

City of Kenmore



City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607 - Kenmore, WA 98028
Phone: [425-398-8900](tel:425-398-8900) - Fax: [425-481-3236](tel:425-481-3236) - E-mail: cityhall@kenmorewa.gov

City of Kenmore **REVISED City Council Regular Meeting Agenda**

7:00 p.m., Monday, March 16, 2015
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at [425-398-8900](tel:425-398-8900). You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at www.kenmorewa.gov.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. CITIZEN COMMENTS

- A. This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

VI. CONSENT AGENDA

- A. Approve Check Nos. 31646-31710 in the Amount of \$218,424.56 and Electronically Transferred Payroll Funds Totaling \$67,915.33 for the Period Ending February 27, 2015
[Checks for Approval](#)
- B. Approve Contract No. 15-C1381, Open Space Agreement for Lake Forest Park Plat, Lot 9
[Agenda Bill & Attachments](#)
- C. Personnel Policy Amendments
[Agenda Bill](#)

VII. BUSINESS AGENDA

- A. Approval of High Deductible Health Plan Savings Account - Joanne Gregory, Finance & Administration Director
[Agenda Bill & Attachments](#)

- B. Industrial Uses - Bryan Hampson, Development Services Director
[Agenda Bill & Attachments](#)
- C. King County Legislative Agenda - Nancy Ousley, Assistant City Manager
[Agenda Bill & Attachment](#)
- D. Town Green Design & Budget Update - Rob Karlinsey, City Manager, and Debbie Bent, Community Development Director
[Agenda Bill & Attachments](#)
[PowerPoint Presentation](#)

VIII. STAFF REPORT

- A. WRIA8 Representation - Rob Karlinsey, City Manager
- B. Comprehensive Plan Update - Regional Transportation Policies - Debbie Bent, Community Development Director, and Lauri Anderson, Senior Planner
[Memo](#)

IX. COUNCILMEMBER REPORTS & COMMENTS

X. COUNCILMEMBER INITIATIVES

XI. ADJOURNMENT

Upcoming Meetings:

Tues., March 17, 2015	7:00 p.m.	Planning Commission Regular Meeting
Mon., March 23, 2015	7:00 p.m.	City Council Regular Meeting
Tues., March 31, 2015	7:00 p.m.	Planning Commission Regular Meeting
Mon., April 6, 2015	7:00 p.m.	For the Love of Kenmore, City Council Study Session
Tues., April 7, 2015	6:00 p.m.	For the Love of Kenmore Community Workshop

City of Kenmore Voucher Certification and Approval

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the following claims, paid by checks 31646-31710 which total \$218,424.56, and electronically transferred payroll funds totalling \$67,915.33, are just, due and unpaid obligations against the City of Kenmore/King County/Washington, and that I am authorized to authenticate and certify to said claims.


City Manager

2/27/2015

Date


Finance Director

2/27/15

Date

Check #	Vendor Name	Description	Check Amount
31646	CITY OF KENMORE	PERS Retro Reimbursement	13.34
31647	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	10,946.56
31648	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	285.00
31649	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	2,835.43
31650	DRS 457	Deferred Comp Payroll Deduction	420.00
31651	AFLAC	Private Medical/ Disability Plans	438.51
31652	CITY OF KENMORE FS	Flexible Spending Medical Plans	334.21
31653	BANK OF AMERICA 941	Payroll Taxes	13,971.61
31654	WA GUARANTEED EDUCATION TUITION	WA Pre-Tax Education Plan	100.00
31655	DEPARTMENT OF LABOR AND INDUSTRIES	Worker's Compensation	1,934.11
31656	UNITED WAY OF KING COUNTY	Employee Charitable Contribution	513.24
31657	NATIONAL LIFE OF VERMONT	Life Insurance	123.17
31658	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
31659	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	12,786.35
31660	VAN NESS, ALLAN	Mileage & Parking Reimbursement	610.10
31661	ROGERS, GLENN	11/14/13 Mileage Reimbursement	20.91
31662	WELLS FARGO FINANCIAL	1/21-2/20 1st & 2nd Floor Xerox Lease	1,041.25
31663	AWC EMPLOYEE BENEFITS	Employee Health Insurance	39,454.48
31664	LINCOLN NATIONAL LIFE INSURANCE	Life/Long Term Disability/AD&D	802.34
31665	BAKER, DAVID	Mileage Reimbursement	183.43
31666	BASTYR UNIVERSITY	2015 Rental of Athletic Fields	50,000.00
31667	KING COUNTY FINANCE	Jan. Road Svcs - Signs/Signals/Overlay	4,501.70
31668	KING COUNTY SHERIFF	Jan. Police Svcs/School District Overtime	569.37
31669	KING COUNTY SUPERIOR COURT CLERK	SR522 W. A Settlement Bal PP#86/103	14,300.00
31670	MR. T'S TROPHIES	Engraving/ Eagle Scout Project	69.20
31671	NORTHSHORE UTILITY DIST	January Vehicle Maintenance & Fuel	3,246.25
31672	HONEY BUCKET	Squire's Landing 1/31-2/27/15	222.35
31673	PERSONAL BEST/ TOPHEALTH	Web Subscription Renewal	197.77

VI. A. Approve Check Nos. 31646-31710 in the Amount of \$218,...

31674	OFFICE DEPOT	Office Supplies	260.58
31675	OFFICE TEAM	Temporary Service Week Ending 2/6/15	920.00
31676	PUGET SOUND ENERGY	Jan.-Feb. Signals/Electricity/Street Lights	12,864.27
31677	TOTAL LANDSCAPE CORP	Feb. Parks & City Hall Landscaping	5,002.61
31678	WA STATE DEPT OF TRANSPORTATION	Nov. Design Services/ SR522 West A	1,162.24
31679	WA STATE DEPT OF TRANSPORTATION	Nov. WSDOT Review Concrete Pkg	301.14
31680	COLUMBIA RIDGE LANDFILL	January Sweeper Dump Fees	1,676.19
31681	BANNER BANK LD	Supplies/Social Media/Membership Dues	836.51
31682	BANNER BANK CS	Scale	96.00
31683	BANNER BANK NO	Conference Reg/Bus Mtgs/Incubator Exp.	736.58
31684	NORTHSHORE ROTARY CLUB	Oct. - Dec. 2014 Membership Dues	220.00
31685	BANNER BANK JG	Recruitment/Computer Supplies	1,025.76
31686	BANNER BANK KENMORE	Retreat Lodging/Supplies/Training	2,925.03
31687	BANNER BANK KENMORE	Laptop Supplies/Job Recruitment	1,370.20
31688	BANNER BANK JGORDON	Training/Office & Vehicle Supplies	953.94
31689	SHRED-IT	2/4//15 Shredding Services	52.97
31690	ZUMAR	Pedestrian Crossing Flags	1,479.68
31691	COMCAST	City Hall Internet/Cable 2/14-3/13/15	139.08
31692	TOWN CENTER HARDWARE	Jan. Public Works/City Hall Supplies	92.81
31693	INTEGRA TELECOM	2/8-3/7 City Hall Phone Service	787.42
31694	PHSI PURE WATER FINANCE	Qtrly Billing City Hall Filtered Water	301.89
31695	INDEPENDENT STATIONERS	Office Supplies	96.68
31696	HOPKINS, CRAIG	Police Mileage Reimbursement	85.12
31697	MILLER STEPHENS, MARY	January Public Defense Services	1,250.00
31698	BANNER BANK VAN NESS	Parking	23.00
31699	BANNER BANK BAKER	Parking/Meals/Registration	82.21
31700	GREATER BOTHELL CHAMBER OF COMMERCE	Comm. Partner Membership & Table Reserv.	1,750.00
31701	JOYCE ZIKER PARKINSON	Jan. Environ. Legal/KV & Lk WA Sediments	532.50
31702	WAGE WORKS	Flexible Spending Jan. Administration Fee	50.00
31703	KENMORE COMMERCIAL LLC	March Lease Payment - Incubator Space	3,281.00
31704	INNOVAC	Vactor Services	1,067.63
31705	SCORE	Nov.-Dec. Health Svcs @ SCORE Facility	107.25
31706	HEWITT	Prof. Svcs 11/1/14-1/30/15 Skate Park	5,210.50
31707	PIPERS CREEK NURSERY	Native Plants/ KCD Grant	188.34
31708	STUDIO 3 SIGNS	Signs for SR522 West A Constrution	2,299.50
31709	SILVER KITE COMMUNITY ARTS CONSULT.	Incubator Security Deposit Refund	300.00
31710	APPLIED TECHNOLOGIES NW INC.	Set Up Council/Clerk's Desk Video Cameras	8,700.25
2/20/2015	PAYROLL	Direct Deposit	67,915.33
			<u><u>\$ 286,339.89</u></u>

2015	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2015
	A+ CONFERENCING		41.30
	ACTION ENTERTAINMENT		395.00
	ACTIVE SHOOTER TRAINING LLC		184.52
	AFLAC		438.51
	ALCALDE & FAY		5,024.28
	ALLISON & PARTNERS		3,200.00
	ALPHAGRAPHS US718		111.33
	AMERICAN GENERAL		443.72
	AMERICAN PLANNING ASSOCIATION		1,648.00
	AMERICAN PUBLIC WORKS ASSOCIATION		960.00
	ANCHOR QEA, LLC		1,592.00
	ARTS OF KENMORE		792.75
	ASSOCIATION OF WA CITIES		14,672.00
	AWC EMPLOYEE BENEFITS		40,954.77
	BAKER, DAVID		519.23
	BANK OF AMERICA 941		27,203.15
	BANNER BANK JG		380.00
	BANNER BANK KENMORE		242.61
	BANNER BANK PS		23.08
	BASTYR UNIVERSITY		200.00
	BLACKBAUD		6,283.89
	BRIEN, GAYLYNN		100.00
	BUILDERS EXCHANGE OF WASHINGTON INC		138.85
	CALPORTLAND COMPANY		151.25
	CASCADE PEST CONTROL		142.35
	CEMEX		590.06
	CENTER FOR PRIORITY BASED BUDGETING		12,500.00
	CITY OF BELLEVUE		3,784.48
	CITY OF KENMORE		13.34
	CITY OF KENMORE FS		668.42
	CITY OF LAKE FOREST PARK		73,450.85
	CITY OF SHORELINE		771.50
	COASTAL WEAR PRODUCTS INC		1,356.71
	COASTWIDE LABORATORIES		407.20
	COLUMBIA RIDGE LANDFILL		303.66
	COMCAST		487.00
	DAILY JOURNAL OF COMMERCE		379.50
	DEPARTMENT OF ECOLOGY		6,370.50
	DEPARTMENT OF LABOR AND INDUSTRIES		1,671.29
	DEPARTMENT OF RETIREMENT SYSTEMS		25,919.54
	DEVRIES, DENIS		35.28
	DRS 457		1,780.00
	ECONOMIC DEV COUNCIL OF SEATTLE/KC		5,000.00
	EVERGREEN SAFETY COUNCIL		299.00
	FRONTIER		2,042.48
	FRUHLING SAND & TOPSOIL		107.50
	GORDON THOMAS HONEYWELL		3,711.33

VI. A. Approve Check Nos. 31646-31710 in the Amount of \$218,...

GREGORY, JOANNE	99.73
HANSEN, COREY	3,425.00
HARRIS & SMITH PUBLIC AFFAIRS	481.25
HONEY BUCKET	220.15
HOPKINS, CRAIG	81.20
ICMA RETIREMENT TRUST 457 - 304745	5,670.86
INDEPENDENT STATIONERS	1,314.15
INGLEMOOR HIGH SCHOOL MUSIC BOOSTERS	1,500.00
INTEGRA TELECOM	757.62
iWORQ SYSTEMS	2,800.00
JET CITY PRINTING	172.74
JOYCE ZIKER PARKINSON	1,807.50
KARLINSEY, ROB	294.49
KENMORE COMMERCIAL LLC	3,281.00
KING COUNTY ANIMAL SVCS	360.00
KING COUNTY FINANCE	8,646.58
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY OFFICE OF FINANCE	1,128.59
KING COUNTY SHERIFF	1,911.65
KING CTY EASTSIDE TRANSP PARTNERSH	200.00
KONICA MINOLTA BUSINESS SOLUTIONS	209.32
KUSTOM SIGNALS, INC.	18.00
LAW OFFICE OF JOHN RUNGERUDE, PS	300.00
LINCOLN NATIONAL LIFE INSURANCE	796.02
MILLER STEPHENS, MARY	1,250.00
MOBILE ELECTRICAL DISTRIBUTORS INC	13.47
MR. T'S TROPHIES	58.97
NATIONAL LIFE OF VERMONT	234.89
NATIONWIDE FINANCIAL 401a	21,961.67
NATIONWIDE RETIREMENT SOLUTIONS 457	570.00
NEOPOST NORTHWEST	274.82
NORTHSHORE FIRE DEPT	700.00
NORTHSHORE ROTARY CLUB	256.00
NORTHSHORE UTILITY DIST	2,450.70
NORTHWEST LANDSCAPE SERVICES	2,399.62
NORTHWEST TROPHY	97.46
OFFICE DEPOT	585.85
OFFICE MAX	2,691.13
OFFICE TEAM	1,828.50
OLYMPIC ENVIRONMENTAL RESOURCES INC	3,659.00
OUSLEY, NANCY	54.40
PACIFIC TOPSOILS	303.95
PAWS	676.00
PENDLETON, MICHAEL	3,523.84
PEOPLES STORAGE	380.00
PHSI PURE WATER FINANCE	70.31
PUGET SOUND CLEAN AIR AGENCY	14,740.00
PUGET SOUND ENERGY	6,345.35
QUALITY BUSINESS SYSTEMS	795.72

RANDALL, BRIAN	124.06
REDMOND, MICHAEL	61.25
REPUBLIC SERVICES	851.84
RICHMOND AMERICAN HOMES OF WA	60.00
RONGERUDE, JOHN	600.00
SANDRA OWEN DESIGN	420.00
SCORE	38,251.00
SEATTLE TIMES	1,462.03
SESAC	360.00
SHRED-IT	53.96
SNOHOMISH COUNTY	1,932.00
SOUND CITIES ASSOC	12,798.49
SPERRY, LAURIE	67.85
STARDOM SERVICES, INC.	510.00
STATE OF FLORIDA DISBURSEMENT UNIT	550.00
STEWART MACNICHOLS HARMELL, INC.	10,500.00
STOPTECH, LTD.	3,571.89
TELESYSTEMS WEST	262.80
THE KIPLINGER LETTER	99.00
TOPIA TECHNOLOGY/ BIS	400.00
TOTAL LANDSCAPE CORP	5,703.41
TWEDT, CHARLES	1,500.00
TWO BROTHERS' TREES	600.00
UNITED WAY OF KING COUNTY	513.24
UPS STORE	8.87
UTILITIES UNDERGROUND LOCATION CTR	143.19
VAUGHAN, KENT	116.00
VERIZON WIRELESS	1,936.98
WA ASSOC OF BUILDING OFFICIALS	900.00
WA CITIES INSURANCE AUTHORITY	212,891.00
WA FINANCE OFFICERS ASSOCIATION	150.00
WA GUARANTEED EDUCATION TUITION	100.00
WA STATE CONSOLIDATED TECH SVCS	350.00
WA STATE DEPT OF TRANSPORTATION	598.04
WAGE WORKS	50.00
WALL, JOHN	136.88
WASHINGTON CITY/COUNTY MGMT ASSOC	187.00
WASHINGTON STATE PATROL	333.02
WELLS FARGO FINANCIAL	1,041.25
	<u>\$ 649,109.78</u>

Subject/Topic: Authorize the City Manager to execute City of Kenmore contract #15-C1381, Open Space agreement for Lake Forest Park Plat

Proposed Council Action/Motion: Authorize the City Manager to execute City of Kenmore contract #15-CI381, Open Space agreement for Lake Forest Park Plat

PK

Appropriation Required
\$0

Before the developer is released from their final bond associated with the project, a Home Owner's Association (HOA) must be formed to account for the maintenance of common areas within the development. Staff have been working with the citizens of the neighborhood and their legal representation to ensure the City is excluded from the HOA, including exemption from membership fees and voting rights/requirements. In order to be exempted from the HOA, the City must record a permanent open space agreement for the lot to ensure that it cannot become a single family house, and therefore a contributing member to the HOA, in the future. The HOA incorporation documents, bylaws, *Covenants, Conditions, and Restrictions* (CC&Rs), and this open space agreement have been reviewed by legal representatives from the HOA as well as the City and have been mutually agreed upon in order to exempt the City from the HOA formation. This agenda bill is seeking authorization for the City manager to sign the open space agreement.

None. Although failure to complete the agreement could result in the City having to pay monthly or annual HOA dues which have not be accounted for in the current budget.

To continue to implement the Economic Development Plan with an emphasis on promoting the image of Kenmore

Recording requested by, and
when recorded, mail to:

City Clerk
City of Kenmore
PO Box 82607
Kenmore, WA 98028

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
RELATING TO CONSERVATION OF PROPERTY FOR OPEN SPACE PURPOSES**

Grantor: City of Kenmore

Grantee: City of Kenmore

Legal Description (abbreviated): LOT 9, LAKE FOREST PARK HILLS, VOL. 247 OF PLATS,
PAGES 84 – 86, KING CO. REC. NO. 20080520001519

FULL LEGAL DESCRIPTION ON PAGE 2, BELOW

Assessor's Tax Parcel ID# 4019500090

Reference Nos. of Documents
Released or Assigned: N/A

Contract #15-C1381

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
RELATING TO CONSERVATION OF PROPERTY FOR OPEN SPACE PURPOSES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
RELATING TO CONSERVATION OF PROPERTY FOR OPEN SPACE PURPOSES ("Declaration")
is made and entered into effective _____, 2015, by the CITY OF KENMORE, a
Washington municipal corporation (the "City").

I. BACKGROUND AND INTENTION

A. The City is the sole owner in fee simple of certain real property located in King County, Washington, more particularly described as follows:

Lot 9, Lake Forest Park Hills, according to the plat thereof recorded in Vol. 247 of
plats, pages 84 -86, King County Auditor's file number 20080520001519, records of
King County, Washington

(the "Property").

B. The City is a municipal corporation, qualified to limit further use of the Property and to conserve the Property for open space purposes.

C. The City desires to prohibit future development of the Property and preserve the Property in its present use as open space land in perpetuity, subject to and in accordance with the provisions hereof.

NOW, THEREFORE:

II. DECLARATION

1. Declaration of Covenants and Conditions. The City hereby declares that all of the Property is held and shall be held, conveyed, encumbered, leased, rented and occupied subject to and in accordance with the provisions of this Declaration. The covenants, rights and restrictions contained herein shall be perpetual and shall run with the land.

2. Open Space. The Property shall be conserved for open space purposes in perpetuity and no development shall occur thereon; provided, however, that the installation, maintenance, repair and replacement of utility lines within any existing utility easements on the Property shall be permitted upon the Property. Use of the Property shall otherwise be limited to environmental education, water quality maintenance and protection, flood control, drainage improvements and revisions, wetland restoration or enhancement, wildlife protections or enhancements, and environmental mitigation through planting of vegetation, landscaping and grading.

3. Prohibited Activities and Uses. Any activity on or use of the Property inconsistent with

Contract #15-C1381

the purposes of the Declaration is prohibited. Without limitation of the generality of the foregoing, the following activities and uses of the Property are inconsistent with the purposes of this Declaration and are expressly prohibited:

- 3.1 Subdivision. The legal or de facto subdivision of the Property for any purpose;
 - 3.2 Surface Alteration. Any alteration of the surface of the land, including, without limitation, grading and the excavation or removal of soil, sand, gravel, rock, peat or sod, except to the extent reasonably required for the purposes set forth in Section 2 above;
 - 3.3 Construction of Structures. The construction, installation or erection of any temporary or permanent structures;
 - 3.4 Wetlands. The draining, filling, dredging or diking of any wetland areas;
 - 3.5 Waste Disposal. The dumping or other disposal of any waste, refuse or debris of any description, including toxic or hazardous substances as defined in any applicable federal, state or local laws, regulations or ordinances;
 - 3.6 Utility Systems. The installation of new utility systems or extensions of existing utility systems, including, without limitation, water, sewer, septic, power, fuel and communication lines and related facilities, except as permitted in Section 2, above;
 - 3.7 Mineral Development. The exploration for minerals, including sand and gravel, or hydrocarbons, or the development or extraction thereof by any method;
 - 3.8 Hunting and Fishing. Hunting, trapping, or otherwise catching or killing animals or fish;
 - 3.9 Sports Fields or Facilities. The construction, installation, or maintenance of temporary or permanent sports fields or facilities.
4. Permitted Uses. Notwithstanding the activities and uses expressly prohibited in Section 3, the following activities are consistent with the purpose of this Declaration and such activities and uses of the Property are permitted:

4.1. Passive park activities, such as hiking and nature viewing. The use of motorized vehicles and equipment shall be permitted only to the extent such use is reasonably necessary to maintain the Property as open space in accordance with Section 2, above.

4.2. The placement of signage (a) to state the address of the Property; (b) to state the preserved nature of the Property, and (c) to post the Property to control unauthorized entry or use.

5. General Provisions.

5.1. Controlling Law. The interpretation and construction of this Declaration shall

Contract #15-C1381

be governed by the laws of the State of Washington.

5.2. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to effect the purpose of this Declaration and the policies and purposes of RCW 64.04.130 and RCW 84.34.200-240, as amended. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Declaration that would render the provision valid shall be favored over any interpretation that would render it invalid.

5.3. Severability. The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision hereof.

DATED this ____ day of _____, 2015.

THE CITY OF KENMORE,
a Washington municipal corporation

By _____
Robert Karlinsey
City Manager

Contract #15-C1381

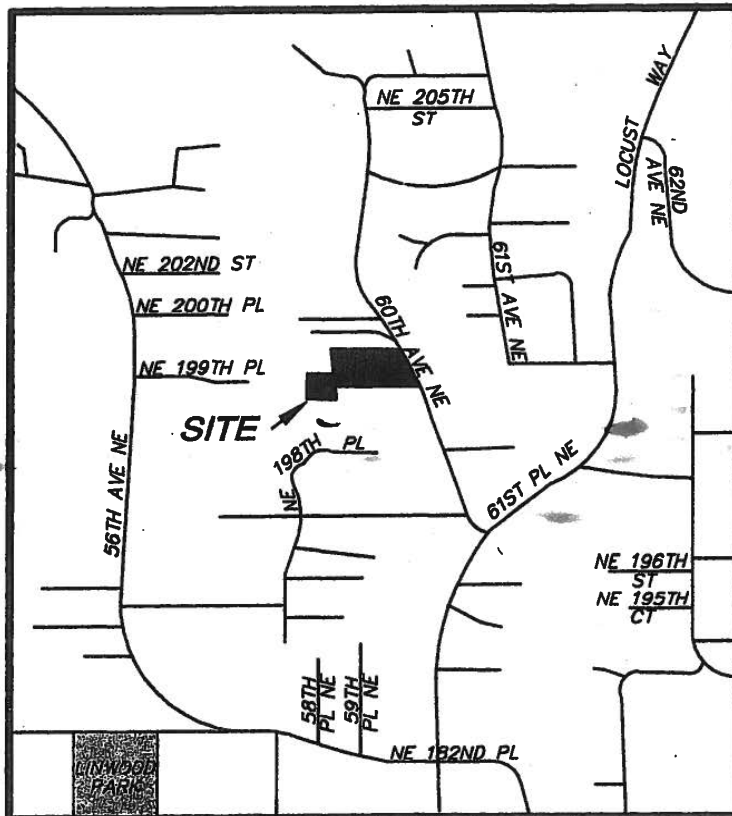
STATE OF WASHINGTON)
)ss.
COUNTY OF _K I N G)

I CERTIFY that I know or have satisfactory evidence that **Robert Karlinsey** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the City Manager of the City of Kenmore, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

(Print name)
NOTARY PUBLIC in and for the
State of Washington, residing at _____

My appointment expires: _____



VICINITY MAP

(NOT TO SCALE)

GENERAL NOTES:

OWNER/DEVELOPER:

ROSS ADACHI
LAKE FOREST PARK ASSOCIATES LLC
963 WEST AVENUE 37
LOS ANGELES, CA 90065
(425) 508-8888

ENGINEER:

BARTON TREECE, JR., P.E.
TREECE & COMPANY, INC.
4030 LAKE WASHINGTON BLVD NE
SUITE 200
KIRKLAND, WASHINGTON 98033
(425) 822-2577

SURVEYOR

MIKE MCKENNA, P.L.S.



**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: Personnel Policy Amendments	For Council Meeting Agenda of: March 16, 2015 Department: Finance and Administration Prepared by: Joanne Gregory Proposed Council Action/Motion: Approve Personnel Policy Amendments <u>Initial & Date</u> Approved by Department Head: <u>[Signature] 3-4-15</u> Approved by City Attorney: <u>[Signature]</u> Approved by Finance Director: <u>[Signature] 3-4-15</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: None	
Expenditure Required \$0	Amount Budgeted \$0	Appropriation Required \$0
<u>INFORMATION/BACKGROUND:</u> Four updates are recommended to the personnel policies: 1. Discontinuing the offer of a \$100,000 City paid life insurance policy for new employees effective January 1, 2015. 2. Changing the anniversary date for an employee to be twelve months after hire instead of 18 months. 3. Adding certain department directors to the old definition that previously only included three directors. 4. Adding grandparents (plus step, in-law), grandchildren (plus step, in-law), and domestic partner (whether or not registered with the State), to the definition of immediate family member. These updates are referenced and explained in more detail as follows: 1. In 2014 when the City was investigating options for controlling health care costs and reviewing insurance providers that could offer life and disability insurance, it was noted that the additional, optional \$100,000 City paid life insurance option offered to employees was an above market benefit. A determination was made and approved by the City Manager that this life insurance would no longer be offered to new employees beginning in 2015. The language of the policy would be changed as follows with new language underlined: <u>Regular full-time, part-time and job-share employees are eligible to participate in the City's insurance programs. These include medical, dental and vision insurance, life insurance, and long term disability insurance. Life insurance is provided at one times annual salary, capped at \$150,000. Through December 31, 2014, \$100,000 additional life insurance was offered at employer expense. This program was discontinued for all employees hired after January 1, 2015. The programs and criteria for eligibility will be explained at the time the employee becomes eligible to join. The City reserves the right to make changes in the carriers and provisions of these programs, or to eliminate them, when deemed necessary or advisable.</u>		

2. All employees are subject to a six month trial employment period. The policies currently state that an employee will be evaluated at that six month point which will establish the anniversary date and the next evaluation period will be 12 months later. It is not typical that an anniversary date will be 18 months after hire. The recommendation is to retain the six month trial employment period, consider a merit award at 12 months after hire, assuming a favorable performance review, and establish the anniversary date as the 12 month mark after hire. The language of the policy would be changed as follows with new language underlined:

When a department director determines an employee has satisfactorily completed the work trial period, the department director should prepare a written performance evaluation, which will be reviewed by the City Manager. If the work trial period is satisfactorily completed, the employee may be certified to regular employment status, by the City Manager. The employee should normally receive his/her annual evaluation one year after completion of the work trial period the hire date, which becomes his/her anniversary date, and annually thereafter.

3. The definition of department director needs to be updated to include the Development Services Director and the Public Works Director. The language of the policy would be changed as follows with new language underlined:

Includes the positions of Community Development Director, Finance and Administration Director, Assistant City Manager, Development Services Director, and Public Works Director.

4. The definition of immediate family does not include grandparents, grandchildren, or domestic partners for purposes of bereavement and sick leave. Although the definition is now required, by state law, to include domestic partner; including grandparents and grandchildren is at the discretion of the City. The language of the policy would be changed as follows with new language underlined:

An employee's immediate family includes the employee's spouse, domestic partner (whether or not registered with the State), child, step-child, parent, step-parent, brother or sister, step-brother or sister, mother or father-in-law, son or daughter-in-law, aunt, step-aunt, uncle, step-uncle, grandparent (plus step or in-law), and grandchildren (plus step or in-law).

FISCAL CONSIDERATION:

The City currently pays about \$6,800 a year for the 18 employees that receive the optional, additional \$100,000 life insurance policy benefit. On average, this is \$378 per employee which is an approximation of the amount the City could expect to avoid paying in the future due to discontinuing this benefit.

The fiscal impact of expanding the definition of immediate family has consequences only in that an employee would be able to receive regular pay during a period of bereavement instead of taking vacation, and to care for additional family members using sick leave.

There are no quantifiable fiscal considerations to the other amendments to the personnel policies.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Effective and efficient services

Subject/Topic: Approval of High Deductible Health Plan and Funding of Health Savings Accounts	For Council Meeting Agenda of: March 16, 2015	
	Department:	Finance and Administration
	Prepared by:	Joanne Gregory
	Approved by Department Head:	<u>Initial & Date</u> <u>[Signature] 3/15/14</u>
	Approved by City Attorney:	
	Approved by Finance Director:	<u>[Signature] 3/15/14</u>
	Approved by City Manager:	<u>[Signature]</u>
Proposed Council Action/Motion: Approve the AWC High Deductible Health Plan for City Employees and Funding of Health Savings Accounts	Exhibits/Attachments: Attachment 1: Memorandum dated March 4, 2015 Attachment 2: City of Kenmore Medical Plan Discussion, AWC Powerpoint Slides Attachment 3: Memorandum dated November 26, 2013	
Expenditure Required \$0	Amount Budgeted \$0	Appropriation Required
<u>INFORMATION/BACKGROUND:</u>		
In July 2013 a team of seven employees (Lauri Anderson, Nicki Walsh, Andrew Bauer, Brian Randall, Carla Schnee, Patty Safrin, Joanne Gregory), two Councilmembers (Milton Curtis, Brent Smith), and one intern (Shawn Friang) began a review of the current medical insurance situation to examine ways to reduce and/or contain health care insurance premiums and costs. Attached is a memo dated November 26, 2013 that was presented to the City Council as a staff report on the status of the review at that time. It was determined to take advantage of an opportunity offered by the Association of Washington Cities (AWC) to add a third health plan option for the City's employees. That option would be a High Deductible Health Plan (HDHP) which had much lower premium costs than the Healthfirst Plan the City currently offers. Those lower premiums result in cost savings to the City and can be used in part to fund Health Savings Accounts (HSA) for the employees who sign on. The next step in the process was to determine what the City's contribution to the HSAs should be. Although some data gathering continued on during 2014, the team did not meet again until February 23, 2015 at which time, due to schedules, only City employees were present. The Councilmembers met with Joanne Gregory and Rob Karlinsey on February 26 and wrapped up the recommendation. The recommendation for annual funding of the Health Savings Accounts, for various levels of coverage, that resulted from those meetings is as follows:		

	2015	2016	Projected 2017	Projected 2018
employee (ee)	\$1,675	\$3,350	\$2,675	\$2,000
ee+spouse	\$3,275	\$6,650	\$5,275	\$4,500
ee+child	\$3,000	\$5,000	\$4,000	\$3,000
ee+child+child	\$3,000	\$5,000	\$4,000	\$3,000
ee+spouse+child	\$3,275	\$6,650	\$5,525	\$4,500
full family	\$3,275	\$6,650	\$5,525	\$4,500

As of 2015, the prescribed maximum contribution that can be made to a Health Savings Account is \$3,350 for an individual and \$6,650 for a family. The team desired to provide the maximum for 2016 in most cases to incentivize employees to transition to this plan. Since 2015 will be a half year implementation, the contribution was reduced but maintained at a level to cover the higher deductibles (\$1500 individual/\$3000 family) and still provide an meaningful incentive. After 2016, the incentive is scaled back but the projected contributions continue to cover the applicable deductibles.

As of today, the City and the employees know that the current Regence Healthfirst and Group Health \$10 copay plans will terminate 1-1-2018. These plans would have definitely been subject to the 40% excise tax on "cadillac" or high cost coverage plans that is expected to become effective 1-1-2018. Other options will need to be explored. In the interim, while these plans are still available, the City can realize some cost savings and employees can build up Health Savings Account balances as the state of the health care industry evolves. Whether the HDHP and the HSAs will be subject to the excise tax or when that might occur is uncertain at this time and AWC is currently studying those questions so as to be able to advise their membership as soon as possible.

FISCAL CONSIDERATION:

The attached Memorandum dated March 4, 2015 identifies potential savings to the City resulting from employees transitioning from the current health plans to the High Deductible Health Plan.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Effective and Efficient Services

MEMORANDUM

Date: March 4, 2015

To: Mayor and Councilmembers
Rob Karlinsey, City Manager

From: Joanne Gregory, Finance and Administration Director

Subject: High Deductible Health Plan and Health Savings Account

The following narrative outlines the analysis performed by the Employee Benefit Review Team in determining its recommendation to the City Council on the High Deductible Health Plan (HDHP) and the Health Savings Account Funding.

The recommendation is to implement the High Deductible Health Plan effective July 1, 2015 and to fund Health Savings Accounts for each employee who opts for coverage under the High Deductible Health Plan according to the following schedule.

	2015	2016	Projected 2017	Projected 2018
employee (ee)	\$1,675	\$3,350	\$2,675	\$2,000
ee+spouse	\$3,275	\$6,650	\$5,275	\$4,500
ee+child	\$3,000	\$5,000	\$4,000	\$3,000
ee+child+child	\$3,000	\$5,000	\$4,000	\$3,000
ee+spouse+child	\$3,275	\$6,650	\$5,525	\$4,500
full family	\$3,275	\$6,650	\$5,525	\$4,500

Funding of the Health Savings Accounts would be provided by the savings realized from the difference in City paid premium costs between the current plan (Healthfirst) and the offered plan (HDHP). A Health Savings Account can only be established for an employee that enrolls in a HDHP.

In an effort to understand the implications and level of savings that could be realized under a High Deductible Health Plan, the team first looked at the total City staff population premium costs.

The chart below compares the annual cost of medical insurance premiums as currently provided under HealthFirst and, below that, for the High Deductible Health Plan (HDHP) for the city staff population.

Just looking at premiums, the savings would be significant under the HDHP, especially if all employees were enrolled. It's important not to forget that funding for the associated Health Savings Accounts (HSA) will come from this savings. Also, we cannot assume that all employees will enroll.

EMPLOYEE POPULATION						
Current Coverage Healthfirst Premiums						
	premium	ee pays	net city \$	ee distribution	city monthly \$	city annual \$
ee	\$ 685	\$ -	\$ 685	11	\$7,535	\$90,420
ee spouse	\$ 1,375	\$ 69	\$ 1,306	3	\$3,918	\$47,016
ee child	\$ 1,025	\$ 34	\$ 991	2	\$1,982	\$23,784
ee child child	\$ 1,306	\$ 62	\$ 1,244	1	\$1,244	\$14,928
ee spouse child	\$ 1,715	\$ 103	\$ 1,612	4	\$6,448	\$77,376
full family	\$ 1,996	\$ 131	\$ 1,865	9	\$16,785	\$201,420
				30	<u>\$37,912</u>	<u>\$454,944</u>
						No employees on HDHP
HDHP Premiums						
	premium	ee pays	net city \$	ee distribution	city monthly \$	city annual \$
ee	\$ 367	\$ -	\$ 367	11	\$4,037	\$48,444
ee spouse	\$ 738	\$ 37	\$ 701	3	\$2,103	\$25,236
ee child	\$ 553	\$ 19	\$ 534	2	\$1,068	\$12,816
ee child child	\$ 705	\$ 34	\$ 671	1	\$671	\$8,052
ee spouse child	\$ 924	\$ 56	\$ 868	4	\$3,472	\$41,664
full family	\$ 1,076	\$ 71	\$ 1,005	9	\$9,045	\$108,540
				30	<u>\$20,396</u>	<u>\$244,752</u>
						If all employees moved to HDHP
					\$17,516	\$210,192
						Annual Premium Savings Available to Fund Health Savings Acct

Recognizing that not all employees will transition from the HealthFirst Plan to the HDHP as long as there is an option, the committee wanted to see what the savings could be if only handful of employees made the change. For a "what if" we selected one (1) from each type of coverage (employee only, employee and spouse, etc) and calculated what the savings would be on the following charts.

Annual premiums for six employees, one representing each category of coverage, are \$92,436 a year.

Under the HDHP, premiums for those six employees would be \$49,752 a year, a savings of \$42,684. The bottom chart also shows the savings depending on the category of coverage.

Current Coverage Healthfirst Premiums					city	city		
	premium	ee pays	net city \$	ee distribution	monthly \$	annual \$		
ee	\$ 685	\$ -	\$ 685	1	\$685	\$8,220		
ee spouse	\$ 1,375	\$ 69	\$ 1,306	1	\$1,306	\$15,672		
ee child	\$ 1,025	\$ 34	\$ 991	1	\$991	\$11,892		
ee child chil	\$ 1,306	\$ 62	\$ 1,244	1	\$1,244	\$14,928		
ee spouse c	\$ 1,715	\$ 103	\$ 1,612	1	\$1,612	\$19,344		
full family	\$ 1,996	\$ 131	\$ 1,865	1	\$1,865	\$22,380		
				6	\$7,703	\$92,436		

HDHP Premiums					city	city		
	premium	ee pays	net city \$	ee distribution	monthly \$	annual \$	CITY	
ee	\$ 367	\$ -	\$ 367	1	\$367	\$4,404	SAVES	\$3,816
ee spouse	\$ 738	\$ 37	\$ 701	1	\$701	\$8,412	SAVES	\$7,260
ee child	\$ 553	\$ 19	\$ 534	1	\$534	\$6,408	SAVES	\$5,484
ee child chil	\$ 705	\$ 34	\$ 671	1	\$671	\$8,052	SAVES	\$6,876
ee spouse c	\$ 924	\$ 56	\$ 868	1	\$868	\$10,416	SAVES	\$8,928
full family	\$ 1,076	\$ 71	\$ 1,005	1	\$1,005	\$12,060	SAVES	\$10,320
				6	\$4,146	\$49,752		\$42,684
					\$3,557	\$42,684	Savings	

Once the HDHP is established, a Health Savings Account (HSA) funding level must be determined. The maximum that the employee and the employer combined can contribute to a HSA at this time is \$3,350 for an individual plan and \$6,650 for a family plan.

It was expressed that the funding level from the City should be substantial enough to provide a meaningful incentive to the employee to transition from the HealthFirst plan in the first period (7/1/15 – 1/1/16) of implementation. The employee out of pocket risk would be reduced knowing that at least the larger deductible could be paid out of the HSA. The deductible for the HDHP is \$1,500 for individual coverage and \$3,000 for family, compared to \$0 deductible under the current HealthFirst plan. Also the annual out of pocket medical expense exposure is much greater in the HDHP (going from \$1,100/\$2,200 to \$5,000/\$10,000). The outcome was to recommend funding the HSA at \$3,350 for the individual, \$5,000 for individuals covering children, and \$6,650 for the families that include a spouse.

The following chart illustrates that the six employee annual premiums would cost the City \$49,752 and the HSA contributions would cost \$33,300. The net savings to the City would be \$9,384 or a 10% reduction in medical insurance costs for those six employees.

HDHP Premiums						2016 HSA CONTRIBUTION RECOMMENDATION	
	premium	ee pays	net city \$	ee distribution	city monthly \$	city annual \$	
ee	\$ 367	\$ -	\$ 367	1	\$367	\$4,404	SAVES \$3,816 \$3,350
ee spouse	\$ 738	\$ 37	\$ 701	1	\$701	\$8,412	SAVES \$7,260 \$6,650
ee child	\$ 553	\$ 19	\$ 534	1	\$534	\$6,408	SAVES \$5,484 \$5,000
ee child chil	\$ 705	\$ 34	\$ 671	1	\$671	\$8,052	SAVES \$6,876 \$5,000
ee spouse c	\$ 924	\$ 56	\$ 868	1	\$868	\$10,416	SAVES \$8,928 \$6,650
full family	\$ 1,076	\$ 71	\$ 1,005	1	\$1,005	\$12,060	SAVES \$10,320 \$6,650
				6	\$4,146	\$49,752	\$42,684 \$33,300
CITY COST for these 6 employees					premiums =	\$49,752	
					health savings accts:	\$33,300	
						\$83,052	
compared to Healthfirst at \$92,436:						\$9,384 Savings	10%

If the HDHP is rolled out mid-year, likely July 1 2015, the question became how much to fund the HSA for the remainder of the year. Even though in place only six months, the entire \$1,500/\$3,000 deductible would still apply. However funding at the level of 2016 would save the City no money in 2015. The committee felt that it was advisable to at least cover the deductible at \$1,500/\$3,000. An advantage to the employees would be that with only six months to spend through the deductible, it was very likely there would funds left over to carry into next year, especially if routine doctor visits occurred in the first half of the year under the HealthFirst plan.

Again, a consideration was to provide a meaningful incentive to employees to transition from HealthFirst to HDHP in 2015. This resulted in the following recommended funding which is approximately half of the funding level suggested for full year 2016. There are still savings of \$3,842 that accrue to the City based on this six employee scenario.

HDHP Premiums						2015 HSA CONTRIBUTION RECOMMENDATION			
	premium	ee pays	net city \$	ee distribution	city monthly \$	city 6 mo \$	CITY	half year	
ee	\$ 367	\$ -	\$ 367		1 \$367	\$2,202	SAVES	\$1,908	\$1,675
ee spouse	\$ 738	\$ 37	\$ 701		1 \$701	\$4,206	SAVES	\$3,630	\$3,275
ee child	\$ 553	\$ 19	\$ 534		1 \$534	\$3,204	SAVES	\$2,742	\$3,000
ee child chil	\$ 705	\$ 34	\$ 671		1 \$671	\$4,026	SAVES	\$3,438	\$3,000
ee spouse c	\$ 924	\$ 56	\$ 868		1 \$868	\$5,208	SAVES	\$4,464	\$3,275
full family	\$ 1,076	\$ 71	\$ 1,005		1 \$1,005	\$6,030	SAVES	\$5,160	\$3,275
					6 \$4,146	\$24,876		\$21,342	\$17,500
CITY COST for these 6 employees 1/2 year premiums						\$24,876			
health savings accts:						\$17,500			
						\$42,376			
compared to Healthfirst at \$46,218 half year:						\$3,842 Savings		8.31%	

In 2017 and 2018 it is recommended that the HSA contributions not include the incentive offered in the initial enrollment period of 2015-2016 and roll back the contributions to a level more comparable to the average of other cities. The deductibles are still covered for the employees by the City's contributions and it encourages employees to make the transition to the HDHP before 2017.

In 2018, the HealthFirst plan will no longer be available and in later 2016 or early 2017, the City and staff will need to explore new or additional options considering such factors as: other plans available through AWC Trust (Healthfirst 250, Healthfirst 500) or other providers, growth in HDHP premiums or plan changes, excise tax consequences, if any, for the HDHP under the Affordable Care Act in 2018, or other health coverage/insurance delivery methods that may become available.



City of Kenmore Medical Plan Discussion

Darla Mansfield, Employee Benefit Specialist
AWC Employee Benefit Trust
October 2014

1



Benefit Options

Employee choice as of 1/1/2015:

- ◆ Regence HealthFirst® (terminating 1-1-18)
- ◆ Regence HDHP
- ◆ Group Health \$10 copay (terminating 1-1-18)
- ◆ Group Health HDHP

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Group Health vs. Regence

Group Health

- Managed care plan with designated facilities
- Bellingham - many providers also contract directly with Group Health; designated GH facilities would be found outside of the area
- Generally requires use of Primary Care Physician (PCP)
- Self-referral allowed for vision, women's health, spinal manipulation, naturopathic & acupuncture
- Limited worldwide care
- No coverage for non-contracted providers, or seeing a provider without a referral (exceptions listed)

Regence

- Personal choice for providers, including specialists from extensive Regence BlueShield Preferred Provider list
- No referral required for most services
- Coverage for non-preferred providers at a lower benefit level
- Worldwide care provided through national Blue Cross/Blue Shield provider network

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	HealthFirst Plan	HDHP	Group Health \$10	HDHP
2015 Monthly Premium	Employee - \$698.91 Spouse - \$704.20 First Child - \$346.47 2nd Child - \$287.09	Employee - \$374.18 Spouse - \$378.79 1st Child - \$189.93 2nd Child - \$155.52	Employee - \$550.87 Spouse - \$542.77 First Child - \$276.99 2nd Child - \$276.99	Employee - \$403.39 Spouse - \$395.30 1st Child - \$202.01 2nd Child - \$202.01
Deductible	None	\$1,500/individual \$3,000/family	None	\$1,500/individual \$3,000/family
Co-Insurance Max All copays & deductibles apply to maximum	\$1,100/individual \$2,200/family	\$5,000/individual \$10,000/family	\$2,100/individual \$4,200/family	\$3,750/individual \$7,500/family
Physicians Preventative care not subject to deductible or copay & paid at 100%	\$10 copay, then 100%	80%	\$10 copay, then 100%	\$20 copay, then 90%
Hospital In/Outpatient ER	\$150 copay, 90% \$75 copay, 90%	80%	\$100 copay/day (\$400 max), 100% \$50 copay, 100%	90% 75 copay, 90%
Prescription Drugs Pharmacy Mail order	\$4/\$15/\$35 \$8/\$30/\$70	20% copay 20% copay Value-based meds not subject to deductible	\$10/\$20/\$40 \$8/\$30/\$70	\$15/\$30 \$45/\$90

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 Medical Plans At a Glance (continued)				
	HealthFirst Plan	HDHP	Group Health \$10	HDHP
Temporomandibular Joint (TMJ) care	Not covered	Paid at 80%	Same as in/outpatient \$1,000/cal year \$5,000/lifetime	Same as in/outpatient \$1,000/cal year \$5,000/lifetime
Acupuncture	12 visits per year at 100% \$10 copay applies to initial exam only	12 visits per year at 80%	\$10 copay 10 self-referred visits/year	\$20 copay, 90% 10 self-referred visits/year
Spinal Manipulation	15 manipulations per year at 100% \$10 copay applies to initial exam only	10 manipulations per year at 80%	\$10 copay 10 self-referred visits/year	\$20 copay, 90% 10 self-referred visits/year
Rehabilitative Therapy—Outpatient	90% Up to 99 visits/year Prescription required	80% Up to 25 visits/year Prescription required	\$10 copay Up to 60 visits/year Referral required	\$20 copay, 90% Up to 60 visits/year Referral required

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 Claim Scenarios							
#1 - Birth & Well Child Care – insuring employee, spouse, 1 child An employee gave birth to a newborn baby in February, mother and baby are in the hospital for 2 days. The birthing costs and follow-up well child care visits and immunizations at 3, 6 and 9 months are detailed below.							
Birth Costs	Allowed amount	Debit/charge	Copay	Contribution	Dependent pays	Patient responsibility	
Doctor - Prenatal & delivery	\$1,370.00	n/a	\$10.00	\$0.00	\$1,360.00	\$10.00	
Hospital - Newborn	\$1,700.00	n/a	\$180.00	\$186.00	\$1,366.00	\$306.00	
Hospital - regular birth	\$4,850.00	n/a	\$180.00	\$470.00	\$4,230.00	\$620.00	
1st Well baby care visit	\$250.00	n/a	\$0.00	\$0.00	\$250.00	\$0.00	
2nd Well baby care visit & shots	\$400.00	n/a	\$0.00	\$0.00	\$400.00	\$0.00	
3rd Well baby care visit & shots	\$400.00	n/a	\$0.00	\$0.00	\$400.00	\$0.00	
Totals	\$8,970.00	n/a	\$370.00	\$656.00	\$8,025.00	\$926.00	
HDHP	Allowed amount	Debit/charge	Copay	Contribution	Dependent pays	Patient responsibility	
Doctor - Prenatal & delivery	\$1,370.00	\$1,370.00	\$0.00	\$0.00	\$0.00	\$1,370.00	
Hospital - Newborn	\$1,700.00	\$1,830.00	\$0.00	\$14.00	\$66.00	\$1,844.00	
Hospital - regular birth	\$4,850.00	\$0.00	\$0.00	\$270.00	\$3,880.00	\$870.00	
1st Well baby care visit	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00	\$0.00	
2nd Well baby care visit & shots	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00	\$0.00	
3rd Well baby care visit & shots	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00	\$0.00	
Totals	\$8,970.00	\$3,000.00	\$0.00	\$284.00	\$4,986.00	\$3,984.00	
Group Health \$10	Allowed amount	Debit/charge	Copay	Contribution	Group Health pays	Patient responsibility	
Doctor - Prenatal & delivery	\$1,370.00	n/a	\$10.00	\$0.00	\$1,360.00	\$10.00	
Hospital - Newborn	\$1,700.00	n/a	\$200.00	\$0.00	\$1,800.00	\$200.00	
Hospital - regular birth	\$4,850.00	n/a	\$200.00	\$0.00	\$4,850.00	\$200.00	
1st Well baby care visit	\$250.00	n/a	\$0.00	\$0.00	\$250.00	\$0.00	
2nd Well baby care visit & shots	\$400.00	n/a	\$0.00	\$0.00	\$400.00	\$0.00	
3rd Well baby care visit & shots	\$400.00	n/a	\$0.00	\$0.00	\$400.00	\$0.00	
Totals	\$8,970.00	n/a	\$410.00	\$0.00	\$8,560.00	\$410.00	
HDHP	Allowed amount	Debit/charge	Copay	Contribution	Group Health pays	Patient responsibility	
Doctor - Prenatal & delivery	\$1,370.00	\$1,370.00	\$0.00	\$0.00	\$0.00	\$1,370.00	
Hospital - Newborn	\$1,700.00	\$1,830.00	\$0.00	\$7.00	\$63.00	\$1,837.00	
Hospital - regular birth	\$4,850.00	\$0.00	\$0.00	\$488.00	\$4,362.00	\$488.00	
1st Well baby care visit	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00	\$0.00	
2nd Well baby care visit & shots	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00	\$0.00	
3rd Well baby care visit & shots	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00	\$0.00	
Totals	\$8,970.00	\$3,000.00	\$0.00	\$495.00	\$5,478.00	\$3,492.00	

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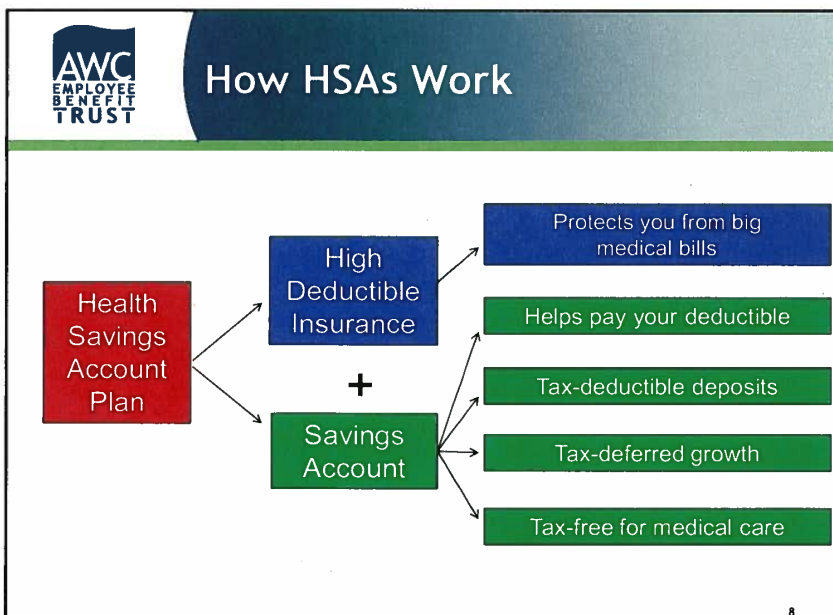
Claim Scenarios

#2 – Inpatient Hospital – insuring employee only

Employee has a heart attack and requires open heart surgery.

HealthPlan ¹	Allowed amount	Deductible	Copay	Coinsurance	Regime pays	Patient responsibility
Hospital	\$50,000.00	n/a	\$150.00	\$950.00	\$48,000.00	\$1,100.00
Surgeon/Anesthesiologist	\$15,000.00	n/a	\$0.00	\$0.00	\$15,000.00	\$0.00
Totals	\$65,000.00	n/a	\$150.00	\$950.00	\$63,000.00	\$1,100.00
HDP	Allowed amount	Deductible	Copay	Coinsurance	Regime pays	Patient responsibility
Hospital	\$50,000.00	\$1,500.00	\$0.00	\$3,500.00	\$45,000.00	\$5,000.00
Surgeon/Anesthesiologist	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$0.00
Totals	\$65,000.00	\$1,500.00	\$0.00	\$3,500.00	\$60,000.00	\$5,000.00
GH \$10	Allowed amount	Deductible	Copay	Coinsurance	Group Health pays	Patient responsibility
Hospital	\$50,000.00	n/a	\$400.00	\$0.00	\$49,600.00	\$400.00
Surgeon/Anesthesiologist	\$15,000.00	n/a	\$0.00	\$0.00	\$15,000.00	\$0.00
Totals	\$65,000.00	n/a	\$400.00	\$0.00	\$64,600.00	\$400.00
GH \$250	Allowed amount	Deductible	Copay	Coinsurance	Group Health pays	Patient responsibility
Hospital	\$50,000.00	\$1,500.00	\$0.00	\$2,250.00	\$46,250.00	\$3,750.00
Surgeon/Anesthesiologist	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$0.00
Totals	\$65,000.00	\$1,500.00	\$0.00	\$2,250.00	\$61,250.00	\$3,750.00

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Who Can Have an HSA?

Per federal law, any employee can contribute to an HSA if they are:

- ◆ Enrolled in an HSA-qualified High Deductible Health Plan (HDHP)
- ◆ Not enrolled in other first-dollar medical coverage (however other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or long term care insurance are permitted)
- ◆ Not enrolled in Medicare
- ◆ Not able to be claimed as a dependent on someone else's tax return

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Do you have an FSA or HRA?

- An employee covered by a HDHP and health FSA or an HRA that pays or reimburses qualified medical expenses generally cannot make contributions to an HSA. This includes coverage through a spouse's employer or prior coverage.
- Allowable:
 - ◆ Limited-purpose FSA or HRA
 - ◆ Suspended HRA
 - ◆ Post-deductible health FSA or HRA
 - ◆ Retirement HRA

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HSA Contributions

- Contributions can be made by the employee, the employer or both
- Total contributions are limited annually
 - ◆ 2015 contributions have been raised to \$3,350 for employee only and \$6,650 for family
 - ◆ If age 55 or older, contribution limit is increased by \$1,000
- Contributions stop when no longer enrolled on a HDHP, or when enrolled in Medicare
 - ◆ While contributions can no longer be made, the money can continue to be used for qualified expenses – this is a bank account in the employee's name

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Using your HSA

- You can use the money to pay for “qualified medical expenses” permitted under federal tax law
 - ◆ This includes most medical care not covered by insurance, dental and vision care, as well as COBRA, Medicare and other health care coverage if you are 65 or older
- You can use the money to pay for medical expenses of yourself, your spouse, or your tax qualified dependent children – even if they are not enrolled on the HDHP
- Debit cards are issued for ease in paying services
- Record keeping/documenting qualified expenses is up to the employee

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Tax Advantage

- Funds contributed to the account are not subject to federal income tax at the time of deposit
- Interest or earnings that accumulate in the account are not subject to federal income tax
- Funds taken from the account to pay for qualified medical expenses – at any time – are not subject to federal income tax

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Penalties

- Any amounts used for purposes other than to pay for “qualified medical expenses” are taxable as income and subject to an additional 20% penalty tax
 - ◆ After turning 65 (or becoming disabled & enrolling on Medicare), the 20% additional tax penalty no longer applies
- It is up to the HSA account holder to keep records proving amounts withdrawn were used for qualified medical expenses

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Advantages For Employees

- Provides tax advantages
- Portability (the HSA belongs to the employee)
- Savings & retirement planning
- Flexibility and control over how money is spent



15



HSA Resources....

- U.S. Department of the Treasury – HSA Info
 - ◆ <http://www.treasury.gov/resource-center/faqs/Taxes/Pages/Health-Savings-Accounts.aspx>
- IRS Publication 969
 - ◆ <http://www.irs.gov/pub/irs-pdf/p969.pdf>
- Qualified Medical Expenses
 - ◆ IRS Publication 502, Medical & Dental Expenses
<http://www.irs.gov/pub/irs-pdf/p502.pdf>

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City Of Kenmore, Washington

Memorandum

Date: November 26, 2013
To: City Council
Rob Karlinsey, City Manager
From: Joanne Gregory, Director of Finance and Administration
Subject: Employee Benefit Review

This staff report provides a status check on the activities and progress of the Employee Benefit Review team established earlier this year.

In late 2012 the City Council asked staff to creatively examine ways to reduce and/or contain health care insurance premiums and costs. As a result, a team was selected in July, 2013 to begin such a review. The team consisted of Councilmember Milton Curtis, Councilmember Brent Smith, Joanne Gregory, Lauri Anderson, Nicki Walsh, Patty Safrin, Andrew Bauer, Brian Randall, Carla Schnee, and Shawn Friang.

The mission of the team was articulated in a memo dated August 6, 2013, Attachment A, and two goals were established:

1. Compare and evaluate the City's benefit package in relation to its competitive market.
2. Explore and examine ways to reduce or contain health care costs while at the same time ensuring that the City and the employees are getting the best value for the dollar in terms of the insurance or benefit package, the provider of the insurance or benefit, and the premium rates for the insurance.

The first meeting of the team was on August 8. Members were introduced to each other and provided with comparable city data which Shawn had collected, Attachment B. The team also received information on the various methods by which medical benefits can be provided, such as self-insurance, direct contract with carriers, the AWC Trust pool, or participation in other pools. We introduced information regarding various types of medical insurance structures (and their associated acronyms) such as Preferred Providers (PPO), High Deductible Health Plans (HDHP), Consumer Driven Health Plans (CDHP), Health Savings Accounts (HSA), and Health Reimbursement Accounts (HRA).

On August 21, the team's next meeting, the Finance Director and the Human Resources Director from Lake Forest Park met with us and discussed the process they recently utilized when budget constraints and collective bargaining forced a comprehensive reexamination



City Of Kenmore, Washington

Memorandum

of the health insurance benefits provided to their employees. They developed a Microsoft Excel model, used to illustrate the budgetary impacts of various medical insurance scenarios, which they shared with us. They also provided some useful insight into how they educated and shared information with the employees during a long and comprehensive process. Our team recorded this particular meeting because some of our members could not attend. The recording was very useful and is still available on our network.

Our next step was to bring in an outside expert or consultant in the field to provide some insight into what might be happening in the private sector. This meeting took place on September 4, when we were joined by Mike Rask of Aon Risk Services, <http://www.aon.com>. Mike facilitated our discussion of how the health insurance industry is evolving, and some of the graphics and slides he spoke to are contained in the PowerPoint presentation document, Attachment C. An important conclusion reached was that the City is not large enough nor adequately funded or staffed to manage a self-insurance program and that participation in a pool such as the AWC Trust pool had the most advantages for our City.

On September 11, Carol Wilmes, AWC Trust Manager, met with the team and presented a comprehensive review of the AWC Trust plans. She also provided PowerPoint slides, Attachment D, and spoke of the decisions of some cities in the Trust to offer a High Deductible Health Plan with Health Savings Accounts to their employees.

On November 6, the team met once again, this time to determine if we were ready to make any decisions or recommendation and, if not, what additional information was needed to get us to a decision point. The team considered the favorable news that there will be no increases in health insurance premiums next year, and that the Affordable Care Act may drive some changes to our employee health benefit plans in the next few years regardless of what we do at this time. We acknowledged that some employees may find the High Deductible Health Plan (HDHP) with Health Savings Account to be desirable, and that for each employee who migrates to a HDHP, the City will realize premium savings. As an example, the 2013 Regence HealthFirst monthly premium for a single employee is \$652.32. The 2013 HDHP premium for a single employee is \$349.23, a savings of \$303 per month. It must be noted that the actual savings will be somewhat less because the Employer (the City) will return a portion of that savings back to the employee in a contribution to the HSA.

For the first time in its history, the AWC Trust is providing a new option which enables the City to offer both the current Regence and Group Health plans AND the High Deductible Health Plans to our employees. These factors led our team to agree to recommend that the City continue to offer the Regence and Group Health plans at this time to our

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City Of Kenmore, Washington

Memorandum

employees and to add the option that an employee can transfer to an HDHP with HSA by mid-2014, after some comprehensive education and information sharing.

Additional recommendations remain to be formulated. For instance, we are in the process of gathering information from other cities with an HDHP to assist us in determining the amount of contribution the City might make to an employee's HSA. Another decision will involve when and how to fund the HSAs when they are first implemented.

The work of the Employee Benefit Review team is not done. We will continue to meet over the next month or two as we develop a strategy for offering this new and additional health plan to our employees. We feel that a positive word-of-mouth experience from employees who do take advantage of the HDHP will encourage others and that it will result in a win-win for both the employees and the City.

The team will bring a complete recommendation to the City Council in the first quarter of 2014. Comments and questions are welcomed and should be directed to Joanne Gregory who will share them with the team and provide a response.



**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: Discussion to Consider Regulations for Negative Externalities Caused by Heavy Industry and Heavy Manufacturing Activities within the City of Kenmore

For Council Meeting Agenda of: March 16, 2015

Department: Development Services

Prepared by: Bryan Hampson

Proposed Council Action/Motion: No action requested this evening. Council discussion with possible Council direction to City Manager.

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Initial & Date

BH 3/3/15

✓ R.K.

[Signature]

[Signature]

Exhibits/Attachments: NA

Expenditure Required
Not at this time

Amount Budgeted \$0

Appropriation Required \$NA

INFORMATION/BACKGROUND:

The purpose of this discussion is to provide Council with information in order to consider an ordinance providing for regulations of negative externalities caused by heavy industry and heavy manufacturing activities (hereafter "heavy industry" or "heavy industry activities") within the City of Kenmore.

An SR 520 project update and an update from other water dependent users may be included in the discussion.

The following is a list of possible options to regulate negative externalities caused by heavy industry activities within the City of Kenmore, current regulations and comparisons to neighboring jurisdictions:

	☒ = Staff recommended options to pursue	Possible with current regulations
Public Roads	Revise KMC, to establish truck load limits on right-of-way	No
	Revise KMC, to limit truck haul routes on right-of-way	No
	☒ Revise KMC, to require trucks to cover the loads	No
Fees and Licenses	Establish a business and occupation tax on heavy industry	No
	Establish a regulatory business license on heavy industry, revocable if numerous violations	No
Code Enforcement	☒ Assess Kenmore's nuisance code:	
	Business hours of operation for heavy industry	No
	Noise	No
	Lighting	Yes
	Odor	No
	Higher fines for violations	No
	☒ Encourage Dept of Natural Resources to enforce limiting anchorage of barges in lake	Yes

		Explore possible violations of the City's wetland or critical areas regulations	Yes
	☒	Encourage Dept of Ecology to regulate environmental (e.g. water quality) issues	Yes
	☒	Encourage Puget Sound Clean Air Agency to enforce clean air regulations	Yes
Development Regulations	☒	Revise KMC to eliminate the statue of "existing legal use" for heavy industry uses and to designate heavy industry uses as general non-conforming uses	Yes
		Revise KMC to terminate the nonconforming uses by reasonable amortization	No
Other		City purchase the subject property(s) and first right of refusal if applicable	Yes
		City purchase accessory property (i.e. outdoor storage property on a separate parcel than parent business)	Yes
		City installs landscape screening in the right-of-way	Yes
		Limit barge traffic/moorage	No

Specific Topics	Additional Information, Current Regulations and Comparisons	
Truck load limits on right-of-way	KMC Section 12.15.020 Winter and emergency load restrictions	
	68 th AVE NE, southbound traffic, West Sammamish bridge restrictions	
	Washington State load and oversize load regulations	
Limit truck haul routes on right-of-way	68 th AVE NE, southbound traffic, West Sammamish bridge restrictions	
Require trucks to cover the loads	Washington State Law: "All loads and any required covering must be secured. All vehicles loaded with dirt, sand, or gravel which do not maintain at least six (6) inches of freeboard must have a secured cover"	
Business and occupation tax on heavy manufacturing	Currently Kenmore doesn't have business and occupation taxes	
Business hours of operation for heavy industrial	Jurisdiction	Regulations
	Kenmore	None
	Bothell	None
	Kirkland	None
	Woodinville	New development subject to operating hour limitations
	Mountlake Terrace	None
Noise regulations for industrial activities	Jurisdiction	Regulations
	Kenmore	None
	Bothell	Established separate noise zones based on uses. No noise restrictions in light industrial zones.
	Kirkland	(General) Noise – Public Nuisance – Any noise which injures; endangers the comfort, repose, health or safety of persons; or in any way renders persons insecure in life, or in the use of property, is a violation of this code. The operation of power equipment, including but not limited to leaf blowers, shall be deemed a public nuisance if such operation occurs during the following hours: before 8:00 a.m. or after 8:00 p.m. Monday through Friday, or before 9:00 a.m. or after 6:00 p.m. Saturday, Sunday, or holidays
	Woodinville	Established separate noise zones based on uses. Repetitive noise that is attributable to manufacturing must be minimized between the hours of 9:00 p.m. and 7:00 a.m.
	Mountlake Terrace	Uses that create a nuisance by reason of smoke, fumes, odor, steam, gases, vibration, hazard or noise shall be prohibited in the community business district
Lighting regulations for industrial activities	Jurisdiction	Regulations
	Kenmore	(General) Exterior lighting shall be shielded away from adjoining properties
	Bothell	(General) Established separate lighting zones which limits the amount of lighting in each zone
	Kirkland	(General) Established separate lighting zones which limits the amount of lighting in each zone
	Woodinville	(General) Glare from light sources shall not trespass onto adjacent properties or rights-

		of-way.
	Mountlake Terrace	(General) Lighting shall not impair safety of road, and shall be shielded away from adjoining properties
Odor	Jurisdiction	Regulations
	Kenmore	Puget Sound Clean Air Agency (PSCAA) regulates. Currently executed a cooperative agreement with PSCAA.
	Bothell	PSCAA regulates. No additional local ordinance.
	Kirkland	PSCAA regulates. In addition, any odor which injures; endangers the comfort, repose, health or safety of persons on abutting properties or streets; or in any way renders persons insecure in life, or in the use of abutting properties or streets, is a violation of this code.
	Woodinville	PSCAA regulates. In addition, new development is subject to odor control.
	Mountlake Terrace	PSCAA regulates. In addition, the emission of obnoxious odors or any toxic or corrosive fumes or gases that may injure shall not be permitted; and Uses that create a nuisance by reason of smoke, fumes, odor, steam, gases, vibration, hazard or noise shall be prohibited in the community business district
Higher fines for industrial nuisance violations		KMC Section 1.20 (General) Each violation of a City regulation is subject to a monetary penalty in the amount up to \$500 per day per violation
Encourage Dept of Natural Resources to enforce limiting anchorage of barges in lake		Department of Natural Resources regulates barge moorage and anchoring in Lake Washington
Explore possible violations of the City's wetland or critical areas regulations		Proactively research possible wetland, critical area or shoreline violations
Encourage Dept of Ecology to regulate environmental (e.g. water quality) issues		Department of Ecology regulates the quality of the water
Encourage Puget Sound Clean Air Agency to enforce clean air regulations		Puget Sound Clean Air Agency regulates air pollutions
Revise KMC, remove existing legal designation for heavy manufacturing		Ordinance number 14-0391 removed the "existing legal use" designation throughout the Regional Business, Urban Corridor, and Waterfront Commercial Zones.
Revise KMC, add a non-conformance amortization method (if feasible)		Nonconforming uses may be terminated, but only after providing a reasonable amortization period.
City purchase the subject property(s) and first right of refusal if applicable		City consider purchasing properties and the first right of refusals.
City purchase accessory property (i.e. outdoor storage property)		For instances where the accessory use is located on a separate parcel.
City installs landscape screening in the right-of-way		Landscape screening could be a visual barrier from the surrounding properties and right-of-ways.
Limit barge traffic/moorage		Department of Natural Resources and U.S. Coast Guard regulate barge and vessel traffic and moorage within Lake Washington.

FISCAL CONSIDERATION:

Staff and City Attorney time to prepare and implement Ordinance(s) as well as additional resources needed to execute regulations.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

To continue to implement the Council's vision of providing a safe and secure community; sustainable, healthy environment; and a desirable place to work and live. A community that is attentive to, and seeks to provide, for the health, safety and welfare of all its citizens.

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**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: Kenmore Requested Priorities for King County	For Council Meeting Agenda of: 16 March 2015 Department: Executive Prepared by: Rob Karlinsey and Nancy Ousley Approved by Department Head: Approved by City Attorney: Approved by Finance Director: Approved by City Manager: <u>Initial & Date</u> <i>NKO 5 Mar 2015</i> <i>[Signature] 3/5/15</i> <i>ROK 6 Mar '15</i>			
Proposed Council Action/Motion: Motion to Approve Kenmore Requested Priorities for King County	Exhibits/Attachments: Recommended Priorities List			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Expenditure Required \$0</td> <td style="width: 33%; border: none;">Amount Budgeted n/a</td> <td style="width: 33%; border: none;">Appropriation Required n/a</td> </tr> </table>		Expenditure Required \$0	Amount Budgeted n/a	Appropriation Required n/a
Expenditure Required \$0	Amount Budgeted n/a	Appropriation Required n/a		
<u>INFORMATION/BACKGROUND:</u> The Council discussed identifying priorities for King County actions that would benefit Kenmore at the Annual Retreat in January 2015. Identifying and adopting legislative priorities at the Federal and State level has been helpful for the City in working with Congressional and State delegations, and having a comparable list for King County issues can help direct our resources and efforts in working with the County.				
<u>FISCAL CONSIDERATION:</u> 				
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> All Council goals can be addressed in our work with King County				



City Of Kenmore, Washington

DRAFT

Kenmore Requested Priorities for King County

As of March 16, 2015

Metro Transit

More Parking for Metro Transit Customers in Kenmore. The Metro Transit Park & Ride lots in Kenmore are brimming and spilling over into residential streets and privately owned parking areas. The downtown's Kenmore Village parking lot has been serving as a de facto park & ride, but this lot will no longer be available when the Kenmore Village property changes hands and is redeveloped in the very near future. Metro needs to acquire and/or construct additional parking for their customers as soon as possible. One suggestion is to construct a structured parking lot at the Kenmore Park & Ride.

Addition of Bus Routes in Kenmore. Important Kenmore bus lines were eliminated in the County's recent round of Metro Transit budget cuts. These routes need to be restored, and consideration of other Kenmore routes, including a pilot town-around Kenmore trolley on wheels should be explored and pursued.

Passenger Only Ferry. The City is encouraged that King County is conducting a Water Taxi Service Area Expansion Study, and we request to be included in that study. As a regional commuter hub and a strategic north end location, Kenmore should be an ideal destination and launch point for a passenger only ferry.

Burke Gilman Trail

More Parking for Trailhead Users. The well-used Burke Gilman Trail through Kenmore brings in a multitude of commuters who park their cars in Kenmore and ride their bicycles to work in Seattle. Their preferred parking lot is Log Boom Park which happens to be along the Burke Gilman Trail. While biking into work is laudable and encouraged, Kenmore Parks should not bear the parking burden for Burke Gilman Trail commuters. The Log Boom Park parking lot is often filled with the cars of trail commuters, leaving few or no parking space for park users.

King County should create more vehicle parking for Burke Gilman trail users. Additional new parking opportunities include the construction of angled on-street parking along NE 175th Street near Log Boom Park and also the lease or acquisition of under-utilized privately owned parking lots in the vicinity of the trail.

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Trail Beautification and Maintenance. King County Parks Department's recent landscaping improvements along the Burke Gilman Trail are noticed and appreciated. We encourage these efforts to continue. In addition, weeds in plant beds along the trail continue to be a problem. We request that more aggressive weeding and installation of native plants to keep down the weeds be made a higher priority along the Burke Gilman Trail in Kenmore.

Navigation Channel Dredging

Kenmore Navigation Channel: King County is the Local Sponsor Authority for the Kenmore Navigation Channel, which was constructed by the US Army Corps of Engineers in 1981, long before Kenmore's incorporation. We appreciate King County's partnership in advocating for long- overdue maintenance dredging of the Channel with the Corps and our Congressional Delegation. We will continue that partnership in pursuing next steps, now that the sediment characterization report has been completed by the Seattle District of the Corps of Engineers and its Dredged Material Management Program.

Sammamish River Recreational Channel: The Sammamish River Channel is also a Corps of Engineers project and King County is the Local Sponsor Authority. The Channel is very shallow near the mouth of the River and impedes recreational boat operations, including boats that use the WA Department of Fish and Wildlife Boat Launch in Kenmore. We request that King County take the lead in pursuing the dredging necessary for safe boat passage.

Sammamish River

Riparian Health. The Sammamish River's riparian health is not acceptable. The River's super heated state and inputs from its urban surroundings have an adverse impact salmon migration and the River's ecosystem. We request that King County take a leadership role and convene the necessary agencies, including the cities that border the River, to create and execute a plan of action to restore the health of the River.

Invasive Aquatic Weeds. The River is choked with noxious invasive weeds that interfere with the ecology of the River and impede recreational boat traffic. Even kayaks and standup paddle boards are hindered by the weeds. No single city can tackle this problem alone—the County, the River cities, and state agencies need to work together in attacking the aquatic weed problem head on. In tandem with the Riparian Health request above, we request that King County take the lead in bringing the necessary agencies together to solve the problem of aquatic weeds in the Sammamish River.

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**City Council Business Agenda Item
City of Kenmore, WA**

Subject/Topic: Kenmore Village Town Green Discussion and Direction Proposed Council Action/Motion: Move forward with permitting and constructing the town green and community building as designed.	For Council Meeting Agenda of: 3/16/15 Department: City Manager Prepared by: Rob Karlinsey, City Manager <u>Initial & Date</u> _____ <i>[Signature]</i> _____ <i>[Signature]</i> _____ Approved by Department Head: _____ Approved by City Attorney: _____ Approved by Finance Director: _____ Approved by City Manager: _____ Exhibits/Attachments: Attachment 1: Site and building diagrams Attachment 2: Cost summary table	
Expenditure Required See Fiscal Consideration Below	Amount Budgeted:	Appropriation Required
<u>INFORMATION/BACKGROUND:</u> After a community outreach and involvement process in 2012, the City identified a plan to move forward with the Kenmore Village project. At the core of this plan was the Position Statement for Kenmore Village, which reads: Kenmore Village is a walkable place with a public square where Kenmore-area residents and workers can meet their daily needs and see one another face-to-face. In addition, the vision and principles of the City's Downtown Plan, adopted in 2003, continue to guide our downtown actions. The new City Hall and Library building, combined with the future town green and accompanying community building, are (and will) provide the key components of the "Civic Center" described in the Downtown Plan. The town green and community building are at the "bull's eye" of our downtown and will provide that central, active gathering space and sense of place for our community that was envisioned in the Downtown Plan. Active programming and neighboring retail are planned for this gathering space. Aesthetic features and amenities are also planned for the site, including a water feature, art, several heated rocks, a large, operable bay door on the building that will open out on to the town green, an indoor, two-sided fireplace, and other features designed to delight the public and create a community living room that our residents can call their own. The quality and design of the town green and community building project can set the standard for other things that are going to happen in Kenmore, and it can also catalyze other new investment in the downtown. This project is a powerful opportunity to make a statement about Kenmore that will last for many years to come. Last year the City, with the help of Hewitt and Graham Baba architects, underwent a robust community involvement process to design the concept and layout for a town green and community building in Kenmore Village, along the north frontage of NE 181st Street including the corner at 68th Avenue NE. The consultants and staff presented the results of this public process, and at the January 21st Council meeting,		

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the City Council gave direction to complete the design and finalize project costs estimates. At the March 16th Council Meeting, staff and consultants from Hewitt and Graham Baba Architects will provide a design and cost update. As part of this update, they will present a “virtual” walk through of the Kenmore Village Town Green project. Attachment #1 contains final layout and design which reflects the input from the public workshops held last year and coordination with Main Street on improvements on the adjoining commercial property.

FISCAL CONSIDERATION:

Over the last several months, Hewitt, Graham Baba, and City staff have conducted value engineering to maximize value for the budgeted dollars. As a result, cost savings have been achieved without sacrificing the intent and goals of the project. The start-to-finish total cost to complete estimate (design, engineering, site investigation and development, construction, project management, startup costs, etc.) is \$4.2 million. The following funding sources are recommended:

Kenmore Village Fund (budgeted 2014-2016)	\$3,500,000
General Fund Improved Fund Balance*	\$600,000
Strategic Opportunities Fund**	\$100,000
Total	\$4,200,000

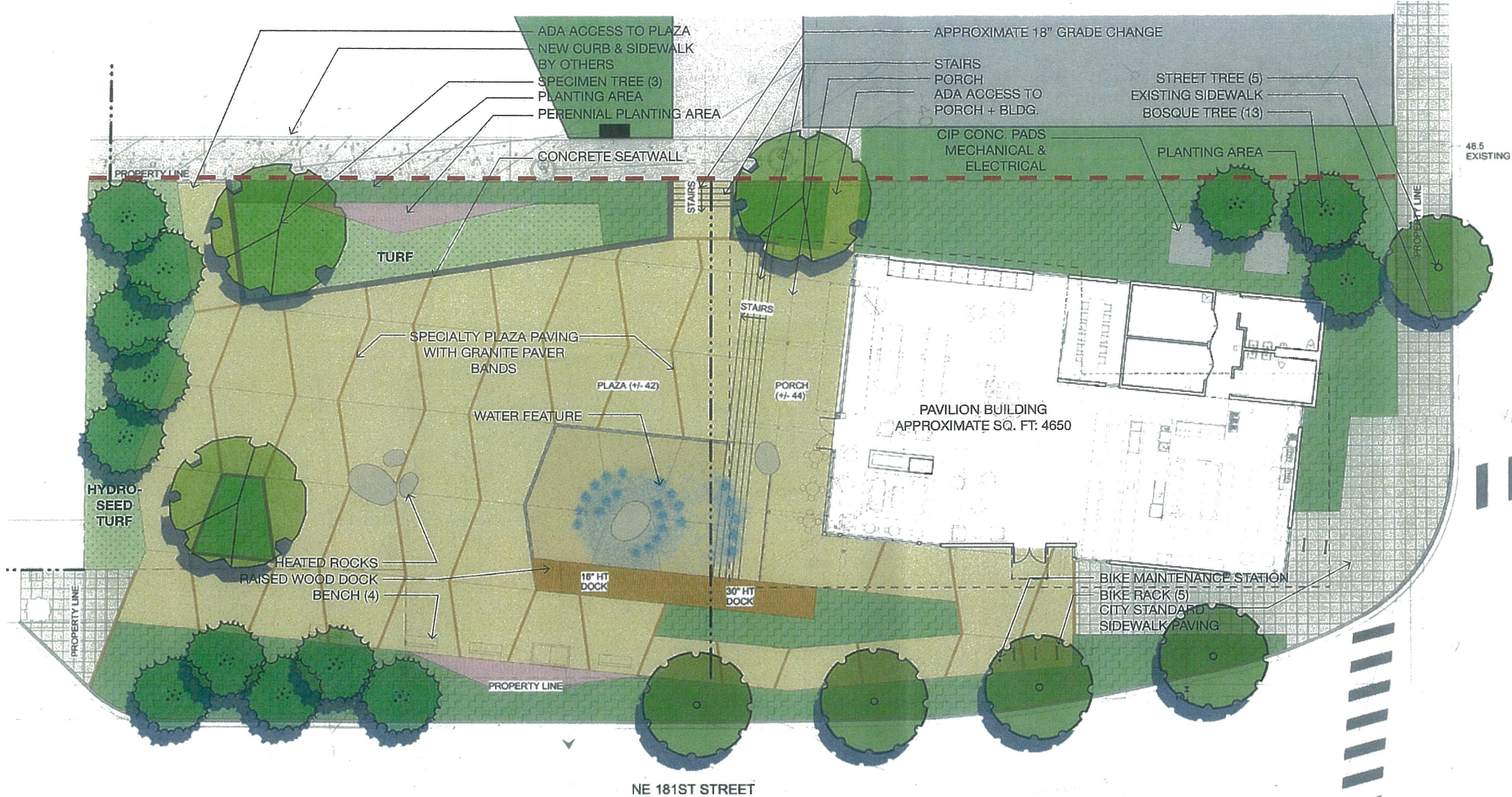
The City Council can authorize staff to proceed forward now with a follow up budget amendment in the coming weeks.

*Now that our 2014 financials are almost closed out, the General Fund’s beginning 2015 balance has improved by \$600,000 more than was budgeted and forecasted, from \$2.6 million estimated in December to \$3.4 million as of March 2015 (this accounts for a recent \$200,000 appropriation to the SR 522 West A project).

**Appropriating \$100,000 from the Strategic Opportunities Fund will bring its 2016 projected fund balance from \$1.5 million to \$1.4 million. Staff recommends utilizing future REET revenue to reimburse the Strategic Opportunities Fund by no later than 2020.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Council Goal #2 “Create a vibrant walkable downtown” is also Goal II in the adopted Economic Development Plan. A “walkable place with a public square” is identified in the positioning statement for Kenmore Village. Developing a central gathering space is also consistent with the adopted Downtown Plan and Park and Recreation Open Space (PROS) plan.





DIAGRAMMATIC SITE PLAN

HEWITT architecture
landscape architecture
urban design
101 suite
200
seattle, washington
98101
(206) 624-8154 phone
(206) 626-0541 fax

CONSULTANT LOGO

**KENMORE
TOWN GREEN**
XXXX 68TH AVENUE NE
KENMORE, WA 98028

OWNER:



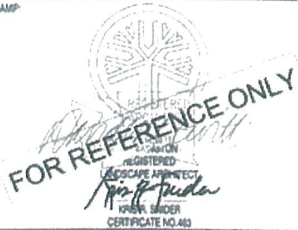
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KENMORE**
18120 68TH
AVENUE NE

REVISIONS:

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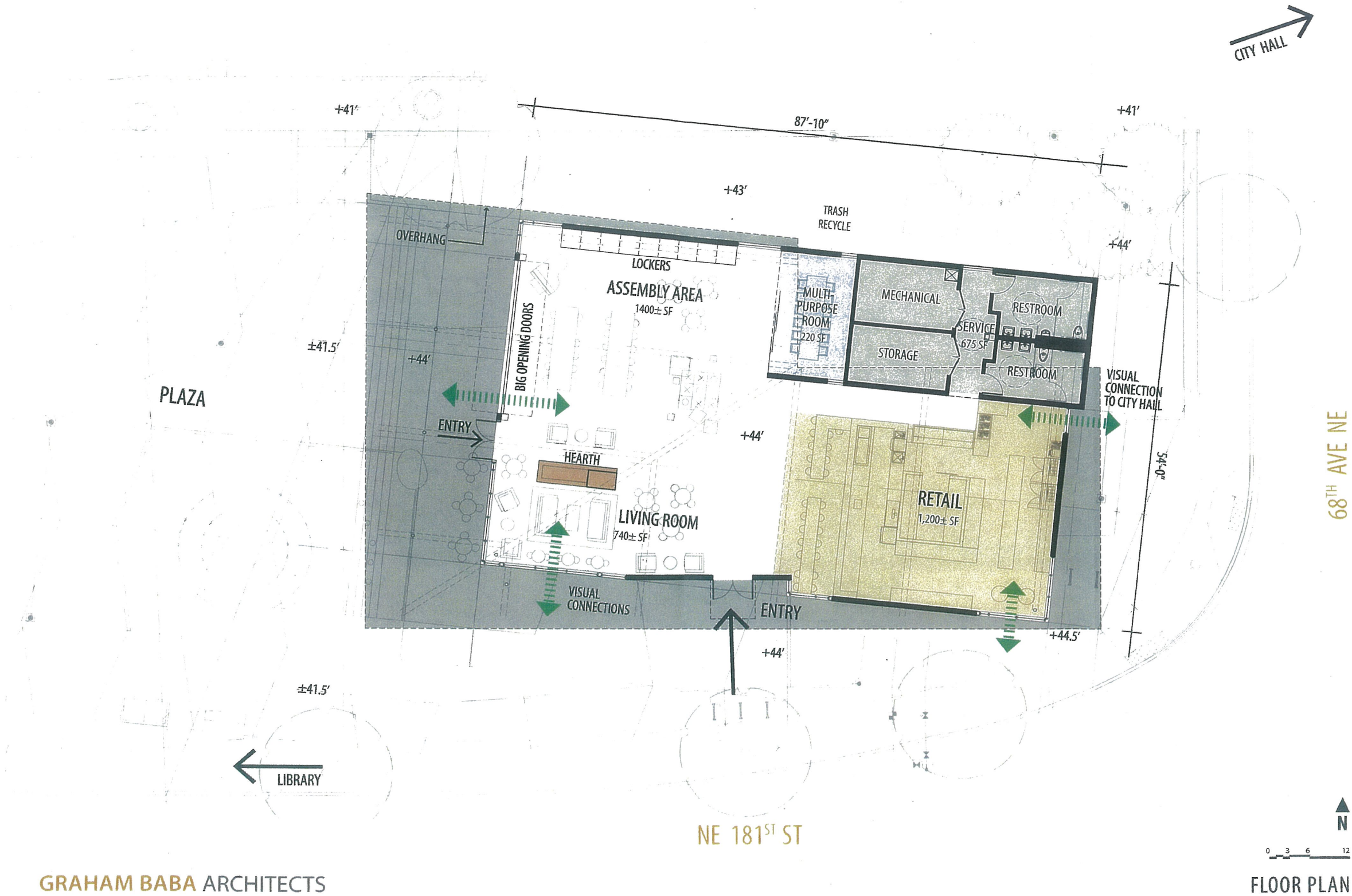


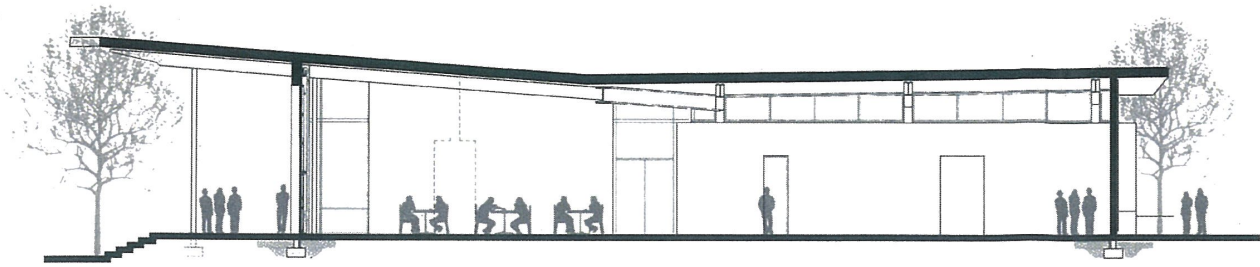
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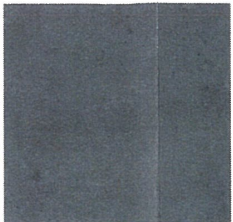




BUILDING SECTION



WOOD SIDING



CONCRETE FLOORS



STOREFRONT WINDOWS



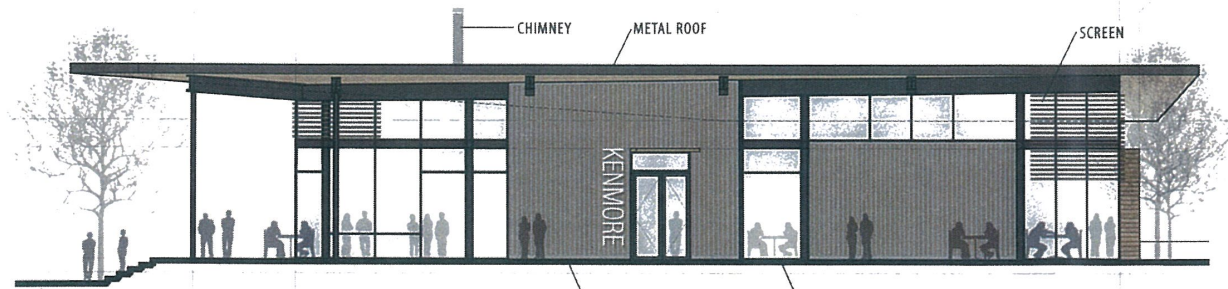
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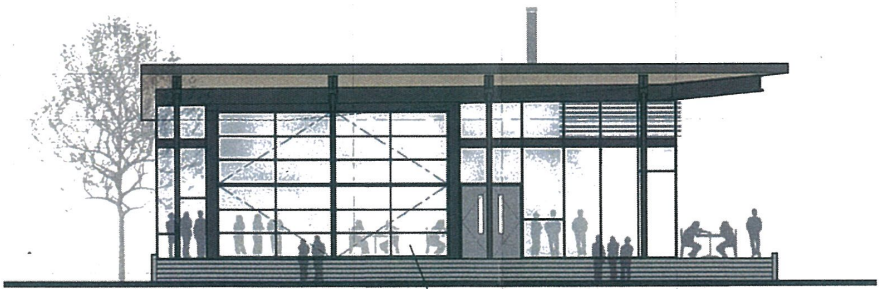
METAL ROOF



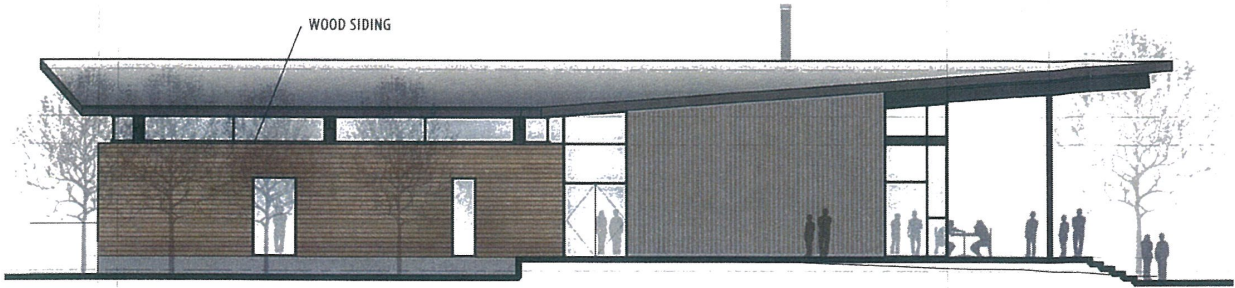
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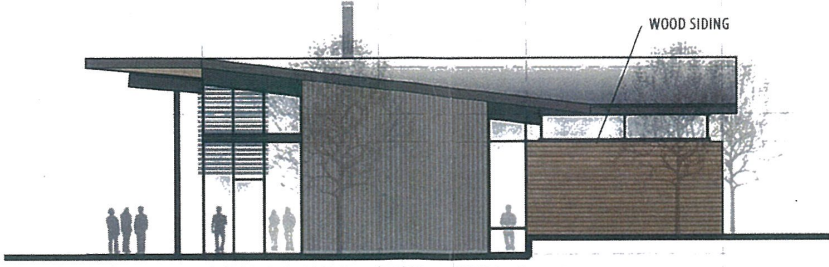
SOUTH ELEVATION



WEST ELEVATION



NORTH ELEVATION



EAST ELEVATION

0 3 6 12

EXTERIOR ELEVATIONS

GRAHAM BABA ARCHITECTS

Attachment 2

March 16th 2015

KENMORE TOWN GREEN
DESIGN DEVELOPMENT ESTIMATE
CONSTRUCTION COST SUMMARY

<u>CONSTRUCTION COSTS</u> (including contractors fee)	
Pavilion Building (4,576 sf)	\$1,629,614
Plaza, Landscaping & Site Work	\$989,883
67th Avenue & 181st Street Intersection	\$60,014
TOTAL CONSTRUCTION COST [excluding Sales Tax]	\$2,679,511
Washington State Sales Tax (For King County)	\$254,554
TOTAL CONSTRUCTION COST [including Sales Tax]	\$2,934,064
<u>SOFT COSTS</u>	
Design Fees	\$565,500
Geotech Fee	\$17,159
FEE by Owner (furnishings and equipment)	\$165,000
Owners Construction Administration	\$161,280
Permit Fees (1.35% of construction costs)	\$36,173
Owners Testing	\$25,000
Construction Contingency (10% of construction costs plus WSST)	\$293,406
TOTAL PROJECT COSTS	\$4,197,583

Construction Cost Notes

Construction costs are based on Design Development level drawings and subject to slight modification while working within the overall 4.2 million budget.

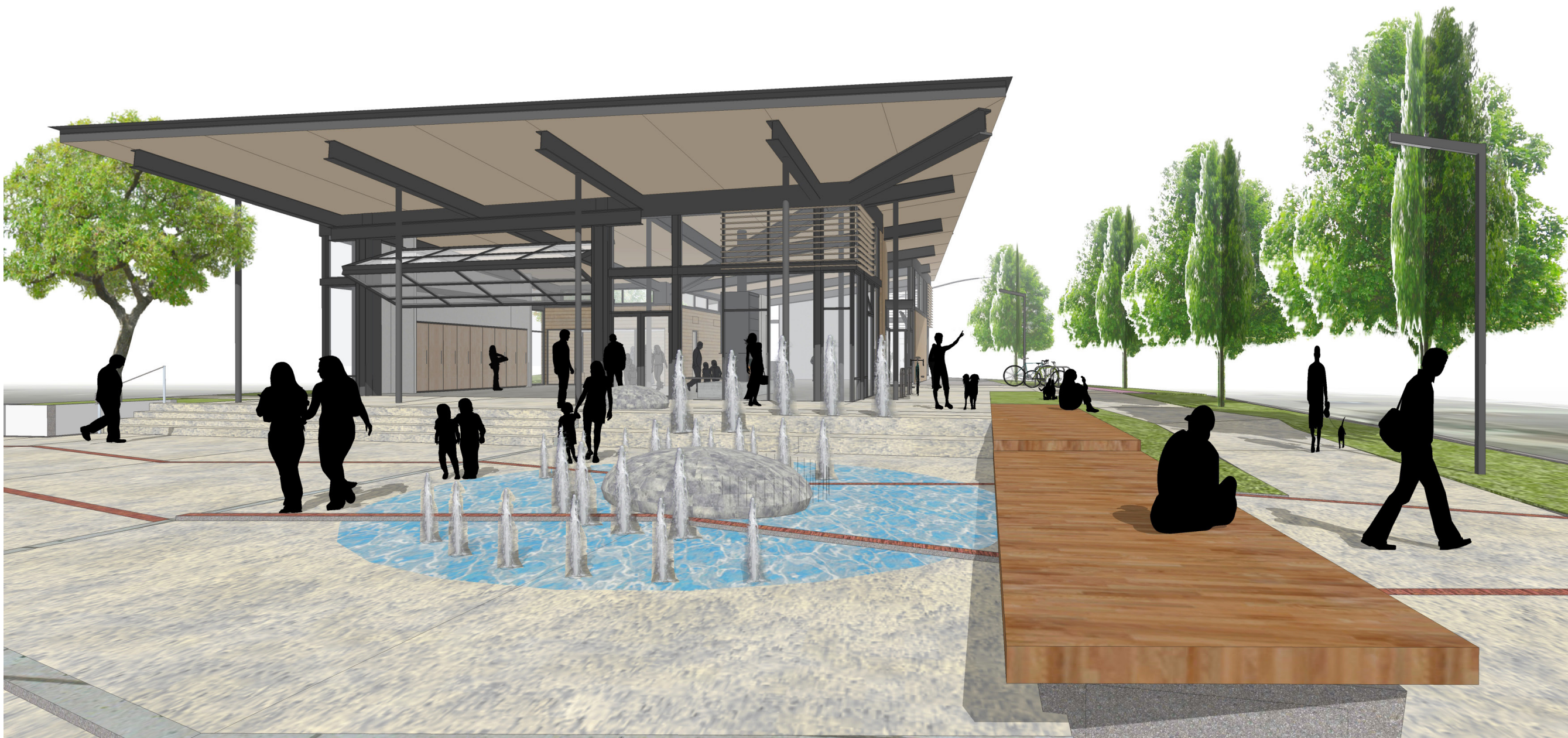








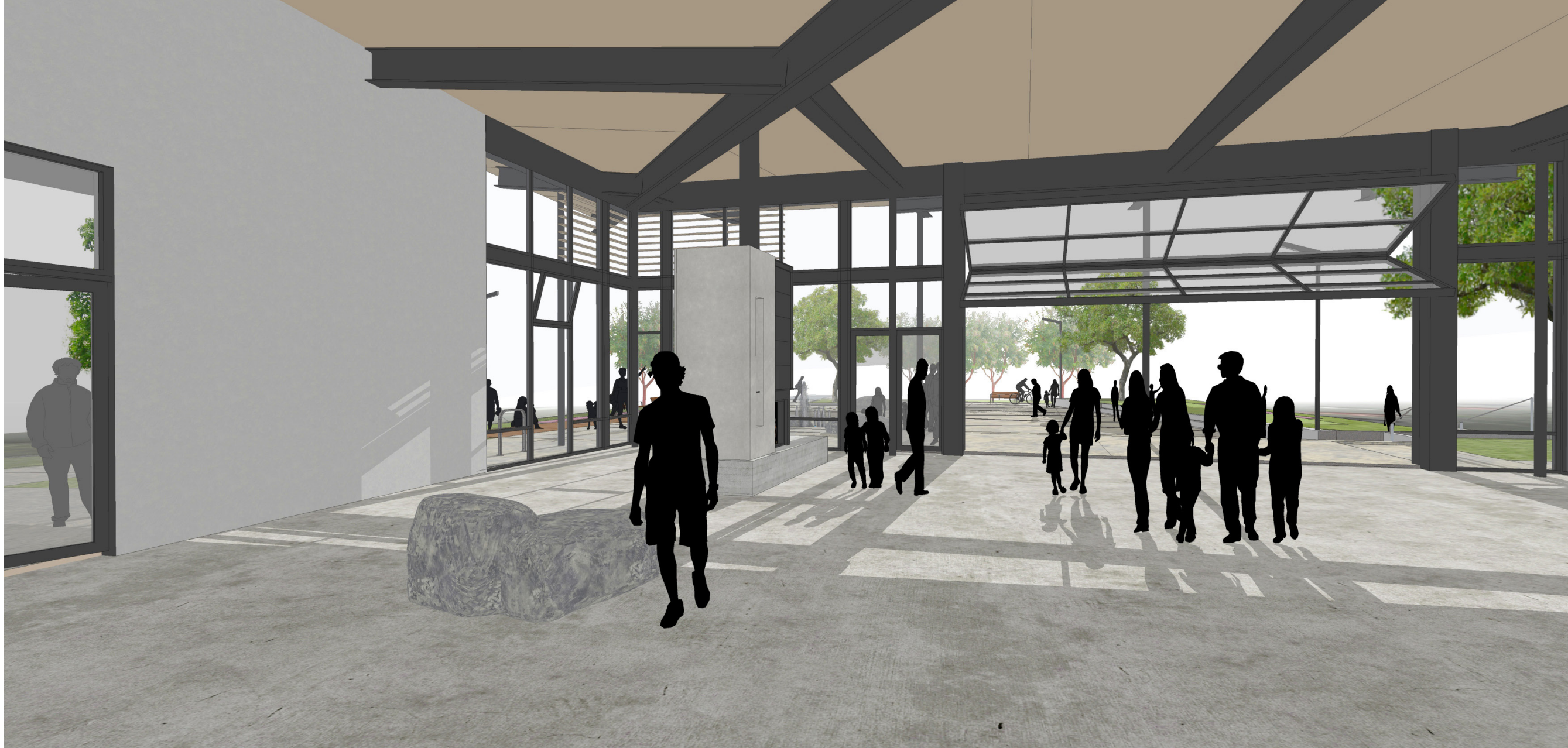


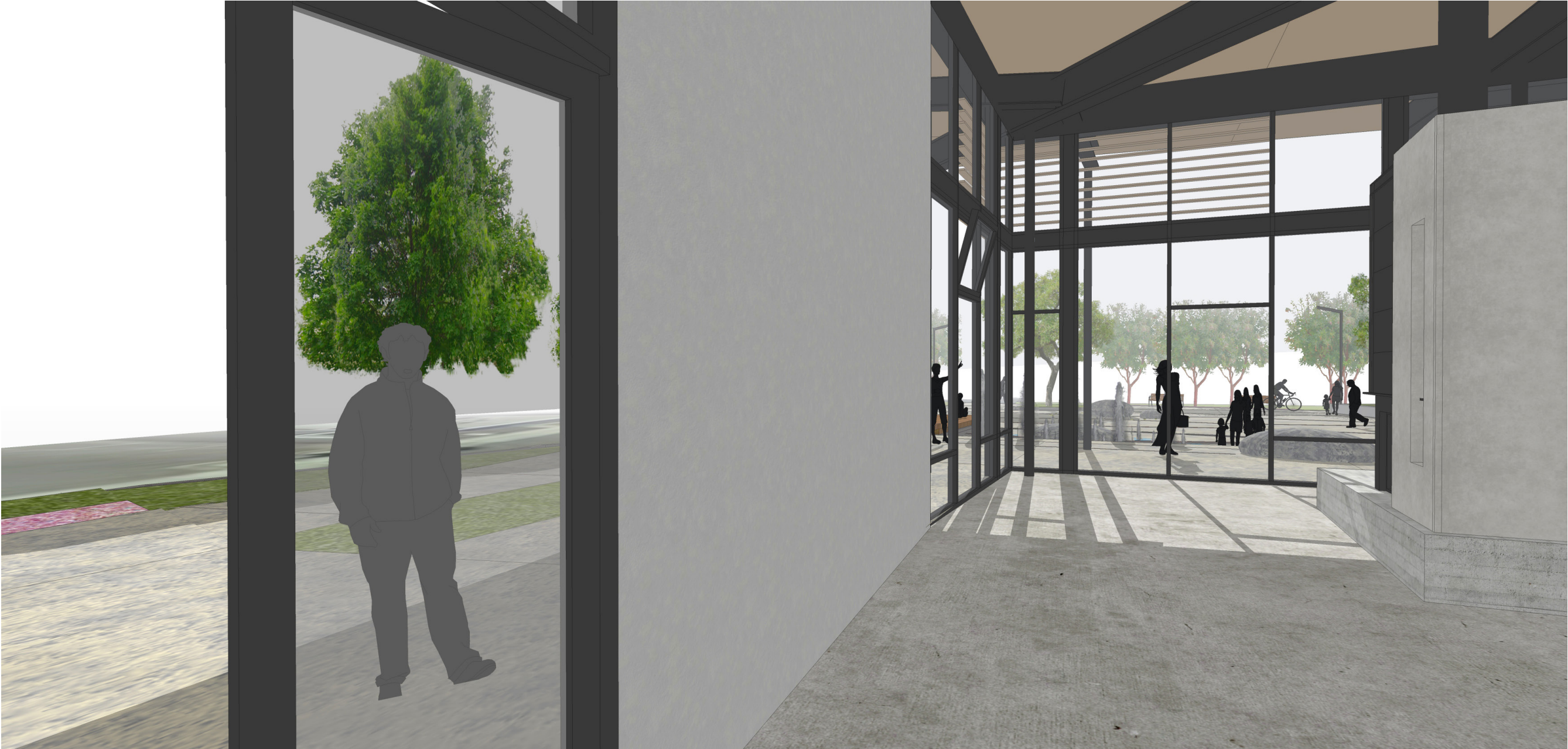




















The City of Kenmore

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MEMO

TO: Rob Karlinsey, City Manager

FROM: Debbie Bent, Director of Planning & Community Development *DB*
Lauri Anderson, Senior Planner *WAK*

DATE: March 11, 2015

SUBJECT: Comprehensive Plan Update: Regional Transportation Policies

Over the past several months, internal discussions have occurred around Sound Transit plans and potential high capacity transit on SR-522. In addition, a new proposal for water taxi service to Kenmore has been raised.

With adoption of the Transportation Element in 2014, policies about transit on SR-522 were approved, but were not specific to type of transit. The current Shoreline Sub-Element of the Comprehensive Plan supports ferry service to Kenmore, but this is not addressed in the Transportation Element.

Staff requests your direction on the topics of both high capacity transit on SR-522 and ferry or water taxi service to Kenmore.

Options for addressing high capacity transit are:

- 1) Leave existing policies in place that discuss only working and coordinating with transit agencies, but do not specify high capacity transit or mode; or
- 2) Refine existing policies to specifically support high capacity transit with an emphasis and vision for light rail (including a light rail station) through Kenmore on/along SR-522.

Options for addressing ferry service to Kenmore are:

- 1) Leave existing policies in the Shoreline Sub-Element in place that discuss support for ferry service to Kenmore; or
- 2) Add a new policy to support ferry and/or other water-based transportation services to Kenmore to the Transportation Element.

If the City Council chooses the second option for either or both of each of the above, staff recommends requesting the Planning Commission to craft and recommend revised language that would come back for City Council consideration on June 1 of this year.

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Background

Following are the existing Comprehensive Plan policies that address these topics:

High capacity transit:

In summary, the following Comprehensive Plan goals, objective and policies focus on supporting regional transit efforts, but do not directly state that Kenmore wants high capacity transit on SR-522, whether bus or rail.

- Transportation Element Policy T-1.1.5: "Coordinate with park-and-ride and transit service providers to pursue improvement projects that are consistent with the Layered Network and which benefit transit users in Kenmore."
- Transportation Element Goal T-2: "Coordinate with local, regional, state, and federal agencies as well as non-governmental entities to develop and operate the transportation system."
- Transportation Element Objective T-2.1.1: "Coordinate planning, construction, and operation of transportation facilities and programs with the State, Counties, neighboring cities, Puget Sound Regional Council, Metro, Sound Transit, and other entities. This coordination will be achieved by:
 - a. Participating in the transportation-related activities of King County and advisory committees;
 - b. Working with other jurisdictions to plan, fund, and implement multi-jurisdictional projects necessary to meet shared transportation needs; and
 - c. Making transportation decisions consistent with the transportation plan and with the State, Puget Sound Regional Council, transit agencies, King County, Snohomish County, and neighboring jurisdictions."
- Transportation Element Policy T-2.1.2: "Support increased transit service for the Kenmore Downtown area based upon existing and future population and employment densities."
- Transportation Element Objective T-2.2: "Cooperate with neighboring cities, King and Snohomish Counties, transit agencies, Puget Sound Regional Council, and the Washington State Department of Transportation to address regional transportation issues."
- Transportation Element Policy T-2.2.1: "In partnership with State, regional and local agencies, address regional transportation issues. These include:
 - a. Regional air, rail, and water transportation facilities and services;
 - b. Operation of and improvements to the State highway network, including SR 522;
 - c. Improvements to roadways connecting Kenmore to the surrounding region, including SR 522;
 - d. Improvements to major roadways bordering, yet having an influence upon internal traffic flows within Kenmore, including those located in Snohomish County;
 - e. Improved access to I-5 and I-405 corridors and other employment corridors;
 - f. Regional pedestrian and bicycle facility needs; and
 - g. Transit connections to the region's urban centers."

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- Transportation Element Policy T-2.2.3: "Coordinate transit levels of service with King County Metro, Sound Transit, and private transit operators."
- Objective T-2.3: "Ensure regional transportation improvements and services are compatible with the Comprehensive Plan and the City's Layered Network."
- Transportation Element Policy T-2.3.1: "Continue to take a lead role in the planning, design, and implementation of SR 522 improvements within Kenmore. Encourage multi-agency cooperation (such as WSDOT and Sound Transit) and ensure that improvements in Kenmore are coordinated with adjacent communities, such as Lake Forest Park and Bothell."
- Transportation Element Goal T-4: "Encourage public transportation, non-motorized travel, and other transportation strategies that reduce the need for automobile travel, especially by single-occupant vehicles (SOV)."
- Transportation Element Objective T-4.1: "Support expansion of local and regional transit service within Kenmore that provides linkages to regional destinations."
- Transportation Element Policy T-4.1.1: Examine the opportunities for increasing transit service with Metro and Sound Transit with priorities tailored to meet the needs of the community by:
 - a. Supporting additional routes or connections to surrounding communities and employment centers;
 - a. Requiring transit facilities as mitigation where appropriate for new developments;
 - b. Identifying and developing locations that are accessible to public transportation for use as park-and-pool or park-and-ride lots;
 - c. Requiring adequate right-of-way, sidewalk, and roadway improvements where transit stops are located; and
 - d. Adopting design standards that promote safety and aesthetics in accordance with the *Street Planning Toolkit*.
- Policy T-4.1.3: "Maintain HOV lanes on SR 522 for use by transit and business access only to encourage transit usage and improvements, and to preserve its use for transit over the long term."

Ferry service to Kenmore

In summary, the following Comprehensive Plan policies support future passenger ferry facilities on the shoreline. However, no related policies exist in the Transportation Element.

- Shoreline Sub-Element Policy LU-20.3.1: "Future development and maintenance of ferry services on Lake Washington should be encouraged in the Downtown Waterfront environment, and integrated with the overall transportation system."
- Shoreline Sub-Element Policy LU-23.11.11: "Passenger only ferry facilities should be encouraged."