate this Agreement, at its sole discretion.
- 13.2 If this Agreement is terminated by either Party, any children of City employees receiving childcare services from LWTech under this Agreement shall be permitted to remain in their childcare space with LWTech as a community member at the community member rate under the same conditions as other community members.
- 13.3 The Parties may jointly agree to terminate this Agreement at any time.
- 13.4 Force Majeure. "Force Majeure" means and includes any of the following: strike, lockout, labor trouble, failure of power, riot, insurrection, casualty, condemnation, war, terrorism, act of God, pandemic, national emergency, weather event or any other reason beyond a Party's reasonable control that prevents the party so affected from performing its material obligations under this Agreement by reason thereof, and for

more than sixty (60) consecutive days. If the party adversely affected by a Force Majeure event is prevented from performing its obligations under this Agreement for less than sixty (60) days, the Parties' obligations hereunder shall be suspended during the pendency of such Force Majeure event, and such time period during which the party was so prevented shall be added to the term of this Agreement; payment or monetary amounts that accrue during the suspension period shall be paid within thirty (30) days after the expiration of the Force Majeure event. This Agreement shall terminate in the event of a Force Majeure event that has a duration of more than sixty (60) days, unless mutually extended in writing by the Parties.

14. DISCRIMINATION PROHIBITED

Neither Party shall unlawfully discriminate against any employee, applicant for employment, or any person seeking LWTech's services under this Agreement in violation of RCW 49.60.180, RCW 49.60.215, or any other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification or as otherwise permitted by other applicable law.

15. GENERAL PROVISIONS

- 15.1 Governing Law and Venue. This Agreement shall be interpreted in accordance with the laws of the State of Washington. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.
- 15.2 Entire Agreement. This Agreement contains and reflects all of the agreements and understandings of the Parties with respect to the subject matter of this Agreement, and it supersedes and replaces any and all prior understandings, representations, and agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of this Agreement. No amendment, supplement, or update of this Agreement shall be valid or effective unless made in writing and executed by the Parties hereto.
- 15.3 Waiver. Failure of a Party to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection therewith, shall not waive such breach or default. Waiver by a Party of any breach of any term or condition of this Agreement shall not be construed as a waiver of any other breach.
- 15.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. Any provision or part of this Agreement held to be invalid, void, illegal, or unenforceable under any law or regulation shall be deemed stricken. Unless such stricken provision goes to the essence of the consideration bargained for by a party, all remaining provisions shall continue to be valid and binding upon the parties and remain in full force and effect, and the parties agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 15.5 Assignability, Assignment, and Subcontract. The rights, duties, and obligations of any Party to this Agreement shall not be assigned or subcontracted without the prior written consent of the other party.

15.6 Filing of Agreement. Pursuant to RCW 39.34.040, this Agreement, prior to its entry into force, shall be filed with the King County Recorder's Office or, alternatively, listed by subject on a Party's website or other electronically retrievable public source. The City intends to list this Agreement on its website to satisfy compliance with the statutory requirements of RCW 39.34.040.

CITY OF KIRLAND

LAKE WASHINGTON INSTITUTE OF TECHNOLOGY

Julie Underwood, Deputy City Manager

Dr. Amy Morrison, President

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Kirkland City Attorney

By: _____
Assistant Attorney General

Dated: _____

Dated: _____

DRAFT

EXHIBIT A: SCOPE OF SERVICES

1) General Services

- a) Qualified City employees (as determined by the City) shall have access to the ELC's existing childcare curriculum, program, and policies, which provide childcare for children ages 18 months – 6 years old. LWTech shall remain the sole administrator of the ELC.
- b) Absent further agreement, LWTech will provide children of City employees ("CoK families") with professional childcare and access to the ELC from 6am-6pm M-F for 11 months of the year based on the ELC's annual schedule. The City acknowledges that the ELC has standard closure dates.
- c) LWTech shall employ qualified teachers and activate and maintain sufficient classrooms to accommodate a minimum of fifteen (15) spaces distributed across the classrooms dedicated for CoK families. Initial enrollment may be less than fifteen (15) if LWTech is unable to hire a sufficient number of teachers prior to the start date.
 - i) For initial enrollment, the City will notify LWTech by March 1, 2024 (assuming LWTech has hired sufficient teachers to expand capacity in each classroom), about the number of spaces to be dedicated to CoK families in each classroom for the 2023-2024 academic year, which numbers cannot exceed the state maximums for any teacher. Consistent with state requirements, LWTech classrooms accommodate a maximum of 7 children aged 18 months to 2.5 years per teacher; a maximum of 10 children aged 2.5 to 4 years per teacher; and a maximum of 10 children aged 4 to 6 years per teacher.
 - ii) In the event the City would like to request additional guaranteed spaces for an academic year, the City shall send a written request to LWTech by June 15 indicating the additional number of spaces requested for CoK families. Within thirty (30) days, LWTech shall confirm available spots, which must be at least the minimum guaranteed 15 childcare spaces, for the City's budgeting and forecasting purposes.

2) Managing and Maximizing Enrollment

- a) LWTech will manage enrollment of CoK families in the ELC consistent with current rolling enrollment procedures.
 - i) LWTech will confirm with the City's Human Resources Department whether an applicant is a City employee prior to enrolling the student in a City-dedicated space. The City's Human Resources Department shall confirm employment within 5 business days of receiving notice of a CoK application from ELC staff.
 - ii) LWTech will communicate to the City, in writing, information on each CoK family enrolled at the ELC and any subsequent changes to their enrollment within five (5) days of initial enrollment and/or changes to their enrollment.
- b) If City demand for childcare spaces at the ELC exceeds the fifteen dedicated spaces, and the ELC has vacancies, LWTech may choose to offer the spaces to CoK families. The City's guaranteed tuition payment to LWTech would increase by the corresponding number of spaces while more than 15 CoK families are enrolled.

- c) If City demand for childcare spaces at the ELC is less than the fifteen dedicated spaces, and the ELC has a waitlist or an interest in utilizing those additional spaces for non-CoK families, the City may choose to temporarily release the space(s) and authorize LWTech to offer them to a non-CoK family. The City's guaranteed tuition payment to LWTech would be reduced in proportion to the corresponding number of spaces. The City shall then have the option to reclaim any previously released spaces as LWTech has openings.
- d) If a CoK family enrolled at the ELC ceases being a City employee, the family shall be permitted to conclude the current month as a CoK family and then LWTech shall permit the family to remain with the ELC as a community member at the community member rate, provided the ELC has a community member vacancy.
 - i) The City will notify LWTech within 14 days of the separation of a City employee who has a child attending LWTech.

DRAFT

EXHIBIT B: COMPENSATION

- 1) The City will guarantee that LWTech will be compensated for a minimum of 15 childcare spaces based on LWTech’s discounted City rate as shown in Table 1. The parties may jointly agree to increase or decrease the number of spaces dedicated to the City, and corresponding tuition payments, consistent with the stipulations in Exhibit A (Scope of Services).

Table 1. Discounted City of Kirkland Employee Tuition Rates 2023-2024

<u>TODDLERS (1.5 to 3 Years Old)</u>	5 FULL DAYS
MONTHLY	\$1,900
WEEKLY	\$475
<u>PRE-SCHOOL (3 to 6 Years Old)</u>	5 FULL DAYS
MONTHLY	\$1,800
WEEKLY	\$450

- 2) The City shall guarantee payment of \$305,250 per year to LWTech associated with the dedicated minimum spaces. This guaranteed amount will be increased or decreased based on the following:
- a) If a minimum of 15 spaces are filled by CoK families, then LWTech will be paid the actuals of the tuition for enrolled children.
 - b) If less than 15 spaces are filled by CoK families, then LWTech will be paid the actuals for enrolled children and the City will pay \$1,850 per unfilled spots up to fifteen.
 - c) If less than 15 spaces are filled by CoK families, the City can authorize LWTech to fill the space, in which case the City’s guaranteed amount will be reduced in proportion to the corresponding number of spaces filled by non-CoK families until the City reclaims a spot.
 - d) If a CoK family is enrolled less than full-time and the CoK family is paying LWTech directly, the City will pay LWTech the difference between the CoK family’s part-time rate and the full-time tuition rate, unless multiple CoK families share a guaranteed spot, in which case the City will not pay the difference between the part-time rate and the full-time tuition rate for either family.
 - e) The full guaranteed payment amount assumes LWTech hired sufficient teachers to expand to full capacity in each of the ELC’s three classrooms. In the event LWTech expands capacity in classrooms on a rolling basis in the first year, the guaranteed payment amount will be decreased to reflect either one-third of the guaranteed amount per expanded classroom or the number of CoK family enrolled students, whichever is greater.

3) Planning for Annual Rate Increases

- a) LWTech may increase the annual rate but shall communicate, in writing, to the City the updated Discounted City rate schedule by June 15 for the upcoming academic year. Rate changes established in June will become effective in September. Annual tuition increases are not to exceed the Seattle-Tacoma-Bellevue June CPI-W amount, except adjustments for specific expense categories (e.g., utilities) may also be made when actual costs in the trailing year illustrate increases greater than CPI-W.

- b) Following the initial two-year term of this Agreement, the parties shall explore allocating ELC expenses proportionally by use. Any subsequent cost-sharing agreement shall be documented in a future agreement or amendment.

4) **Teacher Recruitment and Substitute Teachers**

- a) To compensate LWTech for the one-time costs of recruiting new teachers to meet the obligations of this Agreement, the City shall reimburse LWTech a pro-rata portion of LWTech's contract with Child Care Careers for recruitment and substitute teachers. The amount of this recruitment cost for 2023 will not exceed \$28,600.
- b) The City recognizes that the Child Care Careers contract is not currently factored into LWTech's annual operational costs. This contract may be valuable to the parties in the future, either on a short-term ongoing basis or a longer-term basis. Until this contract is absorbed into the ELC's operational costs, the parties commit to discussing during the bi-annual meeting whether the City will pay annually for a portion of the Child Care Careers. The City commits to reimbursing LWTech that portion of the Child Care Careers agreed on by the parties during the bi-annual meeting. The amount of the portion paid by the City cannot exceed more than fifty percent of the annual contract cost.