



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

City of Kenmore
City Council Regular Meeting Agenda

7:00 p.m., Monday, April 25, 2016

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. 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. PROCLAMATION

- A. National Kids to Parks Day - May 21, 2016
[Proclamation](#)

VI. 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.

VII. CONSENT AGENDA

- A. Adopt Minutes for the April 5, April 7, and April 11, 2016 City Council Special Meetings
[DRAFT 04 05 2016 Minutes](#)
[DRAFT 04 07 2016 Minutes](#)
[DRAFT 04 11 2016 Minutes](#)
- B. The following checks and electronic payments are approved for payment:
Total Check Nos. 34180 through 34230 - \$431,804.35
Total Payroll Check No. 8562 - \$2,200.02
Total Payroll Electronic Deposits Dated 4/1/2016 - \$73,408.53
[Checks & Electronic Payments](#)

- C. Receive and File February 2016 Financial Report for the City of Kenmore, Washington
[Agenda Bill & Attachment](#)
- D. Authorize City Manager to Execute Amendment No. 6 to Contract No. 12-C1082 with Perteet for Traffic, Engineering, Transportation and Parks On-Call Services
[Agenda Bill](#)

VIII. BUSINESS AGENDA

- A. Discussion on Issues for the 2016 Housing Strategy Plan and Direction to Planning Commission - Debbie Bent, Community Development Director, and Lauri Anderson, Senior Planner
[Agenda Bill & Attachments](#)
[PowerPoint Presentation](#)
- B. Authorize City Manager to Negotiate and Execute Contracts for Financial Software System Purchase, Implementation, and Maintenance - Joanne Gregory, Finance & Administration Director
[Agenda Bill & Attachments](#)

IX. STAFF REPORT

- A. Chicken Ordinance - Rob Karlinsey, City Manager
- B. City Manager Comments

X. COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

XI. ADJOURNMENT

Upcoming Meetings:

Tues., May 3, 2016 7:00 p.m. Planning Commission Regular Meeting
Mon., May 9, 2016 7:00 p.m. City Council Regular Meeting
Mon., May 16, 2016 6:15 p.m. Special Joint City Council, Lake Forest Park Council & Northshore Fire District Board Meeting

**CITY OF KENMORE
PROCLAMATION**

Kids to Parks Day

WHEREAS, Saturday, May 21st, 2016 is the sixth Kids to Parks Day organized and launched by the National Park Trust; and

WHEREAS, Kids to Parks Day empowers kids and encourages families to get outdoors and visit America's parks; and

WHEREAS, it is important to introduce a new generation to our nation's parks because of the decline in Park attendance over the last decades; and

WHEREAS, we should encourage children to lead a more active lifestyle to combat the issues of childhood obesity, diabetes mellitus, hypertension and hypercholesterolemia; and

WHEREAS, Kids to Parks Day is open to all children and adults across the country to encourage a large and diverse group of participants; and

WHEREAS, Kids to Parks Day will broaden children's appreciation for nature and the outdoors; and

WHEREAS, the City of Kenmore has been recognized by the national nonprofit organization KaBOOM! as a Playful City USA community and is active in the "Let's Move! Cities, Towns & Counties" program; and

WHEREAS, the City of Kenmore features spectacular local and State parks and the Burke-Gilman Trail, including a Waterfront Activities Center at Squires Landing Park,

NOW THEREFORE, I, David Baker, Mayor of the City of Kenmore, Washington, on behalf of the City Council, am pleased to proclaim **May 21, 2016** to be

"Kids to Parks Day"

in the City of Kenmore, and we urge residents of the City to make time on May 21st to take the children in their lives to a neighborhood, State or national park.

IN WITNESS WHEREOF, signed this 25th day of April, 2016.

Signed: _____

David Baker, Mayor

Attested: _____

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Special Meeting
Minutes
April 5, 2016**

END OF STATE LEGISLATIVE SESSION EVENT

Councilmembers from the City of Kenmore and the City of Lake Forest Park, as well as citizens, were present at an informal reception to thank our 46th District Legislators. Senator David Frockt and Representatives Jessyn Farrell and Gerry Pollett reported on the 2016 Session of the Washington State Legislature.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Stacey Denuski

EXECUTIVE SESSION

Mayor Baker announced an executive session at 7:40 p.m. to discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 30 minutes and that no action is anticipated.

ADJOURNMENT

Mayor Baker adjourned the special executive session at 8:10 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Special Meeting
Minutes
April 7, 2016**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 5:04 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness, and Councilmembers Brent Smith and Stacey Denuski

Staff present: Nancy Ousley, Assistant City Manager; Bryan Hampson, Development Services Director; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

MOTION AUTHORIZING INITIATING A LAWSUIT REGARDING ENFORCEMENT OF HEARING EXAMINER’S ORDER No. HEA-2016-01 AND No. P2015-024.

Councilmember Denuski moved that the City Attorney be authorized to file a lawsuit in King County Superior Court, and to take all necessary related actions, to implement, collect and enforce the actions, violations, rights, remedies, fines and penalties of the Hearing Examiner’s Order in “*In the Matter of the Appeal of Owen Benson of a Notice of Violation*,” No. HEA-2016-01 and No. P2015-024. Deputy Mayor Allan Van Ness seconded the motion. The motion passed 4-0.

ADJOURNMENT

Mayor Baker adjourned the special meeting at 5:06 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Special Executive Session Meeting
Minutes
April 11, 2016**

CALL TO ORDER – The special meeting of the Kenmore City Council was called to order by Mayor David Baker at 6:03 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Stacey Denuski

Staff present: Nancy Ousley, Assistant City Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

EXECUTIVE SESSION

Mayor Baker recessed the special meeting to an executive session at 6:03 p.m. He stated that the executive session is expected to last for 20 minutes and no action is anticipated.

Mayor Baker extended the executive session for 10 minutes at 6:23 p.m.

ADJOURNMENT

Mayor Baker adjourned the special executive session at 6:33 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

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, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim.

The following checks and electronic payments are approved for payment:

Total Check numbers: 34180 through 34230 \$ 431,804.35

Total Payroll check number: 8562 \$ 2,200.02

Total Payroll electronic deposits dated: 4/1/2016 \$ 73,408.53

 12 APR 2016
City Manager Date

 4/8/16
Finance Director Date

Check #	Vendor Name	Description	Check Amount
34180	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	12,538.67
34181	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	595.00
34182	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	3,053.81
34183	DRS 457	Deferred Comp Payroll Deduction	1,160.00
34184	CITY OF KENMORE FS	Flexible Spending Medical Plans	196.38
34185	BANK OF AMERICA 941	Payroll Taxes	15,286.96
34186	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	17,825.45
34187	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
34188	HSA BANK	Employee Health Savings Acct. Contribution	80.76
34189	BAKER, DAVID	Mileage Reimbursement	237.06
34190	CASCADE PEST CONTROL	Monthly Pest Control at Rhododendron Park	142.35
34191	CITY OF BELLEVUE	1st Qtr 2016 ARCH Contribution	6,879.75
34192	DAILY JOURNAL OF COMMERCE	Advertising - Bid for 181st Sidewalk	553.80
34193	REPUBLIC SERVICES	Jan. & March Rhod. & City Hall Solid Waste	1,258.67
34194	FERGUSON ENTERPRISES INC #1539	Pipe Installation Supplies	217.42
34195	FRUHLING SAND & TOPSOIL	Brush/Asphalt/Lumber Dumping	275.00
34196	INSLEE, BEST, DOEZIE & RYDER, P.S.	February Legal Services	26,062.61
34197	JET CITY PRINTING	Business Open House Postcards	246.38
34198	KING COUNTY OFFICE OF FINANCE	February Public Defense Indigency Screening	604.89
34199	KING COUNTY TREASURY	Property Tax Bills	10,305.26
34200	NORTHSHORE UTILITY DIST	1/15-3/15 Irrigation & Water/Sewer Billings	681.05
34201	OFFICE DEPOT	Office Supplies	946.89
34202	PARAMETRIX INC	11/5-12/31/15 15-C1471 Lakepointe Project	22,083.15
34203	SEATTLE TIMES	Legal Ads for Sidewalk Bids & Public Hearing	657.34
34204	UPS STORE	March PRR Copying Svcs & Shipping Charges	28.09
34205	VAN NESS, ALLAN	March Mileage & Meal Reimbursement	98.31
34206	PROTHMAN COMPANY	Consulting Svcs - Jim Pemberton 3/12-3/25/16	1,499.68

34207	BUILDERS EXCHANGE OF WASHINGTON INC	Proj. 16-C1497 Ad for Juanita/155th Barrier	45.00
34208	GROUP FOUR INC.	16-C1498 2/16-3/15 St. Edward Ballfields Svcs	2,545.00
34209	PEMBERTON, JIM	Mileage Reimbursement	690.12
34210	A+ CONFERENCING	3/22 Imagine Kenmore Conference Call	19.49
34211	JACOBS ENGINEERING GROUP	1/30-2/26 W. Samm. Bridge Project Mgmt Svcs	32,212.19
34212	SHRED-IT USA LLC	3/30/16 Shredding Service	56.41
34213	ALCALDE & FAY	Feb. & Mar. Government Affairs Consulting	10,042.05
34214	COMCAST	3/30-4/29 Incubator Bldg. Internet/Cable	161.86
34215	ZONES	Police Dept. Mobile Printer & Paper	1,122.80
34216	WA STATE DEPT OF LABOR & INDUSTRIES	Annual Elevator Certificate 5/1/16-5/1/17	141.60
34217	WELLS FARGO FINANCIAL	3/21-4/20 1st & 2nd Floor Xerox Lease	1,041.25
34218	HOPKINS, CRAIG	March Police Volunteer Mileage Reimbursement	72.36
34219	DEVRIES, DENIS	March Police Volunteer Mileage Reimbursement	71.82
34220	MILLER STEPHENS, MARY	January Public Defense Svcs @ SCORE	1,250.00
34221	KBA INC.	February Town Green 15-C1475 Const. Mgmt.	8,809.75
34222	KARLINSEY, ROB	Mileage Reimbursement	74.30
34223	CITYWORKS/ AZTECA SYSTEMS INC.	Update/Support 13-C1146 4/17/16-4/16/17	21,900.00
34224	HESTON VISUAL ARTS	Video- State of the City Address & Council Photos	763.76
34225	SAMYN, DR. JEFFREY	Facility Rental Cash Deposit Refund	250.00
34226	GALLATIN PUBLIC AFFAIRS	March Media Relations Marketin Services	3,500.00
34227	SUNGARD PUBLIC SECTOR INC.	TRAKiT Software Conversion from CityView	5,000.00
34228	SKYWARD CONSTRUCTION	March Town Green Construction Services	215,643.80
34229	SOFTWAREONE, INC.	Server Upgrades	2,598.81
34230	GOOD TO GO	405 Toll - City Vehicle	2.75
8562	ANN STANTON	Payroll Check	2,200.02
4/1/2016	PAYROLL	Direct Deposit	73,408.53
			507,413.40

2016	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2016
	A+ CONFERENCING		215.64
	ACTION ENTERTAINMENT		395.00
	ACTIVE SHOOTER TRAINING LLC		1,425.00
	ADMAN, STACI		4,516.88
	AFLAC		1,046.82
	ALCALDE & FAY		5,023.37
	ALLPLAY SYSTEMS LLC		58.04
	ALPHAGRAPHICS US718		342.13
	ALTA MAXINE MELVIN		14,674.00
	AM TEST, INC		625.00
	AMERICAN GENERAL LIFE GPO-400S		1,296.51
	AMERICAN PLANNING ASSOCIATION		1,661.00
	AMERICAN PUBLIC WORKS ASSOCIATION		1,225.00
	AMERICAN SOCIETY OF CIVIL ENGINEERS		225.00
	APPLIED CONCEPTS, INC.		2,734.76
	ARC - PACIFIC NORTHWEST		2,711.51
	ARTS OF KENMORE		1,900.00
	ASSOCIATION OF WA CITIES		16,890.04
	AURORA RENTS		1,095.62
	AV CAPTURE ALL		4,718.57
	AWC EMPLOYEE BENEFITS		139,750.33
	BAKER, DAVID		1,326.24
	BANK OF AMERICA 941		75,934.06
	BANNER BANK BAKER		2,598.33
	BANNER BANK BH		761.94
	BANNER BANK CS		1,052.89
	BANNER BANK DB		36.98
	BANNER BANK JG		973.34
	BANNER BANK JGORDON		293.28
	BANNER BANK KENMORE		4,986.99
	BANNER BANK LD		1,437.38
	BANNER BANK NO		1,116.45
	BANNER BANK PS		636.10
	BANNER BANK RK		2,279.33
	BANNER BANK VAN NESS		1,687.23
	BARTLETT TREE EXPERTS		394.20
	BASTYR UNIVERSITY		50,000.00
	BELLEVUE COLLEGE		219.12
	BERK & ASSOCIATES		38,404.41
	BEST BUY BUSINESS ADVANTAGE ACCOUNT		21,943.51
	BRIEN, GAYLYNN		150.00
	BRUCE DEES & ASSOCIATES		41,325.00
	BULGER SAFE & LOCK, INC.		110.48
	CALPORTLAND COMPANY		541.86
	CASCADE PEST CONTROL		142.35
	CEMEX		947.89
	CITY OF BELLEVUE		35,464.96
	CITY OF KENMORE FS		981.90
	CITY OF LAKE FOREST PARK		246,797.91

VII. B. The following checks and electronic payments are app...

CITY OF SHORELINE	804.32
CITY OF TACOMA	40.00
COAST & HARBOR ENGINEERING	45,547.36
COASTAL WEAR PRODUCTS INC	1,356.71
COASTWIDE LABORATORIES	1,525.25
CODE PUBLISHING COMPANY	2,435.65
COLUMBIA RIDGE LANDFILL	2,280.73
COMCAST	1,298.04
CONSOLIDATED PRESS	2,989.34
CULLEY, AMBERLY	4,516.88
CURTIS, DR. MILTON	60.16
D.R. HORTON	15,000.00
DAILY JOURNAL OF COMMERCE	941.85
DEPARTMENT OF ECOLOGY	13,444.11
DEPARTMENT OF LABOR AND INDUSTRIES	6,746.37
DEPARTMENT OF RETIREMENT SYSTEMS	89,865.66
DEVRIES, DENIS	115.59
DRS 457	8,600.00
DURRANT, JEFF	178.50
ECONOMIC DEV COUNCIL OF SEATTLE/KC	5,000.00
EJ USA, INC.	1,416.62
EMERALD FIRE LLC	289.08
EMPLOYMENT SECURITY DEPT	6,874.73
ENVIRONMENTAL SYSTEMS RESEARCH INST	5,694.00
EVERGREEN PRINT SOLUTIONS	715.24
EVERGREEN SAFETY COUNCIL	299.00
FERGUSON ENTERPRISES INC #1539	1,856.55
FIRE SYSTEMS WEST, INC.	273.75
FLEMINGS HOLIDAY LIGHTING LLC	1,394.66
FRONTIER	3,130.62
FRUHLING SAND & TOPSOIL	2,055.37
GALLATIN PUBLIC AFFAIRS	7,050.19
GORDON THOMAS HONEYWELL	7,531.67
GOVDELIVERY, INC.	11,025.00
GRAINGER	193.68
GREATER BOTHELL CHAMBER OF COMMERCE	2,600.00
GRINDLINE SKATEPARKS INC.	12,850.01
GROUP FOUR INC.	5,075.00
HANSEN, COREY	6,850.00
HDR ENGINEERING, INC	176,838.41
HERBIG, NIGEL	61.56
HESTON VISUAL ARTS	219.00
HEWITT	45,909.84
HONEY BUCKET	655.05
HOPKINS, CRAIG	253.80
HORIZON DISTRIBUTORS INC	116.99
HSA BANK	403.80
IAP2 PUGET SOUND CHAPTER	1,550.00
ICMA RETIREMENT TRUST 457 - 304745	14,969.05
INDEPENDENT STATIONERS	358.08
INGLEWOOD GOLF COURSE	1,248.30
INSLEE, BEST, DOEZIE & RYDER, P.S.	41,385.21

VII. B. The following checks and electronic payments are app...

INTEGRA TELECOM	2,699.14
iWORQ SYSTEMS	2,800.00
JACOBS ENGINEERING GROUP	38,652.40
JD PLUMBING & FIRE PROTECTION INC.	214.03
JET CITY PRINTING	1,522.60
JOYCE ZIKER PARKINSON	5,725.00
KARLINSEY, ROB	80.42
KBA INC.	19,550.20
KCDA PURCHASING COOP	1,693.69
KENMORE COMMERCIAL LLC	10,267.19
KENMORE HERITAGE SOCIETY	50.00
KIMBERLY LANE 9, LLC	1,145.82
KING COUNTY FINANCE	74,421.17
KING COUNTY FINANCE W.L.R.D.	2,338.67
KING COUNTY FINANCE/ GIS	2,621.11
KING COUNTY FLEET ADMIN	235.00
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY RADIO COMM SERVICES	283.61
KING COUNTY SHERIFF	20,775.73
KINGS HEATING	28.84
KONICA MINOLTA BUSINESS SOLUTIONS	2,246.47
KORTE, BRENT	27.61
KPFF CONSULTING ENGINEERS	6,802.90
KRAZAN & ASSOCIATES, INC.	8,075.00
LANGTON SPIETH, LLC	8,000.00
LANGUAGE LINE SERVICES, INC.	4.83
LIGHTHOUSE CONSULTING INC	11,609.90
LINCOLN NATIONAL LIFE INSURANCE	2,758.01
MAGEE, STEVEN	49.44
MAIL FINANCE	703.00
MARSHBANK CONSTRUCTION	1,601,621.19
METROPOLITAN TRANS. COMMISSION	1,500.00
MILLER STEPHENS, MARY	3,750.00
MR. T'S TROPHIES	239.47
NATIONAL LIFE OF VERMONT	369.51
NATIONWIDE FINANCIAL 401a	62,576.31
NATIONWIDE RETIREMENT SOLUTIONS 457	2,525.00
NORTHSHORE FIRE DEPT	2,428.00
NORTHSHORE PARK & REC SERVICE AREA	1,360.00
NORTHSHORE ROTARY CLUB	220.00
NORTHSHORE UTILITY DIST	25,018.95
NORTHWEST LANDSCAPE SERVICES	3,599.43
NORTHWEST PLAYGROUND EQUIPMENT INC.	14.97
NORTHWESTERN COLLECTION SERVICE INC	690.00
NRC ENVIRONMENTAL SERVICES, INC.	4,975.10
OFFICE DEPOT	2,055.37
OGDEN, MURPHY, WALLACE	6,207.50
OLYMPIC ENVIRONMENTAL RESOURCES INC	3,713.15
PACIFIC TOPSOILS	415.52
PAMPLIN MEDIA GROUP	190.00
PARAMETRIX INC	1,110.00
PAWS	350.00

PENDLETON, MICHAEL	3,186.34
PEOPLES STORAGE	603.00
PERSONAL BEST/ TOPHEALTH	117.20
PERTEET INC.	50,084.46
PHSI PURE HEALTH SOLUTIONS INC.	201.26
PHSI PURE WATER FINANCE	402.49
PROTECTION TECHNOLOGIES, INC	1,048.87
PRSA	307.00
PUGET SOUND CLEAN AIR AGENCY	17,411.00
PUGET SOUND ENERGY	45,858.45
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
QUALITY BUSINESS SYSTEMS INC.	1,686.15
REPUBLIC SERVICES	634.46
RESOURCE EXPLORATION, LLC	12,000.00
RICHARDSON, ZACK	116.00
RICHMOND AMERICAN HOMES OF WA	47.00
SALTER, JON	178.50
SARAH ROBERTS	21,247.24
SCHINDLER ELEVATOR CORPORATION	1,143.18
SCORE	56,709.50
SEATTLE TIMES	4,075.65
SELECT AIR SERVICES DBA GREENWOOD	32.14
SESAC	378.00
SHRED-IT USA LLC	173.28
SITEIMPROVE, INC.	2,499.00
SITTS & HILL ENGINEERS, INC.	3,485.00
SKYWARD CONSTRUCTION	539,997.60
SMITH, BRENT	63.72
SNOHOMISH COUNTY	3,696.00
SOFTWAREONE, INC.	7,702.01
SOUND CITIES ASSOC	13,018.25
SOUND LAW CENTER	4,802.00
SOUND PUBLISHING, INC.	1,633.87
SPERRY, LAURIE	64.80
STARDOM SERVICES, INC.	1,530.00
STATE AUDITOR'S OFFICE	575.90
STATE OF FLORIDA DISBURSEMENT UNIT	1,375.00
STEWART MACNICHOLS HARMELL, INC.	15,000.00
SUNGARD PUBLIC SECTOR INC.	12,921.00
TERREBONNE LIMITED	183.19
THE WIDE FORMAT COMPANY	470.85
THOMAS, MICHAEL	223.30
TOPIA TECHNOLOGY/ BIS	600.00
TOTAL LANDSCAPE CORP	16,737.93
TOWN CENTER HARDWARE	284.30
UNITED WAY OF KING COUNTY	1,326.00
UPS STORE	139.92
US POSTAL SERVICE (HASLER)	4,989.65
UTILITIES UNDERGROUND LOCATION CTR	285.09
VAN NESS, ALLAN	552.44
VAUGHAN, KENT	198.00
VERIZON WIRELESS	3,352.62

VOLGISTICS, INC	540.00
WA ASSOC OF BUILDING OFFICIALS	1,575.00
WA ASSOC OF PUBLIC RECORDS OFFICERS	175.00
WA CITIES INSURANCE AUTHORITY	229,194.00
WA FINANCE OFFICERS ASSOCIATION	150.00
WA STATE DEPT OF TRANSPORTATION	5,394.25
WAGE WORKS	150.00
WASHINGTON ARCHITECTURAL HARDWARE	1,664.41
WASHINGTON CITY/COUNTY MGMT ASSOC	630.00
WASHINGTON STATE DEPT OF REVENUE	2,667.11
WASHINGTON STATE PATROL	788.11
WELLS FARGO FINANCIAL	2,082.50
WHELFHAM, STEPHANIE	250.00
WRIGHT, MARCI	1,500.00
WSU URBAN IPM & PESTICIDE SAFETY	58.00
ZONAR SYSTEMS	525.33
	<u>4,352,043.70</u>

Subject/Topic:
February 2016 Financial Report
Presentation

Nico PW RK 13 APR 2016.

Exhibits/Attachments:
February 2016 Financial Report for the City of
Kenmore, Washington.

Appropriation Required N/A

Kenmore Budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.



PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director *JG*
DATE: April 8, 2016
RE: February 2016 Financial Reports for the City of Kenmore, Washington

February 2016 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Other Funds Monthly Activity
- Schedule of Investments
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Monthly Report for Kenmore Village
- Report for Transportation Benefit District

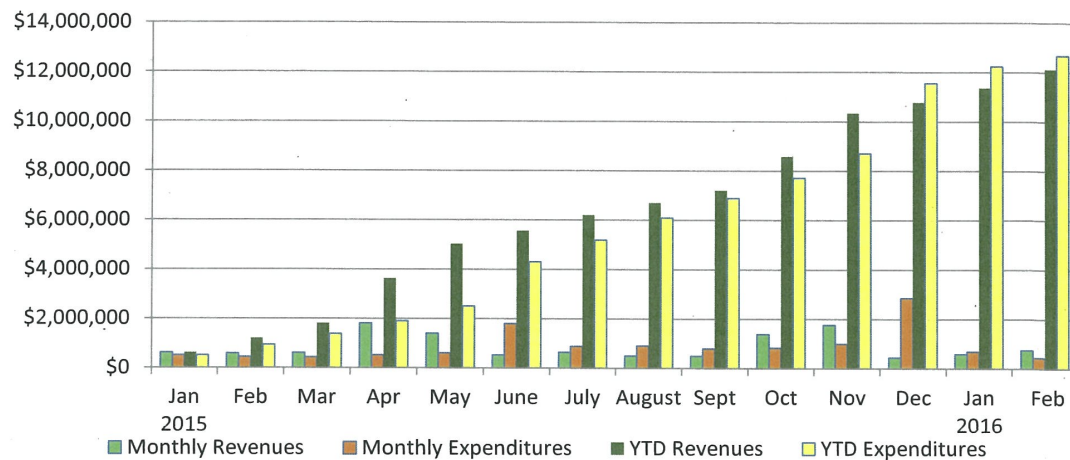
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, February is the fourteenth month (58%) of the 2015-2016 biennial budget period. For the month of February, revenues exceeded expenditures in the General Fund by \$307,542. Biennium expenditures exceed revenues by \$556,586 due to the 2015 year end interfund transfers.

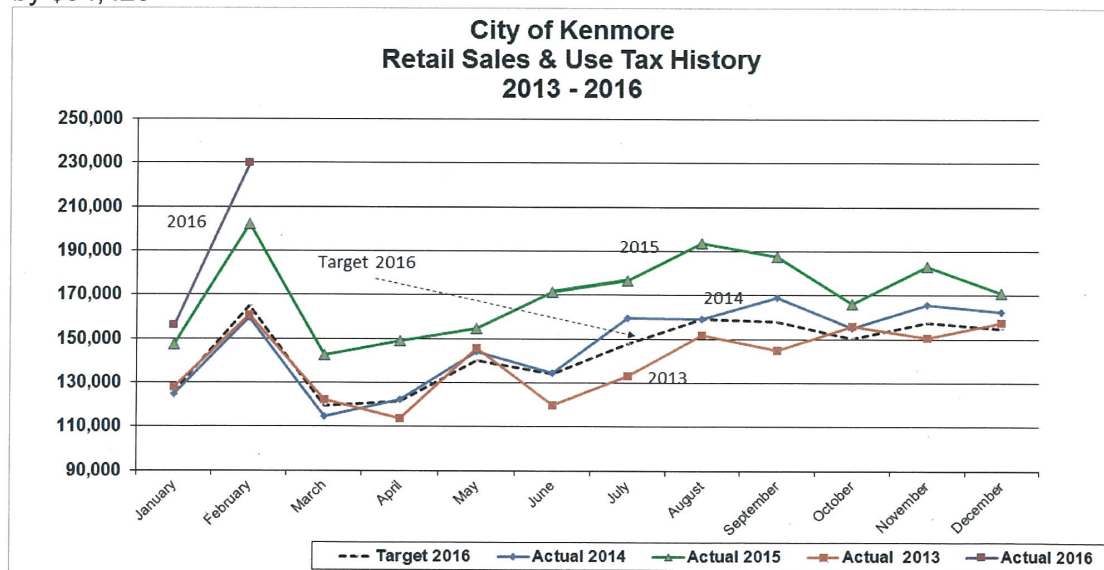
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through February 2016.

City of Kenmore, Washington
Monthly Financial Report
February 2016



Total **revenues** for the month were **\$752,073**. Biennium to date revenues are \$12,121,418, which is 57.6% of the amended budgeted revenues of \$21,048,270. Primary sources of revenue for the month included property taxes in the amount of \$56,437, development fees & permits in the amount of \$47,073, retail sales and use taxes in the amount of \$229,546, franchise fees in the amount of \$161,656, and utility taxes in the amount of \$140,961.

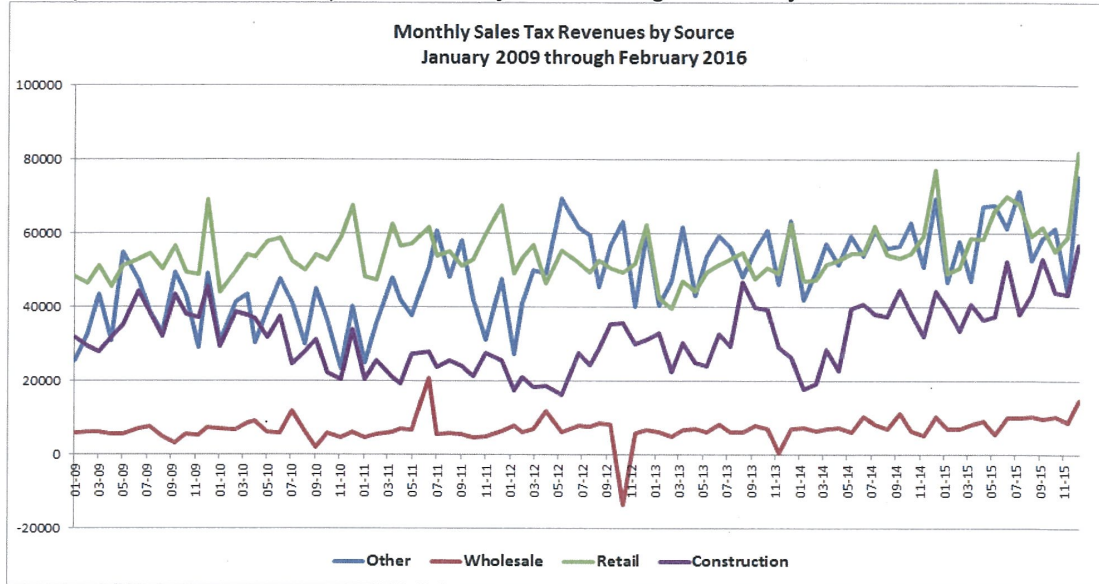
A summary of sales tax revenues received in February is attached. These receipts are based on December sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2016 line is a monthly average of actual receipts during 2013, 2014, and 2015. The purple line represents 2016 actual receipts, which are \$35,553 above 2015, and ahead of 2016 target by \$94,420



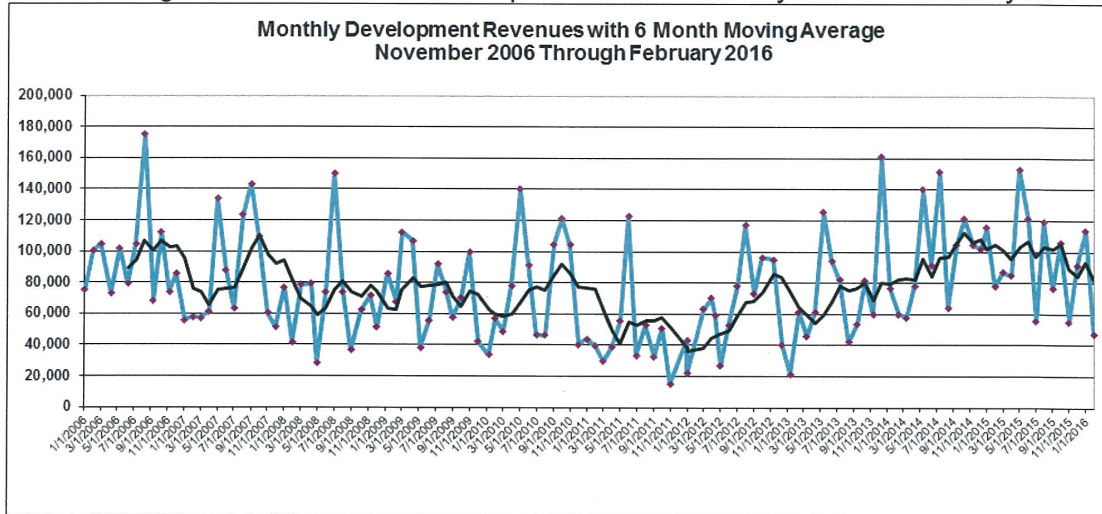
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City of Kenmore, Washington
 Monthly Financial Report
 February 2016

The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2009 through February 2016.



The following chart illustrates the development revenue activity over the last ten years.



February 2016 expenditures were **\$444,531**. Biennium to date expenditures are **\$12,678,004**, which is 55.7% of the amended biennial budget expenditures of **\$22,772,720**.

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City of Kenmore, Washington
Monthly Financial Report
February 2016

Total City cash (\$9,001,332) and long term investments (\$10,839,801), at the end of February, totaled \$19,841,133. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2015-2016 biennial budget.

Total non-General Fund revenues were \$1,908,235 and total non-General Fund expenditures were \$1,137,135.

In the **Street Fund** revenue from gas tax distributions was \$37,769. \$56,374 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund** expenditures were \$812,719 for SR 522 West A construction. The fund received \$1,144,428 in grant reimbursements related to SR 522 West A project. The fund also received \$145,551 in reimbursements related to the Sammamish Bridge replacement project and \$89,718 in reimbursements for sidewalk and other street improvements.

The **Park Impact Fee** fund received \$15,390 in revenues during the month.

There was \$50,604 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received \$70,146 of real estate excise taxes (REET) in February from sales activity that occurred in January. 29 transactions were reported this month. The 2016 year to date revenue exceeds the 2015 revenue by \$57,636 and by the 2016 Target by \$73,779.

The **Kenmore Village** Fund received a \$291,000 grant reimbursement from the WA Dept. of Commerce for the Kenmore Village Town Green Project. The Fund also expended \$153,107 during the month for this project.

The **Transportation Benefit District** Fund received \$26,849 in vehicle license fees during February bringing the total for the biennium to \$388,994.

SUMMARY

This concludes the financial report for the City of Kenmore as of **February 29, 2016**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
February 29, 2016



	CURRENT PERIOD 2015-2016				PRIOR PERIOD 2013-2014			
	Current	BIENNIUM TO DATE	% of	BIENNIUM BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	February 2016	2015-2016	BUDGET	2015-2016	February 2014	2013-2014	BUDGET	2013-2014
REVENUES								
Beginning Fund Balance		4,233,568		4,221,475				5,525,153
Property Taxes	56,437	4,582,137	51.2%	8,948,766	57,194	4,360,664	51.0%	8,542,053
Sales and Use Taxes	288,555	3,080,971	65.5%	4,700,532	208,929	2,524,411	63.7%	3,960,331
Utility Taxes	140,961	1,457,296	52.7%	2,763,390	150,185	1,639,874	55.7%	2,942,395
Other Taxes	46,827	106,468	94.5%	112,720	4,246	60,824	99.2%	61,300
Development Fees & Permits	47,073	1,303,425	66.8%	1,951,432	60,133	1,025,424	70.0%	1,465,185
Franchise Fees	161,656	1,040,965	73.2%	1,422,160	71,285	380,667	38.4%	992,405
Intergovernmental and Grants	0	427,322	60.4%	707,370	0	396,495	62.0%	639,866
Investment Interest	9,310	48,816	96.3%	50,700	19,410	56,897	97.4%	58,400
Fines and Forfeitures	0	-4,844	0.0%	0	-374	-1,879	n/a	0
Transfers and Other Revenues	1,255	78,862	20.2%	391,200	538	391,806	68.4%	572,536
Total Revenues	752,073	12,121,418	57.6%	21,048,270	571,546	10,835,183	56.3%	19,234,471
Total Revenues & Beginning Fund Balance		16,354,985		25,269,745				24,759,624

	CURRENT PERIOD 2015-2016				PRIOR PERIOD 2013-2014			
	Current	BIENNIUM TO DATE	% of	BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	February	2015-2016	BUDGET	2015-2016	February 2014	2013-2014	BUDGET	2013-2014
EXPENDITURES								
Cost Center								
City Council	13,779	205,736	62.6%	328,435	11,458	124,585	57.2%	217,644
City Manager	84,671	1,667,211	52.5%	3,173,222	68,370	1,257,866	70.0%	1,796,600
City Clerk	9,600	199,096	71.7%	277,683	7,397	118,525	22.1%	536,261
Finance	41,093	999,079	74.4%	1,342,155	26,290	372,214	58.2%	639,213
Legal	20,704	212,772	48.4%	440,000	225	281,317	56.9%	494,285
Non-Departmental *	0	0	0.0%	0	86,338	1,127,879	73.6%	1,532,818
Interfund Transfers	0	1,666,216	52.0%	3,202,671	0	3,316,000	212.0%	1,564,000
Public Safety	53,956	4,241,000	52.5%	8,076,115	46,844	3,826,194	53.3%	7,179,563
Engineering & Environmental Services	64,441	1,075,095	70.4%	1,527,950	60,785	759,345	72.6%	1,045,741
Community Development	32,685	464,238	55.9%	830,030	36,547	549,039	77.0%	712,632
Developmental Services	69,135	1,045,722	64.5%	1,620,050	48,841	721,496	48.1%	1,501,147
Parks & Facility Maintenance	54,466	901,839	46.1%	1,954,409	48,918	787,241	46.4%	1,695,042
Total Expenditures	444,531	12,678,004	55.7%	22,772,720	442,013	13,241,700	70.0%	18,914,946
Ending Fund Balance		3,676,981		2,497,025		0.0%		5,844,678
Total Expenditures and Ending Fund Balance		16,354,985		25,269,745				24,759,624

*Non-Departmental expenditures have been moved to other General Fund Cost Centers

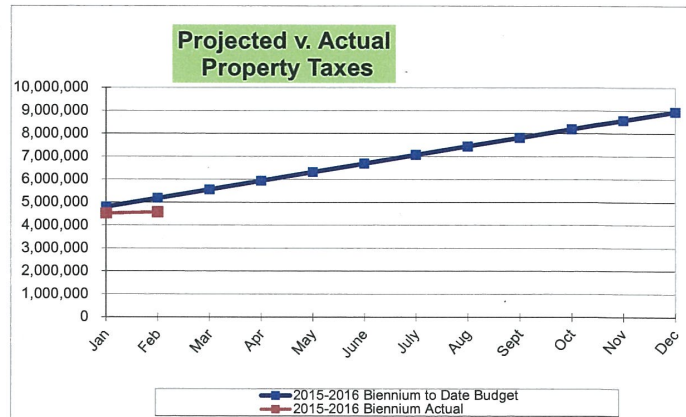
**City of Kenmore, Washington
General Fund Revenue Graphs
February 29, 2016**

PROPERTY TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	4,427,247	4,511,047
Jan	4,804,040	4,525,700
Feb	5,180,834	4,582,137
Mar	5,557,627	
Apr	5,934,420	
May	6,311,213	
June	6,688,007	
July	7,064,800	
Aug	7,441,593	
Sept	7,818,386	
Oct	8,195,180	
Nov	8,571,973	
Dec	8,948,766	
2015-16	8,948,766	

Year To Date
Actual v. Projected

88%

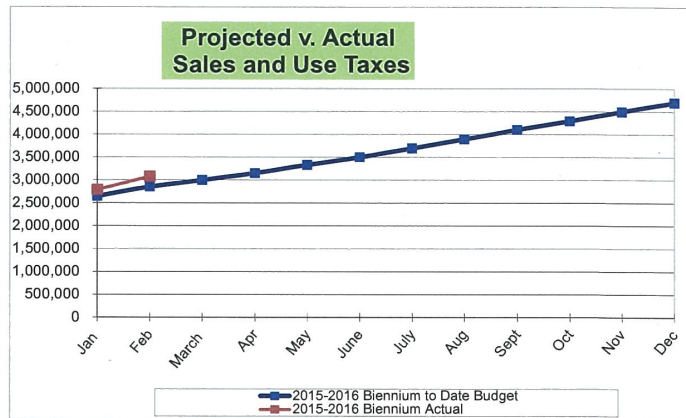


SALES, USE, CRIM JUSTICE TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	2,491,685	2,592,076
Jan	2,650,828	2,792,417
Feb	2,853,765	3,080,971
March	3,000,413	
Apr	3,153,514	
May	3,333,030	
June	3,501,714	
July	3,696,509	
Aug	3,895,328	
Sept	4,102,013	
Oct	4,294,991	
Nov	4,500,931	
Dec	4,700,532	
2015-16	4,700,532	

Year To Date
Actual v. Projected

108%

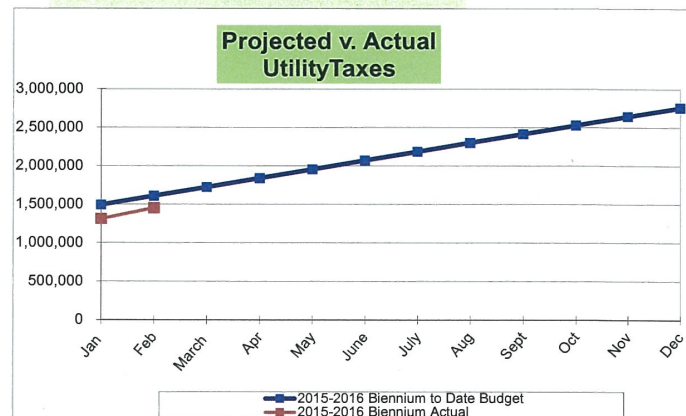


UTILITY TAXES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,381,695	1,185,774
Jan	1,496,836	1,316,335
Feb	1,611,978	1,457,296
March	1,727,119	
Apr	1,842,260	
May	1,957,401	
June	2,072,543	
July	2,187,684	
Aug	2,302,825	
Sept	2,417,966	
Oct	2,533,108	
Nov	2,648,249	
Dec	2,763,390	
2015-16	2,763,390	

Year To Date
Actual v. Projected

90%



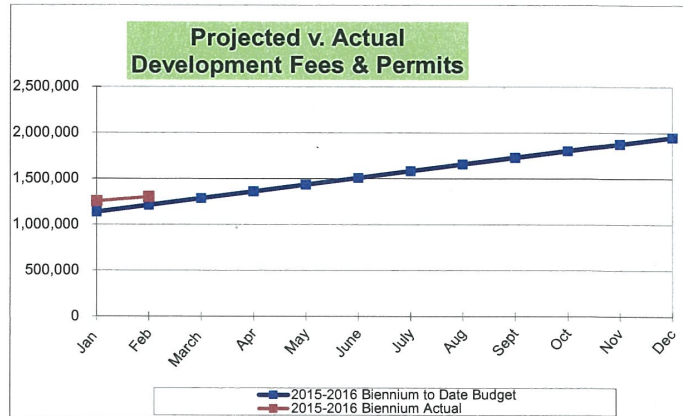
**City of Kenmore, Washington
General Fund Revenue Graphs
February 29, 2016**

DEVELOPMENT FEES & PERMITS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,064,606	1,142,955
Jan	1,138,508	1,256,352
Feb	1,212,410	1,303,426
March	1,286,313	
Apr	1,360,215	
May	1,434,117	
June	1,508,019	
July	1,581,921	
Aug	1,655,823	
Sept	1,729,726	
Oct	1,803,628	
Nov	1,877,530	
Dec	1,951,432	
2015-16	1,951,432	

Year To Date
Actual v. Projected

108%

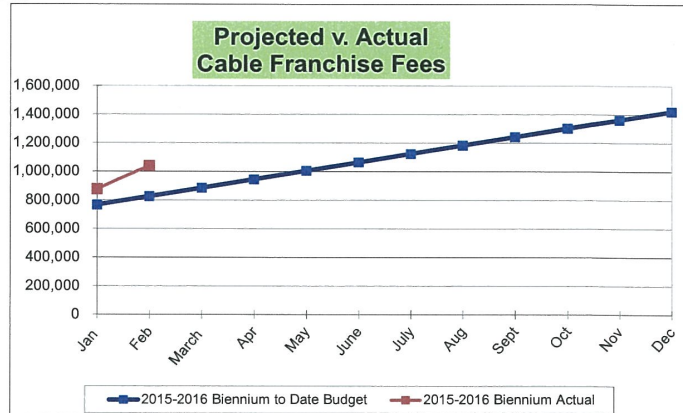


CABLE/WATER/SEWER FRANCHISE FEES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	708,000	802,881
Jan	767,513	879,309
Feb	827,027	1,040,965
March	886,540	
Apr	946,053	
May	1,005,567	
June	1,065,080	
July	1,124,593	
Aug	1,184,107	
Sept	1,243,620	
Oct	1,303,133	
Nov	1,362,647	
Dec	1,422,160	
2015-16	1,422,160	

Year To Date
Actual v. Projected

126%

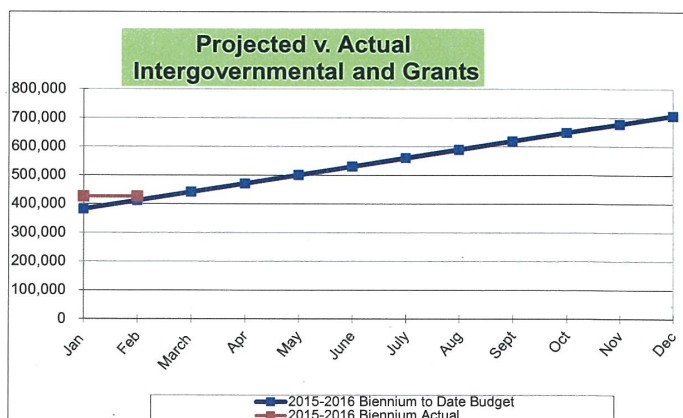


INTERGOVERNMENTAL & GRANTS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	353,685	387,283
Jan	383,159	427,322
Feb	412,633	427,322
March	442,106	
Apr	471,580	
May	501,054	
June	530,528	
July	560,001	
Aug	589,475	
Sept	618,949	
Oct	648,423	
Nov	677,896	
Dec	707,370	
2015-16	707,370	

Year To Date
Actual v. Projected

104%



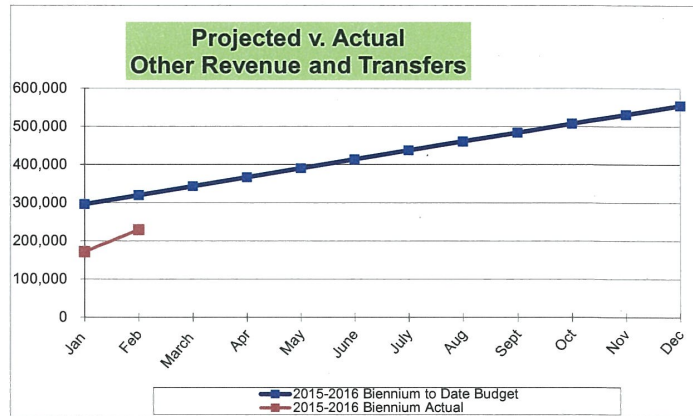
**City of Kenmore, Washington
General Fund Revenue Graphs
February 29, 2016**

OTHER REVENUES AND TRANSFERS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	272,810	159,157
Jan	296,294	171,910
Feb	319,778	229,302
March	343,263	
Apr	366,747	
May	390,231	
June	413,715	
July	437,199	
Aug	460,683	
Sept	484,168	
Oct	507,652	
Nov	531,136	
Dec	554,620	
2015-16	554,620	

Year To Date
Actual v. Projected

72%

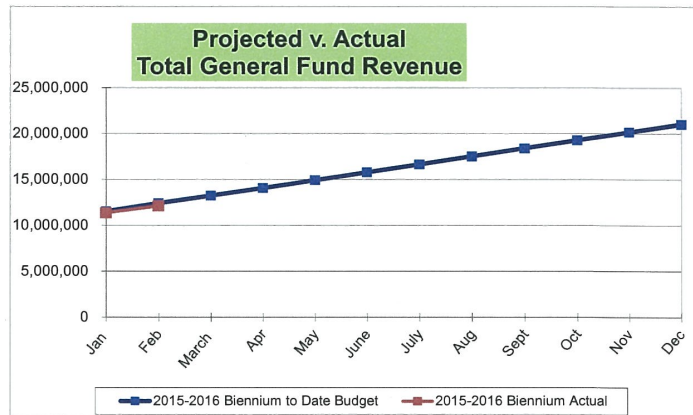


TOTAL GENERAL FUND REVENUE

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
Jan	11,537,179	11,369,345
Feb	12,418,424	12,121,418
March	13,243,380	
Apr	14,074,789	
May	14,932,612	
June	15,779,604	
July	16,652,707	
Aug	17,529,834	
Sept	18,414,827	
Oct	19,286,114	
Nov	20,170,361	
Dec	21,048,270	

Year To Date
Actual v. Projected

98%



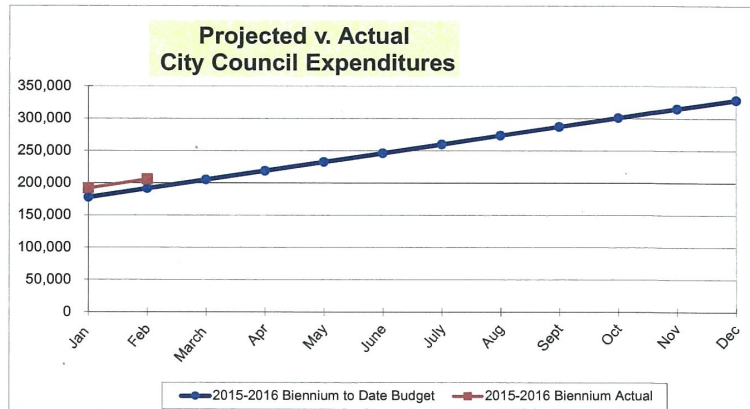
City of Kenmore, Washington
General Fund Expenditure Graphs
February 29, 2016

CITY COUNCIL

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	163,989	156,472
Jan	177,693	191,957
Feb	191,397	205,736
March	205,101	
Apr	218,804	
May	232,508	
June	246,212	
July	259,916	
Aug	273,620	
Sept	287,324	
Oct	301,027	
Nov	314,731	
Dec	328,435	
2015-16	328,435	

Year To Date
 Actual v. Projected

107%

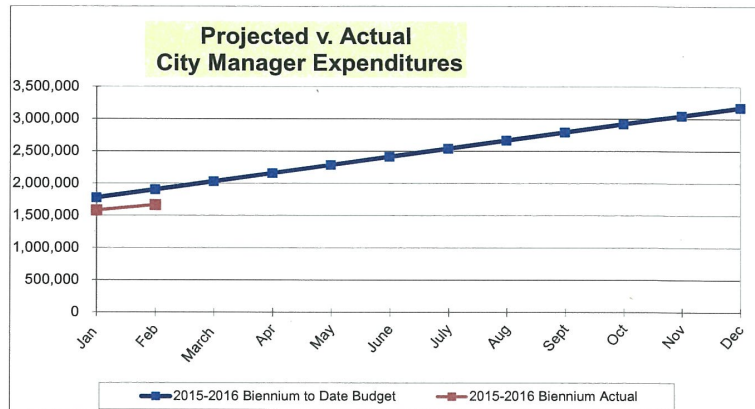


CITY MANAGER

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	1,652,808	1,482,207
Jan	1,779,509	1,582,540
Feb	1,906,210	1,667,211
March	2,032,912	
Apr	2,159,613	
May	2,286,314	
June	2,413,015	
July	2,539,716	
Aug	2,666,417	
Sept	2,793,119	
Oct	2,919,820	
Nov	3,046,521	
Dec	3,173,222	
2015-16	3,173,222	

Year To Date
 Actual v. Projected

87%

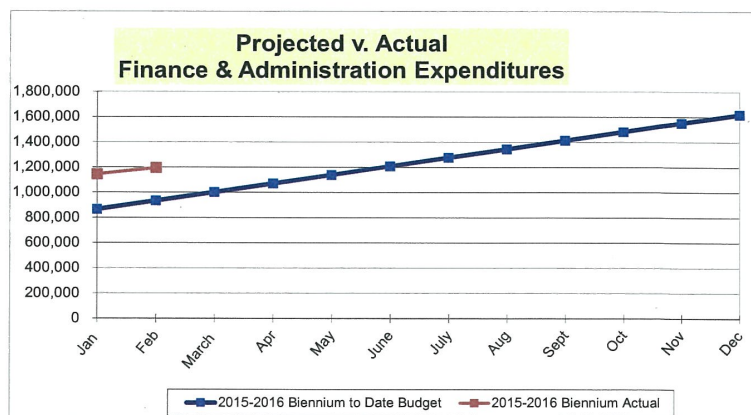


FINANCE & ADMINISTRATION

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	798,363	909,180
Jan	866,819	1,147,482
Feb	935,276	1,198,175
March	1,003,732	
Apr	1,072,188	
May	1,140,644	
June	1,209,101	
July	1,277,557	
Aug	1,346,013	
Sept	1,414,469	
Oct	1,482,926	
Nov	1,551,382	
Dec	1,619,838	
2015-16	1,619,838	

Year To Date
 Actual v. Projected

128%



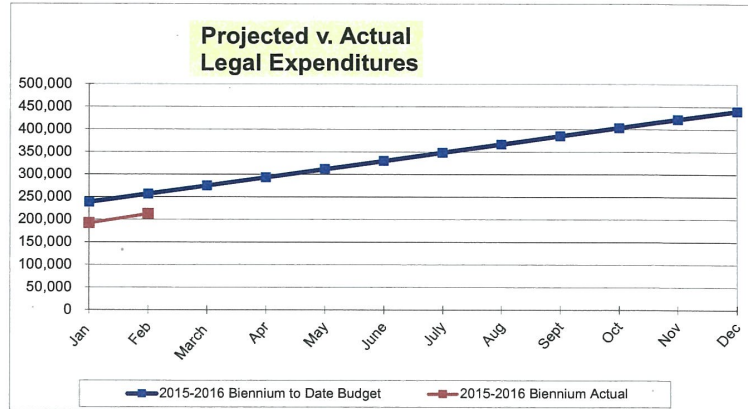
City of Kenmore, Washington
General Fund Expenditure Graphs
February 29, 2016

LEGAL

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	220,000	189,956
Jan	238,333	192,069
Feb	256,667	212,773
March	275,000	
Apr	293,333	
May	311,667	
June	330,000	
July	348,333	
Aug	366,667	
Sept	385,000	
Oct	403,333	
Nov	421,667	
Dec	440,000	
2015-16	440,000	

Year To Date
 Actual v. Projected

83%

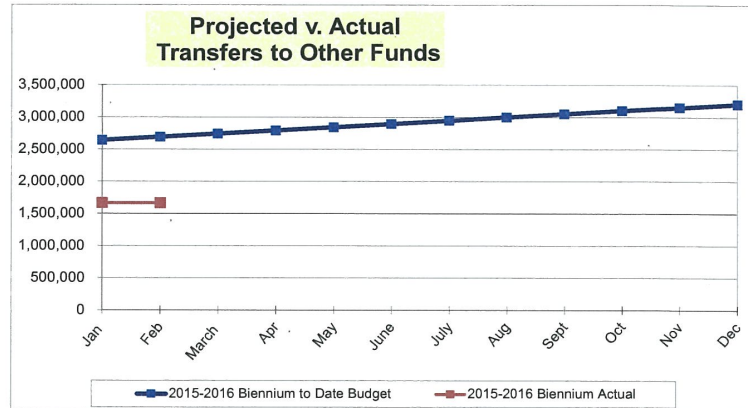


TRANSFERS TO OTHER FUNDS

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	2,588,786	1,666,216
Jan	2,639,943	1,666,216
Feb	2,691,100	1,666,216
March	2,742,257	
Apr	2,793,414	
May	2,844,571	
June	2,895,729	
July	2,946,886	
Aug	2,998,043	
Sept	3,049,200	
Oct	3,100,357	
Nov	3,151,514	
Dec	3,202,671	
2015-16	3,202,671	

Year To Date
 Actual v. Projected

62%

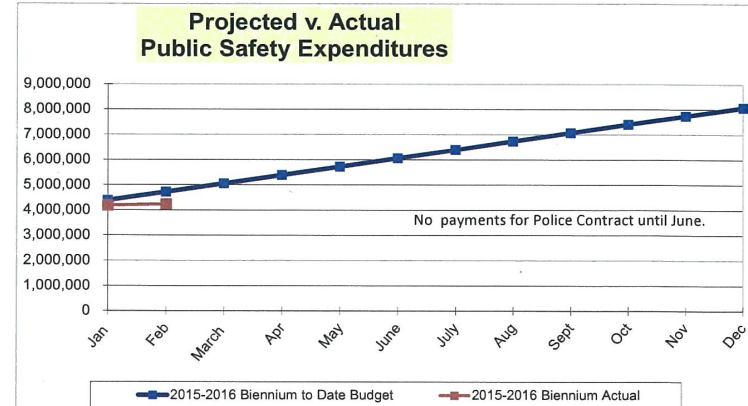


PUBLIC SAFETY

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	4,051,177	4,152,022
Jan	4,386,589	4,187,043
Feb	4,722,000	4,241,000
March	5,057,412	
Apr	5,392,823	
May	5,728,235	
June	6,063,646	
July	6,399,058	
Aug	6,734,469	
Sept	7,069,881	
Oct	7,405,292	
Nov	7,740,704	
Dec	8,076,115	
2015-16	8,076,115	

Year To Date
 Actual v. Projected

90%

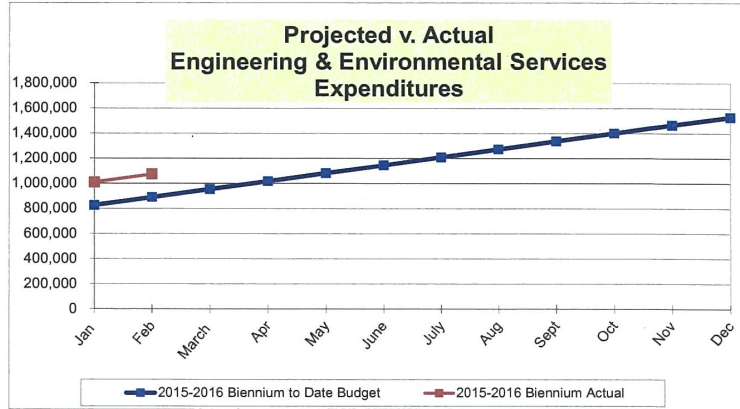


City of Kenmore, Washington
General Fund Expenditure Graphs
February 29, 2016
ENGINEERING & ENVIRONMENTAL SERVICES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	763,129	937,886
Jan	826,864	1,010,654
Feb	890,599	1,075,095
March	954,334	
Apr	1,018,069	
May	1,081,804	
June	1,145,540	
July	1,209,275	
Aug	1,273,010	
Sept	1,336,745	
Oct	1,400,480	
Nov	1,464,215	
Dec	1,527,950	
2015-16	1,527,950	

Year To Date
 Actual v. Projected

121%

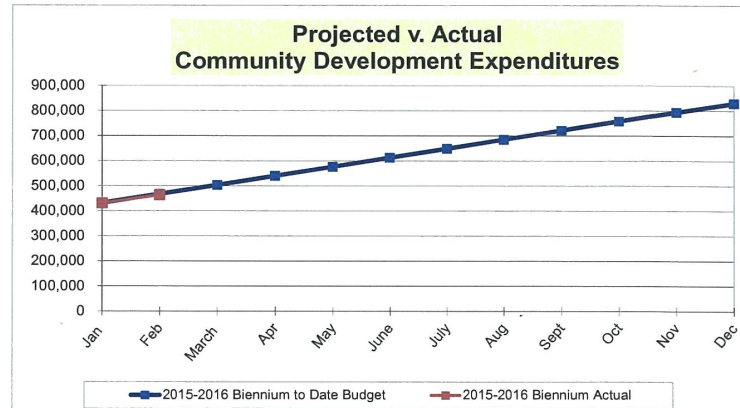


COMMUNITY DEVELOPMENT

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	395,834	401,776
Jan	432,017	431,552
Feb	468,200	464,237
March	504,383	
Apr	540,566	
May	576,749	
June	612,932	
July	649,115	
Aug	685,298	
Sept	721,481	
Oct	757,664	
Nov	793,847	
Dec	830,030	
2015-16	830,030	

Year To Date
 Actual v. Projected

99%

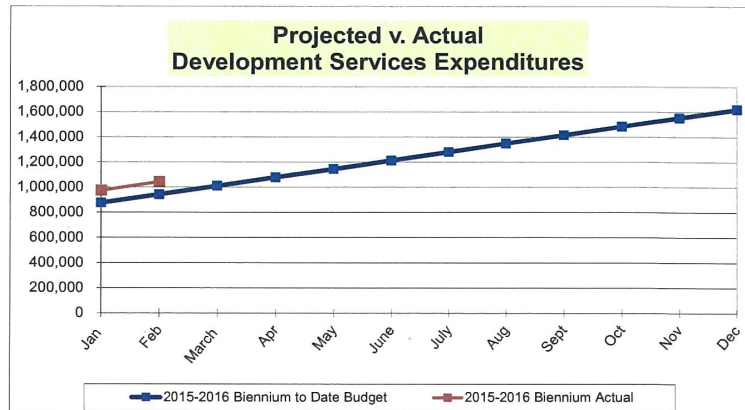


DEVELOPMENT SERVICES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	808,496	855,249
Jan	876,126	976,587
Feb	943,755	1,045,721
March	1,011,385	
Apr	1,079,014	
May	1,146,644	
June	1,214,273	
July	1,281,903	
Aug	1,349,532	
Sept	1,417,162	
Oct	1,484,791	
Nov	1,552,421	
Dec	1,620,050	
2015-16	1,620,050	

Year To Date
 Actual v. Projected

111%



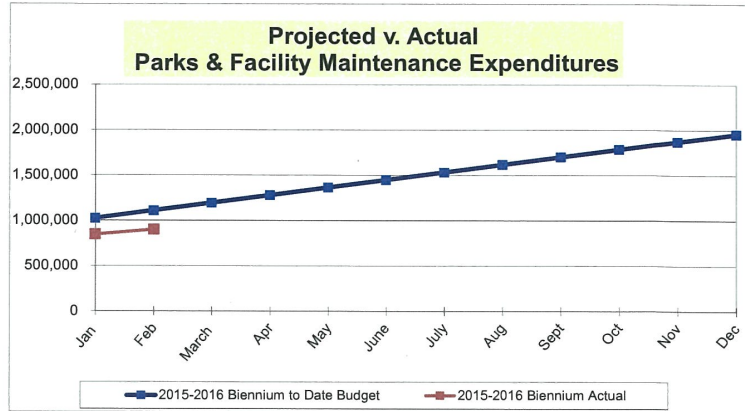
**City of Kenmore, Washington
General Fund Expenditure Graphs
February 29, 2016**

PARKS & FACILITY MAINTENANCE

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
2015	941,427	802,859
Jan	1,025,842	847,373
Feb	1,110,257	901,839
March	1,194,673	
Apr	1,279,088	
May	1,363,503	
June	1,447,918	
July	1,532,333	
Aug	1,616,748	
Sept	1,701,164	
Oct	1,785,579	
Nov	1,869,994	
Dec	1,954,409	
2015-16	1,954,409	

Year To Date
Actual v. Projected

81%

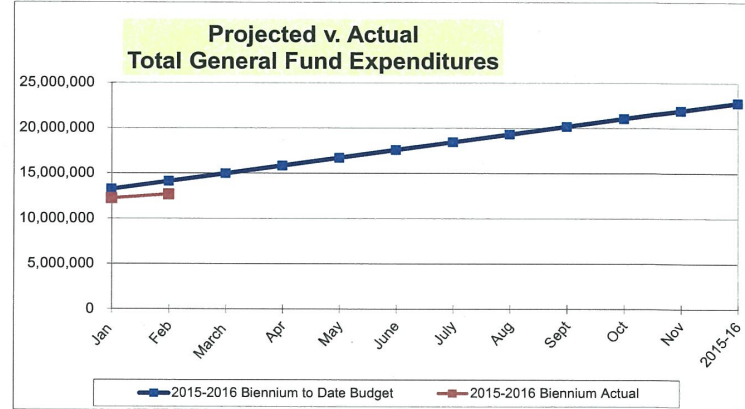


TOTAL GENERAL FUND EXPENDITURES

	2015-2016 Biennium to Date Budget	2015-2016 Biennium Actual
Jan	13,249,735	12,233,472
Feb	14,115,461	12,678,004
March	14,981,187	
Apr	15,846,913	
May	16,712,639	
June	17,578,365	
July	18,444,090	
Aug	19,309,816	
Sept	20,175,542	
Oct	21,041,268	
Nov	21,906,994	
2015-16	22,772,720	

Year To Date
Actual v. Projected

90%



**City of Kenmore, Washington
Street Fund Summary Report
February 29, 2016**

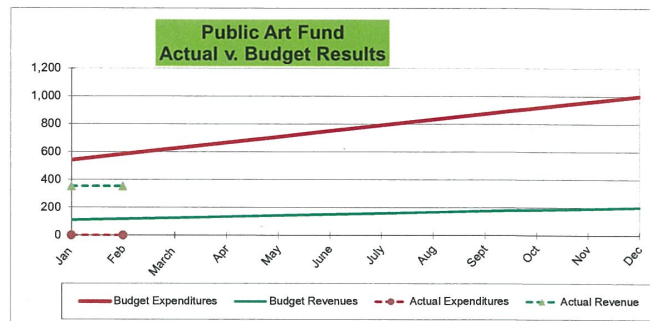


	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>February 2016</u>	<u>2015-2016</u>	<u>BUDGET</u>	<u>2015-2016</u>
<u>REVENUES</u>				
Beginning Fund Balance		899,288		899,288
Fuel Tax	37,769	517,060	59.3%	871,531
Investment Interest	0	4,458	-	0
Miscellaneous	110	1,458	-	0
ROW Permit Fees/Inspections	1,000	143,040	79.5%	180,000
Transfer from General Fund	0	485,430	58.3%	833,000
Transfer from TBD	0	232,000	48.8%	475,000
Total Revenues	38,879	1,383,447	58.6%	2,359,531
Total Revenues & Beginning Fund Balance		2,282,735		3,258,819

	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>February 2016</u>	<u>2015-2016</u>	<u>BUDGET</u>	<u>2015-2016</u>
<u>EXPENDITURES</u>				
Salary and Benefits	22,103	333,056	57.6%	577,783
Maintenance & Operations	56,374	876,560	49.8%	1,760,494
Capital	0	32,132	97.4%	33,000
Transfer to Transportation Capital	0	320,597	80.1%	400,000
Total Expenditures	78,478	1,562,345	56.4%	2,771,277
Ending Fund Balance		720,389		487,542
Total Expenditures and Ending Fund Balance		2,282,735		3,258,819

City of Kenmore, Washington
Other Funds Monthly Activity
February 29, 2016

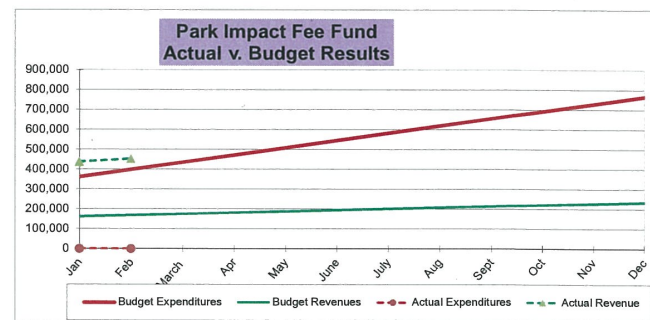
PUBLIC ART FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	500	0	100	352
Jan	542	0	108	352
Feb	583	0	117	352
March	625		125	
Apr	667		133	
May	708		142	
June	750		150	
July	792		158	
Aug	833		167	
Sept	875		175	
Oct	917		183	
Nov	958		192	
Dec	1,000		200	
2015-16	1,000		200	
Total Actual to Date vs Total Budget		0%		176%



This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

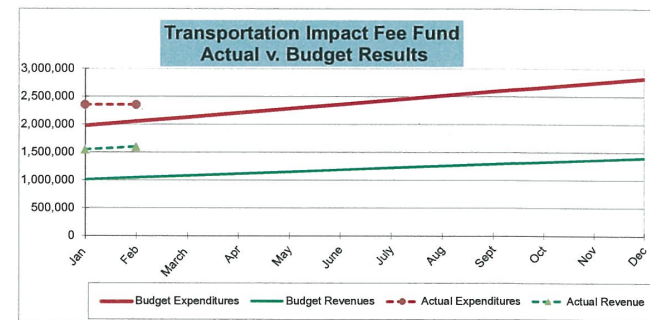
0

PARK IMPACT FEE FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	325,000	0	154,878	396,247
Jan	361,706	0	161,477	437,063
Feb	398,412	0	168,076	452,453
March	435,118		174,674	
Apr	471,824		181,273	
May	508,530		187,872	
June	545,236		194,471	
July	581,941		201,069	
Aug	618,647		207,668	
Sept	655,353		214,267	
Oct	692,059		220,866	
Nov	728,765		227,464	
Dec	765,471		234,063	
2015-16	765,471		234,063	
Total Actual to Date vs Total Budget		0%		193%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements.

TRANSPORTATION IMPACT FEE FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	1,904,780	2,360,000	975,257	1,413,466
Jan	1,981,444	2,360,000	1,010,424	1,548,410
Feb	2,058,108	2,360,000	1,045,590	1,599,014
March	2,134,773		1,080,757	
Apr	2,211,437		1,115,924	
May	2,288,101		1,151,090	
June	2,364,765		1,186,257	
July	2,441,429		1,221,424	
Aug	2,518,093		1,256,590	
Sept	2,594,758		1,291,757	
Oct	2,671,422		1,326,924	
Nov	2,748,086		1,362,090	
Dec	2,824,750		1,397,257	
2015-16	2,824,750		1,397,257	
Total Actual to Date vs Total Budget		84%		114%

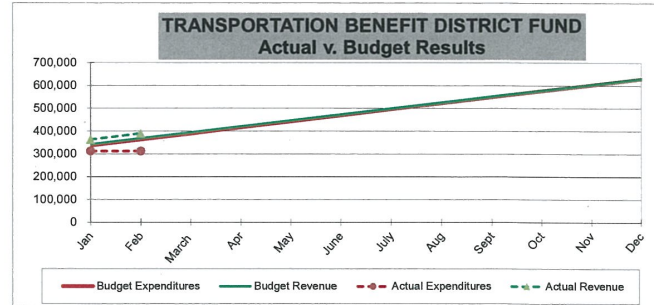


This fund accounts for City imposed transportation impact fees on new development. Expenditures are for public transportation improvements.

City of Kenmore, Washington
Other Funds Monthly Activity
February 29, 2016

TRANSPORTATION BENEFIT DISTRICT FUND

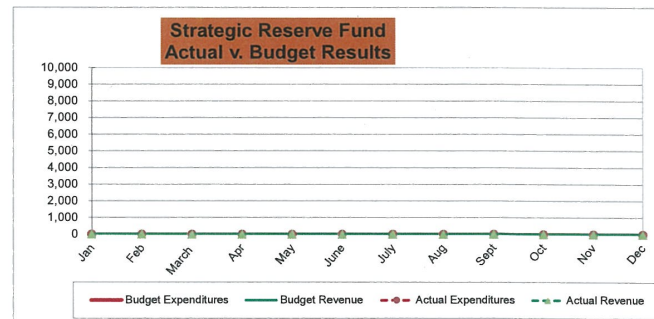
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	309,500	309,500	315,100	334,634
Jan	336,208	312,000	341,358	362,255
Feb	362,917	312,000	367,617	389,104
March	389,625		393,875	
Apr	416,333		420,133	
May	443,042		446,392	
June	469,750		472,650	
July	496,458		498,908	
Aug	523,167		525,167	
Sept	549,875		551,425	
Oct	576,583		577,683	
Nov	603,292		603,942	
Dec	630,000		630,200	
2015-16	630,000		630,200	
Total Actual to Date vs Total Budget		50%		62%



The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

STRATEGIC RESERVE FUND

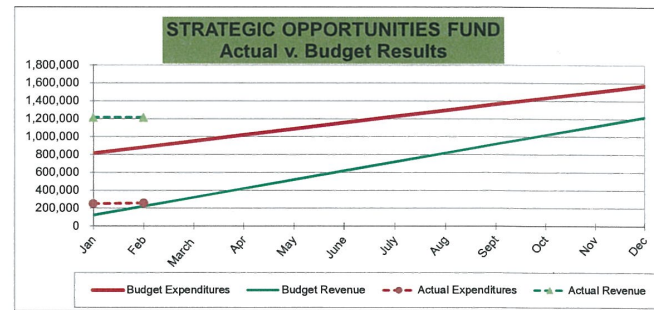
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0	0	0	0
Sept	0	0	0	0
Oct	0	0	0	0
Nov	0	0	0	0
Dec	0	0	0	0
2015-16	0	0	0	0
Total Actual to Date vs Total Budget		0%		0%



This fund was created to serve as the City's emergency reserve fund. Per State Statute, the fund cannot exceed \$.375 per \$1,000 of the City's assessed value and is fully funded at \$1,264,464 for 2011. No expenditures are anticipated or have been budgeted at this time.

STRATEGIC OPPORTUNITIES FUND

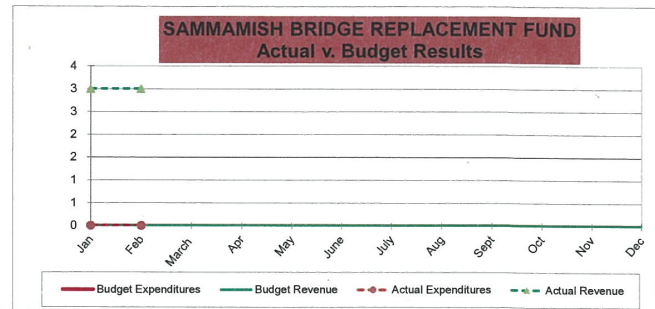
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	746,200	247,741	20,943	1,211,827
Jan	814,950	252,597	120,693	1,214,052
Feb	883,700	260,695	220,444	1,215,602
March	952,450		320,194	
Apr	1,021,200		419,944	
May	1,089,950		519,694	
June	1,158,700		619,445	
July	1,227,450		719,195	
Aug	1,296,200		818,945	
Sept	1,364,950		918,695	
Oct	1,433,700		1,018,446	
Nov	1,502,450		1,118,196	
Dec	1,571,200		1,217,946	
2015-16	1,571,200		1,217,946	
Total Actual to Date vs Total Budget		17%		100%



The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves. For 2015-16, the Business Incubator expenditures are budgeted in this fund.

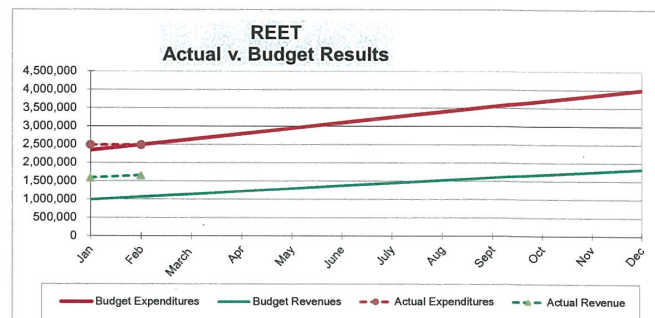
City of Kenmore, Washington
Other Funds Monthly Activity
February 29, 2016

SAMMAMISH BRIDGE REPLACEMENT FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	0	3
Jan	0	0	0	3
Feb	0	0	0	3
March	0			
Apr	0			
May	0			
June	0			
July	0			
Aug	0			
Sept	0			
Oct	0			
Nov	0			
Dec	0			
2015-16	0		0	
Total Actual to Date vs Total Budget		0%		0%



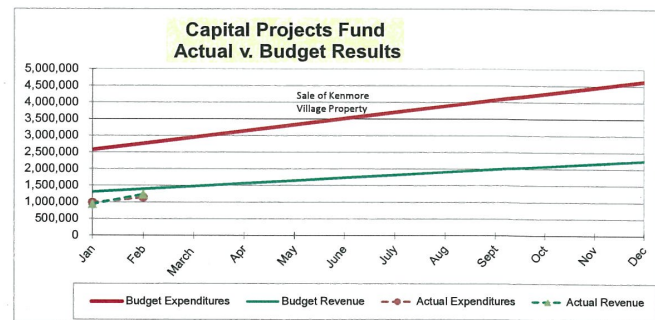
The Sammamish Bridge Replacement fund is a fund used to put money aside for the replacement of the West Sammamish bridge.

REAL ESTATE EXCISE TAX FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,191,250	2,484,359	914,000	1,464,658
Jan	2,340,921	2,484,359	990,083	1,587,477
Feb	2,490,593	2,484,359	1,066,167	1,657,623
March	2,640,264		1,142,250	
Apr	2,789,935		1,218,333	
May	2,939,607		1,294,417	
June	3,089,278		1,370,500	
July	3,238,949		1,446,583	
Aug	3,388,621		1,522,667	
Sept	3,538,292		1,598,750	
Oct	3,687,963		1,674,833	
Nov	3,837,635		1,750,917	
Dec	3,987,306		1,827,000	
2015-16	3,987,306		1,827,000	
Total Actual to Date vs Total Budget		62%		91%



The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include transfers to the Park Capital Fund for park improvements and Transportation Capital Fund for transportation improvements.

KENMORE VILLAGE FUND				
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,389,500	1,003,897	1,219,200	939,764
Jan	2,576,306	986,635	1,304,842	939,764
Feb	2,763,112	1,139,797	1,390,483	1,230,764
March	2,949,917		1,476,125	
Apr	3,136,723		1,561,767	
May	3,323,529		1,647,408	
June	3,510,335		1,733,050	
July	3,697,140		1,818,692	
Aug	3,883,946		1,904,333	
Sept	4,070,752		1,989,975	
Oct	4,257,558		2,075,617	
Nov	4,444,363		2,161,258	
Dec	4,631,169		2,246,900	
2015-16	4,631,169		2,246,900	
Total Actual to Date vs Total Budget		25%		55%

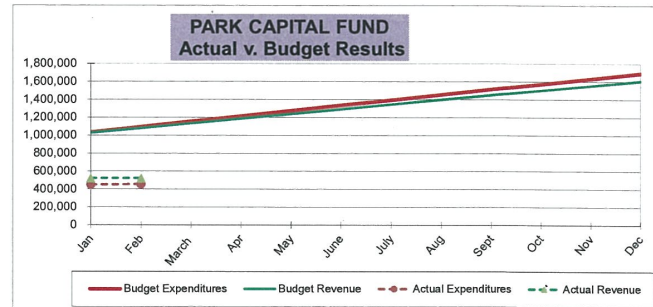


The Kenmore Village Fund accounts for leasing activity and property transactions within Kenmore Village

City of Kenmore, Washington
Other Funds Monthly Activity
February 29, 2016

PARK CAPITAL FUND

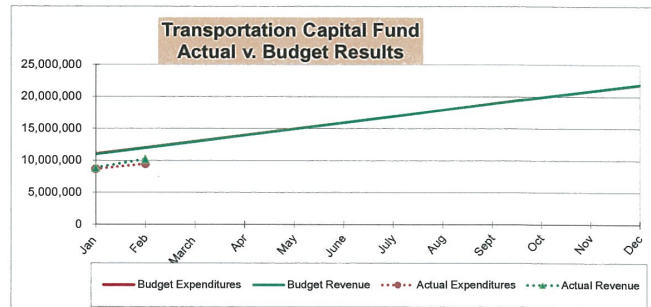
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	974,000	437,373	975,200	521,437
Jan	1,033,769	448,504	1,027,698	521,437
Feb	1,093,539	453,784	1,080,196	521,437
March	1,153,308		1,132,694	
Apr	1,213,078		1,185,191	
May	1,272,847		1,237,689	
June	1,332,617		1,290,187	
July	1,392,386		1,342,685	
Aug	1,452,155		1,395,183	
Sept	1,511,925		1,447,681	
Oct	1,571,694		1,500,178	
Nov	1,631,464		1,552,676	
Dec	1,691,233		1,605,174	
2015-16	1,691,233		1,605,174	
Total Actual to Date vs Total Budget		27%		32%



The Park Capital fund will account for Park Capital Projects formerly included in the Municipal Capital fund. In addition, distributions from the King County Proposition 2 Parks Expansion Levy will be receipted into this fund

TRANSPORTATION CAPITAL FUND

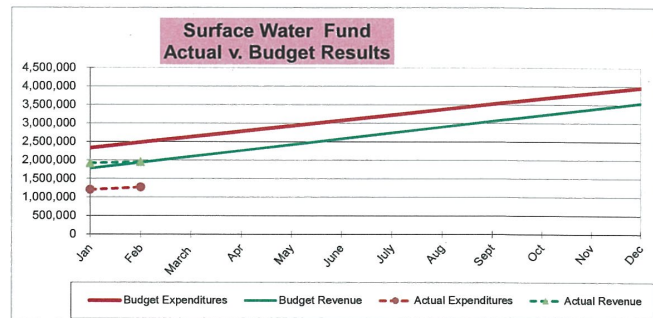
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	10,039,810	8,637,374	9,989,310	8,681,369
Jan	11,023,357	8,669,016	10,977,781	8,856,349
Feb	12,006,905	9,485,351	11,966,251	10,236,046
March	12,990,452		12,954,722	
Apr	13,973,999		13,943,192	
May	14,957,546		14,931,663	
June	15,941,094		15,920,133	
July	16,924,641		16,908,604	
Aug	17,908,188		17,897,074	
Sept	18,891,735		18,885,545	
Oct	19,875,283		19,874,015	
Nov	20,858,830		20,862,486	
Dec	21,842,377		21,850,956	
2015-16	21,842,377		21,850,956	
Total Actual to Date vs Total Budget		43%		47%



The Transportation Capital Fund accounts for capital improvements to the City's streets and SR 522, funded by various grants plus City resources from real estate excise tax and transportation impact fees. All phases of improvements to SR 522 are now accounted for in this fund. There is a time lag between project expenditures and reimbursements from grants; this accounts for the lower revenues compared to the expenditures.

SURFACE WATER MANAGEMENT FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	2,188,308	1,115,684	1,620,000	1,915,280
Jan	2,336,430	1,207,683	1,780,000	1,922,104
Feb	2,484,553	1,275,765	1,940,000	1,955,947
March	2,632,675		2,100,000	
Apr	2,780,797		2,260,000	
May	2,928,920		2,420,000	
June	3,077,042		2,580,000	
July	3,225,164		2,740,000	
Aug	3,373,287		2,900,000	
Sept	3,521,409		3,060,000	
Oct	3,669,531		3,220,000	
Nov	3,817,654		3,380,000	
Dec	3,965,776		3,540,000	
2015-16	3,965,776		3,540,000	
Total Actual to Date vs Total Budget		32%		55%

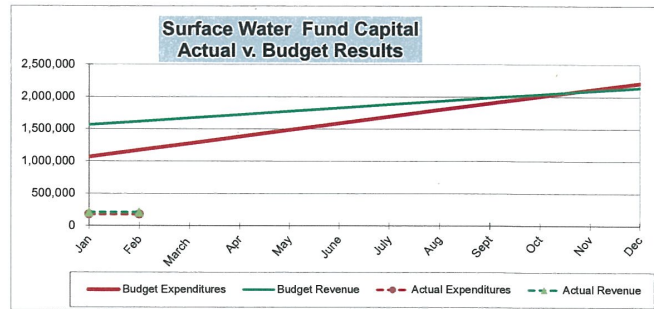


This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements.

City of Kenmore, Washington
Other Funds Monthly Activity
February 29, 2016

SURFACE WATER CAPITAL FUND

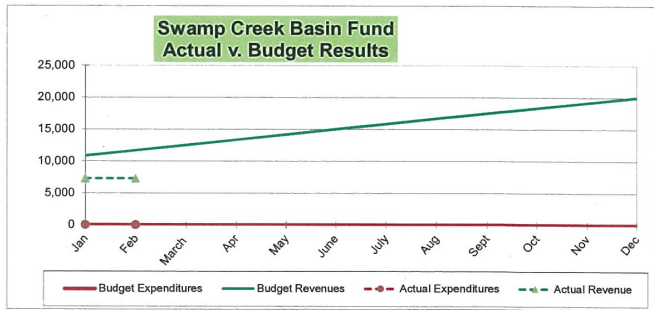
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	960,611	176,312	1,506,266	204,826
Jan	1,064,685	176,312	1,559,036	204,826
Feb	1,168,759	176,312	1,611,805	204,826
March	1,272,833		1,664,575	
Apr	1,376,907		1,717,344	
May	1,480,981		1,770,114	
June	1,585,056		1,822,883	
July	1,689,130		1,875,653	
Aug	1,793,204		1,928,422	
Sept	1,897,278		1,981,192	
Oct	2,001,352		2,033,961	
Nov	2,105,426		2,086,731	
Dec	2,209,500		2,139,500	
2015-16	2,209,500		2,139,500	
Total Actual to Date vs Total Budget		8%		10%



This fund accounts for the expenditures for Surface Water Capital Improvements. Revenue sources for this fund include a variety of federal, state, or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes.

SWAMP CREEK BASIN FUND

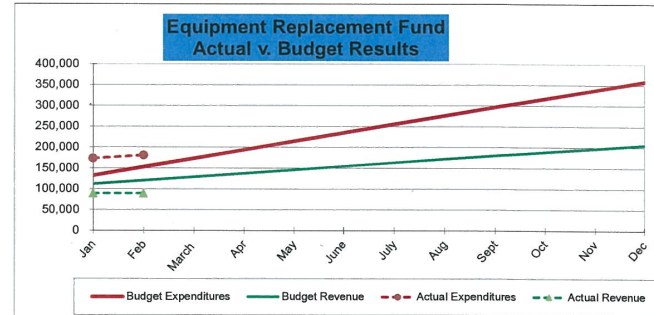
	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	0	0	10,000	7,271
Jan	0	0	10,833	7,271
Feb	0	0	11,667	7,271
March	0		12,500	
Apr	0		13,333	
May	0		14,167	
June	0		15,000	
July	0		15,833	
Aug	0		16,667	
Sept	0		17,500	
Oct	0		18,333	
Nov	0		19,167	
Dec	0		20,000	
2015-16	0		20,000	
Total Actual to Date vs Total Budget		0%		36%



This fund accounts for the Memorandum of Agreement with King County which provided funds reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin.

EQUIPMENT REPLACEMENT FUND

	2015-2016 Budget Expenditures	2015-2016 Actual Expenditures	2015-2016 Budget Revenue	2015-2016 Actual Revenue
2015	112,000	173,486	103,000	89,227
Jan	132,531	173,486	111,583	89,227
Feb	153,063	181,188	120,167	89,227
March	173,594		128,750	
Apr	194,125		137,333	
May	214,656		145,917	
June	235,188		154,500	
July	255,719		163,083	
Aug	276,250		171,667	
Sept	296,781		180,250	
Oct	317,313		188,833	
Nov	337,844		197,417	
Dec	358,375		206,000	
2015-16	358,375		206,000	
Total Actual to Date vs Total Budget		51%		43%



This fund is used to maintain a reserve for future replacement of equipment, including, but not limited to furniture, computers and vehicles. Payments are received from various operating departments and funds that benefit from or use the assets.

City of Kenmore, Washington
Cash and Investment Report
February 29, 2016



<u>Fund</u>	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	\$3,370,137	\$752,073	\$444,531	3,677,679
Street	760,297	38,879	78,478	720,699
Transportation Capital	1,179,511	1,379,697	816,335	1,742,873
Public Art	67,652	0	0	67,652
Park Impact Fee	1,194,493	15,390	0	1,209,883
Transportation Impact Fee	351,340	50,604	0	401,944
Swamp Creek Basin	1,404,933	0	0	1,404,933
Transportation Benefit District	59,186	26,849	0	86,035
Sammamish Bridge Replacement	514	0	0	514
Real Estate Excise Tax	528,587	70,146	0	598,733
Kenmore Village	2,341,164	291,000	153,162	2,479,002
Park Capital	73,500	0	5,280	68,220
Surface Water Management	2,198,587	33,843	68,082	2,164,349
Surface Water Capital	12,165	0	0	12,165
Strategic Reserve	1,264,465	0	0	1,264,465
Strategic Opportunities	3,108,342	1,550	8,097	3,101,795
Equipment Replacement	370,415	0	7,702	362,713
Trust & Agency	474,558	277	0	474,835
Totals	\$18,759,845	\$2,660,308	\$1,581,666	\$19,838,487

<u>Fund</u>	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	-\$1,563,207	\$5,254,802	3,691,595
Street	-129,302	850,000	720,698
Transportation Capital	751,092	0	751,092
Public Art	52,652	15,000	67,652
Park Impact Fee	275,226	930,000	1,205,226
Transportation Impact Fee	371,946	30,000	401,946
Swamp Creek Basin	4,934	1,400,000	1,404,934
Transportation Benefit District	86,032	0	86,032
Sammamish Bridge Replacement	516	0	516
Real Estate Excise Tax	1,587,476	0	1,587,476
Kenmore Village	2,027,214	450,000	2,477,214
Park Capital	68,221	0	68,221
Surface Water Management	1,652,562	510,000	2,162,562
Surface Water Capital	12,164	0	12,164
Strategic Reserve	414,465	850,000	1,264,465
Strategic Opportunities	3,101,795	0	3,101,795
Equipment Replacement	-87,287	450,000	362,713
Trust & Agency	374,834	100,000	474,834
Totals	\$9,001,333	\$10,839,802	\$19,841,135

City of Kenmore, Washington
Investment Schedule
February 29, 2016



		Average Yield to Maturity-Securities					Overall Average Yield		0.68%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Possible Call Date	Principal or Balance	Yield Equivalents
Piper Jaffray									
	31771J4M9	FICO	9/26/2017	8/14/2012	1.13%	1.13%	non callable	894,731.88	10,137.31
Total Piper Jaffrey Purchases								894,731.88	10,137.31
Time Value Investments									
	31359MEL3	FNMA	4/22/2017	10/22/2012	0.86%	0.86%	no call	999,468.08	8,595.43
	31771EAL5	FICO	2/8/2018	1/13/2015	1.15%	1.15%		999,114.48	11,489.82
	3134G43V8	FHLB	5/15/2018	7/23/2014	1.36%	1.36%		988,450.00	13,462.69
	3135G0XK4	FNMA	5/25/2018	11/25/2013	1.38%	1.38%		985,750.00	13,583.64
	3135G0XK4	FNMA	5/25/2018	2/27/2014	1.30%	1.30%		989,691.00	12,865.98
	3133EA5T1	FFCB	1/23/2019	7/23/2014	1.59%	1.59%		984,270.00	15,689.26
	3135G0G23	FNMA	4/29/2019	11/24/2015	1.35%	1.35%	4/26/2016	998,326.00	13,477.40
Total TVI Purchases								6,945,069.56	89,164.21
Banner Bank CD's									
Total Banner Bank CD's								-	-
Sound Community Bank CD's									
	18299229	CD	2/11/2016	2/14/2014	0.80%	0.80%		1,000,000.00	8,000.00
Total Sound Community Bank CD's								1,000,000.00	8,000.00
Opus Bank CD's									
	11495975	CD	2/10/17	6/10/15	0.35%	0.35%		1,000,000.00	3,500.00
	11527322	CD	6/30/16	6/30/2015	0.45%	0.45%		1,000,000.00	4,500.00
Total Cascade Bank CD's								2,000,000.00	8,000.00
TOTAL ALL SECURITIES								\$ 10,839,801.44	\$ 115,301.53
					Banner Checking and Savings		0.07% Banner	5,242,599.40	3,669.82
					Cash			1,005.00	-
					Local Government Investment Pool		0.42% LGIP	3,757,727.51	15,786.21
					Total Accounts			\$ 19,841,133.35	134,757.56

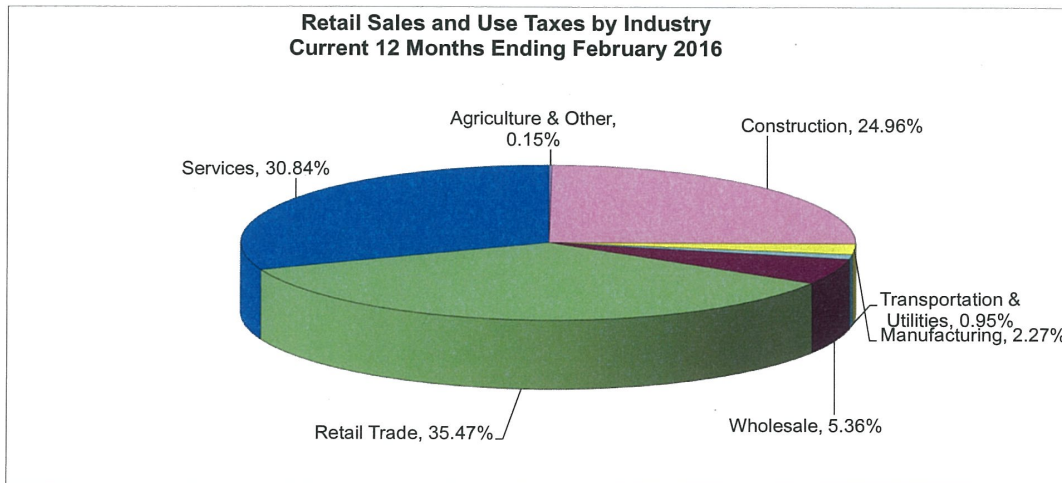
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 February 2016

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	153.50	0.00	153.50	0.1%
CONSTRUCTION	55,775.99	1,124.20	56,900.19	24.8%
MANUFACTURING	3,715.07	85.52	3,800.58	1.7%
TRANSPORTATION & UTILITIES	859.98	329.91	1,189.89	0.5%
WHOLESALE	14,771.77	178.75	14,950.51	6.5%
RETAIL TRADE	81,561.99	555.01	82,117.01	35.8%
SERVICES	56,373.58	1,320.01	57,693.59	25.1%
INFORMATION	9,936.37	127.98	10,064.35	4.4%
PUBLIC SERVICES	25.76	2,650.91	2,676.66	1.2%
	<u>223,174.00</u>	<u>6,372.28</u>	<u>229,546.28</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
February 29, 2016

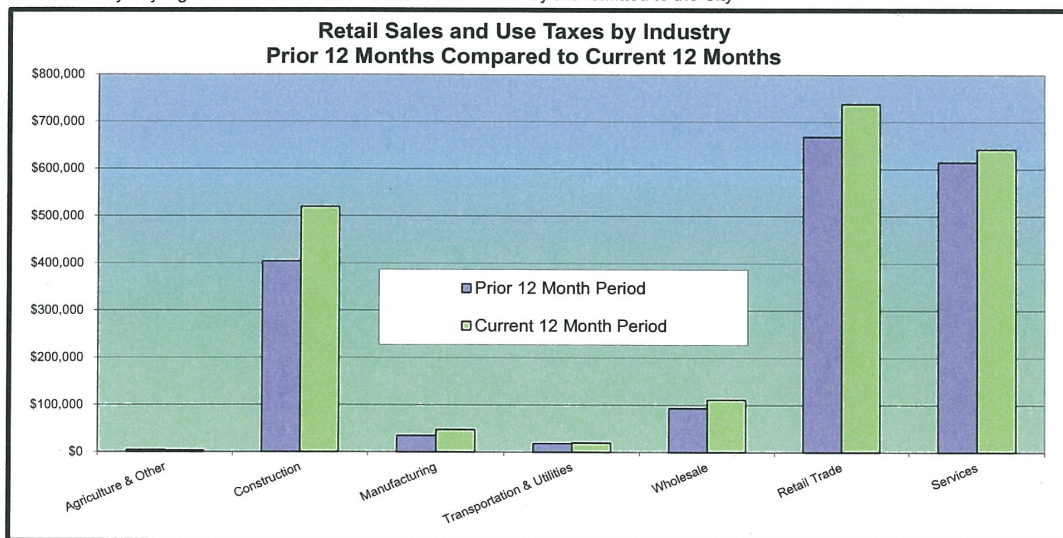


Industry	Prior 12 Months ending February 2015	Current 12 Months ending February 2016	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$4,023	\$3,203	-20.39%	0.15%
Construction	403,916	519,451 *	28.60%	24.96%
Manufacturing (Printing, Publishing, Other Manuf.)	34,999	47,316	35.19%	2.27%
Transp/Comm/Utilities (Telecomm., Air Transport.)	18,342	19,719	7.51%	0.95%
Wholesale (Lumber, Other Wholesale)	92,801	111,556	20.21%	5.36%
Retail Trade (Eating, Merchandise, Food Stores)	668,348	738,227	10.46%	35.47%
Services (Auction, Recreation, Auto Repair, Financial)	614,229	641,870	4.50%	30.84%
Totals	\$1,836,658	\$2,081,342	13.32%	100%
Increase/(Decrease)		\$244,684	13.32%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City



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City of Kenmore, Washington
Real Estate Excise Tax Report
February 29, 2016

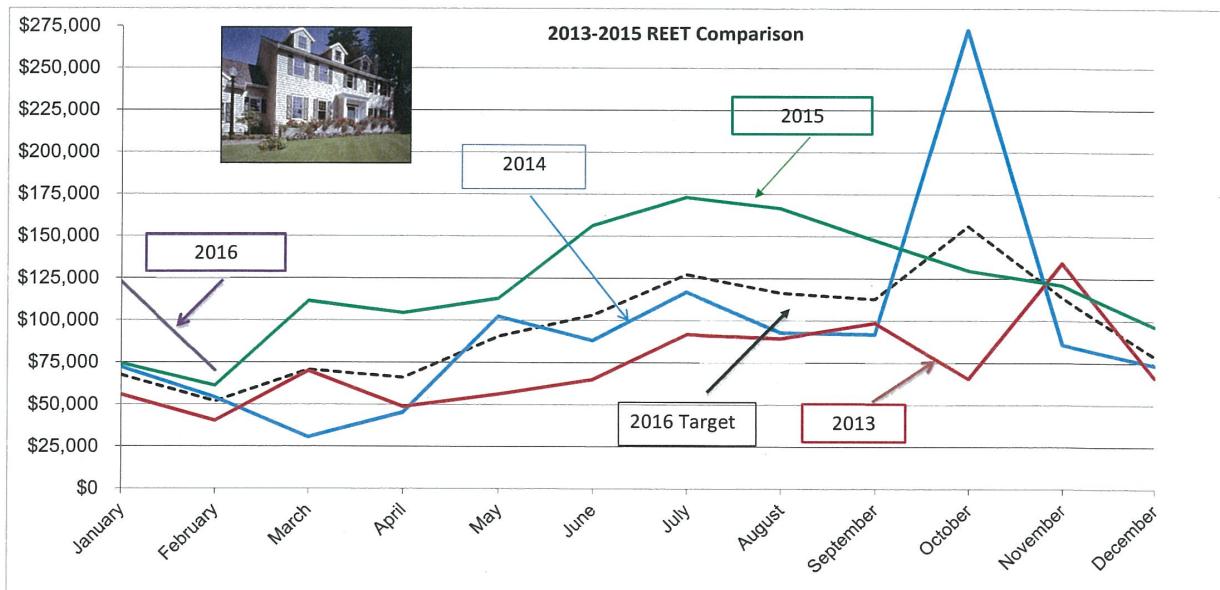


Real Estate Excise Taxes (REET) 2012 - 2016 Monthly Receipts						
	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Target 2016
January	54,359	55,801	72,106	74,259	122,819	67,389
February	18,064	40,281	54,038	61,070	70,146	51,797
March	29,691	69,946	30,426	111,337		70,570
April	30,662	48,671	45,118	104,280		66,023
May	52,575	56,178	102,257	112,927		90,454
June	60,408	64,938	88,070	156,338		103,116
July	81,316	91,779	116,858	173,095		127,244
August	56,626	89,496	92,932	166,651		116,360
September	82,785	98,573	91,812	147,668		112,684
October	60,265	65,596	272,842	129,678		156,039
November	88,057	134,286	85,748	120,907		113,647
December	152,262	66,342	73,582	96,566		78,830
	\$767,070	\$881,886	\$1,125,790	\$1,454,776	\$192,965	\$924,916

For 2016, REET is \$57,636 more than the same period last year and more than the 2016 target by \$73,779

* NOTE THE 2016 target is computed on a 3 year average (2013-2015) of actual receipts

Real Estate Excise Taxes (REET) 2012 - 2016 Property Sales > \$500,000									
The sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue									
	Taxes from > \$500,000 Sale Amounts								
	2012	2013	2014	2015	2016	2013	2014	2015	2016
January	5,515,283	3,380,165	4,699,850	7,418,000	18,590,517	16,732	23,264	36,719	92,023
February	1,152,000	3,417,500	3,930,920	6,607,900	9,701,034	16,917	19,458	32,709	48,020
March	750,000	3,514,000	2,175,430	7,874,934		17,394	10,768	38,981	0
April	870,000	1,570,450	4,266,725	14,291,370		7,774	21,120	70,742	0
May	2,796,250	3,634,210	12,347,730	14,068,904		17,989	61,121	69,641	0
June	1,215,000	2,761,500	7,353,999	20,361,466		13,669	36,402	100,789	0
July	4,196,500	8,478,706	15,071,601	25,571,387		41,970	74,604	126,578	0
August	1,756,200	6,131,455	5,882,306	22,614,538		30,351	29,117	111,942	0
September	4,859,500	10,911,500	8,437,700	18,821,380		54,012	41,767	93,166	0
October	3,087,500	5,568,400	44,456,605	16,519,240		27,564	220,060	81,770	0
November	8,334,960	18,620,230	8,922,100	14,736,156		92,170	44,164	72,944	0
December	23,033,200	4,606,450	7,142,900	13,187,535		22,802	35,357	65,278	0
	\$57,566,393	\$72,594,566	\$124,687,866	\$182,072,810		359,344	617,202	901,259	140,043



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City of Kenmore, Washington
Monthly Report for Kenmore Village Fund
February 29, 2016



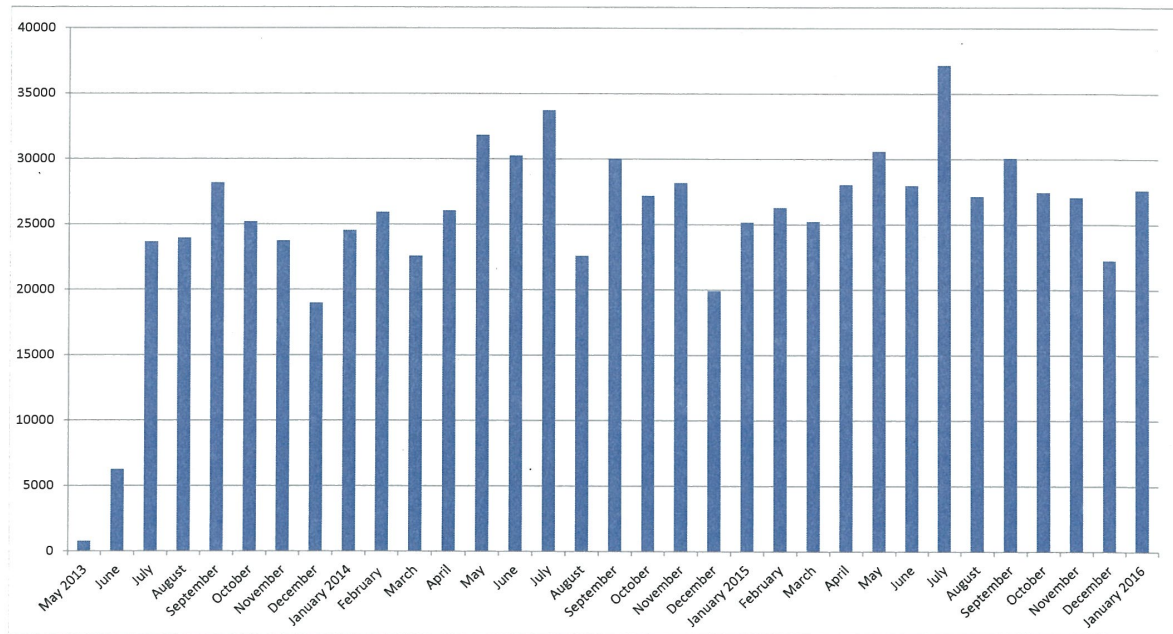
<u>Revenues</u>	<u>February 2016</u>	<u>Biennium-to-Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	25,000	67,000
Investment Interest	0	12,216	23,000
Sale of Property	0	901,302	903,000
Event Sponsorship	0	0	1,500
Grant for Public Square	291,000	291,000	270,000
Transfer From General Fund	0	0	60,000
Leasehold Excise Returned	0	1,246	2,400
Total Revenues	291,000	1,230,764	1,326,900
<u>Expenditures</u>			
6700 Building Improvements	0	72,028	0
Downtown Plan Services	55	52,056	0
Property Management	0	0	19,000
Utilities and Insurance - Kenmore Village	0	3,405	0
Repairs, Maintenance, Other Services	0	11,198	133,240
Surface Water and Fire Benefit Fees	0	4,896	0
Transfer to Park Capital Fund	0	134,929	134,929
Kenmore Village Public Square	153,107	861,286	3,365,000
Total Expenditures	153,162	1,139,798	3,652,169
 Net Income (Loss)	 137,838	 90,966	 -2,325,269

NOTE: This schedule only reflects activity occurring on the City books and does not include the lease revenue and expenditures accounted for by the property management firm.

**Kenmore Transportation Benefit District
Monthly Report
February 29, 2016**



Revenues	February 2016	Biennium-to- Date	Biennium Budget
Vehicle Fees	26,849	388,994	630,200
Investment Interest	0	112	
Total Revenues	<u>\$26,849</u>	<u>\$389,106</u>	<u>\$630,200</u>
Expenditures			
WCIA Insurance	0	5,000	5,000
Reimbursement to Street Fund	0	232,000	475,000
Overlay	0	75,000	150,000
Total Expenditures	<u>0</u>	<u>312,000</u>	<u>630,000</u>
Net Income (Loss)	\$26,849	\$77,106	\$200



Subject/Topic: Amendment 6 to Contract No. 12-CI082 with Perteet: On-Call Services for Traffic Engineering, Transportation, and Parks Proposed Council Action/Motion: Authorize the City Manager to execute Amendment 6 with Perteet for Contract 12-CI082 to increase the contract by an additional \$200,000 to \$1,472,500.	For Council Meeting Agenda of: April 25, 2016 Department: Public Works Prepared by: Kris Overleese, PE Approved by Department Head: <u>Initial & Date</u> <u>KHO 4/14/16</u> Approved by City Attorney: <u>NA</u> Approved by Finance Director: <u>Done 4/14/16</u> Approved by City Manager: <u>NKO GOR 16</u> <u>14 APR 2016</u> Exhibits/Attachments: Attachment A: NA
Expenditure Required \$1,472,500 Amount Budgeted \$1,472,500 Appropriation Required 0	
<u>INFORMATION/BACKGROUND:</u> Over the past four years, the City has utilized Perteet, Inc. for traffic engineering, transportation planning, and parks project assistance. The transportation and parks projects/tasks needing assistance include: design, survey, right of way acquisition, structural engineering, grant writing, geotechnical review, street standards review, permitting, environmental review, construction management services, and planning. Perteet is not our new on-call transportation and parks consultant, however, it is critical that they remain under contract to finish the work they have started. These project include: • Design and Construction services for the NE 202nd St Safe Routes to School Project • Log Boom Park Pedestrian Bridge Project • St. Edward State Park Ballfield Renovation • NE 181st Street Sidewalk Projects (north and south side from 68th to 73rd Avenues NE) The estimate to complete these projects (the necessary addition to Perteet's contract) is \$200,000.	
<u>FISCAL CONSIDERATION:</u> The amended contract value will be set at \$1,472,500 (original contract amount of \$675,000 + Amendment 1 amount of 67,500 + Amendment 2 amount of \$300,000 + Amendment 3 amount of \$230,000 + Amendment 6 amount of \$200,000). The funds to pay for the work in the agreement are within individual project budgets and line items. No retainer is paid for on-call consultants. Other amendments to the agreement have been time extensions only.	

A “task order” is formally written and executed for any work given under this agreement. The City Engineer manages the overall agreement for compliance and parks, operations, and engineering staff manage “task orders” scopes of work. The City Engineer approves all task order assignments and task order amendments.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The Pertee team will continue to work on Transportation Projects, traffic engineering, and elements of Parks projects. The work they do will support:

Council Goal 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.

Council Goal 4: To continue to pursue downtown development, with an emphasis on Kenmore Village.

Council Goal 5: To advance the public's access and connection to the waterfront.

Council Goal 7: To implement a Parks Improvement and Financial Plan.



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

Subject/Topic: Framework discussion for 2016 Housing Strategy Plan. Proposed Council Action/Motion: Provide direction to the Planning Commission on the issues to be addressed by the 2016 Housing Strategy Plan.	For Council Meeting Agenda of: 04/25/16 Department: <u>Community Development</u> Prepared by: <u>Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner</u> Initial & Date Approved by Department Head: <u>DA 4/21/16</u> Approved by City Attorney: <u>—</u> Approved by Finance Director: <u>Jmg 4/12/16</u> Approved by City Manager: <u>Nico RW RK</u> 13 APR 2016 Exhibits/Attachments: 1. Comprehensive Plan Housing Element 2. Memo from A Regional Coalition for Housing (ARCH) 3. List of additional housing issues
Expenditure Required \$0 Amount Budgeted: \$0 Appropriation Required \$0	
<u>INFORMATION/BACKGROUND:</u> At your April 25 meeting, staff and A Regional Coalition for Housing (ARCH) will provide background information on housing issues that could be addressed in the 2016 Housing Strategy Plan. The Housing Strategy Plan is an implementation measure of the Housing Element of the City's Comprehensive Plan (see Attachment 1). The Strategy Plan sets out actions to be taken in pursuit of the goals, objectives and policies of the Element. It could also prioritize those actions. Although the Housing Strategy Plan could cover a wide range of housing-related issues, staff recommends that the 2016 Housing Strategy Plan be targeted to housing affordability. Attachment 2 is a memo from ARCH identifying affordable housing issues and the types of strategies that could be considered for the Housing Strategy Plan. Attachment 3 is a list of additional issues, not directly related to housing affordability, that may/may not be appropriate for incorporation. After Council has reviewed and discussed the information, direction for the Planning Commission should be provided. The Planning Commission will review issues raised by the City Council and provide future recommendations. It is anticipated that ARCH, as the City's housing expert, would be a significant partner in this effort. <u>Background</u> At the January 2016 City Council retreat, affordable housing and the housing strategy was an agenda topic. Council was interested in moving forward with an affordable housing strategy. However, Council wanted first to discuss and give policy direction to provide a general framework within which the Planning Commission would consider issues and approaches. Development of the Housing Strategy Plan was added to the Planning Commission's 2016 docket at your meeting on February 8, 2016.	
<u>FISCAL CONSIDERATION:</u> None at this time.	
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> "Adopt a Housing Strategy Plan that outlines action steps and priorities" (Comprehensive Plan implementation measure)	

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5. HOUSING ELEMENT

Note: This Chapter contains supporting inventory information as well as the following essential Comprehensive Plan components: goals, objectives, and policies, and implementation strategies. Supporting information may be updated periodically for informational purposes by City staff as authorized by the City Council. Amendments to essential components would require formal Comprehensive Plan amendment by the City Council in accordance with City regulations.

HOUSING ELEMENT

INTRODUCTION

Purpose

This Housing Element is intended to promote and maintain residential neighborhoods, ensure a range of densities and housing types for all incomes, address special needs housing, and protect the quality of the residential environment. When the community was first incorporated, community visioning efforts showed some trends in housing preferences, including a preference for adding single-family dwellings at about the same lot size as surrounding lots, and acceptance of accessory dwelling units. Also indicated was a desire to control the location of attached housing by placing it in Central Kenmore, and not dispersing small-scale attached dwellings in neighborhoods.

Growth Management Act Requirements

The Growth Management Act (GMA) states that Comprehensive Plans are to encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock. Housing elements are to make an inventory and analysis of existing and projected housing needs; include a statement of goals, policies, and objectives for the preservation, improvement, and development of housing; identify sufficient land for housing, including low income, special needs, and multiple housing types; and make adequate provision for existing and projected housing needs of all economic segments of the community.

Countywide Planning Policies

The county-wide population growth forecast has been established by the Washington State Office of Financial Management (OFM), as required by the GMA. Each jurisdiction in King County agreed to a housing target (population allocations converted into households) for the years 2006-2031, in Countywide Planning Policies (CPPs). The household target for Kenmore is 3,500. The city is committed to ensuring there is capacity in the Comprehensive Plan and implementing regulations to meet this target. Actual growth would occur based upon market forces.

The CPPs identified the countywide housing needs of moderate-, low-, and very-low-income households, which are equal to 16 percent, 12 percent and 12 percent, respectively, of all housing. The CPPs also state that each city shall address the housing needs of all economic segments and strive to provide housing affordability to accommodate a proportionate amount of the countywide needs.

Beyond ensuring capacity for growth and support for affordable housing, the CPPs focus local government housing elements toward other objectives, such as:

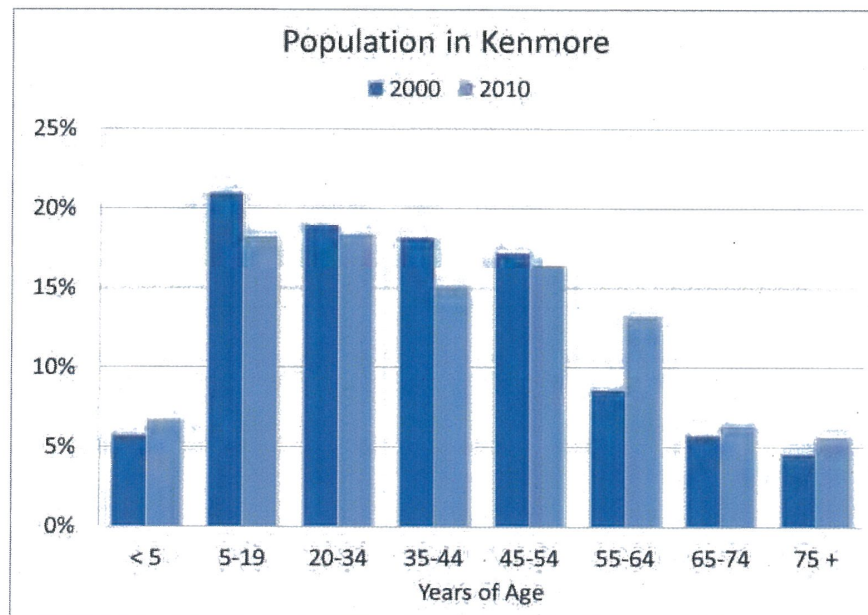
- New housing accessible to employment, shopping, and transit.
- Neighborhoods that promote healthy human activity.
- Fair housing.
- Regional collaboration on inter-jurisdictional housing issues.

EXISTING CONDITIONS

The following discussion draws from the East King County Housing Analysis, produced for all member cities of A Regional Coalition for Housing (ARCH) and made a part of this Comprehensive Plan update.

Population and Households

Kenmore's population grew ten (10) percent in the 2000s, from 18,678 to 20,460. Population declined, however, among school-age children and adults 35 to 44 years old (Housing Analysis, Exhibit D-1; and Figure H-1, below). The city's proportion of senior citizens (65 years and older) is similar to countywide figures. As in other cities, the seniors' segment has not increased significantly as of 2010, but Baby Boomers (age 55 – 65) will increase that figure over the next decade.

FIGURE H-1

Kenmore had roughly 700 (14 percent) more households in 2011 than in 2000, but the types of households remained virtually unchanged (Housing Analysis, Exhibit B). The city has a greater percentage of married-couple families (56 percent) than King County overall (Figures H-2 and H-3, below), but is typical for east King County in that respect. ("East King County," or EKC, refers here to member cities of ARCH.) The city also maintains a somewhat lower proportion of one- and two-person households than the rest of east King County (58 percent; Housing Analysis, Exhibit C-2).

FIGURE H-2

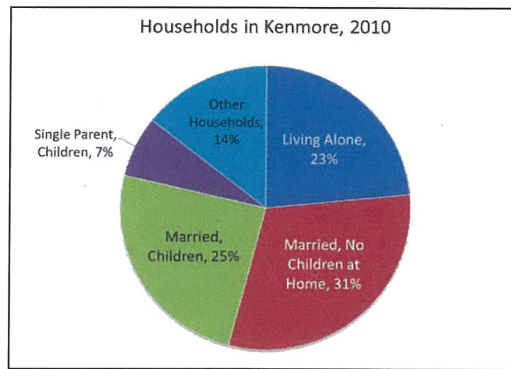
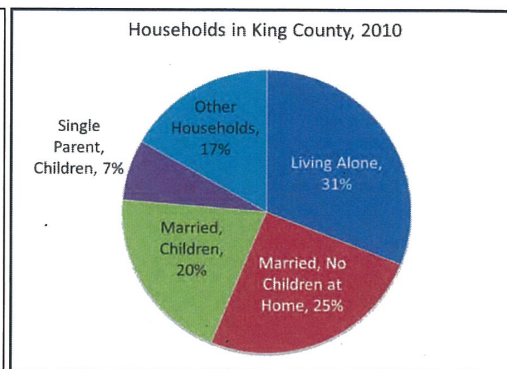


FIGURE H-3

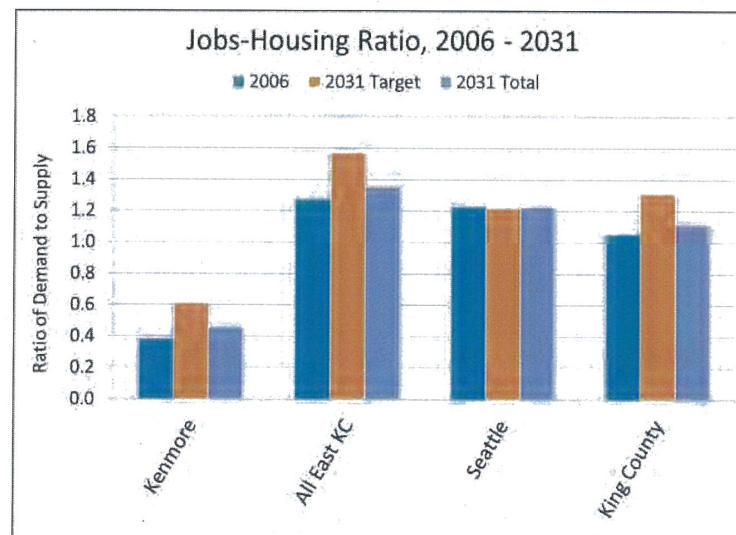


Source: 2010 Census (U.S. Census Bureau)

Kenmore Jobs and Wages

Employment can be an important contributor to housing demand within a community, both in terms of the amount and affordability of housing. Although Kenmore's employment growth during the 1990s was relatively high (24 percent), this was mostly offset by lost jobs (26 percent) between 2000 and 2010. The Jobs-Housing Ratio is a way to measure demand for housing from local employment relative to the local housing supply (a ratio less than 1.0 means less demand for housing from the local workforce than is available in the city). As of 2006, the city's jobs-housing ratio was just under 0.4 and based on growth projections would increase to just over 0.4 by 2031 (see Figure H-4). This is much lower than the countywide ratio and the ratio of most other cities in east King County. This means that most Kenmore residents work in other cities, compared to other areas, and the housing demand from existing jobs is relatively low.

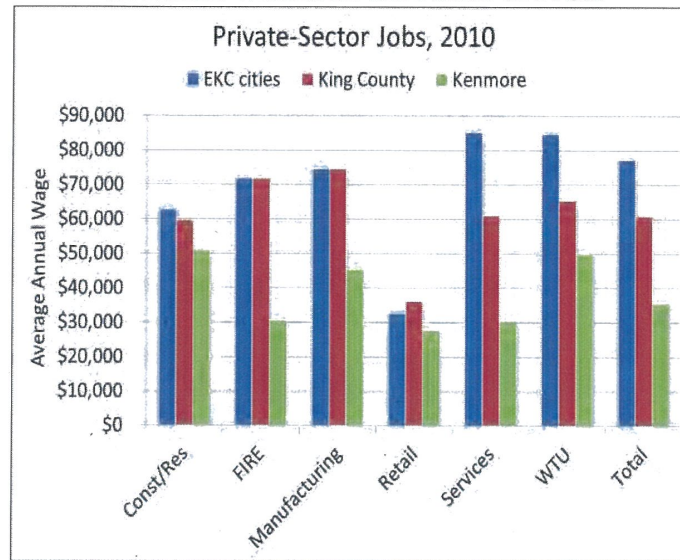
FIGURE H-4



Source: A Regional Coalition for Housing (ARCH).

While the demand for housing from local employment is lower than other nearby communities, jobs in Kenmore tend to pay less than jobs countywide in the same sector (Figure H-5, below), which implies a demand for relatively affordable housing from the local workforce.

**FIGURE H-5
AVERAGE WAGES BY INDUSTRY SECTOR**



Source: Puget Sound Regional Council.

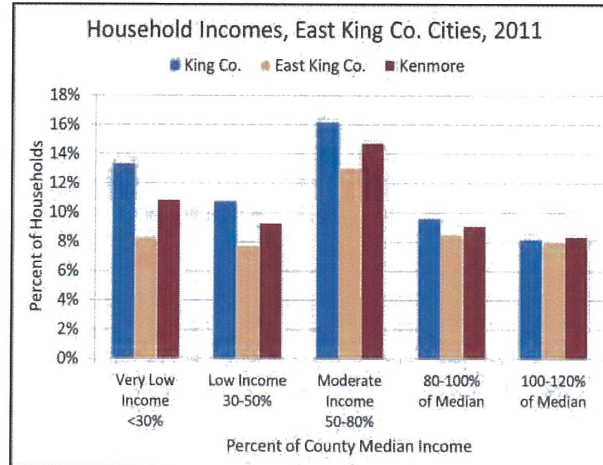
Household Incomes

Approximately 20 percent of the households in Kenmore fall within the standards defined as very low- or low-income. This is slightly lower than countywide figures, but higher than east King County (Figure H-6). The rental market is the primary source of housing for these populations.

**TABLE H-A
HOUSEHOLDS BY INCOME CATEGORY**

HOUSEHOLD INCOME CATEGORY		PERCENT OF TOTAL HOUSEHOLDS			
		KENMORE			KING CO.
		1990*	2000	2011	2011
< 30% of median:	Very Low-Income		8%	11%	12%
30% to 50% of median:	Low-Income	17%	8%	9%	12%
50% to 80% of median:	Moderate-Income		16%	15%	16%
> 80% of median:	Middle- and Higher-Income	83%	69%	65%	60%
"Median" refers to the (King County) Area Median Income. * "Kenmore Census Designated Place." The city was not incorporated until 1998, and the Kenmore CDP is a slightly different geographic area but the closest with available data. Income category break-outs not available for 1990.					

Source: 1990 and 2000 Census (U.S. Census Bureau) and 2006-2010 CHAS (Comprehensive Housing Affordability Strategy; U.S. Housing and Urban Development).

FIGURE H-6

Source: 2011 American Community Survey, 5-year Estimates (U.S. Census Bureau).

Northshore School District records show that 18 percent of the students qualify, based on income, for free or reduced lunches at school (Northshore website). Almost nine (9) percent of the students live in a household with an income below the poverty level (Housing Analysis, Exhibit G-3).

Number and Types of Housing Units

Kenmore added 12 percent more housing units during the 2000s—somewhat slower than the growth of the 1990s, but in line with projections in the 2005 Comprehensive Plan. Kenmore also grew a bit more slowly than King County and the rest of the Eastside. (See Exhibits A and L-1 of the East King County Housing Analysis.) The city's mix of housing types changed very little during that time (Table H-B, below).

**TABLE H-B
NUMBER AND TYPE OF HOUSING UNITS, KENMORE**

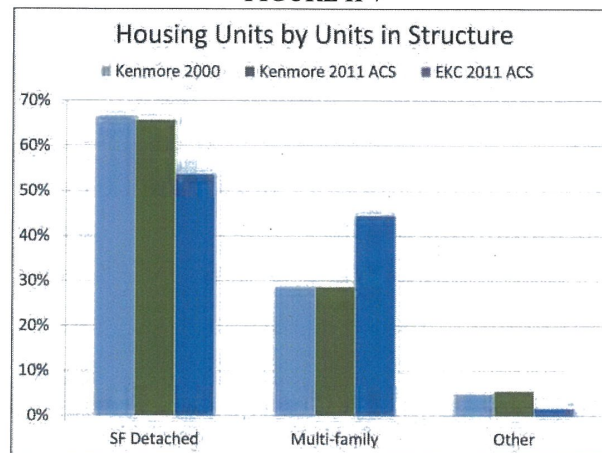
TYPE OF HOUSING	2000		2014	
	UNITS	% OF TOTAL	UNITS	% OF TOTAL
Single-family Detached	5,235	70%	6,276	71%
Multi-family	1,892	25%	2,268	26%
Mobile Homes	361	5%	291	3%
Total Units	7,488	100%	8,835	100%

Source: U.S. Census Bureau, 2000 Census, and Washington State Office of Financial Management (OFM), 2014.

Compared to King County and most of east King County, Kenmore has a relatively low percentage of multi-family housing. Less than 30 percent of Kenmore's housing is multi-family (Figure H-7, below; Housing Analysis, Exhibit L-1). Approximately 25 percent of the multi-family units are condominiums.

Approximately 350 multi-family units have been built or begun construction since 2006, about 25 percent of overall housing growth in this period (2014 Buildable Lands Report; not all reflected in Figure H-7). About 40 percent of these newer units are condominiums.

FIGURE H-7



Source: 2000 Census and 2011 American Community Survey, 5-Year Estimates (U.S. Census Bureau).

Kenmore is one of the few communities in east King County with any significant number of manufactured homes (close to 300; Washington State OFM). Most of Kenmore's manufactured homes are located in six parks with a small number located on individual lots. Units are a mixture of owner occupied and rental units. Homes are in a wide range of physical condition, including some units that are getting past their useful life. Overall availability of manufactured housing has been decreasing in King County as parks are redeveloped with other uses. One concern is that manufactured housing has offered a relatively affordable form of housing and is being replaced with more expensive housing.

Several multi-family housing projects are in the planning or construction stages. The largest proposed multi-family development is Lakepointe, which would provide 1,200 new housing units; the exact mix of owner-occupied and rental units in the project is yet to be determined.

Another project, which has been approved, is the first major residential redevelopment project in the Downtown district. Located on a former Metro park-and-ride site, the property will have up to 325 apartments within walking distance of shopping and transit. Pursuant to local zoning requirements, twenty-five (25) percent of the units will be affordable to moderate-income households. The first phase of 138 apartments started construction in 2014.

Kenmore has permitted 31 accessory dwelling units as of 2011, or about one for every 167 detached single-family homes—almost exactly the same as the average for all of east King County (Housing Analysis, Exhibit Q-1). (This compares to a rate of one for every 32 detached homes in Mercer Island, the city with the highest ratio of ADUs.)

Prices of Market Rate Housing**Homeownership**

Kenmore has a homeownership rate of 74 percent, which is at the upper end of ownership rates for cities in east King County, and greater than the countywide average. Kenmore has also had a relatively significant increase in the rate of homeownership since the early 1990s, while most cities have seen homeownership rates stable or decreased in that period.

The average home sale price in the first quarter of 2014 in Kenmore was \$413,000 (Central Puget Sound Real Estate Research Committee). This is lower than the average prices in nearby communities and in King County overall (\$474,000). On average, Kenmore's home prices fell 14 percent during the recent recession, less than east King County in general (21 percent); but as seen across most of the Eastside, prices have more than recovered.

Condominium units provide a relatively affordable homeownership alternative for Kenmore residents. The average sale price for condominiums in early 2014 was \$169,000—similar to condo prices in Bothell and Woodinville, and low compared to the averages across east King County and King County overall (Central Puget Sound Real Estate Research Committee).

Rental Housing

Rental housing makes up about 25 percent of housing supply in Kenmore, a significantly smaller portion of overall housing than east King County as a whole and King County. Average rents are slightly higher in the Kenmore/Bothell market than in the Shoreline market (Table H-C, below), but low compared to the rest of east King County and the county overall.

**TABLE H-C
AVERAGE RENTS, 2014 (SPRING)
PROPERTIES WITH 20 OR MORE APARTMENTS**

LOCATION	SIZE OF UNIT (BEDROOMS/BATHROOMS)					AVERAGE
	0/1	1/1	2/1	2/2	3/2	All Units
Bothell/Kenmore	\$724	\$1,036	\$1,145	\$1,227	\$1,693	\$1,163
Shoreline/Lake Forest Park	\$815	\$946	\$1,084	\$1,230	\$1,562	\$1,070
Eastside	\$1,139	\$1,281	\$1,366	\$1,656	\$1,877	\$1,474

Source: The Apartment Vacancy Report (Dupre+Scott Apartment Advisors).

Rental vacancy data indicate that Kenmore has relatively few apartments available (Housing Analysis, Exhibit P-2; Table H-D, below).

TABLE H-D
APARTMENT VACANCY RATES
PROPERTIES WITH 20 OR MORE APARTMENTS

LOCATION	PERCENT OF TOTAL UNITS	
	Spring, 2013	Spring, 2014
Kenmore/Bothell	5.0%	3.6%
Shoreline/Lake Forest Park	2.3%	1.9%
Eastside	3.3%	3.7%
King County	3.3%	4.3%

Source: The Apartment Vacancy Report (Dupre+Scott Apartment Advisors).

Age of Housing

Kenmore's housing stock is somewhat older than the rest of east King County, but a bit younger than that of King County overall. Fifteen (15) percent of all homes in the community are less than 10 years old (similar to the rest of east King County), and 45 percent have been built since 1980 compared to 55 percent for the rest of east King County (Housing Analysis, Exhibit O).

Rental Housing for People Needing Supportive Services

Kenmore has a range of housing for people who need supportive services, particularly for the elderly and those individuals with physical disabilities. The housing includes adult family homes, assisted living facilities, boarding homes, group living, and nearby nursing homes.

An estimated six (6) percent of the people in Kenmore are over the age of 75 years (Housing Analysis, Exhibit D-1). Supplemental Security Income supports people with disabilities in over 200 (3 percent) Kenmore households (Housing Analysis, Exhibit K-1).

Kenmore has two licensed assisted living facilities (boarding homes) with 106 beds and 21 licensed adult family homes with 117 beds (Housing Analysis, Exhibit Q-2). Adult family home residents include elderly people, individuals with limited mobility (use of wheelchair), developmental disabilities, mental illness, diabetes, terminal illnesses, brain injury, and those recovering from strokes. The number of persons living in supported living situations (i.e., group quarters) has increased almost 50% since 2000 (Housing Analysis, Exhibit K-2). The closest nursing home to Kenmore is in Bothell. The North Creek Health and Rehab Center (10909 NE 185th) nursing home has 112 beds.

Assisted Rental Housing

A variety of publicly assisted rental housing is available in Kenmore, including the Greenleaf family housing and Northwood senior housing operated by the King County Housing Authority (KCHA), Heron Run family and Heron Landing senior housing operated by DASH, Copper Lantern (rental and ownership housing) operated by LIHI and Shadrack family shelter operated by Hopelink. In addition, the Housing Authority operates a voucher program for the rental of privately held units. This federal program currently assists approximately 20 Kenmore households with rental subsidies. (Lower income tenants in the City of Kenmore may also apply for emergency funding from King County in the event they are faced with eviction due to nonpayment of rent. This assistance is available through the Multi-Service Center of Northeast King County.)

Housing Affordability

According to policies established by the U.S. Department of Housing and Urban Development, a household should spend no more than 30 percent of its income on housing, including utilities. If they pay more than that, they are considered "housing cost burdened." Table H-E shows incomes and affordable housing costs for various income levels.

TABLE H-E
AFFORDABLE HOUSING COSTS BASED ON KING COUNTY MEDIAN INCOME, 2014.

	VERY LOW INCOME		LOW INCOME		MODERATE INCOME	
	30% of Area Median		50% of Area Median		80% of Area Median	
Household Size	Annual Income	Affordable Monthly Cost	Annual Income	Affordable Monthly Cost	Annual Income	Affordable Monthly Cost
1	\$18,522	\$463	\$30,870	\$772	\$49,392	\$1,235
2	\$21,168	\$529	\$35,280	\$882	\$56,448	\$1,411
3	\$23,814	\$595	\$39,690	\$992	\$63,504	\$1,588
4	\$26,460	\$662	\$44,100	\$1,103	\$70,560	\$1,764
5	\$28,577	\$714	\$47,628	\$1,191	\$76,205	\$1,905

Source (income figures): U.S. Department of Housing and Urban Development.

Using the federal affordability definition, 13% of Kenmore's housing is affordable to very low and low income households and 15% to moderate income households (Housing Analysis, Exhibit M-2). The amount of housing affordable to low- and very low-income families is similar to Bothell and slightly below King County, but higher than other cities in east King County. The amount of housing affordable at the moderate-income level is similar to the rest of east King County, but lower than Bothell and Countywide figures. Table H-G compares the housing affordability of Kenmore, east King County, and King County overall against countywide housing needs.

Most of Kenmore's housing affordable to lower incomes is rental housing. Thirty-five (35) percent of the rental units in Kenmore were affordable to very low and low-income families in 2014. This is similar to countywide figures, but a much higher rate of affordability in rental housing than other cities in east King County.

About seven (7) percent of the single-family owner-occupied housing units in Kenmore are affordable to families earning up to 80 percent of median income, and an additional 4 percent affordable to families earning 80 to 100 percent of median income (Housing Analysis, Exhibit M-2, and Table H-F, below). These figures are similar to east King County, but somewhat lower than King County. Note that Kenmore has a relatively high percentage of homes affordable to low income households, which may be partially attributable to the city's relatively high number of manufactured homes.

**TABLE H-F
AFFORDABLE HOUSING AND COUNTYWIDE HOUSING NEEDS, 2010**

HOUSEHOLD INCOME LEVEL		PCT OF TOTAL HOUSING UNITS AFFORDABLE AT INCOME LEVEL			COUNTYWIDE HOUSING NEED
		Kenmore	East King Co.	King County	
< 30% of median:	Very Low-Income	3%	2%	4%	12%
30% to 50% of median:	Low-Income	10%	5%	11%	12%
50% to 80% of median:	Moderate-Income	15%	17%	20%	16%
80% to 100% of median:	Middle-Income	7%	18%	15%	10%
> 100% of median:	Higher-Income	65%	59%	50%	50%

Source: 2006-2010 CHAS (Comprehensive Housing Affordability Strategy; U.S. Housing and Urban Development).

Cost-Burdened Households

Despite the relative affordability of Kenmore, 38 percent of the city's households, and 42 percent of the renting households, are housing cost-burdened (Housing Analysis, Exhibit H-1). Both figures are similar to countywide figures, but high for east King County. Moreover, of cities in east King County, Kenmore has the highest percentage of severely cost-burdened households (paying more than half their incomes on housing) at 17 percent.

HOUSING TARGETS AND CAPACITY

The city's 2006–2031 growth target established by the King County Countywide Planning Policies is 3,500 households. Subtracting actual development, the remaining growth target (2012–2031) is 2,980 households. On an annualized basis, this means the city should expect and plan for 149 additional units each year. The Kenmore Land Use Plan provides enough zoned capacity to exceed the 2031 household target, as shown in Table H-G. Mixed-use areas provide more than half of the city's present capacity for new housing.

**TABLE H-G
EXISTING HOUSING UNITS, CAPACITY, AND TARGETS, KENMORE**

Housing Type	2012 Existing		Remaining Capacity		Total if Built to Capacity	
	Units	Pct	Units	Pct	Units	Pct
Single-family Dwellings	6,471	74%	1,352	30%	7,823	59%
Multi-family Dwellings, total	2,264		3,151		5,415	
In residential-only zones	2,264	26%	742	16%	3,006	23%
In mixed-use zones	0	0%	2,409	53%	2,409	18%
Total	8,735		4,503		13,238	

Source: 2014 Buildable Lands Report (King County).

SUMMARY OF LOCAL HOUSING STRATEGIES

Since incorporation, the city has taken action in several areas to address local housing needs. These include:

- Updates to the Downtown area plan have increased opportunities for creating new housing in the Downtown. This has allowed the city to have sufficient capacity to meet its 2006–2013 housing growth targets.
- The city rezoned the old Park and Ride site to allow housing development, with a requirement that 25 percent address local affordable housing needs. The first phase of development of this property began in 2014. To help enhance affordability on the property, the city approved a twelve-year property tax exemption on residential improvements.
- The city adopted regulations to allow Accessory Dwelling Units, with over 30 ADUs permitted to date.
- The city has waived a portion of impact fees for a project that incorporated housing affordable to low-income households.
- The city has been an ongoing member of ARCH. Through the ARCH Trust Fund process, the city has regularly committed local funds for affordable housing projects in Kenmore and throughout the region, assisting over 170 units affordable to lower-income households.
- Through participation in the countywide CDBG Consortium, 25 local homeowners have received Housing Repair loans since 2005.

GOALS, OBJECTIVES, AND POLICIES

RESIDENTIAL NEIGHBORHOODS SUB-ELEMENT

GOAL H-1. PROMOTE AND MAINTAIN STRONG RESIDENTIAL NEIGHBORHOODS.

OBJECTIVE H-1.1 Encourage repair and maintenance of existing housing.

Policy H-1.1.1 Encourage private reinvestment in residential neighborhoods and private rehabilitation of housing by providing information, technical assistance, and referrals to appropriate agencies and organizations.

Policy H-1.1.2 Provide regular and appropriate levels of investment in transportation, surface water, and parks maintenance and improvements within residential neighborhoods, consistent with the City's capital improvement priorities. Encourage special districts to provide services and maintain infrastructure within residential neighborhoods consistent with adopted service and capital improvement plans.

Policy H-1.1.3 In cooperation with King County, Puget Sound Energy, or other agencies, promote the use of weatherization programs in existing housing.

Objective H-1.2 Promote safe, physically accessible, well maintained, and well designed residential environments with associated open spaces.

Policy H-1.2.1 Encourage housing design and development that promotes public safety including "Crime Prevention through Environmental Design" components as described in the Land Use Element.

Policy H-1.2.2 Ensure development regulations address accessible housing and transportation services. Residential structures as well as physical improvements, such as parking, streets, and sidewalks, should allow for mobility and accessibility by all residents, including the elderly and persons with disabilities, consistent with the Transportation Element. Promote awareness of Universal Design improvements that increase housing accessibility.

Policy H-1.2.3 Prepare and implement development and design standards that acknowledge neighborhood character and address compatibility with surrounding development consistent with Land Use and Community Design Element goals and policies.

Policy H-1.2.4 Encourage energy and water efficiency in existing and new housing developments, as addressed in the Utilities Element.

Policy H-1.2.5 Ensure adequate setbacks, landscaping, and buffering are required between housing developments of significantly differing densities and between housing and commercial areas.

Policy H-1.2.6 Ensure critical area regulations provide sufficient buffer widths consistent with the quality and class of the environmentally sensitive area. Restrict intrusion into sensitive areas by nearby residents and visitors.

Policy H-1.2.7 Encourage cluster residential development along with open space, consistent with the Land Use Element.

Comprehensive Plan

Policy H-1.2.8	Encourage property consolidation in the Downtown, through density bonuses or other incentives, to create mixed-use and multi-family developments that offer a range of site and community benefits such as private and public open spaces and plazas, structured parking, and other amenities.
Policy H-1.2.9	Plan for residential neighborhoods that promote the health and well-being of residents by supporting active living and by reducing exposure to harmful environments.
OBJECTIVE H-1.3	Plan appropriate land use designations and zoning categories to accommodate projected household growth.
Policy H-1.3.1	Plan for an adequate supply of land to accommodate projected growth, including but not limited to, affordable housing, multifamily housing, and special needs housing.
Policy H-1.3.2	Ensure zoning regulations accommodate a range of housing styles and types in appropriate locations, such as single-family detached dwellings, townhouses, apartments, accessory dwellings, designated manufactured homes, and other types. Consider neighborhood character as well as housing needs when applying zones, land use, and development standards.
OBJECTIVE H-1.4	Identify and support Kenmore's Downtown as a center for commercial, civic, cultural, park, and higher density housing uses and activities.
Policy H-1.4.1	Develop mixed-use, higher density districts in Downtown Kenmore, meeting community goals to develop community identity, vital business and service opportunities, concentration of higher density housing, and multi-modal transportation services.
Policy H-1.4.2	Offer density bonuses and density transfers to achieve a compact, vital Downtown, as well as meet environmental and affordable housing goals.
GOAL H-2.	<i>PROVIDE HOUSING OPPORTUNITIES IN KENMORE FOR PEOPLE WITH SPECIAL NEEDS.</i>
OBJECTIVE H-2.1	Provide opportunities for the development of short-term and permanent housing for people with special needs.
Policy H-2.1.1	Allow opportunities for assisted housing, for people with special needs, by: - Permitting group living situations, including those where residents receive such supportive services as counseling, foster care or medical supervision in accordance with state and federal laws; and, - Encouraging developers and owners of assisted housing units to undertake activities to establish and maintain positive relationships with neighbors.
Policy H-2.1.2	Ensure that group home providers have received appropriate licenses from federal or state agencies where appropriate.

Policy H-2.1.3	Support housing options and services that enable seniors to stay in their homes or neighborhoods.
OBJECTIVE H-2.2	Support and promote community facilities and programs that are important to the safety, health, and social needs of families, children and persons with special needs.
Policy H-2.2.1	Increase coordination among providers of social, health, counseling, and other services to families, children, and persons with special needs including seniors citizens, persons with physical or mental disabilities, persons with terminal illness, or other special needs.
Policy H-2.2.2	Work with transit and transportation providers to increase access between special needs housing and community facilities and programs in Kenmore or the Northshore area.
Policy H-2.2.3	Support the location of social, recreational, health, safety and other services in Kenmore to serve people with special needs.
Policy H-2.2.4	Support a range of housing options and services to help homeless persons and families move to long-term financial independence.
Policy H-2.2.5	Work with other jurisdictions and health and social service organizations to develop a coordinated, regional approach to homelessness.

HOUSING AFFORDABILITY SUB-ELEMENT**GOAL H-3. MAKE ADEQUATE PROVISIONS FOR A PROPORTIONATE AMOUNT OF THE EXISTING AND PROJECTED COUNTYWIDE NEED FOR HOUSING AT ALL INCOME LEVELS.****OBJECTIVE H-3.1 Encourage retention of the existing housing stock in Kenmore as a source of affordable housing.**

Policy H-3.1.1 Promote the use of housing rehabilitation assistance (from King County, for example) to lower-income homeowners and to landlords who rent to lower-income people.

Policy H-3.1.2 Encourage relocation assistance and replacement housing to be developed, where feasible, to help very low- and low-income households when displacement is unavoidable. For mobile home parks in particular, consider a funding pool to assist low and moderate income residents in deteriorating and obsolete mobile homes to find alternative housing in the community, or help to establish preferences in nearby housing for persons giving up their obsolete homes.

OBJECTIVE H-3.2 Adopt programs and regulations that support housing affordable to very low, low, and moderate-income households, comparable to the countywide need.¹

Policy H-3.2.1 Support efforts of private developers, both for-profit and not-for-profit, to preserve or develop affordable housing, including housing with on site services, for very low-, low- and moderate-income families. Consider the following roles for the City's active participation:

- a. Whenever possible, integrate affordable housing plans into proposals for development of publicly-owned properties.
- b. Play a partnership role with nonprofit housing project sponsors by supporting applications for CDBG, HOME, and other Federal, State or local funding sources for the projects.
- c. Enter into a long-term partnership with one or more nonprofit housing developers to identify sites and decide on the timing of applications for public funding.
- d. Actively support affordable housing projects by expediting the permitting process, reducing development fees, or similar measures.

Policy H-3.2.2 Participate in A Regional Coalition for Housing (ARCH) to help develop and preserve affordable housing in the community and region.

Policy H-3.2.3 Identify and catalogue real property owned by the City that is no longer required for its purposes and is suitable for the development of affordable housing for very-low to moderate income households.

¹ See Countywide Planning Policies

Comprehensive Plan

Policy H-3.2.4	Use density bonuses, inclusionary programs, and other methods with mixed-use and multi-family developments to provide housing affordable to low- and moderate-income households.
Policy H-3.2.5	Use local resources, as available, to leverage other public and private funding for the creation or preservation of affordable housing.
Policy H-3.2.6	Ensure that affordable housing achieved through public incentives or assistance remains affordable for the longest possible term.
Policy H-3.2.7	Collaborate with other local governments directly and through membership associations (e.g. Puget Sound Regional Council) on regional housing strategies, especially related to providing low- and very-low income housing.
Policy H-3.2.8	Support legislation and funding at the county, state, and federal levels that would promote the city's housing goals and policies.
OBJECTIVE H-3.3	Provide zoning and development standards that integrate affordable housing compatibly into the community.
Policy H-3.3.1	Allow designated manufactured homes built to state standards on single-family lots.
Policy H-3.3.2	Allow and accommodate accessory dwelling units in single-family districts.
Policy H-3.3.3	Pursue land use policies and regulations that: - Result in lower development costs without loss of adequate public review, environmental quality or public safety; and, - Do not reduce design quality, inhibit infrastructure financing strategies, or increase maintenance costs for public facilities.
Policy H-3.3.4	Promote fair housing for all persons and ensure that no city policies, programs, regulations or decisions result in housing discrimination.

IMPLEMENTATION STRATEGIES

To organize and carry out these goals, objectives and policies, as well as to prepare the City for the next Comprehensive Plan update, the City will undertake the following:

- Work with neighborhoods when new policies, plans or programs are proposed to ensure that their unique issues are considered.
- Adopt a Housing Strategy Plan that outlines action steps and priorities.
- Implement the Strategy Plan in coordination with ARCH.
- Maintain communications with, or participation in, regional agencies and projects.
- Monitor housing needs and supply over time, especially data that indicate progress toward meeting a proportionate share of the countywide needs for affordable housing.
- Evaluate and report results of the Strategy Plan and how the goals, objectives, and policies of this Housing Element have been achieved.

- Revise the Strategy Plan as needed to achieve more of the Housing Element's goals, objectives, and policies.

REFERENCES

A Regional Coalition for Housing (2014). East King County Housing Analysis, Redmond, WA.

Attachment 2

MEMO

TO: Rob Karlinsey, City Manager

FROM: Arthur Sullivan, Program Manager, ARCH
Mike Stanger, Housing Planner, ARCH

SUBJECT: Kenmore Housing Strategy Plan

DATE: April 7, 2016

PURPOSE

The purpose of this memo is to assist the Council in providing direction to the Planning Commission and staff for drafting a Housing Strategy Plan for the Council's review. It focuses on two items: (1) provide some background information to gain a better understanding of Kenmore's housing needs, and (2) use that understanding to help frame and establish housing strategies that can address these needs.

LOCAL HOUSING NEEDS

The information in this section is based on information provided in the housing needs analysis completed for the 2015 Comprehensive Plan update and in some cases supplemental information. In addition to the material below, there are several attached tables with more detail. As the council reviews this material, there are several questions to keep in mind that will be discussed at the meeting:

- Does the council concur with the housing needs identified? Do they have any questions/comments about the needs as described? Are there other needs in the City that are not addressed?
- Following the housing needs section is a discussion of potential strategies that could address different needs. Do the strategies included in the discussion provide a good framework for developing strategies for Kenmore? Are there specific strategies you believe are particularly appropriate in Kenmore? Are there any other strategies you would like to be considered? Are there any that should not be emphasized?

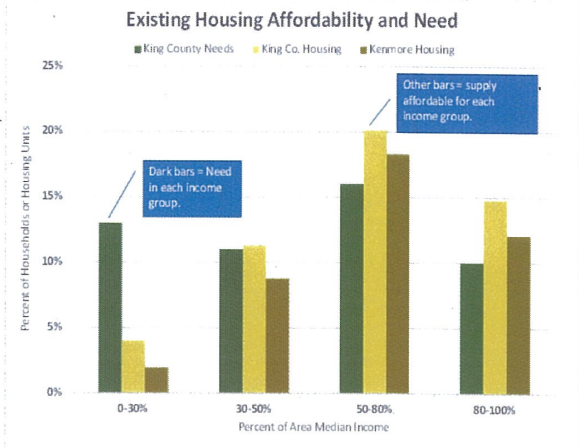
General Needs

In the City's Comprehensive Plan, affordable housing needs are defined at three levels – Moderate Income (80% of the County Median Income), Low Income (50% of the County Median Income and Very Low Income (30% of the County Median Income). Assuming households should pay no more than 30% of their income for housing, a one-person, low-income household can afford to pay up to \$790 a month for housing (including utilities), while a three-person, low-income household can afford \$1,015. A very low-income, one-person household can afford \$475 per month, and 3-person household can afford \$610. A moderate-income one-person household can afford \$1,265 per month and a 3-person household can afford \$1,625, or can afford to pay about \$180,000 (single person) to \$240,000 (3-person household) to buy a home (**See Attachment 1** for more detailed information on housing affordability).

Affordability of Existing Housing Stock

The present need, measured countywide, is for 12% of housing units to be affordable at very low incomes, 10% affordable at low incomes, and 13% affordable at moderate incomes. Kenmore's average housing affordability is similar to King County, but has proportionally less affordability for those at very low- and low-income levels where only 2% and 9% are affordable to low and very low-income

households, respectively. One explanation for Kenmore's relatively low amount of lower cost housing is its relatively low proportion of rental housing, which in general is more affordable than ownership housing. About 26% of Kenmore's housing is rental housing compared to 40% countywide and 35% in East King County. Another trend locally and countywide is that rents over the past few years have become less affordable relative to median income (See Attachment 2). This is due not only to rising rents, but relatively flat incomes. From 1990 until the early 2000s, area median income increased over 4% annually, and over the past 12+ years median income has increased less than 2% annually.

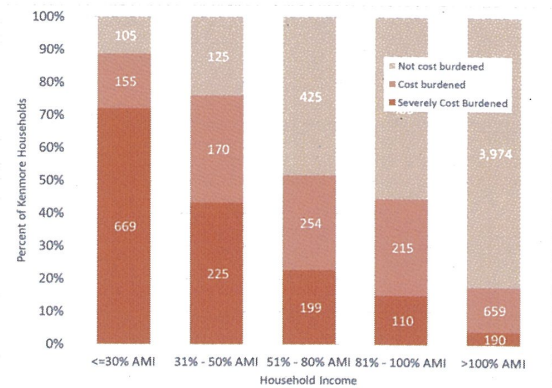


Cost Burdened/Extremely Cost Burdened Households

Many households pay more than 30% of their incomes on housing. This is known as "housing cost burden," because such an impact on a household's resources may affect its ability to pay for food, clothing, medical care, or other necessities. The lower a household's income, the greater the impact of high housing costs. Households that spend more than 50% of their incomes on housing are considered "severely cost burdened" because—especially at lower incomes—they may be one paycheck or one large expense from becoming homeless.

As shown here, the vast majority of low- and very low-income Kenmore households and about 50% of moderate income Kenmore households are cost burdened or severely cost burdened. Since 2000, the percentage of severely cost burdened households in Kenmore has increase from 10% to 17%. This increase is similar to countywide trends, though Kenmore's increase is greater than countywide. Another potential contributing factor to this is relatively flat incomes over the past decade, as described earlier. Being cost burdened or severely cost burdened is more pronounced for renter households, and more specifically younger and senior rental households.

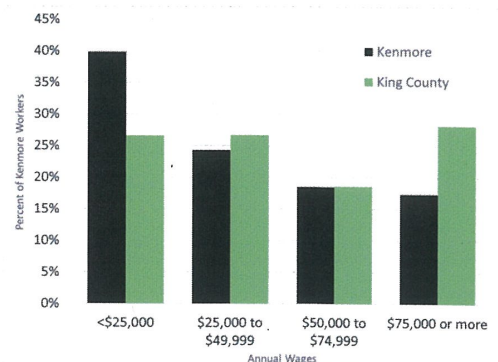
Kenmore Cost Burdened and Severely Cost Burdened Households



Focused Housing Needs: Local Workers

A fundamental demand for housing comes from the local workforce. Compared to many cities in East King County, and countywide, Kenmore has relatively few jobs relative to available housing. However Kenmore's workforce has a relatively high proportion of lower paying jobs. Approximately 40% of people who work in Kenmore made less than \$25,000 annually (40% of median for a single person) and almost 25% earned between \$25,000 and \$50,000 annually. Combined, this

Kenmore / King County Salaries



is over 2,800 jobs. This workforce creates a need for housing affordable to low and moderate income households.

Focused Housing Needs: Seniors

Our aging population—21% of Kenmore’s households (roughly 1,700 households)—is often on fixed or limited incomes. Almost one-quarter of senior households¹ are very low-income, and another 14% are low-income households. Among senior households there are several different housing stories. First are seniors who are homeowners who may be struggling with ongoing housing costs, including property taxes and maintenance of their homes. Second are seniors who are renters on limited income who struggle with increasing rent. Third are seniors who may have short term or long term needs for specially designed housing to meet other needs, such as physical limitations and daily personal care. It is noted that persons with disabilities can also have similar housing needs as seniors with physical limitation needs. Kenmore’s senior population has a relatively high proportion of homeowners (over 80%). Of senior ownership households, about 1/3 are cost burdened or severely cost burdened (550 households). Just over half (300 households) are severely cost burdened and are mostly very low or low income. Of senior renter homeowners, just over half are cost burdened or severely cost burdened (180 households) (**See Attachment 4**). All of these cost burdened senior renter households are very low or low income, and most are severely cost burdened. Over 400 of Kenmore’s households (about 5% of total households) receive federal Supplemental Security Income (SSI), which pays benefits to disabled adults and children who have limited income and resources, and people 65 and older without disabilities who meet financial limits. This level is comparable to King County overall.

Focused Housing Needs: Young Adults

Approximately 18% of Kenmore’s population (~3700) are young adults between age 20 and 35. This is relatively comparable to other areas of the county, except Seattle with about 30% of its population being young adults. Many in this age group are students or are just entering the job market. This age group has a tendency to be renter households, have lower incomes and be disproportionately housing cost burdened. If rents continue to rise relative to median income, similar to seniors, this segment of the community can be expected to be disproportionately impacted.

Focused Housing Needs: Homeowners – First Time Buyers -Young Families

Overall sales prices in Kenmore are similar or even slightly lower than countywide averages, and lower than other communities in East King County. This is particularly true for attached housing, with prices in Kenmore lower than countywide averages. However, only 7% of Kenmore’s ownership housing is affordable to moderate-income households, and only 16% is affordable to a median-income household. This is evidenced by the low proportion of moderate income homeowners and that almost 60% of these homeowners (~600 households) are cost burdened or severely cost burdened compared to less than 25% of Kenmore homeowners over 100% of median income. Increasingly over the past 20 years the pathway to homeownership for first time buyers is through attached housing (condominiums or townhomes). Finally, similar to rental housing, ownership prices in recent years have been increasing faster than median income.

Focused Housing Need: Manufactured Homes

Manufactured housing provides the most affordable form of homeownership. In the case of manufactured home communities, often the land underneath the homes is under separate ownership and owners pay rent to a land owner in addition to the cost of acquiring and maintaining their home.

¹ “Senior households” means 1- or 2-person households in which one or both members are 62 years or older.

This creates a somewhat unique situation where ‘homeowners’ do not control their property and therefore can be subject to increased land rent cost and more significantly, be required to move if the land owner decides to redevelop the property.,

Kenmore has six operating manufactured home communities with over 250 homes.(See Attachment 3 for map of existing communities) Typically, manufactured homeowners have lower incomes; often, they are seniors with fixed incomes. These homes represent 40% of the estimated 600 Kenmore homes affordable to low-, very low, or moderate-income households. The homes in these communities vary considerably in quality. The County Assessor evaluates the condition of manufactured homes with just over 100 rated low quality, another 100+ fair quality, and less than 50 average or good.

Depending on the location, especially those in the central areas of Kenmore, some of these properties may at some point be considered for redevelopment. If that occurred, many of the homes are aged and/or costly or impractical to move, so residents could essentially lose their homes, and have no value to use toward another home.

Focused Housing Need: Homeless

An issue of increasing attention is homelessness and is one that is increasingly felt in all parts of the county. In the Northshore School District there are over 220 homeless students. The 2016 annual homeless One Night Count found almost 250 unsheltered homeless persons in East King County, a significant increase from previous years. There are a wide range of needs for homeless persons from housing to services to help homeless address needs such as job skills, chemical dependency, and physical and mental health. Individual circumstances cover a wide spectrum.

Council Discussion

- Does the council concur with the housing needs identified? Are there any questions/comments about the needs as described? Are there other needs in the City that are not addressed?

RANGE OF TYPES OF STRATEGIES

Strategies available to cities generally fall into three basic categories. First are efforts to use land use regulations and codes to permit the market to provide a wide variety of housing. Examples of this include increasing areas where multifamily housing is allowed, including allowing mixed use development in commercial centers; using FAR to regulate development capacity instead of units per acre; special zoning provisions for senior housing; allowing more diverse forms of housing in residential neighborhoods such as cottages, duplexes or group homes; and accommodating housing such as micro-units in multifamily zones. These efforts may not result in explicit ‘affordable housing’ but can increase the range of affordability produced through the market.

A second group of strategies are ones intended to get the private market to create more explicit affordable housing. This includes items such as land use density increases in exchange for affordable housing and the multifamily property tax exemption program. It also includes permitting accessory

dwelling units (ADUs). The intent of the first and second set of strategies is to allow the private market to meet as wide a range of housing needs in the community as possible, including moderate income households. Past experience is that the private market alone is challenged with addressing the housing needs of lower income households.

A third area of strategies is when more direct public assistance is provided for affordable housing which typically focuses on low and very low income renters or first time homebuyers.

Examples of these strategies by cities include direct funding assistance, surplus land donations and permit/impact fee waivers. Another area of involvement by cities can be to encourage other government bodies to support affordable housing.

This can be to support increasing state or federal funding sources, or enacting legislation to enable more efforts by cities (e.g. when ARCH cities supported expanding the multifamily tax exemption program being available to more cities).

Range of Strategies



A. Market increase diversity and general affordability

- Housing capacity to accommodate growth
- Allow diversity of housing – multifamily/ small single family/ microunits / senior housing

B. Incentive to create affordability through market (generally moderate inc.)

- Accessory dwelling units
- Land use density incentives
- Multifamily property tax exemption

C. Direct assistance programs (generally lower income).

- Direct Funding (ARCH Housing Trust Fund)
 - Leverages other public fund sources
- Surplus land
- Impact fee waiver

Council Discussion

- In developing housing strategies should the Commission and staff explore strategies in all three areas or focus more on certain groups of strategies

STRATEGIES RELATED TO SPECIFIC HOUSING NEEDS

The following section describes a range of strategies organized by the different types of housing needs described above. This is not meant to be an exhaustive list of strategies, and it is also noted that there are some strategies that can potentially address several different needs. At the end are a couple questions for council related to these strategies.

Lower income workers / Young households

Helpful strategies are ones that support basic, more affordable housing, and if possible, in areas residents can live without the need for an automobile. Potential strategies include:

- Land use provisions that allow market to create smaller units in central areas (e.g. measuring density by FAR rather than units per acre)
- Land use density incentive and mandatory programs to incorporate affordable units into market rate development.
- Multifamily Tax Exemption Program.
- Encouraging Mini-suites.
- Encouraging Accessory dwelling units (ADUs). Includes looking at zoning regulations, permitting process, and increasing community and lender awareness.
- Shared living arrangements. For individuals, sometimes a more cost effective living arrangement is in a shared form of housing where living spaces are shared.
- Direct assistance to supports housing which include all or a portion of smaller units.

Note: The City has supported the ARCH Housing Trust Fund which has funded many types of housing including small units. This has historically been funded primarily with city general

funds and to a lesser extent with federal CDBG. In the last year ARCH members have begun a conversation regarding potential ways to supplement this funding with other more 'dedicated types of funds (e.g. demolition fee, a new dedicated REET).

- Making surplus public land available and underutilized private land (e.g. churches) for affordable housing.

Seniors

As described above there are different needs for seniors.

For existing senior homeowners, strategies could include:

- assistance with maintaining homes, either through community groups or public assistance;
- information on universal design improvements to homes;
- utility and property tax relief programs;
- ADUs;
- Permit and encourage housing that would be attractive to local seniors who would like to downsize (e.g. smaller homes/condominiums with one living level).

For senior renters:

- Providing direct assistance for affordable rental housing, including housing specifically for seniors.
- Making surplus public land available and underutilized private land (e.g. churches) for affordable housing.

For seniors needing specialized housing.

- Reviewing regulations to encourage larger senior housing facilities.
- Reviewing regulations to accommodate licensed adult family home. This strategy can also assist persons with disabilities.

First time / young ownership households

- Permit attached housing, of which some portion could be condominiums.
- Regulations that encourage smaller homes in single family neighborhoods (e.g. cottages or duplexes).
- Land use density incentive programs, including in single family areas that result in affordable units within market rate development.

Note: over 500 affordable ownership units have been created in East King County with land use incentives.

- Financing programs such as low interest or down payment assistance programs.

Note: ARCH Trust Fund used to support a local down payment assistance program

- ADUs can provide extra cash flow to assist homebuyers with mortgage costs.
- Support state legislation to address condo warranty provisions.

Manufactured Homes

Approaches to preserving manufactured housing include:

- Providing loans to homeowners to help maintain their home.
- Help a group (tenants or non-profit) purchase the underlying land to ensure the property will remain available long term as a manufactured housing community.
- Create explicit zoning designation for manufactured housing communities.

Homeless Families and Individuals

There are a wide range of needs for homeless persons from housing to services to help homeless address needs such as job skills, chemical dependency, and physical and mental health. Individual circumstances cover a wide spectrum.

- Many of the listed previously listed strategies to create different forms of housing, especially targeted to lower income.
- Specialized housing for homeless with services provided to residents. Includes serving different populations (singles, families, young adults).
- Short term assistance
- Help match landlords with homeless households.

Council Discussion

- Do the strategies included in the discussion provide a good framework for developing strategies for Kenmore? Are there specific strategies you believe are particularly appropriate in Kenmore? Are there any other strategies you would like to be considered? Are there any that should not be emphasized?

ATTACHMENTS:

ATTACHMENT 1 INCOME AND HOUSING AFFORDABILITY GUIDELINES / LOCAL RENTS & SALARIES

ATTACHMENT 2 AFFORDABLE AND EXISTING RENT LEVELS

ATTACHMENT 3: KENMORE MANUFACTURED HOME COMMUNITIE

ATTACHMENT 4: COST BURDENED SENIOR HOUSEHOLDS

ATTACHMENT 1

**KING COUNTY INCOME AND HOUSING AFFORDABILITY GUIDELINES
LOCAL RENTS AND WAGES
2016**

King County Area Median Income (AMI): \$90,300

	Studio (1 Person)	1-Bedroom (2 People)	2-Bedroom (3 People)	3-Bedroom (4 People)
60% AMI				
Household Income	\$37,926	\$43,344	\$48,762	\$54,180
Max. Affordable Rent**	\$948	\$1,084	\$1,219	\$1,355
70% AMI				
Household Income	\$44,247	\$50,568	\$56,889	\$63,210
Max. Affordable Rent**	\$1,106	\$1,264	\$1,422	\$1,580
Max. Affordable Purchase***	\$161,330	\$184,380	\$211,760	\$239,130
80% AMI [MODERATE INCOME]				
Household Income	\$50,568	\$57,792	\$65,016	\$72,240
Max. Affordable Rent**	\$1,264	\$1,445	\$1,625	\$1,806
Max. Affordable Purchase***	\$188,710	\$215,670	\$246,960	\$278,250
90% AMI				
Household Income	\$56,889	\$65,016	\$73,143	\$81,270
Max. Affordable Rent**	\$1,422	\$1,625	\$1,829	\$2,032
Max. Affordable Purchase***	\$216,090	\$246,960	\$282,160	\$317,360
100% AMI [MEDIAN INCOME]				
Household Income	\$63,210	\$72,240	\$81,270	\$90,300
Max. Affordable Rent**	\$1,580	\$1,806	\$2,032	\$2,258
Max. Affordable Purchase***	\$243,470	\$278,250	\$317,360	\$356,470

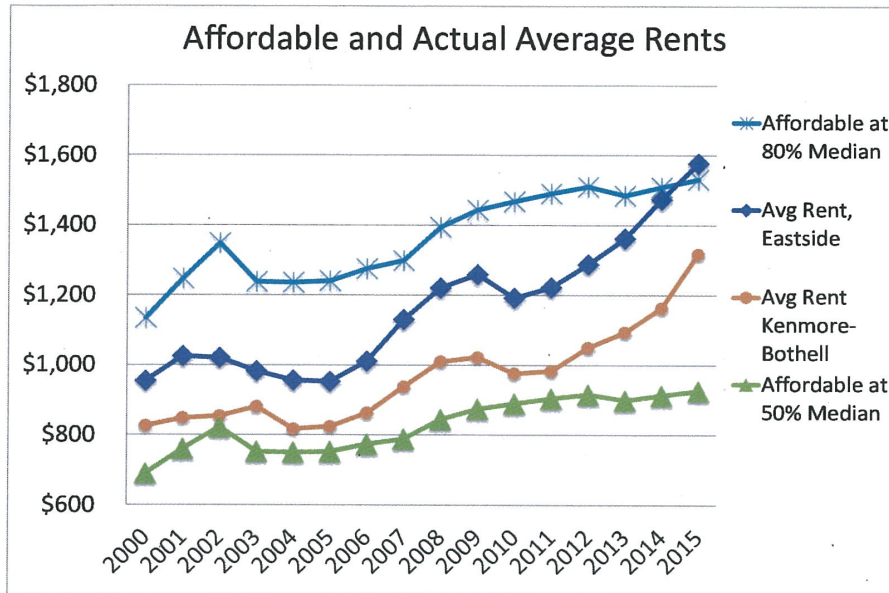
AVERAGE RENTS - September, 2015

	Studio	1-Bedroom	2-Bed/1-Bath	3-Bed/2-Bath
Kenmore/Bothell				
All Units	\$1,156	\$1,247	\$1,337	\$1,929
Built 2010 or newer	\$1,276	\$1,449	\$1,597	

JOBS - 2014

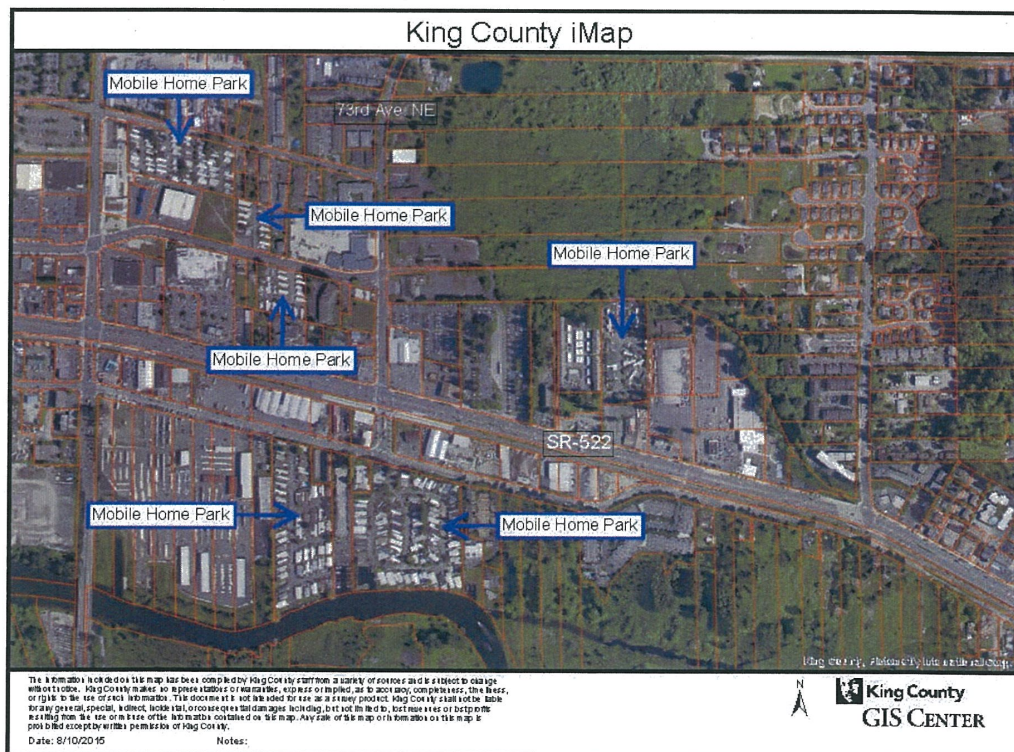
	Annual Wages			
Kenmore	< \$10,000	\$10,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999
Jobs	882	352	539	423
Percent of total	20%	8%	12%	9%
	\$35,000 to \$49,999	\$50,000 to \$64,999	\$65,000 to \$74,999	\$75,000 or more
Jobs	659	521	303	775
Percent of total	15%	12%	7%	17%

ATTACHMENT 2



Dupre+Scott Apartment Advisors, Apartment Vacancy Report.

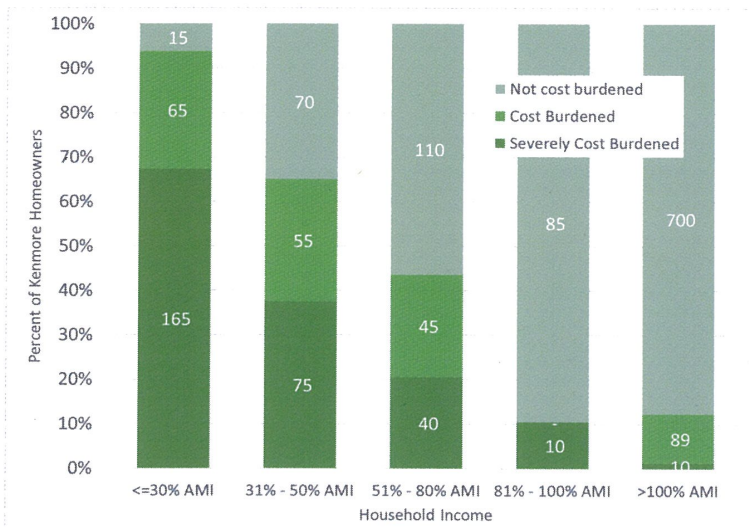
ATTACHMENT 3: KENMORE MANUFACTURED HOME COMMUNITIE



ATTACHMENT 4: COST BURDENED SENIOR HOUSEHOLDS

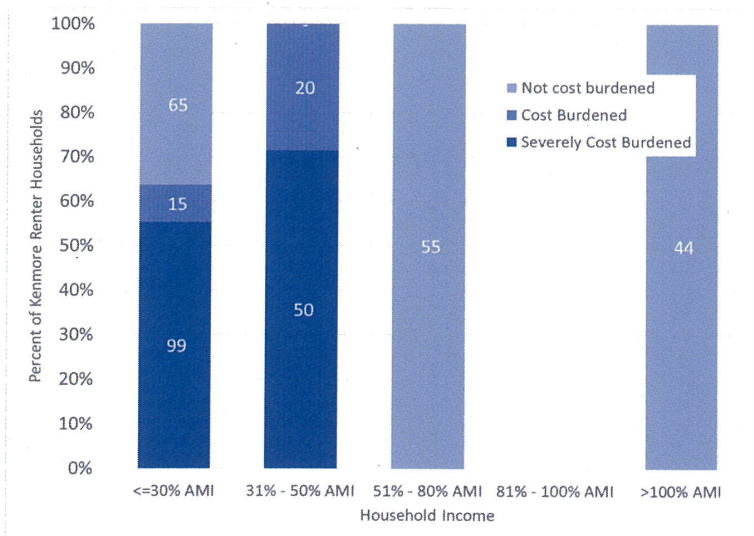
Senior Homeowners

Cost burdened senior homeowners



CHAS 2008-2012 5-year Estimates, Table 7.

Cost burdened senior renters



CHAS 2008-2012 5-year Estimates, Table 7.

POTENTIAL HOUSING ISSUES (other than Affordable Housing)

Housing Element Goal: Promote and maintain residential neighborhoods

Repair and maintenance of existing housing stock
Weatherization
Property consolidation downtown
Work with neighborhoods when new policies, plans or programs are proposed to ensure that their unique issues are considered
Home occupation standards
Structures in rear yards

Housing Element Goal: Ensure a range of densities and housing types for all incomes

Cluster housing
Promote fair housing for all persons and ensure that no city policies, programs, regulations or decisions result in housing discrimination

Housing Element Goal: Address special needs housing

Universal Design improvements
Encourage developers and owners of assisted housing units to undertake activities to establish and maintain positive relationships with neighbors
Increase coordination among providers of social, health, counseling, and other services to families, children, and persons with special needs
Work with transit and transportation providers to increase access between special needs housing and community facilities and programs in Kenmore or the Northshore area
Collect information on needs and available services and how gaps might be reduced or eliminated

Housing Element Goal: Protect the quality of the residential environment

Crime prevention through design
Design standards
Single-family height limits
Connection to sewers
Historic property protection
Residential lighting

Kenmore City Council – Housing Strategy Plan

April 25, 2016



Context / Meeting goal

- At the 2016 City Council retreat, Council expressed interested in moving forward with an affordable housing strategy.
- Council wanted first to discuss and give policy direction / framework to guide the Planning Commission.
- Discussion Topics
 - Housing needs
 - Direction to Commission
 - General range of strategies
 - Strategies related to local needs

Housing Element: Implementation Strategies (pg 5-16)

To organize and carry out these goals, objectives and policies, as well as to prepare the City for the next Comprehensive Plan update, the City will undertake the following:

- Work with neighborhoods when new policies, plans or programs are proposed to ensure that their unique issues are considered.
- **Adopt a Housing Strategy Plan that outlines action steps and priorities.**
- Implement the Strategy Plan in coordination with ARCH.
- Maintain communications with, or participation in, regional agencies and projects.
- Monitor housing needs and supply over time, especially data that indicate progress toward meeting a proportionate share of the countywide needs for affordable housing.
- Evaluate and report results of the Strategy Plan and how the goals, objectives, and policies of this Housing Element have been achieved.
- Revise the Strategy Plan as needed to achieve more of the Housing Element's goals, objectives, and policies.

Local Housing Needs

- Background income and housing affordability
- Focused housing needs:
 - Local workers
 - Seniors
 - Young adults
 - First time buyers
 - Manufactured homes
 - Homeless

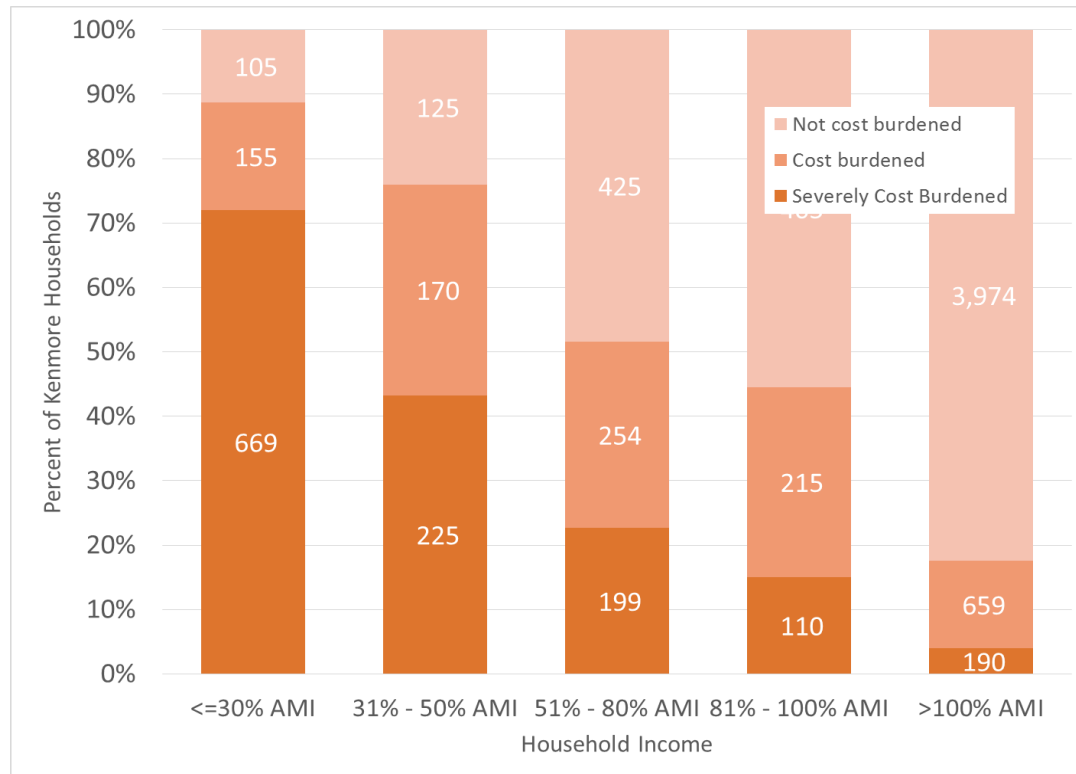
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Kenmore Cost Burdened and Severely Cost Burdened Households by Income Level



Focused Housing Needs:

- Local Workers
 - Kenmore's workforce has a relatively high proportion of jobs that pay less than \$25,000 annually
 - About 2,800 jobs pay less than \$50,000.

Kenmore / King County
Salary Distribution



Focused Housing Needs:

- **Seniors**
 - 21% of Kenmore's households (~1,700 households)
 - Issues: Stay in home / Afford rent / Special housing needs
 - Of senior renters, over half are cost burdened or severely cost burdened (180 households). Most are severely cost burdened
 - 400+ households (~5% of total) receive federal Supplemental Security Income (SSI)
- **Young Adults**
 - ~18% of population (~3700) are young adults (age 20 – 35)
 - Generally renters and disproportionately cost burdened.
- **First Time Buyers -Young Families**
 - 7% ownership housing is affordable to moderate-income / 16% is affordable to a median-income
 - Prices in recent years increasing faster than median income

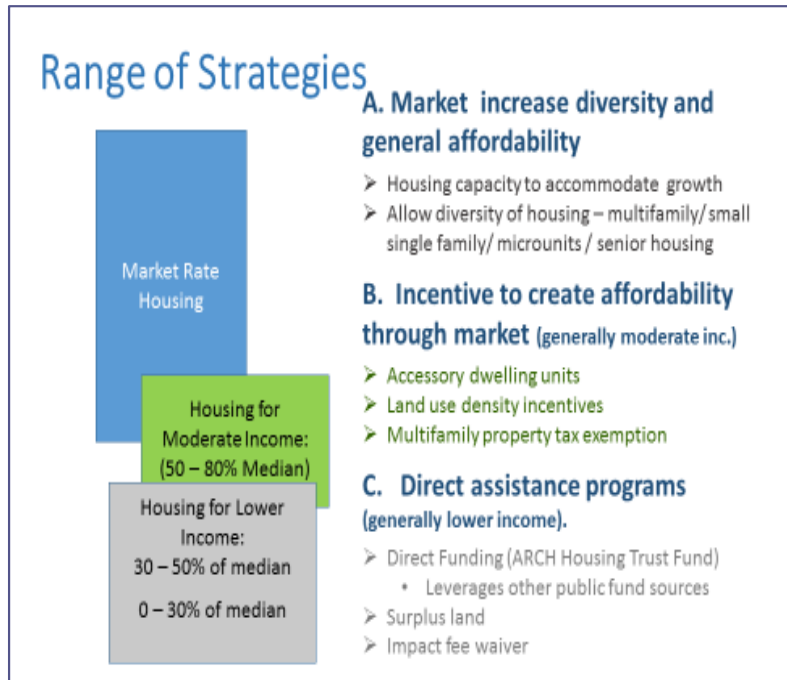
Focused Housing Needs:

- **Manufactured Homes**
 - Six manufactured home communities with over 250 homes
 - Represent 40% of the estimated 600 Kenmore homes affordable to households with moderate-income or lower
 - Homes in these communities vary considerably in quality
- **Homeless**
 - The Northshore School District has over 220 homeless students.
 - The 2016 annual homeless One Night Count found almost 250 unsheltered homeless persons in East King County, a significant increase from previous years.

Local Housing Needs

- Does council have any questions/comments about the needs as described?
- Does council concur with the housing needs identified? / Are there other needs in the City that are not addressed?

RANGE OF TYPES OF STRATEGIES



- Strategies can be more direct (e.g. funding) or indirect (e.g. allowing certain types of housing)
- Some strategies can address more than one need

Examples of Strategies:

- Lower income workers / Young households
 - Land use programs to incorporate affordable units into private development
 - Encouraging Mini-suites
 - Surplus land
- Seniors
 - Assistance with maintaining homes
 - ADUs
 - Direct assistance for affordable rental housing
- First Time Buyers -Young Families
 - Financing programs such as low interest or down payment assistance
 - Regulations that encourage smaller homes/ADUs in single family neighborhoods
 - Support state legislation to address condo warranty provisions

Examples of Strategies:

- **Manufactured Homes**
 - Help (tenants or non-profit) purchase the underlying land to retain as a manufactured housing community.
 - Create explicit zoning designation for manufactured housing communities.

- **Homeless**
 - Specialized housing for homeless with services provided to residents.
 - Short term assistance
 - Help match landlords with homeless households
 - Direct assistance tools (e.g. capital funding)

Council Direction on Strategies

- In developing housing strategies should the Commission and staff explore strategies in all three strategy areas or focus more on certain groups of strategies?
- Do the sample strategies included in the memo provide a good framework for developing strategies?
- Are there specific strategies you believe are particularly appropriate?
- Are there any other strategies you would like to be considered?
- Are there any that should not be emphasized?

QUESTIONS?
COMMENTS?



Cambridge Court, Bellevue





City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Authorize City Manager to Negotiate and Execute Contract(s) for Financial Software System Purchase, Implementation, and Maintenance

For Council Meeting Agenda of: April 25, 2016

Department: Finance and Administration

Prepared by: Joanne Gregory, Finance and Administration Director

Initial & Date

Approved by Department Head: JMG 4/13/16

Approved by City Attorney:

Approved by Finance Director: JMG 4/13/16

Approved by City Manager: NRK 4/13/16

13 APR 2016

Proposed Council Action/Motion:

Authorize City Manager to Negotiate and Execute Contract(s) for Financial Software System Purchase, Implementation, and Maintenance with Tyler Technologies for the Incode Enterprise Resource Solution in an Amount Not to Exceed \$170,000

Exhibits/Attachments:

Exhibit A: Company Profile

Exhibit B: Information Technology Strategic Plan Recommendation

Expenditure Required

\$155,000: 2016

\$14,959: 2017

Amount Budgeted

\$0

Appropriation Required

\$155,000: 2016

\$14,959: 2017

INFORMATION/BACKGROUND:

The need for a new financial software system has been discussed for several years. The current system used by the City (Fundware by Blackbaud), acquired in 2005, has always had significant shortcomings. Access to citywide users was never made available, likely due to the unfriendly user interface and cost; data from the system is very limited requiring extensive Excel workarounds and copies of documents; the software is primarily intended for non-profit enterprises rather than municipalities; and project accounting had little functionality and was never used, making capital project tracking very cumbersome. The version the City uses is no longer supported and during this past year, the system has locked up or crashed several times and it has been necessary for Lighthouse to intervene when staff is unable to resolve the problem. Considering the low contract cost of \$56,000, the City has definitely received a good return on the investment after 11 years of use.

When the City's IT Strategic Plan was developed and accepted by the City Council in 2013, a recommended short term strategy was to "Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an enterprise Financial Management solution that supports the

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financial management needs of the City of Kenmore.” It was noted that “the inability of BlackBaud Fundware to meet the City’s financial management/ report needs, including accessing financial data, causes inefficiency in the financial management/ accounting process for the City.”

At that time, a similar short term strategy was recommended for the City’s permitting system due to the limited functionality and performance of CityView. This has now been accomplished.

In November, 2015, the City published a Request for Proposal for a Financial Management Software System. Six responses were received and staff review resulted in three that merited further review. The IT Governance Committee (Brian Randall, Leslie Harris, Jennifer Gordon, Joanne Gregory), two Engineering staff (Kent Vaughan and John Vincente), and Carla Schnee met with the three vendors and participated in demonstrations of the software. Two of the three (and the preferred selection) are Tyler Technologies products. Following the demonstrations, reference phone calls were made to cities that use the products. Locally, users of Incode include the City of Maple Valley which recently implemented Incode with favorable results; we also spoke with Medical Lake and two local utility districts. Many more City users are found in Oregon (Lake Oswego, West Lynn) and California (Mill Valley, Brisbane) and we spoke with all of these. All had very positive comments about the software and support, in fact at least one said they loved it.

Tyler Technologies, founded in 1966 and actively expanding and entering the local government software market in 1998, it is the largest software company in the nation focusing solely on providing software services to the public sector with more than 14,000 local government offices and school districts using their software solution.

The Incode product line had its start in 1981. It is a fully integrated solution that consists of various modules (such as general ledger, budget, project accounting, accounts payable, payroll, human resources, fixed assets, billing, etc.) that work seamlessly together and enable data to be entered one time while updating all relevant and associated modules. Tyler Technologies offers three other higher functioning financial solutions, however, based on our review and discussions with other cities larger and with more complex needs than ours, Incode appears to be a very good fit for Kenmore and is the recommendation of the review team.

The affordable and reasonable pricing, compared to more costly systems, enables us to automate and integrate project accounting with payroll and purchasing, prepare budgets in the system without Excel spreadsheets, provide on line employee time keeping and access to pay history, purchase and contract encumbering, bill miscellaneous charges, and enhance front desk cashiering, all of which we now do manually on other forms or spreadsheets. Credit card payments will be enabled at the front counter which is something we have not offered. Every employee who needs access to account or budget information will be provided with the appropriate access to the system.

Customer support from Tyler Technologies was a very big consideration and all cities reported good to great experience. For government clients, there is an abundance of online training materials and webinars and an online community forum for users to exchange information.

The “Evergreen” Development Philosophy of Tyler insures the City will always have current industry functionality and technology. The annual support fee includes the customer support system and all enhancements to the software at no additional license cost. The annual support fee is not expected to increase annually, per the vendor, but may increase at some point by up to 3%.

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The cost of the software is based on Tyler's On Premise licensing, not on the number of users. Adding users to use the system does not increase the cost.

If approved by the City Council, staff will notify Tyler Technologies who will submit their terms and contracts. In order to execute contracts that are effective and advantageous for the City, an independent, professional software services provider will be retained to review and assist in negotiating the contracts in addition to the final review by the City Attorney's office. This cost is estimated to be no more than \$7,500 but is dependent on the complexity of the terms, conditions, and scope of work suggested by the software vendor.

Once executed by the City Manager, planning for implementation will begin with City staff and a Tyler project team. The entire process may take 9 to 12 months. Staff is considering some temporary help to free up Finance staff time for this implementation process.

FISCAL CONSIDERATION:

The quote for the software licenses is \$50,305 plus tax (\$55,084). This is a one-time cost. The quote for the implementation and conversion services is estimated to be \$59,000, also a one-time cost. Travel for implementation services is estimated to be up to \$25,000. \$14,300 is estimated for contingency and is 20% of the implementation estimate and 10% of the travel costs. These one-time costs total to \$153,384. The first annual support fee, not due until after the first year, is quoted to be \$14,959 and is not expected to increase for the first several years. Staff is requesting authority to execute the contract for an amount not to exceed \$170,000, even though the first annual support fee will not be payable until the next biennium.

This acquisition is proposed to be funded by the General Fund and, if approved, would be included in the budget amendment to be presented to the City Council later this year.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

- Efficient and Effective Services
- Information Technology Strategic Plan Recommended Short Term Strategy

COMPANY PROFILE

Tyler Technologies, headquartered in Plano, TX, is a leading provider of end-to-end information management solutions and services for local governments. Tyler partners with clients to empower the public sector — cities, counties, schools and other government entities — to become more efficient, more accessible and more responsive to the needs of citizens. Tyler's client base includes more than 14,000 local government offices in all 50 states, Canada, the Caribbean, the United Kingdom and other international locations. These mission-critical applications provide the public sector with the ability to streamline and automate operations resulting in improved productivity and reduced costs.



With decades of exclusive public sector experience, Tyler Technologies is the market leader that provides integrated software and services; our singular focus, subject matter experts and in-depth products result in a sustainable client partnership that delivers the industry's most comprehensive solution. We provide the industry's broadest line of software products, and offer clients a single source for all their information technology needs, in several major areas: Financial & Human Resources, K-12 School Solutions, Public Safety, Courts & Justice, Property Appraisal & Tax, Permitting & Land Management, Public Maintenance Management, Citizen Services, Land & Vital Records, and Document Management.

We are known for long-standing client relationships, functional and feature-rich products, and the latest technology. In addition to software products, Tyler provides related professional services including installation, data conversion, consulting, training, customization, support, disaster recovery, and application and data hosting.

Tyler always puts its clients first. We succeed because we take our client's success seriously, and we have a proven record of delivering superior software solutions and services. The overwhelming majority of clients are up and running on time, and within budget. Whether it's developing, enhancing, and implementing our software, or providing excellent service and client support—we succeed because our clients succeed. We want clients for life. In fact, many of Tyler's first clients, across every solution, are still clients today — some with relationships that span decades.

*City of Kenmore
Financial Management Software System*

PUBLIC SECTOR FOCUS

Tyler Technologies' business units have provided software and services to customers for more than forty years and have long-standing reputations in the local government market for quality products and customer service. Tyler is the largest company in the United States focused solely on providing software solutions to the public sector. While many of our competitors compete in multiple vertical markets, Tyler is singularly focused on the public sector. It's 100 percent of our business.

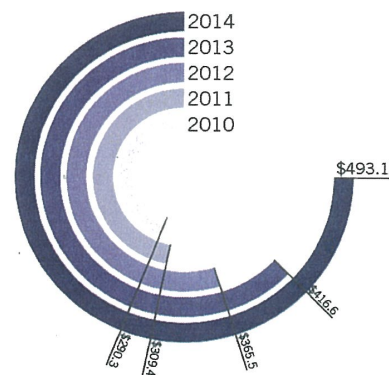
Tyler recognizes that the public sector is generally stable, risk averse, and craves community accessibility, security, and transparency. That is why local government and school entities seek reliable and efficient software and services from Tyler—a vendor who is professional, reputable, dedicated, and achieves results. Tyler has the experience to understand the unique requirements of the public sector, the necessary resources to invest in its products, and the ability to deliver quality services.

Tyler's expansive offering of professional services is designed to complement its software offerings and produce the optimum working environment for local government customers.

- Consulting
- Conversion
- Customization
- Training
- Live ongoing support
- Network management

FINANCIAL STABILITY

Tyler consistently maintains a solid balance sheet and strong cash flow and low debt, experiencing consistent revenue growth with 56 consecutive quarters of profitability, and a total revenue for 2014 of \$493.1 million. While experiencing significant growth opportunities from an increase in staff and expanding territories, we anticipate additional product offerings and new technology will accelerate this growth substantially in the future. We believe a debt-free balance sheet, substantial cash reserves, and a committed customer base put Tyler in a great position in our industry to weather any unexpected turbulence in the economy.



For additional revenue information please visit www.tylertech.com

INDUSTRY LEADERSHIP

Tyler strives to provide the best client services in the industry. Our products undergo testing by trained quality assurance and certified usability analysts, therefore our clients benefit from products that work logically based upon user experience and input. We also focus our implementation and support professionals on specific groups of applications so they are able to offer more specialized services.

*City of Kenmore
Financial Management Software System*

Our commitment at Tyler is to ensure the highest level of client satisfaction through the efforts of Tyler's most valued resource: its people. We challenge our employees to pursue new initiatives aggressively and become industry leaders in their respective fields. Tyler employs over 2,600 individuals, many of whom are seasoned professionals with unique and proprietary skills and years of industry experience. In fact, our employee turnover rate is very low—in recent years, about half of the industry average.

COMPANY RECOGNITION

Tyler has again been included on Software Magazine's Software 500 ranking of the world's largest software and service providers for 2014. "We are honored to be recognized for the seventh straight year by Software Magazine," said John S. Marr Jr., president and chief executive officer of Tyler Technologies. "We have served the public sector with proven software and services for many decades and we are pleased to continue partnering with a growing portfolio of local government and school clients who rely on Tyler to help meet operational goals."



The ranking is based on total worldwide software and services revenue from the 2013 fiscal year. This includes revenue from software licenses, maintenance and support, training, and software-related services, and consulting. Suppliers are not ranked on total corporate revenue, since many have other lines of business, such as hardware. Financial information is gathered by a survey prepared by Rockport Custom Publishing, LLC. Using public documents and company input. It is published in print as well as posted online at www.softwaremag.com as both a digital edition and searchable database.

Tyler Technologies, Inc. has been named to Forbes' 2014 list of Best Small Companies in America. Company rankings are based on earnings growth, sales growth and return on equity in the past twelve months and over five years, and a comparison of a company's stock performance with that of its peers.



Tyler Technologies has also been named to the 2014 Solution Provider 500 (SP500) list by The Channel Company's [CRN](http://www.crn.com). The list ranks the top revenue-generating technology integrators in the U.S. and Canada whose forward-thinking approach has helped them evolve and thrive in today's cloud and services-driven IT era. The list spans eight categories from hardware and software sales, to managed IT services. Tyler Technologies has been recognized for 11 consecutive years. These achievements point to our position at the top of the public sector software industry and our commitment to our clients. And because we are committed to delivering the best products and services to our clients, we are dedicated to continually evolving to help our valued clients meet the challenges they face every day.

City of Kenmore
Financial Management Software System

TYLER'S INCODE SOLUTION

The Incode solution consists of more than fifty integrated modules. These software applications are specifically designed to enable governments to be more efficient, more accessible, and more responsive to the needs of their citizens. The modular design of the software allows customers the benefit of growing into Tyler's Incode applications by adding modules when the time is right.

Consistent integration among Incode applications has always been a priority and a key benefit to organizations looking to improve their business practices. Consequently, all products in this proposal are designed and supported by Tyler or one of our Business Partners with seamless integration between applications.

Since 1981, Tyler has experienced a steady and controlled rate of growth in its Incode product line. We have continued to broaden our market by offering new applications and services and by installing Incode software in additional states and in larger organizations.

EDUCATION AND SUPPORT

Customer education is offered through a variety of venues including on-site training, regional training, web-based seminars, and self-study courses via the Internet. Education forums are offered annually with classes available on various Incode applications in addition to topics specific to the public sector. With skillfully structured class schedules, users are able to select various classes related to their facet of work and can be awarded Continuing Professional Education credits when applicable.

At Tyler, we understand that even the most extraordinary training does not negate the need for outstanding support. To resolve support issues promptly, Incode offers customers a number of choices for contacting support personnel. That includes the standard email option and live Internet support along with an anomaly in the industry - live telephone support. Taking support calls live, rather than the typical call-back method, means a more expeditious resolution for our customers allowing them to more efficiently manage their time.

SOFTWARE EVOLUTION

Tyler has always emphasized a forward-thinking approach for improving and evolving its software. This is evident in the development of the Incode product line as it progressed from a UNIX application in 1983 to DOS software in 1989 and eventually into a Windows environment in 1997. The Incode customer base has been successfully migrated through all three generations of these technology changes.

As the industry continued to evolve and new technology and tools became available, enhancements were made to maximize the Windows environment. Tyler also established a business partnership with ESRI, which has resulted in many of our applications being spatially enabled.

The latest generation of Incode software utilizes Microsoft's powerful .NET technology allowing for a visually dramatic user experience, seamless and secure communication, and the ability to model a range of business processes. This technology is revolutionary for the data management staff and application users alike. The ability to take advantage of Microsoft SharePoint and role-specific security in Incode allows customers to create user-specific dashboards and control access to dedicated areas and data within the software.

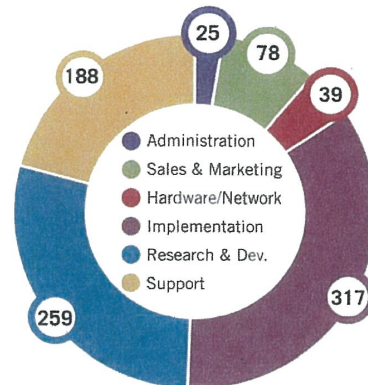
*City of Kenmore
Financial Management Software System*

With the end-user in mind, countless features have been included to facilitate more efficient access to data. Incorporating quick launches, extensive query-by-example searches, user-defined and user-specific processes, messaging options, and recent activity tracking allows users to more effectively organize and access pertinent data. This extensive toolset, along with a multitude of reporting options, expands the ability to be more efficient in day-to-day operations and more effective overall.

DEDICATED WORKFORCE

Tyler Technologies has more than 3000 employees with more than 900 of those devoted to the proposed products and services. Employees within the Tyler family share a common enthusiasm for serving organizations in the public sector.

Tyler's training and support staff for our proposed products and services includes experienced developers, installers, consultants, MBAs, industry professionals, and certified network technicians. Their commitment to excellence, quality training, and support is second-to-none.



OUR EXPERIENCE

Tyler Technologies' Solutions offer the widest breadth of products in the industry, the latest technology available, and an integrated system that can operate in diverse offices throughout a jurisdiction. More importantly, Tyler's vision and skill in executing that vision is what ultimately leads to a successful implementation and long-term solution for our customers. Our executive team consists of experienced industry leaders that keep our team moving, and making sure we are able to give you the tools to succeed.

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SHORT-Term Strategy	(1.5)	Conduct a Needs Assessment, Requirement Definition, System Selection and Implementation for an enterprise Financial Management solution that supports the financial management needs of the City of Kenmore.
Action Steps		• Gather information from key stakeholders • Conduct “As-Is” business process analysis • Develop requirements (function, technical, integration) • Develop Request for Proposals (RFP) record, including Proposal Evaluation Criteria • Conduct vendor evaluation/system selection process • Conduct implementation of the ERP financial management solution • Conduct training for the new ERP financial management ERP solution
Gap Addressed		3.6 – The inability of BlackBaud Fundware to meet the City's financial management/report needs, including accessing financial data, causes inefficiency in the financial management/accounting process for the City. 1.8 – The City is not currently able to accept credit/debit cards for payments from customers. Although there are no utility payments, payments for development services are accepted.
Prerequisite(s)		None
Stakeholder(s)		IT Governance Committee, City of Kenmore Accounting Staff, external IT vendor
Resources		IT Governance Committee, City of Kenmore Key Staff
Estimated Timeline		12 – 18 months
Cost		TBD – Further research required based upon outcome of Needs Assessment
Comments		The recommended strategic process will ensure that the City chooses a financial management system that best meets its needs and aligns with its financial management business processes. It should be noted that the City is interested in pursuing Payment Processing as an ancillary to the FMIS.