City of Kenmore
City Council Regular Meeting
Minutes
July 15, 2019

CALL SPECIAL MEETING TO ORDER - Mayor David Baker called the meeting to order at 6:15 p.m.

EXECUTIVE SESSION
The meeting recessed to executive session pursuant to RCW 42.30.110(1)(i), Potential Litigation for up to 45 minutes. There was no action.

RECONVENE TO REGULAR SESSION
The meeting reconvened to regular session at 7:00p.m.

ROLL CALL
Mayor David Baker
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik
Councilmember Stacey Denuski
Councilmember Brent Smith

FLAG SALUTE

AGENDA APPROVAL
Mayor Baker noted that after the proclamation there would be a short presentation added to the agenda for the Senior Vice President of Operations for Puget Sound Energy to speak to the Council.

PROCLAMATION
Inglewood Golf Club - 100 Year Anniversary

PRESENTATION
Booga Gilbertson, Senior Vice President of Operations, Puget Sound Energy presented to the Council. She thanked the City and Council for the Puget Sound Energy Franchise. She promised to come back to the Council with another report in 2020.

CITIZEN COMMENTS

Chris Buchanan
Downtown Action to Save Housing
Bellevue, Washington 98004

Mr. Buchanan submitted a letter in support of HB 1406 – Local Sales Tax Options for Affordable Housing.

Dan Engstrom
8700 Bothell Way NE
Bothell, Washington 98011

Mr. Engstrom spoke in support in favor of HB 1406 and stated the deadline is fast approaching.

CONSENT AGENDA

MOTION: Councilmember Denuski made a motion to approve the consent agenda, Mayor Baker seconded the motion. The motion passed unanimously.

The consent agenda included the following:

Total Check #s 42599 through 42706 in the amount of $606,637.07.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 6/21/2019 in the amount of $146,843.12.
6/21/2019 Payroll Checks #10133-10138 in the amount of $2,486.87.

Authorize the City Manager to Execute Agreement 19-C2060 with Grade, Inc. for Stormwater System Repairs at Three Locations

City Council Meeting Minutes of June 10, 2019 and June 17, 2019

BUSINESS AGENDA

Local Sales Tax Options for Affordable Housing HB 1406 - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administration Director

Director Bent and Director Gregory explained that staff is seeking Council direction on whether the City wants to participate and act on the recently adopted sales tax options provided through legislation HB 1406. ARCH is recommending that member Cities participate and adopt a qualifying local tax authorizing the maximum capacity of the tax. ARCH also notes that the ARCH interlocal agreement would allow member cities to pool the tax receipts for

administration through ARCH's Housing Trust Fund Account. Staff is recommending that Council pass a motion providing direction on whether to participate and direction on whether to pursue legislation adopting a qualifying tax.

Attachment #1 prepared by ARCH provides background on the recently adopted legislation HB 1406. The legislation provides a new funding tool for local jurisdictions to increase investment in affordable housing. HB 1406 allows cities to retain a portion of the state's share of sales tax for investment in affordable or supportive housing to assist persons whose income is at or below 60% of median income. This portion is offset by a reduction in the state's portion and therefore does not result in an increased tax on consumers. Cities have a choice of whether to be a participating or non-participating city, and a choice of whether to adopt a qualifying tax to increase the portion they may retain.

If Kenmore chooses to participate, by January 28, 2020, the City Council should adopt a resolution declaring their intent. 0 .0073% now or if 0.0146%, then the City has twelve months to act on legislation (by July 30, 2020). The maximum amount Kenmore may collect is limited by the amount of taxable retail sales in fiscal year 2019 times the appropriate rate. Based on the 2018 taxable retail sales in Kenmore of $270,571,011, for the first 12 months at a rate of .0073%, $19,752 could be available for affordable housing. To access the full 0.0146% after 12 months, the City would need to adopt legislation for a qualifying tax by July 30, 2020 which would require voter approval. Based on the 2018 taxable retail sales in Kenmore at a rate of 0.0146%, $39,503 would be available for affordable housing. The tax expires 20 years after the jurisdiction first imposes the tax.

Based on limited staff resources and also the limited time to prepare to go out to the voters, staff recommends that the Council participates, adopts appropriate legislation but at the 0.0073% share of sales tax only. If Council concurs with the staff recommendation, staff would bring back appropriate legislation in September for Council consideration.

Council and staff discussed the options. This item will come back to the Council for consideration after the break.

Receive and File the March, 2019 Financial Report for the City of Kenmore - Joanne Gregory, Finance and Administration Director

Finance Director Gregory presented that the March 2019 monthly financial report to the Council for review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore 's biennium to date revenues and expenditures in comparison to the City's 2019-2020 adopted biennial budget. The budget was adopted on November 19, 2018.

March is the third month of the 2019-2020, 24-month biennium. As of March, expenditures exceeded revenues in the General Fund by $154,652. With real property taxes due in April, the revenue balances will improve.

MOTION: Councilmember Smith made a motion to receive and file the March, 2019 Financial Report for the City of Kenmore, Councilmember Curtis seconded the motion. The motion passed unanimously.

Resolution 19-325 Superseding Resolution 01-043 Establishing New Travel Policies for City Employees and Officials - Ryan Lancaster, Graduate Intern

Intern Lancaster explained that City employees and officials occasionally travel overnight to conferences and other events that are official City business. In the course of these travels employees and officials incur expenses that the City reimburses. Overtime City policies regarding compensation, the process through which reimbursements are obtained, and what type of expenses are reimbursable have become confusing and inefficient.

Most of the changes in this policy seek to minimize the effort of finance department staff in processing reimbursement requests and protect traveling employees from being denied reimbursement for expenses they thought would be reimbursed. Other changes have been made to the policy in accordance with the Fair Labor and Standards Act. Most of these changes only affect hourly or non-exempt employees. Some changes are to avoid liability and taxable fringe benefits as defined by the IRS. Importantly, the new policy also defines a strict process through which travel must be approved before any plans are made. This should also help reduce any chances of an employee being denied reimbursement.

As part of the process of developing this revised travel policy, Staff sent out a survey and collected frequently asked questions about the policy. Hopefully, the document that resulted from this survey can be used as a reference in the future to avoid any confusion regarding the policy and travel.

Council and staff discussed the draft policy. There were some concerns about the IRS mileage rate and the recommendation for only half of the reimbursement rate when traveling overnight. Council agreed to the policy with two changes: Keep the full IRS mileage rate and make an effort when booking flights to see if the ticket can be re-used if need be.

MOTION: Councilmember Curtis made a motion to approve Resolution 19-325 Superseding Resolution 01-043 Establishing New Travel Policies for City Employees and Officials with the two changes, Councilmember Denuski seconded the motion. The motion passed unanimously.

Ordinance 19-0494 Providing for Additional Parking Restrictions and Exemptions in Bike Lanes, Travel Lanes, and Downtown Kenmore - Ryan Lancaster, Graduate Intern

Intern Lancaster explained that staff recommends that Council adopt the amendments to chapter 10 of KMC "Vehicles and Traffic" allowing police to enforce additional restrictions on

parking within the City and the City Manager to better allocate parking in the downtown Kenmore area. Recently, Chief Horvath and City Staff have become concerned that the current restrictions and fines on parking are not a sufficient deterrent to the behavior. So, Chief Horvath suggested that Staff research and suggest an increase to fines for parking violations outside of the downtown core.

Currently, underneath state statute and monetary penalty schedule a parking violation not specifically stipulated in Kenmore's code comes with a $20 fine. Most parking violations stated in KMC chapter 10 are a maximum of $350 with the exception of two-hour parking violations in downtown Kenmore with a maximum $50 fine.

The proposed changes in this ordinance would adopt by reference RCW sections 46.61.570 and 46.61.575 and attach a monetary penalty on par with other violations in the City of a maximum $350 instead of the $20 required by the state. The activities outlined in these sections include parking, stopping, or standing in dangerous areas like a crosswalk, sidewalk, or railroad tracks which are not currently covered by City ordinance. Staff believes this change would sufficiently deter hazardous parking. The municipal court normally does not charge the full allowed maximum fine and normally sets it lower around $50 or at the discretion of the police officer, which is comparable with the two-hour parking violation.

The changes would also cover parking, standing, or stopping in bike and travel lanes. City Ordinance already restricts these activities in bike lanes with a maximum fine of $350 but does not cover travel lanes of roads. Exemptions for this restriction are also included for following police instructions, disabled drivers, public transit and utility vehicles, and emergency vehicles. Additionally, the proposed ordinance authorizes the City Manager to provide additional parking permits in the downtown Kenmore area. With the additional downtown development underway staff recommends employees of the businesses in the downtown area should be offered two-hour parking exemption permits like City Staff to increase parking efficiency. A current literal reading of existing code only allows the City Manager to grant permits on the basis of City business purposes. Meaning, that permits are to alleviate parking requirements in the City Hall parking lot for customers by allowing employees to park on the street. The proposed change would add language that would extend that authority from just business purposes to the efficient allocation of parking in the area. This would in effect allow the City Manager to grant permits to employees of downtown businesses if he saw fit for the efficient allocation of parking.

The main fiscal consideration is the increase in fines for parking. This would not create any additional financial burden for police officers or the City because they already issue tickets for the proposed violations. An increase in funds received from parking tickets is to be expected but negligible. The City contracts with King County for municipal court services and they keep the revenue from tickets to offset Kenmore's court expense.

City	Time Violation	Maximum Fine for Hazardous Parking*
Kirkland	$35	$45
Bothell	N/A	$150
Lake Forest Park	$45	$250
Mountlake Terrace	$50	$50
Mukilteo	$30	$30
Mill Creek	$30	$250
Kenmore Current	$50	$20
Kenmore Proposed	$50	$350**

*This pertains to parking as defined in RCW 46.61.570, 46.61.575, and parking in bicycle lanes and travel lanes.
**Normally pursued at a lower fine at the discretion of the police officer (around $50)

Council discussed the Ordinance. There were concerns from the Council about issuing parking permits to business owners or employees.

MOTION: Councilmember Smith made a motion to approve Ordinance 19-0494 providing for Additional Parking Restrictions and Exemptions in Bike Lanes, Travel Lanes, and Downtown Kenmore, Councilmember Denuski seconded the motion.

1st AMENDMENT: Deputy Mayor Herbig made a motion to strike the newly added language in the first section of 10.20.050, Councilmember Curtis seconded the motion. The motion failed 0-7.

2nd AMENDMENT: Deputy Mayor Herbig made a motion to remove Section 3 of the Ordinance, Councilmember Curtis seconded the motion. The motion passed unanimously.

ORIGINAL MOTION VOTE: The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 8:22 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk