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, September 16, 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 MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. PROCLAMATION

A. Diaper Need Awareness Week - September 23-29, 2019
(Accepting the proclamation: Kelly Costinett, Eastside Baby Corner)
Proclamation

B. National Recovery Month - September, 2019
(Accepting the proclamation: Michael Reading, King County Dept of Community and Human Services, Behavioral Health and Recovery Division)
Proclamation

VI. CITIZEN COMMENTS

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

VII. CONSENT AGENDA

A. Total Checks #43097 through #43220 in the amount of $446,133.53.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 8/16/19 in the amount of $162,105.98.
8/16/19 Payroll Checks #10147-10148 in the amount of $538.91.
Checks

B. Authorize the City Manager to Execute an Agreement with WSDOT to accept Pedestrian and Bicycle Program Grant Funds in the amount of $2,000,000 for Construction of the Juanita Drive NE Pedestrian and Bicycle Safety Improvements Project
Agenda Item

C. Receive and File July, 2019 Financial Report for the City of Kenmore, Washington
Financial Report

D. City Council Meeting Minutes of July 22, 2019 and August 12, 2019
7-22-19 Meeting Minutes
8-12-19 Meeting Minutes

E. Approve the Committee Charter and the Investment Policies and Guidelines for the 401a Retirement Plan and 457 Deferred Compensation Retirement Plan
Agenda Item

VIII. BUSINESS AGENDA

A. Resolution 19-326 Declaring the City's Intent to Adopt Legislative to Authorize a Sales and Use Tax for Affordable and Supportive Housing in Accordance with Substitute House Bill 1406 - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administration Director
Agenda Item

B. Ordinance 19-0496 Adopting Legislation to Authorize a Sales and Use Tax for Affordable Housing in Accordance with Substitute House Bill 1406 (Chapter 338, Laws of 2019), and Adding a New Article III to Chapter 3.30 of the Kenmore Municipal Code - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administrative Director
Agenda Item

IX. STAFF REPORT

X. COUNCILMEMBER INITIATIVES, REPORTS & COMMENTS

XI. ADJOURNMENT

Upcoming Meetings:

A. Monday, September 23, 2019 - Regular Council Meeting
Monday, October 7, 2019 - Special Council Meeting (Time to be determined)
Monday, October 14, 2019 - Dinner at NUD at 5:30 p.m./7:00 p.m. Regular Council Meeting
Monday, October 21, 2019 - Regular Council Meeting
Monday, October 28, 2019 - Regular Council Meeting - Joint Meeting with the Cities of Shoreline and Lake Forest Park

City of Kenmore, Washington
Proclamation

WHEREAS, Diaper Need, the condition of not having a sufficient supply of clean diapers to ensure that infants and toddlers are clean, healthy and dry, can adversely affect the health and welfare of infants, toddlers and their families; and

WHEREAS, national surveys report that one in three mothers experiencing diaper need at some time while their children are less than three years of age and forty-eight percent of families delay changing a diaper to extend their supply; and

WHEREAS, the average infant or toddler requires an average of at least 50 diaper changes per week over three years; and

WHEREAS, there are no government assistance programs for the purchase or provision of diapers, and a monthly supply of diapers can cost as much as six percent of a full-time minimum wage worker's salary, therefore obtaining a sufficient supply of diapers can cause economic hardship to families; and

WHEREAS, a supply of diapers is generally an eligibility requirement for infant and toddlers to participate in childcare programs and quality early education programs; and

WHEREAS, the people of Kenmore recognize that addressing Diaper Need can lead to economic opportunity for the state's low-income families and can lead to improved health for families and their communities; and

WHEREAS, the City of Kenmore is proud to be home to various community organizations, like Eastside Baby Corner, that recognize the importance of diapers in helping provide economic stability for families and distribute diapers to poor families through various channels; now

THEREFORE, I, David Baker, Mayor of the City of Kenmore, on behalf of the City Council, do hereby proclaim the week of September 23 through September 29, 2019 as

DIAPER NEED AWARENESS WEEK

in the City of Kenmore and encourage the citizens of Kenmore to donate generously to diaper banks, diaper drives, and those organizations that distribute diapers to families in need to help alleviate diaper need in the City of Kenmore environs.

IN WITNESS WHEREOF, signed this 16th day of September, 2019.

Signed: _____
David Baker, Mayor

Attested: _____
Kelly Chelin, City Clerk

City of Kenmore, Washington
Proclamation

WHEREAS, behavioral health is an essential part of one's overall health and wellness; and

WHEREAS, prevention of mental and substance use disorders works, treatment is effective, and people recover in our area and around the nation; and

WHEREAS, preventing and overcoming mental and substance use disorders is essential to achieving healthy lifestyles, both physically and emotionally; and

WHEREAS, an estimated 400,000 people in King County are affected by these conditions; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, we recognize four dimensions of recovery from mental health and substance use disorders: health, home, purpose, and community; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA), the White House Office of National Drug Control Policy (ONDCP), King County, and the City of Kenmore invite all residents of City Kenmore to participate in ***National Recovery Month*** and

NOW, THEREFORE, I David Baker, Mayor of the City of Kenmore, on behalf of the City Council, do hereby proclaim the month of September 2019 as

National Recovery Month

in the City of Kenmore and call upon the citizens to observe this month with appropriate programs, activities, and ceremonies to support this year's *National Recovery Month* theme, "***Join the Voices for Recovery: Together We Are Stronger."***

IN WITNESS WHEREOF, signed this 16th day of September, 2019.

NATIONAL RECOVERY MONTH 2019
30th Anniversary

Signed: _____
David Baker, Mayor

Attested: _____
Kelly M. Chelin, City Clerk

Voucher Certification and Approval

City of Kenmore
DATE RANGE:
08/10/2019-08/23/2019

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 43097 through 43220: $446,133.53

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct. Electronic Deposits Dated: 08/16/2019: $162,105.98

08/16/2019 Payroll Checks # 10147-10148: $ 538.91

8/28/19
City Manager / Date

8/23/19
~~Finance Director~~ Accountant / Date

Vendor Name	Check #	Date	Description	Amount
AFLAC	43097	08/16/2019	Employee Medical/Disability Plans	327.10
AMERICAN GENERAL LIFE GPO/400S	43098	08/16/2019	Life Insurance	279.92
AWC EMPLOYEE BENEFITS	43099	08/16/2019	Employee Health Insurance	59,158.09
AWC EMPLOYEE BENEFITS	43100	08/16/2019	Void	-
DEPARTMENT OF LABOR AND INDUSTRIES	43101	08/16/2019	City of Kenmore	5,362.41
DEPARTMENT OF LABOR AND INDUSTRIES	43102	08/16/2019	Void	-
EMPLOYMENT SECURITY DEPT	43103	08/16/2019	Paid Family & Medical Leave	1,046.25
ICMA RETIREMENT C/O ALLFIRST BANK / 109964	43104	08/16/2019	City of Kenmore 401a	16,824.73
ICMA RETIREMENT TRUST 457 / 304745	43105	08/16/2019	ICMA 457 Deferred Comp	5,141.09
LINCOLN NATIONAL LIFE INSURANCE	43106	08/16/2019	Life Ins/ADD & LTD	1,291.66
NATIONAL LIFE OF VERMONT	43107	08/16/2019	Life Insurance	123.17
STATE OF FLORIDA DISBURSEMENT UNIT	43108	08/16/2019	Employee Deduction	275.00
UNITED WAY OF KING COUNTY	43109	08/16/2019	Employee Charitable Contribution	68.50
A+ CONFERENCING	43110	08/23/2019	7/22/19 Conference Call	3.24
ALCALDE & FAY	43111	08/23/2019	July Government Affairs Consulting	5,174.67
ALTATERRA CONSULTING LLC	43112	08/23/2019	19-C2067 Little Swamp Creek Evaluation	3,200.00
ANNA ARNOTT	43113	08/23/2019	Reimburse CDL License Fee	114.25
ARTS OF KENMORE	43114	08/23/2019	18-C1865 March-May AOK Gallery	950.00
ARTS OF KENMORE	43115	08/23/2019	18-C1865 June-Aug. AOK Gallery	950.00
ASPECT CONSULTING LLC	43116	08/23/2019	17-C1816 3/30-7/26/19 Stream Monitoring	302.12
AURORA RENTS	43117	08/23/2019	Equipment Rental Catch Basin Install 18431 61st	1,570.08
AURORA RENTS	43118	08/23/2019	Loader for Wood Chips @ Moorlands Playground	572.31
AURORA RENTS	43119	08/23/2019	Rental Equipment for Surface Water Project	194.60
BAKER, BRIDGIT	43120	08/23/2019	Advance Travel for Leavenworth WACE Conf.	164.50
BAKER, DAVID	43121	08/23/2019	Mileage Reimbursement	325.38
BANNER BANK BAKER	43122	08/23/2019	Assoc. of WA Business/United Airlines/Feast Buffet	502.67
BANNER BANK DB	43123	08/23/2019	Safeway/Affordable Housing & Homelessness	43.95
BANNER BANK JG	43124	08/23/2019	Business Mgmt Daily/Shutterstock	128.91
BANNER BANK JGORDON	43125	08/23/2019	KCDA/American Country/Peoples Storage/UW Botanic	2,937.28
BANNER BANK KENMORE	43126	08/23/2019	BLUEDOGINK/Amazon/AM Leonard/OTC Brands	2,180.85
BANNER BANK NO	43127	08/23/2019	Amazon/Events Meals & Supplies	1,867.32
BANNER BANK RK	43128	08/23/2019	Ingallinas/Seattle Times/Bthl Chamber/Opensquare	482.60
BANNER BANK SKROGH	43129	08/23/2019	WIX.com/SurveyMonkey/Pandora	146.79
BOTHELL KENMORE CHAMBER OF COMMERCE	43130	08/23/2019	July KBA Support Services	300.00
BRUCE C ALLEN & ASSOC INC	43131	08/23/2019	SW 17 Little Swamp Crk/Cook Prop. Appraisal	3,000.00
CANON FINANCIAL SERVICES, INC.	43132	08/23/2019	August 2nd Floor Copier Lease	265.84
CITY OF BELLEVUE	43133	08/23/2019	Qtr 2 My Building Permit Dues	3,636.71
COMCAST	43134	08/23/2019	July City Hall/Hangar & Incubator Internet/Phone	2,238.59

COMCAST	43135	08/23/2019	July City Hall Phone Svcs	372.79
COMCAST BUSINESS	43136	08/23/2019	8/14-9/13/19 City Hall Internet/Cable	152.20
COMCAST BUSINESS	43137	08/23/2019	8/10-9/09/19 Squire's Landing Internet	69.95
DEPARTMENT OF ECOLOGY	43138	08/23/2019	W. Sammamish River Bridge Permits	740.00
DIGITAL REPROGRAPHICS SERVICES INC.	43139	08/23/2019	Hazard Mitigation Maps	101.15
FERGUSON ENTERPRISES INC #3011	43140	08/23/2019	Supplies for Surface Water Repairs	1,099.08
FLYNN BEC LP	43141	08/23/2019	City Hall Roof Repairs	3,014.00
GORDON THOMAS HONEYWELL	43142	08/23/2019	July Government Relations Consulting	4,018.48
GRAINGER	43143	08/23/2019	Parks - Pesticide Marking Flags	20.54
GRAINGER	43144	08/23/2019	Surface Water Supplies	119.96
HOME DEPOT CREDIT SERVICES	43145	08/23/2019	Public Works Supplies & Equipment	311.12
HONEY BUCKET	43146	08/23/2019	7/29-8/25 Public Works Yard Rental	150.15
JET CITY PRINTING	43147	08/23/2019	Budget In Brief Booklets	437.80
JET CITY PRINTING	43148	08/23/2019	Slurry Seal Door Hangers	319.00
JOHNSTON GROUP, LLC	43149	08/23/2019	July Public Affairs Consulting	2,915.00
JRW ENTERPRISES	43150	08/23/2019	Door Lock Revisions for Public Works Office	2,150.59
JUDHA OF LION LANDSCAPING AND SERVICES LLC	43151	08/23/2019	19-C2027 190th Parallel Curb Ramps 7/22-8/16	13,989.40
JUDHA OF LION LANDSCAPING AND SERVICES LLC	43152	08/23/2019	19-C2032 7/9-7/26 Pavement/Monument Repair	36,723.20
KBA INC.	43153	08/23/2019	18-C1846 July W. Samm. Bridge Review Svcs	1,411.19
KENMORE COMMERCIAL LLC	43154	08/23/2019	Sept. Incubator Bldg. Lease Payment	3,367.04
KING COUNTY FINANCE	43155	08/23/2019	2019 Cities Climate Collaboration	1,200.00
KING COUNTY FINANCE	43156	08/23/2019	July Road Svcs/Signs/Signals/Street Maint.	50,143.89
KING COUNTY FINANCE	43157	08/23/2019	July Adult/Juvenile Detention Maint. Fee	197.19
KING COUNTY FINANCE	43158	08/23/2019	July Road Svcs/Signs	2,055.57
KING COUNTY RECORDER'S OFFICE	43159	08/23/2019	Quit Claim Deed/Temporary Const. Easement	6.00
KINGS HEATING	43160	08/23/2019	Work Permitted under BLD18-0410	264.60
KPFF CONSULTING ENGINEERS	43161	08/23/2019	15-C1484 June Professional On-Call Svcs	40,020.42
MACLEOD RECKORD	43162	08/23/2019	19-C1980 April Moorlands Park Consulting	1,648.02
MILLER STEPHENS, MARY	43163	08/23/2019	July Public Defense Svcs @ SCORE	1,250.00
MINUTEMAN PRESS	43164	08/23/2019	Slurry Seal Mailers to Kenmore PO Boxes	374.05
MINUTEMAN PRESS	43165	08/23/2019	Slurry Seal Flyer/Mailing for Addresses N. of 522	3,737.95
MR. T'S TROPHIES	43166	08/23/2019	Name Badges	107.42
MUMMA, RYAN	43167	08/23/2019	International Code Council Exam Reimbursement	139.00
MUNIMANAGE, LLC	43168	08/23/2019	17-C1809 July Public Works Consulting	6,270.00
NEDOROSCIK, TAMMORA	43169	08/23/2019	Reimbursement for Rock Painting Supplies	42.83
NORTHSHORE FIRE DEPT	43170	08/23/2019	July Fire Marshal Plan Review	240.00
NORTHSHORE UTILITY DIST	43171	08/23/2019	7637 NE 192nd St. 7/16-8/2/19	142.21
NORTHSHORE UTILITY DIST	43172	08/23/2019	July Fleet Maintenance & Fuel	6,008.48
NORTHWEST ARBORICULTURE LLC	43173	08/23/2019	5709 NE 190th ROW Tree Work	395.89
NORTHWEST ARBORICULTURE LLC	43174	08/23/2019	5900 Arrowhead Dr. Tree Work	903.00
NORTHWEST ARBORICULTURE LLC	43175	08/23/2019	Swamp Creek Willow Tree Removal	865.88
NORTHWEST ARBORICULTURE LLC	43176	08/23/2019	9041 NE 160th Remobe Alder Tree	914.09
NORTHWEST ARBORICULTURE LLC	43177	08/23/2019	7110 NE 167th Remove Cottonwood & Scrub Trees	1,019.87
NORTHWEST ARBORICULTURE LLC	43178	08/23/2019	Northshore Summit Park Tree Removal	434.28
NORTHWEST ARBORICULTURE LLC	43179	08/23/2019	16114 Juanita Retention Pond Stump Grinding	2,251.43
NORTHWEST ARBORICULTURE LLC	43180	08/23/2019	NE 182nd Remove Dead Fir Tree	1,058.30
NORTHWEST ARBORICULTURE LLC	43181	08/23/2019	16450 Juanita Remove Leaning Tree	1,864.54
OFFICE DEPOT	43182	08/23/2019	Notary Stamp	42.06
OFFICE DEPOT	43183	08/23/2019	General Office Supplies	60.48
OFFICE DEPOT	43184	08/23/2019	CD Rom Discs	17.86
OFFICE DEPOT	43185	08/23/2019	General Office Supplies	35.73
OFFICE DEPOT	43186	08/23/2019	Rolling Cart	131.99
OFFICE DEPOT	43187	08/23/2019	General Office Supplies	332.73
OFFICE DEPOT	43188	08/23/2019	General Office Supplies	41.78
OFFICE TEAM	43189	08/23/2019	Temp. Office Employee-Week Ending 8/2	1,448.55
OFFICE TEAM	43190	08/23/2019	Temp. Office Employee-Week Ending 8/9	1,293.72
OLSON BROTHERS PRO VAC	43191	08/23/2019	Emergency Vactoring Services	5,667.75
PACE ENGINEERS, INC.	43192	08/23/2019	June 2019 Surface Water Consulting	1,047.00
PACE ENGINEERS, INC.	43193	08/23/2019	June 2019 Consulting Services	23,849.50
PASSPORT TRAVEL AND TOURS	43194	08/23/2019	Business Meeting Travel	208.60
PAWS	43195	08/23/2019	July 2019 Animal Sheltering	576.00
PETTY CASH CUSTODIAN	43196	08/23/2019	Petty Cash Replenishment Rec. #2223-2246	363.72
PUGET SOUND ENERGY	43197	08/23/2019	Street Lighting Electricity Bill	9,072.30
PUGET SOUND REGIONAL COUNCIL	43198	08/23/2019	2020 Membership Dues	9,002.00
QUALITY BUSINESS SYSTEMS / WELLS FARGO	43199	08/23/2019	Downstairs Copier Lease Payment	675.53
RED BARN ENGINEERING, INC.	43200	08/23/2019	Consulting Services - 7/22 - 8/1/19	4,423.50
REPUBLIC SERVICES	43201	08/23/2019	Hangar Solid Waste Disposal	614.76
SARAH ROBERTS	43202	08/23/2019	July 2019 Prosecution Services	11,562.97
SCORE	43203	08/23/2019	July 2019 Inmate Housing	34,596.00
SEATTLE TIMES	43204	08/23/2019	Legal Notice Publication	236.38
SHRED IT USA LLC	43205	08/23/2019	Document Shredding Services	74.32
STAPLES ADVANTAGE	43206	08/23/2019	City Hall & Hangar Maintenance Supplies	26.20
STAPLES ADVANTAGE	43207	08/23/2019	City Hall Office Supplies	12.96
STAPLES ADVANTAGE	43208	08/23/2019	City Hall & Hangar Maintenance Supplies	44.11

STAPLES ADVANTAGE	43209	08/23/2019	City Hall & Hangar Maintenance Supplies	359.55
STATE AUDITOR'S OFFICE	43210	08/23/2019	2018 Audit Services	1,501.50
STEWART MACNICHOLS HARMELL, INC.	43211	08/23/2019	July 2019 Public Defense Services	5,000.00
STRONG TOWNS	43212	08/23/2019	Presentation & Book Signing - Deposit	300.00
SUNDANCE ENERGY SERVICES	43213	08/23/2019	Permit Refund - MEC19-0394	147.00
TOTAL LANDSCAPE CORP	43214	08/23/2019	July 2019 Parks Landscape Maintenance	5,637.50
TOTAL LANDSCAPE CORP	43215	08/23/2019	July 2019 City Hall, Parks, & Facility Landscaping	5,025.45
TOWN CENTER HARDWARE	43216	08/23/2019	Publics Works Tools & Equipment	296.89
U.S. BANK PURCHASE CARDS	43217	08/23/2019	City Wide Purchase Card (Credit) Transactions	4,440.02
U.S. BANK PURCHASE CARDS	43218	08/23/2019	Void	-
WA STATE DEPT OF TRANSPORTATION	43219	08/23/2019	July 2019 68th & 175th Signal Maintenance	1,553.24
WESTERN ENGINEERS & SURVEYORS	43220	08/23/2019	Permit Refund - VAR19-0080	225.75
DRS 457	DFT0000460-61	08/16/2019	DRS 457 Deferred Comp	891.11
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000462-67	08/16/2019	Public Employees Retirement	29,718.23
NAVIA	DFT0000468	08/16/2019	Employee Flexible Spending Account	368.15
BANK OF AMERICA 941	DFT0000469	08/16/2019	Federal Taxes	19,218.17
SHIRLEY LAM	10147	8/16/2019	Payroll Check	38.58
MAURA QUERY	10148	8/16/2019	Payroll Check	500.33
PAYROLL	Direct Deposit	8/16/2019	Payroll	111,910.32
			Total	608,778.42

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Juanita Drive NE Pedestrian and Bicycle Safety Improvements Project – Acceptance of WSDOT Pedestrian and Bicycle Safety Grant	**For Council Meeting Agenda of:** September 16, 2019 **Department:** Public Works **Prepared by:** Kent Vaughan **To Be Presented By: NA**
Proposed Council Action/Motion: Authorize the City Manager to execute an agreement with WSDOT to accept Pedestrian and Bicycle Program grant funds in the amount of $2,000,000 for construction of the Juanita Drive NE Pedestrian and Bicycle Safety Improvements Project.	**Initial & Date** **Approved by Department Head:** 8/29/19 **Approved by City Attorney:** NA **Approved by Finance Director:** 9-5-19 **Approved by City Manager:** **Exhibits/Attachments:** Exhibit 1: WSDOT letter

INFORMATION/BACKGROUND:
In May 2018, staff applied for WSDOT Pedestrian and Bicycle Program grant funds in the amount of $2,000,000 to construct the Juanita Pedestrian and Bicycle Safety Improvements (NE 143rd Place - NE 170th Street). The City received notice in June 2019 that WSDOT has officially awarded the funding (see Exhibit 1). In 2016, Kenmore's Juanita Drive project also received $525,600 in design funds from this same grant program.

Project Status: Design is currently 90% complete. The right-of-way phase is ongoing; all appraisals and appraisal reviews are completed and offers are being made. Bid documents for Juanita Drive are currently scheduled for completion in the first quarter of 2020. Construction is planned for 2020-21.

FISCAL CONSIDERATION:
This WSDOT grant is 100% state funded with no local match required.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:
Council goal 1: Focus and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle and other means of travel.
Council goal 2: Implement the Walkways and Waterways projects.

EXHIBIT 1

Washington State Department of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

June

Mr. John Vicente
City Engineer
City of Kenmore
18120 68th Ave NE
Kenmore, Washington 98028-2071

Juanita Dr NE Pedestrian & Bicycle Improvements
2019-21 Pedestrian & Bicycle Safety Program
State Funding

Dear Mr. Vicente:

WSDOT is pleased to advise you that the above mentioned project was selected to receive funding through the Pedestrian & Bicycle Safety program. The state funding is limited as shown below:

Juanita Dr NE Pedestrian & Bicycle Improvements **$2,000,000**
Scope: See attached project summary.

In order to meet state requirements, the following are required:

- Project expenditures incurred before receiving notice from Local Programs of state fund authorization are not eligible for reimbursement.
- Please refer to the Local Programs web page for detailed authorization information, including: (http://www.wsdot.wa.gov/localprograms/)
  - ✓ Local Agency Guidelines (LAG) manual for detailed requirements;
  - ✓ Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP) amendments, as applicable;
  - ✓ Funding and billing forms;
  - ✓ Quarterly Project Report required to be completed by the end of March, June, September and December each year. To access the database you will need an account name and password. Your account name is **Kenmore** and your password is **Kenmo985**. The password is case sensitive.

As a reminder, Local Programs encourages all agencies to submit monthly progress billings to ensure timely reimbursement of eligible expenditures.

For assistance please contact Mehrdad Moini, your Region Local Programs Engineer, at 206.440.4734.

Sincerely,

Kathleen B. Davis
Director
Local Programs

Attachment
KBD:st:sas
cc: Kelly McGourty, Transportation Director, PSRC
Mehrdad Moini, Local Programs Engineer, MS NB82-121

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: July 2019 Financial Report	For Council Meeting Agenda of: September 16, 2019 Department: Finance and Administration Prepared by: Joanne Gregory Initial & Date Approved by Department Head: 8/15/19 Approved by City Attorney: Approved by Finance Director: 8/13/19 Approved by City Manager:
Proposed Council Action/Motion: Receive and File July 2019 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: July 2019 Financial Report for the City of Kenmore, Washington.

INFORMATION/BACKGROUND:

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

FISCAL CONSIDERATION:

July is the seventh month of the 2019-2020, 24-month biennium. As of July, revenues exceeded expenditures in the General Fund by $354,682.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

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

Priority Based Budgeting Result: Governance: Supports decision-making with timely and accurate short-term and long-range analysis that enhances vision and planning.

18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: August 8, 2019
RE: July 2019 Financial Reports for the City of Kenmore, Washington

July 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

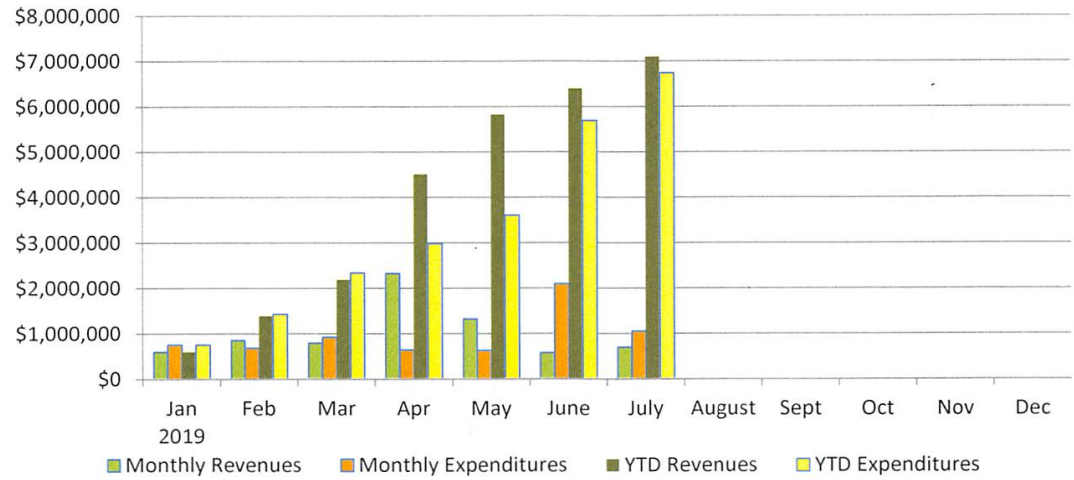
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

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, July is the seventh month (28%) of the 2019-2020 biennial budget period. For the month of July, expenditures exceeded revenues in the General Fund by $352,959. Biennium to date revenues exceed expenditures by $354,682.

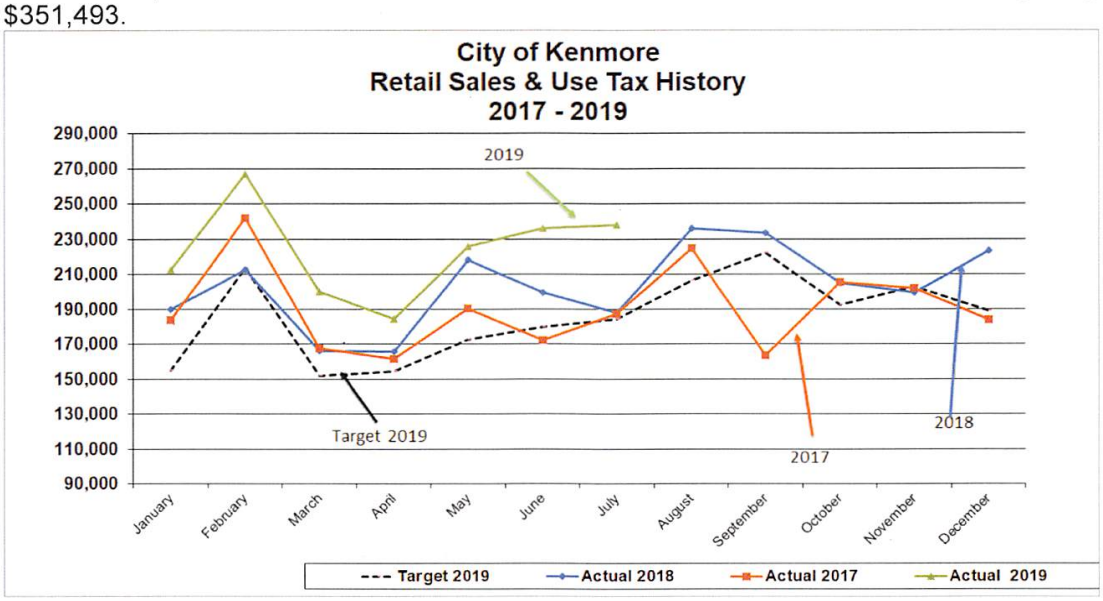
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through July 2019.

City of Kenmore, Washington
Monthly Financial Report
July 2019



Total **revenues** for the month were **$696,067.** Biennium to date revenues are $7,091,915, which is 27.4% of the budgeted revenues of $25,927,872. Primary sources of revenue for the month included property taxes in the amount of $17,502, development fees & permits in the amount of $132,053, retail sales and use taxes in the amount of $237,778, franchise fees in the amount of $73,641 and utility taxes in the amount of $68,356.

A summary of sales tax revenues received in July is attached. These receipts are based on May 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 $223,032 above 2018 and ahead of the 2019 target by $351,493.



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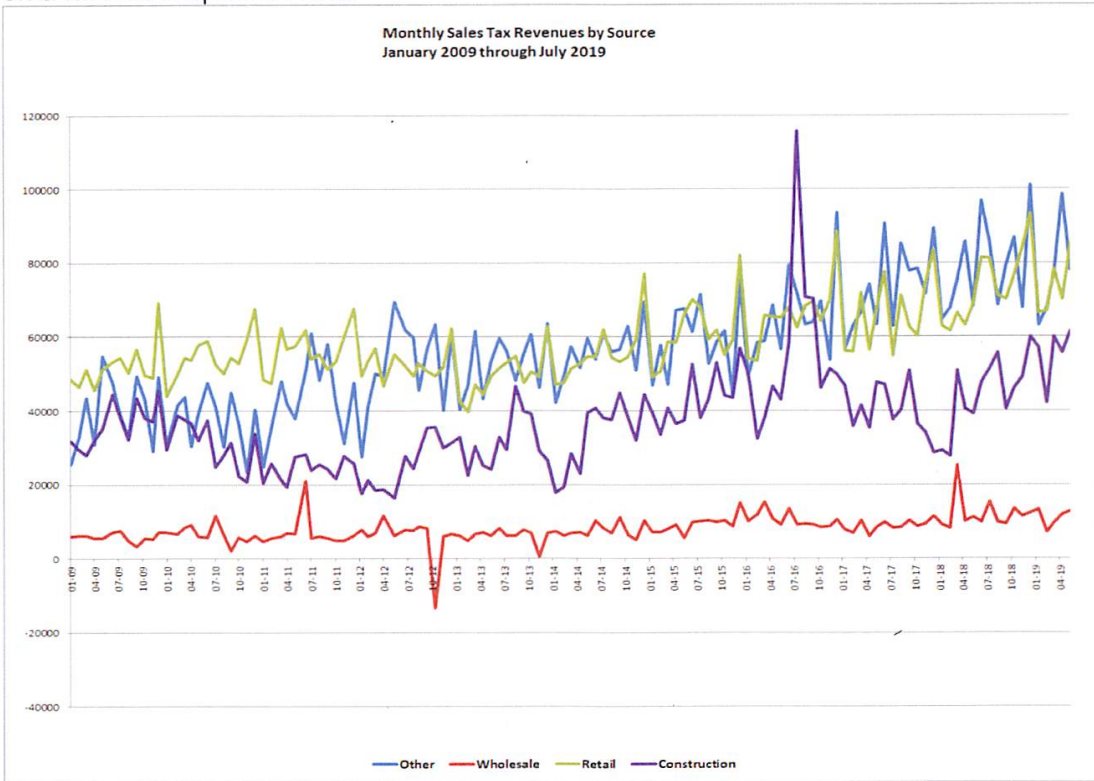
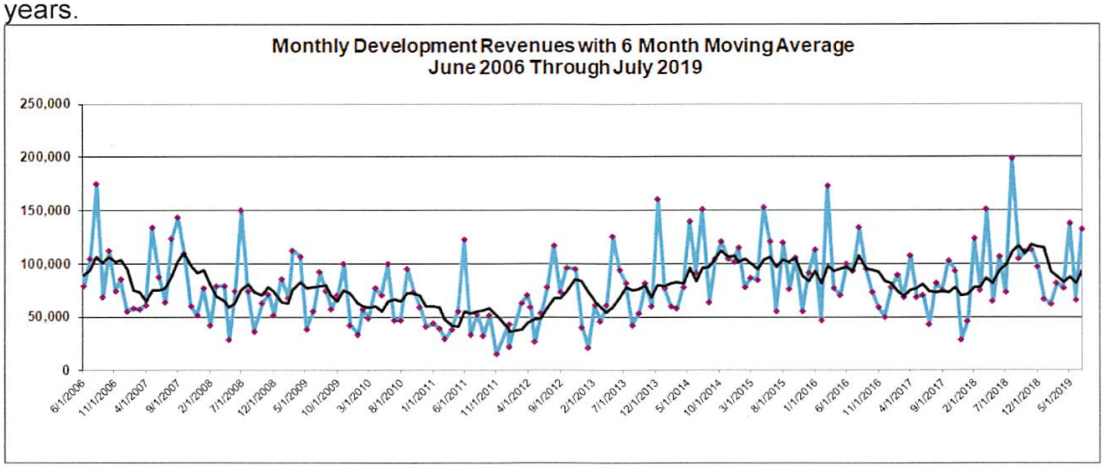
City of Kenmore, Washington
Monthly Financial Report
July 2019

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



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



City of Kenmore, Washington
Monthly Financial Report
July 2019

July 2019 expenditures were **$1,049,026.** Biennium to date expenditures are $6,737,233, which is 26% of the biennial budget expenditures of $25,927,872.

Total City cash ($18,660,892) and long-term investments ($10,061,330), at the end of July, totaled $28,722,222. 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 $479,983 and total non-General Fund expenditures were $1,232,531.

In the **Street Fund** revenue from gas tax distributions were $42,100. $47,798 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund,** there were expenditures in the amount of $43,585 on pedestrian safety projects and $27,055 in street overlay. The fund received $49,810 in grant reimbursements during the month.

The **Park Impact Fee** fund received $20,724 in revenues during the month.

There was $71,596 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received $109,538 of real estate excise taxes (REET) in July from sales activity that occurred in June. 34 transactions were reported during the month. The 2019 year to date revenue is lower than the 2018 revenue by $174,889, and the 2019 target by $220,364.

The **Park Capital** fund had expenditures in the amount of $10,562 on park improvement projects and $887,064 in land acquisition costs for the Squire's Landing Park land conversion project.

The **Walkways & Waterways Debt Service** Fund collected $4,117 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of $648,035.

The **Transportation Benefit District** Fund received $26,651 in vehicle license fees during the month.

SUMMARY

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

	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH July 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH July 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	17,502	2,683,171	26.2%	10,224,205	11,190	2,513,673	26.5%	9,491,704
Sales and Use Taxes	297,878	1,964,263	34.7%	5,662,000	234,786	1,649,245	27.9%	5,906,291
Utility Taxes	68,356	678,336	27.5%	2,466,355	81,789	815,857	30.0%	2,717,485
Other Taxes	12,048	80,028	44.0%	181,868	7,486	46,385	21.3%	218,113
Development Fees & Permits	132,053	623,701	33.6%	1,854,042	42,980	525,803	25.6%	2,050,518
Franchise Fees	73,641	512,364	28.0%	1,831,835	75,948	501,554	28.8%	1,743,476
Intergovernmental and Grants	51,830	304,878	28.8%	1,057,677	65,519	292,059	34.7%	841,615
Investment Interest	5,236	46,726	49.0%	95,300	5,651	92,256	177.4%	52,000
Fines and Forfeitures	0	0	n/a	0	-474	-635	0.0%	0
Transfers and Other Revenues	37,523	198,446	7.8%	2,554,590	2,403	168,830	10.5%	1,600,972
Total Revenues	696,067	7,091,915	27.4%	25,927,872	527,278	6,605,027	26.8%	24,622,174
Total Revenues & Beginning Fund Balance		12,026,283		30,862,240		9,743,941		27,753,861

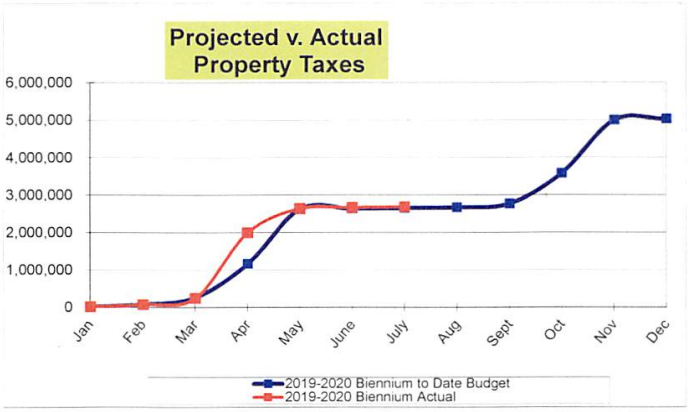
	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH July 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH July	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018
EXPENDITURES								
Cost Center								
City Council	11,422	106,626	26.6%	400,337	7,597	109,302	33.2%	329,426
City Manager	216,071	957,531	28.7%	3,331,467	174,572	848,662	25.5%	3,328,297
City Clerk	30,410	206,462	24.1%	856,966	12,330	146,891	34.5%	425,368
Finance	70,552	610,197	33.0%	1,851,887	46,054	576,600	34.5%	1,672,775
Legal	25,012	171,987	32.5%	530,000	17,352	132,113	26.4%	500,000
Interfund Transfers	0	0	0.0%	1,602,484	0	0	0.0%	1,403,228
Public Safety	354,949	2,106,100	23.1%	9,133,991	328,475	1,975,736	22.4%	8,806,304
Engineering & Environmental Services	48,114	422,180	25.5%	1,658,620	49,082	369,766	26.1%	1,415,011
Community Development	79,524	470,899	27.7%	1,698,893	49,121	317,529	18.5%	1,715,510
Developmental Services	78,043	614,591	25.2%	2,436,502	68,211	613,857	28.8%	2,131,288
Parks & Facility Maintenance	134,928	1,070,661	44.1%	2,426,725	64,807	526,908	18.5%	2,854,489
Total Expenditures	1,049,026	6,737,233	26.0%	25,927,872	817,603	5,617,363	22.9%	24,581,696
Ending Fund Balance	**-352,959**	**5,289,051**	**0**	**4,934,368**		**4,126,578**		**3,172,165**
Total Expenditures and Ending Fund Balance		12,026,283		30,862,240		9,743,941		27,753,861

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

City of Kenmore, Washington
General Fund Revenue Graphs
July 31, 2019

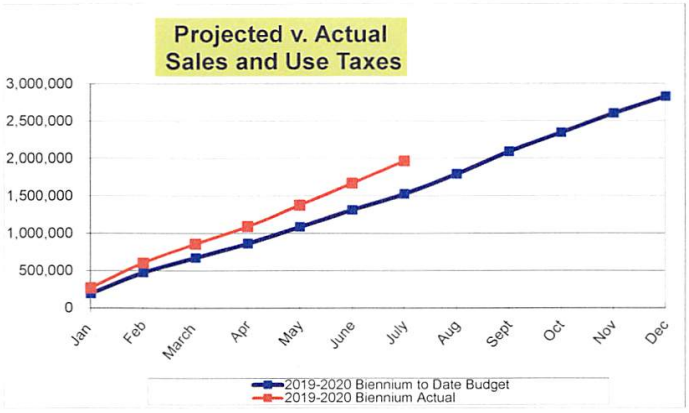
PROPERTY TAXES

	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	2,665,669
July	2,649,793	2,683,171
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%



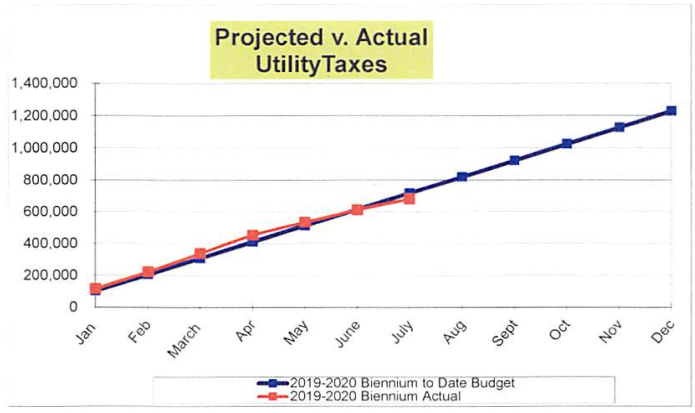
SALES, USE, CRIM JUSTICE TAXES

	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	1,666,385
July	1,523,681	1,964,263
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		129%



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	609,980
July	715,750	678,336
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		95%



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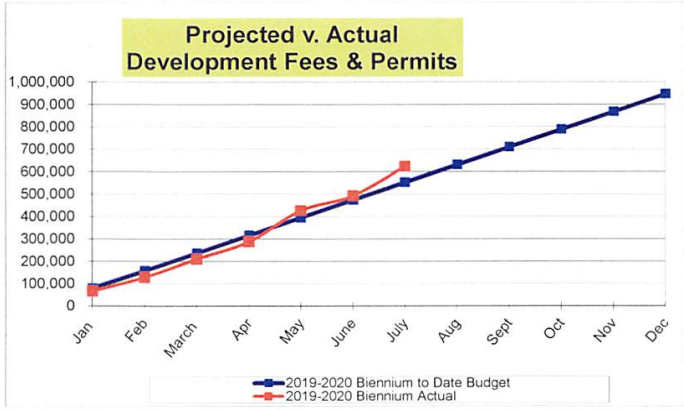
City of Kenmore, Washington
General Fund Revenue Graphs
July 31, 2019

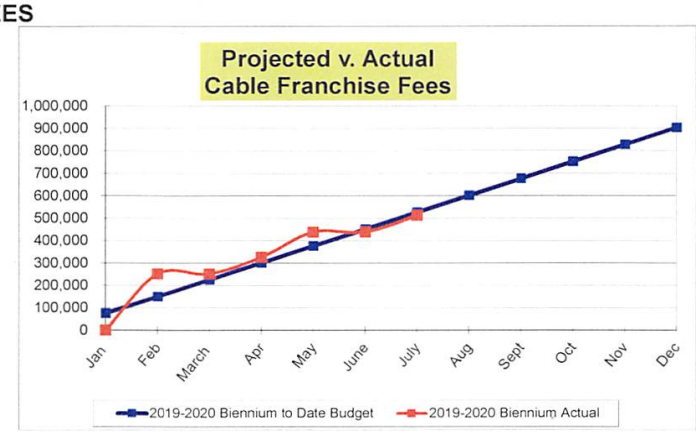
DEVELOPMENT FEES & PERMITS

	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	491,649
July	551,586	623,701
Aug	630,384	
Sept	709,182	
Oct	787,980	
Nov	866,778	
Dec	945,576	
'2019-20 Year To Date	1,854,042	
Actual v. Projected		113%



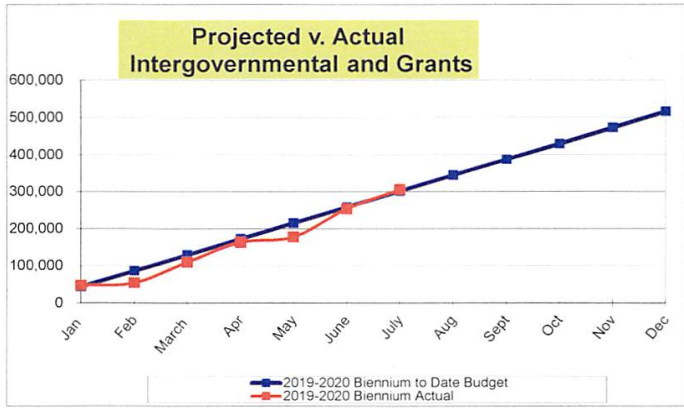
CABLE/WATER/SEWER FRANCHISE FEES

	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	438,724
July	526,390	512,364
Aug	601,588	
Sept	676,787	
Oct	751,985	
Nov	827,184	
Dec	902,382	
'2019-20 Year To Date	1,831,835	
Actual v. Projected		97%



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	253,048
July	300,796	304,878
Aug	343,767	
Sept	386,738	
Oct	429,709	
Nov	472,680	
Dec	515,651	
'2019-20 Year To Date	1,057,677	
Actual v. Projected		101%



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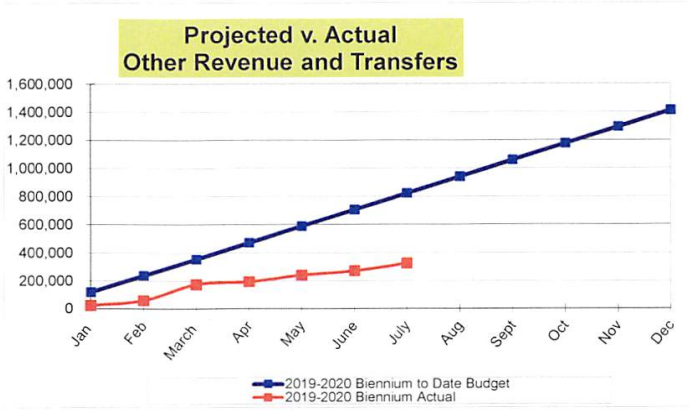
City of Kenmore, Washington
General Fund Revenue Graphs
July 31, 2019

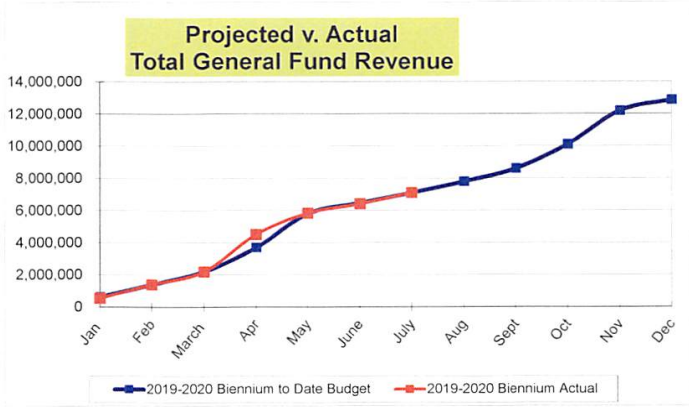
OTHER REVENUES AND TRANSFERS

	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	270,394
July	822,759	325,201
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		40%



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	6,395,848
July	7,090,755	7,091,915
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		100%



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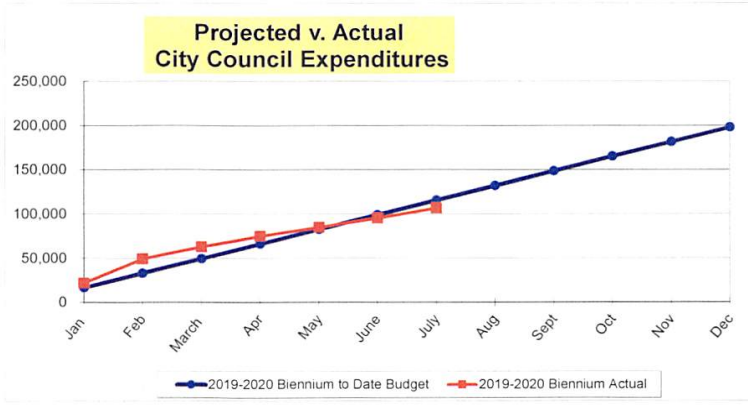
City of Kenmore, Washington
General Fund Expenditure Graphs
July 31, 2019

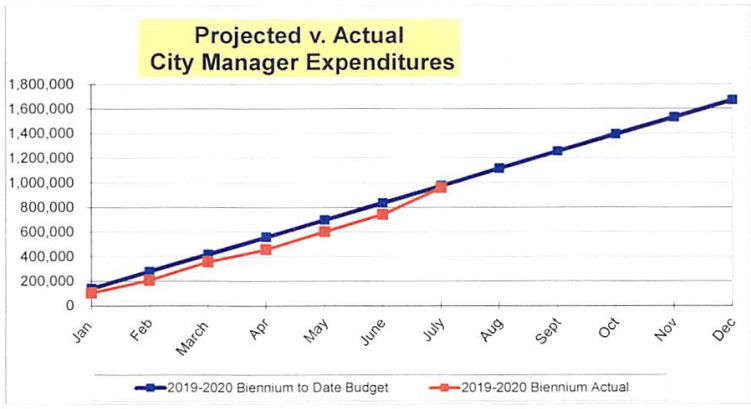
CITY COUNCIL

	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	95,204
July	115,473	106,626
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		92%



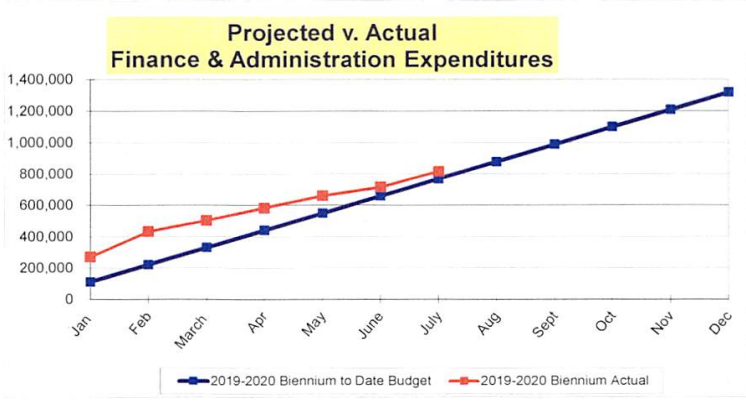
CITY MANAGER

	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	741,459
July	973,491	957,531
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		98%



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	715,697
July	768,149	816,659
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		106%



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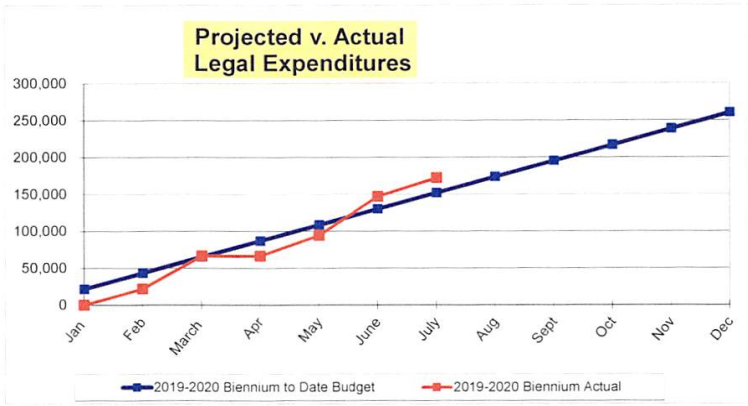
City of Kenmore, Washington
General Fund Expenditure Graphs
July 31, 2019

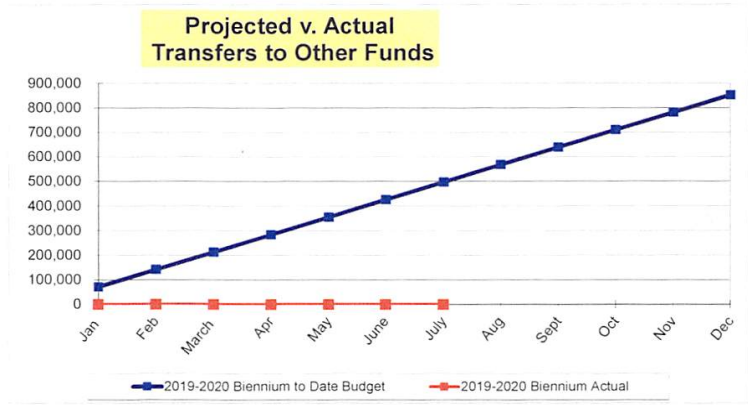
LEGAL

	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	146,975
July	151,667	171,987
Aug	173,333	
Sept	195,000	
Oct	216,667	
Nov	238,333	
Dec	260,000	
2019-20 Year To Date	530,000	
Actual v. Projected		113%



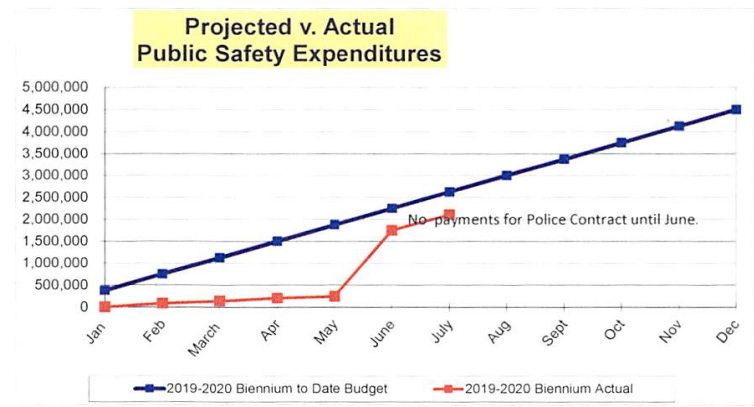
TRANSFERS TO OTHER FUNDS

	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	0
July	496,940	0
Aug	567,931	
Sept	638,923	
Oct	709,914	
Nov	780,906	
Dec	851,897	
2019-20 Year To Date	1,602,484	
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	1,751,151
July	2,620,669	2,106,100
Aug	2,995,050	
Sept	3,369,431	
Oct	3,743,813	
Nov	4,118,194	
Dec	4,492,575	
2019-20 Year To Date	9,133,991	
Actual v. Projected		80%



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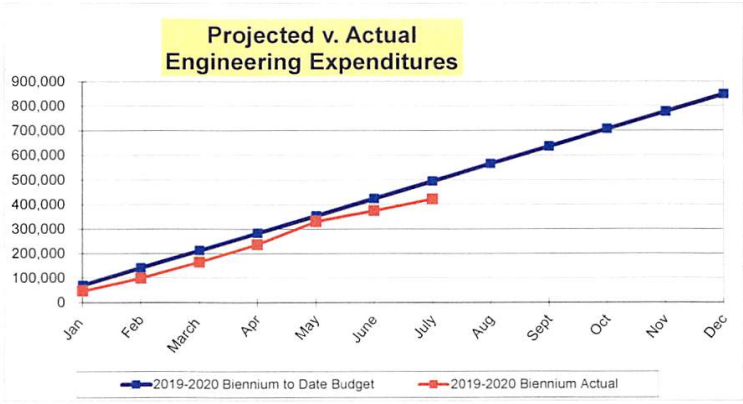
City of Kenmore, Washington
General Fund Expenditure Graphs
July 31, 2019

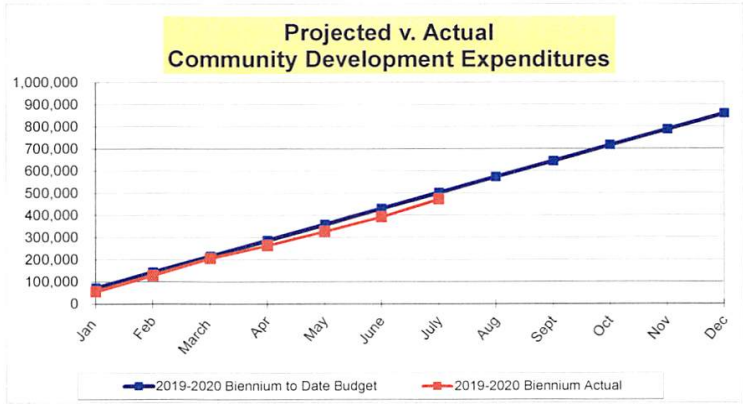
ENGINEERING

	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	374,066
July	494,483	422,180
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		85%



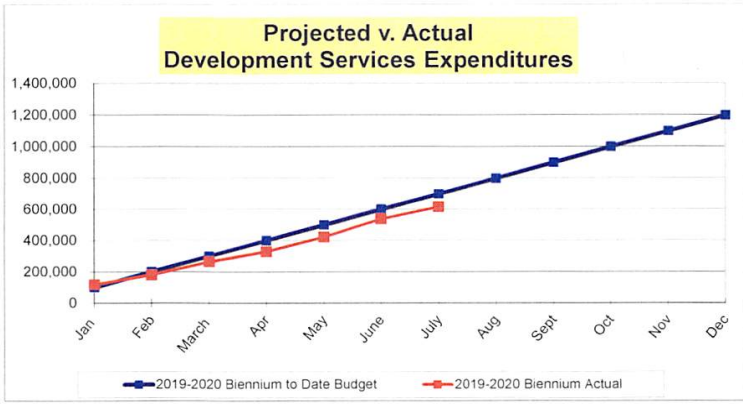
COMMUNITY DEVELOPMENT

	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	391,375
July	500,856	470,899
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		94%



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	536,548
July	697,492	614,591
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		88%



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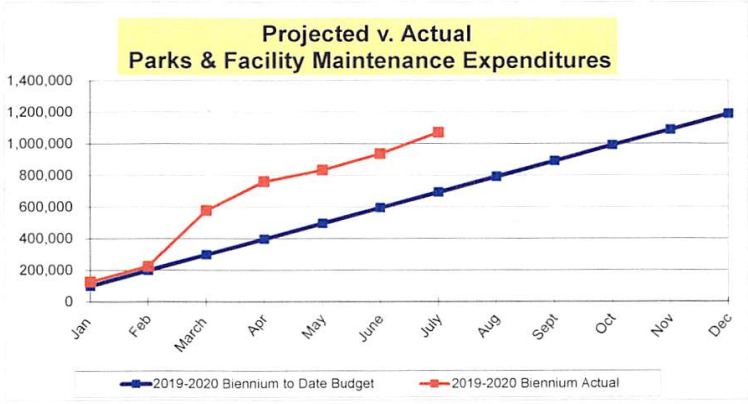
City of Kenmore, Washington
General Fund Expenditure Graphs
July 31, 2019

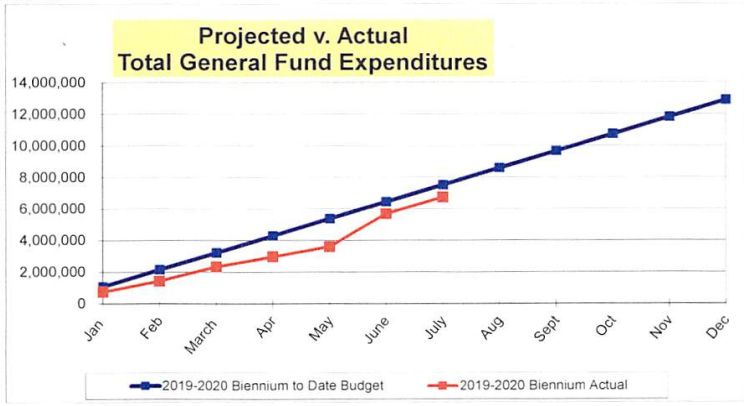
PARKS & FACILITY MAINTENANCE

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
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	935,732
July	692,638	1,070,661
Aug	791,587	
Sept	890,535	
Oct	989,483	
Nov	1,088,432	
Dec	1,187,380	
2019-20 Year To Date	2,426,725	
Actual v. Projected		155%



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	5,688,207
July	7,511,856	6,737,233
Aug	8,584,979	
Sept	9,658,101	
Oct	10,731,223	
Nov	11,804,346	
Dec	12,877,468	
2019-20 Year To Date	25,927,872	
Actual v. Projected		90%



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City of Kenmore, Washington
Street Fund Summary Report
July 31, 2019

	MONTH July 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BUDGET 2019-2020
REVENUES				
Beginning Fund Balance		**926,962**		**926,962**
Fuel Tax	42,100	266,987	26.5%	1,006,385
Investment Interest	419	6,226	124.5%	5,000
Miscellaneous	570	9,047	452.4%	2,000
ROW Permit Fees/Inspections	0	100,099	41.7%	240,000
Multimodal Transportation	0	15,867	25.2%	62,910
Transfer from General Fund	0	0	0.0%	1,602,484
Transfer from TBD	0	0	0.0%	716,000
Total Revenues	43,088	398,226	11.0%	3,634,779
Total Revenues & Beginning Fund Balance		1,325,188		4,561,741

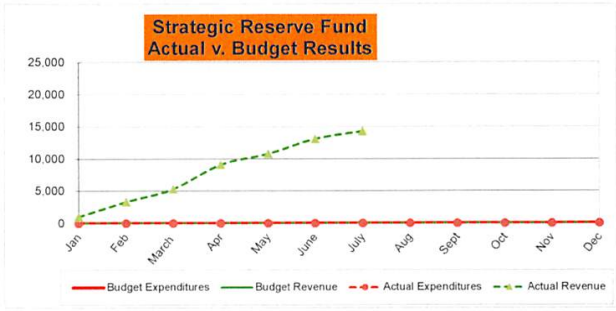
		BIENNIUM TO DATE 2019-2020	% of BUDGET	BUDGET 2019-2020
EXPENDITURES				
Salary and Benefits	58,824	369,350	28.0%	1,320,880
Maintenance & Operations	47,798	342,250	15.8%	2,163,899
Capital	243	144,464	96.3%	150,000
Total Expenditures	106,865	856,064	23.6%	3,634,779
Ending Fund Balance		**469,124**		**926,962**
Total Expenditures and Ending Fund Balance		1,325,188		4,561,741

I:\Admin & Finance\Monthly Reports\2019\July 2019Street Fund

City of Kenmore, Washington
Other Funds Monthly Activity
July 31, 2019

STRATEGIC RESERVE FUND

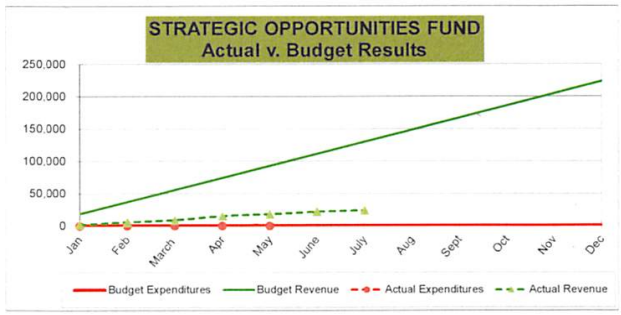
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	0	0	0	1,020
Feb	0	0	0	3,310
March	0	0	0	5,314
Apr	0	0	0	9,101
May	0	0	0	10,806
June	0	0	0	13,114
July	0	0	0	14,296
Aug	0	0	0	
Sept	0	0	0	
Oct	0	0	0	
Nov	0	0	0	
Dec	0	0	0	
2019-20	0	0	0	
Total Actual to Date vs Total Budget		0%		0%



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

STRATEGIC OPPORTUNITIES FUND

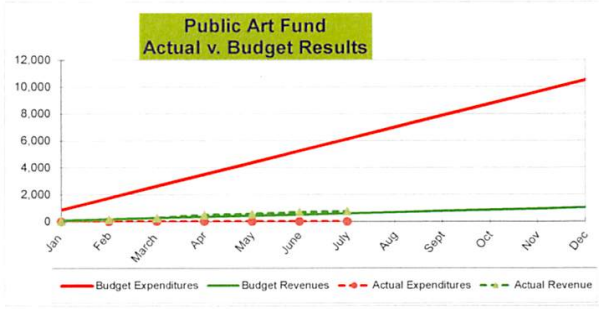
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	0	0	18,583	1,714
Feb	0	0	37,167	5,561
March	0	0	55,750	8,880
Apr	0	0	74,333	15,152
May	0	0	92,917	17,977
June	0	(14,897)	111,500	21,809
July	0	(14,897)	130,083	23,780
Aug	0		148,667	
Sept	0		167,250	
Oct	0		185,833	
Nov	0		204,417	
Dec	0		223,000	
2019-20	0		407,000	
Total Actual to Date vs Total Budget		0%		6%



The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves.

PUBLIC ART FUND

	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	875	0	86	54
Feb	1,750	0	171	176
March	2,625	0	257	282
Apr	3,500	0	342	483
May	4,375	0	428	574
June	5,250	0	514	696
July	6,125	0	599	759
Aug	7,000		685	
Sept	7,875		770	
Oct	8,750		856	
Nov	9,625		941	
Dec	10,500		1,027	
2019-20	21,000		2,062	
Total Actual to Date vs Total Budget		0%		37%



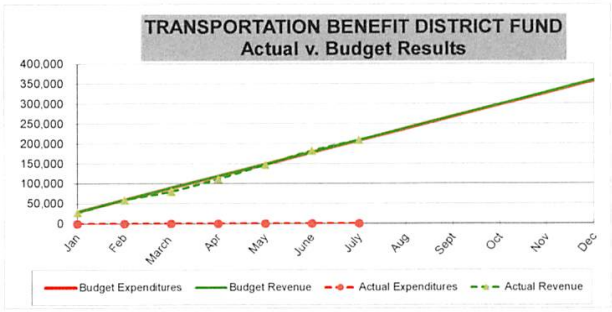
This fund accounts for public art authorized by Ordinance 01-0115. One percent (1%) of public project construction contracts is contributed to this fund to provide for public art displays or performing arts events as authorized by the City Council.

I:\Admin & Finance\Monthly Reports\2019\July 2019\Other Funds Graphs

City of Kenmore, Washington
Other Funds Monthly Activity
July 31, 2019

TRANSPORTATION BENEFIT DISTRICT FUND

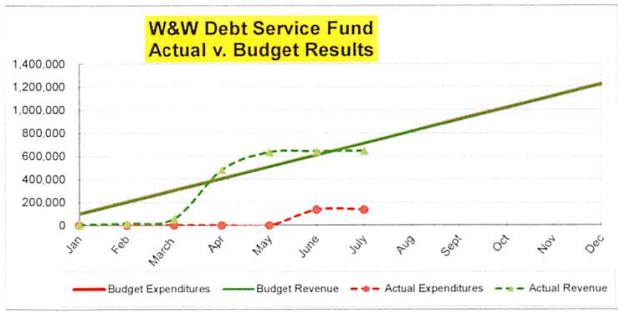
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	29,833	0	29,917	27,793
Feb	59,667	0	59,833	59,139
March	89,500	0	89,750	80,409
Apr	119,333	0	119,667	112,036
May	149,167	0	149,583	147,598
June	179,000	0	179,500	182,806
July	208,833	0	209,417	209,746
Aug	238,667		239,333	
Sept	268,500		269,250	
Oct	298,333		299,167	
Nov	328,167		329,083	
Dec	358,000		359,000	
2019-20	716,000		718,000	
Total Actual to Date vs Total Budget		0%		29%



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

W & W DEBT SERVICE FUND

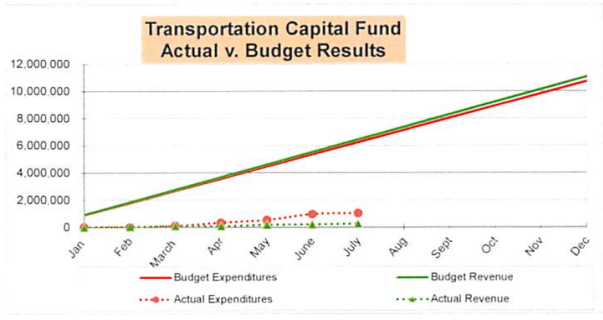
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	101,929	0	101,929	3,594
Feb	203,858	0	203,858	17,174
March	305,788	0	305,788	58,986
Apr	407,717	0	407,717	482,485
May	509,646	0	509,646	636,781
June	611,575	136,575	611,575	643,918
July	713,504	136,575	713,504	648,035
Aug	815,433		815,433	
Sept	917,363		917,363	
Oct	1,019,292		1,019,292	
Nov	1,121,221		1,121,221	
Dec	1,223,150		1,223,150	
2019-20	1,752,800		1,752,800	
Total Actual to Date vs Total Budget		8%		37%



This fund accumulates the voted property tax levy receipts for the Walkways and Waterways Bonds which are used to make the principal and interest repayments on the bonded debt.

TRANSPORTATION CAPITAL FUND

	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	892,471	5,406	921,329	0
Feb	1,784,942	5,406	1,842,658	24,595
March	2,677,413	103,142	2,763,986	83,716
Apr	3,569,884	341,972	3,685,315	86,761
May	4,462,355	541,325	4,606,644	187,018
June	5,354,826	968,314	5,527,973	212,881
July	6,247,297	1,038,954	6,449,301	262,691
Aug	7,139,768		7,370,630	
Sept	8,032,239		8,291,959	
Oct	8,924,710		9,213,288	
Nov	9,817,181		10,134,616	
Dec	10,709,652		11,055,945	
2019-20	23,880,759		23,863,257	
Total Actual to Date vs Total Budget		4%		1%

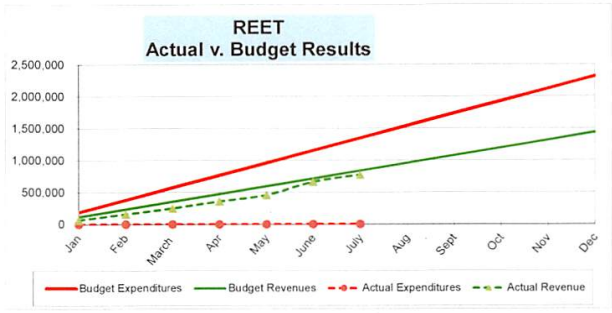


The Transportation Capital Fund accounts for capital improvements to the City's streets and SR 522, funded by various grants plus City resources from real estate excise tax and transportation impact fees. All phases of improvements to SR 522 are now accounted for in this fund. There is a time lag between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

City of Kenmore, Washington
Other Funds Monthly Activity
July 31, 2019

REAL ESTATE EXCISE TAX FUND

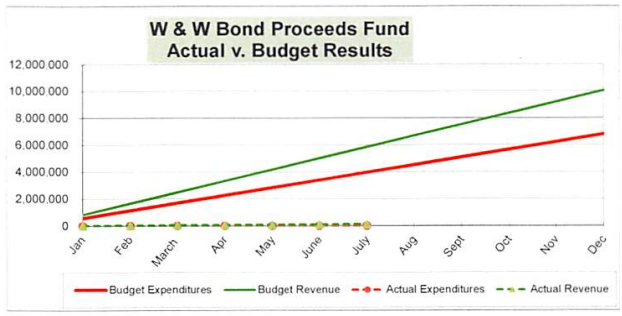
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	192,888	0	119,820	70,148
Feb	385,775	0	239,640	161,379
March	578,663	0	359,461	255,124
Apr	771,550	0	479,281	362,810
May	964,438	0	599,101	461,157
June	1,157,325	0	718,921	665,114
July	1,350,213	0	838,741	776,034
Aug	1,543,100		958,561	
Sept	1,735,988		1,078,382	
Oct	1,928,875		1,198,202	
Nov	2,121,763		1,318,022	
Dec	2,314,650		1,437,842	
2019-20	5,205,050		2,665,916	
Total Actual to Date vs Total Budget		0%		29%



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

W & W BOND PROCEEDS FUND

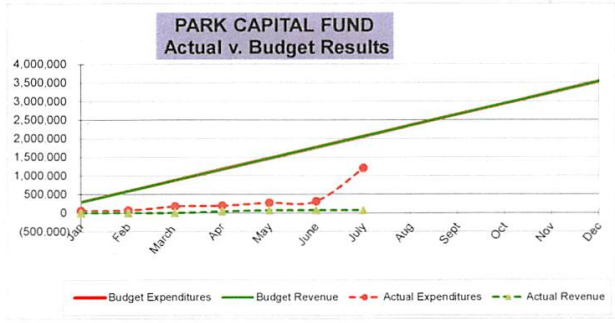
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	566,481	0	835,833	17,110
Feb	1,132,963	0	1,671,667	32,728
March	1,699,444	0	2,507,500	50,121
Apr	2,265,925	0	3,343,333	67,106
May	2,832,406	0	4,179,167	84,381
June	3,398,888	0	5,015,000	101,206
July	3,965,369	0	5,850,833	118,429
Aug	4,531,850		6,686,667	
Sept	5,098,331		7,522,500	
Oct	5,664,813		8,358,333	
Nov	6,231,294		9,194,167	
Dec	6,797,775		10,030,000	
2019-20	8,685,794		10,045,000	
Total Actual to Date vs Total Budget		0%		1%



This fund holds the receipts from the December 2016 sale of the Walkways and Waterways Bonds and transfers money to the Transportation and Park Capital Funds to pay for the specific Walkways and Waterways projects.

PARK CAPITAL FUND

	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	293,917	56,429	294,412	0
Feb	587,833	67,965	588,825	0
March	881,750	174,777	883,237	0
Apr	1,175,667	192,774	1,177,649	41,390
May	1,469,583	269,541	1,472,061	67,952
June	1,763,500	307,395	1,766,474	67,952
July	2,057,417	1,205,022	2,060,886	67,952
Aug	2,351,333		2,355,298	
Sept	2,645,250		2,649,710	
Oct	2,939,167		2,944,123	
Nov	3,233,083		3,238,535	
Dec	3,527,000		3,532,947	
2019-20	3,909,000		3,886,947	
Total Actual to Date vs Total Budget		31%		2%



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

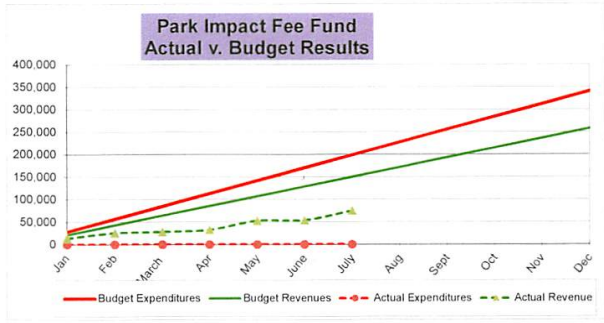
I:\Admin & Finance\Monthly Reports\2019\July 2019\Other Funds Graphs

City of Kenmore, Washington
Other Funds Monthly Activity
July 31, 2019

0

PARK IMPACT FEE FUND

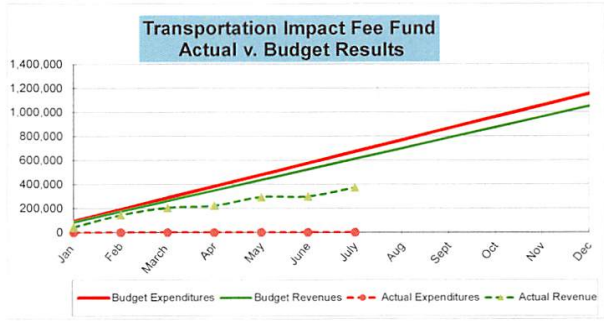
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	28,417	0	21,485	13,951
Feb	56,833	0	42,971	25,532
March	85,250	0	64,456	28,400
Apr	113,667	0	85,942	32,927
May	142,083	0	107,427	52,704
June	170,500	0	128,913	53,828
July	198,917	0	150,398	75,146
Aug	227,333		171,883	
Sept	255,750		193,369	
Oct	284,167		214,854	
Nov	312,583		236,340	
Dec	341,000		257,825	
2019-20	347,000		491,864	
Total Actual to Date vs Total Budget		0%		15%



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

TRANSPORTATION IMPACT FEE FUND

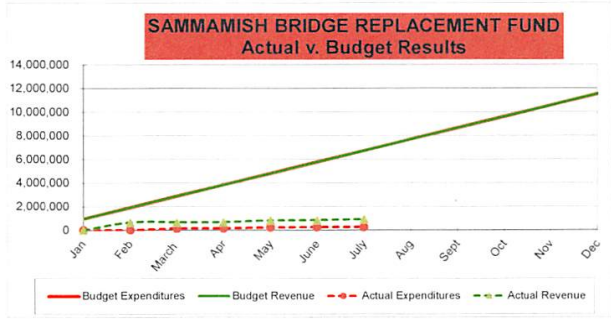
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	96,076	0	87,431	45,894
Feb	192,152	0	174,861	145,768
March	288,228	0	262,292	205,238
Apr	384,304	0	349,723	223,612
May	480,380	0	437,153	293,866
June	576,457	0	524,584	299,119
July	672,533	0	612,015	373,469
Aug	768,609		699,445	
Sept	864,685		786,876	
Oct	960,761		874,307	
Nov	1,056,837		961,737	
Dec	1,152,913		1,049,168	
2019-20	1,216,663		1,981,991	
Total Actual to Date vs Total Budget		0%		19%



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

SAMMAMISH BRIDGE REPLACEMENT FUND

	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	961,649	453	961,649	7,133
Feb	1,923,299	7,971	1,923,299	656,221
March	2,884,948	141,937	2,884,948	666,906
Apr	3,846,597	157,001	3,846,597	682,103
May	4,808,246	220,265	4,808,246	820,854
June	5,769,896	243,311	5,769,896	837,428
July	6,731,545	245,151	6,731,545	912,673
Aug	7,693,194		7,693,194	
Sept	8,654,843		8,654,843	
Oct	9,616,493		9,616,493	
Nov	10,578,142		10,578,142	
Dec	11,539,791		11,539,791	
2019-20	21,623,056		21,623,056	
Total Actual to Date vs Total Budget		1%		4%



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

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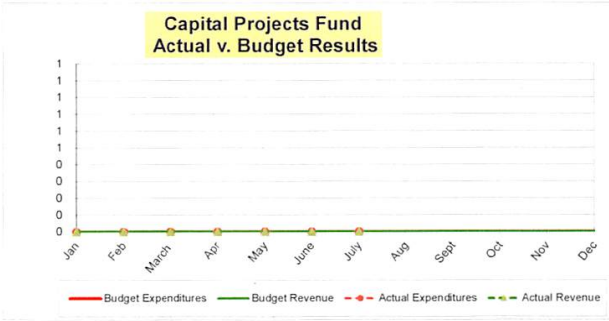
City of Kenmore, Washington
Other Funds Monthly Activity
July 31, 2019

Public Works Shop Fund

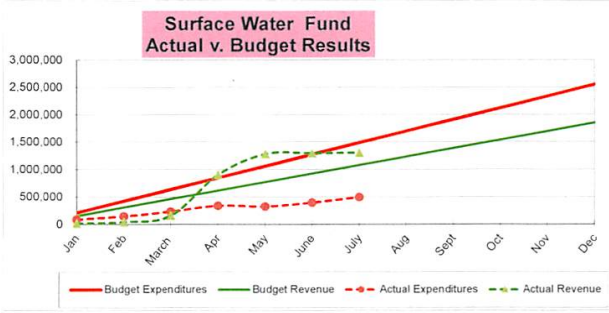
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	0	0	0	0
Feb	0	0	0	0
March	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
Aug	0		0	
Sept	0		0	
Oct	0		0	
Nov	0		0	
Dec	0		0	
2019-20	2,000,000		6,500,000	
Total Actual to Date vs Total Budget		0%		0%



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

SURFACE WATER MANAGEMENT FUND

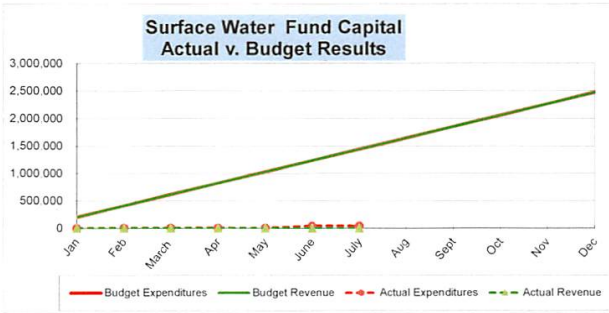
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	212,421	88,968	154,333	15,456
Feb	424,841	144,035	308,667	39,020
March	637,262	231,736	463,000	158,570
Apr	849,682	338,280	617,333	905,368
May	1,062,103	323,235	771,667	1,280,684
June	1,274,523	393,807	926,000	1,293,571
July	1,486,944	494,008	1,080,333	1,303,534
Aug	1,699,364		1,234,667	
Sept	1,911,785		1,389,000	
Oct	2,124,205		1,543,333	
Nov	2,336,626		1,697,667	
Dec	2,549,046		1,852,000	
2019-20	4,354,469		3,727,000	
Total Actual to Date vs Total Budget		11%		35%



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

SURFACE WATER CAPITAL FUND

	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	206,038	1,302	206,038	0
Feb	412,075	6,531	412,075	0
March	618,113	6,531	618,113	0
Apr	824,150	7,963	824,150	0
May	1,030,188	8,358	1,030,188	0
June	1,236,225	40,905	1,236,225	0
July	1,442,263	41,153	1,442,263	0
Aug	1,648,300		1,648,300	
Sept	1,854,338		1,854,338	
Oct	2,060,375		2,060,375	
Nov	2,266,413		2,266,413	
Dec	2,472,450		2,472,450	
2019-20	2,704,100		2,702,450	
Total Actual to Date vs Total Budget		2%		0%

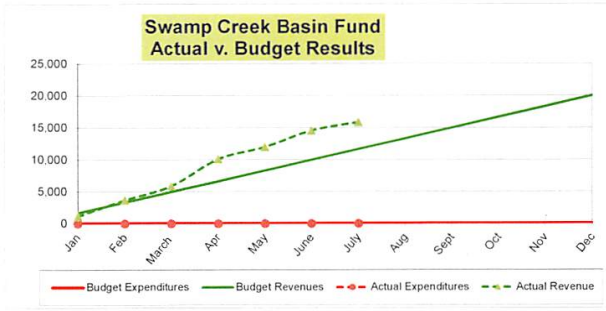


This fund accounts for the expenditures for Surface Water Capital Improvements. Revenue sources for this fund include a variety of federal, state, or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes.

City of Kenmore, Washington
Other Funds Monthly Activity
July 31, 2019

SWAMP CREEK BASIN FUND

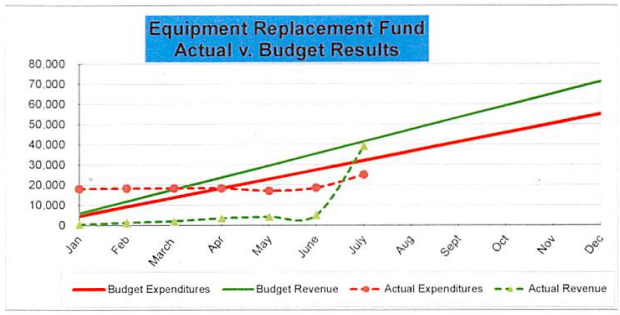
	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	0	0	1,667	1,133
Feb	0	0	3,333	3,678
March	0	0	5,000	5,904
Apr	0	0	6,667	10,112
May	0	0	8,333	12,007
June	0	0	10,000	14,571
July	0	0	11,667	15,884
Aug	0		13,333	
Sept	0		15,000	
Oct	0		16,667	
Nov	0		18,333	
Dec	0		20,000	
2019-20	0		40,000	
Total Actual to Date vs Total Budget		0%		40%



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

EQUIPMENT REPLACEMENT FUND

	2019-2020 Budget Expenditures	2019-2020 Actual Expenditures	2019-2020 Budget Revenue	2019-2020 Actual Revenue
Jan	4,583	18,098	5,928	396
Feb	9,167	18,263	11,857	1,284
March	13,750	18,263	17,785	2,061
Apr	18,333	18,263	23,714	3,529
May	22,917	17,075	29,642	4,192
June	27,500	18,538	35,571	5,086
July	32,083	25,063	41,499	39,139
Aug	36,667		47,427	
Sept	41,250		53,356	
Oct	45,833		59,284	
Nov	50,417		65,213	
Dec	55,000		71,141	
2019-20	110,000		142,282	
Total Actual to Date vs Total Budget		23%		28%



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

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

Fund	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	$5,642,009	$696,067	$1,049,026	5,289,050
Street	532,900	43,088	106,865	469,123
Transportation Capital	552,437	49,810	70,640	531,606
Public Art	70,211	63	0	70,273
Park Impact Fee	644,339	21,318	0	665,657
Transportation Impact Fee	3,011,081	74,350	0	3,085,431
Swamp Creek Basin	1,469,850	1,313	0	1,471,163
Transportation Benefit District	297,166	26,940	0	324,106
Sammamish Bridge Replacement	2,017,088	75,245	1,840	2,090,493
Walkways & Waterways Debt Service	697,305	4,117	0	701,423
Real Estate Excise Tax	1,436,380	110,919	0	1,547,299
Kenmore Village	3	0	0	3
Park Capital	-109,239	0	897,627	(1,006,866)
Walkways & Waterways Bond	6,894,996	17,224	0	6,912,220
Surface Water Management	1,829,302	9,963	100,201	1,739,065
Surface Water Capital	-40,904	0	249	(41,153)
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,322,891	1,182	0	1,324,073
Strategic Opportunities	2,206,067	1,971	0	2,208,038
Equipment Replacement	512,674	34,053	6,525	540,202
Trust & Agency	840,876	8,426	48,585	800,718
Totals	$29,827,432	$1,176,050	$2,281,557	$28,721,925

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	$363,020	$4,926,330	5,289,350
Street	-380,876	850,000	469,124
Transportation Capital	531,606	0	531,606
Public Art	55,273	15,000	70,273
Park Impact Fee	-264,341	930,000	665,659
Transportation Impact Fee	3,055,434	30,000	3,085,434
Swamp Creek Basin	71,164	1,400,000	1,471,164
Transportation Benefit District	324,106	0	324,106
Sammamish Bridge Replacement	2,090,493	0	2,090,493
Walkways & Waterways Debt Service	701,422	0	701,422
Real Estate Excise Tax	1,547,297	0	1,547,297
Kenmore Village	0	0	0
Park Capital	-1,006,866	0	(1,006,866)
Walkways & Waterways Bond	6,912,220	0	6,912,220
Surface Water Management	1,229,066	510,000	1,739,066
Surface Water Capital	-41,153	0	(41,153)
Public Works Shop Fund	0	0	0
Strategic Reserve	474,074	850,000	1,324,074
Strategic Opportunities	2,208,039	0	2,208,039
Equipment Replacement	90,201	450,000	540,201
Trust & Agency	700,713	100,000	800,713
Totals	$18,660,892	$10,061,330	$28,722,223

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City of Kenmore, Washington
Investment Schedule
July 31, 2019

Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Principal or Balance	Yield Equivalents
		Average Yield to Maturity-Securities					Overall Average Yield	2.14%
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**	**2,483,666.39**	1,738.57
		Opus Savings			**2.53%**	**Opus**	**3,103,847.73**	78,527.35
		LGIP - Primary Account			**2.47%**	**LGIP**	**4,870,850.57**	120,310.01
		LGIP - Bond Proceeds Account			**2.47%**	**LGIP**	**8,202,527.72**	202,602.43
		Total Accounts					**$ 28,722,222.20**	**613,414.59**

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City of Kenmore, Washington

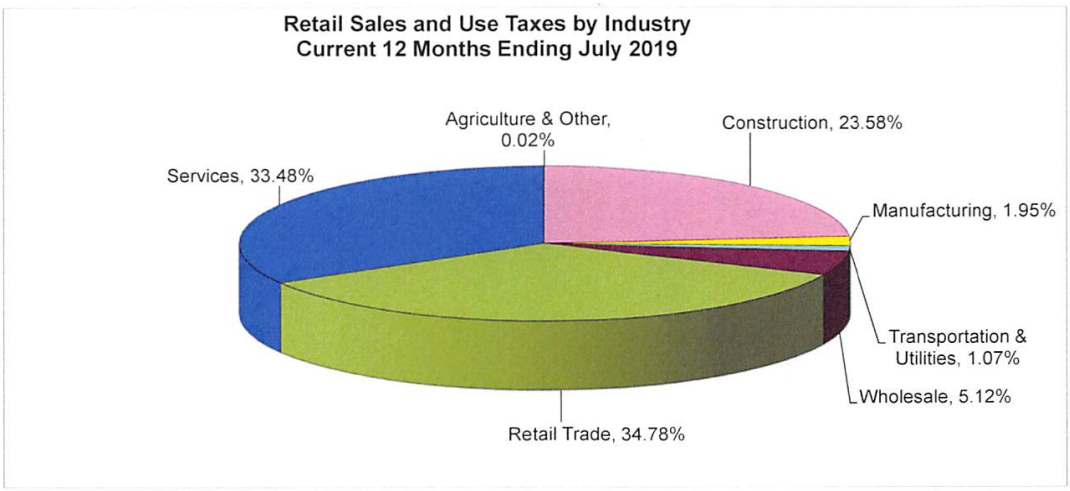
SALES TAX RECEIPTS BY BUSINESS TYPE

July 2019

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	32.81	0.00	32.81	0.0%
CONSTRUCTION	61,353.36	108.17	61,461.53	25.8%
MANUFACTURING	6,629.04	1.07	6,630.11	2.8%
TRANSPORTATION & UTILITIES	970.91	931.02	1,901.93	0.8%
WHOLESALE	12,790.76	117.89	12,908.65	5.4%
RETAIL TRADE	85,248.30	115.41	85,363.71	35.9%
SERVICES	53,921.48	414.87	54,336.35	22.9%
INFORMATION	8,349.37	10.28	8,359.65	3.5%
PUBLIC SERVICES	7.54	6,775.70	6,783.24	2.9%
	229,303.57	8,474.40	237,777.97	100.0%

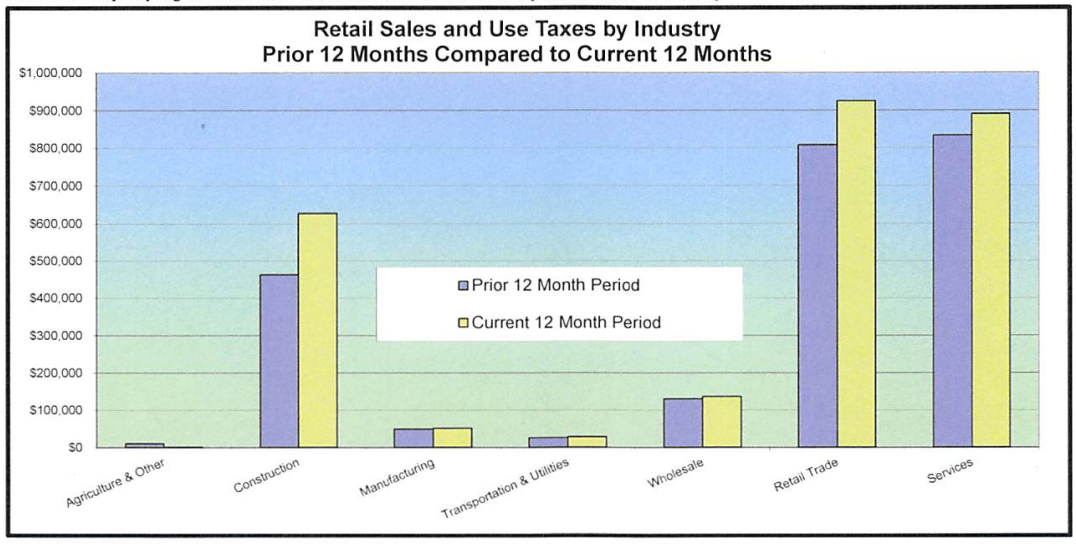
City of Kenmore, Washington
Retail Sales and Use Tax Distribution
July 31, 2019

Industry	Prior 12 Months ending July 2018	Current 12 Months ending July 2019	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	$10,238	$659	-93.56%	0.02%
Construction	462,665	627,158	35.55%	23.58%
Manufacturing (Printing, Publishing, Other Manuf.)	49,396	51,796	4.86%	1.95%
Transp/Comm/Utilities (Telecomm., Air Transport.)	25,779	28,401	10.17%	1.07%
Wholesale (Lumber, Other Wholesale)	130,556	136,317	4.41%	5.12%
Retail Trade (Eating, Merchandise, Food Stores)	808,007	925,222	14.51%	34.78%
Services (Auction, Recreation, Auto Repair, Financial)	833,070	890,648	6.91%	33.48%
Totals	$2,319,710	$2,660,201	14.68%	100%
Increase/(Decrease)		$340,490	14.68%	



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
July 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	201,666	186,729
July	177,426	163,138	181,974	109,538	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	$752,852	$1,668,234

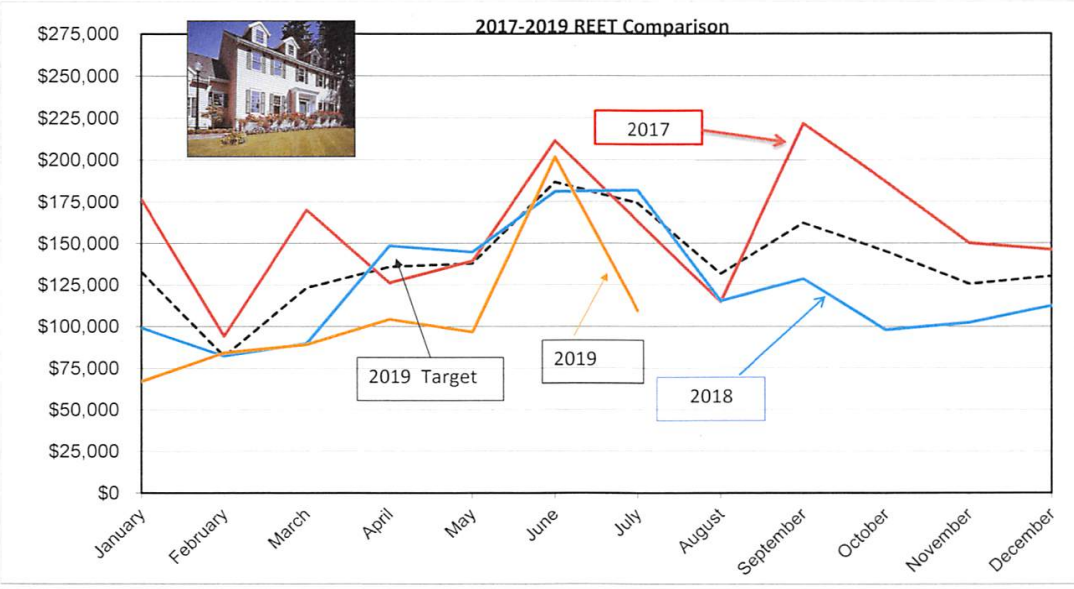
For 2019, REET is $174,889 less than the same period last year and less than the 2019 target by $220,364

* 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	36,281,428	129,023	180,250	157,494	179,593
July	24,020,546	28,779,145	32,800,185	20,426,900	118,902	142,457	162,361	101,113
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	$134,920,354	1,147,305	$1,484,286	$1,254,920	$667,855



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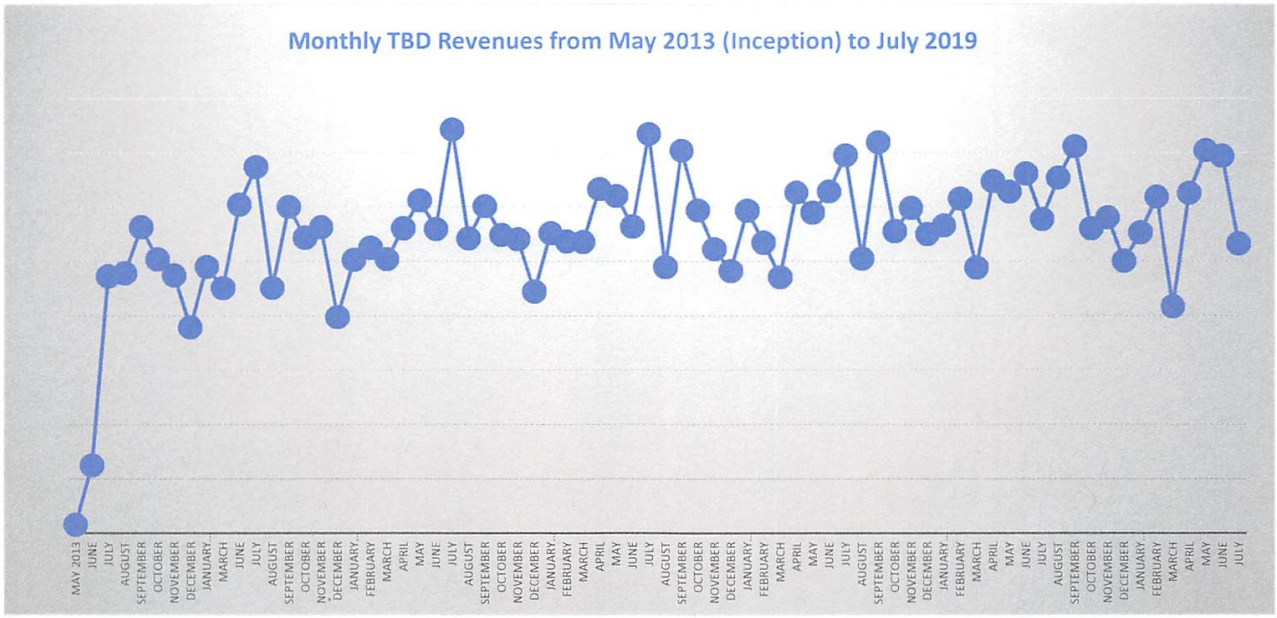
Kenmore Transportation Benefit District
Monthly Report
July 31, 2019

Revenues	July 2019	Biennium-to-Date	Percent of Budget	Biennium Budget
Vehicle Fees	26,651	207,365	29.21%	710,000
Investment Interest	289	2,381	29.76%	8,000
Total Revenues	$26,940	$209,746	29.21%	$718,000
Expenditures				
Reimbursement to Street Fund	0	0	0.00%	716,000
Total Expenditures	0	0	0.00%	716,000
Net Income (Loss)	$26,940	$209,746		$2,000



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City of Kenmore
City Council Regular Meeting
Minutes
July 22, 2019

CALL TO ORDER - Mayor David Baker called the meeting to order at 7:00 p.m.

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

FLAG SALUTE

AGENDA APPROVAL
The agenda was approved as written.

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

CITIZEN COMMENTS
John Hendrickson
5919 NE 202nd Lane
Kenmore, Washington 98028

Mr. Hendrickson spoke about the City's financial situation, feasibility and surplus.

CONSENT AGENDA

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

The consent agenda included the following:

Authorize the City Manager to Execute Contract 19-C2012 with Osborn Consulting, Inc. for Engineering On-Call Support for Surface Water and Parks Projects

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.

Cancel all Regular Council Meetings in the Month of August, 2019

Receive and File the April 2019 Financial Report for the City of Kenmore, Washington

Receive and File the May, 2019 Financial Report for the City of Kenmore, Washington

PUBLIC HEARING
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

Staff explained that tonight's hearing was scheduled to receive feedback 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.

At the 5/20/19 Council meeting, staff presented the methodology and the results of the 2019 Park Impact Fee Rate Study. 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)

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.

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.

Mayor Baker opened the hearing for public comment.
There were no comments from the public.
Mayor Baker closed the public hearing.

BUSINESS AGENDA

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

MOTION: Councilmember Denuski made a motion to approve Ordinance 19-0483 Relating to Park Impact Fees and Amendments to Kenmore Municipal Code 20.47, Deputy Mayor Herbig seconded the motion. The motion passed 5-0.

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

The 2019-2024 Six Year Capital improvement Program (CIP) was adopted by Ordinance 18-0469 on September 17, 2018 and the first two years of the Program (2019 and 2020) were incorporated into the Biennial Budget. The following recommended updates and amendments provide for carryover of unspent funds from 2018 as well as adjustments to project budgets based on current information.

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

- P1 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 1of 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 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.

• P31Squires 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$1,154,731proposed 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

• SWS Surface Water Project 190th Culvert at 615t. This $1.6 Million project will install a new box culvert at NE 190TH ST and 61sr AVE NE, repair sections of sidewalk along 61sr 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 193Rn 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 68rn 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 at an estimated cost of $1,587,863.

• SW29 Infiltration Tank Retrofit at 6Ist Ave NE/NE 19Qth 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.

- SW31Drainage Improvements and Street Repair at 66th Ave NE/19Sth 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 20192020 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.

Council and staff discussed the CIP. The proposed revisions to the ClP for 2019-2024 will come back to Council at a future meeting.

STAFF REPORT
Low-income Utility Tax Relief Program - Ryan Lancaster, Graduate Intern

COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES
ADJOURNMENT

The meeting adjourned at 8:12 p.m.

_____
David Baker, Mayor

ATTEST:

_____
Kelly M. Chelin, City Clerk

City of Kenmore
City Council Regular Meeting
Minutes
August 12, 2019

CALL TO ORDER - Mayor David Baker called the meeting to order at 5:15 p.m.

EXECUTIVE SESSION
The meeting recessed to executive session at 5:15 p.m. to pursuant to RCW 42.30.110(1)(i), to discuss Potential Litigation for approximately 30 minutes.

At 5:45 p.m., the executive session was extended to 5:50 p.m.
At 5:50 p.m., the executive session was extended to 5:55 p.m.

RECONVENE TO REGULAR SESSION
The meeting reconvened to regular session at 5:55 p.m. There was no action taken.

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

FLAG SALUTE

CONSENT AGENDA

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

Total Checks 42867 through 42998 in the amount of $699,830.26.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 7/19/19 in the Amount of $163,386.51.
7/5/19 Payroll Checks 10144-10145 in the amount of $2,256.40.
7/12/19 Bank Wire: $1,000,000.00.

City Council Meeting Minutes of July 8, 2019 and July 15, 2019

COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

ADJOURNMENT

The meeting adjourned at 5:57 p.m.

_____
David Baker, Mayor

ATTEST:

_____
Kelly M. Chelin, City Clerk

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: 401a Retirement Plan and 457 Deferred Compensation Retirement Plan: Committee Charter and Investment Policies & Guidelines	**For Council Meeting Agenda of:** 9/16/19 **Department:** Community Development and Finance & Administrative Services
Proposed Council Action/Motion: Motion approving the Committee Charter and the Investment Policies and Guidelines	**Prepared by:** Debbie Bent, Community Development Director and Joanne Gregory, Finance Director
	Initial & Date Approved by Department Head: DB 8/13/19. Approved by City Attorney: _____ Approved by Finance Director: _____ Approved by City Manager: KK
	Exhibits/Attachments: 1. Committee Charter 2. Investment Policies and Guidelines

INFORMATION/BACKGROUND: Staff recommends Council pass a motion approving the Committee Charter and approving the Investment Policies and Guidelines. The City needs to establish a committee with fiduciary responsibilities for review of the City's 401a Retirement Plan and 457 Deferred Compensation Retirement Plan. Attachment #1 is a proposed Committee Charter. The Committee will meet twice per year to review plan performance and the plan investment options offered in accordance with the Investment Policies and Guidelines (see Attachment #2). The Finance Director retains signatory authority for all plan related functions.

The City has contracted with the Hyas Group (Contract 19-C2088) to assist the Committee in meeting its fiduciary responsibilities including: fiduciary training; investment policy statement review and maintenance; semi-annual plan performance and monitoring; overall portfolio analysis and recommendations; plan analysis and benchmarking; and investment manager searches. The consultant is an advisor with no discretionary control or authority over the plan and its assets. The contract is for a two-year term (8/5/19 to 8/5/21). The annual cost of $7,500 will be paid by the City.

Background: On 11/19/18 Council passed a motion authorizing the City Manager to execute three contracts with ICMA-RC to provide for the administration of the City's 401a retirement plan and 457 deferred compensation retirement plan: The Administrative Services Contract (Contract 18-C1949), the Money Purchase Plan Adoption Agreement (Contract 18-C1954) and the Loan Guidelines Agreement (Contract 18-C1955). The City's 401a plan is a mandatory retirement plan for eligible employees, that replaces social security, with pre-tax contributions made by the employer at 5.2% and employee at 6.2% of earnings. The City's 457 plan allows employees to defer compensation for retirement on a pre-tax basis, participation is voluntary.

1. **Contract 18-C1949 Administrative Services Agreement**: This agreement sets out the terms for ICMA to administer the plan including participation fees and administrative services offered to participants. The initial term of the agreement is 5 years, with automatic one-year renewals thereafter unless a 60-day termination notice is provided.

2. **Contract 18-C1954 Money Purchase Plan Adoption Agreement**: This contract outlines the terms for the 401a plan including eligibility requirements, contribution provisions and vesting provisions for example. Under the new ICMA plan employees hired on or after 1/1/19 will not be fully vested until the start of the fifth year of employment. The 401a plan will be available to all full-time employees, councilmembers, part-time employees who work 20 or more hours per week, and temporary employees hired for two or more years. The plan excludes part-time and seasonal employees and the option for these employees is social security contributions.

3. **Contract 18-C1955 Loan Adoption Agreement**: This contract sets up the parameters for implementing a loan program within the 401 and 457 plans. In order to offer loans to participants within the retirement plan the Internal Revenue Code requires that written guidelines (i.e. the loan adoption agreement) are established that govern the loan program. Loans were permitted under the former Nationwide 401(a) also.
FISCAL CONSIDERATION: None related to approval of the committee charter and approval of the investment policies and guidelines. $7,500 per year for the two-year contract with the Hyas Group (Contract 19-C2088.
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Priority Based Budget (PBB) Governance result "Protects, manages, optimizes and invests in its financial, human, physical and technology resources.

CITY OF KENMORE, WASHINGTON

401a & 457 DEFERRED COMPENSATION PLAN
COMMITTEE CHARTER

I. INTRODUCTION

This Charter sets forth the rights, powers, responsibilities, and obligations of the 401a & 457 Deferred Compensation Plan Committee (the "Committee") for the City of KENMORE, Washington 401a & 457 Deferred Compensation Plan (the "Plan"). The Committee is charged under this Charter with carrying out its duties and advising the Administrator for the Plan.

II. MEMBERSHIP OF THE COMMITTEE

The Committee shall be comprised of five (5) voting members consisting of the individuals filling the following positions:

- Tobin Bennett-Gold, Traffic Engineer, Public Works Department
- Carla Schnee, Payroll & Accounting Specialist, Finance Department
- Terri Bielenberg, Civil Engineer, Public Works Department
- Stephanie Bond, Receptionist, City Manager Department
- Sandra Tupling, Receptionist, City Manager Department

Members shall serve without compensation. All reasonable out-of-pocket expenses of the Committee shall be paid by the City in accordance with its standard reimbursement policies unless paid from Plan assets.

III. COMMITTEE ACTION

The Committee shall meet at least semi-annually to review Plan performance and to review the Plan investment options offered in accordance with the Plan's Investment Policy Statement. The Committee will also make changes to the investment offerings as provided under the Investment Policy Statement and as warranted. The Committee Chairperson will be appointed by the Committee, while the Finance and Administration Director is authorized to execute any document or documents on behalf of the Committee and will retain signatory authority for all Plan-related functions. The Consultant shall keep minutes of the Committee's proceedings and forward to the City. The City, through its Committee, shall be responsible for the data, records, and documents pertaining to the Committee's duties associated with the Plan. With respect to any matter brought to the Committee for a vote, each voting member shall be entitled to one vote. The Committee shall act by a majority of its members and such action may be taken either by a vote at a meeting with at least three members present physically or through teleconferencing.

IV. RIGHTS AND DUTIES

The Committee shall act with the authority and discretion to control and manage the operation and administration of the Plan, and shall have all powers necessary to accomplish these purposes. The responsibility and authority of the Committee shall include, but shall not be limited to, the following:

A. To modify, amend or alter the provisions of the Plan in whole or in part to remain compliant with Internal Revenue Code Section 401a & 457 and regulations thereunder.

B. To determine the investment options offered to participants of the Plan pursuant to Section VII Investments.

C. To make determinations relating to the eligibility of employees to participate.

D. To calculate and certify to the amount and kind of benefits payable to any participant, spouse or beneficiary.

E. To authorize disbursements from the Plan.

F. To maintain or have maintained all necessary records for the administration of the Plan.

G. To interpret the provisions of the Plan and publish such rules and regulations that are deemed necessary and not inconsistent with the terms hereof or of the Plan.

H. To authorize, subject to current City contracting authority, all service providers necessary or desirable for the administration of the Plan including a consultant, record keeper(s), third-party administrator(s), trustee(s), custodian(s), insurance company(ies), regulated investment company(ies) and/or other such service provider(s) as shall be necessary or appropriate for the administration and operation of the Plan.

V. ALLOCATION AND DELEGATION OF RESPONSIBILITY

The Committee may, by written rule or by its minutes, allocate responsibilities among Committee members and may delegate to persons other than Committee members the authority to carry out responsibilities under the Plan. In the event that a responsibility is allocated to a Committee member, no other Committee member shall be liable for any act or omission of that person except as may otherwise be required by law. If a responsibility is delegated to a person other than a Committee member, the Committee shall not be responsible or liable for any act or omission of such person in carrying out such responsibility except as may otherwise be required by law.

VI. INDEMNIFICATION

The City of KENMORE, Washington shall indemnify and defend individual Committee members pursuant to Washington Revised Statutes.

VII. PLAN INVESTMENTS

The Committee shall have the following responsibilities related to Plan investments:

A. Selecting the investment design features of the Plan. This includes establishing:

1. The investment policy and objectives,
2. The number and types of investment alternatives available to Plan participants, and
3. Participant investment procedures;

B. Appointing, monitoring and evaluating all investment fund options in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;

C. Monitoring Plan costs which are charged to Plan assets and/or paid by Plan participants, including, but not limited to, investment management fees, trustee fees and fees paid to other Plan service providers;

D. Providing general investment information to Plan participants regarding the procedures for making investment choices under the Plan and general investment information regarding each of the investment options offered under the Plan; and

E. Ensuring the service providers to the Plan are providing education to plan participants

Additional information regarding Plan investments may be found in the City of KENMORE Investment Policy Statement.

VIII. STANDARD OF CARE

The Committee shall discharge its duties with respect to the Plan in such a manner as to comply with applicable law and regulations including Internal Revenue Code Section 401a & 457 and regulations thereunder. Generally, all assets and income of the Plan shall be held in trust for the exclusive benefit of participants and their beneficiaries.

IX. PLAN DOCUMENTS

The Plan shall be governed by and administered under one or more plan documents and trust agreements. These Plan documents and trust agreements, together with any other formal documents maintained for the operation and administration of the Plan, shall be on file in the permanent records of the Committee and shall be available for inspection by Plan participants during business hours.

X. PRIOR VERSIONS

This Charter shall supersede and/or repeal all previous versions or actions.

XI. AMENDMENT

This Charter may be amended by a majority vote of the City of KENMORE 401a & 457 deferred compensation plan committee at a meeting called for that purpose.

DATED this _____ day of _____, 2019.

CITY OF KENMORE, WASHINGTON

By _____

CITY OF Kenmore, WA

457 & 401(a) Plan

Statement of Investment Policies and Guidelines

Established September 2018

INTRODUCTION AND PURPOSE

This statement is set forth to provide an outline of the investment policies, guidelines and objectives related to the administration of the City of Kenmore 457 & 401(a) Retirement Plans (hereinafter "Plan"). The City of Kenmore administers and provides oversight for the Plan. The Plan is a voluntary, salary deferral retirement plan available to eligible City of Kenmore employees. The Plan's purpose is to provide a vehicle for and to encourage additional retirement savings in order to supplement the other retirement benefits provided to City employees.

This Investment Policy Statement is further intended to assist the fiduciaries of the Plan in making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options and investment providers utilized by the Plan. This Investment Policy Statement will be reviewed at least annually and it can be revised at any time to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plan.

The Plan Document for the Plan is the governing document and contains the specific Plan provisions and requirements for determining eligibility and operational processes for contributions and withdrawals. If any term or condition of this Investment Policy Statement conflicts with any term or condition in the Plan, the terms and conditions of the Plan as provided under the Plan Document shall control.

SUMMARY OF RESPONSIBILITIES

Plan Sponsor – The City of Kenmore is the Plan Sponsor. The Plan Sponsor's responsibilities include but are not limited to:

- Adopting and amending the Plan Document;
- Approving Plan services contracts;
- Appointing the Committee members (if applicable); and
- Designating other fiduciaries of the Plan.

The City of Kenmore has responsibility for the operation and administration of the Plan in accordance with the terms of the Plan Document. It is the intent of the City to fulfill its fiduciary responsibilities with respect to the Plan solely in the interest of the participants and beneficiaries. The City, as a fiduciary, is to perform their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The City's responsibilities also include but are not limited to the following:

- Selecting the investment design features of the Plan, including establishing the investment policy and objectives and the number and types of investment alternatives available to Plan participants;
- Appointing, monitoring and evaluating all investment providers and managers in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- Selecting and monitoring other Plan service providers, including, but not limited to, the Plan record-keeper, trustee, investment consultants, accountants, and/or any other providers; and
- Monitoring Plan costs which are charged to Plan assets and/or paid by Plan participants, including but not limited to investment management fees, custodial fees and fees paid to other plan service providers from Plan and/or participant assets.

Investment Consultant – The City may engage an independent investment consultant (hereinafter

"Consultant") to assist in carrying out the duties and responsibilities of this Investment Policy Statement. Such Consultant must be registered with either State or Federal securities regulators pursuant to the Investment Advisors Act of 1940. The Consultant's role is to provide information on various investment related issues. The Consultant has no discretionary control or authority over the Plan and its assets. In its role as an advisor to the City the Consultant acknowledges a fiduciary role with respect to the investment advice provided to the City. The services of the Consultant will be set forth in a separate agreement.

Investment Provider – An entity that offers investment option products and manages assets for the Plan. Examples of investment option products offered by an investment provider may include mutual funds, commingled trust funds, separate accounts and/or variable annuity contracts.

Investment Manager – The person(s) at the Investment Provider responsible for implementing an investment option's investing strategy and managing its portfolio trading activities.

Services Provider – An entity engaged to assist the Plan Sponsor and the City in regard to the administration of the Plan. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plan. Additionally, the Services Provider should provide general information regarding each of the investment options offered under the Plan, required disclosures, distribution processing, record keeping and other administrative functions as prescribed in an agreement entered into between the Plan Sponsor and the Services Provider.

GENERAL COMPLIANCE

The Plan is designed in accordance with the requirements of Section 457 and 401(a) of the Internal Revenue Code of 1986 (hereinafter "Code"), as amended. Though the Employee Retirement Income Security Act (ERISA) does not apply directly to the Plan, the City nevertheless intends to structure the Plan to contain certain features of a "404(c) Plan" within the meaning of the Department of Labor regulations under Section 404(c) of ERISA. The Plan participants will be solely responsible for the investment decisions and investment transactions that they make under this Plan as well as for electing the timing and form of distributions according to the terms of the Plan.

In keeping with the statutory framework of the Department of Labor regulations under ERISA Section 404(c), the City aims, within its available resources, to provide Plan participants with the following opportunities to:

A. Choose from a minimum of three diverse investment categories, each with materially different risk and return characteristics. At least one of the categories will provide for a high degree of safety and capital preservation;

B. Make investment decisions at least quarterly; and

C. Receive or have access to the following information, as updated and as made available by the Services Provider:

- A description of the investment options available under the Plan including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
- Identification of the designated investment providers and investment options;
- A description of any transaction fees or expenses charged to the participant's account, and information on costs and fees for an investment option that reduce the rate of return to participants (expense ratios); and
- Prospectuses, annual reports, and semi-annual reports on investment option, if available.

GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS

The Plan intends to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. Participants in the Plan are solely responsible for their own investment decisions and bear the risks and assume responsibility for the results of the investment options that they select. The City makes no representations, promises, or warranties regarding the suitability of Plan participation for any participant's individual investment or retirement needs. Additionally, the City makes no representations, promises or warranties about the performance of the Plan or the Plan's investment options.

The primary investment objective of the Plan is to present participants with a range of investment options, which give participants an opportunity to increase the value of their account in a manner consistent with varying levels of participant risk/reward tolerances and investment decision making skills. While the Plan cannot meet all plan participant investment preferences and attitudes, the Plan attempts to provide investment options for participants at various levels of investment sophistication and with varying requirements for risk and return.

Information that may be used to select which investment options to offer includes, but is not limited to, the following:

- Age, income and other demographic data on Plan participants
- Liquidity and administrative constraints imposed on the Plan by investment and/or service providers
- Development of new investment products in the marketplace
- Level of participant usage of a particular investment category or option

A risk/reward structure is basic to investments. Generally, those vehicles offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range asset accumulation can be lessened through diversification among asset categories or classes. To provide participants the opportunity to select risk/reward strategies and to diversify the Plan assets, the Plan will offer a number of investment alternatives in varying asset categories. These categories will have varying return and volatility characteristics and it is the responsibility of each participant to evaluate the investment options and to select an appropriate mix.

In addition to providing a range of investment options, the Plan seeks to provide investment options that are competitive in terms of performance relative to appropriate investment performance and risk benchmarks. The performance and risk relationships of the Plan's investment options will be reviewed periodically. Investment options should generally be given a full market cycle to achieve stated objectives (market cycles normally occur over 3-5 year time periods). Investment options are expected to meet (in the case of passively managed/indexed options) or exceed their pre-determined benchmark index net of fees. Where peer groups are definable, actively managed investment options are expected to perform within the upper half of a sample of same style peers net of fees. In addition to net investment performance, the options' risk characteristics will also be reviewed. The risk associated with an investment option generally should be similar to the same-style peer group.

INVESTMENT OPTIONS

Investment options offered by the Plan will be categorized or grouped by similarities in investment objectives, style and risk. The Plan's services provider(s) and Consultant may be used to assist in determining the categories of investment options. The Plan will assist participants in meeting their long-term investment objectives by providing investment options within the following permitted investment categories (these categories are further explained later in this document):

A. Tier 1: Target Retirement Date Pre-Mixed Portfolios

B. Tier 2: Asset Category Core Options

- Fixed Stable Value/Guaranteed Investment Contract (GIC)
- Total Return Bond
- Inflation-Protected Bond
- U.S. Large-Size Company Equity
- U.S. Small/Mid-Size Company Equity
- International Equity

Investment options and categories may be added or deleted as the City deems necessary. At least one investment option shall be available within each investment category.

The following table outlines the objectives and performance benchmarks for each of the Plan's investment options. The risk associated with an investment option will be compared to appropriate risk benchmarks or measures for a same-style group of peer investment options, where definable.

TIER 1: TARGET RETIREMENT DATE PRE-MIXED PORTFOLIOS

Lifecycle Premixed Portfolio - Retirement Income	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors in retirement. The portfolio will be well diversified including U.S. fixed income securities as well as U.S. and international equities. Stocks generally will comprise not more than 30% of the total portfolio. The percentage of international equities generally will not exceed 40% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Group:	US Retirement Income

Lifecycle Premixed Portfolio – 2015, 2020, 2025, 2030	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors whose expected retirement date matches the date provided in the portfolio's name. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities and U.S. and international equities. Stocks generally will comprise 30%-70% of the total portfolio. The percentage of international equities generally will not exceed 40% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Groups:	US Target Date 2015, US Target Date 2020, US Target Date 2025, US Target Date 2030

Lifecycle Premixed Portfolio – 2035, 2040, 2045, 2050, 2055	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors whose expected retirement date matches the date provided in the portfolio's name. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities, and U.S. and international equities. Stocks generally will comprise 70%-95% of the total portfolio. The percentage of international equities generally will not exceed 40% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Groups:	US Target Date 2035, US Target Date 2040, US Target Date 2045, US Target Date 2050, US Target Date 2055

TIER 2: ASSET CATEGORY CORE OPTIONS

Fixed Stable Value/Guaranteed Investment Contract	
Provide high current income relative to cash investments and a high degree of investment safety without fluctuation of principal. Investment returns are derived primarily from interest income, with the possibility of some capital appreciation (or depreciation) of the underlying investment instruments. Generally this option will be invested in guaranteed investment contracts (GICs), "synthetic" portfolios, money market instruments, and others, each mainly comprised of investments of short- to intermediate maturity, and which provide for an adequate degree of liquidity. The weighted-average maturity is expected to remain between two and five years at most times, though the investment manager retains discretion to occasionally deviate from these parameters if conditions appear to warrant doing so. Products from different issuers are permitted within the option, but generally, it is expected that the portfolio will remain broadly diversified with respect to issue, issuers, wrap-providers, the utilization of any General Account investments, and other relevant factors. The overall weighted credit-quality rating of the option shall be the equivalent of mid-investment-grade rating or higher. The rating must be obtained from at least one credit rating agency such as Moody, S&P or Duff & Phelps. If the option's weighted rating declines below this level, the option will be evaluated for corrective action.	
Benchmark Indexes:	5 year Constant Maturity (CM) US Treasury, 90-Day US Treasury Bill,
Peer Group:	Stable Value

Total Return Bond	
Provide capital appreciation and income through a diversified, actively managed fixed income portfolio. The portfolio's duration is expected to be comparable to that of its Benchmark Index, with some bandwidth allowed for the manager to exercise strategic deviation from the Benchmark. Average credit quality is expected to be investment grade. The fixed income portfolio will normally be primarily comprised of investments including money market instruments, U.S. Government and Agency bonds, mortgage-backed securities, corporate bonds, and others. The manager will be given discretion to hold securities that are not contained within the Benchmark Index, which may include Foreign Bonds, High Yield Bonds, Convertibles, Treasury Inflation Protected Securities, derivatives, and others. The portfolio's aggregated composition and risk and return characteristics however are expected to be reflective of its asset class.	
Benchmark Index:	Barclays Capital US Aggregate Bond Index
Peer Group:	US Intermediate-Term Bond

Inflation-Protected Bond	
Provide inflation protection by primarily investing in high quality bonds whose returns are linked to a measure that is representative of inflation in the United States. The fund may hold smaller allocations to other fixed income instruments and investments that are expected to serve as a hedge on inflation.	
Benchmark Index:	Barclays Capital US TIPS Index
Peer Group:	US Inflation-Protected

U.S. Large Company Equity	
Provide long-term capital appreciation through a diversified common stock portfolio with an average market capitalization that is expected to be greater than $10 billion under most circumstances. Stocks of foreign companies that are traded in the U.S. may also be included, but are expected to constitute a minority portion of the portfolio.	
Benchmark Indexes:	S&P 500 Index, Russell 1000 Growth, Russell 1000 Value
Peer Groups:	US Large Blend, US Large Growth, US Large Value

U.S. Small/Mid-Size Company Equity	
Provide long-term capital appreciation through a diversified common stock portfolio with an average market capitalization that is expected to be between $200 million and $10 billion under most circumstances. Stocks of foreign companies may also be included, but are expected to constitute a minority portion of the portfolio.	
Benchmark Indexes:	S&P Completion Index, Russell 2500 Index
Peer Groups:	US Mid Blend

International Equity	
Provide long-term capital appreciation through a diversified, actively managed portfolio of international equities. Stocks of emerging countries may be used at the discretion of the manager, but are expected to constitute a minority portion of the portfolio at most times.	
Benchmark Indexes:	MSCI EAFE Index, Custom Blended Index
Peer Groups:	US Foreign Blend

INVESTMENT OPTION SELECTION GUIDELINES

Investment options offered to participants will be provided through investment provider(s) accessible on the Services Provider's platform. Before introducing a new investment fund, the City, in consultation with the Consultant and Services Provider will define the niche to be filled and assess any prospective investment option's performance, quality, and risk characteristics. At a minimum, investment options under consideration should satisfy performance and risk considerations under actual, not modeled, conditions and over an appropriate time period. Investment option selection considerations may include, but are not limited to the following:

- The investment option should generally, but not necessarily, have a history that spans a full market cycle, normally three to five (3-5) years.
- The investment option should generally meet or exceed its predetermined benchmark index, net of fees.
- The investment option should generally perform at median or within the upper half of a recognized and defined sample of same-style peer funds.
- The investment option should be able to demonstrate a consistent performance track record attributable to a specific investment manager or team of managers.
- For Target Retirement Date Funds, the City shall consider the current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING

Investment providers and investment managers are required to comply with all applicable laws, rules, and regulations. However, the City takes no responsibility for the failure of such option and/or investment manager to comply with any and all applicable laws, rules or regulations.

All options must have readily ascertainable market values and be easily marketable. It is recognized that Stable Value/GIC funds often have liquidity restrictions. Investment options with sales loads, redemption fees, or other non-investment management related expenses will be avoided to the extent possible. Options with deferred sales charges and/or market value adjustments will not be permitted.

Each investment option portfolio shall be diversified adequately to reduce risk and comply with current regulations and applicable Oregon state laws.

Investment option performance, risk and style consistency is intended to be evaluated on a quarterly basis. Performance and risk results will be evaluated using comparisons with this policy, pertinent market indices and against other same-style peers, where definable. When necessary, investment option performance and risk may be reviewed more frequently.

The City will periodically review the investment options' progress in meeting the Plan's investment objectives. Investment options will be expected to comply with all stated investment objectives, guidelines and applicable rules contained in the prospectus or fund fact sheet. The City will review the performance of investment options quarterly to determine if they are achieving the established objectives. Investment performance reviews may include, but are not limited to, a review of:

- Investment portfolios;
- Fees and expenses;
- Investment style, process and philosophy;
- Investment management personnel; and
- Index tracking error.

The performance review will also include measuring the options' investment performance relative to stated benchmarks or respective indexes and peer groups; as well as the monitoring risk measures. The following will be evaluated:

QUANTITATIVE MEASURES

Active Investment Strategies. Options employing active management are expected to outperform their stated asset class or style benchmark net of all management fees over a trailing five year time period; and to rank above the 50th percentile of the appropriate peer group for the same trailing five year time period. It is also expected that the risk of each option, as defined by standard deviation of returns, be commensurate with the prescribed strategy relative to the appropriate market index and/or peer group. Target Date funds will be evaluated relative to customized passive benchmarks, comprised of two or more market indices allocated in a manner reasonably consistent with the stated asset allocation of the fund. Each Target Date fund will be compared to a passive benchmark developed specifically for the fund. The fund should exhibit risk and return characteristics that are reasonably consistent with the passive benchmark. After expenses, the fund should not systematically underperform the passive benchmark, nor should its expenses exceed the category average.

Passive Investment Strategies. Passive Options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.

It should also be noted that certain passive investment options operate in a marketplace that includes foreign markets whose exchanges close prior to those of the United States. In these instances, some fund managers may engage in a method of "Fair Value Pricing," whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its performance benchmark that are due to "Fair Value Pricing" will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

QUALITATIVE MEASURES

The options will also be monitored on an ongoing basis for other material changes which the City may determine are of importance to the decision of whether or not to retain an investment option, such as personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; and adherence to stated guidelines.

Time Periods. The City acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time-periods. Recognizing that short-term fluctuations may cause variations in an option's performance, the City intends to employ investment options with long-term investment strategies and will evaluate option performance from a long-term perspective. Performance over market cycles of three to five years will be weighted more heavily than performance over shorter time periods, such as one year or less.

In addition to the qualitative and quantitative measures referenced above, the City will also review the investment options' risk characteristics in relation to that performance. Risk will be measured in various ways including, but not limited to:

- Standard deviation
- Downside risk or semi-variance
- Risk/return ratios such as Sharp or Treynor Ratios
- Other statistical measures such as Beta, Alpha and Variance
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES

Generally, all investment options are expected to remain true to their stated investment objectives and to perform as well as or better than their prescribed performance benchmarks, net of fees. The City recognizes the long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Investment Policy will not necessitate the termination of an option; however, any underperformance will result in consideration by the City of the factors causing underperformance and possible courses of action that the City may take.

The City may, at any time, place any investment option that it views as having a pattern of under-performance on a watch-status. Reasons the City might place an option on a watch status, include but are not limited to, the following:

Quantitative Measures

Actively Managed Options

- Performance below the prescribed benchmark index over a trailing five year period, combined with
- Performance below the median of its peer group over a trailing five year period

Passively Managed Options

- Gross of fee and any fair value adjustment performance tracking error relative to the respective index that is greater than 15 basis points over a trailing five year period

Qualitative Measures

- Management team or other significant personnel turnover;
- Changes in the product's investment philosophy, process, style or risk profile;
- Excessive or rapid asset growth or decline;
- Pending regulatory investigations or material legal proceedings;
- Changes to firm ownership;
- Significant increase in management fees or expense ratio.

An investment option may remain on watch status until the City decides to take further action. City actions include, but are not limited to, the following:

- Removing the investment option from watch status; and
- Terminating the investment option and reallocating the assets to an alternate or replacement investment option by City direction.

To be removed from quantitative, performance related watch status, generally, performance for the preceding five year trailing periods should be above the benchmark index or median for at least two consecutive quarters. However, barring any breakdown in process, the City may decide to leave an option on watch for as long as they feel it is prudent to do so.

The City reserves the right to terminate investment option relationships at any time, for any reason when it determines such termination is in the best interests of the Plan and its participants and beneficiaries. Upon termination, further contributions or transfers to an investment option may be frozen, or the option may be replaced with or without transferring existing assets from the replaced option. Once the decision to terminate an option and remove it from the Plan is made, asset transfer and liquidation should be handled to the best advantage of the Plan, with due consideration given to the anticipated effect on affected participants and beneficiaries.

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING

The City shall have overall responsibility for the selection, monitoring and termination of all investment managers. Additionally, the City shall be responsible for reviewing and maintaining these investment policies and guidelines.

Proxy voting rights shall be exercised in the best interest of the participants and beneficiaries of the Plan. The City may delegate the responsibility for promptly voting all proxies and related actions in a manner consistent with the long term interest and objectives of the Plan. The City shall keep records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

On behalf of the City of Kenmore this Investment Policy Statement is adopted by and effective on this date:

By: _____

Name:

Date: _____

GLOSSARY

Annualized Return
Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return in projected as though the same performance continues to occur for a twelve-month period.

Benchmarks
A standard against which the performance of the portfolio can be measured, typically against a standard index, although a client manager may also set the benchmark.

Duration
The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price (a bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Growth Style Investing
Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Investment Objectives
The overall financial objectives of an investor. For example, whether the investor requires income or capital appreciation. The investor's objectives govern the investment strategy.

Large Cap
Large Capitalization – refers to those companies with a market capitalization of greater than $10 billion.

Liquidity
The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Market Capitalization
The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Mid Cap
Mid Capitalization – refers to those companies with a market capitalization between $2 and $10 billion.

Net of Fees
After subtraction of management fees.

Peer Group
Contemporaries of the same asset class that can be compared against one another to achieve a larger sense of how the particular portfolio is performing.

Portfolio
Refers to the complete list of securities held in an investment vehicle.

Small Cap
Small Capitalization – refers to those companies with a market capitalization between $500 million and $1.99 billion.

Standard Deviation
Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Value Style Investing
Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Legislation to Implement the City's Direction Regarding Local Sales Tax Options for Affordable Housing in Accordance with substitute HB 1406	**For Council Meeting Agenda of:** 9/16/19
Proposed Council Action/Motion: Motion to adopt Resolution 19-326 declaring the City's intent to adopt legislation to authorize a sales and use tax for affordable and supportive housing in accordance with substitute House Bill 1406.	**Department:** Community Development Department & Finance Department
	Prepared by: Debbie Bent, Community Development Director and Joanne Gregory Finance Director
	Initial & Date Approved by Department Head: DS 9/6/19. Approved by City Attorney: email 9/4/19 Approved by Finance Director: JMG 9/6/19 Approved by City Manager: RBK
	Exhibits/Attachments: 1. Resolution 19-326 2. 7/15/19 Agenda Item: Local Sales Tax Options for Affordable Housing HB 1406 3. 8/2/19 letter from the King County Affordable Housing Committee Chair

INFORMATION/BACKGROUND: Staff recommends that Council adopts by motion both Resolution 19-326 (see Attachment #1) to implement the Council's direction regarding local sales tax options for affordable housing in accordance with substitute HB 1406.

At the 7/15/19 Council meeting (See Attachment #2), staff sought Council direction on whether the City wanted to participate and act on the recently adopted sales tax options provided through legislation HB 1406. Council direction to staff was to bring back appropriate legislation for City participation. With legislation that also declares the City's intent to retain 0.0073% of the state's share of sales tax for investment in affordable housing.

Attachment #3 is a recent letter from the King County Affordable Housing Committee Chair noting the Committee will be taking up a proposed set of formal recommendations 9/20/19 regarding implantation of HB 1406. However, in the meantime the letter requested Cities to consider the Committee's ideas. The Mayor is a member of the Committee. The City's direction to pool resources with ARCH is consistent with the Committee's ideas.

Background: The 7/15/19 agenda item included background information prepared by ARCH on HB1406 (See Attachment #3). The legislation provides a new funding tool for local jurisdictions to increase investment in affordable housing. HB 1406 allows cities to retain a portion of the state's share of sales tax for investment in affordable or supportive housing to assist persons whose income is at or below 60% of median income. This portion is offset by a reduction in the state's portion and therefore does not result in an increased tax on consumers. Cities have a choice of whether to be a participating or non-participating city, and a choice of whether to adopt a qualifying tax to increase the portion they may retain.

As described in Attachment #2, If Kenmore chooses to participate, by January 28, 2020 the City Council should adopt a resolution declaring their intent. 0 .0073% now or if 0.0146% then the City has twelve months to act on legislation (by July 30, 2020). The maximum amount Kenmore may collect is limited by the amount of taxable retail sales in fiscal year 2019 times the appropriate rate. Based on the 2018 taxable retail sales in Kenmore of $270,571,011, for the first 12 months at a rate of .0073%, $19,752 could be available for affordable housing. To access the full 0.0146% after 12 months, the City would need to adopt legislation for a qualifying tax by July 30, 2020 which would require voter approval. Based on the 2018 taxable retail sales in Kenmore at a rate of 0.0146%, $39,503 would be available for affordable housing. The tax expires 20 years after the jurisdiction first imposes the tax.

FISCAL CONSIDERATION: Participation with 0.0073% of the state share of the sales tax is estimated at $19,000 a year available for affordable housing.
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Council Goal #3 Increase and preserve the options for affordable housing stock

ATTACHMENT
1

CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 19-0326

A RESOLUTION OF THE CITY COUNCIL OF KENMORE, WASHINGTON DECLARING THE INTENT OF THE CITY OF KENMORE TO ADOPT LEGISLATION TO AUTHORIZE A SALES AND USE TAX FOR AFFORDABLE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS RELATED THERETO

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved Substitute House Bill 1406 (Chapter 338, Laws of 2019) ("SHB 1406"); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing; and

WHEREAS, the tax will be credited against sales and use taxes collected within the City of Kenmore (the "City") by the State of Washington and, therefore, will not result in higher sales and use taxes within the City and will represent an additional source of funding to address housing needs in the City; and

WHEREAS, revenue received from the sales and use tax must be used to assist persons whose income is at or below 60% of King County's median income; and

WHEREAS, the City has determined that there is a demand and need for affordable housing and that imposing the sales and use tax to address this need will benefit its citizens. According to United States Housing and Urban Development data, 38% of the City's households, 42% of the renting households are housing cost burdened (paying more than 30% of income on housing), with 17% of households being severely housing cost burdened (paying more than 50% of income on housing; and

WHEREAS, in order for a city or county to impose the sales and use tax permitted by SHB 1406, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body of the city or county must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation authorizing the maximum capacity of the tax; and

WHEREAS, on July 15, 2019 the City Council consensus was to consider legislation to impose a local sales and use tax in the amount of 0.0073% in accordance with SHB 1406; and

WHEREAS, this resolution constitutes the resolution of intent required by SHB 1406; and

WHEREAS, the City Council now desires to declare its intent to impose a local sales and use tax as authorized by SHB 1406 as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE,

WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Resolution of Intent: The City Council declares its intent to adopt legislation to authorize 0.0073% of the sales and use tax as authorized by SHB 1406 within one year of the effective date of SHB 1406 or by July 28, 2020.

Section 2. Further Authority; Ratification: All City officials, their agents and representatives are hereby authorized and directed to take all action necessary or desirable from time to time to carry out the terms of, and complete the actions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified.

Section 3. Effective Date. This resolution shall take effect immediately upon passage.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A REGULAR MEETING THEREOF THIS 16th DAY OF SEPTEMBER 2019.

CITY OF KENMORE

_____
David Baker, Mayor

ATTEST/AUTHENTICATED:

_____
Kelly M. Chelin, City Clerk

APPROVED AS TO FORM:

_____
Dawn Reitan, City Attorney

ATTACHMENT
2

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Local Sales Tax Options for Affordable Housing HB 1406 Proposed Council Action/Motion: Motion providing direction on sales tax options	For Council Meeting Agenda of: 7/15/19 Department: Community Development Department & Finance Department Prepared by: Debbie Bent, Community Development Director and Joanne Gregory Finance Director Initial & Date Approved by Department Head: DS 7/2/19 Approved by City Attorney: N/A Approved by Finance Director: 7/2/19 Approved by City Manager: Exhibits/Attachments: 1. 6/13/19 ARCH Memo HB1406 Local Sales Tax Option for Affordable Housing

INFORMATION/BACKGROUND: At the 7/15/19 Council meeting, staff is seeking Council direction on whether the City wants to participate and act on the recently adopted sales tax options provided through legislation HB 1406. ARCH (see attachment #1) is recommending that member Cities participate and adopt a qualifying local tax authorizing the maximum capacity of the tax. ARCH also notes that the ARCH interlocal agreement would allow member cities to pool the tax receipts for administration through ARCH's Housing Trust Fund Account. Staff is recommending that Council pass a motion providing direction on whether to participate and direction on whether to pursue legislation adopting a qualifying tax.

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

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

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

FISCAL CONSIDERATION: The City has a choice whether to participate in the local sales tax option. Participation with 0.0073% of the state share of the sales tax is $19,000 a year available for affordable housing. Participation and adoption of a qualifying local tax by July 30, 2020 with 0.0146% of the state share of the sales tax is $39,000 a year available for affordable housing.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Council Goal #3 Increase and preserve the options for affordable housing stock

ATTACHMENT
1

A Regional Coalition for Housing

Together Center Campus
16225 NE 87th Street, Suite A-3 ♦ Redmond, Washington 98052
(425) 861-3677 ♦Fax: (425) 861-4553 ♦ WEBSITE: www.archhousing.org

MEMORANDUM

Date:	June 13, 2019
To:	ARCH Member Cities
From:	Kurt Triplett, ARCH Executive Board Chair Lindsay Masters, ARCH Executive Manager
RE:	HB 1406 – Local Sales Tax Option for Affordable Housing

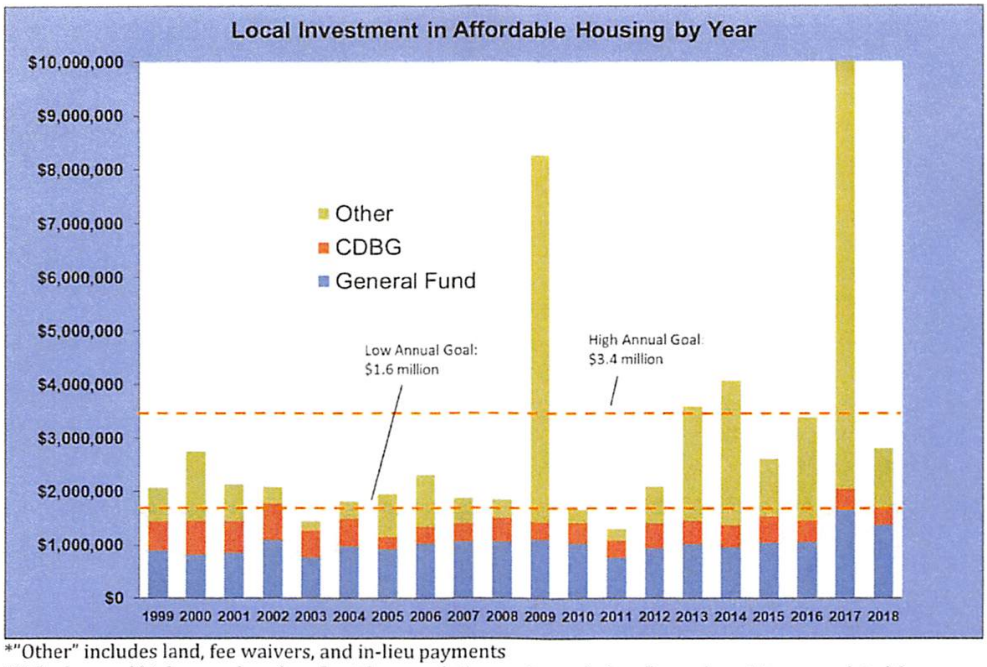
The State legislature adopted a number of housing-related bills during the most recent legislative session. Among these, HB 1406 was the most significant new funding tool created for local jurisdictions to increase investment in affordable housing. This memo provides background information on local funding for affordable housing, a summary of what HB 1406 authorizes and requires, and a sample template of a resolution for member cities electing to implement the tool.

Background: Local Investment in Affordable Housing in East King County

Since 1993, a core purpose in the formation and continued support for ARCH has been the successful cooperation around joint investments in affordable housing. This collaboration has set cities in East King County apart from other cities in the region, and led to a healthy track record of production and preservation of affordable homes since the 1990s, with investment in over 3,600 permanently affordable units/beds in the Housing Trust Fund portfolio as of 2018. Furthermore, ARCH has worked to ensure that these local investments leverage other private and public funding (historically $9 for every $1 of city funding), and created a loan fund that returns revenue to cities for future housing investment.

Since 1998, ARCH cities have used a "parity" formula to establish goals for local contributions to fund affordable housing. During that time, ARCH cities have provided consistent contributions that have resulted in a steady track record of investment in local projects. As shown in Figure 1, the level of investment from general funds has not increased significantly over the years, however, ARCH member cities have increasingly looked to other strategies to contribute resources, namely donation of City property and use of in-lieu payments from developers under incentive and inclusionary programs.

Figure 1. Local Investment in Affordable Housing by ARCH Member Cities



*"Other" includes land, fee waivers, and in-lieu payments
** The low and high annual goals reflect the cumulative parity goals for all member cities, as updated for inflation in 2018.

In recent years, the dramatic rise of housing prices has placed enormous pressures on communities across the region, leading to conversations about strategies to scale up a range of housing strategies, including direct investment. In June of 2018, the ARCH Executive Board transmitted a recommendation to city councils to adopt a technical update to the parity formula to account for inflation, and engage councils in a subsequent conversation on setting a future aspirational increases in response to the increased need for affordable housing. The passage of HB 1406 now provides a vehicle for continued discussion and progress toward goals for local investment in housing.

New Funding Tool: HB 1406

HB 1406 allows cities and counties to retain a portion of the sales tax for investment in affordable or supportive housing. This portion is offset by a reduction in the state's portion, and therefore does not result in an increased tax on consumers. The bill sets up a system for cities and counties to share the revenue, with two tiers based on whether a jurisdiction has adopted a "qualifying local tax". Seattle is currently the only city in King County with a qualifying tax.

The bill gives 6 months for jurisdictions to declare their intent and 12 months to act on legislation. After 12 months, a county may implement any authority that has gone unused by cities. For the first 12 months, the tax is limited to:

- 0.0073% for a city without a qualifying local tax, or a county within the limits of a nonparticipating city
- 0.0146% for a city with a qualifying tax, or a participating city in a county that declares it will not levy the tax, or a county within unincorporated areas or within cities that declare they will not levy the tax

After 12 months, the tax is limited to:

- 0.0073% for a city without a qualifying local tax, or a county within the limits of a participating city
- 0.0146% for a city with a qualifying tax, or a participating city in a county that declares it will not levy the tax, or a county within unincorporated areas or within any nonparticipating cities.

Cities have a choice of whether to be a participating or nonparticipating city, and a choice of whether to adopt a qualifying tax to increase the portion they may retain. After 12 months, any available revenue that is not collected by a city will be retained by the County.

Figure 2. Illustration of available taxing authorities.

First 12 months:

participating city w/ qualifying tax	participating city w/out qualifying tax	nonparticipating cities	in unincorporated areas	in cities that declare they will not levy the tax
0.0146% - city	0.0073% - city 0% - county	0% - city 0.0073% - county	0.0146% - county	0.0146% - county

After 12 months:

participating city w/ qualifying tax	participating city w/out qualifying tax	nonparticipating cities	in unincorporated areas
0.0146% - city	0.0073% - city 0.0073% - county	0.0146% - county	0.0146% - county

Qualifying Local Taxes

Qualifying local taxes include the following:

- An affordable housing levy authorized under RCW 84.52.105, which allows cities or counties to impose up to fifty cents per thousand dollars of assessed value of

property for up to ten years if approved by a majority of voters in the taxing district. The governing body of the jurisdiction must first declare the existence of a housing emergency, and adopt a financing plan.

- The sales and use tax for housing and related services authorized under RCW 82.14.530, provided the city has imposed the tax at a minimum of at least half of the authorized rate (0.1%). Cities must place a ballot proposition before voters for approval.
- The sales tax for chemical dependency and mental health treatment services or therapeutic courts authorized under RCW 582.14.460 imposed by a city. Because King County has already authorized this tax, cities within King County would not be eligible to use this authority.
- The levy authorized under RCW 84.55.050, if used solely for affordable housing. RCW 84.55.050 sets forth procedures for increasing levy authority if a proposition is approved by a majority of voters of a taxing district.

A qualifying tax must be "instated" no later than twelve months after the effective date of the law, which means no later than July 30, 2020. The Association of Washington Cities (AWC) is currently seeking a clarification to confirm that "instated" means that an ordinance has been adopted.

Potential Revenue Estimates

The maximum amount a city may collect will be limited by the amount of taxable retail sales within a jurisdiction in fiscal year 2019 times the applicable rate. Figure 2 shows the estimated revenue potential based on Taxable Retail Sales in ARCH cities in 2018.

Figure 2. Revenue Potential in ARCH Cities based on Taxable Retail Sales in 2018

Location	Taxable Retail Sales	.0073%	.0146%
BEAUX ARTS VILLAGE	6,769,158	494	988
BELLEVUE RTA	8,107,493,934	591,847	1,183,694
BOTHELL/KING	744,325,187	54,336	108,671
CLYDE HILL	76,829,233	5,609	11,217
HUNTS POINT	17,061,939	1,246	2,491
ISSAQUAH RTA	1,718,731,158	125,467	250,935
KENMORE	270,571,011	19,752	39,503
KIRKLAND	2,673,063,240	195,134	390,267
MEDINA	124,696,680	9,103	18,206
MERCER ISLAND	497,503,623	36,318	72,636
NEWCASTLE	158,413,823	11,564	23,128
REDMOND RTA	3,499,834,893	255,488	510,976
SAMMAMISH RTA	715,541,878	52,235	104,469
WOODINVILLE RTA	783,625,291	57,205	114,409
YARROW POINT	31,228,953	2,280	4,559
		1,418,075	2,836,151

Eligible Housing and Services Uses
The housing and services funded with the tax must serve populations earning up to 60% of the county median income. In determining the use of funds, a county or city must consider the income of the individuals and families to be served, the leveraging of the resources made available under this section, and the housing needs within the jurisdiction. **Attachment 1** shows incomes and affordable monthly rents for households earning up to 30%, 50% and 60% of median income. **Attachment 2** shows data on housing cost burden by income level in each ARCH member city.

All cities and counties may use the funds for:

(i) Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or
(ii) Funding the operations and maintenance costs of new units of affordable or supportive housing.

Cities with population under 100,000 and counties with population under 400,000 may also use the funds for rental assistance.

Bonding Authority / Interlocal Agreements
Cities and counties may pledge the funds for repayment of general obligation or revenue bonds, and may also enter into interlocal agreements with other counties, cities, or public housing authorities to pool the tax receipts received under this section. The existing ARCH Interlocal Agreement (ILA) provides a structure to enable cities to pool revenue for investment in housing. Since 2010, the ILA authorized the City of Bellevue (Administering Agency for ARCH) to establish and maintain a centralized Housing Trust Fund Account for the purpose of administering the contributions of ARCH members to affordable housing projects and programs. The Housing Trust Fund Account includes a sub-account for each member city, with contributions to be released only when directed by each individual city.

Deadlines to Act
To impose the tax, a county or city legislative authority must adopt within 6 months of the effective date of the legislation a resolution of intent to adopt legislation to authorize the maximum capacity of the tax. The resolution requires simple majority approval. In addition, the legislative authority must approve actual legislation within 12 months. The bill takes effect 90 days after the end of the session, which means that cities must adopt a resolution by January 31, 2020, and actual legislation by July 27, 2020. The tax expires 20 years after the jurisdiction first imposes the tax.

A sample resolution is provided in **Attachment 4.**

Staff Recommendation
Staff recommend that councils of ARCH member cities take advantage of this new tool and adopt a resolution declaring their intent to adopt legislation to authorize the maximum capacity of the tax by January 31, 2020.

Attachments:

1. **Household Incomes and Affordable Rents by Percent of Area Median Income in 2019 (Seattle-Bellevue HUD Metro FMR Area)**
2. **Number of Households with Housing Cost Burden by Income in ARCH Cities**
3. **Sample Form of Ordinance/Resolution of Intent Pursuant to HB 1406 (prepared by Pacifica Law Group LLP)**

Attachment 1. Household Incomes and Affordable Rents by Percent of Area Median Income in 2019 (Seattle-Bellevue HUD Metro FMR Area)

Household Incomes by Percent of Area Median Income (AMI)

	1 person	2 person	3 person	4 person	5 person	6 person
30% AMI	$22,806	$26,064	$29,322	$32,580	$35,186	$37,793
50% AMI	$38,010	$43,440	$48,870	$54,300	$58,644	$62,988
60% AMI	$45,612	$52,128	$58,644	$65,160	$70,373	$75,586
80% AMI	$60,816	$69,504	$78,192	$86,880	$93,830	$100,781
100% AMI	$76,020	$86,880	$97,740	$108,600	$117,288	$125,976

Affordable Monthly Rent by Household Size and Income

	1 person	2 person	3 person	4 person	5 person	6 person
30% AMI	$570	$652	$733	$815	$880	$945
50% AMI	$950	$1,086	$1,222	$1,358	$1,466	$1,575
60% AMI	$1,140	$1,303	$1,466	$1,629	$1,759	$1,890
80% AMI	$1,520	$1,738	$1,955	$2,172	$2,346	$2,520
100% AMI	$1,901	$2,172	$2,444	$2,715	$2,932	$3,149

Attachment 2. Number of Households with Housing Cost Burden by Income in ARCH Cities
(Source: 2011-2015 CHAS 5-Year Estimates)

	Not cost burdened	Cost burdened (30-49%)	Severely cost burdened (50%+)	Sum of Cost burdened and Severely cost burdened	Total Households
EKC cities	**130,150**	**31,833**	**26,484**	**58,317**	**188,467**
<=30% AMI	2,358	1,714	13,614	15,328	17,686
31% - 50% AMI	3,102	5,409	6,768	12,177	15,279
51% - 80% AMI	7,289	7,389	2,978	10,367	17,656
81% - 100% AMI	7,705	5,156	1,341	6,497	14,202
>100% AMI	109,696	12,165	1,783	13,948	123,644
Beaux Arts Village	**98**	**28**	**24**	**52**	**150**
<=30% AMI	-	4	12	16	16
31% - 50% AMI	-	8	4	12	12
51% - 80% AMI	8	-	-	-	8
81% - 100% AMI	8	4	4	8	16
>100% AMI	82	12	4	16	98
Bellevue	**37,115**	**8,945**	**8,139**	**17,084**	**54,199**
<=30% AMI	860	530	4,370	4,900	5,760
31% - 50% AMI	885	1,755	2,000	3,755	4,640
51% - 80% AMI	2,455	1,880	869	2,749	5,204
81% - 100% AMI	2,255	1,650	420	2,070	4,325
>100% AMI	30,660	3,130	480	3,610	34,270
Bothell	**10,601**	**3,064**	**2,308**	**5,372**	**15,973**
<=30% AMI	199	249	1,399	1,648	1,847
31% - 50% AMI	419	665	525	1,190	1,609
51% - 80% AMI	818	815	284	1,099	1,917
81% - 100% AMI	1,010	665	40	705	1,715
>100% AMI	8,155	670	60	730	8,885
Clyde Hill	**751**	**136**	**172**	**308**	**1,059**
<=30% AMI	4	4	32	36	40
31% - 50% AMI	8	19	54	73	81
51% - 80% AMI	8	14	42	56	64
81% - 100% AMI	23	4	14	18	41
>100% AMI	708	95	30	125	833
Hunts Point	**106**	**60**	**58**	**118**	**224**
<=30% AMI	4	-	20	20	24
31% - 50% AMI	-	8	4	12	12
51% - 80% AMI	-	4	12	16	16
81% - 100% AMI	4	8	4	12	16
>100% AMI	98	40	18	58	156

	Not cost burdened	Cost burdened (30-49%)	Severely cost burdened (50%+)	Sum of Cost burdened and Severely cost burdened	Total Households
Issaquah	**9,400**	**2,555**	**2,090**	**4,645**	**14,045**
<=30% AMI	225	110	1,070	1,180	1,405
31% - 50% AMI	355	290	575	865	1,220
51% - 80% AMI	440	790	240	1,030	1,470
81% - 100% AMI	645	315	85	400	1,045
>100% AMI	7,735	1,050	120	1,170	8,905
Kenmore	**5,334**	**1,549**	**1,113**	**2,662**	**7,996**
<=30% AMI	99	220	634	854	953
31% - 50% AMI	225	329	250	579	804
51% - 80% AMI	425	250	84	334	759
81% - 100% AMI	390	215	80	295	685
>100% AMI	4,195	535	65	600	4,795
Kirkland	**23,349**	**6,576**	**5,434**	**12,010**	**35,359**
<=30% AMI	284	198	2,695	2,893	3,177
31% - 50% AMI	695	1,125	1,555	2,680	3,375
51% - 80% AMI	1,410	1,690	659	2,349	3,759
81% - 100% AMI	1,485	1,118	250	1,368	2,853
>100% AMI	19,475	2,445	275	2,720	22,195
Medina	**701**	**183**	**173**	**356**	**1,057**
<=30% AMI	-	-	72	72	72
31% - 50% AMI	10	18	12	30	40
51% - 80% AMI	4	8	25	33	37
81% - 100% AMI	12	4	35	39	51
>100% AMI	675	153	29	182	857
Mercer Island	**6,638**	**1,360**	**1,574**	**2,934**	**9,572**
<=30% AMI	160	40	610	650	810
31% - 50% AMI	75	170	440	610	685
51% - 80% AMI	299	240	150	390	689
81% - 100% AMI	244	120	100	220	464
>100% AMI	5,860	790	274	1,064	6,924
Newcastle	**2,972**	**649**	**492**	**1,141**	**4,113**
<=30% AMI	18	15	210	225	243
31% - 50% AMI	105	70	163	233	338
51% - 80% AMI	34	165	39	204	238
81% - 100% AMI	210	39	55	94	304
>100% AMI	2,605	360	25	385	2,990
Redmond	**17,229**	**3,444**	**2,690**	**6,134**	**23,363**
<=30% AMI	460	180	1,545	1,725	2,185
31% - 50% AMI	195	600	750	1,350	1,545
51% - 80% AMI	975	990	205	1,195	2,170
81% - 100% AMI	944	609	95	704	1,648

	Not cost burdened	Cost burdened (30-49%)	Severely cost burdened (50%+)	Sum of Cost burdened and Severely cost burdened	Total Households
>100% AMI	14,655	1,065	95	1,160	15,815
Sammamish	**12,309**	**2,322**	**1,564**	**3,886**	**16,195**
<=30% AMI	45	55	655	710	755
31% - 50% AMI	75	125	294	419	494
51% - 80% AMI	209	324	295	619	828
81% - 100% AMI	205	300	125	425	630
>100% AMI	11,775	1,518	195	1,713	13,488
Woodinville	**3,280**	**893**	**570**	**1,463**	**4,743**
<=30% AMI	-	105	270	375	375
31% - 50% AMI	55	223	130	353	408
51% - 80% AMI	200	215	60	275	475
81% - 100% AMI	270	105	20	125	395
>100% AMI	2,755	245	90	335	3,090
Yarrow Point	**267**	**69**	**83**	**152**	**419**
<=30% AMI	-	4	20	24	24
31% - 50% AMI	-	4	12	16	16
51% - 80% AMI	4	4	14	18	22
81% - 100% AMI	-	-	14	14	14
>100% AMI	263	57	23	80	343
King County	**529,895**	**159,155**	**130,605**	**289,760**	**819,655**
<=30% AMI	15,780	18,750	82,205	100,955	116,735
31% - 50% AMI	25,395	39,980	27,625	67,605	93,000
51% - 80% AMI	49,170	37,210	11,725	48,935	98,105
81% - 100% AMI	50,655	23,255	4,330	27,585	78,240
>100% AMI	388,895	39,960	4,720	44,680	433,575

PACIFICA
LAW GROUP

SAMPLE FORM OF ORDINANCE/RESOLUTION OF INTENT PURSUANT TO HB 1406
Prepared by Pacifica Law Group LLP

[ORDINANCE/RESOLUTION]
No. _____

[AN ORDINANCE][A RESOLUTION] OF THE [CITY COUNCIL][_____ COUNTY BOARD OF COMMISSIONERS] OF [_____] DECLARING THE INTENT OF THE [_____] TO ADOPT LEGISLATION TO AUTHORIZE A SALES AND USE TAX FOR AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS RELATED THERETO.

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) ("SHB 1406"); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, [and] for the operations and maintenance costs of affordable or supportive housing, [*FOR COUNTIES of 400,000 or less, or CITIES of 100,000 or less*: or, if eligible, for providing rental assistance to tenants]; and

WHEREAS, the tax will be credited against state sales taxes collected within the [City/County] and, therefore, will not result in higher sales and use taxes within the [City/County] and will represent an additional source of funding to address housing needs in the [City/County]; and

WHEREAS, the tax must be used to assist persons whose income is at or below sixty percent of the [City/County] median income; and

WHEREAS, the [City/County] has [describe housing need] and has determined that imposing the sales and use tax to address this need will benefit its citizens; and

WHEREAS, in order for a city or county to impose the tax, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to authorize the maximum capacity of the tax; and

WHEREAS, this [ordinance/resolution] constitutes the resolution of intent required by SHB 1406; and

WHEREAS, the [City Council/County Board of Commissioners] now desires to declare its intent to impose a local sales and use tax as authorized by SHB 1406 as set forth herein;

PACIFICA
LAW GROUP

NOW, THEREFORE, BE IT [RESOLVED][ORDAINED] BY THE [CITY COUNCIL/COUNTY BOARD OF COMMISSIONERS] OF THE [CITY OF _____/ _____ COUNTY] AS FOLLOWS:

Section 1. Resolution of Intent. The [City Council/County Board of Commissioners] declares its intent to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 within one year of the effective date of SHB 1406, or by July 28, 2020.

Section 2. Further Authority; Ratification. All [City/County] officials, their agents, and representatives are hereby authorized and directed to undertake all action necessary or desirable from time to time to carry out the terms of, and complete the actions contemplated by, this [resolution][ordinance]. All acts taken pursuant to the authority of this [resolution][ordinance] but prior to its effective date are hereby ratified.

Section 3. Effective Date. This [resolution][ordinance] shall take effect [immediately upon its passage and adoption][____ days after the passage and publication].

Passed by majority vote of the _____ in open meeting this _____ day of _____, 2019.

[insert appropriate signature blocks]

Attachment 3

King County

Claudia Balducci
Councilmember, District 6
Metropolitan King County Council

August 2, 2019

Re: Implementing House Bill 1406, State Sales Tax for Local Housing

Dear Mayor:

As you know, our region is facing a shortage of housing that our residents can afford that can legitimately be called a crisis. In recognition of this crisis, King County, Seattle and the Sound Cities Association formed the Regional Affordable Housing Task Force, which issued a series of recommendations in December 2018. Key among the recommendations was for the region to build, preserve or subsidize 44,000 new affordable units in the next five years. A new Affordable Housing Committee of the Growth Management Planning Council has recently formed to take on the task of implementing this and other Task Force recommendations. The Committee will be a place for the cities, King County, and stakeholders to come together to coordinate our efforts to meet our shared crisis.

House Bill 1406, which the State Legislature passed in its last session, provides the Committee with an early opportunity to facilitate regional collaboration. The bill created a new funding tool in the form of a sales tax credit that cities and counties can use to accelerate investments in affordable and supportive housing. House Bill 1406 directs the funding to populations earning up to 60% of county median income, which in 2018 was $62,000 per year for a family of four. Based on 2018 tax figures, this funding is estimated to provide approximately $10 million annually across all the jurisdictions within and including King County.

At the Affordable Housing Committee, we have begun discussions about ways this new revenue tool could be deployed to maximize its impact. Committee members expressed excitement that cities and King County are already working on legislation to take advantage of this opportunity. We plan to provide a set of recommendations that will, if implemented, maximize the impact of the funding throughout our communities. The Committee will be taking up a proposed set of formal recommendations at our meeting on September 20th.

Recognizing that discussions about how to invest the sales tax credit are already underway in many cities and at the County, I am writing to share the ideas the Committee discussed at its July 30th meeting and to ask that you take into account the recommendations of the regional Affordable Housing Committee when they are available in late September. Some key topics of discussion included:

- Pooling money to maximize impact. The annual amount to individual cities is not large compared to the magnitude of the need and pooling the revenue from multiple jurisdictions would maximize the impact of the revenue source for affordable housing. An idea was floated at the Committee meeting to consider pooling *all* of the revenue into one, countywide bucket for maximum impact. If this was not possible, we considered a recommendation that cities who are members of subregional partnerships, like ARCH and SKHHP, pool their resources through those entities, while cities that are not members consider joining or forming other partnerships to maximize the use of funding. We also considered recommendations that King County offer technical support to cities that are not members of a subregional partnership, and that Seattle and King County continue to coordinate with the subregional partnerships.
- Directing funding to the highest need. There was a strong interest among Committee members to target the funds to support the population with the greatest need - households earning less than 30% of Area Median Income. Committee members discussed the challenge of funding new projects to serve very low-income households, while also supporting the cost of operating and maintaining these facilities and providing services to their residents. As part of this discussion, the Committee considered the need to be flexible about serving households up to 50% Area Median Income to make sure the sales tax credit is effectively deployed throughout the county. We also discussed the possibility of King County offering an incentive through its capital fund request for a proposal process that prioritizes those jurisdictions that contributed HB 1406 proceeds to 0-30% Area Median Income projects to encourage prioritizing lower income households throughout the county.
- Prioritizing spending to protect against displacement. We discussed the need to explore ways to use the funding to protect existing communities of color and low-income communities from displacement in gentrifying communities, including looking to existing successful models like the Seattle Equitable Development Initiative to determine what works.
- Speed. Finally, there was a strong interest among Committee members to find ways to deploy this resource effectively and quickly, in light of the urgent need for housing in all of our jurisdictions. Some ideas for expediting funding including focusing the funds on preservation, programs for preventing homelessness, rental assistance, and shovel-ready projects. Bonding against future revenue was also discussed as a way to maximize deployment as quickly as possible.

I want to emphasize that these are not final recommendations of the Affordable Housing Committee. I am sending this information to share our discussions to date and to encourage as many local jurisdictions as possible to partner with the Affordable Housing Committee and each other to make the most out of this unique opportunity. As you begin discussions and focus on the needs of your community, please consider ways that we can all participate together to do the most good.

Thank you for taking this information into consideration in your early discussions. Please do not hesitate to share any thoughts your jurisdiction may have about maximizing our regional impact, either by response to this letter or through your representative/s to the Affordable Housing Committee. Thank you for your service to our collective communities and all your efforts to make sure our residents have safe, healthy and affordable places to live.

Sincerely,

Claudia Balducci
Chair of the Affordable Housing Committee

cc: Brian Parry, Senior Policy Analyst, Sound Cities Association
McCaela Daffern, Regional Affordable Housing Implementation Manager, King County Department of Community and Human Services
Affordable Housing Committee members

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Legislation to Implement the City's Direction Regarding Local Sales Tax Options for Affordable Housing in Accordance with substitute HB 1406	**For Council Meeting Agenda of:** 9/16/19
Proposed Council Action/Motion:	**Department:** Community Development Department & Finance Department
Motion to adopt Ordinance 19-0496 adopting legislation to authorize a sales and use tax for affordable housing in accordance with substitute House Bill 1406 (Chapter 338, Laws of 2019), and adding a new Article III to Chapter 3.30 of the Kenmore Municipal Code.	**Prepared by:** Debbie Bent, Community Development Director and Joanne Gregory Finance Director
	Initial & Date Approved by Department Head: DB 9/6/19 Approved by City Attorney: email 9/4/19 Approved by Finance Director: 9/6/19 Approved by City Manager:
	Exhibits/Attachments: 1. Ordinance 19-0496

INFORMATION/BACKGROUND: Assuming Council adopts Resolution 19-326 at the 9/9/19 Council meeting declaring the City's intent to adopt legislation to authorize a sales and use tax for affordable housing in accordance with substitute HB 1406. Staff further recommends that Council adopts by motion Ordinance 19-0496 (see Attachment #2) to adopt legislation to implement the Council's direction regarding local sales tax options for affordable housing including the addition of a new Article III to Chapter 3.30 of the Kenmore Municipal Code, titled "Imposition of Sales and Use Tax as Authorized by SHB 1406". Article III is described in Ordinance 19-0496 (Attachment #2).

At the 7/15/19 Council meeting staff sought Council direction on whether the City wanted to participate and act on the recently adopted sales tax options provided through legislation HB 1406. Council direction to staff was to bring back appropriate legislation for City participation. With legislation that also declares the City's intent to retain 0.0073% of the state's share of sales tax for investment in affordable housing and that sales tax receipts would be administered through ARCH's Housing Trust Fund Account. It was also Council consensus that during budget discussions later this year Council would determine whether the sales tax receipts would supplement or replace all or a portion of the City's annual commitment to the ARCH Housing Trust Fund Account.

Background: The 7/15/19 agenda item included background information prepared by ARCH on HB1406. The legislation provides a new funding tool for local jurisdictions to increase investment in affordable housing. HB 1406 allows cities to retain a portion of the state's share of sales tax for investment in affordable or supportive housing to assist persons whose income is at or below 60% of median income. This portion is offset by a reduction in the state's portion and therefore does not result in an increased tax on consumers. Cities have a choice of whether to be a participating or non-participating city, and a choice of whether to adopt a qualifying tax to increase the portion they may retain.

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

FISCAL CONSIDERATION: Participation with 0.0073% of the state share of the sales tax is estimated at $19,000 a year available for affordable housing.
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Council Goal #3 Increase and preserve the options for affordable housing stock

ATTACHMENT
1

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 19-0496

A ORDINANCE OF THE CITY COUNCIL OF KENMORE, WASHINGTON, ADOPTING LEGISLATION TO AUTHORIZE A SALES AND USE TAX FOR AFFORDABLE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS RELATED THERETO; ADDING A NEW ARTICLE III TO CHAPTER 3.30 OF THE KENMORE MUNICIPAL CODE; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved Substitute House Bill 1406 (Chapter 338, Laws of 2019) ("SHB 1406"); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing; and

WHEREAS, the tax will be credited against sales and use taxes collected within the City of Kenmore (the "City") by the State of Washington and, therefore, will not result in higher sales and use taxes within the City and will represent an additional source of funding to address housing needs in the City; and

WHEREAS, revenue received from the sales and use tax must be used to assist persons whose income is at or below 60% of King County's median income; and

WHEREAS, the City has determined that there is a demand and need for affordable housing and that imposing the sales and use tax to address this need will benefit its citizens. According to United States Housing and Urban Development data, 38% of the City's households, 42% of the renting households are housing cost burdened (paying more than 30% of income on housing), with 17% of households being severely housing cost burdened (paying more than 50% of income on housing; and

WHEREAS, in order for a city or county to impose the sales and use tax permitted by SHB 1406, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation authorizing the maximum capacity of the tax; and

WHEREAS, on September 16, 2019, the City Council adopted Resolution 19-0326 declaring its intent to adopt legislation to authorize 0.0073% of the sales and use tax as authorized by SHB 1406; and

WHEREAS, SHB 1406 allows cities and counties to enter into interlocal agreements with other counties, cities or public housing authorities to pool the sales and use tax receipts and allocate the proceeds of the taxes levied under SHB 1406; and

WHEREAS, the City is a member city of and a party to the interlocal agreement establishing A Regional Coalition of Housing ("ARCH"), a joint board established for the purpose of pooling revenue for investment in housing; and

WHEREAS, the interlocal agreement establishing ARCH authorizes the City of Bellevue (as the administering agency for ARCH) to establish and maintain a centralized Housing Trust Fund Account for the purpose of administering the contributions of ARCH members for affordable housing projects and programs; and

WHEREAS, the City Council desires to allocate the sales and use tax receipts authorized by SHB 1406 to ARCH, to be pooled with other sources of revenue in accordance with terms of the existing interlocal agreement, for administration through the ARCH Housing Trust Fund Account, with contributions to be released only when directed by the City; and

WHEREAS, this ordinance constitutes the legislation required to authorize a sales and use tax in the amount of 0.0073% in accordance with SHB 1406; and

WHEREAS, the City Council now desires to impose a local sales and use tax as authorized by SHB 1406 as set forth herein, and adopt a new Article III to Chapter 3.30 of the Kenmore Municipal Code to adopt and impose said sales and use tax;

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

Section 1. Adoption. The City Council hereby adopts a new Article III to Chapter 3.30 of the Kenmore Municipal Code, entitled "Imposition of Sales and Use Tax as Authorized by SHB 1406" to read as follows:

Article III. Imposition of Sale and Use Tax as Authorized by SHB 1406

3.30.100 Imposition of Sales and Use Tax as Authorized by SHB 1406.
3.30.110 Penalty.

3.30.100. Imposition of Sales and Use Tax as Authorized by SHB 1406.

A. Imposition. In addition to other taxes which may be imposed by the City, there is hereby authorized, fixed and imposed a separate sales and use tax in accordance with Substitute House Bill 1406 (Chapter 338, Laws of 2019). Such tax shall be assessed on the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, upon every taxable event that occurs within the City limits of Kenmore.

B. Tax Rate; Term. The rate of the sales and use tax authorized by KMC 3.30.100 shall be 0.0073%. The tax imposed by the City under KMC 3.30.100 shall expire twenty years after the date on which the tax is first imposed.

C. Tax Receipts; Administration. The maximum amount to be received by the City from the tax in each year shall be equal to the taxable retail sales within the City limits of Kenmore in State fiscal year 2019 multiplied by the tax rate. The tax imposed by KMC 3.30.100 shall be deducted from the amount of tax otherwise required to be collected or paid to the Washington State Department of Revenue ("DOR") under chapter 82.08 or 82.12 RCW, as the same now exists or may hereafter be amended. DOR shall collect and administer the tax on behalf of City at no cost to the City. In the event that the amount of tax exceeds the maximum amount allowed to the City under SHB 1406, any excess shall be remitted to the State Treasurer in accordance with SHB 1406. The City Manager is authorized to enter into an agreement with DOR for the administration of the tax.

3.30.110. Penalty.
Any person violating any provision of this article shall be guilty of a misdemeanor and upon conviction thereof punished pursuant to State law or City ordinance.

Section 2. Use of Tax Receipts; Pooling Sales and Use Tax Receipts.

A. Revenue received by the City from the sales and use tax authorized in Section 1 of this ordinance shall be used for the purposes authorized in SHB 1406, including acquiring, rehabilitating and/or constructing affordable housing, providing supportive housing services, and funding the operations and maintenance costs of new units of affordable or supportive housing.

B. Sales and use tax receipts received by the City as authorized by SHB 1406 are hereby authorized to be remitted to ARCH in accordance with terms of the existing ARCH interlocal agreement, for administration through the ARCH Housing Trust Fund Account, with contributions to be released only when directed by the City. The City Manager is authorized to execute such documents as necessary to carry out the terms of this Section.

Section 3. Further Authority Ratification. All City officials, their agents and representatives are hereby authorized and directed to take all action necessary or desirable from time to time to carry out the terms of, and complete the actions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 4. 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 5. 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 the publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 16th DAY OF SEPTEMBER, 2019.

CITY OF KENMORE

_____
David Baker, Mayor

ATTEST/AUTHENTICATED:

_____
Kelly M. Chelin, City Clerk

Approved as to form:

_____
Dawn Reitan, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL: 09/16/19
ORDINANCE NO.: 19-0496
DATE OF PUBLICATION:
EFFECTIVE DATE: