PENDLETON CONSULTING, L.L.C.

MICHAEL R. PENDLETON Ph.D.

34225 BRIDGEVIEW DR. N.E.
KINGSTON, WASHINGTON 98346
Phone (360) 638-1179
Fax (360) 638-1779
Cell (360) 271-0359
e-mail: mpendleton@telebyte.com
pendletonconsultingllc@msn.com
www.pendleton-consulting.com

THE

KENMORE CITY COUNCIL

ANNUAL RETREAT

January 5th and 6th
2018

Summary Report

Introduction

The Kenmore City Council annual retreat was held on January 5^{th} and 6^{th}, 2018 at the Kitsap Conference Center in Bremerton, Washington. The retreat is located and structured to provide an uninterrupted forum for in-depth discussion of selected issues. The purpose of this retreat was to discuss, in depth, key projects and policy issues identified by the participants during a pre-retreat interview to establish the agenda. In addition, this retreat focused on establishing goals and objectives for 2018 and 2019. The following agenda guided the discussions during this council retreat:

1. 2017 Accomplishments
2. Budget
3. Economic Development
4. Code Updates and Planning Commission Docket
5. Housing
6. Transportation and Safety
7. Waterfront and Water topics
8. Ball Fields
9. General City Issues
10. Council and Organizational Processes
11. Goals for 2018 and 2019

The following report is a summary of the discussions and outcomes of the retreat (a complete recording of this retreat was made and is retained by City officials):

2017 Accomplishments

The retreat opened with a listing of key accomplishments that have occurred within the city during the last year. An in-depth listing of accomplishments can be found in the retreat packet.

Budget

The Finance Director presented an overview of a proposed budget development process to include a schedule and key events within the process. The city will, again, use the Priority Based Budgeting process to establish the next two-year budget. Participants discussed the impacts on staff to engage in the proposed process, the public participation component of the process and how this process will link to Council goals. It was noted that a Budget Retreat will be needed later in the spring to kick off this process. After a discussion the participants agreed to the following:

Agreement One: Set a Budget Retreat sometime in May.

6 Year Budget Projections. The participants next reviewed the 6-year budget projections prepared by staff. The projections are based upon a conservative financial-budgeting philosophy. These projections show that the expenditure and revenue lines will cross in the out years of the projection. Staff presented and participants discusses several budget scenarios based upon various changes in variables within the projection model. It was noted that this projection model is available at city hall and the participants are welcome to come use the model tool to develop various projections based upon manipulation of various assumptions and elements of the model.

The participants discussed the merits of a conservative budgeting philosophy and various the impacts of various adjustments to this philosophy. After a discussion the participants agreed to the following:

Agreement Two: To continue to use a conservative budgeting philosophy to guide city financial management.

The participants discussed various ways to adjust the expenditures within various fund categories. In addition, the participants discussed the various revenue sources available to the city. Next the participants discussed the future national economic climate and various scenarios that might impact the city budget. The participants next discussed the number of large projects that are planned within the city such as the West Sammamish Bridge, Walkways and Waterways, Lakepointe, ST3 etc. It was quickly noted that it will be important to keep a close eye on costs as these projects move forward. The participants reaffirmed the strong commitment to completing, first, the projects that were part of the Bond Issue that the citizens passed to support these projects. Finally, the participants discussed the mix of "contract" and city employee approach to providing city services.

Economic Development

The participants next considered the Economic Development Program. The Assistant City Manager provided an overview of the current Economic Development Program. Participants discussed the importance of a business-friendly climate within the city and how to create such a climate. It was noted that it is important to include home based businesses within the city, and to not just seek business for business sake, but to attract those businesses that are " life enhancing". It was noted that there remains a need for business office space and ways to connect businesses both with each other and the recreation opportunities within the city such as the Burke-Gillman trail. Participants also discussed incentivizing local artisanal businesses instead of big box businesses. The also discussed the farmers market.

Creating a New Downtown. The City Manager next led a discussion on what's next for the new downtown area. The presentation covered the vision for the town square and the Hangar, redevelopment of existing spaces known as the "ripple effect" and ways to connect Downtown to the southside. Participants discussed a number of issues that impact the downtown such as the speed limit on 522, possible traffic revisions, the pros and cons of assembling property to shape development, and various approaches to impact fees that would help or hinder development.

Lakepointe. The City Manager provided the participants with an update on the Lakepointe project. Included in the discussion was the financial role of the city, how the project might impact quality of life, impact on businesses, and the importance of keeping the public both informed and involved in the project.

Puget Sound Energy (PSE) Franchise Agreement. The Assistant City Manager provided an update on a developing agreement between the city and Puget Sound Energy. The ongoing problem of non-storm related power outages and the condition of the power system were highlighted and discussed. The financial impacts of such power outages were discussed and noted as an important point for discussion with PSE. The importance of PSE accountability and benchmark measures were noted. Finally, it was noted that it might be important to review other franchise agreements between PSE and other cities such as Bellevue.

Planning Commission Docket and Work Program. The Community Development Director reviewed the draft docket and work plan for the Planning Commission. The participants discussed the importance of school impact fees and various views on implementing these fees. Other topics discussed were tree cutting and the process to inform the public about amendments to the Comprehensive Plan. Staff agreed to include the Planning Commission docket in the next city-wide newsletter. In general, the participants agreed with the docket and work plan with modest adjustments.

Housing

Affordable Housing. The participants next discussed Housing issues within the city. The Community Development Director reviewed a memo prepared on affordable housing and the Housing Strategy Plan. The participants then discussed a number of key issues to include ways to provide cottage housing, the importance of cottage and tiny housing, mobile home parks and the acquisition of data on owned vs. leased land.

Agreement Three: Staff will research possible zoning changes that encourages small homes and tiny homes in appropriate zones. (not currently on the 2018 docket and work program, but Council may add this in the future)

Rent Increase Notification. The participants next discussed the need for a rent notification requirement within the city. It was noted that it is very hard to move on short notice as it requires not only a search for new housing but a sizable amount of money to provide first-last month's rent, a deposit and other costs. A notification of 30 days or more would provide the time necessary to accommodate these costs. Participants discussed the pros and cons of such a notification requirement. It was noted that existing laws may already be adequate and that market forces may act to address this issue. After a discussion the participants agreed to the following:

Agreement Four: Staff will research the various aspects of a rent notification requirement and report back to the Council.

Affordability for Seniors. The participants next discussed the importance of affordable housing for seniors. It was noted that senior housing is important in the city and options seem limited. It was suggested that it might be important to know if there are any expectations for more senior housing being built within the city. It was noted that this issue needs to be interjected in conversations with developers to provide affordable housing units into planned developments. It was noted that there will be a briefing on "housing 101" for the council in the future.

Homeless Regulations. The participants next discussed an interest in knowing more about what current regulations/laws exist to govern homeless encampment and other issues. After a brief discussion the participants agreed to the following:

Agreement Five: The staff will secure a summer intern to research and prepare a report on the regulations governing homeless issues.

Downtown Trailer Park. The participants discussed trailer parks within the city. It was noted that the Planning Commission is specifically addressing the downtown trailer park issues. It was noted that caution should be exercised to recognize there are differing trailer parks within the city and each park has differing populations. It was noted that each park may be treated differently based upon differing zoning regulations for various parts of the city. It was also noted that it may be important to recognize the difference between those that rent in trailer parks and those that own.

Accessory Dwelling Units (ADU's). The participants next discussed the value of ADU's within the city. It was noted that zoning to allow ADUs is good for both landlords and tenants. When combined with cottage housing, ADU's provide a great way for people to "age in place". In general, the participants were very supportive of allowing ADU's within the city. Staff agreed to talk to Northshore Utility District about whether they assess hookup fees for ADUs, discuss with other cities the possibility of creating "off-the-shelf" ADU plans, look into creating a checklist for ADUs rather than requiring construction-level plans, and confirm whether ADUs are required to pay impact fees.

Short Term Rental Regulations

The participants next discussed the nature, impacts and various approaches to short term rental regulations (e.g. Airbnb) within the city. Various aspects were considered including nature of ownership, the value of having these as short stay housing options, the possibility of lodging taxes, and other issues. Staff informed the participants that there were 53 such properties currently listed on Airbnb in the city. Some participants were not sure they wanted to address this while others said it was a low priority. Staff will conduct further research to see if Bread & Breakfast establishments are actually allowed in certain residential zones.

Citizen Advisory Group. Participants discussed briefly the value of creating a citizen advisory group on housing. It was noted an inter faith group was already formed on this topic. It was noted that it might be best if the city stays independent on this issue and let the discussion come through the Planning Commission on this topic.

Transportation and Traffic Safety

The participants next discussed a range of transportation and safety topics.

Target Zero. The participants discussed the Target Zero program which has a focus on the link between transportation improvements and pedestrian safety. Staff provided an update on the program. Features of the program include a map for the NTPP projects, a range of approaches to traffic calming, and future use of a "testing window" approach to implementing new calming approaches. The importance of getting broader resident notification and public participation and input was noted and emphasized, including looking into the possibility of remote access for traffic meetings with the public. After a discussion the participants agreed to the following:

Agreement Six: Staff will look into interactive maps on calming indicators building upon the existing map.

Sidewalks. Participants next discussed the importance of sidewalks and how various areas are selected to receive sidewalks. It was noted that there is a sidewalk plan that guides the development of sidewalks and their location. The importance of sidewalks was emphasized. Participants discussed the working agreement with the City of Lake Forest Park and the value of that partnership.

Downtown Parking. Participant next discussed the importance of parking in the downtown. The impact of apartments on parking were discussed and role of development standards that include parking. Participants discussed the problem of "park and hiders" and the role of parking enforcement.

Electric Charging Stations. Participants discussed the coming need for charging stations. Items discussed included the cost to charge a car, other cities that have started to install them, and other aspects of this new transportation approach.

Dockless Bicycles. Participants discussed the increasing presence of the green dockless bicycles from Seattle with the city. The participants noted the unsightly impacts and need to the return of these bicycles to the business in Seattle that owns them. After a discussion the participants agreed to the following:

Agreement Seven: Staff will look into the issue and identify possible solutions.

Water and Waterfront Topics

Participants next considered and discussed a number of water and waterfront related issues detailed below:

Emissions from Industrial Plants. Participants next discussed emissions from industrial sites within the city. Concerns were raised about the possible toxic nature of the emissions. It was noted that this issue has been addressed over the years. The City Manager a brief background on this issue. The various approaches and limitations to testing were discussed. The importance of knowing the nature of the emissions and value of knowledge was noted and discussed. Most participants stressed the importance of getting a legislative solution to this issue and value of partnering with the industrial business on a solution. After a long discussion the participants agreed to the following:

Agreement Eight: To work with a state legislator to move a bill forward that would address this issue. To work with PSCAA to get their support on the legislation. To explore other solutions like enclosing hoppers to reduce emissions.

City Swimming Pool. The participants next discussed the need for a city swimming pool. It was noted that community swimming pools are being phased out because of the expense. Some participants felt due to the cost and full work plan for the city that taking on such a project now was not possible. Other alternative such as partnering with other agencies was discussed. The value of working with the Northshore Park and Recreation Service Area (NPRSA) was discussed. After a discussion the participants agreed to the following:

Agreement Nine: A member of the Council will replace Councilmember Smith on the NPRSA board and place the swimming pool on their agenda and also continue discussions with the School District on the topic.

Ball Fields

The participants next discussed the need for and current status of efforts to provide ball fields within the city. Staff provided an update on current efforts on this important topic. Participants discussed the costs, various options, the status of work with the State Parks on the issue, various design issues such as lighting, turf and parking.

Partner with Schools. Participants next discussed the option of partnering with the school district to use their ball fields. It was quickly noted that the school ball fields are already being used. It was suggested that an inventory of ball fields would be useful. It was noted that such an inventory was conducted about 10 years ago. It was also noted that renovating the ballfields at St. Edward State Park were still part of the city's CIP. It was suggested that a review of existing school fields might be useful to determine if there are ways to increase capacity of existing fields without the higher costs of full renovation/new construction.

General City Issues

Bulletin Board in the Hanger. It was noted that it would be great to put a bulletin board in the town square Hanger building. It was noted that it was already installed. Various other features of the Hanger building were discussed to include community volunteers to monitor the use of the building, letting folks know they can schedule use of the building, winter vs. summer hours, and the value of food trucks during the summer.

Rename Squires Landing. It was suggested that the city might wish to consider renaming the area known as Squires Landing to honor Native American Heritage. The participants discussed the processes the city uses to name area within. It was noted that a public process was used to name Squires Landing. It was suggested that future efforts focus on naming new parks.

Short Plat Application Fees. Participants discussed the nature and value of pre-application fees on short plats. After a discussion the participants agreed to the following:

Agreement Ten: Staff will get data on pre-application fees to include what other cities do, the amount, and why the city moved away from this practice.

Land Use Appeal Fee. The participants next discussed the land use appeal fee and possibility the fee is too high. Participants quickly agreed that such a fee should not be high but kept at a low level. After a discussion the participants agreed to the following:

Agreement Eleven: Staff will come back to the Council on January 16th, 2018 with a proposal for setting the Land Use Appeal Fee.

Tree Ordinance. Participants next discussed the importance of the city tree ordinance as a means to both save trees and plant trees. It was noted that the council has set new requirements a time ago. It was noted that it might be useful to see if any developments have occurred since the new ordinance and what the impact of the ordinance has been before taking this on again. After a discussion the participants agreed to the following:

Agreement Twelve: Staff will update the Council on the impact of the current regulations on developments since their adoption.

20 Year Anniversary Celebration. Participants next reviewed and discussed the upcoming 20th year anniversary of the creation of the City of Kenmore. Staff reviewed the plan elements of the celebration. Participants agreed to encourage the Historical Society to update the history of Kenmore book. Participants discussed the idea of a new city logo. After a discussion of the logo the participants agreed to following:

Agreement Thirteen: Staff will commission some small workups on possible new logos with a consultant.

Finally, the participants had a brief discussion of the "Hank Suit". While all agreed it was fun, it was suggested that sponsors pay for most of the suit.

Lights on the Sammamish River Bridge. Participants very briefly discussed the lights on the bridge. This discussion will continue once the new bridge is completed.

Art Policy. The participants briefly discussed the need for an Art Policy in the city to regulate placement of art. There was no interest in such a policy.

Council Process

The participants next discussed several council internal processes.

Rotating Council Meetings. The participants discussed the value of rotating council meetings to various sites within the city. After a discussion the council decided to keep council meetings at City Hall.

Social Media Rules and Regulations. The participants next discussed the need for an update on current laws and regulations addressing the use of social media in the government sector. After a discussion the participants agreed to the following:

Agreement Fourteen: Staff will schedule a legal update for the Council.

Citizen Action Request (CAR's). The participants next discussed the city's CAR program. It was noted that improvements may be possible in responding to citizens request for action by the city. It was noted that the requests are linked to a mapping device. The program tries to adhere to a 2-day response time and a resolution time of two weeks. After a discussion the participants agreed to the following:

Agreement Fifteen: Staff will look into possible improvements to the CAR program and report back to council.

City Council Goals

The participants next reviewed and discussed the City Council goals established at last year's retreat. The participants then revised the goals based upon completion and other factors. Next the participants nominated new goals for consideration. Finally, the participants used a Paired Comparison Methodology to select their goals for 2018-19. See the below.

The top five goals will comprise a portion of the City Manager's annual performance review. Goals will be addressed to generally reflect their priority; however, opportunity and/or necessity may require an emphasis on selected goals outside the priority listed in this report.

2018-2019 Council Goals

1. **To focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.**
   -Implement the Sidewalk Plan (58 points)
2. **To implement the Walkways and Waterways projects. (52 points)**
3. **To continue to seek opportunities to complete a successful Lakepointe project. (35 points)**
4. **To actively ensure the implementation of Sound Transit 3 Projects for SR 522 (34 points)**
5. **To update and continue to implement the Economic Development Plan, with an emphasis on the following key points:**
   - Advance Public's Access to Water
   - Create a vibrant walkable downtown
   - Attract new businesses and support existing businesses
   - Promote the Image of Kenmore

   (33 points)

6. To continue to implement a Parks Improvement Plan. (30 points)
7. To increase the affordable housing stock. (23 points)
8. To protect and enhance the water, air and forest environment. (20 points)
9. To build community and create fun. (19 points)
10. To continues to seek funds to mitigate State impacts on the city's transportation System. (11 points)

APPENDIX ONE
Retreat Participants

Mayor
David Baker

Councilmember
Milton Curtis

Councilmember
Stacey Denuski

Councilmember
Nigel Herbig

Councilmember
Joe Marshall

Councilmember
Brent Smith

Councilmember
Debra Srebnik

City Manager
Rob Karlinsey

Assistant City Manger
Nancy Ousley

Finance and Administration Director
Joanne Gregory

Community Development Director
Debbie Bent

Development Services Director
Bryan Hampson

City Clerk
Kelly Chelin

Public Works
Jennifer Gordon

Transportation
John Vicente