



City of Kenmore - 18120 68th Avenue NE - Kenmore, WA 98028
Phone: 425-398-8900 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
City Council Regular Meeting Agenda
7:00 p.m., Monday, July 22, 2019
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 REGULAR MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. PRESENTATION

- A. Introduction of Rob Sayre-McCord, Parks Project Manager - Debbie Bent, Community Development Director

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. Authorize the City Manager to Execute Contract 19-C2012 with Osborn Consulting, Inc. for Engineering On-Call Support for Surface Water and Parks Projects
[Agenda Item](#)
- B. Total Check #s 42707 through 42866 in the amount of \$276,624.32.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 7/5/19 in the amount of \$209,288.93.
7/5/19 Payroll Checks #10139-10143 in the amount of \$5,426.60.
7/9/2019 Bank Wire in the amount of \$882,925.65.
[Vouchers](#)

- C. Cancel all Regular Council Meetings in the Month of August, 2019
- D. Receive and File the April 2019 Financial Report for the City of Kenmore, Washington
[Financial Report](#)
- E. Receive and File the May, 2019 Financial Report for the City of Kenmore, Washington
[Financial Report](#)

VIII. PUBLIC HEARING

- A. Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code 20.47 - Debbie Bent, Community Development Director and Maureen Colaizzi, Parks Project Manager
[Agenda Item](#)

IX. BUSINESS AGENDA

- A. Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code 20.47 - Debbie Bent, Community Development Director and Maureen Colaizzi, Parks Project Manager
[Agenda Item](#)
- B. Revisions to the 2019-2024 Capital Improvement Program for Parks, Transportation and Surface Water - Rob Karlinsey, City Manager; Joanne Gregory, Finance and Administration Director; John Vicente, City Engineer; Debbie Bent, Community Development Director and Richard Sawyer, Environmental Services Manager
[Agenda Item](#)

X. STAFF REPORT

- A. Low-income Utility Tax Relief Program - Ryan Lancaster, Graduate Intern
[Memorandum](#)

XI. COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

XII. ADJOURNMENT

Upcoming Meetings:

- A. Monday, July 29, 2019 - Tentative Special Council Meeting
August, 2019 - Recess - No Council Meetings

Subject/Topic: Engineering consultant on-call support for surface water and parks projects.	For Council Meeting Agenda of: July 22, 2019
	Department: Public Works
	Prepared by: Richard Sawyer, Env Services Manager
Proposed Council Action/Motion: Authorize City Manager to execute agreement 19-C2012 for \$750,000 with Osborn Consulting, Inc.	Approved by Department Head: <u>RS</u> Approved by City Attorney: <u>NA</u> Approved by Finance Director: <u>[Signature] 7/2/19</u> Approved by City Manager: <u>[Signature] 7-2-19</u>
	Exhibits/Attachments: NA

The Environmental Services Manager will manage the overall agreement for compliance and parks, environmental, and engineering staff will manage “task orders” as needed. The Environmental Services Manager will approve all task order assignments and task order amendments. The funds to pay for the work in the agreement are within individual projects budgets and line items. Potential tasks to be completed with this agreement may include:

- NE 190TH ST Culvert Replacement & Stream Restoration
- Stormwater Facility Retrofit
- Small Works Projects
- Twin Springs Park Phase I
- Rhododendron Park Boathouse
- Slope Stabilization Projects
- Little Swamp Creek Relocation
- Squires Landing Park Waterfront and Mitigation
- Log Boom Park Waterfront Access and Mitigation

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Implement the Walkways and Waterways Projects.

Continue to implement a Parks Improvement Plan.

Protect and enhance the climate, water, air and forest environment.

Priority Based Budgeting Result: A sustainable, Healthy Environment and the Preservation of Natural Resources.



Voucher Certification and Approval

City of Kenmore
DATE RANGE:
06/29/2019-07/12/2019

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 the 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 #s 42707 through 42866: \$276,624.32

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct. Electronic Deposits Dated: 07/05/2019: \$209,288.93

07/05/2019 Payroll Checks # 10139-10143: \$ 5,426.60

07/09/2019 Bank Wire: \$ 882,925.65

Dorothy Hart for Rob Hoseney 7/11/19
City Manager / Date

Joan M. Hoseney 7/11/19
Finance Director / Date

Vendor Name	Check #	Date	Description	Amount
HRA VEBA TRUST	42707	07/05/2019	HRA VEBA - Employer Contributions	16,933.32
ICMA RETIREMENT C/O ALLFIRST BANK - 109964	42708	07/05/2019	City of Kenmore 401a Contributions	17,034.41
ICMA RETIREMENT TRUST 457 - 304745	42709	07/05/2019	ICMA 457 Deferred Comp	5,141.09
STATE OF FLORIDA DISBURSEMENT UNIT	42710	07/05/2019	Employee Deduction	275.00
UNITED WAY OF KING COUNTY	42711	07/05/2019	Employee Charitable Contribution	68.50
Skipped due to Printing Error	42712			
ALIA PRODUCTIONS	42713	07/10/2019	July 11 Kenmore Summer Concert Performer	2,000.00
Skipped due to Printing Error	42714-42788			
A WORKSAFE SERVICE, INC	42789	07/12/2019	Employee Drug Screening	55.00
A+ CONFERENCING	42790	07/12/2019	Telephone Conference Call	9.67
ALCALDE & FAY	42791	07/12/2019	June 2019 Government Affairs Consulting	5,015.79
ALPHAGRAPHS	42792	07/12/2019	Employee Business Cards	231.03
AMERICAN PLANNING ASSOCIATION	42793	07/12/2019	Annual Membership Dues-N. Ousley	538.00
AURORA RENTS	42794	07/12/2019	Park Maintenance Rental Tools	60.56
BAKER, DAVID	42795	07/12/2019	Business Mtg. Mileage & Gas Reimbursement	262.96
BLUE FLAME HEATING, AIR & ELECTRIC	42796	07/12/2019	Refund Duplicate Permit - MEC19-0096	264.60
BRIEN, GAYLYNN	42797	07/12/2019	June 2019 Sales Tax Data Conversion	50.00
CASCADE PEST CONTROL	42798	07/12/2019	June 2019 Park Pest Control	143.00
COLUMBIA RIDGE LANDFILL	42799	07/12/2019	Sweeper Debris Disposal	3,255.26
COMPASS NORTHWEST, INC	42800	07/12/2019	Summer Concert Stage Construction	30,800.00
CONSOLIDATED PRESS	42801	07/12/2019	Summer 2019 Newsletter Printing	4,313.00
CROSSROAD SIGN	42802	07/12/2019	Skate Park Utility Wrap & Installation	2,074.60
DEPARTMENT OF ECOLOGY	42803	07/12/2019	Stormwater Action Monitoring Permits	10,561.00
EARTHCORPS	42804	07/12/2019	Rhododendron Park Boardwalk & Float	2,112.00
EARTHWORKS	42805	07/12/2019	June 2019 ROW Landscape Maintenance	4,722.55
FALL PROZ INC	42806	07/12/2019	City Hall Fall Protection Gear	896.50
FRONTIER	42807	07/12/2019	City Hall Telephones	1,355.87
FUNRENT	42808	07/12/2019	Balloon Artist @ July 10 Movie	250.00
GALLATIN PUBLIC AFFAIRS	42809	07/12/2019	June 2019 Media Relations Consulting	3,500.00
GORDON THOMAS HONEYWELL	42810	07/12/2019	June 2019 Government Relations Consulting	4,203.97
GRAINGER	42811	07/12/2019	Surface Water Supplies & Materials	140.68
HAMPSON, BRYAN	42812	07/12/2019	Business Meeting Meal Reimbursement	33.49
HAULAWAY STORAGE CONTAINERS, INC.	42813	07/12/2019	Logboom Park Storage Containers	191.40
HOME DEPOT CREDIT SERVICES	42814	07/12/2019	Public Works Supplies & Tools	744.98
HORIZON DISTRIBUTORS INC	42815	07/12/2019	Logboom Park Irrigation Repairs	130.29

VII. B. Total Check #s 42707 through 42866 in the amount of \$276,624.32....

INSLEE, BEST, DOEZIE & RYDER, P.S.	42816	07/12/2019	May 2019 Attorney Fees	25,012.48
JAYMARC - AV	42817	07/12/2019	City Hall Sound Equipment Service Call	371.25
JOHNSTON GROUP, LLC	42818	07/12/2019	June 2019 Public Affairs Consulting	2,915.00
KARLINSEY, ROB	42819	07/12/2019	AWC Annual Conf. Hotel, Mileage, & Meal Reimb	737.56
KENMORE MIDDLE SCHOOL	42820	07/12/2019	Q2 2019 Tutoring	2,750.00
KING COUNTY ANIMAL SVCS	42821	07/12/2019	Pet License Remittance	378.00
KING COUNTY OFFICE OF FINANCE	42822	07/12/2019	Jail Services	3,276.61
KPFF CONSULTING ENGINEERS	42823	07/12/2019	68th Ave. NE Ped/Bike Improvement Project	17,081.56
LIGHTHOUSE CONSULTING INC	42824	07/12/2019	June 2019 IT & Software Consulting Services	5,797.61
MAIL FINANCE	42825	07/12/2019	Postage Machine Lease-7/27-10/26/19	709.50
MILLER STEPHENS, MARY	42826	07/12/2019	June 2019 Public Defense Services	1,250.00
MOTT MACDONALD GROUP, INC.	42827	07/12/2019	Log Boom Park Preliminary Design/Engineering	3,705.03
NORTHSHORE PARK & REC SERVICE AREA	42828	07/12/2019	2019 Contribution of NPRSA Administration	2,567.00
VOIDED	42829			0.00
NORTHSHORE SENIOR CENTER	42830	07/12/2019	Q1 2019 Adult Day Health	500.00
NORTHSHORE UTILITY DIST	42831	07/12/2019	Irrigation Meter for NE 153rd PL Sidewalk Improvem	4,385.00
NORTHSHORE UTILITY DIST	42832	07/12/2019	June 2019 Fleet Maintenance & Fuel	3,353.97
OFFICE TEAM	42833	07/12/2019	Temp. Office Assistant for Week Ending 6/21 & 6/28	2,979.08
O'REILLY/FIRST CALL	42834	07/12/2019	Vehicle Maintenance	36.29
PACE ENGINEERS, INC.	42835	07/12/2019	April 2019 On Call Surface Water/Parks Consulting	5,697.85
PACIFIC TOPSOILS	42836	07/12/2019	Vegetation Disposal and Material Purchases	1,500.08
PUGET SOUND ENERGY	42837	07/12/2019	City Hall Electricity Bill	2,062.83
QUALITY BUSINESS SYSTEMS - WELLS FARGO	42838	07/12/2019	2nd Floor Copier Handling Fees	338.59
QUALITY WATER FINANCIAL LLC	42839	07/12/2019	Incubator & PW Office Filtered Water	131.90
QUANTUM HOMES	42840	07/12/2019	Refund of Partial Cash Deposit-ENG2014-0638	47,510.50
REPUBLIC SERVICES	42841	07/12/2019	June 2019 Hangar, Parks, & CH Solid Waste	1,754.20
ROBINSON AND NOBLE, INC.	42842	07/12/2019	Squires Landing Land Consulting	2,850.00
SEATTLE TIMES	42843	07/12/2019	Legal Notices	985.66
SHRED-IT USA LLC	42844	07/12/2019	June 2019 Shredding Services	149.28
SISKUN POWER EQUIPMENT	42845	07/12/2019	Public Work Tools & Supplies	3,938.31
SOD SPOT LLC	42846	07/12/2019	Economic Development Consulting	6,750.00
STAPLES ADVANTAGE	42847	07/12/2019	City Hall Maintenance Supplies	12.09
STAPLES ADVANTAGE	42848	07/12/2019	City Hall Office Supplies	48.58
STAPLES ADVANTAGE	42849	07/12/2019	Hangar Maintenance Supplies	25.65
STAPLES ADVANTAGE	42850	07/12/2019	City Hall & Hangar Maintenance Supplies	225.18
STAPLES ADVANTAGE	42851	07/12/2019	City Hall Maintenance Supplies	61.35
STAPLES ADVANTAGE	42852	07/12/2019	City Hall Maintenance Supplies	8.10
STAPLES ADVANTAGE	42853	07/12/2019	PW Supplies	180.17
STARDOM SERVICES, INC.	42854	07/12/2019	June Incubator Janitorial Services	555.00
THE COLOR GROUP, INC.	42855	07/12/2019	Notecards & Prints	563.31
THE EVP GROUP	42856	07/12/2019	June 2019 Kenmore Incubator Consultant	3,833.81
T-MOBILE USA, INC.	42857	07/12/2019	Staff Cell Phones & Data Plans	720.43
TOWN CENTER HARDWARE	42858	07/12/2019	Public Works Tools & Materials	592.32
U.S. BANK N.A. - CUSTODY	42859	07/12/2019	Q2 2019 Investment Custody Charges	154.00
UPS STORE	42860	07/12/2019	SWM Supplies Shipping	56.65
UTILITIES UNDERGROUND LOCATION CTR	42861	07/12/2019	June 2019 Utility Locates	218.01
VERIZON WIRELESS	42862	07/12/2019	Staff Cell Phones	262.83
WESTERN DISPLAY FIREWORKS, LTD.	42863	07/12/2019	2019 4th of July Fireworks Show	18,000.00
GOVDELIVERY, LLC	42864	07/12/2019	COK Website Design & Implementation	20,000.00
NORTHSHORE FIRE DEPARTMENT	42865	07/12/2019	June 2019 Fire Marshal Plan Review	280.00
RED BARN ENGINEERING, INC.	42866	07/12/2019	June 22 - July 1, 2019 Consulting Services	1,435.50
DRS 457	DFT0000426-427	07/05/2019	DRS 457 Deferred Comp	866.68
NAVIA	DFT0000428	07/05/2019	HSA - Employer	8,000.00
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000429-434	07/05/2019	Public Employees Retirement	29,923.73
NAVIA	DFT0000435	07/05/2019	Employee Flexible Spending Account	368.15
BANK OF AMERICA 941	DFT0000436	07/05/2019	Social Security, Medicare, & Federal Withholding	20,260.92
STEWART TITLE	Bank Wire	07/09/2019	Property Purchase	882,925.65
PAYROLL	Direct Deposit	07/05/2019	Payroll	110,417.13
WILLIAM BAKER	10139	07/05/2019	Payroll Check	1,042.37
STEPHANIE BROWN	10140	07/05/2019	Payroll Check	1,767.41
ELIJAH MAGNAN	10141	07/05/2019	Payroll Check	603.01
VICTORIA MOUNT	10142	07/05/2019	Payroll Check	1,238.87
JORDAN WOLTJER	10143	07/05/2019	Payroll Check	774.94
				<u>1,374,265.50</u>



18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: July 3, 2019
RE: April 2019 Financial Reports for the City of Kenmore, Washington

April 2019 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
- Cash and Investment Report
- Investment Schedule
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Report for Transportation Benefit District

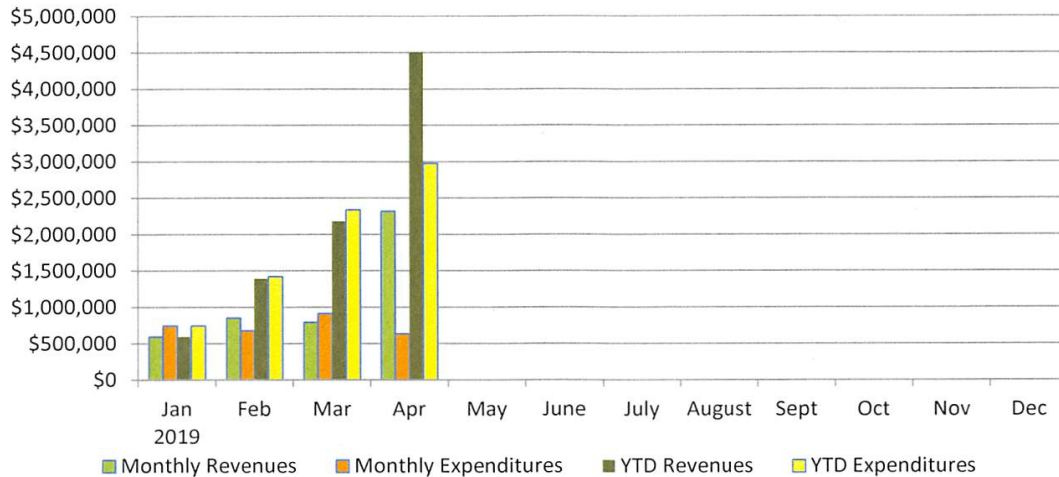
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

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, April is the fourth month (16%) of the 2019-2020 biennial budget period. For the month of April, revenues exceeded expenditures in the General Fund by \$1,686,111.

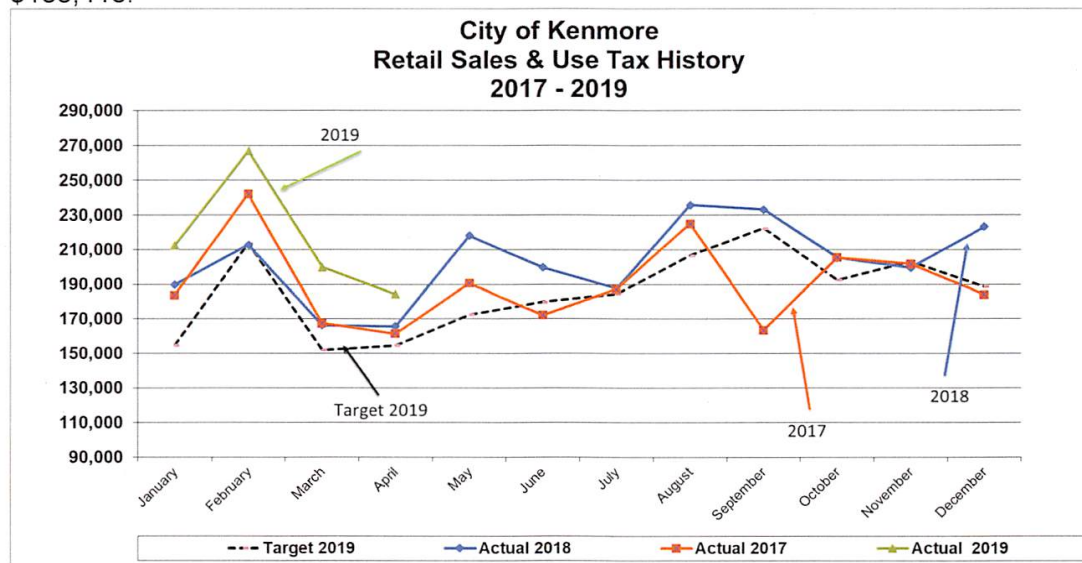
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through April 2019.

City of Kenmore, Washington
Monthly Financial Report
April 2019



Total **revenues** for the month were **\$2,323,415**. Biennium to date revenues are \$4,508,138, which is 17.4% of the budgeted revenues of \$25,927,872. Primary sources of revenue for the month included property taxes in the amount of \$1,752,007, development fees & permits in the amount of \$77,314, retail sales and use taxes in the amount of \$231,322, franchise fees in the amount of \$74,180, and utility taxes in the amount of \$114,841.

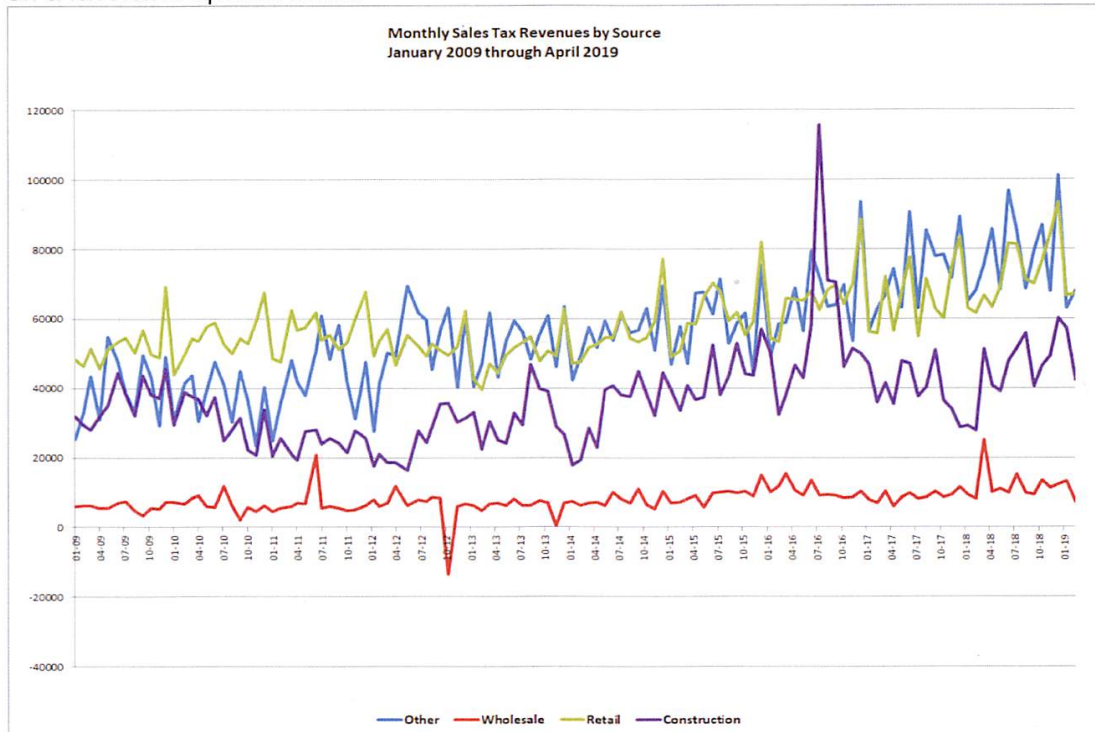
A summary of sales tax revenues received in April is attached. These receipts are based on February sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2019 line is a monthly average of actual receipts during 2016, 2017, and 2018. The green line represents 2019 actual receipts, which are \$129,059 above 2018 and ahead of the 2019 target by \$188,418.



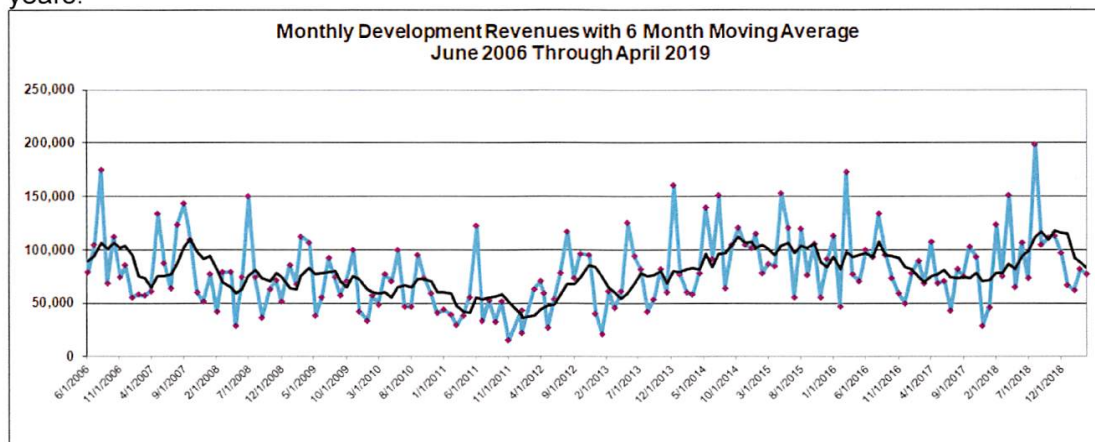
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City of Kenmore, Washington
 Monthly Financial Report
 April 2019

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 April 2019. Retail and Other are on a favorable upward trend.



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



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City of Kenmore, Washington
Monthly Financial Report
April 2019

April 2019 expenditures were \$637,304. Biennium to date expenditures are \$2,976,679, which is 11.5% of the biennial budget expenditures of \$25,927,872.

Total City cash (\$20,306,283) and long-term investments (\$10,061,330), at the end of April, totaled \$30,367,613. Proposition 1 levy funds of \$8M are included in this cash balance. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2019-2020 biennial budget.

Total non-General Fund revenues were \$1,526,402 and total non-General Fund expenditures were \$512,726.

In the **Street Fund** revenue from gas tax distributions were \$31,340. \$43,043 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund**, there were expenditures in the amount of \$233,830 on pedestrian safety projects.

The **Park Impact Fee** fund received \$2,737 in revenues during the month.

There was \$9,946 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received \$104,430 of real estate excise taxes (REET) in April from sales activity that occurred in March. 33 transactions were reported during the month. The 2019 year to date revenue is lower than the 2018 revenue by \$74,787, and the 2019 target by \$129,439.

The **Park Capital** fund had expenditures in the amount of \$17,996 on park improvement projects.

The **Walkways & Waterways Debt Service** Fund collected \$423,499 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$482,485.

The **Transportation Benefit District** Fund received \$31,304 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **April 30, 2019**. 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
April 30, 2019



	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH April 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH March 2017	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018
REVENUES								
Beginning Fund Balance		4,934,368		4,934,368		3,138,914		3,131,687
Property Taxes	1,752,007	1,997,487	19.5%	10,224,205	163,661	9,479,714	99.9%	9,491,704
Sales and Use Taxes	231,322	1,088,185	19.2%	5,662,000	213,259	6,020,092	101.9%	5,906,291
Utility Taxes	114,841	451,726	18.3%	2,466,355	135,223	2,375,561	87.4%	2,717,485
Other Taxes	5,014	39,637	21.8%	181,868	0	181,601	83.3%	218,113
Development Fees & Permits	77,314	287,371	15.5%	1,854,042	68,098	2,172,030	105.9%	2,050,518
Franchise Fees	74,180	326,352	17.8%	1,831,835	0	1,731,286	99.3%	1,743,476
Intergovernmental and Grants	53,334	163,004	15.4%	1,057,677	62,121	982,674	116.8%	841,615
Investment Interest	5,532	22,339	23.4%	95,300	3,768	125,116	240.6%	52,000
Fines and Forfeitures	0	0	n/a	0	-458	16,791	0.0%	0
Transfers and Other Revenues	9,870	132,037	5.2%	2,554,590	119,462	2,107,146	131.6%	1,600,972
Total Revenues	2,323,415	4,508,138	17.4%	25,927,872	765,133	25,192,011	102.3%	24,622,174

Total Revenues & Beginning Fund Balance	2,323,415	9,442,506		30,862,240		28,330,925		27,753,861
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	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH April 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH March	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018
EXPENDITURES								
Cost Center								
City Council	12,209	75,001	18.7%	400,337	13,305	346,852	105.3%	329,426
City Manager	100,912	457,138	13.7%	3,331,467	128,940	3,316,565	99.6%	3,328,297
City Clerk	33,348	136,471	15.9%	856,966	14,458	474,950	111.7%	425,368
Finance	45,808	445,746	24.1%	1,851,887	55,527	1,757,967	105.1%	1,672,775
Legal	0	66,212	12.5%	530,000	0	525,190	105.0%	500,000
Interfund Transfers	0	0	0.0%	1,602,484	0	1,198,406	85.4%	1,403,228
Public Safety	66,746	206,168	2.3%	9,133,991	68,185	8,340,562	94.7%	8,806,304
Engineering & Environmental Services	72,751	237,584	14.3%	1,658,620	68,039	1,416,078	100.1%	1,415,011
Community Development	57,311	263,084	15.5%	1,698,893	53,578	1,445,670	84.3%	1,715,510
Developmental Services	64,950	328,719	13.5%	2,436,502	90,292	2,371,159	111.3%	2,131,288
Parks & Facility Maintenance	183,269	760,555	31.3%	2,426,725	78,471	2,203,157	77.2%	2,854,489
Total Expenditures	637,304	2,976,679	11.5%	25,927,872	570,793	23,396,557	95.2%	24,581,696

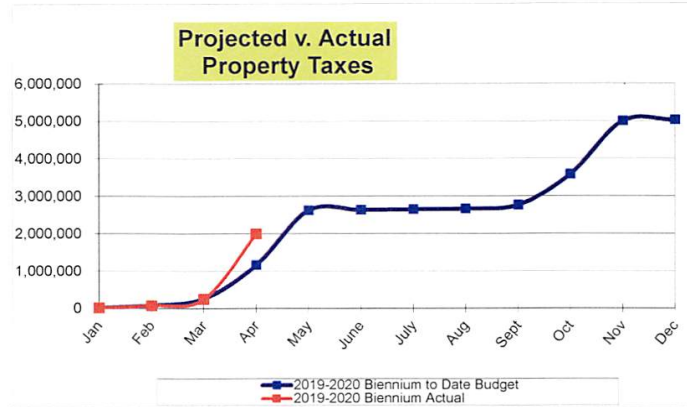
Ending Fund Balance	1,686,111	6,465,828	0	4,934,368		4,934,368		3,172,165
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Total Expenditures and Ending Fund Balance		9,442,506		30,862,240		28,330,925		27,753,861
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*Non-Departmental expenditures have been moved to other General Fund Cost Centers

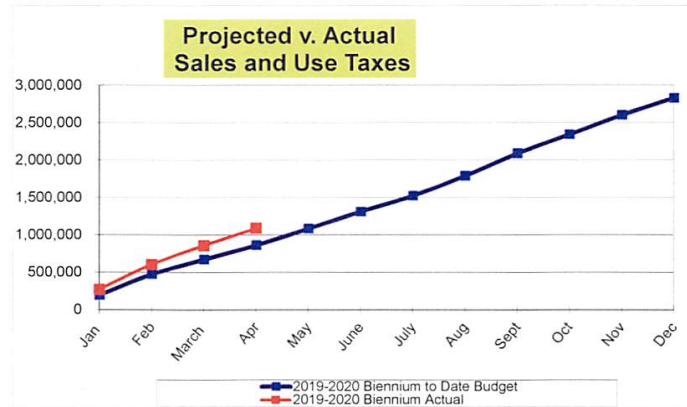
**City of Kenmore, Washington
General Fund Revenue Graphs
April 30, 2019
PROPERTY TAXES**

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	16,142	15,956
Feb	78,314	72,268
Mar	262,932	245,480
Apr	1,163,061	1,997,487
May	2,621,823	
June	2,635,867	
July	2,649,793	
Aug	2,664,592	
Sept	2,765,669	
Oct	3,581,266	
Nov	4,995,859	
Dec	5,024,414	
2019-20	10,224,205	
Year To Date		
Actual v. Projected		172%



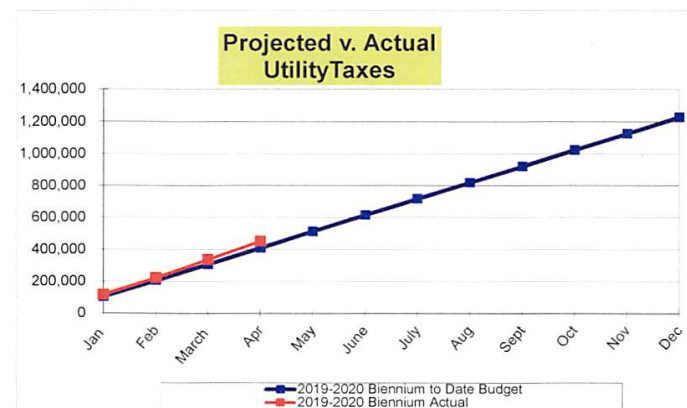
SALES, USE, CRIM JUSTICE TAXES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	193,303	269,980
Feb	471,720	604,138
March	669,878	856,863
Apr	861,174	1,088,185
May	1,081,140	
June	1,310,286	
July	1,523,681	
Aug	1,787,898	
Sept	2,086,187	
Oct	2,340,752	
Nov	2,598,277	
Dec	2,827,000	
2019-20	5,662,000	
Year To Date		
Actual v. Projected		126%



UTILITY TAXES

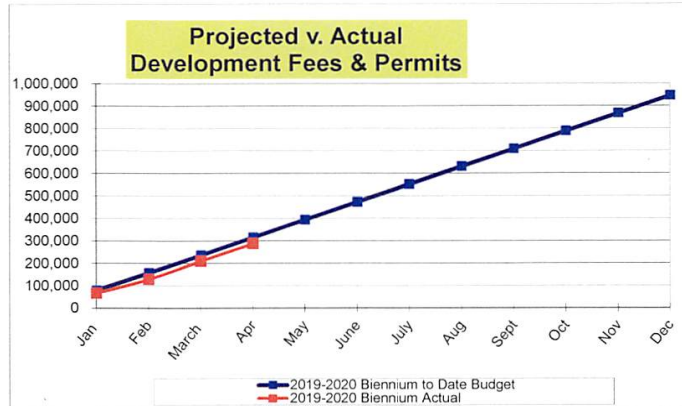
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	102,250	116,230
Feb	204,500	222,289
March	306,750	336,885
Apr	409,000	451,726
May	511,250	
June	613,500	
July	715,750	
Aug	818,000	
Sept	920,250	
Oct	1,022,500	
Nov	1,124,750	
Dec	1,227,000	
2019-20	2,466,355	
Year To Date		
Actual v. Projected		110%



**City of Kenmore, Washington
General Fund Revenue Graphs
April 30, 2019**

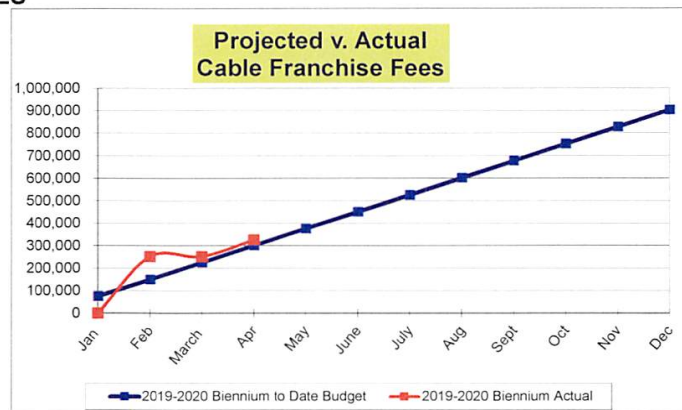
DEVELOPMENT FEES & PERMITS

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	78,798	66,225
Feb	157,596	128,413
March	236,394	210,056
Apr	315,192	287,371
May	393,990	
June	472,788	
July	551,586	
Aug	630,384	
Sept	709,182	
Oct	787,980	
Nov	866,778	
Dec	945,576	
'2019-20	1,854,042	
Year To Date		
Actual v. Projected		91%



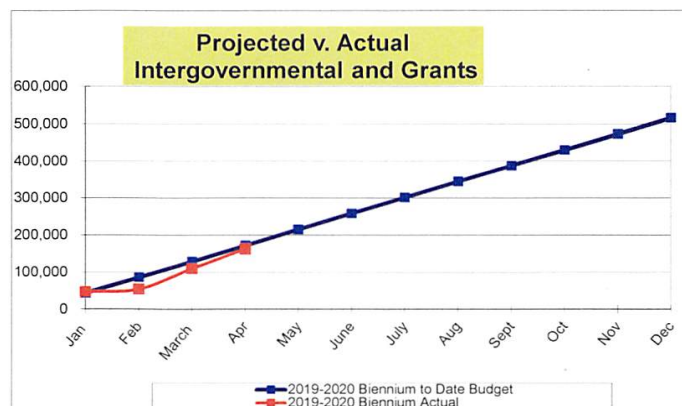
CABLE/WATER/SEWER FRANCHISE FEES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	75,199	0
Feb	150,397	252,172
March	225,596	252,172
Apr	300,794	326,352
May	375,993	
June	451,191	
July	526,390	
Aug	601,588	
Sept	676,787	
Oct	751,985	
Nov	827,184	
Dec	902,382	
'2019-20	1,831,835	
Year To Date		
Actual v. Projected		108%



INTERGOVERNMENTAL & GRANTS

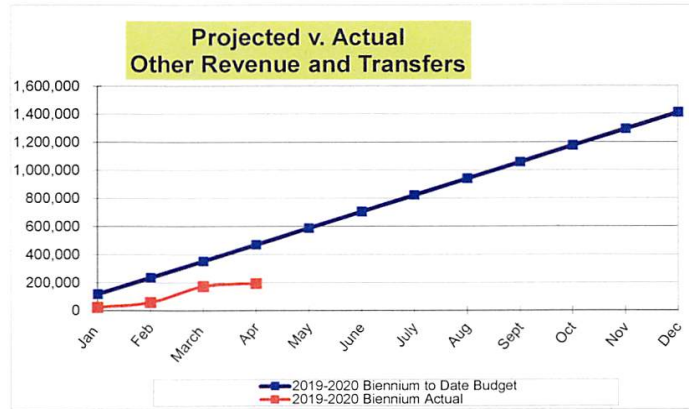
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	42,971	47,201
Feb	85,942	54,089
March	128,913	109,670
Apr	171,884	163,004
May	214,855	
June	257,826	
July	300,796	
Aug	343,767	
Sept	386,738	
Oct	429,709	
Nov	472,680	
Dec	515,651	
'2019-20	1,057,677	
Year To Date		
Actual v. Projected		95%



**City of Kenmore, Washington
General Fund Revenue Graphs
April 30, 2019**

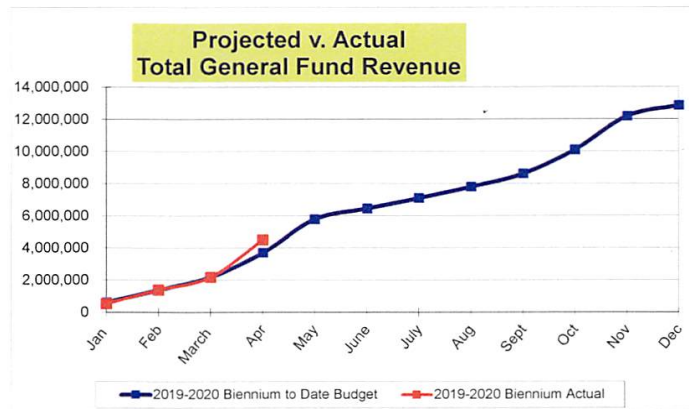
OTHER REVENUES AND TRANSFERS

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	117,537	24,088
Feb	235,074	58,157
March	352,611	173,597
Apr	470,148	194,013
May	587,685	
June	705,222	
July	822,759	
Aug	940,296	
Sept	1,057,833	
Oct	1,175,370	
Nov	1,292,907	
Dec	1,410,444	
2019-20	2,831,758	
Year To Date		
Actual v. Projected		41%



TOTAL GENERAL FUND REVENUE

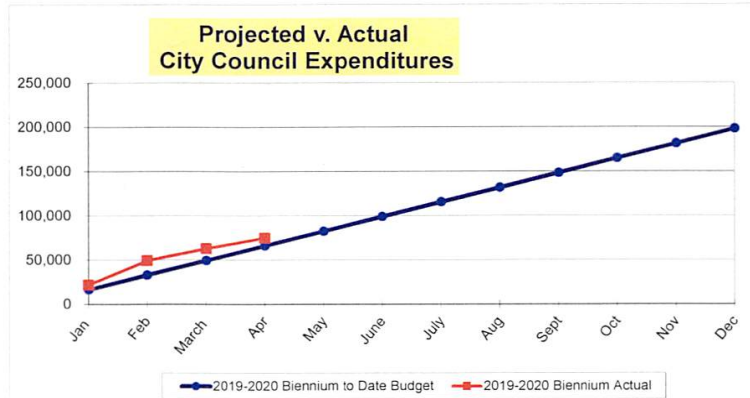
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	626,199	539,680
Feb	1,383,543	1,391,527
March	2,183,074	2,184,723
Apr	3,691,252	4,508,138
May	5,786,734	
June	6,446,680	
July	7,090,755	
Aug	7,786,525	
Sept	8,602,645	
Oct	10,089,562	
Nov	12,178,435	
Dec	12,852,467	
2019-20	25,927,872	
Year To Date		
Actual v. Projected		122%



City of Kenmore, Washington
General Fund Expenditure Graphs
April 30, 2019

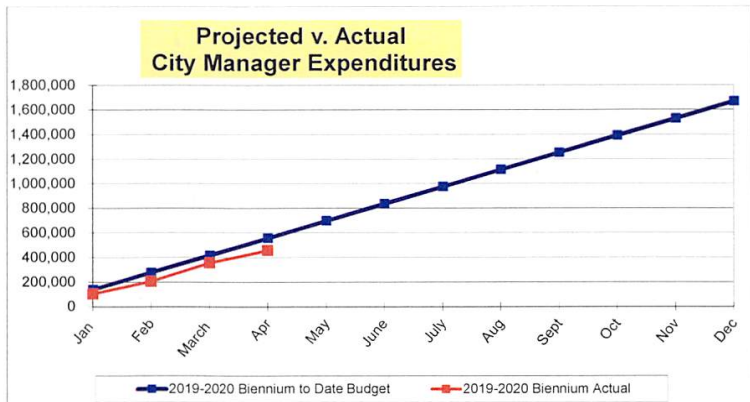
CITY COUNCIL

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	16,496	22,063
Feb	32,992	49,221
March	49,488	62,792
Apr	65,984	75,001
May	82,480	
June	98,977	
July	115,473	
Aug	131,969	
Sept	148,465	
Oct	164,961	
Nov	181,457	
Dec	197,953	
2019-20	400,337	
Year To Date		
Actual v. Projected		114%



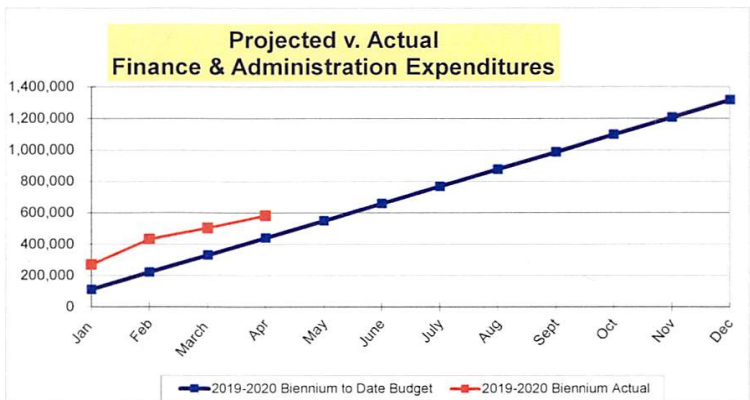
CITY MANAGER

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	139,070	104,052
Feb	278,140	205,694
March	417,210	356,226
Apr	556,280	457,138
May	695,350	
June	834,421	
July	973,491	
Aug	1,112,561	
Sept	1,251,631	
Oct	1,390,701	
Nov	1,529,771	
Dec	1,668,841	
2019-20	3,331,467	
Year To Date		
Actual v. Projected		82%



FINANCE & ADMINISTRATION

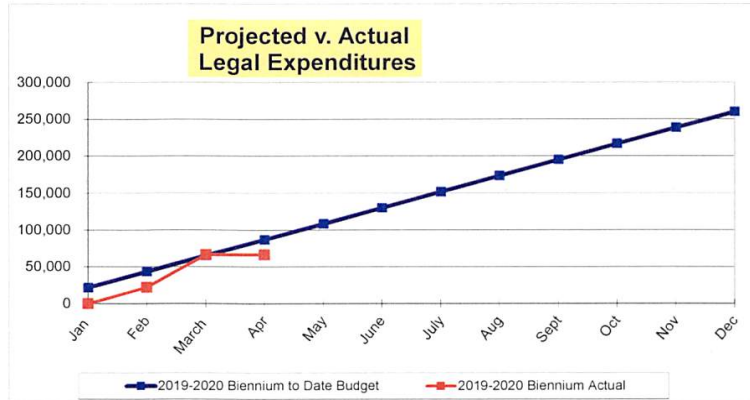
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	109,736	269,600
Feb	219,471	431,276
March	329,207	503,061
Apr	438,942	582,217
May	548,678	
June	658,414	
July	768,149	
Aug	877,885	
Sept	987,620	
Oct	1,097,356	
Nov	1,207,091	
Dec	1,316,827	
2019-20	2,708,853	
Year To Date		
Actual v. Projected		133%



**City of Kenmore, Washington
General Fund Expenditure Graphs
April 30, 2019**

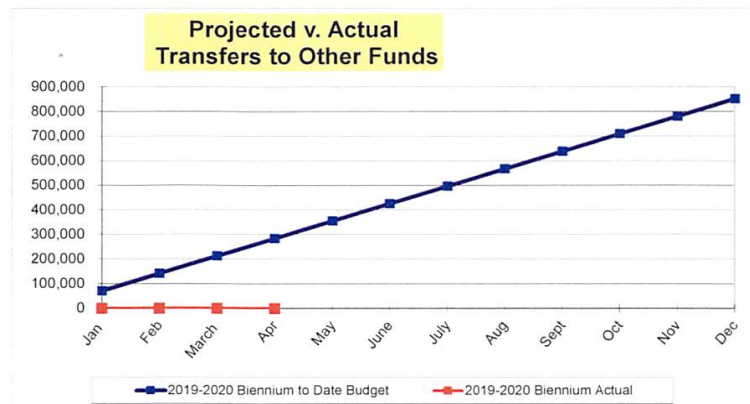
LEGAL

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	21,667	0
Feb	43,333	22,119
March	65,000	66,212
Apr	86,667	66,212
May	108,333	
June	130,000	
July	151,667	
Aug	173,333	
Sept	195,000	
Oct	216,667	
Nov	238,333	
Dec	260,000	
2019-20	530,000	
Year To Date		
Actual v. Projected		76%



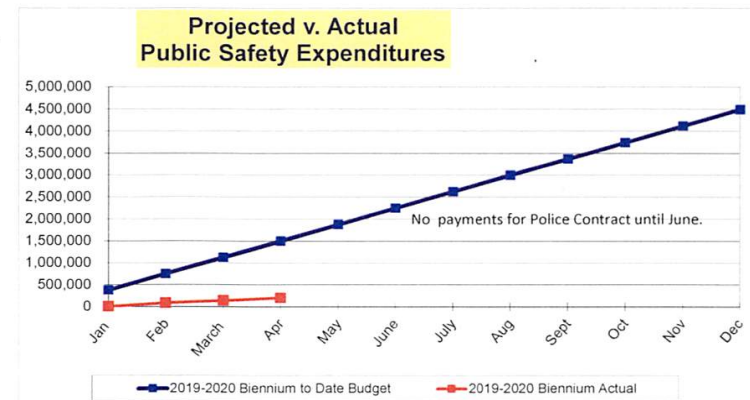
TRANSFERS TO OTHER FUNDS

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	70,991	0
Feb	141,983	0
March	212,974	0
Apr	283,966	0
May	354,957	
June	425,949	
July	496,940	
Aug	567,931	
Sept	638,923	
Oct	709,914	
Nov	780,906	
Dec	851,897	
2019-20	1,602,484	
Year To Date		
Actual v. Projected		0%



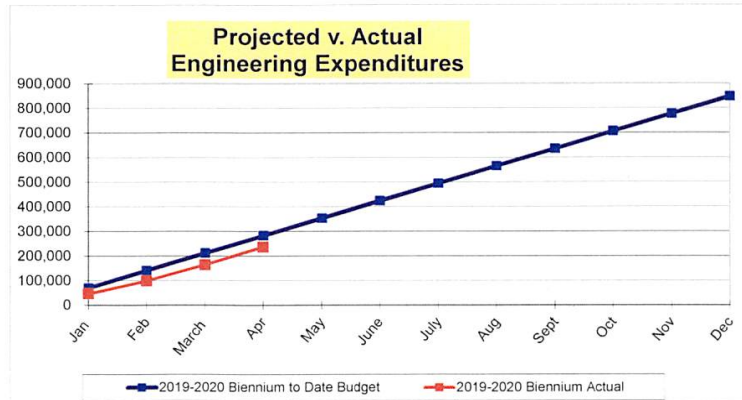
PUBLIC SAFETY

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	374,381	4,167
Feb	748,763	83,327
March	1,123,144	139,422
Apr	1,497,525	206,168
May	1,871,906	
June	2,246,288	
July	2,620,669	
Aug	2,995,050	
Sept	3,369,431	
Oct	3,743,813	
Nov	4,118,194	
Dec	4,492,575	
2019-20	9,133,991	
Year To Date		
Actual v. Projected		14%



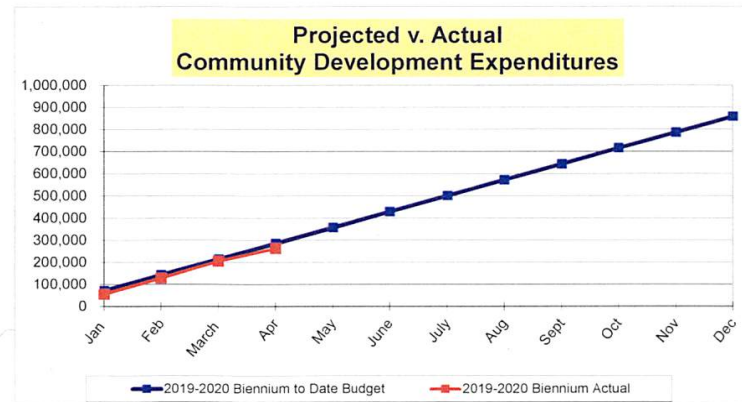
City of Kenmore, Washington
General Fund Expenditure Graphs
April 30, 2019
ENGINEERING

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	70,640	46,711
Feb	141,281	99,615
March	211,921	164,832
Apr	282,562	237,584
May	353,202	
June	423,843	
July	494,483	
Aug	565,123	
Sept	635,764	
Oct	706,404	
Nov	777,045	
Dec	847,685	
2019-20	1,658,620	
Year To Date		
Actual v. Projected		84%



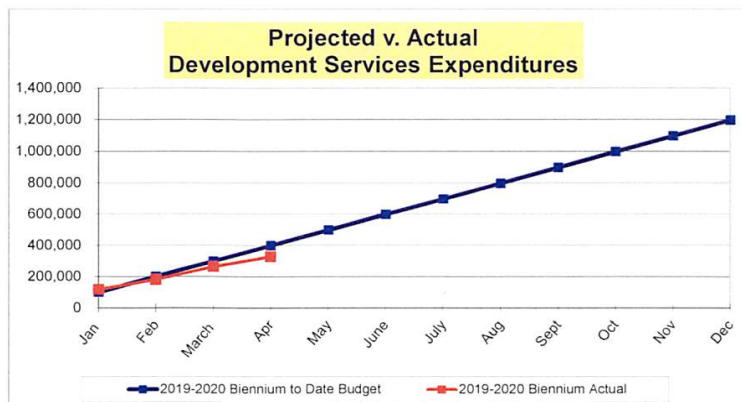
COMMUNITY DEVELOPMENT

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	71,551	55,205
Feb	143,102	128,125
March	214,653	205,773
Apr	286,203	263,084
May	357,754	
June	429,305	
July	500,856	
Aug	572,407	
Sept	643,958	
Oct	715,508	
Nov	787,059	
Dec	858,610	
2019-20	1,698,893	
Year To Date		
Actual v. Projected		92%



DEVELOPMENT SERVICES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	99,642	118,215
Feb	199,283	179,150
March	298,925	263,769
Apr	398,567	328,719
May	498,208	
June	597,850	
July	697,492	
Aug	797,133	
Sept	896,775	
Oct	996,417	
Nov	1,096,058	
Dec	1,195,700	
2019-20	2,436,502	
Year To Date		
Actual v. Projected		82%



**City of Kenmore, Washington
General Fund Expenditure Graphs
April 30, 2019**

PARKS & FACILITY MAINTENANCE

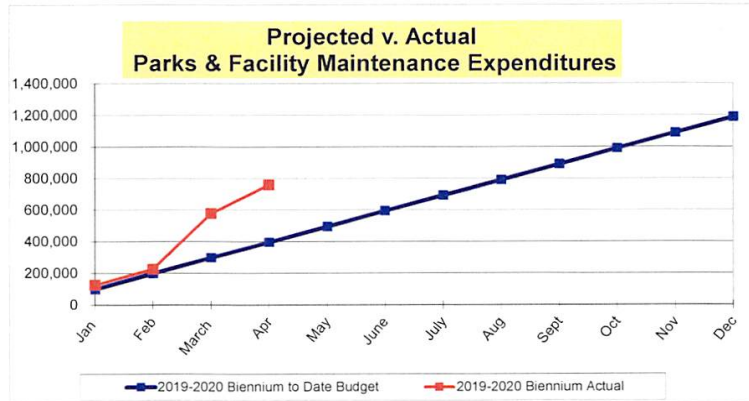
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
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Jan	98,948	126,627
Feb	197,897	225,820
March	296,845	577,287
Apr	395,793	760,555
May	494,742	
June	593,690	
July	692,638	
Aug	791,587	
Sept	890,535	
Oct	989,483	
Nov	1,088,432	
Dec	1,187,380	
2019-20	2,426,725	

Year To Date

Actual v. Projected

192%



TOTAL GENERAL FUND EXPENDITURES

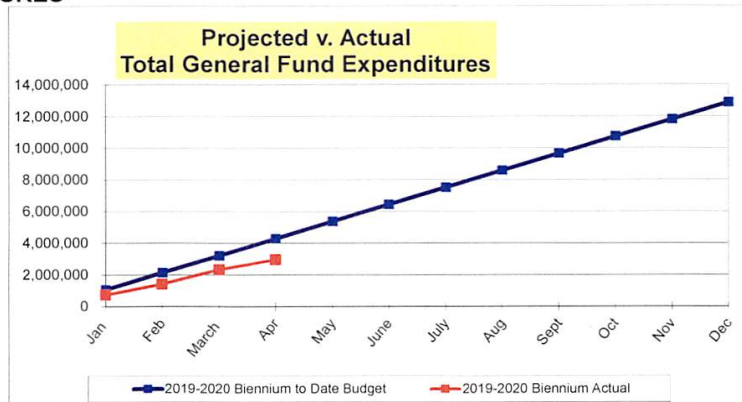
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
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Jan	1,073,122	746,640
Feb	2,146,245	1,424,346
March	3,219,367	2,339,375
Apr	4,292,489	2,976,679
May	5,365,612	
June	6,438,734	
July	7,511,856	
Aug	8,584,979	
Sept	9,658,101	
Oct	10,731,223	
Nov	11,804,346	
Dec	12,877,468	
2019-20	25,927,872	

Year To Date

Actual v. Projected

69%



City of Kenmore, Washington
Street Fund Summary Report
April 30, 2019



	<u>MONTH</u> <u>April 2019</u>	<u>BIENNIUM TO DATE</u> <u>2019-2020</u>	<u>% of</u> <u>BUDGET</u>	<u>BUDGET</u> <u>2019-2020</u>
REVENUES				
Beginning Fund Balance		926,962		926,962
Fuel Tax	31,340	146,003	14.5%	1,006,385
Investment Interest	2,081	4,130	82.6%	5,000
Miscellaneous	2,338	8,302	415.1%	2,000
ROW Permit Fees/Inspections	46,746	58,784	24.5%	240,000
Multimodal Transportation	0	7,934	12.6%	62,910
Transfer from General Fund	0	0	0.0%	1,602,484
Transfer from TBD	0	0	0.0%	716,000
Total Revenues	82,505	225,154	6.2%	3,634,779
Total Revenues & Beginning Fund Balance		1,152,116		4,561,741
EXPENDITURES				
		<u>BIENNIUM TO DATE</u> <u>2019-2020</u>	<u>% of</u> <u>BUDGET</u>	<u>BUDGET</u> <u>2019-2020</u>
Salary and Benefits	45,966	211,975	16.0%	1,320,880
Maintenance & Operations	43,043	190,562	8.8%	2,163,899
Capital	5,175	138,487	92.3%	150,000
Total Expenditures	94,184	541,024	14.9%	3,634,779
Ending Fund Balance		611,092		926,962
Total Expenditures and Ending Fund Balance		1,152,116		4,561,741

City of Kenmore, Washington
Cash and Investment Report
April 30, 2019



<u>Fund</u>	<u>Beg. Cash & Inv.</u> <u>from Prev. Mo.</u>	<u>Monthly</u> <u>Revenues</u>	<u>Monthly</u> <u>Expenditures</u>	<u>End. Cash & Inv.</u> <u>Current Month</u>
General	\$4,779,716	\$2,323,415	\$637,304	6,465,827
Street	622,769	82,505	94,184	611,091
Transportation Capital	1,288,443	3,045	238,830	1,052,658
Public Art	69,797	201	0	69,998
Park Impact Fee	618,911	4,527	0	623,438
Transportation Impact Fee	2,917,201	18,374	0	2,935,575
Swamp Creek Basin	1,461,184	4,207	0	1,465,391
Transportation Benefit District	194,769	31,627	0	226,396
Sammamish Bridge Replacement	1,947,939	15,198	15,064	1,948,072
Walkways & Waterways Debt Service	248,949	423,499	0	672,448
Real Estate Excise Tax	1,026,389	107,686	0	1,134,075
Kenmore Village	3	0	0	3
Park Capital	-44,573	41,390	17,996	(21,180)
Walkways & Waterways Bond	6,843,912	16,985	0	6,860,897
Surface Water Management	856,372	746,798	106,544	1,496,626
Surface Water Capital	-6,531	0	1,432	(7,963)
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,315,091	3,787	0	1,318,877
Strategic Opportunities	2,178,241	6,272	0	2,184,513
Equipment Replacement	509,924	1,468	0	511,392
Trust & Agency	839,024	18,833	38,676	819,180
Totals	\$27,667,529	\$3,849,817	\$1,150,030	\$30,367,316

<u>Fund</u>	<u>Cash, Savings,</u> <u>Local Govt Investment Pool</u>	<u>(> One Year)</u> <u>Fixed</u> <u>Investments</u>	<u>Total</u>
General	\$1,539,797	\$4,926,330	6,466,127
Street	-238,908	850,000	611,092
Transportation Capital	1,052,658	0	1,052,658
Public Art	54,997	15,000	69,997
Park Impact Fee	-306,560	930,000	623,440
Transportation Impact Fee	2,905,577	30,000	2,935,577
Swamp Creek Basin	65,392	1,400,000	1,465,392
Transportation Benefit District	226,395	0	226,395
Sammamish Bridge Replacement	1,948,072	0	1,948,072
Walkways & Waterways Debt Service	672,447	0	672,447
Real Estate Excise Tax	1,134,073	0	1,134,073
Kenmore Village	0	0	0
Park Capital	-21,180	0	(21,180)
Walkways & Waterways Bond	6,860,897	0	6,860,897
Surface Water Management	986,628	510,000	1,496,628
Surface Water Capital	-7,963	0	(7,963)
Public Works Shop Fund	0	0	0
Strategic Reserve	468,878	850,000	1,318,878
Strategic Opportunities	2,184,514	0	2,184,514
Equipment Replacement	61,392	450,000	511,392
Trust & Agency	719,176	100,000	819,176
Totals	\$20,306,283	\$10,061,330	\$30,367,613

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City of Kenmore, Washington
Investment Schedule
April 30, 2019



Average Yield to Maturity-Securities							Overall Average Yield	
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Principal or Balance	Yield Equivalents
Morgan Stanley								
	3134G9GR2	FHLMC	8/18/2020	8/7/2017	1.60%	1.62%	999,500.00	16,191.90
	3130ACTL8	FHLB	11/25/2020	12/22/2017	1.95%	1.95%	997,650.00	19,454.18
	3134GSEU5	FHLB	2/24/2021	5/23/2018	2.62%	2.62%	996,714.35	26,153.78
	3133EHXL2	FHLB	3/5/2020	9/19/2017	1.54%	1.54%	999,000.00	15,384.60
	3130AB3N4	FHLB	10/29/2019	4/28/2017	1.55%	1.55%	1,000,750.00	15,511.63
Total Morgan Stanley Purchases							4,993,614.35	92,696.08
Time Value Investments								
	3130A7RL1	FHLB	4/19/2021	1/26/2017	1.80%	1.80%	992,893.00	17,872.07
	3133EJSU4	FFCB	12/26/2019	7/11/2018	2.53%	2.53%	1,001,561.00	25,339.49
	76116FAG2	RFCSP	1/15/2021	5/31/2018	2.50%	2.50%	999,718.18	24,992.95
	3136G4ED1	FNMA	10/25/2021	4/22/2019	2.36%	2.36%	1,073,543.26	25,335.62
Total TVI Purchases							4,067,715.44	93,540.14
Opus Bank CD's								
	11495975	CD	8/10/2019	8/10/2018	2.37%	2.40%	1,000,000.00	24,000.00
Total Cascade Bank CD's							1,000,000.00	24,000.00
TOTAL ALL SECURITIES							\$ 10,061,329.79	\$ 210,236.23
Banner Checking and Savings						0.07% Banner	5,225,574.17	3,657.90
Opus Savings						2.59% Opus	3,084,223.75	79,881.40
LGIP - Primary Account						2.54% LGIP	3,845,280.88	97,689.36
LGIP - Bond Proceeds Account						2.54% LGIP	8,151,204.29	207,081.34
Total Accounts						\$	30,367,612.88	598,546.23

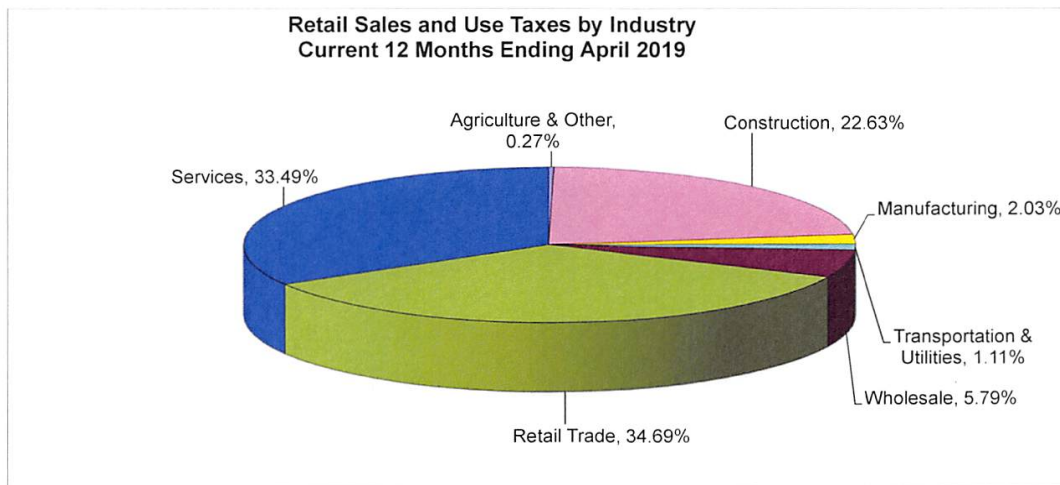
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 April 2019

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	2.91	0.00	2.91	0.0%
CONSTRUCTION	42,023.33	123.89	42,147.22	22.9%
MANUFACTURING	2,715.96	3.08	2,719.03	1.5%
TRANSPORTATION & UTILITIES	1,146.20	200.67	1,346.87	0.7%
WHOLESALE	6,875.51	233.03	7,108.54	3.9%
RETAIL TRADE	66,846.24	105.63	66,951.87	36.4%
SERVICES	53,887.39	378.01	54,265.39	29.5%
INFORMATION	7,648.16	509.55	8,157.71	4.4%
PUBLIC SERVICES	5.58	1,468.04	1,473.62	0.8%
	<u>181,151.27</u>	<u>3,021.89</u>	<u>184,173.16</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
April 30, 2019

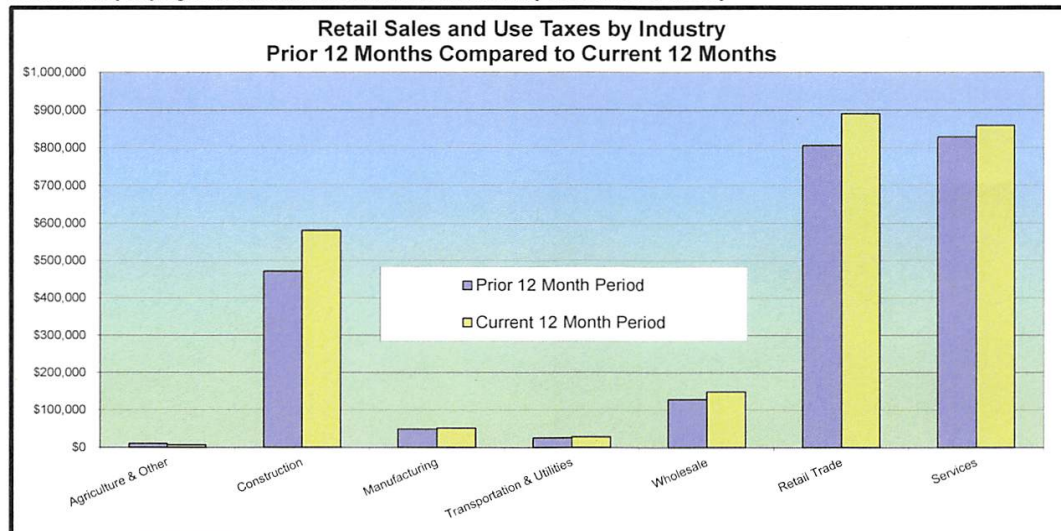


<u>Industry</u>	<u>Prior 12 Months ending April 2018</u>	<u>Current 12 Months ending April 2019</u>	<u>% Increase/ (Decrease)</u>	<u>% of Total</u>
Agriculture & Other (Landscaping, Animal Hospitals)	\$10,200	\$6,891	-32.44%	0.27%
Construction	471,337	580,792 *	23.22%	22.63%
Manufacturing (Printing, Publishing, Other Manuf.)	48,756	52,086	6.83%	2.03%
Transp/Comm/Utilities (Telecomm., Air Transport.)	25,410	28,370	11.65%	1.11%
Wholesale (Lumber, Other Wholesale)	127,964	148,531	16.07%	5.79%
Retail Trade (Eating, Merchandise, Food Stores)	806,495	890,220	10.38%	34.69%
Services (Auction, Recreation, Auto Repair, Financial)	828,999	859,337	3.66%	33.49%
Totals	\$2,319,161	\$2,566,227	10.65%	100%
Increase/(Decrease)		\$247,066	10.65%	



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
April 30, 2019



Real Estate Excise Taxes (REET)
2016 - 2019 Monthly Receipts

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
January	122,819	176,657	99,205	67,141	132,894
February	70,146	94,134	82,263	84,215	82,181
March	110,066	170,086	89,698	89,106	123,284
April	133,161	126,245	148,514	104,430	135,973
May	129,599	139,422	144,906		137,976
June	167,575	211,430	181,182		186,729
July	177,426	163,138	181,974		174,179
August	165,397	114,754	115,421		131,857
September	136,176	221,719	128,704		162,200
October	150,786	186,805	97,998		145,196
November	124,437	150,187	102,373		125,666
December	131,651	146,159	112,490		130,100
	\$1,619,239	\$1,900,736	\$1,484,728	\$344,893	\$1,668,234

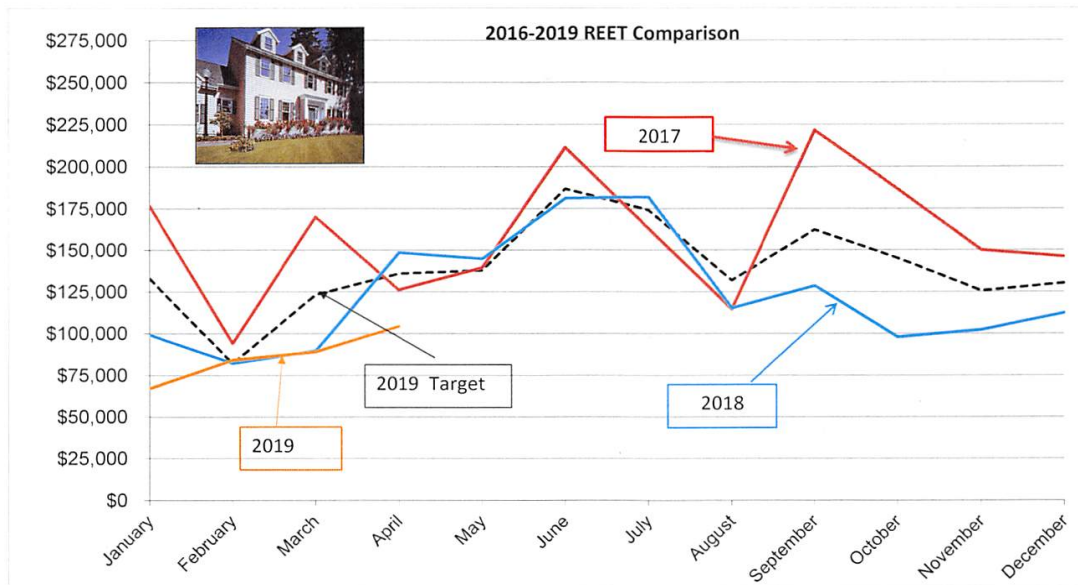
For 2019, REET is \$74,787 less than the same period last year and less than the 2019 target by \$129,439

* NOTE THE 2019 target is computed on a 3 year average (2016-2018) of actual receipts

Real Estate Excise Taxes (REET)
2016 - 2019 Property Sales > \$500,000

sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the revenue

	2016	2017	2018	2019	2016	2017	2018	2019
January	18,590,517	27,548,430	17,379,581	12,424,500	92,023	136,365	86,029	61,501
February	9,701,034	19,017,050	15,277,640	14,286,900	48,020	94,134	75,624	70,720
March	15,147,174	29,692,641	13,818,387	15,106,888	74,979	146,979	68,401	74,779
April	21,160,913	19,953,544	23,896,450	19,671,000	104,747	98,770	118,287	97,371
May	19,813,122	24,277,456	25,710,632		98,075	120,173	127,268	0
June	26,065,161	36,414,050	31,816,871		129,023	180,250	157,494	0
July	24,020,546	28,779,145	32,800,185		118,902	142,457	162,361	0
August	21,648,781	18,859,991	19,693,600		107,161	93,357	97,483	0
September	16,950,242	38,431,272	22,172,221		83,904	190,235	109,752	0
October	21,157,409	31,278,148	14,697,849		104,729	154,827	72,754	0
November	16,916,011		16,347,581		83,734	0	80,921	0
December	20,607,695	25,603,889	19,908,284		102,008	126,739	98,546	0
	\$231,778,605	\$299,855,616	\$253,519,281	\$61,489,288	1,147,305	\$1,484,286	\$1,254,920	\$304,371

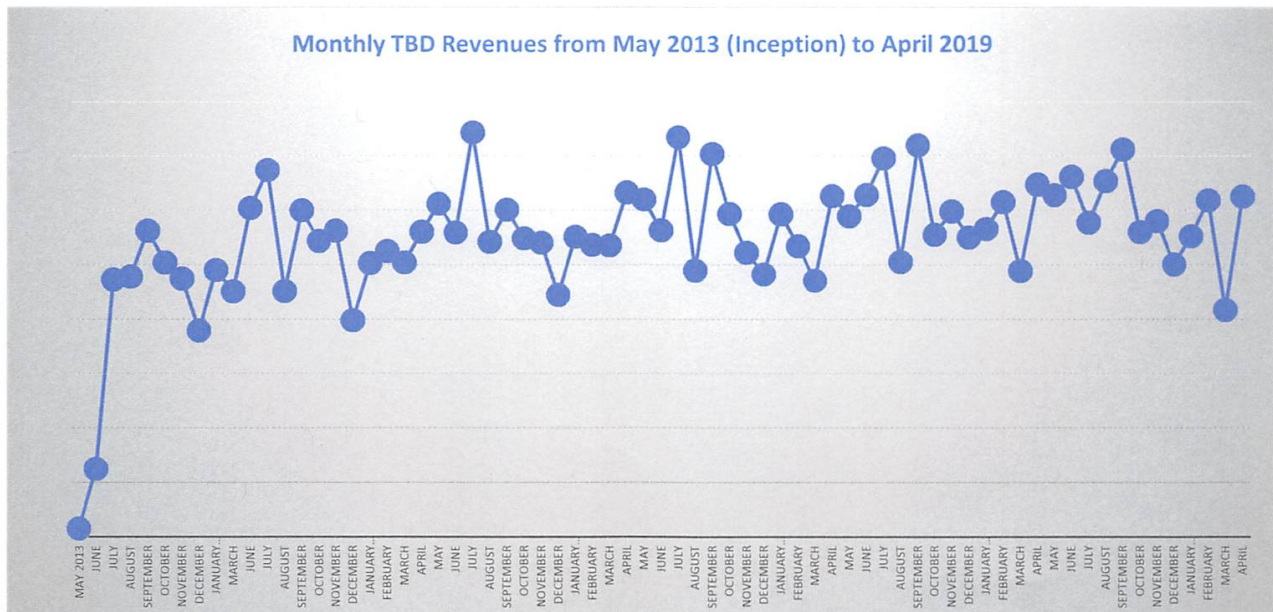


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Kenmore Transportation Benefit District
Monthly Report
April 30, 2019



<u>Revenues</u>	<u>April 2019</u>	<u>Biennium-to-Date</u>	<u>Percent of Budget</u>	<u>Biennium Budget</u>
Vehicle Fees	31,304	110,801	15.61%	710,000
Investment Interest	323	1,235	15.43%	8,000
Total Revenues	<u>\$31,627</u>	<u>\$112,035</u>	15.60%	<u>\$718,000</u>
<u>Expenditures</u>				
Reimbursement to Street Fund	0	0	0.00%	716,000
Total Expenditures	<u>0</u>	<u>0</u>	0.00%	<u>716,000</u>
Net Income (Loss)	<u>\$31,627</u>	<u>\$112,035</u>		<u>\$2,000</u>





18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: July 9, 2019
RE: May 2019 Financial Reports for the City of Kenmore, Washington

May 2019 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
- Cash and Investment Report
- Investment Schedule
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Report for Transportation Benefit District

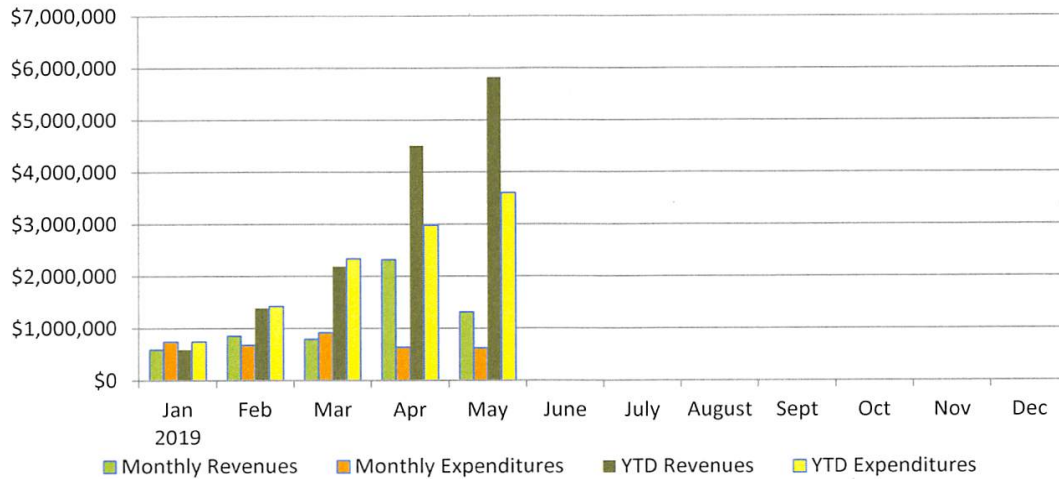
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

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, May is the fifth month (20%) of the 2019-2020 biennial budget period. For the month of May, revenues exceeded expenditures in the General Fund by \$693,880.

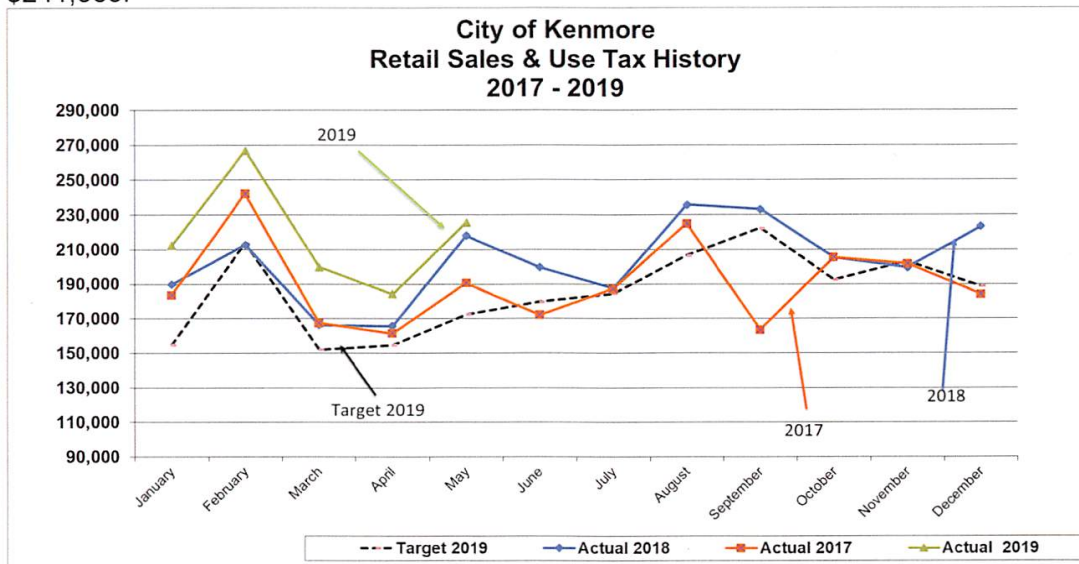
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through May 2019.

City of Kenmore, Washington
Monthly Financial Report
May 2019



Total **revenues** for the month were **\$1,317,180**. Biennium to date revenues are \$5,825,319, which is 22.5% of the budgeted revenues of \$25,927,872. Primary sources of revenue for the month included property taxes in the amount of \$639,188, development fees & permits in the amount of \$138,162, retail sales and use taxes in the amount of \$225,702, franchise fees in the amount of \$112,371, and utility taxes in the amount of \$80,786.

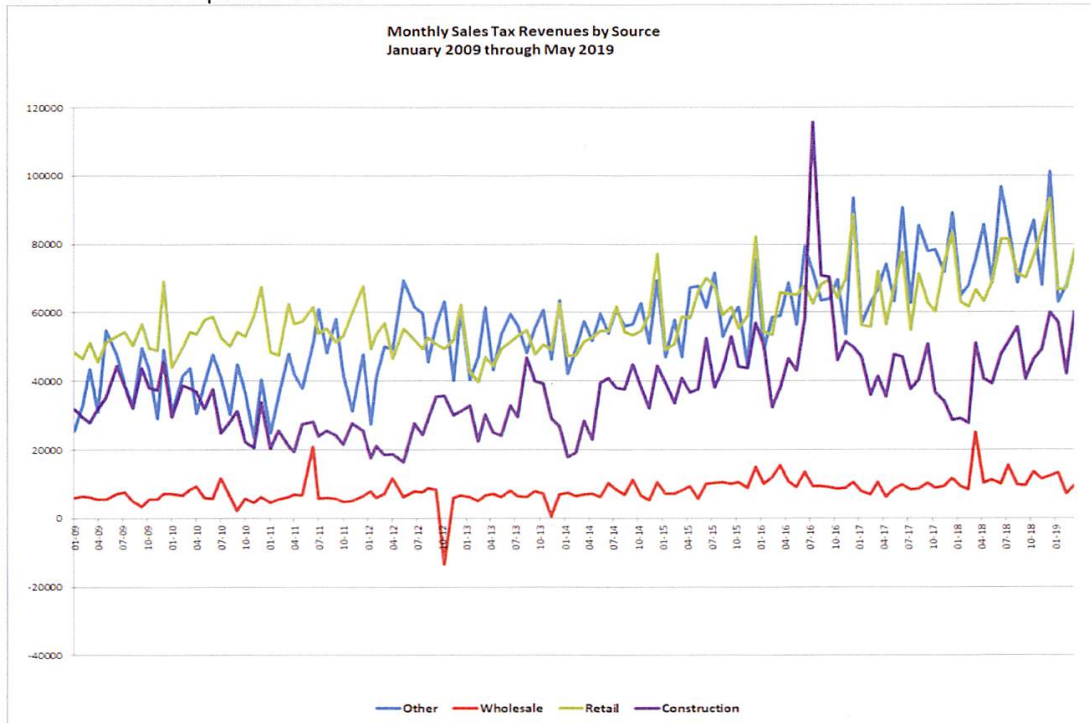
A summary of sales tax revenues received in May is attached. These receipts are based on March sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2019 line is a monthly average of actual receipts during 2016, 2017, and 2018. The green line represents 2019 actual receipts, which are \$136,566 above 2018 and ahead of the 2019 target by \$241,665.



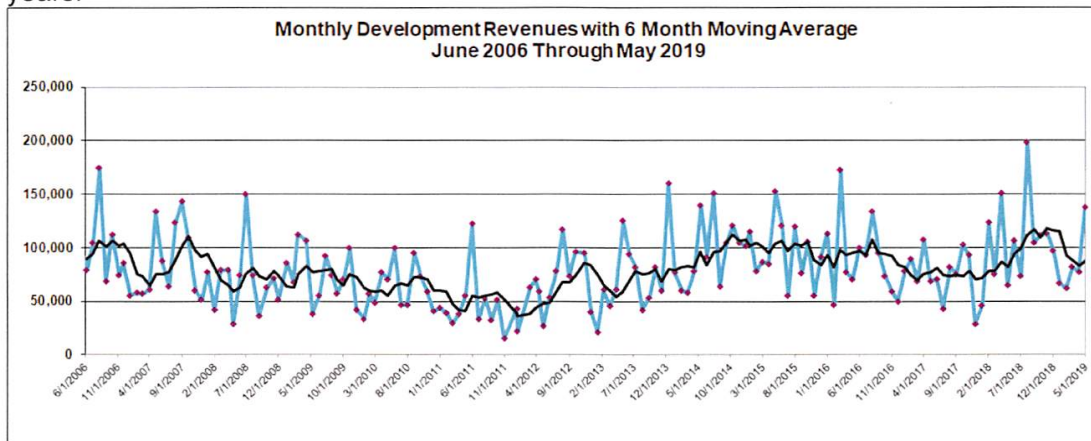
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City of Kenmore, Washington
Monthly Financial Report
May 2019

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 May 2019. Retail and Other are on a favorable upward trend.



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



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City of Kenmore, Washington
Monthly Financial Report
May 2019

May 2019 expenditures were \$623,300. Biennium to date expenditures are \$3,599,979, which is 14% of the biennial budget expenditures of \$25,927,872.

Total City cash (\$21,705,857) and long-term investments (\$10,061,330), at the end of May, totaled \$31,767,187. Proposition 1 levy funds of \$8M are included in this cash balance. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2019-2020 biennial budget.

Total non-General Fund revenues were \$1,175,182 and total non-General Fund expenditures were \$470,239.

In the **Street Fund** revenue from gas tax distributions were \$34,467. \$53,793 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund**, there were expenditures in the amount of \$199,128 on pedestrian safety projects. The fund received \$100,257 in grant reimbursements during the month.

The **Park Impact Fee** fund received \$18,946 in revenues during the month.

There was \$269,721 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received \$96,756 of real estate excise taxes (REET) in May from sales activity that occurred in April. 32 transactions were reported during the month. The 2019 year to date revenue is lower than the 2018 revenue by \$122,937, and the 2019 target by \$170,659.

The **Park Capital** fund had expenditures in the amount of \$76,767 on park improvement projects.

The **Walkways & Waterways Debt Service** Fund collected \$154,297 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$636,781.

The **Transportation Benefit District** Fund received \$35,224 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **May 31, 2019**. 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
May 31, 2019



	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH May 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH May 2017	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018
REVENUES								
Beginning Fund Balance		4,934,368		4,934,368		3,138,914		3,131,687
Property Taxes	639,188	2,636,674	25.8%	10,224,205	922,677	2,381,369	25.1%	9,491,704
Sales and Use Taxes	286,548	1,374,734	24.3%	5,662,000	244,447	1,195,423	20.2%	5,906,291
Utility Taxes	80,786	532,513	21.6%	2,466,355	101,131	637,705	23.5%	2,717,485
Other Taxes	27,347	66,984	36.8%	181,868	12,850	38,114	17.5%	218,113
Development Fees & Permits	138,162	425,533	23.0%	1,854,042	68,402	412,106	20.1%	2,050,518
Franchise Fees	112,371	438,724	23.9%	1,831,835	110,183	425,607	24.4%	1,743,476
Intergovernmental and Grants	14,449	177,453	16.8%	1,057,677	0	155,316	18.5%	841,615
Investment Interest	8,822	31,161	32.7%	95,300	21,257	40,472	77.8%	52,000
Fines and Forfeitures	0	0	n/a	0	182	-685	0.0%	0
Transfers and Other Revenues	9,506	141,543	5.5%	2,554,590	5,691	162,645	10.2%	1,600,972
Total Revenues	1,317,180	5,825,319	22.5%	25,927,872	1,486,821	5,448,071	22.1%	24,622,174

Total Revenues & Beginning Fund Balance	1,317,180	10,759,687		30,862,240		8,586,985		27,753,861
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	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH May 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH May	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018
EXPENDITURES								
Cost Center								
City Council	9,739	84,740	21.2%	400,337	13,699	92,211	28.0%	329,426
City Manager	145,089	602,227	18.1%	3,331,467	116,704	542,534	16.3%	3,328,297
City Clerk	27,920	164,391	19.2%	856,966	9,996	123,980	29.1%	425,368
Finance	50,805	496,551	26.8%	1,851,887	39,351	474,034	28.3%	1,672,775
Legal	28,057	94,270	17.8%	530,000	20,474	99,777	20.0%	500,000
Interfund Transfers	0	0	0.0%	1,602,484	0	0	0.0%	1,403,228
Public Safety	41,120	247,288	2.7%	9,133,991	72,784	256,351	2.9%	8,806,304
Engineering & Environmental Services	93,020	330,604	19.9%	1,658,620	48,485	274,037	19.4%	1,415,011
Community Development	62,916	326,000	19.2%	1,698,893	43,416	214,335	12.5%	1,715,510
Developmental Services	92,326	421,046	17.3%	2,436,502	64,011	478,600	22.5%	2,131,288
Parks & Facility Maintenance	72,307	832,862	34.3%	2,426,725	46,040	350,322	12.3%	2,854,489
Total Expenditures	623,300	3,599,979	13.9%	25,927,872	474,962	2,906,179	11.8%	24,581,696

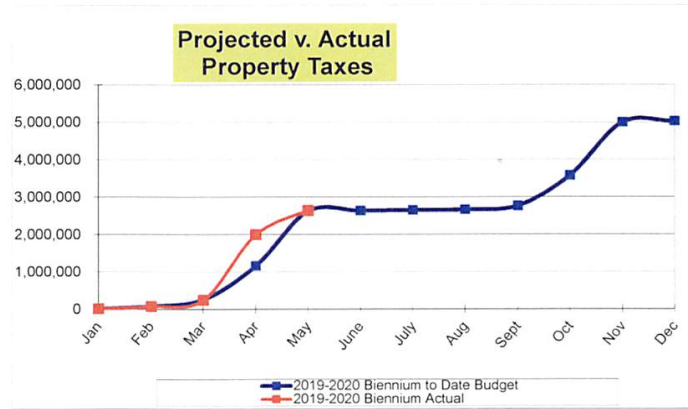
Ending Fund Balance	693,880	7,159,708	0	4,934,368		5,680,805		3,172,165
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Total Expenditures and Ending Fund Balance		10,759,687		30,862,240		8,586,985		27,753,861
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*Non-Departmental expenditures have been moved to other General Fund Cost Centers

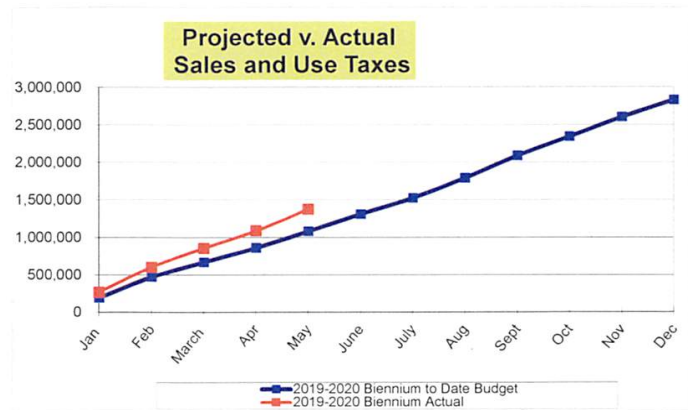
City of Kenmore, Washington
General Fund Revenue Graphs
May 31, 2019
PROPERTY TAXES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	16,142	15,956
Feb	78,314	72,268
Mar	262,932	245,480
Apr	1,163,061	1,997,487
May	2,621,823	2,636,674
June	2,635,867	
July	2,649,793	
Aug	2,664,592	
Sept	2,765,669	
Oct	3,581,266	
Nov	4,995,859	
Dec	5,024,414	
2019-20	10,224,205	
Year To Date		
Actual v. Projected		101%



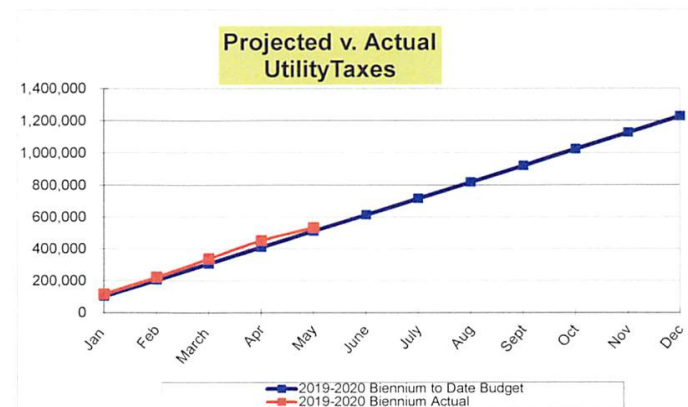
SALES, USE, CRIM JUSTICE TAXES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	193,303	269,980
Feb	471,720	604,138
March	669,878	856,863
Apr	861,174	1,088,185
May	1,081,140	1,374,734
June	1,310,286	
July	1,523,681	
Aug	1,787,898	
Sept	2,086,187	
Oct	2,340,752	
Nov	2,598,277	
Dec	2,827,000	
2019-20	5,662,000	
Year To Date		
Actual v. Projected		127%



UTILITY TAXES

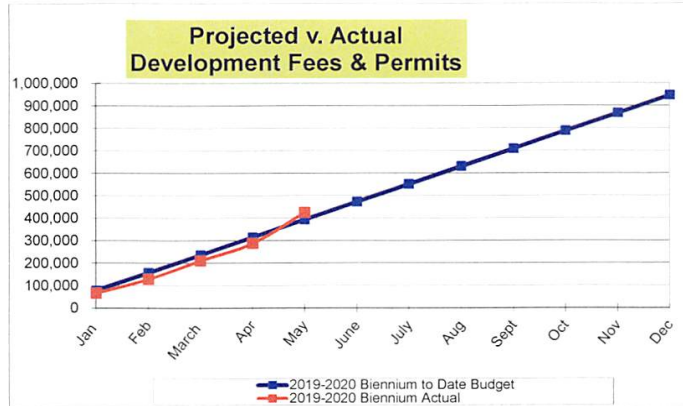
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	102,250	116,230
Feb	204,500	222,289
March	306,750	336,885
Apr	409,000	451,726
May	511,250	532,513
June	613,500	
July	715,750	
Aug	818,000	
Sept	920,250	
Oct	1,022,500	
Nov	1,124,750	
Dec	1,227,000	
2019-20	2,466,355	
Year To Date		
Actual v. Projected		104%



**City of Kenmore, Washington
General Fund Revenue Graphs
May 31, 2019**

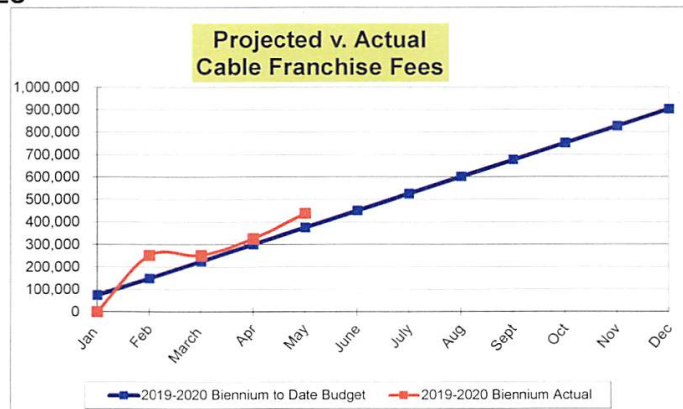
DEVELOPMENT FEES & PERMITS

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	78,798	66,225
Feb	157,596	128,413
March	236,394	210,056
Apr	315,192	287,371
May	393,990	425,533
June	472,788	
July	551,586	
Aug	630,384	
Sept	709,182	
Oct	787,980	
Nov	866,778	
Dec	945,576	
'2019-20	1,854,042	
Year To Date		
Actual v. Projected		108%



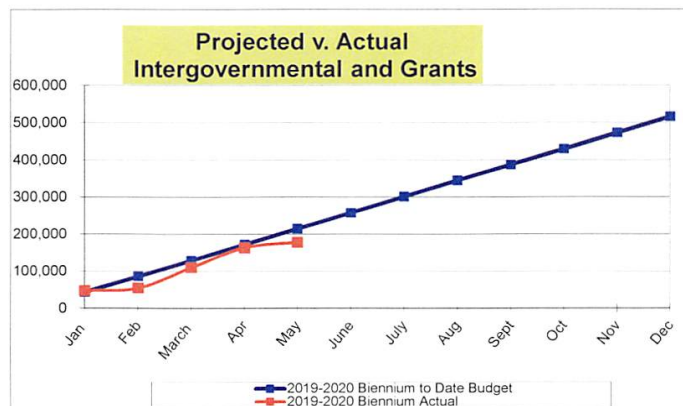
CABLE/WATER/SEWER FRANCHISE FEES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	75,199	0
Feb	150,397	252,172
March	225,596	252,172
Apr	300,794	326,352
May	375,993	438,724
June	451,191	
July	526,390	
Aug	601,588	
Sept	676,787	
Oct	751,985	
Nov	827,184	
Dec	902,382	
'2019-20	1,831,835	
Year To Date		
Actual v. Projected		117%



INTERGOVERNMENTAL & GRANTS

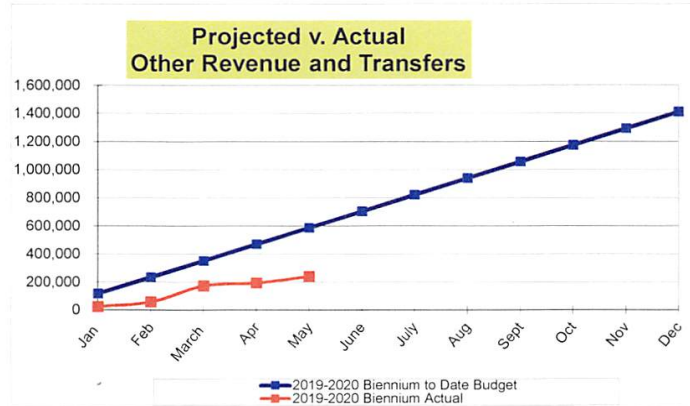
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	42,971	47,201
Feb	85,942	54,089
March	128,913	109,670
Apr	171,884	163,004
May	214,855	177,453
June	257,826	
July	300,796	
Aug	343,767	
Sept	386,738	
Oct	429,709	
Nov	472,680	
Dec	515,651	
'2019-20	1,057,677	
Year To Date		
Actual v. Projected		83%



**City of Kenmore, Washington
General Fund Revenue Graphs
May 31, 2019**

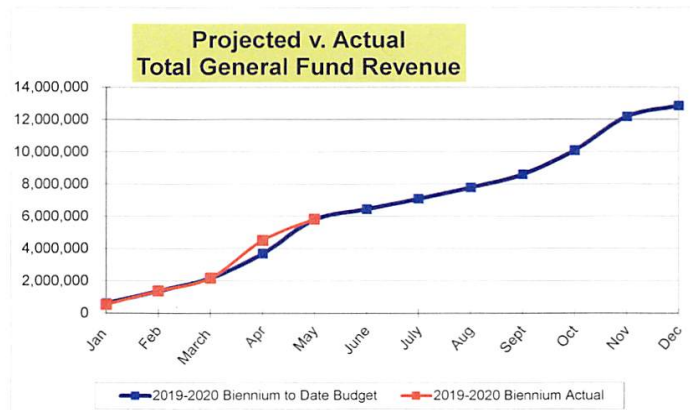
OTHER REVENUES AND TRANSFERS

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	117,537	24,088
Feb	235,074	58,157
March	352,611	173,597
Apr	470,148	194,013
May	587,685	239,688
June	705,222	
July	822,759	
Aug	940,296	
Sept	1,057,833	
Oct	1,175,370	
Nov	1,292,907	
Dec	1,410,444	
'2019-20	2,831,758	
Year To Date		
Actual v. Projected		41%



TOTAL GENERAL FUND REVENUE

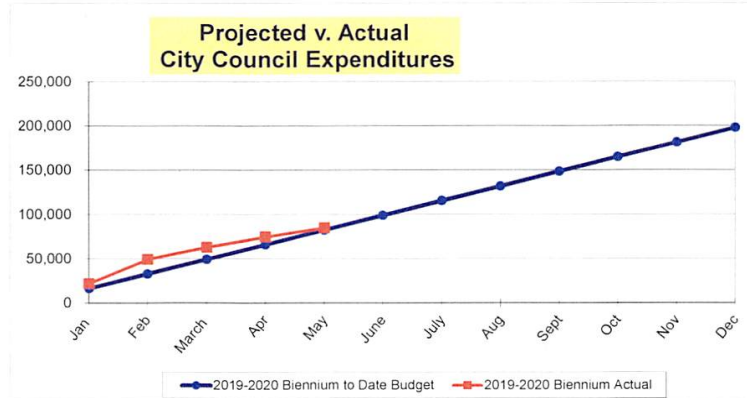
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	626,199	539,680
Feb	1,383,543	1,391,527
March	2,183,074	2,184,723
Apr	3,691,252	4,508,138
May	5,786,734	5,825,319
June	6,446,680	
July	7,090,755	
Aug	7,786,525	
Sept	8,602,645	
Oct	10,089,562	
Nov	12,178,435	
Dec	12,852,467	
'2019-20	25,927,872	
Year To Date		
Actual v. Projected		101%



**City of Kenmore, Washington
General Fund Expenditure Graphs
May 31, 2019**

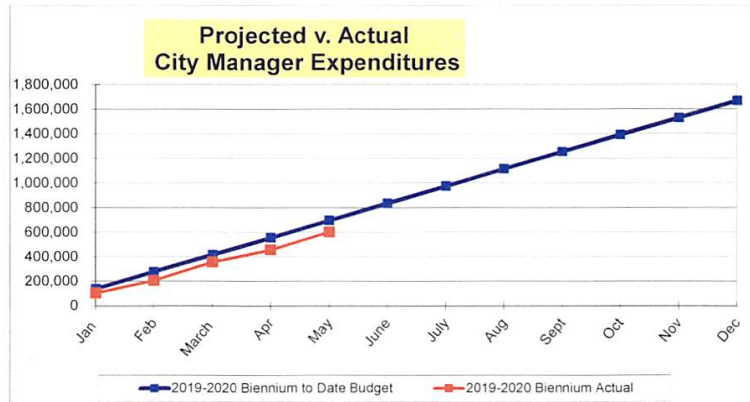
CITY COUNCIL

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	16,496	22,063
Feb	32,992	49,221
March	49,488	62,792
Apr	65,984	75,001
May	82,480	84,740
June	98,977	
July	115,473	
Aug	131,969	
Sept	148,465	
Oct	164,961	
Nov	181,457	
Dec	197,953	
2019-20	400,337	
Year To Date		
Actual v. Projected		103%



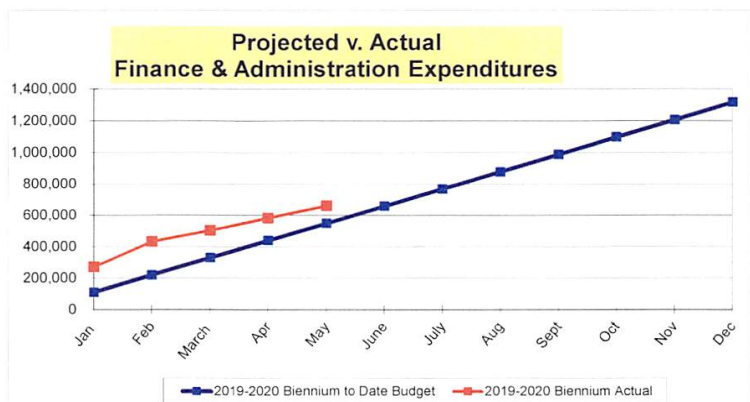
CITY MANAGER

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	139,070	104,052
Feb	278,140	205,694
March	417,210	356,226
Apr	556,280	457,138
May	695,350	602,227
June	834,421	
July	973,491	
Aug	1,112,561	
Sept	1,251,631	
Oct	1,390,701	
Nov	1,529,771	
Dec	1,668,841	
2019-20	3,331,467	
Year To Date		
Actual v. Projected		87%



FINANCE & ADMINISTRATION

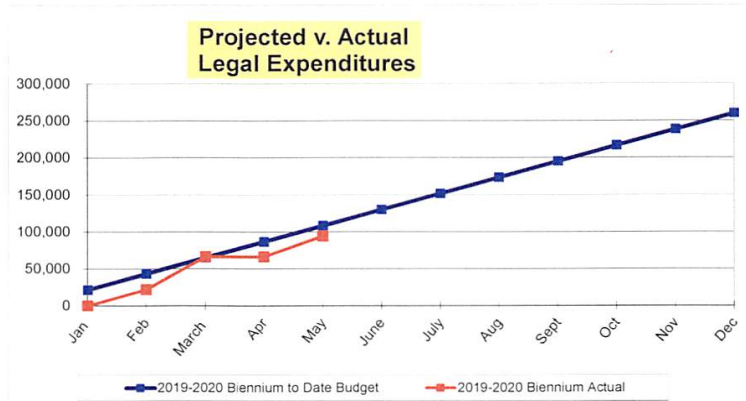
	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	109,736	269,600
Feb	219,471	431,276
March	329,207	503,061
Apr	438,942	582,217
May	548,678	660,942
June	658,414	
July	768,149	
Aug	877,885	
Sept	987,620	
Oct	1,097,356	
Nov	1,207,091	
Dec	1,316,827	
2019-20	2,708,853	
Year To Date		
Actual v. Projected		120%



**City of Kenmore, Washington
General Fund Expenditure Graphs
May 31, 2019**

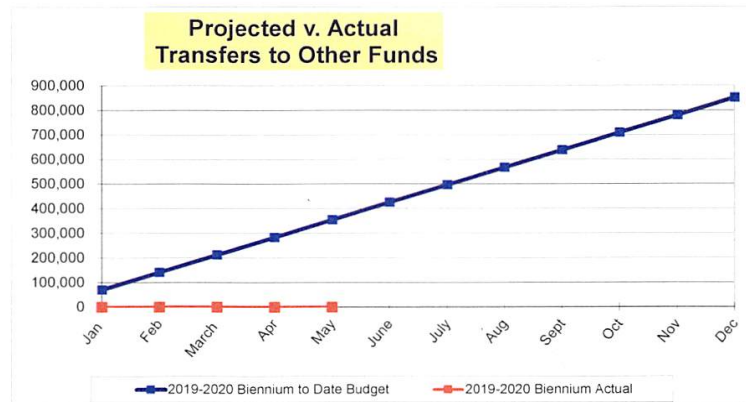
LEGAL

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	21,667	0
Feb	43,333	22,119
March	65,000	66,212
Apr	86,667	66,212
May	108,333	94,270
June	130,000	
July	151,667	
Aug	173,333	
Sept	195,000	
Oct	216,667	
Nov	238,333	
Dec	260,000	
2019-20	530,000	
Year To Date		
Actual v. Projected		87%



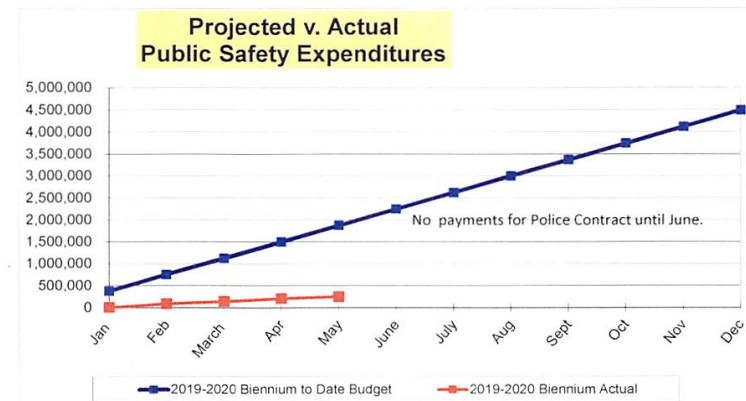
TRANSFERS TO OTHER FUNDS

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	70,991	0
Feb	141,983	0
March	212,974	0
Apr	283,966	0
May	354,957	0
June	425,949	
July	496,940	
Aug	567,931	
Sept	638,923	
Oct	709,914	
Nov	780,906	
Dec	851,897	
2019-20	1,602,484	
Year To Date		
Actual v. Projected		0%



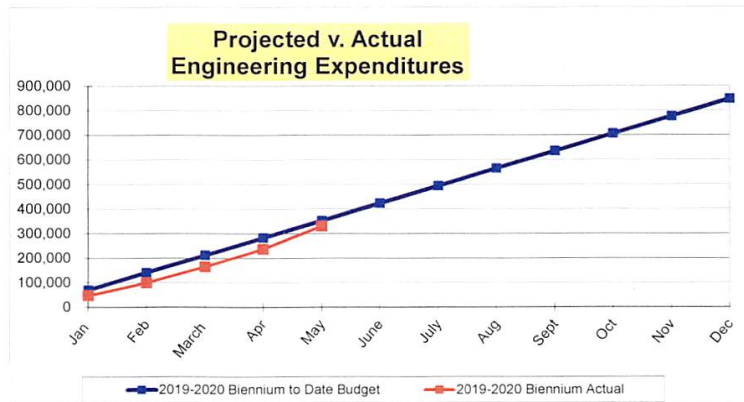
PUBLIC SAFETY

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	374,381	4,167
Feb	748,763	83,327
March	1,123,144	139,422
Apr	1,497,525	206,168
May	1,871,906	247,288
June	2,246,288	
July	2,620,669	
Aug	2,995,050	
Sept	3,369,431	
Oct	3,743,813	
Nov	4,118,194	
Dec	4,492,575	
2019-20	9,133,991	
Year To Date		
Actual v. Projected		13%



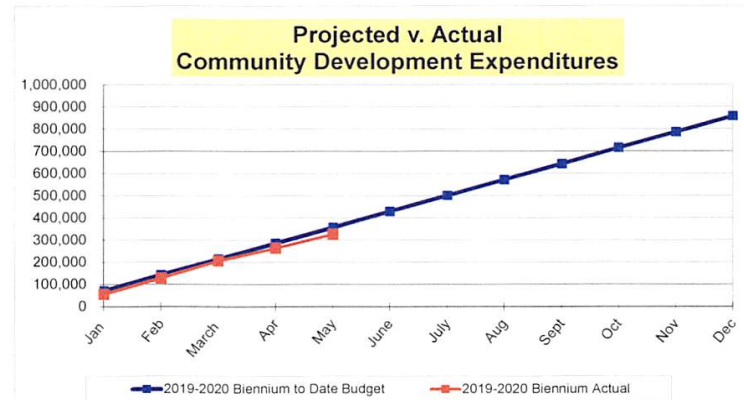
City of Kenmore, Washington
General Fund Expenditure Graphs
May 31, 2019
ENGINEERING

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	70,640	46,711
Feb	141,281	99,615
March	211,921	164,832
Apr	282,562	237,584
May	353,202	330,604
June	423,843	
July	494,483	
Aug	565,123	
Sept	635,764	
Oct	706,404	
Nov	777,045	
Dec	847,685	
2019-20	1,658,620	
Year To Date		
Actual v. Projected		94%



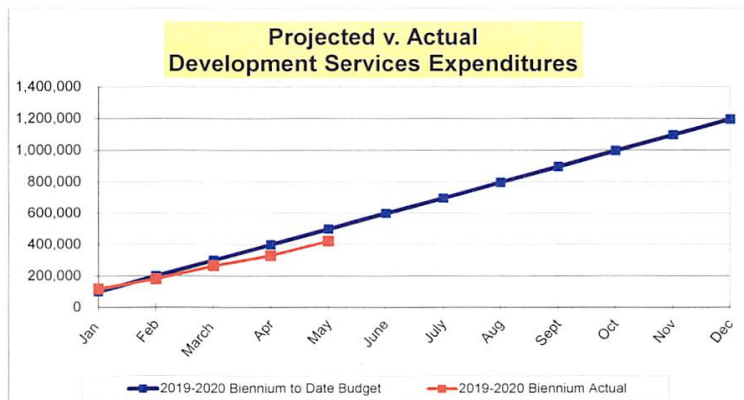
COMMUNITY DEVELOPMENT

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	71,551	55,205
Feb	143,102	128,125
March	214,653	205,773
Apr	286,203	263,084
May	357,754	326,000
June	429,305	
July	500,856	
Aug	572,407	
Sept	643,958	
Oct	715,508	
Nov	787,059	
Dec	858,610	
2019-20	1,698,893	
Year To Date		
Actual v. Projected		91%



DEVELOPMENT SERVICES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	99,642	118,215
Feb	199,283	179,150
March	298,925	263,769
Apr	398,567	328,719
May	498,208	421,046
June	597,850	
July	697,492	
Aug	797,133	
Sept	896,775	
Oct	996,417	
Nov	1,096,058	
Dec	1,195,700	
2019-20	2,436,502	
Year To Date		
Actual v. Projected		85%

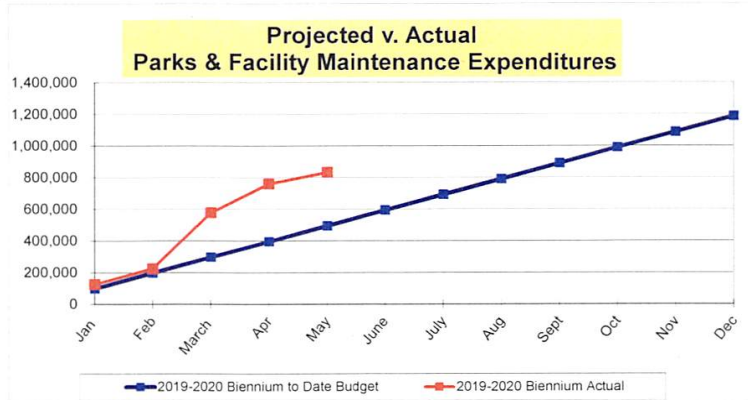


**City of Kenmore, Washington
General Fund Expenditure Graphs
May 31, 2019**

PARKS & FACILITY MAINTENANCE

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
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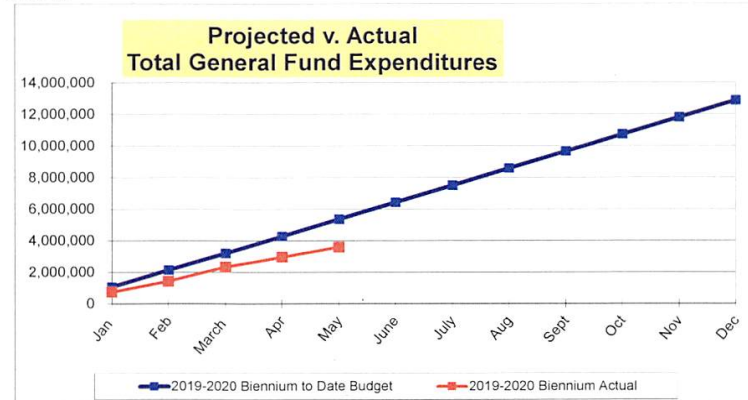
Jan	98,948	126,627
Feb	197,897	225,820
March	296,845	577,287
Apr	395,793	760,555
May	494,742	832,862
June	593,690	
July	692,638	
Aug	791,587	
Sept	890,535	
Oct	989,483	
Nov	1,088,432	
Dec	1,187,380	
2019-20	2,426,725	
Year To Date		
Actual v. Projected		168%



TOTAL GENERAL FUND EXPENDITURES

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
--	---	---------------------------------

Jan	1,073,122	746,640
Feb	2,146,245	1,424,346
March	3,219,367	2,339,375
Apr	4,292,489	2,976,679
May	5,365,612	3,599,979
June	6,438,734	
July	7,511,856	
Aug	8,584,979	
Sept	9,658,101	
Oct	10,731,223	
Nov	11,804,346	
Dec	12,877,468	
2019-20	25,927,872	
Year To Date		
Actual v. Projected		67%



**City of Kenmore, Washington
Street Fund Summary Report
May 31, 2019**



	<u>MONTH</u> <u>May 2019</u>	<u>BIENNIUM TO DATE</u> <u>2019-2020</u>	<u>% of</u> <u>BUDGET</u>	<u>BUDGET</u> <u>2019-2020</u>
REVENUES				
Beginning Fund Balance		926,962		926,962
Fuel Tax	34,467	180,471	17.9%	1,006,385
Investment Interest	747	4,877	97.5%	5,000
Miscellaneous	0	8,302	415.1%	2,000
ROW Permit Fees/Inspections	38,978	97,762	40.7%	240,000
Multimodal Transportation	0	7,934	12.6%	62,910
Transfer from General Fund	0	0	0.0%	1,602,484
Transfer from TBD	0	0	0.0%	716,000
Total Revenues	74,192	299,346	8.2%	3,634,779
Total Revenues & Beginning Fund Balance		1,226,308		4,561,741
		<u>BIENNIUM TO DATE</u> <u>2019-2020</u>	<u>% of</u> <u>BUDGET</u>	<u>BUDGET</u> <u>2019-2020</u>
EXPENDITURES				
Salary and Benefits	47,974	259,949	19.7%	1,320,880
Maintenance & Operations	53,793	244,355	11.3%	2,163,899
Capital	5,310	143,797	95.9%	150,000
Total Expenditures	107,078	648,102	17.8%	3,634,779
Ending Fund Balance		578,206		926,962
Total Expenditures and Ending Fund Balance		1,226,308		4,561,741

City of Kenmore, Washington
Cash and Investment Report
May 31, 2019



<u>Fund</u>	<u>Beg. Cash & Inv.</u> <u>from Prev. Mo.</u>	<u>Monthly</u> <u>Revenues</u>	<u>Monthly</u> <u>Expenditures</u>	<u>End. Cash & Inv.</u> <u>Current Month</u>
General	\$6,465,827	\$1,317,180	\$623,300	7,159,707
Street	611,091	74,192	107,078	578,205
Transportation Capital	1,052,658	100,257	199,353	953,563
Public Art	69,998	91	0	70,088
Park Impact Fee	623,438	19,777	0	643,215
Transportation Impact Fee	2,935,575	70,254	0	3,005,828
Swamp Creek Basin	1,465,391	1,895	0	1,467,286
Transportation Benefit District	226,396	35,563	0	261,958
Sammamish Bridge Replacement	1,948,072	138,751	63,264	2,023,559
Walkways & Waterways Debt Service	672,448	154,297	0	826,744
Real Estate Excise Tax	1,134,075	98,348	0	1,232,422
Kenmore Village	3	0	0	3
Park Capital	-21,180	26,562	76,767	(71,384)
Walkways & Waterways Bond	6,860,897	17,275	0	6,878,172
Surface Water Management	1,496,626	375,315	-15,046	1,886,987
Surface Water Capital	-7,963	0	395	(8,357)
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,318,877	1,706	0	1,320,583
Strategic Opportunities	2,184,513	2,825	0	2,187,338
Equipment Replacement	511,392	663	-1,188	513,243
Trust & Agency	819,180	57,412	39,617	836,976
Totals	\$30,367,316	\$2,492,362	\$1,093,540	\$31,766,138

<u>Fund</u>	<u>Cash, Savings,</u> <u>Local Govt Investment Pool</u>	<u>(> One Year)</u> <u>Fixed</u> <u>Investments</u>	<u>Total</u>
General	\$2,234,429	\$4,926,330	7,160,759
Street	-271,794	850,000	578,206
Transportation Capital	953,563	0	953,563
Public Art	55,088	15,000	70,088
Park Impact Fee	-286,783	930,000	643,217
Transportation Impact Fee	2,975,831	30,000	3,005,831
Swamp Creek Basin	67,287	1,400,000	1,467,287
Transportation Benefit District	261,958	0	261,958
Sammamish Bridge Replacement	2,023,559	0	2,023,559
Walkways & Waterways Debt Service	826,744	0	826,744
Real Estate Excise Tax	1,232,421	0	1,232,421
Kenmore Village	0	0	0
Park Capital	-71,385	0	(71,385)
Walkways & Waterways Bond	6,878,172	0	6,878,172
Surface Water Management	1,376,989	510,000	1,886,989
Surface Water Capital	-8,358	0	(8,358)
Public Works Shop Fund	0	0	0
Strategic Reserve	470,584	850,000	1,320,584
Strategic Opportunities	2,187,339	0	2,187,339
Equipment Replacement	63,243	450,000	513,243
Trust & Agency	736,971	100,000	836,971
Totals	\$21,705,857	\$10,061,330	\$31,767,187

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City of Kenmore, Washington
Investment Schedule
May 31, 2019



Average Yield to Maturity-Securities							Overall Average Yield	1.90%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Principal or Balance	Yield Equivalents
Morgan Stanley								
	3134G9GR2	FHLMC	8/18/2020	8/7/2017	1.60%	1.62%	999,500.00	16,191.90
	3130ACTL8	FHLB	11/25/2020	12/22/2017	1.95%	1.95%	997,650.00	19,454.18
	3134GSEU5	FHLB	2/24/2021	5/23/2018	2.62%	2.62%	996,714.35	26,153.78
	3133EHXL2	FHLB	3/5/2020	9/19/2017	1.54%	1.54%	999,000.00	15,384.60
	3130AB3N4	FHLB	10/29/2019	4/28/2017	1.55%	1.55%	1,000,750.00	15,511.63
Total Morgan Stanley Purchases							4,993,614.35	92,696.08
Time Value Investments								
	3130A7RL1	FHLB	4/19/2021	1/26/2017	1.80%	1.80%	992,893.00	17,872.07
	3133EJSU4	FFCB	12/26/2019	7/11/2018	2.53%	2.53%	1,001,561.00	25,339.49
	76116FAG2	RFCSP	1/15/2021	5/31/2018	2.50%	2.50%	999,718.18	24,992.95
	3136G4ED1	FNMA	10/25/2021	4/22/2019	2.36%	2.36%	1,073,543.26	25,335.62
Total TVI Purchases							4,067,715.44	93,540.14
Opus Bank CD's								
	11495975	CD	8/10/2019	8/10/2018	2.37%	2.40%	1,000,000.00	24,000.00
Total Cascade Bank CD's							1,000,000.00	24,000.00
TOTAL ALL SECURITIES							\$ 10,061,329.79	\$ 210,236.23
Banner Checking and Savings						0.07% Banner	6,593,062.84	4,615.14
Opus Savings						2.59% Opus	3,090,883.91	80,053.89
LGIP - Primary Account						2.58% LGIP	3,853,430.37	99,360.70
LGIP - Bond Proceeds Account						2.58% LGIP	8,168,479.53	210,624.24
Total Accounts							\$ 31,767,186.44	604,890.21

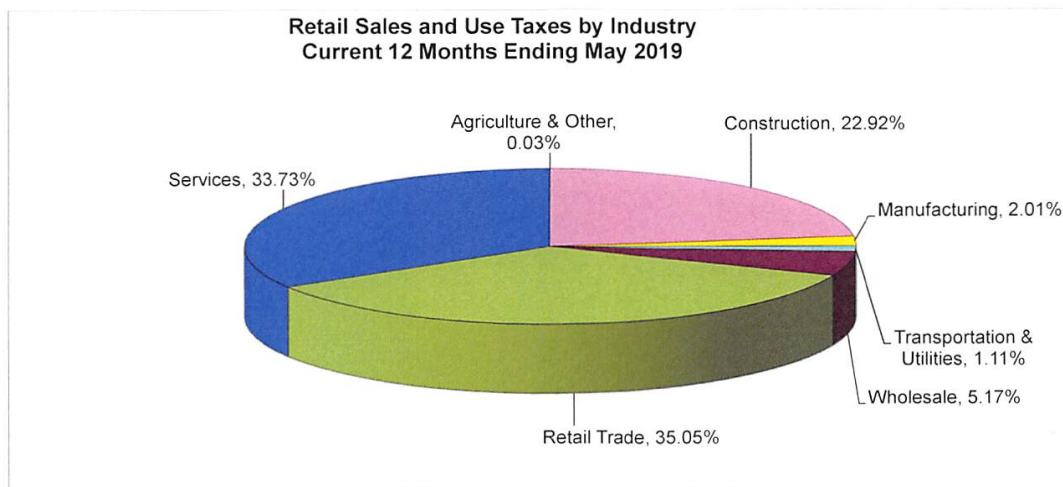
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 May 2019

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	70.28	0.00	70.28	0.0%
CONSTRUCTION	59,633.41	443.26	60,076.67	26.6%
MANUFACTURING	4,143.65	6.68	4,150.33	1.8%
TRANSPORTATION & UTILITIES	2,709.90	495.93	3,205.83	1.4%
WHOLESALE	9,397.64	197.84	9,595.49	4.3%
RETAIL TRADE	78,134.05	142.25	78,276.30	34.7%
SERVICES	58,039.85	2,545.22	60,585.08	26.8%
INFORMATION	7,374.56	27.30	7,401.86	3.3%
PUBLIC SERVICES	7.87	2,332.56	2,340.42	1.0%
	<u>219,511.22</u>	<u>6,191.03</u>	<u>225,702.25</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
May 31, 2019

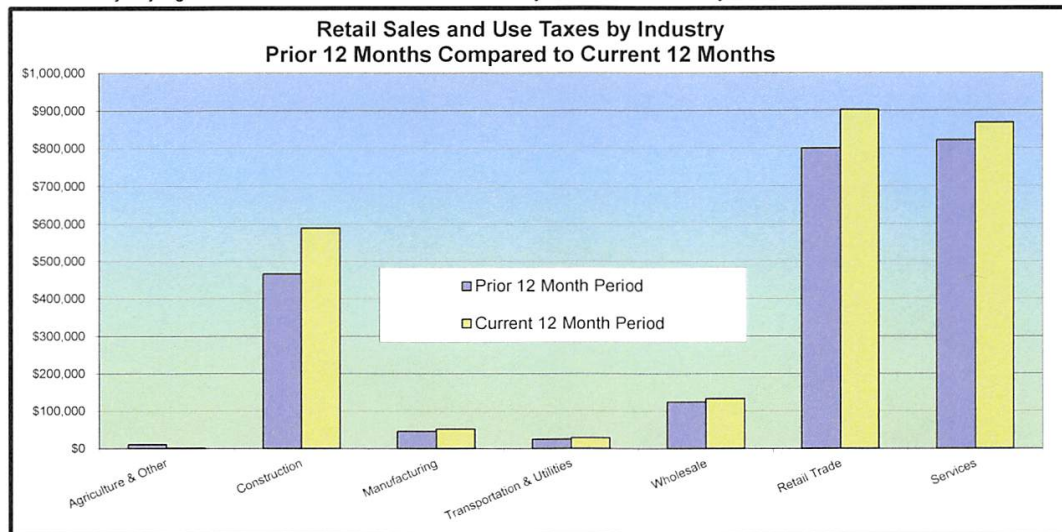


Industry	Prior 12 Months ending May 2018	Current 12 Months ending May 2019	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$10,173	\$670	-93.41%	0.03%
Construction	466,155	589,813 *	26.53%	22.92%
Manufacturing (Printing, Publishing, Other Manuf.)	45,332	51,751	14.16%	2.01%
Transp/Comm/Utilities (Telecomm., Air Transport.)	24,642	28,561	15.90%	1.11%
Wholesale (Lumber, Other Wholesale)	123,846	132,978	7.37%	5.17%
Retail Trade (Eating, Merchandise, Food Stores)	799,727	901,967	12.78%	35.05%
Services (Auction, Recreation, Auto Repair, Financial)	821,737	867,993	5.63%	33.73%
Totals	\$2,291,611	\$2,573,734	12.31%	100%
Increase/(Decrease)		\$282,123	12.31%	



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
May 31, 2019



Real Estate Excise Taxes (REET)
2016 - 2019 Monthly Receipts

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
January	122,819	176,657	99,205	67,141	132,894
February	70,146	94,134	82,263	84,215	82,181
March	110,066	170,086	89,698	89,106	123,284
April	133,161	126,245	148,514	104,430	135,973
May	129,599	139,422	144,906	96,756	137,976
June	167,575	211,430	181,182		186,729
July	177,426	163,138	181,974		174,179
August	165,397	114,754	115,421		131,857
September	136,176	221,719	128,704		162,200
October	150,786	186,805	97,998		145,196
November	124,437	150,187	102,373		125,666
December	131,651	146,159	112,490		130,100
	\$1,619,239	\$1,900,736	\$1,484,728	\$441,649	\$1,668,234

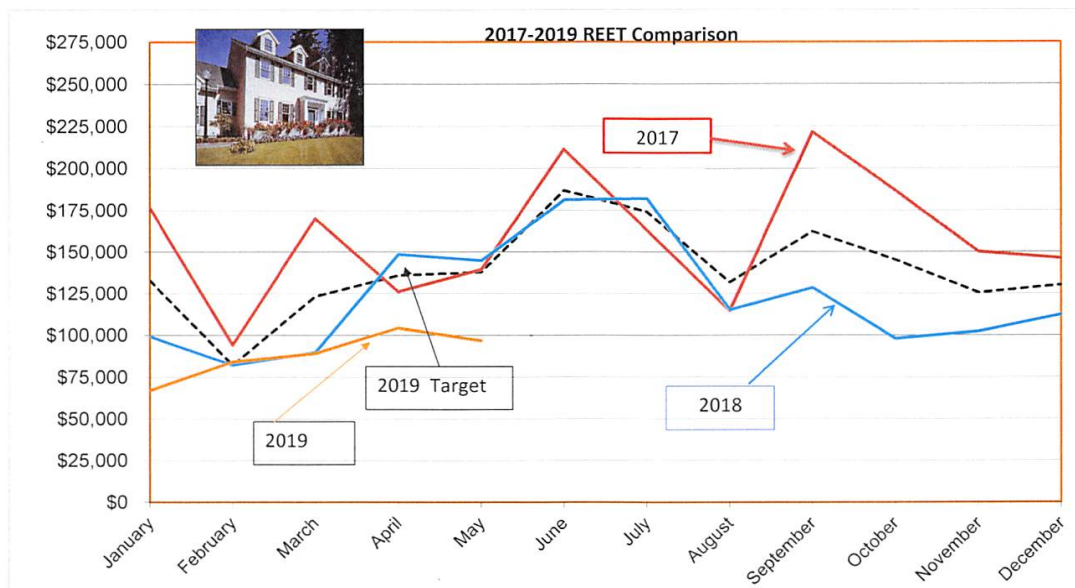
For 2019, REET is \$74,787
less than the same period
last year and less than the 2019
target by \$129,439

NOTE THE 2019 target
is computed on a 3 year average
(2016-2018) of actual receipts

Real Estate Excise Taxes (REET)
2016 - 2019 Property Sales > \$500,000

sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the rev.

	2016	2017	2018	2019	2016	2017	2018	2019
January	18,590,517	27,548,430	17,379,581	12,424,500	92,023	136,365	86,029	61,501
February	9,701,034	19,017,050	15,277,640	14,286,900	48,020	94,134	75,624	70,720
March	15,147,174	29,692,641	13,818,387	15,106,888	74,979	146,979	68,401	74,779
April	21,160,913	19,953,544	23,896,450	19,671,000	104,747	98,770	118,287	97,371
May	19,813,122	24,277,456	25,710,632	16,722,738	98,075	120,173	127,268	82,778
June	26,065,161	36,414,050	31,816,871		129,023	180,250	157,494	0
July	24,020,546	28,779,145	32,800,185		118,902	142,457	162,361	0
August	21,648,781	18,859,991	19,693,600		107,161	93,357	97,483	0
September	16,950,242	38,431,272	22,172,221		83,904	190,235	109,752	0
October	21,157,409	31,278,148	14,697,849		104,729	154,827	72,754	0
November	16,916,011		16,347,581		83,734	0	80,921	0
December	20,607,695	25,603,889	19,908,284		102,008	126,739	98,546	0
	\$231,778,605	\$299,855,616	\$253,519,281	\$78,212,026	1,147,305	\$1,484,286	\$1,254,920	\$387,149

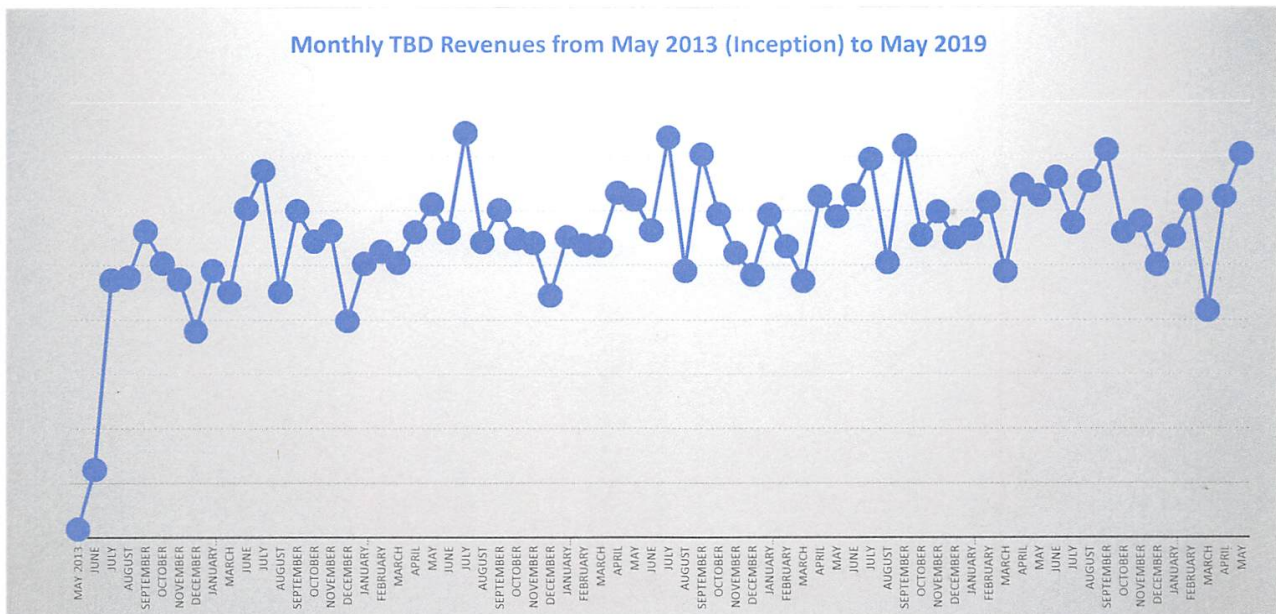


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**Kenmore Transportation Benefit District
Monthly Report
May 31, 2019**



<u>Revenues</u>	<u>May 2019</u>	<u>Biennium-to- Date</u>	<u>Percent of Budget</u>	<u>Biennium Budget</u>
Vehicle Fees	35,224	146,025	20.57%	710,000
Investment Interest	338	1,573	19.66%	8,000
Total Revenues	<u>\$35,563</u>	<u>\$147,598</u>	20.56%	<u>\$718,000</u>
<u>Expenditures</u>				
Reimbursement to Street Fund	0	0	0.00%	716,000
Total Expenditures	<u>0</u>	<u>0</u>	0.00%	<u>716,000</u>
Net Income (Loss)	<u>\$35,563</u>	<u>\$147,598</u>		<u>\$2,000</u>



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City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Public Hearing and Adoption of Ordinance 19-0483 Relating to Park Impact Fees and amendments to Kenmore Municipal Code (KMC) Chapter 20.47

Proposed Council Action/Motion:

Motion Adopting Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code Chapter 20.47.

For Council Meeting Agenda of: July 22, 2019

Department: Community Development

Prepared by: Debbie Bent, Community Development Director
 Maureen Colaizzi, Parks Project Manager

Initial & Date
 Approved by Department Head: DB 7/10/19
 Approved by City Attorney: SKH 7/10/19
 Approved by Finance Director: ✓ 7/10/19
 Approved by City Manager: PAK 7/10/19

Exhibits/Attachments:

1. Ordinance 19-0483
2. May 2019 Park Impact Fee Rate Study

INFORMATION/BACKGROUND: A public hearing is scheduled at the 7/22/19 meeting to receive public comment on Ordinance 19-0483 relating to park impact fees and amendments to KMC Chapter 20.47. Staff recommends that following the public hearing, Council pass a motion approving Ordinance 19-0483 (see Attachment #1).

At the 5/20/19 Council meeting, staff presented the methodology and the results of the 2019 Park Impact Fee Rate Study (see Attachment #2). Park impact fees are charges paid by new residential development to reimburse the city for the costs of new public park facilities and improvements that will reasonably benefit the occupants of the new development. At the 5/20/19 meeting, Council directed staff to schedule a public hearing and bring back an ordinance that would establish new park impact fee rates effective 1/2/20 at rates lower than the maximum rate calculated in the 2019 Park Impact Fee Rate Study, but comparable to and representing an average of park impact fee rates collected by six nearby municipalities. The new rates are summarized in the following table and included in Ordinance 19-0483:

Park Impact Fees for Residential Development Effective 1/2/20

Residential Development Type	Recommended Fee	Conditions Fee Applies per Dwelling Unit Type
Single-Family	\$3,885	On a Lot: • Single Detached (KMC 18.20.840) • Designated Manufactured Home (KMC 18.20.695)
Multi-Family	\$2,980	Attached: Multi-Family (KMC 18.20.835) *
Mobile Home	\$1,942	Detached in a Mobile Home Park (KMC 18.20.1750): • Mobile Home (KMC 18.20.1750) • Manufactured Home (KMC 18.20.1675) • Designated Manufactured Home (KMC 18.20.695)

*includes owned or leased apartments and townhomes

Ordinance 19-0483 also includes several minor amendments to KMC Chapter 20.47 as follows:

- KMC 20.47.010 Findings and Authority: Adds references to new studies.
- KMC 20.47.020 Definitions: Amends the definition of rate studies for parks and transportation to reference the latest rate studies on file with the City Clerk.
- KMC 20.47.050 Credits: Clarifies that to receive credit for park improvements they must be adjacent to other publicly owned park or open space land.
- KMC 20.47.060 Tax Adjustments: Includes the reference to Transportation Study to be consistent with the amended definition section.
- KMC 20.47.110 Review: Includes language to allow adjustment of park impact fees annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index ("CCI").
- KMC 20.47.120 Transportation Impact Fee: Amends the reference to Transportation Study to be consistent with the amended definition section and clarifies fees established by Council resolution.
- KMC 20.47.130 Park Impact Fee: Clarifies fees established by Council resolution.
- KMC 20.47.140 Independent Fee Calculation: Amends the reference to Transportation Study to be consistent with the amended definition section.

FISCAL CONSIDERATION: The 2019-2020 biennial budget anticipates a beginning Park Impact Fee fund balance of \$333,931 and receipts of \$486,892. Park Impact Fees are budgeted by project in accordance with the approved Capital Facilities Plan and transferred to the Park Capital Fund as a resource for new capital park improvement projects that expand the park system. Park Impact Fee funds cannot be used for maintenance, or repair/renovation of existing park facilities. The total 2020 ending fund balance is anticipated to be \$478,795. Receipt estimates are based on the current impact fee rates.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Goal 8. To continue to implement a Parks Improvement Plan.

Attachment 1

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 19-0483

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, RELATING TO PARK IMPACT FEES;
AMENDING CHAPTER 20.47 OF THE KENMORE
MUNICIPAL CODE; AND PROVIDING AN EFFECTIVE
DATE.**

WHEREAS, the City has the authority to adopt impact fees to address park and recreation impacts caused by new residential developments pursuant to Chapters 36.70A, 43.21C, 58.17, and 82.02 RCW; and

WHEREAS, assessment in lieu of property dedication is one of several methods available to ensure that property development assumes a reasonable, attributable, and proportionate share of the cost of providing parks and recreation facilities necessary to serve the population of each development; and

WHEREAS, the Kenmore City Council, by Ordinance No. 01-0109, passed on June 11, 2001, adopted park impact fees based on a 2001 rate study commissioned by the City; and

WHEREAS, in 2019, the City commissioned a new Park Impact Fee Rate Study to update the methodology used to calculate the park impact fee rates so as to meet the requirements of state law;

WHEREAS, the 2019 Rate Study identified that all six nearby municipalities have updated their park impact fee rate methodology and increased their rates within the last five years; and

WHEREAS, the City Council desires to adopt the 2019 Park Impact Fee Rate Study as the methodology for park impact fee rates, and to adopt related amendments to Kenmore Municipal Code Chapter 20.47; and

WHEREAS, the City Council desires to adopt park impact fees for new residential development for the year 2020 that are lower than the maximum rate calculated in the 2019 Park Impact Fee Rate Study, but comparable to and representing an average of park impact fee rates collected by all six nearby municipalities; and

WHEREAS, there are other administrative changes needed to clarify the intent of the existing code; and

WHEREAS, on June 19, 2019, the City's SEPA Responsible Official complied with the State Environmental Policy Act (SEPA) by issuing a Determination of Nonsignificance (DNS); and

WHEREAS, the proposed amendments contained herein were transmitted to the Washington State Department of Commerce on June 3, 2019 as required by law; and

WHEREAS, on July 22, 2019, the City Council conducted a public hearing on this Ordinance; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting of July 22, 2019, and concluded that Chapter 27.40 should be amended as stated herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings Adopted: 2019 Park Impact Fee Study. The City Council adopts the foregoing recitals as findings, which are incorporated herein as if set forth in full.

Section 2. Amendments to Chapter 20.47 of the City of Kenmore Municipal Code. The City Council amends Kenmore Municipal Code Sections 20.47.010, 20.47.020, 20.47.050, 20.47.060, 20.47.110, 20.47.120, 20.47.130, and 20.47.140, as set forth in Attachment 1, attached hereto and incorporated by reference.

Section 3. Park Impact Fees for the year 2020, effective January 2, 2020. The City Council adopts Park Impact Fees for all applications for development approval (as defined at KMC 20.47.020) for the year 2020, effective January 2, 2020, as follows: for single-family dwelling units the fee shall be \$3,885; for multi-family dwelling units the fee shall be \$2,980; and for mobile home units the fee shall be \$1,942.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall be effective January 2, 2020, and shall apply to all applications for development approval (as defined at KMC 20.47.020) made on or after that date.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE ____TH DAY OF _____, 2019.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Dawn Reitan, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.:
Date of Publication:
Effective Date:

Attachment 1
Proposed Amendments to Ch. 20.47 KMC

20.47.010 Findings and authority.

The city council of the City of Kenmore (the “*council*”) hereby finds and determines that new growth and development, including but not limited to new *residential*, commercial, retail, office, and industrial development, in the City of Kenmore will create additional demand and need for *public facilities* serving the City of Kenmore, and the *council* finds that new growth and development should pay a proportionate share of the cost of new facilities needed to serve the new growth and development. The City of Kenmore prepared initial studies to support the adoption of these impact fees, and prepares prepared supplemental studies to analyze necessary updates to these fees, has prepared the rate study and the parks study, and has reviewed the school impact fee analysis, all of which document the procedures for measuring the impact of new developments on *public facilities*. In conjunction with the Northshore School District, the City of Kenmore likewise reviews school impact fee analyses. The City of Kenmore hereby incorporates these studies, as amended, and ~~this-their~~ analyses into this chapter by reference. Therefore, pursuant to Chapter 82.02 RCW, the *council* adopts this chapter to assess *impact* fees for transportation, *parks* and schools. The provisions of this chapter shall be liberally construed in order to carry out the purposes of the *council* in establishing the *impact fee* program. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.020 Definitions.

Y. “Parks study” means the most recent report of the methodology and calculation of impact fees for park facilities kept on file with the City Clerk, ~~“Rate Study for Impact Fees for Parks,” City of Kenmore, dated May 15, 2001.~~

BB. ~~“Rate-Transportation study”~~ means the most recent report of the methodology and calculation of impact fees for transportation projects kept on file with the City Clerk for “Transportation Impact Fee Rate Study Update,” prepared for the City of Kenmore by Fehr & Peers, dated December 2015.

20.47.050 Credits.

A. A *feepayer* can request that a credit or credits for *impact fees* be awarded to him/her for the total value of dedicated land, improvements, or construction provided by the *feepayer*. Credits will be given only if the land, improvements, and/or the facility constructed are:

1. Included within the *capital facilities plan* and identified on the list of *impact fee* projects in the transportation ~~rate~~ study, parks study or school impact fee analysis; and
3. For *parks*:
 - a. Such park, recreation or open space land improvements or construction completed shall be adjacent to other publicly owned park, recreation or open space land; or

b. Be within an area of the City designated within the City comprehensive plan as in need of park, open space or space recreation facility space; or

20.47.110 Review.

The *council* may review and adjust the fee rates set forth in Article II of this chapter as it deems necessary and appropriate in conjunction with the annual update of the *capital facilities plan* element of the City's comprehensive plan; provided, that the *city manager* may adjust transportation and park impact fees annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index ("CCT"), and may adjust park impact fees annually in accordance with any increase in the Consumer Price Index ("CPI") as established by the U.S. Department of Commerce for the Seattle Metropolitan Area. The 12-month period utilized to establish the fee adjustment will be as established by the U.S. Department of Commerce for the Seattle CPI. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.120 Transportation impact fee.

The transportation *impact fee* rates shall be determined by the formula for calculating *impact fees* set forth in the ~~rate-transportation~~ *study*, which is incorporated herein by reference. Except as otherwise provided for *independent fee calculations* in KMC 20.47.140, exemptions in KMC 20.47.040, and credits in KMC 20.47.050, all new developments in the City will be charged the transportation *impact fee* in an amount applicable to the type of development, ~~in an amount imposed as established~~ by the *council* by resolution. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.130 Park impact fee.

The park *impact fee* rates shall be determined by the formula for calculating *impact fees* set forth in the *parks study* and the parks, recreation, and open space plan, which are incorporated herein by reference. Except as otherwise provided for *independent fee calculations* in KMC 20.47.140, exemptions in KMC 20.47.040, and credits in KMC 20.47.050, all new *residential developments* in the City will be charged the park *impact fee* in an amount applicable to the type of ~~dwelling unit, development in an amount imposed, as established~~ by the *council* by resolution. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.140 Independent fee calculations.

D. There is a presumption that the calculations set forth in the ~~rate-transportation~~ *study*, *parks study* and *school impact fee analysis* are valid. The *city manager* shall consider the documentation submitted by the *feepayer*; but is not required to accept such documentation or analysis which the *city manager* reasonably deems to be inaccurate or not reliable, and may, in the alternative, require the *feepayer* to submit additional or different documentation for consideration. The *city manager* is authorized to adjust the *impact fees* on a case-by-case basis based on the *independent fee calculation*, the specific characteristics of the development, and/or principles of fairness. The fees or alternative fees and the calculations shall be set forth in writing and shall be mailed to the *feepayer*.

Attachment 2



**CITY OF KENMORE
PARKS AND RECREATION IMPACT FEE
RATE STUDY REPORT**

May 2019

Prepared by:



3717 Beach Drive SW, No. 118

Seattle, WA 98116

Phone: 206-619-7890

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INTRODUCTION

RCW 82.02.050 through 82.02.110 ("Impact Fee Law") authorizes cities to impose impact fees for publicly-owned parks, open space and recreation facilities (hereafter "park facilities"). These impact fees for park facilities ("impact fees") can be imposed on development as a condition of development approval to pay for park facilities that are needed to serve new growth and development activity means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for park facilities.

Under the Impact Fee Law, the park impact fees must be used for system improvements, which are public facilities that are included a city's capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements, which are site improvements and facilities that are planned and designed to provide service to a particular development project and that are necessary for the use and convenience of the occupants or users of the project. The impact fees cannot be used to pay for maintenance and repair, and cannot exceed the development's proportionate share of the public facilities costs. The impact fees must be spent or encumbered within ten years of receipt (unless there is an extraordinary and compelling reason for the fees to be held longer than ten years. In addition, a city cannot finance public facilities entirely with impact fees; the financing of public facilities must have a balance of impact fees and other sources of public funds.

Under the Impact Fee Law, cities can set a "level of service" standard for park facilities that is different from level of service standards for other facilities that are not financed in part by impact fees. If a city's current system of park facilities has less investment than called for by the level of service standard, then there is a "deficiency;" if the current system of park facilities exceeds the level of service standard, then there is a "reserve capacity." Impact fees cannot be used to address deficiencies, though they can be used to reimburse a city for reserve capacity.

The City of Kenmore has elected to use a standard that is equal to the current level of public facilities per capita. This means that there is no deficiency and no reserve capacity, and that the impact fees will sustain the current level of service by keeping up with growth.

Updating the City's park impact fee rates (hereafter "impact fees") is one of the 2019 budget goals for the City. The City first adopted park impact fees in 2001 set by a rate study. Since then, the City has purchased park lands and built park facilities for all residents. Thus, park level of service has increased significantly. The City wants to make sure that the current park level of service is maintained for all citizens and that new residents will pay for their fair share of future park facilities.

CALCULATIONS

Population Forecast

The City's estimated population in 2035 will be 28,473, based on the City's Comprehensive Plan. This represents a 5,553 population increase from the City's current population of 22,920 (2018).

Per Capita Park Value

The City's per capita park level of service is determined by taking the value of the current park facilities and dividing it by the current city population. Table 1 below shows the list of current park facilities and the value of the City's park system facilities.

Total Value of Existing Park Facilities System ÷ Current Kenmore Population = Per Capita Park Value (LOS)

Per Capita Park Value (LOS) is = $\$74,705,497 \div 22,920 = \$3,259$

Table 1 – Value of City's Park Facilities System

Asset Type	Total	Unit	Unit Measure (4)	Value/Unit (2)	Total
Public Art	2	2	Each	\$5,000.00	\$10,000
Ped Bridges	2	2	Each	\$117,885	\$235,770
Pier	1	17500	Square Feet	\$600.00	\$10,500,000
Floating Docks	3	3	Each	\$160,000	\$480,000
Trails- Boardwalk	1	1872	Square Feet	\$129.50	\$242,424
Outdoor Restrooms	3	1263	Square Feet	\$145.00	\$183,135
Buildings	2	10640	Square Feet	\$300.00	\$3,192,000
Minor Structures		3695		\$80.00	\$295,600
Basketball Courts	1	3165	each	\$31.60	\$100,014
Skate Court	1	5542	Square Feet	\$60.00	\$332,520
Drinking Fountains	4	4	Each	\$12,000.00	\$48,000
Fencing	11	4043	Linear Feet	\$30.00	\$121,290
Baseball Field	1	55780	Square Feet	\$10.75	\$599,635
General Use Field Area: 8+		106841	Square Feet	\$2.10	\$224,366
Litter Receptacle	43	43	Each	\$500.00	\$21,500
Benches	49	49	Each	\$750.00	\$36,750
Picnic Tables	31	31	Each	\$1,500.00	\$46,500
Picnic Shelter	2	1250	Square Feet	\$70.00	\$87,500
Playgrounds	7	25869	Square Feet	\$18.65	\$482,457
Railings		648	Linear Feet	\$90.00	\$58,320
Signs- Entry	21	21	Each	\$13,000.00	\$273,000
Signs-Educational	19	19	Each	\$1,000.00	\$19,000
Signs- Regulatory	46	46	Each	\$250.00	\$11,500
Signs-Directional	7	7	Each	\$3,000.00	\$21,000
Plaques	1	1	Each	\$500.00	\$500
Lights-Pedestrian	4	4	Each	\$1,000.00	\$4,000
Lights-Security	1	1	Each	\$6,250.00	\$6,250
Lights-Street	3	3	Each	\$6,250.00	\$18,750
Trails - Asphalt		4339	Square Yard	\$28.00	\$121,492
Trails - Concrete		2796	Square Yard	\$32.00	\$89,472
Trails - Gravel		2873	Square Yard	\$75.00	\$215,475
Trails - Native		1148	Square Yard	\$37.00	\$42,476
Trails - Other (Step Stc	1	25	Square Yard	\$37.00	\$925
Walls	2	220	Linear Feet	\$38.00	\$8,360
Hardscape-Parking Lot	7	6419	Square Yard	\$37.00	\$237,503
Hardscape-Plazas		1338	Square Yard	\$32.00	\$42,816
Hardscape-Roads		191	Square Yard	\$37.00	\$7,067
Landscape		171613	Square Feet	\$10.00	\$1,716,130
Irrigation		10	Acre	\$20,000	\$200,000
(1)(3) Parkland	12	138	Acre	\$394,000	\$54,372,000
TOTAL PARK SYSTEM VALUE:					\$74,705,497

Footnotes:

(1) Park land and per unit costs provided by City of Kenmore staff unless otherwise stated.

(2) Costs per unit were established based on the cost of current (2016-18) capital improvement project costs in Kenmore and throughout the region.

(3) Unit cost for the City of Kenmore parkland is based on the average land value per acre from recently appraised City of Kenmore properties.

(4) Unit Cost Assumptions are available in Appendix A.

Service Area Consideration

It is assumed that all City citizens have access to all park facilities. Thus, all land within the City is the service area for purposes of these calculations.

Investment Needed for Growth

Multiplying existing per capita park value by the projected population growth over the 2019-2035 period yields the total dollar investment in parks facilities that will be needed in present value to keep up with growth demands and provide the same level of service currently enjoyed by Kenmore citizens.

$$\text{Investment Needed for Growth} = \text{Per Capita Park Value} \times \text{Population Increase}$$

Table 2 – Investment Needed for Growth

Current Population	22,920
Projected 2035 Population (Per Comp. Plan)	28,473
Population Increase	5,553
Per Capita Park Value	\$ 3,259
Investment Needed for Growth = (\$3,259 X 5,553)	\$ 18,097,227

CAPITAL FACILITIES PLAN

Because impact fees can only be spent on park facilities that are included in a capital facilities plan (as mentioned above), the City adopted the Park Capital Facilities Plan (2015-2035) as part of the City's Comprehensive Plan in 2015 ("CFP").

As mentioned above, impact fees can be imposed on development only to pay for park facilities that needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for park facilities, that is a proportionate cost of park facilities, and that is used for park facilities that reasonably benefit the new development.

Table 3 below depicts all parks facilities in the CFP which have not been built yet, since the plan was adopted in 2015 and revised in 2018. The cost and determination of "growth related" versus "non-growth related" was analyzed and updated by the City Staff. Total CFP project cost is \$42,136,420, of which \$39,037,528 is growth related and \$3,099,022 is non-growth related (maintaining the existing park facilities).

The "investment needed for growth" in Table 2 is a representation of the growth-related capital needed to sustain the current level of service. It is important to compare that figure with the total CFP, because the CFP represents an estimate of the capital needs that is practical, not theoretical. The City cannot use the calculated "investment needed for growth"

number calculated in Table 2 as the basis for the impact fee unless there is least that amount in identified park facility projects that the City has planned to spend money on over the forecast period. Clearly, the City has more growth-related park facility costs than the investment needed for growth. If the reverse were true, investment needed for the future would have to be reduced accordingly.

Table 3 – Capital Facilities Plan – Growth and Non-Growth-Related Projects

Project Number	Project Description	2013 Cost Assumptions	2019 Total Cost	% Respond to Growth	Growth Related	Non-Growth Related
A1/D1	Water Walk Master Plan	\$200,000	\$200,000	100%	\$ 200,000	\$0
A3	Lake Washington Waterfront Park Acquisitions	Unknown	\$3,707,190	100%	\$ 3,707,190	\$0
A5	Sammamish River Waterfront Park Acquisitions	\$3,300,000	\$8,897,256	100%	\$ 8,897,256	\$0
A7	Swamp Creek Open Space Acquisitions	\$1,060,000	\$4,800,000	100%	\$ 4,800,000	\$0
A8	Heron Rookery Acquisition	\$0	\$800,000	100%	\$ 800,000	\$0
A9	Community Park Land Acquisition	\$10 Mil to \$15 Mil	\$6,698,000	100%	\$ 6,698,000	\$0
A10	Moorlands Park Property Expansion	\$624K to \$1 Mil	\$394,000	100%	\$ 394,000	\$0
A11	Partnership Community Center Acquisition	\$ 2,799,000	\$1,576,000	100%	\$ 1,576,000	\$0
D3	Log Boom Park Waterfront Access Development	\$ 2,640,000	\$423,644	46%	\$ 194,876	\$228,768
D5	Wallace Swamp Creek Park Development	\$ 721,000	\$1,081,500	90%	\$ 973,350	\$108,150
D7	City Gateway Entry Signs	\$ 287,000	\$80,000	0%	\$ -	\$80,000
D9	Twin Springs Park Development	\$1.3 to \$2.4 Mil	\$400,000	100%	\$ 400,000	\$0
D10	Athletic Field Development	\$2.7 Mil	\$7,000,000	75%	\$ 5,250,000	\$1,750,000
D11	Picnic Facility Developments	Unknown	\$100,000	0%	\$ -	\$100,000
D12	Swamp Creek Nature Trail Development	\$ 1,150,000	\$2,000,000	100%	\$ 2,000,000	\$0
D13	Sport Court Developments	Unknown	\$150,000	0%	\$ -	\$150,000
D14	Off-Leash Dog Area Development	\$ 739,000	\$739,000	100%	\$ 739,000	\$0
D18	Tolt Pipeline Trail Phase 2 Development	\$ 136,000	\$500,000	100%	\$ 500,000	\$0
D19	Squire's Landing Waterfront Access Development	\$ 15,305,000	\$1,532,190	90%	\$ 1,378,971	\$153,219
R3	Linwood Park Renovation	\$ 587,000	\$1,057,770	50%	\$ 528,885	\$528,885
	TOTAL		\$42,136,550		\$ 39,037,528	\$3,099,022

(1) Capital Facilities Project costs are established by specific project cost estimates.

(2) Costs include: project administration, acquisition, design, construction & contingency, escalation.

(3) Unit Cost Assumptions are available in Appendix A.

(4) Waterfront Property Cost Estimate is taken from average of all land value in Kenmore by KC Assessor's \$741,438.

(5) All other land acquisition costs for parks is based on average recent park appraisals - \$394,000

(6) Wetland land acquisition costs are based on approx half of average recent park appraisals - \$200,000

PROPORTIONATE SHARE ADJUSTMENTS

The Impact Fee Law requires the City to make various adjustments to the “Investment Needed for Growth” number. The City has identified five specific areas to review to estimate proportionate share of new growth; 1) existing impact fees collected, 2) amount of City revenues paying for growth, 3) general obligation bonds related to park facilities, 4) surface water management capital facilities revenues related to park facilities, and 5) reserve capacity value.

1 Impact Fee Revenue Adjustment

City has collected \$430,748 of impact fees as of March 2019. Even though some of these funds are obligated for the future park facilities in the CFP, they need to be deducted from the investment needed for growth to avoid double payment for the same facilities.

2 Non-Impact Fee Revenue Adjustment

Based on the City’s last five-year historical park funding data and five-year future park facilities improvement plan, the City estimates it will contribute \$235,535 per year for the park facilities (growth and non-growth-related projects).

Table 4 – Non-Impact Fee Revenues

King County Levy	\$	53,335
Real Estate Excuse Tax (REET)	\$	180,000
Donations	\$	2,000
TOTAL	\$	235,335

Following calculations in Table 5 were performed to identify \$1,618,559 to be deducted from the investment needed for growth number.

Table 5 – Non-Impact Fee Reduction

Total Annual City Contributions	\$	235,535
Total Non-Impact Fee Revenues for 16 Years = \$235,535 X 16	\$	3,768,560
City will use non-Impact fee revenues to fund entire Capital Facilities Plan.		
Percentage of Non-Impact Fee Contribution = Non-Impact Fee Revenues / Planned Park Improvements		
Percentage of Non-Impact Fee Contribution = \$3,768,560 / \$42,136,550		8.94%
Future Investment Needed for Growth= Future Investment Needed for Growth X 11.27%		
Amount to be Adjusted = \$18,097,227 X 8.94%	\$	1,618,559

3 General Obligation Bonds

City issued general obligation bonds to pay a portion of capacity related to two park facilities: Squire's Landing Park and Log Boom Park. Total bond fund contribution for these facilities is \$8,300,000. New development activity will assume its proportionate share of this bond obligation through payment of property taxes. The City estimates this share to be \$1,618,723 as shown in Table 6 below:

Table 6 – General Obligation Bond Reduction

Bond Contributions	\$8,300,000
<i>Growth Share of this bond contribution is = Future Population Growth / Total Future Population</i>	
Growth Share = 5,553 / 28,473	19.50%
Bond related reduction amount is = (\$8,300,000 X 19.5%)	\$1,618,723

4 Surface Water Management (SWM) Capital Facilities Charge (CFC) Reduction.

The City recently adopted a Stormwater Capital Facilities Charge (CFC). The City anticipates collecting \$310,000 in CFC's from the new growth for the Squire's Landing and the Log Boom Parks. This amount will also have to be deducted from the investment needed from growth.

5 Value of Reserve Capacity (if any):

The City has chosen for its park system standard for the current level of parks and recreation facilities per capita. This means that there is no deficiency and no reserve capacity; the impact fee is simply designed to sustain the current level of service by keeping up with growth.

Table 7 - Total Adjustments

1 Existing Collected Impact Fees	\$ 430,748
2 Non-Impact Fees	\$ 1,618,559
3 General Obligation Bond	\$ 1,618,723
4 Surface Water Management	\$ 310,000
5 Reserve Capacity	\$ -
Total Adjustments	\$ 3,978,030

PROPOSED PARK IMPACT FEE

Total adjustments (\$3,978,230) need to be deducted from the Investment Needed for Growth (\$18,099,460) to calculate the impact fee. That number is divided by the population growth number to determine a per capita park impact fee. Multiplying the per capita impact fee number with single family and multifamily occupancy rates would result in the final impact fee calculations as shown in Table 8 below:

Table 8 – Final Impact Fee Calculations

Investment Needed for Growth	\$	18,097,227
Total Deductions/Credits	\$	3,978,030
Impact Fee Amount = (Investment Needed for Growth - Total Deductions/Credits)	\$	14,119,197
Population growth		5553
Impact Fee Per Capita = (Impact Fee Amount / Number of People)	\$	2,543
Average Occupancy of a Single Family in Kenmore		2.62
Average Occupancy of a Multi Family in Kenmore		2.34
*Park Impact Fee for Single Family = Impact Fee Per Capita X 2.62	\$	6,663
*Park Impact Fee for Multi Family = Impact Fee Per Capita X 2.34	\$	5,951

**Source- 2017 American Community Survey*

Single Family occupancy rate category includes manufactured homes.

Multi Family occupancy rate category includes owned/leased apartments and townhomes.

CONCLUSION

High quality parks facilities have made and will make the City an appealing location for new homes and apartments. Rapid development, in turn, drives up land values, which increases the cost of expanding and improving the parks system to keep up with growth. Keeping the park impact fee up-to-date will provide funding to sustain the City's level of service for parks facilities, which benefits new residents and provides for growth to pay for growth.

APPENDIX A

Asset Type	Unit Cost Assumptions
Public Art	Value of similar public art pieces.
Ped Bridges	2016 Log Boom Park Pedestrian Bridge Replacement.
Pier	2017 Seattle's Pier 62 Rebuild Project.
Floating Docks	2017 Float costs at Rhododendron, Log Boom and Squires Landing Parks
Trails- Boardwalk	2017 Rhododendron Park Boardwalk.
Outdoor Restrooms	2017 Moorlands Park Restroom.
Buildings	2016 Hangar Building.
Minor Structures	2017 Moorlands Park Shed.
Basketball Courts	2010 City of Shoreline Cromwell Park Basketball Court with 6% escalation per year for 2019 dollars.
Skate Court	2015 City Hall Skate Court with 6% escalation per year for 2019 dollars.
Drinking Fountains	2019 Elkay Drinking Fountain Website.
Fencing	2019 Public Works Yard Fence.
Baseball Field	2017 Moorlands Park Baseball/Softball Field
General Use Field Areas	2017 Moorlands Park Baseball/Softball Field
Litter Receptacle	2017 Moorlands Park Project
Benches	2017 Moorlands Park Project
Picnic Tables	2017 Moorlands Park Project
Picnic Shelter	2017 Moorlands Park Project
Playgrounds	2017 Moorlands Park Project
Railings	2017 City of Shoreline Park Impact Fee Rate Study Asset Inventory and Capital Values

APPENDIX A continued

Signs- Entry	2017 Moorlands Park Entry Sign
Signs-Educational	City of Shoreline Educational Signage Quotes 2017 PIF -Folia
Signs- Regulatory	Moorland Park Directional Sign
Signs-Directional	Moorlands Park Regulatory Sign
Plaques	City of Shoreline Project Dedication Plaques
Lights-Pedestrian	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Trails – Other Step Stone	2018 Pacific Top Soil Website
Walls	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Hardscape-Parking Lots	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Hardscape-Plazas	2018 Squire’s Landing Park Project
Hardscape-Roads	2018 Squire’s Landing Park Project
Landscape	2018 Squire’s Landing Park Project
Irrigation	2017 Moorlands Park Project
Parkland	Based on average of recent City of Kenmore Park Project appraised properties - removed highest and lowest appraised values.

APPENDIX B**Park Impact Fee Rate Comparison by City**

Yr. Study Updated	City	Single Family	Multi Family
2017	Redmond	\$4,585	\$3,183
2017	Bothell	\$4,165	\$3,412
2015	Kirkland	\$4,168	\$3,168
2017	Shoreline	\$4,090	\$2,683
2015	Woodinville	\$3,175	\$3,175
2017	Mount Lake Terrace	\$3,126	\$2,260



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Public Hearing and Adoption of Ordinance 19-0483 Relating to Park Impact Fees and amendments to Kenmore Municipal Code (KMC) Chapter 20.47

Proposed Council Action/Motion:

Motion Adopting Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code Chapter 20.47.

For Council Meeting Agenda of: July 22, 2019

Department: Community Development

Prepared by: Debbie Bent, Community Development Director
 Maureen Colaizzi, Parks Project Manager

Initial & Date
 Approved by Department Head: DB 7/10/19
 Approved by City Attorney: SKH/9 EML
 Approved by Finance Director: ✓ Jone 7/10/19
 Approved by City Manager: PAK

Exhibits/Attachments:

1. Ordinance 19-0483
2. May 2019 Park Impact Fee Rate Study

INFORMATION/BACKGROUND: A public hearing is scheduled at the 7/22/19 meeting to receive public comment on Ordinance 19-0483 relating to park impact fees and amendments to KMC Chapter 20.47. Staff recommends that following the public hearing, Council pass a motion approving Ordinance 19-0483 (see Attachment #1).

At the 5/20/19 Council meeting, staff presented the methodology and the results of the 2019 Park Impact Fee Rate Study (see Attachment #2). Park impact fees are charges paid by new residential development to reimburse the city for the costs of new public park facilities and improvements that will reasonably benefit the occupants of the new development. At the 5/20/19 meeting, Council directed staff to schedule a public hearing and bring back an ordinance that would establish new park impact fee rates effective 1/2/20 at rates lower than the maximum rate calculated in the 2019 Park Impact Fee Rate Study, but comparable to and representing an average of park impact fee rates collected by six nearby municipalities. The new rates are summarized in the following table and included in Ordinance 19-0483:

Park Impact Fees for Residential Development Effective 1/2/20

Residential Development Type	Recommended Fee	Conditions Fee Applies per Dwelling Unit Type
Single-Family	\$3,885	On a Lot: • Single Detached (KMC 18.20.840) • Designated Manufactured Home (KMC 18.20.695)
Multi-Family	\$2,980	Attached: Multi-Family (KMC 18.20.835) *
Mobile Home	\$1,942	Detached in a Mobile Home Park (KMC 18.20.1750): • Mobile Home (KMC 18.20.1750) • Manufactured Home (KMC 18.20.1675) • Designated Manufactured Home (KMC 18.20.695)

*includes owned or leased apartments and townhomes

Ordinance 19-0483 also includes several minor amendments to KMC Chapter 20.47 as follows:

- KMC 20.47.010 Findings and Authority: Adds references to new studies.
- KMC 20.47.020 Definitions: Amends the definition of rate studies for parks and transportation to reference the latest rate studies on file with the City Clerk.
- KMC 20.47.050 Credits: Clarifies that to receive credit for park improvements they must be adjacent to other publicly owned park or open space land.
- KMC 20.47.060 Tax Adjustments: Includes the reference to Transportation Study to be consistent with the amended definition section.
- KMC 20.47.110 Review: Includes language to allow adjustment of park impact fees annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index ("CCI").
- KMC 20.47.120 Transportation Impact Fee: Amends the reference to Transportation Study to be consistent with the amended definition section and clarifies fees established by Council resolution.
- KMC 20.47.130 Park Impact Fee: Clarifies fees established by Council resolution.
- KMC 20.47.140 Independent Fee Calculation: Amends the reference to Transportation Study to be consistent with the amended definition section.

FISCAL CONSIDERATION: The 2019-2020 biennial budget anticipates a beginning Park Impact Fee fund balance of \$333,931 and receipts of \$486,892. Park Impact Fees are budgeted by project in accordance with the approved Capital Facilities Plan and transferred to the Park Capital Fund as a resource for new capital park improvement projects that expand the park system. Park Impact Fee funds cannot be used for maintenance, or repair/renovation of existing park facilities. The total 2020 ending fund balance is anticipated to be \$478,795. Receipt estimates are based on the current impact fee rates.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Goal 8. To continue to implement a Parks Improvement Plan.

Attachment 1

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 19-0483

**AN ORDINANCE OF THE CITY OF KENMORE,
WASHINGTON, RELATING TO PARK IMPACT FEES;
AMENDING CHAPTER 20.47 OF THE KENMORE
MUNICIPAL CODE; AND PROVIDING AN EFFECTIVE
DATE.**

WHEREAS, the City has the authority to adopt impact fees to address park and recreation impacts caused by new residential developments pursuant to Chapters 36.70A, 43.21C, 58.17, and 82.02 RCW; and

WHEREAS, assessment in lieu of property dedication is one of several methods available to ensure that property development assumes a reasonable, attributable, and proportionate share of the cost of providing parks and recreation facilities necessary to serve the population of each development; and

WHEREAS, the Kenmore City Council, by Ordinance No. 01-0109, passed on June 11, 2001, adopted park impact fees based on a 2001 rate study commissioned by the City; and

WHEREAS, in 2019, the City commissioned a new Park Impact Fee Rate Study to update the methodology used to calculate the park impact fee rates so as to meet the requirements of state law;

WHEREAS, the 2019 Rate Study identified that all six nearby municipalities have updated their park impact fee rate methodology and increased their rates within the last five years; and

WHEREAS, the City Council desires to adopt the 2019 Park Impact Fee Rate Study as the methodology for park impact fee rates, and to adopt related amendments to Kenmore Municipal Code Chapter 20.47; and

WHEREAS, the City Council desires to adopt park impact fees for new residential development for the year 2020 that are lower than the maximum rate calculated in the 2019 Park Impact Fee Rate Study, but comparable to and representing an average of park impact fee rates collected by all six nearby municipalities; and

WHEREAS, there are other administrative changes needed to clarify the intent of the existing code; and

WHEREAS, on June 19, 2019, the City's SEPA Responsible Official complied with the State Environmental Policy Act (SEPA) by issuing a Determination of Nonsignificance (DNS); and

WHEREAS, the proposed amendments contained herein were transmitted to the Washington State Department of Commerce on June 3, 2019 as required by law; and

WHEREAS, on July 22, 2019, the City Council conducted a public hearing on this Ordinance; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting of July 22, 2019, and concluded that Chapter 27.40 should be amended as stated herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings Adopted: 2019 Park Impact Fee Study. The City Council adopts the foregoing recitals as findings, which are incorporated herein as if set forth in full.

Section 2. Amendments to Chapter 20.47 of the City of Kenmore Municipal Code. The City Council amends Kenmore Municipal Code Sections 20.47.010, 20.47.020, 20.47.050, 20.47.060, 20.47.110, 20.47.120, 20.47.130, and 20.47.140, as set forth in Attachment 1, attached hereto and incorporated by reference.

Section 3. Park Impact Fees for the year 2020, effective January 2, 2020. The City Council adopts Park Impact Fees for all applications for development approval (as defined at KMC 20.47.020) for the year 2020, effective January 2, 2020, as follows: for single-family dwelling units the fee shall be \$3,885; for multi-family dwelling units the fee shall be \$2,980; and for mobile home units the fee shall be \$1,942.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall be effective January 2, 2020, and shall apply to all applications for development approval (as defined at KMC 20.47.020) made on or after that date.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE ____TH DAY OF _____, 2019.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Dawn Reitan, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.:
Date of Publication:
Effective Date:

Attachment 1
Proposed Amendments to Ch. 20.47 KMC

20.47.010 Findings and authority.

The city council of the City of Kenmore (the “*council*”) hereby finds and determines that new growth and development, including but not limited to new *residential*, commercial, retail, office, and industrial development, in the City of Kenmore will create additional demand and need for *public facilities* serving the City of Kenmore, and the *council* finds that new growth and development should pay a proportionate share of the cost of new facilities needed to serve the new growth and development. The City of Kenmore prepared initial studies to support the adoption of these impact fees, and prepares prepared supplemental studies to analyze necessary updates to these fees, has prepared the rate study and the parks study, and has reviewed the school impact fee analysis, all of which document the procedures for measuring the impact of new developments on *public facilities*. In conjunction with the Northshore School District, the City of Kenmore likewise reviews school impact fee analyses. The City of Kenmore hereby incorporates these studies, as amended, and ~~this~~their analyses into this chapter by reference. Therefore, pursuant to Chapter 82.02 RCW, the *council* adopts this chapter to assess *impact* fees for transportation, *parks* and schools. The provisions of this chapter shall be liberally construed in order to carry out the purposes of the *council* in establishing the *impact fee* program. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.020 Definitions.

Y. “Parks study” means the most recent report of the methodology and calculation of impact fees for park facilities kept on file with the City Clerk, ~~“Rate Study for Impact Fees for Parks,” City of Kenmore, dated May 15, 2001.~~

BB. ~~“Rate-Transportation study”~~ means the most recent report of the methodology and calculation of impact fees for transportation projects kept on file with the City Clerk for “Transportation Impact Fee Rate Study Update,” prepared for the City of Kenmore by Fehr & Peers, dated December 2015.

20.47.050 Credits.

A. A *feepayer* can request that a credit or credits for *impact fees* be awarded to him/her for the total value of dedicated land, improvements, or construction provided by the *feepayer*. Credits will be given only if the land, improvements, and/or the facility constructed are:

1. Included within the *capital facilities plan* and identified on the list of *impact fee* projects in the transportation ~~rate~~ study, parks study or school impact fee analysis; and

3. For *parks*:

a. Such park, recreation or open space land improvements or construction completed shall be adjacent to other publicly owned park, recreation or open space land; or

b. Be within an area of the City designated within the City comprehensive plan as in need of park, ~~open space or space~~ recreation facility space; or

20.47.110 Review.

The *council* may review and adjust the fee rates set forth in Article II of this chapter as it deems necessary and appropriate in conjunction with the annual update of the *capital facilities plan* element of the City's comprehensive plan; provided, that the *city manager* may adjust transportation and park impact fees annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index ("CCI"), ~~and may adjust park impact fees annually in accordance with any increase in the Consumer Price Index ("CPI") as established by the U.S. Department of Commerce for the Seattle Metropolitan Area. The 12-month period utilized to establish the fee adjustment will be as established by the U.S. Department of Commerce for the Seattle CPI.~~ [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.120 Transportation impact fee.

The transportation *impact fee* rates shall be determined by the formula for calculating *impact fees* set forth in the ~~rate-transportation study~~, which is incorporated herein by reference. Except as otherwise provided for *independent fee calculations* in KMC 20.47.140, exemptions in KMC 20.47.040, and credits in KMC 20.47.050, all new developments in the City will be charged the transportation *impact fee* in an amount applicable to the type of development, ~~in an amount imposed as established~~ by the *council* by resolution. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.130 Park impact fee.

The park *impact fee* rates shall be determined by the formula for calculating *impact fees* set forth in the *parks study* and the parks, recreation, and open space plan, which are incorporated herein by reference. Except as otherwise provided for *independent fee calculations* in KMC 20.47.140, exemptions in KMC 20.47.040, and credits in KMC 20.47.050, all new *residential developments* in the City will be charged the park *impact fee* in an amount applicable to the type of ~~dwelling unit, development in an amount imposed, as established~~ by the *council* by resolution. [Ord. 18-0463 § 2 (Exh. 1); Ord. 16-0420 § 7 (Exh. 5).]

20.47.140 Independent fee calculations.

D. There is a presumption that the calculations set forth in the ~~rate-transportation study~~, *parks study* and *school impact fee analysis* are valid. The *city manager* shall consider the documentation submitted by the *feepayer*; but is not required to accept such documentation or analysis which the *city manager* reasonably deems to be inaccurate or not reliable, and may, in the alternative, require the *feepayer* to submit additional or different documentation for consideration. The *city manager* is authorized to adjust the *impact fees* on a case-by-case basis based on the *independent fee calculation*, the specific characteristics of the development, and/or principles of fairness. The fees or alternative fees and the calculations shall be set forth in writing and shall be mailed to the *feepayer*.

Attachment 2



**CITY OF KENMORE
PARKS AND RECREATION IMPACT FEE
RATE STUDY REPORT**

May 2019

Prepared by:



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Seattle, WA 98116

Phone: 206-619-7890

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INTRODUCTION

RCW 82.02.050 through 82.02.110 ("Impact Fee Law") authorizes cities to impose impact fees for publicly-owned parks, open space and recreation facilities (hereafter "park facilities"). These impact fees for park facilities ("impact fees") can be imposed on development as a condition of development approval to pay for park facilities that are needed to serve new growth and development activity means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for park facilities.

Under the Impact Fee Law, the park impact fees must be used for system improvements, which are public facilities that are included a city's capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements, which are site improvements and facilities that are planned and designed to provide service to a particular development project and that are necessary for the use and convenience of the occupants or users of the project. The impact fees cannot be used to pay for maintenance and repair, and cannot exceed the development's proportionate share of the public facilities costs. The impact fees must be spent or encumbered within ten years of receipt (unless there is an extraordinary and compelling reason for the fees to be held longer than ten years. In addition, a city cannot finance public facilities entirely with impact fees; the financing of public facilities must have a balance of impact fees and other sources of public funds.

Under the Impact Fee Law, cities can set a "level of service" standard for park facilities that is different from level of service standards for other facilities that are not financed in part by impact fees. If a city's current system of park facilities has less investment than called for by the level of service standard, then there is a "deficiency;" if the current system of park facilities exceeds the level of service standard, then there is a "reserve capacity." Impact fees cannot be used to address deficiencies, though they can be used to reimburse a city for reserve capacity.

The City of Kenmore has elected to use a standard that is equal to the current level of public facilities per capita. This means that there is no deficiency and no reserve capacity, and that the impact fees will sustain the current level of service by keeping up with growth.

Updating the City's park impact fee rates (hereafter "impact fees") is one of the 2019 budget goals for the City. The City first adopted park impact fees in 2001 set by a rate study. Since then, the City has purchased park lands and built park facilities for all residents. Thus, park level of service has increased significantly. The City wants to make sure that the current park level of service is maintained for all citizens and that new residents will pay for their fair share of future park facilities.

CALCULATIONS

Population Forecast

The City's estimated population in 2035 will be 28,473, based on the City's Comprehensive Plan. This represents a 5,553 population increase from the City's current population of 22,920 (2018).

Per Capita Park Value

The City's per capita park level of service is determined by taking the value of the current park facilities and dividing it by the current city population. Table 1 below shows the list of current park facilities and the value of the City's park system facilities.

Total Value of Existing Park Facilities System ÷ Current Kenmore Population = Per Capita Park Value (LOS)

Per Capita Park Value (LOS) is = $\$74,705,497 \div 22,920 = \$3,259$

Table 1 – Value of City's Park Facilities System

Asset Type	Total	Unit	Unit Measure (4)	Value/Unit (2)	Total
Public Art	2	2	Each	\$5,000.00	\$10,000
Ped Bridges	2	2	Each	\$117,885	\$235,770
Pier	1	17500	Square Feet	\$600.00	\$10,500,000
Floating Docks	3	3	Each	\$160,000	\$480,000
Trails- Boardwalk	1	1872	Square Feet	\$129.50	\$242,424
Outdoor Restrooms	3	1263	Square Feet	\$145.00	\$183,135
Buildings	2	10640	Square Feet	\$300.00	\$3,192,000
Minor Structures		3695		\$80.00	\$295,600
Basketball Courts	1	3165	each	\$31.60	\$100,014
Skate Court	1	5542	Square Feet	\$60.00	\$332,520
Drinking Fountains	4	4	Each	\$12,000.00	\$48,000
Fencing	11	4043	Linear Feet	\$30.00	\$121,290
Baseball Field	1	55780	Square Feet	\$10.75	\$599,635
General Use Field Area: 8+		106841	Square Feet	\$2.10	\$224,366
Litter Receptacle	43	43	Each	\$500.00	\$21,500
Benches	49	49	Each	\$750.00	\$36,750
Picnic Tables	31	31	Each	\$1,500.00	\$46,500
Picnic Shelter	2	1250	Square Feet	\$70.00	\$87,500
Playgrounds	7	25869	Square Feet	\$18.65	\$482,457
Railings		648	Linear Feet	\$90.00	\$58,320
Signs- Entry	21	21	Each	\$13,000.00	\$273,000
Signs-Educational	19	19	Each	\$1,000.00	\$19,000
Signs- Regulatory	46	46	Each	\$250.00	\$11,500
Signs-Directional	7	7	Each	\$3,000.00	\$21,000
Plaques	1	1	Each	\$500.00	\$500
Lights-Pedestrian	4	4	Each	\$1,000.00	\$4,000
Lights-Security	1	1	Each	\$6,250.00	\$6,250
Lights-Street	3	3	Each	\$6,250.00	\$18,750
Trails - Asphalt		4339	Square Yard	\$28.00	\$121,492
Trails - Concrete		2796	Square Yard	\$32.00	\$89,472
Trails - Gravel		2873	Square Yard	\$75.00	\$215,475
Trails - Native		1148	Square Yard	\$37.00	\$42,476
Trails - Other (Step Stc	1	25	Square Yard	\$37.00	\$925
Walls	2	220	Linear Feet	\$38.00	\$8,360
Hardscape-Parking Lot	7	6419	Square Yard	\$37.00	\$237,503
Hardscape-Plazas		1338	Square Yard	\$32.00	\$42,816
Hardscape-Roads		191	Square Yard	\$37.00	\$7,067
Landscape		171613	Square Feet	\$10.00	\$1,716,130
Irrigation		10	Acre	\$20,000	\$200,000
(1)(3) Parkland	12	138	Acre	\$394,000	\$54,372,000
TOTAL PARK SYSTEM VALUE:					\$74,705,497

Footnotes:

(1) Park land and per unit costs provided by City of Kenmore staff unless otherwise stated.

(2) Costs per unit were established based on the cost of current (2016-18) capital improvement project costs in Kenmore and throughout the region.

(3) Unit cost for the City of Kenmore parkland is based on the average land value per acre from recently appraised City of Kenmore properties.

(4) Unit Cost Assumptions are available in Appendix A.

Service Area Consideration

It is assumed that all City citizens have access to all park facilities. Thus, all land within the City is the service area for purposes of these calculations.

Investment Needed for Growth

Multiplying existing per capita park value by the projected population growth over the 2019-2035 period yields the total dollar investment in parks facilities that will be needed in present value to keep up with growth demands and provide the same level of service currently enjoyed by Kenmore citizens.

$$\text{Investment Needed for Growth} = \text{Per Capita Park Value} \times \text{Population Increase}$$

Table 2 – Investment Needed for Growth

Current Population	22,920
Projected 2035 Population (Per Comp. Plan)	28,473
Population Increase	5,553
Per Capita Park Value	\$ 3,259
Investment Needed for Growth = (\$3,259 X 5,553)	\$ 18,097,227

CAPITAL FACILITIES PLAN

Because impact fees can only be spent on park facilities that are included in a capital facilities plan (as mentioned above), the City adopted the Park Capital Facilities Plan (2015-2035) as part of the City's Comprehensive Plan in 2015 ("CFP").

As mentioned above, impact fees can be imposed on development only to pay for park facilities that needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for park facilities, that is a proportionate cost of park facilities, and that is used for park facilities that reasonably benefit the new development.

Table 3 below depicts all parks facilities in the CFP which have not been built yet, since the plan was adopted in 2015 and revised in 2018. The cost and determination of "growth related" versus "non-growth related" was analyzed and updated by the City Staff. Total CFP project cost is \$42,136,420, of which \$39,037,528 is growth related and \$3,099,022 is non-growth related (maintaining the existing park facilities).

The "investment needed for growth" in Table 2 is a representation of the growth-related capital needed to sustain the current level of service. It is important to compare that figure with the total CFP, because the CFP represents an estimate of the capital needs that is practical, not theoretical. The City cannot use the calculated "investment needed for growth"

number calculated in Table 2 as the basis for the impact fee unless there is least that amount in identified park facility projects that the City has planned to spend money on over the forecast period. Clearly, the City has more growth-related park facility costs than the investment needed for growth. If the reverse were true, investment needed for the future would have to be reduced accordingly.

Table 3 – Capital Facilities Plan – Growth and Non-Growth-Related Projects

Project Number	Project Description	2013 Cost Assumptions	2019 Total Cost	% Respond to Growth	Growth Related	Non-Growth Related
A1/D1	Water Walk Master Plan	\$200,000	\$200,000	100%	\$ 200,000	\$0
A3	Lake Washington Waterfront Park Acquisitions	Unknown	\$3,707,190	100%	\$ 3,707,190	\$0
A5	Sammamish River Waterfront Park Acquisitions	\$3,300,000	\$8,897,256	100%	\$ 8,897,256	\$0
A7	Swamp Creek Open Space Acquisitions	\$1,060,000	\$4,800,000	100%	\$ 4,800,000	\$0
A8	Heron Rookery Acquisition	\$0	\$800,000	100%	\$ 800,000	\$0
A9	Community Park Land Acquisition	\$10 Mil to \$15 Mil	\$6,698,000	100%	\$ 6,698,000	\$0
A10	Moorlands Park Property Expansion	\$624K to \$1 Mil	\$394,000	100%	\$ 394,000	\$0
A11	Partnership Community Center Acquisition	\$ 2,799,000	\$1,576,000	100%	\$ 1,576,000	\$0
D3	Log Boom Park Waterfront Access Development	\$ 2,640,000	\$423,644	46%	\$ 194,876	\$228,768
D5	Wallace Swamp Creek Park Development	\$ 721,000	\$1,081,500	90%	\$ 973,350	\$108,150
D7	City Gateway Entry Signs	\$ 287,000	\$80,000	0%	\$ -	\$80,000
D9	Twin Springs Park Development	\$1.3 to \$2.4 Mil	\$400,000	100%	\$ 400,000	\$0
D10	Athletic Field Development	\$2.7 Mil	\$7,000,000	75%	\$ 5,250,000	\$1,750,000
D11	Picnic Facility Developments	Unknown	\$100,000	0%	\$ -	\$100,000
D12	Swamp Creek Nature Trail Development	\$ 1,150,000	\$2,000,000	100%	\$ 2,000,000	\$0
D13	Sport Court Developments	Unknown	\$150,000	0%	\$ -	\$150,000
D14	Off-Leash Dog Area Development	\$ 739,000	\$739,000	100%	\$ 739,000	\$0
D18	Tolt Pipeline Trail Phase 2 Development	\$ 136,000	\$500,000	100%	\$ 500,000	\$0
D19	Squire's Landing Waterfront Access Development	\$ 15,305,000	\$1,532,190	90%	\$ 1,378,971	\$153,219
R3	Linwood Park Renovation	\$ 587,000	\$1,057,770	50%	\$ 528,885	\$528,885
	TOTAL		\$42,136,550		\$ 39,037,528	\$3,099,022

(1) Capital Facilities Project costs are established by specific project cost estimates.

(2) Costs include: project administration, acquisition, design, construction & contingency, escalation.

(3) Unit Cost Assumptions are available in Appendix A.

(4) Waterfront Property Cost Estimate is taken from average of all land value in Kenmore by KC Assessor's \$741,438.

(5) All other land acquisition costs for parks is based on average recent park appraisals - \$394,000

(6) Wetland land acquisition costs are based on approx half of average recent park appraisals - \$200,000

PROPORTIONATE SHARE ADJUSTMENTS

The Impact Fee Law requires the City to make various adjustments to the “Investment Needed for Growth” number. The City has identified five specific areas to review to estimate proportionate share of new growth; 1) existing impact fees collected, 2) amount of City revenues paying for growth, 3) general obligation bonds related to park facilities, 4) surface water management capital facilities revenues related to park facilities, and 5) reserve capacity value.

1 Impact Fee Revenue Adjustment

City has collected \$430,748 of impact fees as of March 2019. Even though some of these funds are obligated for the future park facilities in the CFP, they need to be deducted from the investment needed for growth to avoid double payment for the same facilities.

2 Non-Impact Fee Revenue Adjustment

Based on the City’s last five-year historical park funding data and five-year future park facilities improvement plan, the City estimates it will contribute \$235,535 per year for the park facilities (growth and non-growth-related projects).

Table 4 – Non-Impact Fee Revenues

King County Levy	\$	53,335
Real Estate Excuse Tax (REET)	\$	180,000
Donations	\$	2,000
TOTAL	\$	235,335

Following calculations in Table 5 were performed to identify \$1,618,559 to be deducted from the investment needed for growth number.

Table 5 – Non-Impact Fee Reduction

Total Annual City Contributions	\$	235,535
Total Non-Impact Fee Revenues for 16 Years = \$235,535 X 16	\$	3,768,560
City will use non-Impact fee revenues to fund entire Capital Facilities Plan.		
Percentage of Non-Impact Fee Contribution = Non-Impact Fee Revenues / Planned Park Improvements		
Percentage of Non-Impact Fee Contribution = \$3,768,560 / \$42,136,550		8.94%
Future Investment Needed for Growth= Future Investment Needed for Growth X 11.27%		
Amount to be Adjusted = \$18,097,227 X 8.94%	\$	1,618,559

3 General Obligation Bonds

City issued general obligation bonds to pay a portion of capacity related to two park facilities: Squire's Landing Park and Log Boom Park. Total bond fund contribution for these facilities is \$8,300,000. New development activity will assume its proportionate share of this bond obligation through payment of property taxes. The City estimates this share to be \$1,618,723 as shown in Table 6 below:

Table 6 – General Obligation Bond Reduction

Bond Contributions	\$8,300,000
<i>Growth Share of this bond contribution is = Future Population Growth / Total Future Population</i>	
Growth Share = 5,553 / 28,473	19.50%
Bond related reduction amount is = (\$8,300,000 X 19.5%)	\$1,618,723

4 Surface Water Management (SWM) Capital Facilities Charge (CFC) Reduction.

The City recently adopted a Stormwater Capital Facilities Charge (CFC). The City anticipates collecting \$310,000 in CFC's from the new growth for the Squire's Landing and the Log Boom Parks. This amount will also have to be deducted from the investment needed from growth.

5 Value of Reserve Capacity (if any):

The City has chosen for its park system standard for the current level of parks and recreation facilities per capita. This means that there is no deficiency and no reserve capacity; the impact fee is simply designed to sustain the current level of service by keeping up with growth.

Table 7 - Total Adjustments

1 Existing Collected Impact Fees	\$ 430,748
2 Non-Impact Fees	\$ 1,618,559
3 General Obligation Bond	\$ 1,618,723
4 Surface Water Management	\$ 310,000
5 Reserve Capacity	\$ -
Total Adjustments	\$ 3,978,030

PROPOSED PARK IMPACT FEE

Total adjustments (\$3,978,230) need to be deducted from the Investment Needed for Growth (\$18,099,460) to calculate the impact fee. That number is divided by the population growth number to determine a per capita park impact fee. Multiplying the per capita impact fee number with single family and multifamily occupancy rates would result in the final impact fee calculations as shown in Table 8 below:

Table 8 – Final Impact Fee Calculations

Investment Needed for Growth	\$	18,097,227
Total Deductions/Credits	\$	3,978,030
Impact Fee Amount = (Investment Needed for Growth - Total Deductions/Credits)	\$	14,119,197
Population growth		5553
Impact Fee Per Capita = (Impact Fee Amount / Number of People)	\$	2,543
Average Occupancy of a Single Family in Kenmore		2.62
Average Occupancy of a Multi Family in Kenmore		2.34
*Park Impact Fee for Single Family = Impact Fee Per Capita X 2.62	\$	6,663
*Park Impact Fee for Multi Family = Impact Fee Per Capita X 2.34	\$	5,951

**Source- 2017 American Community Survey*

Single Family occupancy rate category includes manufactured homes.

Multi Family occupancy rate category includes owned/leased apartments and townhomes.

CONCLUSION

High quality parks facilities have made and will make the City an appealing location for new homes and apartments. Rapid development, in turn, drives up land values, which increases the cost of expanding and improving the parks system to keep up with growth. Keeping the park impact fee up-to-date will provide funding to sustain the City's level of service for parks facilities, which benefits new residents and provides for growth to pay for growth.

APPENDIX A

Asset Type	Unit Cost Assumptions
Public Art	Value of similar public art pieces.
Ped Bridges	2016 Log Boom Park Pedestrian Bridge Replacement.
Pier	2017 Seattle's Pier 62 Rebuild Project.
Floating Docks	2017 Float costs at Rhododendron, Log Boom and Squires Landing Parks
Trails- Boardwalk	2017 Rhododendron Park Boardwalk.
Outdoor Restrooms	2017 Moorlands Park Restroom.
Buildings	2016 Hangar Building.
Minor Structures	2017 Moorlands Park Shed.
Basketball Courts	2010 City of Shoreline Cromwell Park Basketball Court with 6% escalation per year for 2019 dollars.
Skate Court	2015 City Hall Skate Court with 6% escalation per year for 2019 dollars.
Drinking Fountains	2019 Elkay Drinking Fountain Website.
Fencing	2019 Public Works Yard Fence.
Baseball Field	2017 Moorlands Park Baseball/Softball Field
General Use Field Areas	2017 Moorlands Park Baseball/Softball Field
Litter Receptacle	2017 Moorlands Park Project
Benches	2017 Moorlands Park Project
Picnic Tables	2017 Moorlands Park Project
Picnic Shelter	2017 Moorlands Park Project
Playgrounds	2017 Moorlands Park Project
Railings	2017 City of Shoreline Park Impact Fee Rate Study Asset Inventory and Capital Values

APPENDIX A continued

Signs- Entry	2017 Moorlands Park Entry Sign
Signs-Educational	City of Shoreline Educational Signage Quotes 2017 PIF -Folia
Signs- Regulatory	Moorland Park Directional Sign
Signs-Directional	Moorlands Park Regulatory Sign
Plaques	City of Shoreline Project Dedication Plaques
Lights-Pedestrian	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Trails – Other Step Stone	2018 Pacific Top Soil Website
Walls	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Hardscape-Parking Lots	City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value
Hardscape-Plazas	2018 Squire’s Landing Park Project
Hardscape-Roads	2018 Squire’s Landing Park Project
Landscape	2018 Squire’s Landing Park Project
Irrigation	2017 Moorlands Park Project
Parkland	Based on average of recent City of Kenmore Park Project appraised properties - removed highest and lowest appraised values.

APPENDIX B

Park Impact Fee Rate Comparison by City

Yr. Study Updated	City	Single Family	Multi Family
2017	Redmond	\$4,585	\$3,183
2017	Bothell	\$4,165	\$3,412
2015	Kirkland	\$4,168	\$3,168
2017	Shoreline	\$4,090	\$2,683
2015	Woodinville	\$3,175	\$3,175
2017	Mount Lake Terrace	\$3,126	\$2,260

Also, at the time of adoption of the 2019-2024 CIP, the Surface Water Program Fee Analysis was not complete and the impact on various Surface Water, Transportation, and Park projects was not determined. The Analysis was completed and presented to the City Council in November 2018.

Although the Fee Analysis anticipated that the fee increase would provide funding for surface water components of transportation and park projects, it also recognized that cash flow within the next few years would be insufficient. Based on the recommended rate increases, a cash flow gap of up to \$8.2M was anticipated between 2019 and 2021. The rate increases adopted by the City Council were less than the recommendation.

At the time of adopting the rates, no determination was made as to how to solve the cash flow issue. Therefore, to avoid incurring additional debt, Staff is recommending that the Surface Water components of the Parks capital projects be funded with available park impact fees where appropriate. Staff is also recommending that the Surface Water components of the two Walkways and Waterways capital projects be funded with available Strategic Opportunity funds. Only the West Sammamish River Bridge project would be allocated \$1.2M of surface water fees. These actions result in reducing the cash flow gap to \$3.4M needed to fund new Surface Water projects identified in the Fee Analysis. Staff recommends applying for a Public Works Trust Fund Loan in 2020 for that purpose. One or more of the Surface Water projects may qualify for grant funding which could potentially reduce the \$3.4M.

Complete Proposed Park, Transportation, Surface Water, and City Facility Capital Improvement Programs are illustrated with cash flow projections for Park Impact Fees, Transportation Impact Fees, Real Estate Excise Tax, and the Strategic Opportunities Fund. No changes are currently proposed for the City Facility Program. Revisions to this CIP may result in Budget Amendments to the 2019-2020 Biennial Budget during the Mid-Biennium review this fall.

Projects added to the proposed CIP or substantially changed include:

TRANSPORTATION

- **T35 Pavement Preservation (Overlay).** This ongoing project includes a federal grant request in 2019 (\$355,351). Requests for 2021 (\$65,750) and 2022 (\$753,650) were not awarded. City Real Estate Excise Taxes are programmed to this project in the amount of \$450,000 annually. \$442,000 was identified from 2019-2020 budget savings and has been allocated to this program.
- **T37 West Samm Bridge.** This project has been updated for current budget estimates as previously presented to the City Council. This project is funded by a Federal BRAC Grant, Federal STP Grant, WA State Connecting WA Grant (including \$4M additional previously programmed for SR522 West B), TIB Grant, City Transportation Impact Fees and Surface Water Management Fees. The SR522 West B project reflects the \$4M reduction.
- **T41 Juanita Drive Pedestrian & Bicycle Safety.** This project is funded with Walkways and Waterways Bonds, WSDOT Grants, a DOE Grant, TIB Grant (requested), Sound Transit Grant (requested), City Real Estate Excise Taxes, Transportation Impact Fees, and Strategic Opportunity Funds.
- **T42 68th Ave Pedestrian & Bicycle Safety.** This project is funded with Walkways and Waterways Bonds, a DOE Grant, City Real Estate Excise Taxes and Strategic Opportunity Funds.
- **T43 SR522 Pedestrian Crossing Study.** This \$500,000 project is funded by the State of Washington supplemental transportation budget.
- **Other transportation projects such the Sidewalk projects are relatively unchanged from the prior CIP.**

PARKS

- **P 1 Twin Spring Interim Use.** The adopted CIP (Ordinance 18-0469) includes \$100,000 of park impact fees allocated in 2019 to develop a plan and minimal improvements for opening the park. The proposed CIP includes an additional allocation in 2020 of \$151,900 state appropriation funds. Total budget in the 2019-2024 CIP is \$251,900, with an additional \$53,269 spent prior to 2019, giving a total project budget of \$305,169.
- **P27 Squires Landing Park Waterfront and Mitigation.** The 2016 Walkways & Waterways bond measure estimated a \$5.1 million total project cost. The estimated total project cost presented to Council 3/19/18 was \$6.6 million (\$6.2 million project cost through construction plus \$400,000 for project mitigation monitoring through 2034). The adopted 2019-2024 CIP (Ordinance 18-0469) allocated \$5.75 million, with an additional \$538,287 spent prior to 2019, giving a total project cost of \$6.3 million.

The total project cost is now estimated at \$7.9 million which includes: \$538,287 spent prior to 2019; \$6,985,533 proposed allocation in the 2019-2024 CIP; and \$382,500 for mitigation monitoring allocated in future CIPs 2025-2034, potentially Swamp Creek Basin Funds.

The proposed 2019-2024 CIP allocation of \$6,985,533 includes: \$500,000 RCO grant funding; \$5,005,464 bond funds; \$185,000 King County Conservation District grant funds (unsecured, application 2020); \$651,968 Swamp Creek Basin Funds; \$393,101 Park Impact Fee funds; \$250,000 state appropriation (unsecured, application 2020) or Park Impact Fees.

- **P28 Log Boom Park Waterfront Access and Mitigation.** The 2016 Walkways & Waterways bond measure estimated a \$3.2 million total project cost. The estimated total project budget presented to Council 2/12/18 was \$3.34 million (\$2.94 million project cost through construction plus \$400,000 for project mitigation monitoring). The adopted CIP 2019-2024 (Ordinance 18-0469) allocated \$2.74 million, with an additional \$447,227 spent prior to 2019, giving a total project cost of \$3.18 million.

The total project cost is now estimated at \$3.9 million which includes: \$447,227 spent prior to 2019; \$3,122,535 proposed allocation in the 2019-2024 CIP; and \$340,000 for mitigation monitoring allocated in future CIPs 2025-2032, potentially REET funds or King County Park Levy funds.

The proposed 2019-2024 CIP allocation of \$3,122,535 includes: \$2.43 million bond funds; \$316,112 RCO ALEA grant funds; King County Trail Levy funds; \$80,000 REET funds; \$193,888 Park Impact fee funds.

- **P29 St Edward Ballfield Improvement.** The adopted CIP Ordinance (18-0469) allocates \$300,000 in 2019 for an Environmental Impact Statement (EIS) funded by Park Impact Fee Funds and an RCO grant. \$500,000 of REET funds allocated in 2024 as a placeholder to begin the project. The estimated project cost presented to council 5/18/18 was \$5.4 million.

The proposed 2019-2024 CIP allocation of \$700,000 includes: \$200,000 in 2019 for an EIS funded by Park Impact Fees and RCO grant. Phase 1 of the EIS is estimated to cost \$64,000, Phase 2 is estimated to be \$136,000. \$500,000 of Park Impact fee funds remains allocated in 2024 as a placeholder to begin the project.

- **P30 Rhododendron Park Boathouse Pavilion.** The adopted CIP Ordinance (18-0469) allocates \$487,000, with an additional \$56,800 spent prior to 2019, giving a total project cost estimate of \$543,800.

At the 10/5/18 Council meeting, Council direction to staff was to pursue a 20' x 70' building (\$479,959) plus a concrete pad that could accommodate a larger 40' x 70' building (\$50,000). Project cost estimate of \$529,959. Total cost estimate including prior year expenditures (\$56,800) was \$586,759.

At the 1/14/19 Council meeting, Council direction to staff was to seek reallocation of the \$611,000 King County Youth and Amateur Sports grant funding from the St. Edward Ballfield Project to the Rhododendron Boathouse project to support construction of the 40' x 70' foot boathouse. The project cost estimate provided to Council 10/15/18 for the 40' x 70' boathouse was estimated at \$850,000. The current project cost estimate is \$1,185,019 plus \$56,800 spent prior to 2019 giving a total project cost estimate of \$1,245,018.

The proposed 2019-2024 CIP allocation of \$1,185,019 includes: \$23,469 Park Impact Fee Funds; \$611,000 King County grant funds; \$242,500 state appropriation funds; \$250,000 Northshore School District Funds; \$45,250 RCO grant funds; \$12,800 REET funds.

- **P31 Squires Landing Park Land Acquisition.** As a condition of the P26 Squires Landing Park Waterfront Project, land acquisition was needed to satisfy the RCO Land Conversion requirements. The adopted CIP Ordinance (18-0469) allocates \$1.7 million including \$850,000 King County Conservation funds and \$850,000 REET funds.

The total project cost is now estimated at \$1,205,690 which includes: \$50,959 spent prior to 2019; and \$1,154,731 proposed allocation in the 2019-2024 CIP.

The proposed 2019-2024 CIP allocation of \$1.25 million includes: \$850,000 King County Conservation funds and \$400,000 Swamp Creek Basin funds.

SURFACE WATER

- **SW8 Surface Water Project 190th Culvert at 61st.** This \$1.6 Million project will install a new box culvert at NE 190TH ST and 61ST AVE NE, repair sections of sidewalk along 61ST AVE NE and repair/enhance sections of Tributary 0056. The project will be funded with a Public Works Trust Fund (PWTF) Loan, which has been approved. Design is planned to commence in 2019 with construction in 2021, depending on environmental permitting requirements. Annual repayments of approximately \$81,650 are anticipated and will be included in the Surface Water Management Fund beginning in 2020.
- **SW 17 Little Swamp Creek Relocation.** In 2002, City Council passed Resolution 02-061, which directed staff to create a 100 foot stream buffer along the west side of 80TH AVE NE so that Little Swamp Creek could eventually be relocated to the center of the buffer thereby enhancing the stream environment and completing installation of sidewalks along the west side of 80TH AVE NE between NE 198TH ST and NE 193RD PL. Since that time, multiple developments have created the necessary tracts and easements needed to complete the stream relocation project and only three properties remain which require acquisition of either land or easements. Staff have begun the process of acquiring the remaining area of land needed for the project. Design and construction of the project is scheduled for 2022-2024 at an estimated cost of \$1,364,300.
- **SW28 Northlake Heights LID Retrofit.** A 2015 grant provided by the Department of Ecology provided funds to design a stormwater project that incorporated the use of low impact development (LID) techniques. The City used the funds to design a project that incorporated LID to manage surface water on NE 185TH ST between 64TH AVE NE and 68TH AVE NE, which currently has little to no surface water management in place. The project would provide flow control and water quality treatment to a 65-acre basin that

discharges to Muck Creek and eventually Swamp Creek. Construction of the project is scheduled for 2024-2025 at an estimated cost of \$1,587,863.

- **SW29 Infiltration Tank Retrofit at 61st Ave NE/NE 190th St.** A 1970's stormwater detention system is deteriorating and near failure. A design to replace the existing system is underway with construction scheduled in 2020 at an estimated cost of \$500,000. The new system will improve flow control capabilities and also include water quality treatment. Additionally, access for operation and maintenance of the facility will be improved.
- **SW30 Drainage Improvements at 153rd/NE Arrowhead Dr.** The existing stormwater conveyance system on NE Arrowhead Dr. is undersized resulting in periodic flooding during heavy rain storms. The City is increasing the capacity of the existing system in order to eliminate flooding during heavy rain storms. Design of the project is complete and construction will be completed in July 2019 at an estimated cost of \$175,000 funded by Surface Water Management fees.
- **SW31 Drainage Improvements and Street Repair at 66th Ave NE/195th Pl.** Road settlement issues, largely due to groundwater issues, will require repairs and upgrades to the existing stormwater system. This project is still under design with construction anticipated for 2020 in the amount of \$115,000 funded by Surface Water Management fees.
- **SW32 61st Ave Stabilization.** Road settlement issues, largely due to groundwater issues, will require upgrades to the existing stormwater system and slope stabilization of the adjacent steep slopes next to the road. This project is at 5% design stage with an anticipated budget of \$150,000 programmed for 2019-2020 funded by Surface Water Management fees.
- **SW33 Drainage Improvements & Facility Retrofit.** The City has many aging surface water management facilities which are reaching their expected life span, which need to be repaired or replaced. There are also areas of the City which currently have no surface water management facilities providing flow control or treatment. The City reserves funds to address these areas and facilities, which are identified through annual inspections. The location for SW33 will be determined in 2019/2020 with design and construction scheduled for 2020/2021 at an estimated cost of \$600,000.
- **West Sammamish River Bridge.** Construction costs related to the Surface Water components of the West Sammamish River Bridge project have been included in this revised CIP update. The funds will be needed within the next four years and will not yet be available in the Surface Water Fund. The Surface Water Management contribution is currently estimated to be \$1,200,000 and will be updated once the formal bidding process is complete in late 2019.

The proposed revisions to the CIP for 2019-2024 are presented for Council review, consideration, and discussion.

An Ordinance to amend the CIP will be presented for adoption in September, 2019.

FISCAL CONSIDERATION:

The City's goal is to adopt and maintain a fiscally balanced Capital Improvement Program that can be used by staff to prioritize and pursue projects. The CIP balances City resources including Park and Transportation Impact Fees, Real Estate Excise Tax, General Fund revenues, Surface Water Utility fees, Strategic Opportunity Fund balances, and grant funds. While a project may show need in future years for grant funds to complete, the project and budget is considered "balanced" and provides a tool to pursue outside funding. The CIP should be

considered a programming document with the City of Kenmore adopted budget being the document that actually appropriates funds for project expenditures.

The updated Capital Improvement Program includes 30 individual projects which total \$99,275,154 over the six-year planning horizon. The project costs and funding sources are displayed in Exhibits B through E. Also attached are projections of Impact Fees, Real Estate Excise Taxes and the Strategic Opportunity Fund which are Exhibits F, G, H and I.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The proposed Capital Improvement Program is consistent with Council Goals, specifically:

To focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.

Implement the Sidewalk Plan

To implement the Walkways and Waterways projects.

To update and continue to implement the Economic Development Plan, with an emphasis on the following key points:

Advance public access to water

Create a vibrant, walkable downtown

To continue to implement a Parks Improvement Plan.

To protect and enhance the climate, water, air and forest environment.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 18-0469**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
ADOPTING A SIX-YEAR CAPITAL IMPROVEMENT PROGRAM;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, a Proposed 2019-2024 Six-Year Capital Improvement Program was submitted to the City Council and the City Clerk on September 10, 2018, and

WHEREAS, the City Council scheduled and held a Public Hearing on the Proposed 2019-2024 Six-Year Capital Improvement Program on September 10, 2018,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Adoption of City of Kenmore, Washington, Capital Improvement Program. The City of Kenmore hereby adopts a new City of Kenmore, Washington, Capital Improvement Program, attached as Exhibit "A."

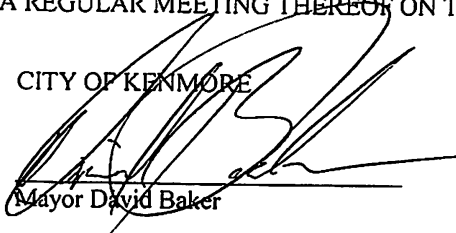
Section 2. City of Kenmore, Washington, Capital Improvement Program. To the extent the City of Kenmore, Washington, Capital Improvement Program ("Capital Improvement Program") is different from the Capital Facilities Element of the City's Comprehensive Plan, including but not limited to the Capital Facilities Plan portion thereof ("Capital Facilities Element"), the Capital Improvement Program shall supersede and amend the Capital Facilities Element accordingly.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by State or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 17th DAY OF SEPTEMBER, 2018.

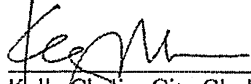
CITY OF KENMORE


Mayor David Baker

ATTACHMENT 1

Six-Year Capital Improvement Program

ATTEST/AUTHENTICATED:



Kelly Chelin, City Clerk

Approved as to form:



Rod P. Kaseguma, City Attorney

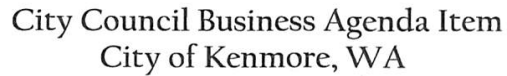
FILED WITH THE CITY CLERK: 9/17/18
PASSED BY THE CITY COUNCIL: 9/17/18
PUBLISHED: 9/20/18
EFFECTIVE DATE: 9/25/18
ORDINANCE NO. 18-0469

ATTACHMENT 1

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2019-2024**

EXPENDITURES	2019 Adopted	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Adopted	2019-2024 Totals
<u>PARKS</u>							
P 1 Twin Springs Interim Use Plan	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
P 6 Moorlands Park Improvements	50,000	0	0	0	0	0	50,000
P 18 Rhododendron Park Waterfront Mitigation	72,000	8,000	8,000	8,000	0	0	96,000
P18a Rhododendron Park Float Mitigation	2,000	2,000	2,000	2,000	0	0	8,000
P 26 Squire Landing Float Mitigation	4,000	4,000	4,000	4,000	0	0	16,000
P 27 Squires Landing Park Waterfront & Open Space	500,000	220,000	690,000	3,940,000	40,000	360,000	5,750,000
P 28 Log Boom Park Waterfront Access and Viewing	300,000	120,000	590,000	1,330,000	40,000	360,000	2,740,000
P 29 St Edward Ballfield Improvements	300,000	0	0	0	0	500,000	800,000
P 30 Rhododendron Park Boathouse Pavilion	474,000	3,000	3,000	3,000	3,000	1,000	487,000
P 31 Squires Landing Park Land Acquisition	1,700,000	0	0	0	0	0	1,700,000
Total Parks	\$3,502,000	\$357,000	\$1,297,000	\$5,287,000	\$83,000	\$1,221,000	\$11,747,000
<u>TRANSPORTATION</u>							
T 8 SR 522 West B 57th to 61st	\$0	\$0	\$600,000	\$7,400,000	\$4,000,000	\$0	\$12,000,000
T 27 Sidewalk Program:							
Sidewalk Gaps	100,000	100,000	100,000	100,000	100,000	100,000	600,000
T 47 Arrowhead Dr	11,100	132,800	1,038,281	0	0	0	1,182,181
T 45 NE 153rd Pl	612,500	0	0	0	0	0	612,500
T 46 NE 181st (65th -67th)	681,413	0	0	0	0	0	681,413
T 35 Pavement Preservation	805,351	450,000	550,000	550,000	550,000	550,000	3,455,351
T 37 West Samm Bridge	11,539,791	10,083,265	7,160,152	229,290	20,923	20,923	29,054,344
T 41 Juunitu Dr Pedestrian & Bicycle Safety All Segments	1,510,431	9,663,492	3,221,164	0	0	0	14,395,087
T 42 68th Ave Pedestrian & Bicycle Safety All Segments	6,701,494	2,180,400	0	0	0	0	8,881,894
T 43 SR 522 Pedestrian Crossing Study	250,000	250,000	0	0	0	0	500,000
Total Transportation	\$22,212,080	\$22,859,957	\$12,669,597	\$8,279,290	\$4,670,923	\$670,923	\$71,362,770
<u>SURFACE WATER</u>							
SW 8 190th Culvert at 61st	\$1,632,450	\$0	\$0	\$0	\$0	\$0	\$1,632,450
SW 8 Trust Fund Loan Repayment	0	81,650	81,650	81,650	81,650	81,650	408,250
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	300,000
SW 25 Strawberry Hills SW Tank Retrofit	0	0	0	0	0	0	0
SW 29 Infiltration Tank Retrofit at 61st Ave NE/NE 196th St	500,000	0	0	0	0	0	500,000
SW 30 Drainage Improvements at 153rd/NE Arrowhead Dr	175,000	0	0	0	0	0	175,000
SW 31 Drainage Impr & Street Repair at 66th Ave NE /196th P	115,000	0	0	0	0	0	115,000
SW 32 61st Ave Stabilization	0	0	150,000	0	0	0	150,000
SW 33 Drainage Improvement & Facility Retrofit	0	100,000	500,000	0	0	0	600,000
Total Surface Water	\$2,472,450	\$231,650	\$781,650	\$131,650	\$131,650	\$131,650	\$3,880,700
<u>CITY FACILITIES</u>							
F 1 Public Works Shop Land Acquisition & Development	\$0	\$2,000,000	\$4,500,000	\$0	\$0	\$0	\$6,500,000
F 2 Debt Repayment	0	0	500,000	500,000	500,000	500,000	2,000,000
Total City Facilities	\$0	\$2,000,000	\$5,000,000	\$500,000	\$500,000	\$500,000	\$8,500,000
TOTAL EXPENDITURES	\$28,186,530	\$25,448,607	\$19,748,247	\$14,197,940	\$5,385,573	\$2,523,573	\$95,490,470



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This additional significant capital project required Planning Commission consideration of a Comprehensive Plan amendment to add the Public Works shop to the Capital Facilities Element. The Juanita Drive project expansion (to NE 170th St.) was also a significant change necessitating an amendment. The Commission held a public hearing on these matters on July 24, 2018 and unanimously recommends approval the amendments by the City Council.

The complete proposed Park, Transportation, Surface Water, and Facilities Capital Improvement Program is illustrated with cash flow projections for Park Impact Fees, Transportation Impact Fees, and Real Estate Excise Tax and includes the following projects.

TRANSPORTATION

- **T8 SR 522 West B.** This project will widen Highway SR522 to the south between west City limits and 61st Avenue NE to provide dual eastbound to northbound left turn lanes and U-turn capability at the 61st Avenue NE intersection (0.28 miles). Other project improvements include sidewalk (both sides between 60th and 61st Avenues NE, then south side only), retaining walls, utility conversion to underground, street lighting, landscaping, drainage, utility relocations, asphalt pavement overlay and striping. Design is approximately 60% complete and is scheduled to resume in 2019-20. Construction is anticipated for 2021-22. \$12M in funding is provided by Washington State Department of Transportation Connecting Washington funds.
- **T27 Sidewalk Gap-Replacement Program.** This program fills short gaps in the City's sidewalk network, replaces sidewalk panels that restrict access or improves accessibility at curb ramps. The City currently allocates \$100,000 of Real Estate Excise Tax annually to fund this program.
- **T47 Arrowhead Sidewalk.** This project will add sidewalk on west/south side of NE Arrowhead drive from NE 151st Street to 64th Avenue NE (1,000 feet). Other project improvements include storm drainage, landscaping, retaining walls, utility relocations and striping. Preliminary design layouts have been developed however design is 0% complete. The City has requested 2018 WSDOT Safe Routes to School program grant funds to complete this project. The total project cost is estimated at \$1.1 Million. If funded, design and construction would occur in 2020 and 2021 respectively. City Impact Fees of \$118,000 are included.
- **T45 NE 153rd Place Safe Routes to School Sidewalk Project.** This project will add sidewalk along the south side of NE 153rd Place between Juanita Drive NE and 70th Avenue NE (800 feet). Other project improvements include storm drainage, angled street parking, landscaping, utility relocations and striping. Design is currently 60% complete. Construction is anticipated to begin in the first quarter of 2019. The total project cost is estimated at \$748,000. Funding is provided by a Washington State Department of Transportation Safe Routes to School grant and City Impact Fees of \$74,844.
- **T46 NE 181st Street Sidewalks (65th – 67th Avenues NE).** This project will add sidewalk along the north side of NE 181st Street between 65th Avenue NE and 67th Avenue NE (500 feet). Other project improvements include storm drainage, street and pedestrian lighting, parallel parking, landscaping, retaining walls, utility relocations and striping. Design is currently 45-60% complete. Construction is anticipated to begin in the second quarter of 2019. The total project cost is estimated to be \$805,000. Funding is provided by Washington State Transportation Improvement Board grant and City Impact fees of \$270,073.
- **T35 Pavement Preservation Program.** This program includes all grind and overlay and crack and seal projects within the City. Typically grind and overlay projects are completed on roadways with pavement ratings between 60 and 70, while crack and seal operations are completed on roadways with ratings between 70 and 80. This program also upgrades curb ramps within project limits to comply with the

American's with Disabilities Act (ADA) and includes major pavement repairs, utility adjustments and pavement markings. The City currently allocates \$450,000 of Real Estate Excise Tax annually to fund this program, increasing to \$550,000 in 2021.

- **T37 West Sammamish River Bridge.** This project replaces the West Sammamish River Bridge (southbound traffic) on 68th Avenue NE and includes 68th Avenue NE corridor improvements between NE 170th Street and NE 175th Street (0.43 miles). Other project improvements include new sidewalk (both sides), shared use path across the bridge, storm drainage, traffic signal upgrades, utility conversion to underground, street lighting, landscaping, retaining walls, asphalt pavement overlay and striping. Design is currently complete and final permitting is being secured. Construction is anticipated to begin in the second quarter (Q2) of 2019. The total project cost is estimated at \$33 Million. Funding is provided by the Federal Highways Bridge Program, Federal Surface Transportation Program, WSDOT Connecting Washington, Transportation Improvement Board (TIB) and City funds.
- **T41 Juanita Drive Pedestrian & Bicycle Safety.** This project will add sidewalk (one side) and buffered bike lanes (both sides) along Juanita Drive NE between NE 143rd Street and NE 170th Street (1.46 miles). Other project improvements include addition or extension of left turn pockets at side streets, new storm drainage system, improved street lighting, landscaping, retaining walls, utility relocations, asphalt pavement overlay and striping. Design is currently 60% complete. The project is grant dependent and is estimated to be construction ready by 2020. The total project cost is estimated at \$15.8 Million. Funding is provided by Walkways and Waterways Bonds, WSDOT Grant, DOE Grant (agreement pending), TIB Grant (requested), City funds (Interfund Loan) and pending additional grant requests.
- **T42 68th Ave Pedestrian & Bicycle Safety.** This project will add sidewalk (one side) and bike lanes (both sides) along 68th Avenue NE between NE 185th Street and 61st Place NE (1.32 miles). Other project improvements include filling existing sidewalk gaps between NE 182nd Street and NE 187th Street, new storm drainage system, improved street lighting, landscaping, retaining walls, utility relocations and striping. Design is currently 60% complete. Construction is anticipated to begin in the second quarter (Q2) of 2019. The total project cost is estimated at \$9.6 Million. Funding is provided by Walkways and Waterways Bonds, DOE Grant (agreement pending), City Real Estate Excise Taxes, Transportation Impact Fees and pending additional grant requests.
- **T43 SR522 Crossing Study.** This project will evaluate potential Highway SR 522 crossing options (type, size and location) between 61st and 68th Avenues NE. The alternatives will include both grade-separation and at-grade crossing improvements. All facilities analyzed will consider walking and biking as priority modes. Consultant selection is scheduled for the fall of 2018 and the study will be completed in 2019-20. This \$500,000 project is funded by the State of Washington supplemental transportation budget.

PARKS

- **P 1 Twin Spring Interim Use.** On 5/14/18, Council adopted the Twin Springs Park master plan which included a phasing plan and cost estimate for a Phase 1 trail project. \$100,000 is allocated in the 2019 budget for a first phase project funded by Park Impact Fees.. The first phase of the project will explore options and the feasibility of improving drainage to improve the usability of the open grass field area. An additional \$20,000 is allocated in the City's park operation budget for park opening expenses (including park rules signage, trash cans, and improving the NE 192nd entrance/access).
- **P 6 Moorlands Park Improvements.** In July of 2018 park improvements were complete including new playground, renovated athletic field, picnic shelter, restroom, landscaping and pathways. In 2019 \$50,000 of Real Estate Excise Tax funds are allocated to complete additional items including 81st Ave storm drain repair, athletic field net poles/warning track/pipes and truncated domes at the 84th Ave crosswalk.

- **P18 Rhododendron Park Waterfront & Open Space.** In 2017 construction completed of a new boardwalk connecting the existing park improvements through the wetland to the Sammamish River. Improvements to the access driveway, parking and environmental enhancements were also part of this project. In 2019 \$72,000 is allocated to complete park signage and related mitigation plantings. \$8,000 of the \$72,000 is for monitoring/maintenance of the plantings as well as \$8,000 per year until 2022 (total \$24,000). Project funding includes \$21,053 of in lieu fees received by the City, \$40,000 of RCO ALEA grant funds and \$34,947 of bond funds.
- **P18a Rhododendron Park Float Mitigation.** In 2017 construction of a new float/dock for hand carry watercraft access to the Sammamish River was completed. \$2,000 each year is allocated between 2019-2022 (total of \$8,000) of Park Impact Fee funds for monitoring/maintenance of required mitigation plantings.
- **P26 Squires Landing Float Mitigation.** In 2017 construction completed of a replacement dock for hand carry watercraft access to the Sammamish River. \$4,000 is allocated each year between 2019-2022 (total of \$16,000) of Park Impact Fee funds for monitoring/maintenance of required mitigation plantings.
- **P27 Squires Landing Park Waterfront and Mitigation.** A refined conceptual design and cost estimates were presented to Council and at a public open house in March 2018. Waterfront and park improvements include new boardwalks/trails, new boating facilities for hand carry watercraft, new parking lot, restroom and environmental enhancements. \$720,000 of bond funds are allocated in the 2019-2020 budget for costs associated with permit applications and review. \$4.63 million is allocated in the 2021-2022 biennium for project construction including \$500,000 of RCO funds and \$4.13 million bond funds. \$400,000 of bond funds are allocated for ten years of monitoring/maintenance of required mitigation plantings (\$40,000 assumed each year beginning in 2023 and continuing for 9 more years through 2033).
- **P28 Log Boom Park Waterfront Access and Mitigation.** A refined conceptual design and cost estimate were presented to Council and at a public open house in March 2018. Waterfront and park improvements include beach expansion, new trails, picnic shelter, boating facilities, and environmental enhancements. \$420,000 of bond funds are allocated in the 2019-2020 budget for costs associated with permit applications and review. \$1.92 million is allocated in the 2020-2021 biennium for project construction including \$500,000 of RCO funds (City applied for RCO funds in 2018, funding award not yet known) and \$1.42 million bond funds. \$400,000 of bond funds are allocated for ten years of monitoring/maintenance of required mitigation plantings (\$40,000 assumed each year beginning in 2023 and continuing for 9 more years through 2033).
- **P29 St Edward Ballfield Improvement.** In July 2017 a critical area buffer variance permit application and SEPA application were submitted. In May 2018 Council direction was to proceed with an Environmental Impact Statement (EIS). SEPA, permit review and lease negotiations with Washington State Parks anticipated to be ongoing in 2019 and beyond. Improvements may include field renovation, field lighting, perimeter pathways, dugouts and covered bleachers, parking and wetland/buffer enhancement. Construction timing is dependent on obtaining a long-term lease with the Washington State Park Commission and required permits. \$300,000 is allocated in the 2019 budget for costs to complete an EIS, including \$75,000 of RCO grant funds and \$225,000 of Impact Fee funds. \$500,000 of Real Estate Excise Tax funds are allocated in the 2024 budget as a placeholder for future design and permitting.
- **P30 Rhododendron Park Boathouse Pavilion.** A preliminary design and cost estimate were presented to council in fall 2018 for a boatshed to serve hand carry watercraft needs including adult and Northshore School District high school rowing programs. \$474,000 is allocated in 2019 for costs to complete design,

permitting and construction. \$255,000 of the total project cost is assumed to be Northshore School District funds, \$222,000 is State budget funding and \$10,000 would be Park Impact Fees (a required match).

- **P31 Squires Landing Park Land Acquisition.** \$1.7 million is allocated in the 2019 budget for property acquisition. Several Squire's Landing Park parcels east of the lagoon were originally acquired with Recreation Conservation Office (RCO) funding that restricts active recreation use. To allow for more active uses associated with the Walkways and Waterways project (See project P27 Squires Landing Park Waterfront & Natural Open Space project), the City will be acquiring land to replace the converted areas of the Park. The RCO land conversion process requires replacing land based on current appraised value. The conversion process began in 2017 and is expected to be complete before the end of 2019. An appraisal of the area of Squire's Landing that is being converted out of the Deed Restriction is being conducted. An estimate of between \$750,000 to \$1.3 million is anticipated for property acquisition costs plus other associated costs such as Escrow, closing and recording costs, land brokerage, appraisal, survey, wetland delineation and environmental assessment fees. Up to \$850,000 assumed King Conservation Funds (City applied for funds in 2018, award not yet known) and \$850,000 of City funds such as Real Estate Excise Tax.

SURFACE WATER

- **SW8 Surface Water Project 190th Culvert at 61st.** This \$1.6 Million project will install new box culvert and related improvements near 61st Ave NE and NE 190th and will be funded with a Public Works Trust Fund (PWTF) Loan. The City was notified that the loan application had been approved. Design is planned to commence in 2018 with construction in 2019-2020. Annual repayments of approximately \$81,650 are anticipated and will be included in the Surface Water Management Fund beginning in 2020.
- **SW29 Infiltration Tank Retrofit at 61st Ave NE/NE 190th St.** Design is underway with construction in 2019, estimated at \$500,000 funded by Surface Water Management fees.
- **SW30 Drainage Improvements at 153rd/NE Arrowhead Dr.** Design is complete and construction is anticipated in 2019, estimated at \$175,000 funded by Surface Water Management fees.
- **SW31 Drainage Improvements and Street Repair at 66th Ave NE/195th Pl.** This project is still under design with construction anticipated for 2019 in the amount of \$115,000 funded by Surface Water Management fees.
- **SW32 61st Ave Stabilization.** This new project is at 5% design stage with an anticipated budget of \$150,000 programmed for 2021 funded by Surface Water Management fees.
- **SW 33 Drainage Improvement and Facility Retrofit** Design for this project will begin in 2020, estimated at \$100,000 with construction anticipated in 2021 and estimated to be \$500,000. Prioritization and selection of the specific facility will occur after 2019 inspections are complete in order to select the facility with the highest need for retrofit at that time.

Completion of a Surface Water Fee Analysis in 2018 may result in additions or amendments to the CIP at a later date. Included in the Fee Analysis is review and consideration of a potential Surface Water General Facilities Charge for new construction (similar to an impact fee). Revenue from this potential (not adopted) revenue source is assumed as a funding source in this CIP.

FISCAL CONSIDERATION:

The City's goal is to adopt and maintain a fiscally balanced Capital Improvement Program that can be used by staff to prioritize and pursue projects. The CIP balances City resources including Park and Transportation Impact Fees, Real Estate Excise Tax, General Fund revenues, Surface Water Utility fees, Strategic Opportunity Fund balances, and grant funds. While a project may show need in future years for grant funds to complete, the project and budget is considered "balanced" and provides a tool to pursue outside funding. The CIP should be considered a programming document with the City of Kenmore adopted budget being the document that actually appropriates funds for project expenditures.

The updated and proposed 2019-2024 Capital Improvement Program includes 29 individual projects which total \$95,490,470 over the six- year planning horizon. \$53,635,137 would be programmed for the upcoming 2019-2020 biennium and, if later adopted, would be incorporated into the biennial budget. The project costs and funding sources are displayed in Exhibits A through E. Also attached are projections of Impact Fees and Real Estate Excise Tax which are Exhibits F, G and H.

At the conclusion of the Public Hearing, an Ordinance 18-0467, amending the Capital Facilities Element of the Comprehensive Plan will be presented for Council approval. If approved, an ordinance to adopt the proposed 2019-2024 Capital Improvement Program for Parks, Transportation, Surface Water, and City Facilities will be presented to the City Council for adoption at a subsequent meeting in September.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

The proposed Capital Improvement Program is consistent with Council Goals, specifically:

To focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.

Implement the Sidewalk Plan

To implement the Walkways and Waterways projects.

To update and continue to implement the Economic Development Plan, with an emphasis on the following key points:

Advance public access to water

Create a vibrant, walkable downtown

To continue to implement a Parks Improvement Plan.

To protect and enhance the water, air and forest environment.

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
PROPOSED REVISIONS FOR THE YEARS 2019-2024**

EXPENDITURES	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals
PARKS							
P 1 Twin Springs Interim Use Plan	\$100,000	\$151,900	\$0	\$0	\$0	\$0	\$251,900
P 6 Moorlands Park Improvements	50,000	-	-	-	-	-	50,000
P 18 Rhododendron Park Waterfront Mitigation	72,000	8,000	8,000	8,000	0	0	96,000
P18a Rhododendron Park Float Mitigation	2,000	2,000	2,000	2,000	0	0	8,000
P 26 Squire Landing Float Mitigation	4,000	4,000	4,000	4,000	0	0	16,000
P 27 Squires Landing Park Waterfront & Open Space	716,058	158,000	5,736,098	272,877	60,000	42,500	6,985,533
P 28 Log Boom Park Waterfront Access and Viewing	337,008	192,605	2,453,872	49,050	47,500	42,500	3,122,535
P 29 St Edward Ballfield Improvements	200,000	0	0	0	0	500,000	700,000
P 30 Rhododendron Park Boathouse Pavilion	193,783	973,436	8,200	3,200	3,200	3,200	1,185,019
P 31 Squires Landing Park Land Acquisition	1,250,000	0	0	0	0	0	1,250,000
Total Parks	\$2,924,849	\$1,489,941	\$8,212,170	\$339,127	\$110,700	\$588,200	\$13,664,987
TRANSPORTATION							
T 8 SR 522 West B 57th to 61st	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$4,000,000
T 27 Sidewalk Program:							
Sidewalk Gaps	100,000	100,000	100,000	100,000	100,000	100,000	600,000
T 47 Arrowhead Dr	11,100	132,800	1,038,281	0	0	0	1,182,181
T 45 NE 153rd Pl	612,500	0	0	0	0	0	612,500
T 46 NE 181st (65th -67th)	681,413	0	0	0	0	0	681,413
T 35 Pavement Preservation	1,317,351	450,000	550,000	550,000	550,000	550,000	3,967,351
T 37 West Samm Bridge	295,340	11,729,101	12,332,216	8,088,027	282,141	0	32,726,825
T 41 Juanita Dr Pedestrian & Bicycle Safety All Segments	1,298,507	8,162,952	5,711,682	0	0	0	15,173,141
T 42 68th Ave Pedestrian & Bicycle Safety All Segments	324,292	5,346,451	4,057,082	0	0	0	9,727,825
T 43 SR 522 Pedestrian Crossing Study	250,000	250,000	0	0	0	0	500,000
Total Transportation	\$4,890,503	\$26,171,304	\$23,789,261	\$8,738,027	\$4,932,141	\$650,000	\$69,171,236
SURFACE WATER							
SW 8 190th Culvert at 61st	\$1,632,450	\$0	\$0	\$0	\$0	\$0	\$1,632,450
SW 8 Trust Fund Loan Repayment	0	81,650	81,650	81,650	81,650	81,650	408,250
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	300,000
SW 29 Infiltration Tank Retrofit at 61st Ave NE/NE 196th St	500,000	0	0	0	0	0	500,000
SW 30 Drainage Improvements at 153rd/NE Arrowhead Dr	175,000	0	0	0	0	0	175,000
SW 31 Drainage Impr & Street Repair at 66th Ave NE /196th P	115,000	0	0	0	0	0	115,000
SW 32 61st Ave Stabilization	0	0	150,000	0	0	0	150,000
SW 33 Drainage Improvement & Facility Retrofit	0	100,000	500,000	100,000	500,000	100,000	1,300,000
SW 17 Little Swamp Creek Relocation	0	0	0	550,000	814,300	0	1,364,300
SW 28 Northlake Heights LID Retrofit	0	0	0	0	0	793,931	793,931
Surface Water Component of West Samm Bridge	0	465,240	415,240	319,520	0	0	1,200,000
Total Surface Water	\$2,472,450	\$696,890	\$1,196,890	\$1,101,170	\$1,445,950	\$1,025,581	\$7,938,931
CITY FACILITIES							
F 1 Public Works Shop Land Acquisition & Development	\$0	\$2,000,000	\$4,500,000	\$0	\$0	\$0	\$6,500,000
F 2 Debt Repayment	0	0	500,000	500,000	500,000	500,000	2,000,000
Total City Facilities	\$0	\$2,000,000	\$5,000,000	\$500,000	\$500,000	\$500,000	\$8,500,000
TOTAL EXPENDITURES	\$10,287,802	\$30,358,135	\$38,198,321	\$10,678,324	\$6,988,791	\$2,763,781	\$99,275,154

EXHIBIT A

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
PROPOSED REVISIONS FOR THE YEARS 2019-2024**

REVENUES	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals
Real Estate Excise Tax (Transportation)	\$620,000	\$1,229,401	\$4,015,649	\$650,000	\$650,000	\$650,000	\$7,815,050
Real Estate Excise Tax (Parks)	56,000	6,000	9,200	9,200	43,200	543,200	666,800
Transportation Impact Fee Revenue	315,677	1,298,745	2,604,920	247,386	282,141	0	4,748,869
Park Impact Fee Revenue	301,570	15,000	583,888	155,000	5,000	0	1,060,458
General Fund	21,053	0	125,000	125,000	125,000	125,000	521,053
Street Fund	0	0	130,000	130,000	130,000	130,000	520,000
Surface Water Utility Funds	797,450	862,130	757,130	614,040	339,300	468,931	3,838,981
Surface Water General Utility Charges	175,000	300,000	300,000	201,650	201,650	201,650	1,379,950
Federal Preservation Grants	355,351	0	0	0	0	0	355,351
TIB Grant - Sidewalks	435,410	0	0	0	0	0	435,410
WSDOT Safe Routes to School - Sidewalks	581,846	99,670	959,293	0	0	0	1,640,809
BRAC Grant West Samm Bridge Replacement	159,149	5,290,250	3,455,104	369,039	0	0	9,273,542
TIB Grant: West Samm Bridge Replacement	0	2,578,157	2,743,504	1,578,339	0	0	6,900,000
STP Grant: West Samm Bridge Replacement	0	144,830	147,835	129,215	0	0	421,880
Connecting WA Funds West Samm Bridge Replacement	104,271	1,735,577	4,185,158	5,444,528	4,000,000	0	15,469,534
Walkways & Waterways Bonds: Juanita and 68th Ave	1,622,799	6,155,889	500,000	0	0	0	8,278,688
WSDOT Grants: Juanita Drive	0	2,525,600	0	0	0	0	2,525,600
State Grant: Juanita Drive	0	0	1,500,000	0	0	0	1,500,000
Washington State LEAP Transportation Bill	250,000	250,000	0	0	0	0	500,000
State Department of Commerce Award	0	151,900	0	0	0	0	151,900
State Capital Budget	154,993	82,507	5,000	0	0	0	242,500
Utility Reimbursement: West Samm Bridge Replacement	4,000	1,515,047	1,385,375	0	0	0	2,904,422
DOE Grant: Juanita and 68th Ave	0	1,457,250	1,054,950	0	0	0	2,512,200
RCO Park Grants	140,000	162,750	698,612	0	0	0	1,001,362
King County Conservation Futures Trust Grant	850,000	0	0	0	0	0	850,000
King County Park Levy	0	50,000	50,000	0	0	2,500	102,500
King County Conservation District, Unsecured	0	0	185,000	0	0	0	185,000
King County Youth Activities Grant	0	611,000	0	0	0	0	611,000
Public Works Trust Fund Loan	1,500,000	0	0	0	0	0	1,500,000
Walkways & Waterways Bonds: Log Boom, Squires	970,912	191,105	6,253,879	52,050	2,500	0	7,470,446
Private Funding for Boathouse	30,321	219,679	0	0	0	0	250,000
Street Fund	442,000	0	0	0	0	0	442,000
City Swamp Creek Basin Funds	400,000	0	426,591	122,877	60,000	42,500	1,051,968
Strategic Opportunity Fund	0	1,425,648	822,233	0	0	0	2,247,881
Other Long Term Debt	0	0	800,000	850,000	1,150,000	600,000	3,400,000
20 year Note Public Works Shop	0	6,500,000	0	0	0	0	6,500,000
TOTAL REVENUES	\$10,287,802	\$34,858,135	\$33,698,321	\$10,678,324	\$6,988,791	\$2,763,781	\$99,275,154

EXHIBIT B

**CITY OF KENMORE, WASHINGTON
PARK CAPITAL IMPROVEMENT PROGRAM
PROPOSED REVISIONS FOR THE YEARS 2019-2024**

Project Description	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals	Project Total 2013-2024
P 1 Twin Springs Interim Use	\$100,000	\$151,900	\$0	\$0	\$0	\$0	\$251,900	\$305,169
P 6 Moorlands Park Improvements	50,000	0	0	0	0	0	\$50,000	\$2,176,341
P 18 Rhododendron Park Waterfront & Open Space Mitigation	72,000	8,000	8,000	8,000	0	0	96,000	1,215,419
P 18a Rhododendron Park Float Mitigation	2,000	2,000	2,000	2,000	0	0	8,000	444,209
P 26 Squires Landing Float Mitigation	4,000	4,000	4,000	4,000	0	0	16,000	177,054
P 27 Squires Landing Park Waterfront & Mitigation	716,058	158,000	5,736,098	272,877	60,000	42,500	6,985,533	7,871,205
P 28 Log Boom Park Waterfront Access and Mitigation	337,008	192,605	2,453,872	49,050	47,500	42,500	3,122,535	3,736,195
P 29 St Edward Ballfield Improvements EIS	200,000	0	0	0	0	500,000	700,000	1,118,603
P 30 Rhododendron Park Boathouse Pavilion	193,783	973,436	8,200	3,200	3,200	3,200	1,185,019	1,203,019
P 31 Squires Landing Park Land Acquisition	1,250,000	0	0	0	0	0	1,250,000	1,250,000
Total Project Costs	\$2,924,849	\$1,489,941	\$8,212,170	\$339,127	\$110,700	\$588,200	\$13,664,987	\$19,497,214

	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals
Funding As Proposed:							
Park Impact Fees	\$301,570	\$15,000	\$583,888	\$155,000	\$5,000	\$0	\$1,060,458
Real Estate Excise Taxes	56,000	6,000	9,200	9,200	43,200	543,200	666,800
City Swamp Creek Basin Funds	400,000	0	426,591	122,877	60,000	42,500	1,051,968
In Lieu Fees: Rhododendron Park Waterfront	21,053	0	0	0	0	0	21,053
Private Funding: Rhododendron Park Boathouse	30,321	219,679	0	0	0	0	250,000
RCO Grants	140,000	162,750	698,612	0	0	0	1,001,362
King County Park Levy	0	50,000	50,000	0	0	2,500	102,500
King County CFT Grant: Squires Land Acquisition	850,000	0	0	0	0	0	850,000
King County Conservation District, unsecured	0	0	185,000	0	0	0	185,000
King County Youth Activities Grant	0	611,000	0	0	0	0	611,000
State Department of Commerce Award	0	151,900	0	0	0	0	151,900
State Capital Budget	154,993	82,507	5,000	0	0	0	242,500
Walkways & Waterways Bonds: Log Boom, Squires	970,912	191,105	6,253,879	52,050	2,500	0	7,470,446
Total Project Funding	\$2,924,849	\$1,489,941	\$8,212,170	\$339,127	\$110,700	\$588,200	\$13,664,987

This program update assumes a St Edward Ballfield EIS in 2019 and project start in 2024

EXHIBIT C

**CITY OF KENMORE, WASHINGTON
TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM
PROPOSED REVISIONS FOR THE YEARS 2019-2024**

Project Description	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals	Project Total 2013-2024
T 8 SR 522 West B 57th to 61st	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$4,000,000	\$4,000,000
T 27 Sidewalk Program								
Sidewalk Gaps	100,000	100,000	100,000	100,000	100,000	100,000	600,000	907,564
T47 Arrowhead Dr	11,100	132,800	1,038,281	0	0	0	1,182,181	1,182,181
T45 NE 153rd Pl	612,500	0	0	0	0	0	612,500	749,865
T46 NE 181st (65th -67th)	681,413	0	0	0	0	0	681,413	805,205
Subtotal	1,405,013	232,800	1,138,281	100,000	100,000	100,000	3,076,094	3,644,815
T 35 Pavement Preservation	1,317,351	450,000	550,000	550,000	550,000	550,000	3,967,351	6,835,906
T 37 West Samm Bridge	295,340	11,729,101	12,332,216	8,088,027	282,141	0	32,726,825	36,919,092
T 41 Juanita Dr Pedestrian & Bicycle Safety All Segments	1,298,507	8,162,952	5,711,682	0	0	0	15,173,141	16,585,654
T 42 68th Ave Pedestrian & Bicycle Safety All Segments	324,292	5,346,451	4,057,082	0	0	0	9,727,825	10,346,106
T 43 SR 522 Pedestrian Crossing Study	250,000	250,000	0	0	0	0	500,000	500,000
Total Project Costs	\$4,890,503	\$26,171,304	\$23,789,261	\$8,738,027	\$4,932,141	\$650,000	\$69,171,236	\$78,831,573

	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals
Funding as Proposed:							
Real Estate Excise Taxes	\$620,000	\$1,229,401	\$4,015,649	\$650,000	\$650,000	\$650,000	\$7,815,050
Transportation Impact Fees	315,677	1,298,745	2,604,920	247,386	282,141	0	4,748,869
Federal Preservation Grant: Simonds Road	355,351	0	0	0	0	0	355,351
TIB Grant: Sidewalks	435,410	0	0	0	0	0	435,410
WSDOT Safe Routes to School Grant: Sidewalks	581,846	99,670	959,293	0	0	0	1,640,809
BRAC Grant: West Samm Bridge Replacement	159,149	5,290,250	3,455,104	369,039	0	0	9,273,542
STP Grant: West Samm Bridge Replacement	0	144,830	147,835	129,215	0	0	421,880
Connecting WA Funds: West Samm Bridge, West B	104,271	1,735,577	4,185,158	5,444,528	4,000,000	0	15,469,534
TIB Grant: West Samm Bridge Replacement	0	2,578,157	2,743,504	1,578,339	0	0	6,900,000
Walkways & Waterways Bonds: Juanita and 68th Ave	1,622,799	6,155,889	500,000	0	0	0	8,278,688
WSDOT: Juanita Drive	0	525,600	0	0	0	0	525,600
WSDOT Ped/Bicycle: Juanita Drive	0	2,000,000	0	0	0	0	2,000,000
State Grant: Juanita Drive	0	0	1,500,000	0	0	0	1,500,000
DOE Grant: Juanita and 68th Ave	0	1,457,250	1,054,950	0	0	0	2,512,200
Street Fund	442,000	0	0	0	0	0	442,000
Surface Water Utility Funds	0	465,240	415,240	319,520	0	0	1,200,000
Strategic Opportunity Fund	0	1,425,648	822,233	0	0	0	2,247,881
Washington State LEAP Transportation Bill	250,000	250,000	0	0	0	0	500,000
Utility Reimbursement: West Samm Bridge Replacement	4,000	1,515,047	1,385,375	0	0	0	2,904,422
Total Project Funding	\$4,890,503	\$26,171,304	\$23,789,261	\$8,738,027	\$4,932,141	\$650,000	\$69,171,236

EXHIBIT D

**CITY OF KENMORE, WASHINGTON
SURFACE WATER CAPITAL IMPROVEMENT PROGRAM
PROPOSED REVISIONS FOR THE YEARS 2019-2024**

Project Description	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals	Project Total 2013-2024
SW 8 190th Culvert at 61st	\$1,632,450	\$0	\$0	\$0	\$0	\$0	\$1,632,450	\$1,636,965
SW 8 Public Works Trust Fund Loan 20 year Repayment	0	81,650	81,650	81,650	81,650	81,650	\$408,250	\$408,250
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	300,000	\$679,359
SW 29 Infiltration Tank Retrofit at 61st Ave NE/NE 196th St	500,000	0	0	0	0	0	500,000	\$500,000
SW 30 Drainage Improvements at 153rd/NE Arrowhead Dr	175,000	0	0	0	0	0	175,000	\$175,000
SW 31 Drainage Impr & Street Repair at 66th Ave NE /196th Pl	115,000	0	0	0	0	0	115,000	\$115,000
SW 32 61st Ave Stabilization	0	0	150,000	0	0	0	150,000	\$150,000
SW 33 Drainage Improvement & Facility Retrofit	0	100,000	500,000	100,000	500,000	100,000	1,300,000	\$1,300,000
SW 17 Little Swamp Creek Relocation	0	0	0	550,000	814,300	0	1,364,300	\$1,364,300
SW 28 Northlake Heights LID Retrofit	0	0	0	0	0	793,931	793,931	\$793,931
T 37 West Samm Bridge (SWM Component)	0	465,240	415,240	319,520	0	0	1,200,000	1,200,000
Total Project Costs	\$2,472,450	\$696,890	\$1,196,890	\$1,101,170	\$1,445,950	\$1,025,581	\$7,938,931	\$4,414,574

	2019 Proposed	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2019-2024 Totals
Funding As Proposed:							
Public Works Trust Fund 20 Year 1.66% Loan (SW8)	1,500,000	0	0	0	0	0	1,500,000
General Facility Charge	175,000	300,000	300,000	201,650	201,650	201,650	1,379,950
Surface Water Utility Funds	797,450	396,890	96,890	49,520	94,300	223,931	1,658,981
Other Long Term Debt	0	0	800,000	850,000	1,150,000	600,000	3,400,000
Total Project Funding	\$2,472,450	\$696,890	\$1,196,890	\$1,101,170	\$1,445,950	\$1,025,581	\$7,938,931

EXHIBIT E

**CITY OF KENMORE, WASHINGTON
CITY FACILITY CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2019-2024**

Project Description	2019 Adopted	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Adopted	2019-2024 Totals	Project Total 2013-2024
F 1 Public Works Shop Land Acquisition & Development	\$0	\$2,000,000	\$4,500,000	\$0	\$0	\$0	\$6,500,000	\$6,500,000
F 2 Debt Repayment	0	0	500,000	500,000	500,000	500,000	\$2,000,000	2,000,000
Total Project Costs	\$0	\$2,000,000	\$5,000,000	\$500,000	\$500,000	\$500,000	\$8,500,000	\$8,500,000

	2019 Adopted	2020 Adopted	2021 Adopted	2022 Adopted	2023 Adopted	2024 Adopted	2019-2024 Totals
Bank Note, 20 Years, 4.5% Interest	0	6,500,000	0	0	0	0	6,500,000
Transfer from SWM Fund	0	0	245,000	245,000	245,000	245,000	980,000
Transfer from Street Fund	0	0	130,000	130,000	130,000	130,000	520,000
Transfer from General Fund	0	0	125,000	125,000	125,000	125,000	500,000
Total Project Funding	\$0	\$6,500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$8,500,000

Exhibit F

CITY OF KENMORE, WASHINGTON

Transportation Impact Fee Fund Projection Worksheet
For The Years 2019-2024

DESCRIPTION	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Beginning Cash	\$2,711,967	\$2,923,410	\$2,153,899	\$20,518	\$223,337	\$393,429
Revenues:						
Interest Earnings	27,120	29,234	21,539	205	2,233	3,934
Transp. Impact Fees	500,000	500,000	450,000	450,000	450,000	450,000
Total Revenues	\$527,120	\$529,234	\$471,539	\$450,205	\$452,233	\$453,934
Transfers Out for Roads:						
T 37 West Samm Bridge	27,920	0	0	247,386	282,141	0
NE 202nd Sidewalk*	0	0	0	0	0	0
Arrowhead Sidewalk	6,100	33,130	78,988	0	0	0
NE 153rd Sidewalk	35,654	0	0	0	0	0
T 42 68th Ave Ped & Bicycle Safety	0	0	0	0	0	0
NE 181st 65-67 Sidewalk	246,003	0	0	0	0	0
T 41 Juanita Ped & Bicycle Safety	0	1,265,615	2,525,932	0	0	0
Subtotal - Transfers for Roads	\$315,677	\$1,298,745	\$2,604,920	\$247,386	\$282,141	\$0
Net Income/(Loss)	\$211,443	(\$769,511)	(\$2,133,381)	\$202,819	\$170,092	\$453,934
Total Ending Cash	2,923,410	2,153,899	20,518	223,337	393,429	847,364

Exhibit G

CITY OF KENMORE, WASHINGTON

REET Fund Projection Worksheet
For The Years 2019-2024

DESCRIPTION	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Beginning Cash	\$771,264	\$3,407,977	\$3,051,655	\$62,323	\$208,746	\$422,634
Revenues:						
REET 1	500,000	500,000	500,000	500,000	500,000	500,000
REET 2	500,000	500,000	500,000	500,000	500,000	500,000
Interest Earnings	12,713	39,080	35,517	5,623	7,087	9,226
Total Revenues	\$1,512,713	\$1,039,080	\$1,035,517	\$1,005,623	\$1,007,087	\$1,009,226
Transfers Out for Parks :						
P 6 Moorlands Park Imp	50,000	0	0	0	0	0
P 29 St Edward Ballfield	0	0	0	0	0	500,000
P 30 Rhododendron Boathouse Pavilion	0	0	3,200	3,200	3,200	3,200
P 18a Rhody Park Float Mitigation	2,000	2,000	2,000	2,000	0	0
P 26 Squires Landing Float Mitigation	4,000	4,000	4,000	4,000	0	0
P 28 Log Boom Mitigation	0	0	0	0	40,000	40,000
Subtotal - Transfers for Parks	56,000	6,000	9,200	9,200	43,200	543,200
Transfers Out for Roads:						
T27 Sidewalks						
Sidewalk Gaps	100,000	100,000	100,000	100,000	100,000	100,000
T 42 68th Ave Ped & Bicycle Safety	0	679,401	2,165,649	0	0	0
T 37 West Samm Bridge	-2,000,000	0	0	0	0	0
T 41 Juanita Dr Pedestrian & Bicycle Safety	0	0	1,200,000	0	0	0
Preservation + carryover	520,000	450,000	550,000	750,000	650,000	650,000
Subtotal - Transfers for Roads	-1,380,000	1,229,401	4,015,649	850,000	750,000	750,000
Repayment to Strategic Opps Fund 2015/16	200,000	160,000	0	0	0	0
sidewalks						
Net Income/(Loss)	2,636,713	(356,321)	(2,989,332)	146,423	213,887	(283,974)
Ending Cash	\$3,407,977	\$3,051,655	\$62,323	\$208,746	\$422,634	\$138,660

Exhibit H

CITY OF KENMORE, WASHINGTON

Park Impact Fee Fund Projection Worksheet
For the Years 2019-2024

DESCRIPTION	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Beginning Cash	\$590,514	\$391,846	\$528,916	\$100,317	\$86,320	\$222,184
Revenues:						
Interest Earnings	2,902	2,070	5,289	1,003	863	2,222
Park Impact Fees	100,000	150,000	150,000	140,000	140,000	140,000
Total Revenues	102,902	152,070	155,289	141,003	140,863	142,222
To be Transferred Out for Parks :						
P 1 Twin Springs Interim Use	100,000	0	0	0	0	0
P 29 St Edward Ballfields EIS	100,000	0	0	0	0	0
P 30 Rhododendron Park Boathouse	8,469	15,000	0	0	0	0
P 27 Squires Landing	93,101	0	400,000	150,000	0	0
P 28 Log Boom Park	0	0	183,888	5,000	5,000	0
Subtotal - Transfers to Park Capital	301,570	15,000	583,888	155,000	5,000	0
Net Income/(Loss)	(\$198,668)	\$137,070	(\$428,599)	(\$13,997)	\$135,863	\$142,222
Ending Cash Balance	\$391,846	\$528,916	\$100,317	\$86,320	\$222,184	\$364,405

Exhibit I

CITY OF KENMORE, WASHINGTON
Strategic Opportunities Fund Projection Worksheet
For The Years 2019 - 2024

REVENUES

DESCRIPTION	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected
Beginning Fund Balance	\$2,235,924	\$3,903,463	\$2,696,367	\$1,914,579	\$1,943,298	\$1,972,447
Beginning Fund Balance	2,235,924	3,903,463	2,696,367	1,914,579	1,943,298	1,972,447
Investment Interest	33,539	58,552	40,446	28,719	29,149	29,587
Repayment from REET for Sidewalks	200,000	160,000	0	0	0	0
Transfer from General Fund	1,434,000	0	0	0	0	0
Revenues	1,667,539	218,552	40,446	28,719	29,149	29,587
Total Strategic Opportunities Fund	\$3,903,463	\$4,122,015	\$2,736,812	\$1,943,298	\$1,972,447	\$2,002,034

EXPENDITURES

	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2022 Projected	2022 Projected
Ending Fund Balance	\$3,903,463	\$2,696,367	\$1,914,579	\$1,943,298	\$1,972,447	\$2,002,034
Total Ending Fund Balance	3,903,463	2,696,367	1,914,579	1,943,298	1,972,447	2,002,034
Transfer to Park Capital Projects	0	0	0	0	0	0
Transfer to Transportation Capital Projects	0	1,425,648	822,233	0	0	0
Expenditures	0	1,425,648	822,233	0	0	0
Total Strategic Opportunities Fund	\$3,903,463	\$4,122,015	\$2,736,812	\$1,943,298	\$1,972,447	\$2,002,034



City of Kenmore, Washington

Date: 7/11/2019
To: Rob Karlinsey, City Manager
From: Ryan Lancaster, Graduate Intern
Re: Low-income Utility Tax Relief Program

It has been brought to Staff's attention that a low-income utility discount exists in City code that cannot be administered as it currently stands. This policy paper covers the current program and alternatives that could be pursued to remedy the situation since the current program could be considered a liability.

The utility tax is a tax upon the business, and not upon the customer. It is calculated as a flat percent of the company's gross revenues. Companies that operate within the City that provide utilities are subject to this tax including other municipalities. Kenmore currently levys a 4% tax on electric and gas services and a 6% tax on telecommunication and cell services. In total, the utility tax is projected to bring in \$2,968,793.30 of revenue in the 2019-2020 biennium, or 10% of general fund revenue.

Kenmore Existing Programs

Kenmore currently has a codified (KMC 3.35.170) utility tax relief program. The program was originally adopted in 1998 and edited in 2000. The program is available to all those whose income is below 125% of poverty levels established by the U.S. Government. Families or individuals need to submit documentation to the City Clerk who then notifies the respective billing agency to discount the bill for all utility taxes normally charged. The discount only exists for electricity and natural gas, which are provided by Puget Sound Energy (PSE).

As currently written the program is not used and would most likely not work well if the City attempted to implement it. An individual could walk into City Hall today and request this relief and the City would not be able to deliver because PSE would not know how—or may not want to—cooperate with us. A couple issues exist in the program that would need to be cleaned up before use.

- An update on the qualification criteria to the Federal Poverty Guidelines
- A detailed list of what qualifies as appropriate documents to prove eligibility
- An application form

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- The method established by PSE through which the discount would be received
- Time table for applications
- Staff resources to administer

The circumstances under which the utility tax relief program was originally adopted was right after the utility tax was raised in 2000 and the Council was concerned with the impact on low-income families. The City Council subsequently lowered the electric and gas utility tax back down to 4% in 2004.

The City also has a surface water fee discount program operated by King County. The discount is for low-income seniors and is for a complete waiver of the fee. The County also determines eligibility requirements and other administrative decisions regarding the program.

Other Local Existing Discounts and Programs

Kenmore residents already have access to multiple local and federal low-income utility discounts through their various service providers. In Kenmore, utilities are provided by the following companies:

- Comcast; internet, phone, and cable
- Frontier; internet, phone, and cable
- CenturyLink; internet, phone, and cable
- Puget Sound Energy; electric and natural gas
- Republic Services; solid waste and recycling
- Northshore Utility District; water and sewer
- [We also get utility taxes from cell phones]

Following is a list of programs that each agency offers and mentions on their websites that Kenmore residents could use to help alleviate utility costs. Following is a table and descriptions of programs available to Kenmore residents:

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Provider	Service	Discount
Comcast	Television, Internet, and Phone	Lifeline Program - discounted phone and broadband services in the form of \$9.25 package each month.
Frontier	Television, Internet, and Phone	Lifeline Program - discounted phone and broadband services in the form of \$9.25 package each month.
CenturyLink	Television, Internet, and Phone	Lifeline Program - discounted phone and broadband services in the form of \$9.25 package each month.
Puget Sound Energy	Electric and Natural Gas	HELP - grants from \$100 - \$1000 based on cost, income, # of people in household. Weatherization Assistance for ventilation improvements, insulation installs, furnace repairs, and air sealing to prevent drafts.
Republic Services	Garbage	None
Northshore Utility District	Water and Sewer	LIPD - Sewer and water utility bill discounts of 45% and 50% respectively for those 50% of the area median income
Federal Programs	Energy Utilities	LIHEAP - \$100 - \$1,000 in addition to HELP programs for the same purposes

Internet, Phone, and Cable Programs

All of the three main providers of internet, phone, and cable in the City work with and let customers use the federal Lifeline Program. This program can be used for broadband (can include mobile phone service) and landline services but not both. The assistance comes in the form of a stimulus package of \$9.25 each month to pay for landline or broadband services. The program is only available on a per household basis and multiple individuals from the same household cannot apply for benefits.

Households can qualify for the program in two ways: government programs or by income. If a household is already a recipient of certain government programs they may be eligible for Lifeline. Examples of such government programs include SNAP, Medicaid, Security Income (SSI), and Federal Public Housing Assistance (FPHA). A household may qualify through income if their gross annual income is at or below 135 percent of the Federal Poverty Guidelines. The average household/family size in Kenmore is between

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2.3 and 2.6, depending on if you own or rent. So for the average family that would be between \$1,902.38 and \$2,399.63 a month.

Electric and Natural Gas

Puget Sound Energy offers two main programs: PSE HELP and PSE Weatherization Assistance. The HELP program offers grants to qualified households from \$100 - \$1,000 per year based on cost of utilities, household size, and income. The weatherization program provides free assistance to qualified households to help them reduce the cost of heating and cooling their home in an effort to reduce their energy bill. This includes ventilation improvements, insulation installs, furnace repairs, and air sealing to prevent drafts. LIHEAP, a federal program, can be used in addition to the HELP program for additional assistance. Both programs use the Federal Poverty Guidelines to determine eligibility. Hopelink administers the HELP and LIHEAP programs on behalf of PSE, and customers can learn more and schedule an appointment at hopelink.org/energy.

So, the average family in Kenmore would need a gross income between \$2,058 and \$2,598 a month to qualify for the HELP program. The weatherization assistance program has slightly higher thresholds and the average family would need a gross income between \$2,994 and \$3,698 a month to qualify.

Water and Sewer

Recently, Northshore Utility District implemented a low-income water and sewer discount/rebate of 45% on water base charges and 50% on sewer base charges. The average family in Kenmore would have to make between \$3,692 and \$4,154 a month, which is 50% of the King County area median income, to qualify for this discount. For single-family residences this would take the form of a discount since they are billed directly and a rebate for multi-family residences since they are billed indirectly. The schedule for income thresholds and family size is shown below:

Occupants	1	2	3	4	5	6	7	8
Income	38750	44300	49850	55350	59800	64250	68650	73100

In a recent interview with Steve Hamilton, finance director of Northshore Utility District, we learned the following information. The main issue with starting the program was figuring out how to reach rental customers, who are often those most in need of a discount. The way they solved this was by using a rebate. Instead of trying to discount the whole complex's bill, individuals can come get refunded for what the complex charged them. The second hurdle for them was how to determine eligibility. Currently, the only thing they accept is an income tax return to verify income levels and proof of residence. In the future, if they determine anything sufficient, they may allow other documents to prove eligibility.

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In the first year of the program they expect to have 1.2% (or 18% of eligible families) of their total customers actually sign up for the discount. This initial low participation rate is mainly because of the difficulty of informing customers of the discount when they are not directly billed. The average base bill for a multi-family home is \$126.71 bi-monthly and the average base bill for a single-family home is \$148.79 bi-monthly.

Type	Multi	Single	Discount Multi	Discount Single
Base Water	28.70	30.20	12.92	13.59
Base Sewer	98.01	118.59	49.01	59.30
Total Bi-monthly	126.71	148.79	61.92	72.89
Total Monthly	63.355	74.395	30.96	36.44

That would mean the average discount for families in Kenmore would be \$30.96 monthly for a multi-family residence and \$36.44 monthly for a single-family residence. They have not yet issued any rebate checks yet, so he could not speak to whether the program has been having its intended effect yet.

Qualified Families in Kenmore

Even though discount programs are available for most utilities in the City they are limited in scope. Thresholds may be too low for people that need the service. According to the American Community Survey, Kenmore has approximately 298 families (5.1% of all Kenmore families) within its boundaries at or below the poverty level.

Currently, households must be at or below 125% of the Federal Poverty Guidelines to qualify for LIHEAP, at or below 150% of the Federal Poverty Guidelines to qualify for PSE HELP, and at or below 135% of the Federal Poverty Guidelines to qualify for the Lifeline program. At those rates approximately 129 families would qualify for the above programs. Therefore, somewhere between 129 and 298 families in Kenmore would be eligible to receive rebates depending on the thresholds set by Council.

Additional assistance may be required, especially for the utilities that currently do not have discounts like garbage. Kenmore cannot offer discounts on services they do not provide, but they may be able to offer rebates on taxes that they charge.

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Poverty Ratio	Estimate of Households
Total:	5,846
Under .50	87
.50 to .74	97
.75 to .99	117
1.00 to 1.24	11
1.25 to 1.49	129
1.50 to 1.74	166
1.75 to 1.84	27
1.85 to 1.99	69
2.00 to 2.99	422
3.00 to 3.99	531
4.00 to 4.99	817
5.00 and over	3,373

Examples of Low-income Utility Discounts

If Kenmore were to amend its low-income utility discount or rebate, the best place to start researching would be programs that other cities in the area are using today.

Mountlake Terrace

Mountlake Terrace currently offers those 62 years of age and older, or low-income and disabled homeowners a 30% reduction on their utility bill and free garbage services. Mountlake Terrace defines low-income as 140% of the Federal Poverty Guidelines or between \$1,973 and \$2,489 a month for an average family in Kenmore. To prove eligibility, residents need to provide either their tax return, social security disability benefits, rental property income, child support or alimony or a copy of an EBT award letter and have their total income be less than the guideline. Deductions can be made for Medicare and child support. Some exceptions can be made for unemployment and long-term illnesses.

Sammamish Plateau Water

Northshore Utility District modeled their program after Sammamish Plateau. This program is not extended to people on any basis except income. Their program is not based off the Federal Poverty Guidelines but 50% of King County area median income. In 2019, a household income between \$3,692 and \$4,154 is at 50% of King County median income for an average family in Kenmore.

Seattle Public Utility

Seattle offers discounts on their electric bills of 60% and discounts on water, sewer, and garbage bills of 50% if enrolled. Seattle bases income eligibility on 70% of the state's median income which is between \$3,677 and \$4,542 for an average Kenmore family in

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2019. This threshold is slightly higher than Sammamish but based off a larger geographical area. Seattle also only offers the discount based on income and no other qualifications. Applicants can deduct Medicare from their income and can use SNAP benefits to verify their gross income. Seattle also has one of the largest lists of documents that are required to verify income if not a SNAP recipient.

Renton

Renton is probably most like Kenmore in that they offer a rebate for those that are not billed directly by the city for utilities and offer a rebate on a portion of the tax residents pay and not just a discount. The tax rebate is automatically issued to anyone who is approved for a discounted rate and those not directly billed for utility services can apply for the tax rebate with income documentation and proof of payment to other utilities within the city. Last year the average rebate was about \$130 per family and the income threshold is \$2,916.67 per month plus an additional \$416.67 per family member.

Bothell

Bothell's discount and rebate is available to low-income residents and low-income seniors (62 years or older). To qualify residents must provide proof of age like a driver's license or social security statement, copies of utility bills, and proof of income designated as "very low income", which is about 50% of the area median income according to HUD. A "very low income" is between \$3,692 and \$4,154 a month for an average Kenmore family in 2019.

The rebate is simply found by looking at the bill provided by the resident and the City rebates that amount. Bothell provides an example on their website of an electric bill with the tax separated out for calculation.

Your Electric Charge Details (30 days)	Rate x Unit	=	Charge
603 kWh used for service 2/14/2018 - 3/15/2018			
Basic Charge	\$7.49 per month	\$	7.49
Electricity			
Tier 1 (First 600 kWh Used)	0.097104 600 kWh		58.26
Tier 2 (Above 600 kWh Used)	0.116939 3 kWh		0.35
Energy Exchange Credit	-0.007406 603 kWh		-4.47
Other Electric Charges & Credits	0.003203 603 kWh		1.93
Subtotal			63.56
Taxes			
State Utility Tax (\$2.63 included in above charges)	3.873%		
Effect of Bothell/King County City Tax	6.650% \$63.56		4.23
Current Electric Charges		\$	67.79

University Place

University Place used to have a low-income utility tax refund program but discontinued it in 2015 because they considered it duplicative of other services. Almost half of their

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applicants were receiving some other form of assistance from PSE or other organizations. So, considering the staff time it took to administer and the small size of the rebate they determined that the other programs in the area were sufficient and what they were doing was not an efficient use of funds.

Leslie Blaisdell, an employee for University Place, detailed what she felt the main problems with a rebate/refund program were. "The refund program morphed into a social service program and it was difficult to fairly administer. City staff is not trained to deal with situations the applicants presented. In order to determine someone's eligibility we could not get adequate documentation. Over the years we attempted to change the documentation requirements to make it easier to determine eligibility. However, we found that with the introduction of EBT cards; online banking; banks charging for statements; and individuals privacy concerns we were unable to find a manageable way to control this refund program. Many applicants do not file a tax return due to their income level, many do not have a bank account, and many do not want to provide what they believe to be personal information on income and sources of their income" Leslie said. "Additionally, it was extremely time consuming to review all the paperwork submitted and to follow up with those that do not provide all required documents. We estimated that from April to June it consumed the equivalent of half of an FTE to administer the program in finance. This does not include the time spent by the front desk receptionist in answering phone calls and handling applicants who come to the counter."

The rebate rate was only \$56 plus \$9 for gas if it was paid the last year of the program. Overall, it seems the largest problems are staff time and documentation. Also, the funds they spent administering the program could have been used to educate the other half of participants in the program of discounts available to them accomplishing the same purpose.

Summary of What Most Programs have in Common

Normally, most programs require yearly renewal and have start and end application dates that coincide with when applicants would be filing or receiving their tax returns. Most municipalities did not openly list the size of the rebate, just the qualifications. Assuming most systems work like Seattle, Northshore Utility District's programs, and Renton a rebate would most likely be a flat percentage of how much an average family pays in utility taxes.

Residents mainly qualify based on some objective income standard like the area median income or Federal Poverty Guidelines. Other qualifications include age and disability. Any program has to define what the thresholds are for these two areas. The age threshold is often defined as 62 years or older and disabilities are set forth and defined in the program paperwork. Often, programs require that applicants must be both poor and infirm. For example, most programs use the statement "If you are a low-income senior citizen or low-income disabled citizen" meaning that you must be old or disabled as well as low-income to qualify for their programs. This combination of poor and infirm is not

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essential because of the court case Washington Health Care Facilities Authority v. Dixy Lee Ray. This case defined that citizens can be poor or infirm—not both—and still qualify for assistance.

Proof of being poor or infirm often comes in the form of specific paperwork like tax returns, utility bills, and social security checks. Sometimes SNAP benefits and other low-income federal/state government programs can also be used for these purposes. Medicaid and other social security income can often be deducted from gross income calculations.

Administrative Burden

Implementing a program like this would create some administrative burden and additional staff resources would be needed. For example, staff would have to review applications; potentially for around 298 families or more if the City Council sets a higher income threshold. Educating residents about what paperwork is required to qualify and about the existence of the discount could take a long time. Additionally, staff would have to cut checks for each rebate that year and would have to monitor whether they were received and cashed. This would take time around tax season every year for staff to review re-applications. This time could be cut significantly if the City were to pursue an option that allowed for automatic qualification of residents that are currently receiving benefits from another utility entity within the City. But, additional training may need to be provided to staff to assist them in dealing with the social problems and issues they may encounter when working with the families that apply for the discount.

Gift of Public Funds

The Washington State Constitution has strict restrictions on the ability of local governments to gift funds to private individuals or entities. One exemption exists for the assistance of the “poor or infirm”. Infirm has a range of definitions and can in part be determined by the municipality within reason. For example, developmental disabilities, old age, and mental illness all qualify as infirm and are used by various different cities in Washington. “Poor” is also free to define by municipalities as they see fit. Often, this is done by comparing a household’s income to some objective standard like the area median income or federal poverty measures.

Any tax relief program must be careful not to violate this statute. In a recent conversation with MRSC Laura Crandall said, “With regard to the utilities that the city does not impose a tax on, if they are not city utilities, the city may not issue a rebate or refund.” Meaning, that the City only has authority to have relief programs for utilities taxed. The tax relief then must be issued to the direct bill payer. For example, in a City similar to ours the Council wanted to issue a rebate to residents in a mobile home park to alleviate with a stormwater rate increase. Laura Crandall told them “If a person does not pay the stormwater service fee directly, such as a person who rents an apartment or a space in a trailer court, you suggest that they be given a rebate. In my opinion, this would be a gift and would not be possible under Art. VIII sec. 7 of the constitution. They are not the

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ratepayer, they are the renter. It would presumably be rent relief and this would not be a city service.” Therefore, the safest options legally would be to allow tax relief directly to those who are billed within the city of Kenmore. If they cannot produce a bill for services that were taxed a rebate would be unwise. That is why Kenmore’s current ordinance on the issue has the provider remove the tax charge from the bill of the low-income families and not a rebate. When asked about Kenmore specifically she also said, “These accounts [electricity and gas] are not direct-billed by Kenmore. The utility tax is a tax upon the business, and not upon the customer, and therefore cannot be ‘refunded’ to the customer.”

In researching what cities have done in the area about this issue the closest resembling Kenmore is Renton. Bothell also does something similar as shown earlier. The way Renton deals with this is by having applicants provide a bill from another utility company (like PSE) to prove residence and then they offer a tax rebate based off of that bill. The thought is that a Renton resident is paying the utility tax through that other provider. The service provider is passing on the burden of the tax to customers, which is eventually received by the City. This does not include those in apartments who do not pay utilities individually but to a complex. A person must be able to prove that they are billed directly by a utility provider within the city. If the bill states how much of the payment is going towards that tax the City could then issue a rebate check based on that amount, or as Renton does, a base rate with cost of living increases over time. Renton’s base rebate is \$110 per family and over the past few years has been increased to approximately \$130 per family and was given to about 100 families over the past year.

Rebate Projections

A reasonable rebate rate for Kenmore would be anywhere from 20% - 50% of the average tax burden paid by a family. For example, say Kenmore offered a 20% rebate on all utility taxes for those who are low-income. Also, under the assumption that 5.1% of households would qualify for this rebate and only 18% of them applied within the first year of the program (a similar estimate to Northshore Utility Districts program’s first year) Kenmore would pay out approximately \$3,372.65 in rebates. At 50% the City would issue \$46,842.62 in rebates.

If the total revenue from utility taxes paid by businesses (who calculate the cost of the tax into their prices) is divided between Kenmore households, each family is responsible for approximately \$314.38 of tax. If the revenue is divided by individual the share of tax is \$122.66 per person. Depending on the rate the general rebate values are shown below.

Total Utility Tax Revenue	\$2,717,486		Rebate Rate			
	Population	10%	20%	30%	40%	50%
Share of Tax	22,154	\$122.66	\$12.27	\$24.53	\$36.80	\$49.07
# of Households	8,644	10%	20%	30%	40%	50%
Share of Tax		\$314.38	\$31.44	\$62.88	\$94.31	\$125.75
					\$157.19	

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At first, a rebate of \$31 to \$157 dollars may not seem like a lot, and compared to a yearly income of around \$30,000 it's not. But, in a family with children struggling to cover all their expenses a rebate like this could be used to buy groceries one week when money is tight.

Discussion of Options

Any rebate or discount would be based on family size and gross income. Proof of income, disability, age, and residence would need to be provided. Proof of income could be a tax return or SNAP benefits paperwork. Proof of age and disability could be a driver's license or other documents and proof of residence could be utility bills. Other proof could be qualification for other programs like Northshore Utility District's as long as residence can still be established. Medicaid and social security income could be deducted before calculating eligibility. A rebate could be a check cut once a year to applicants for a flat amount determined by the average tax paid by each household in the city.

Education

One option is to repeal the existing discount program and educate residents about the programs already available to them. Currently, every utility provider within the city except Republic Services offers some sort of low-income assistance. Many citizens most likely do not know about these opportunities and an education campaign is a relatively low cost way for the City to help its citizens. Additionally, if Kenmore decides to start a rebate program, education can still be a part of it. Either way, this option should be pursued in some way, even if it's just listing programs on the City website. City staff would have no additional burden other than directing individuals to additional programs.

The problem is that most existing programs for Kenmore residents have such a low income threshold that it wouldn't be meaningful to a lot of families like households who really need the discount, but are just above set thresholds. Kenmore could establish a higher threshold, like that of Northshore Utility District, and have a greater impact than existing programs.

Rebate

If Council feels current programs are not sufficient they could amend the current discount program and allow rebates through a process similar to that of Renton. This would allow Kenmore to administer the program without relying on any other agencies. City Staff would create and collect application materials to determine eligibility and once a year send out a rebate check to those that qualify. Important to this rebate would be the proof of residence and proof that an applicant paid utility taxes in some form to a utility provider within the City. Staff would need to dedicate significant time to training, processing applications, and issuing rebates.

Keep in mind that MRSC has said that this type of rebate could be a gift of public funds, the thought is that because they are billed directly by a service provider in the City that a direct link to the utility tax charged can be established. Renton has been able to run a program like this successfully but it may be operating in more of a gray area and Kenmore would need to do everything possible to make sure the program is legally defensible.

Discount

If Council feels it is necessary and wants to avoid any legal conflicts, the City can update the existing discount program and make it functional. This option would rely heavily on the help of other organizations like Hopelink, PSE, and others to administer discounts on behalf of the City. This would reduce the risk of a gift of public funds because only direct billers are issuing discounts and would save the City administrative burdens associated with determining eligibility. It is unknown whether direct billers are willing or able to provide a discount. This method would most likely take time to negotiate any contracts between organizations and would limit the City's ability to have direct oversight.

Threshold Type

With both a rebate and discount program the City would have to decide on a type of threshold for qualification. The Federal Poverty Guidelines are based off the nation at large and are maintained by the federal government. This would make calculations easy for staff, but would lose some nuance because it does not account for local cost of living and income. The Federal Poverty Guidelines are also the lowest threshold of income determinants in the researched programs. Area median income calculations would be based off of King County's Housing and Urban Development data or American Community Survey data and would require some additional calculations by staff to determine. The main benefit of this method is that it takes into account the local cost of living and local income and is therefore better tailored to resident's needs.

Following is a graph showing the thresholds by program and family size across three different programs:

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As well as the actual thresholds set by each of these various agencies:

140% of Federal Poverty Guidelines like Mountlake Terrace		
Household Size	Yearly Thresholds	Monthly Thresholds
1	\$17,486	\$1,457
2	\$23,674	\$1,973
3	\$29,862	\$2,489
4	\$36,050	\$3,004
5	\$42,238	\$3,520
6	\$48,426	\$4,036
7	\$54,614	\$4,551
8	\$60,802	\$5,067

50% of King County AMI like NUD		
Household Size	Yearly Thresholds	Monthly Thresholds
1	\$38,750	\$3,229
2	\$44,300	\$3,692
3	\$49,850	\$4,154
4	\$55,350	\$4,613
5	\$59,800	\$4,983
6	\$64,250	\$5,354
7	\$68,650	\$5,721
8	\$73,100	\$6,092

70% of States median income like Seattle		
Household Size	Yearly Thresholds	Monthly Thresholds
1	\$33,744	\$2,812
2	\$44,124	\$3,677
3	\$54,504	\$4,542
4	\$64,884	\$5,407
5	\$75,264	\$6,272
6	\$85,644	\$7,137
7	\$87,588	\$7,299
8	\$89,544	\$7,462

Staff Recommendation

Staff recommends that Council repeal the existing program and direct residents to programs offered by other service providers. This would give time for Staff to better evaluate options while still assisting those in need by dedicating more resources to the education of the public. If in the future council wishes to address the issue they still can.

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The important issue right now is dealing with the liability of the current program while still assisting those who need help.

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