City of Kenmore

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, October 21, 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. PRESENTATION

A. Introduce Thomas Joachimides, Development Engineer - Bryan Hampson, Development Services Director

VI. CITIZEN COMMENTS

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

VII. CONSENT AGENDA

A. Total Check #s 43431 through 43549 in the amount of $1,139,093.27.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 9/27/19 in the amount of $154,719.52.
Checks

B. Council Meeting Minutes of September 16, September 23 and October 7, 2019
9-16-19 Council Minutes
9-23-19 Council Minutes
10-7-19 Council Minutes

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

Washington
Agenda Item

VIII. BUSINESS AGENDA

A. Discussion of Proposed King County Regional Homelessness Authority - Debbie Bent, Community Development Director, King County Councilmember Rod Dembowski and Kelly Rider, King County Government Relations Manager or Leo Flor, Director of the King County Department of Community and Human Services
Agenda Item
Excerpt from 10-9 SCA Meeting
Presentation

B. First Reading of Bond Ordinance 19-0499 - Joanne Gregory, Finance and Administration Director
Agenda Item

C. City of Kenmore 2020 State Legislative Agenda - Rob Karlinsey, City Manager
Agenda Item
Presentation

D. North Urban Human Services Alliance (NUHSA) - Joanne Gregory, Finance and Administration Director and Kelly Chelin, City Clerk
Agenda Item

E. Amendment No. 2 to Contract 18-C1946 with SkipStone Consulting - Nancy Ousley, Assistant City Manager
Agenda Item

IX. STAFF REPORT

X. COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

XI. ADJOURNMENT

Upcoming Meetings:

A. Monday, October 28, 2019 - 5:30 p.m. Joint Meeting with the City of Lake Forest Park/City of Shoreline and Executive Session
Tuesday, November 12, 2019 - Regular Council Meeting
Monday, November 18, 2019 - Regular Council Meeting
Monday, November 25, 2019 - Regular Council Meeting

Voucher Certification and Approval

City of Kenmore
DATE RANGE:
09/20/2019-10/04/2019

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 43431 through 43549: $1,139,093.27

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct. Electronic Deposits Dated: 09/27/2019: $154,719.52

RKK 10-9-19
City Manager / Date

10-9-19
Finance Director / Date

Vendor Name	Check #	Date	Description	Amount
AFLAC	43431	09/27/2019	Employee Medical/Disability Plans	327.10
AMERICAN GENERAL LIFE GPO/400S	43432	09/27/2019	Life Insurance	279.92
AWC EMPLOYEE BENEFITS	43433	09/27/2019	Employee Health Insurance	56,267.34
AWC EMPLOYEE BENEFITS	43434	09/27/2019	Void	-
DEPARTMENT OF LABOR AND INDUSTRIES	43435	09/27/2019	City of Kenmore	4,573.18
DEPARTMENT OF LABOR AND INDUSTRIES	43436	09/27/2019	Void	-
EMPLOYMENT SECURITY DEPT	43437	09/27/2019	Paid Family & Medical Leave	1,199.88
ICMA RETIREMENT / ALLFIRST BANK/109964	43438	09/27/2019	City of Kenmore 401a Loan	15,737.49
ICMA RETIREMENT TRUST 457 / 304745	43439	09/27/2019	ICMA 457 Deferred Comp	6,422.45
LINCOLN NATIONAL LIFE INSURANCE	43440	09/27/2019	Life Ins/ADD & LTD	1,264.33
NATIONAL LIFE OF VERMONT	43441	09/27/2019	Life Insurance	123.17
STATE OF FLORIDA DISBURSEMENT UNIT	43442	09/27/2019	Employee Deduction	275.00
UNITED WAY OF KING COUNTY	43443	09/27/2019	Employee Charitable Contribution	68.50
U.S. BANK PURCHASE CARDS	43444	09/27/2019	Void	-
COLUMBIA FORD	43445	10/03/2019	PW Dump Truck, Spreader and Snow Plow	143,091.25
French Touchup LLC	43446	10/03/2019	City Halll Door Refinishing	1,100.00
THE PAPE GROUP	43447	10/03/2019	Mikasa MTX60HD Jumping Jack	3,313.71
A+ CONFERENCING	43448	10/04/2019	9/18 Conference Call w/Torie Brazitis	20.64
AGORA REFRESHMENTS	43449	10/04/2019	City Hall Water Filter Replacements	225.28
ALCALDE & FAY	43450	10/04/2019	Sept. Government Affairs Consulting	5,014.67
ALPHAGRAPHICS	43451	10/04/2019	Business Cards	167.20
ASSOCIATION OF WA CITIES	43452	10/04/2019	AWC GIS Consortium Renewal	22,400.00
AUTOMATED CONTROLS	43453	10/04/2019	16-C1549 HVAC Maint. Contract Apr.-Aug.	1,551.00
BAKER, BRIDGIT	43454	10/04/2019	WSAPT & WACE Conf. Lodging Reimbursement	715.63
BENNETT GOLD, TOBIN	43455	10/04/2019	Refund for Professional Engineer/NCEES Licenses	285.00
BEST PARKING LOT CLEANING INC.	43456	10/04/2019	Street Sweeping	772.20
BOTHELL KENMORE CHAMBER OF COMM.	43457	10/04/2019	Sept. Bothell/Kenmore Chamber Support Svcs	300.00
BRIEN, GAYLYNN	43458	10/04/2019	July Sales Tax Data Conversion Svcs.	50.00
CAROLYN LAW	43459	10/04/2019	19-C2059 Public Art/Walkways&Waterways Consulting	2,525.00
CASCADE PEST CONTROL	43460	10/04/2019	Rhododendron Park Pest Control	143.00
CHANCERY CIVIC LLC	43461	10/04/2019	Sept. Financial Sustainability Plan Consulting	2,736.00
CHELIN, KELLY	43462	10/04/2019	Mileage - Leavenworth Clerk's Conference	118.32
COMCAST BUSINESS	43463	10/04/2019	9/19-10/18 Hangar Bldg. Cable	131.59

CROWN CASTLE	43464	10/04/2019	Refund of Credit Card Fee Paid in Error	52.48
CROWN PRODUCTS LLC	43465	10/04/2019	Pet Waste Bags for Parks	984.95
DFR LAW GROUP, LLC	43466	10/04/2019	Sept. Conflict Defense Svcs	300.00
DIVERSIFICATION INC.	43467	10/04/2019	City Hall Furniture & Equipment	443.30
EVER MARK, LLC	43468	10/04/2019	Kenmore Pens	98.33
FIRE PROTECTION, INC	43469	10/04/2019	Fire Sprinkler Annual Service	4,738.46
FRONTIER	43470	10/04/2019	9/19-10/18 Public Works Office Internet	111.98
FRUHLING SAND & TOPSOIL	43471	10/04/2019	Topsoil & Crushed Rock Purchased	2,860.93
GRAINGER	43472	10/04/2019	Roadway Materials	106.71
GRAINGER	43473	10/04/2019	LED Purple Domestic Violence Awareness Bulbs	15.88
GRAINGER	43474	10/04/2019	Winter Gear Drying & Storage Set-up	501.37
GRAINGER	43475	10/04/2019	Key Supplies & Lock Box for Public Works Office	277.81
GRAINGER	43476	10/04/2019	Sand Bags for Depots	164.30
HAULAWAY STORAGE CONTAINERS, INC.	43477	10/04/2019	Logboom Park Container Rental & Pick-up	136.70
HERBIG, NIGEL	43478	10/04/2019	Airfare Reimbursement - NLD Summit in San Antonio	411.60
HINES, KATHERINE	43479	10/04/2019	Room Rental Deposit Refund INV00529	250.00
HONEY BUCKET	43480	10/04/2019	9/23-10/20 Public Works Yard Rental	150.15
HORIZON DISTRIBUTORS INC	43481	10/04/2019	Fertilizer & Irrigation Parts	94.27
HORVATH, PETER	43482	10/04/2019	Conference Advance Travel	114.75
HYDROPOINT DATA SYSTEMS, INC.	43483	10/04/2019	WeatherTRAK Irrigation Controller	322.30
IMAGE CRANE SERVICE	43484	10/04/2019	Crane for De-Icer Tank Delivery	610.50
KAMINS CONSTRUCTION INC.	43485	10/04/2019	19-C1990 Juanita-70th Sidewalk Project	137,350.82
KB FASTPITCH	43486	10/04/2019	Room Rental Refund	250.00
KBA INC.	43487	10/04/2019	18-C1846 Aug W Samm Bridge Constructability Review	1,411.19
KENMORE COMMERCIAL LLC	43488	10/04/2019	October Incubator Bldg. Rent	3,367.04
KENMORE HERITAGE SOCIETY	43489	10/04/2019	Kenmore Flags	825.00
KING COUNTY ANIMAL SVCS	43490	10/04/2019	New Pet Licenses & Renewals	620.00
KING COUNTY DISTRICT COURT	43491	10/04/2019	2018 City Contract Reconciliations	62,196.00
KING COUNTY SHERIFF	43492	10/04/2019	Police 4th of July & Concerts Overtime for July	1,410.31
KING COUNTY SHERIFF	43493	10/04/2019	Aug. Police Overtime - Summer Concerts	975.72
KING COUNTY SHERIFF	43494	10/04/2019	Police Overtime - July Town Green Parking Emphasis	770.31
KING COUNTY SHERIFF	43495	10/04/2019	Aug Police Overtime Town Green Parking Enforcement	360.19
KING COUNTY SHERIFF	43496	10/04/2019	Aug. Police Overtime for Summer Concert & Movie	630.51
MAIL FINANCE	43497	10/04/2019	10/27/19 - 1/26/20 Postage Machine Lease	709.50
MARINE FLOATS CORPORATION	43498	10/04/2019	Removal of Logboom Park Seasonal Floats	3,444.35
MILLER STEPHENS, MARY	43499	10/04/2019	Sept. Public Defense Svcs @ SCORE	1,250.00
MOTT MACDONALD GROUP, INC.	43500	10/04/2019	17-C1656 Log Boom Water Access Project	28,267.28
MUMMA, RYAN	43501	10/04/2019	I.C.C. Bldg. Official Certification Refund	139.00
NOLAND, JIM	43502	10/04/2019	PRJ15-0230/ENG15-1125 Deposit Refund	7,500.00
NORTHSHORE FIRE DEPT	43503	10/04/2019	August Fire Marshal Plan Review	340.00
NORTHSHORE UTILITY DIST	43504	10/04/2019	7/15-9/15 City Hall Irrigation	8,034.17
OFFICE DEPOT	43505	10/04/2019	Office Supplies	164.50
OFFICE DEPOT	43506	10/04/2019	Pens & Project Folders	13.28
OFFICE DEPOT	43507	10/04/2019	Office Supplies	297.45
OFFICE DEPOT	43508	10/04/2019	Desk Calendar	12.31
O'REILLY/FIRST CALL	43509	10/04/2019	Diesel Exhaust Fluid	30.78
PACE ENGINEERS, INC.	43510	10/04/2019	19-C2021 Aug. Development Review Svcs	26,781.50
PEARCE, COLLEEN	43511	10/04/2019	Refund Room Rental Deposit	250.00
PHSI PURE HEALTH SOLUTIONS INC.	43512	10/04/2019	City Hall Filtered Water Monthly Fee	101.09
PROFFITT, QUINN	43513	10/04/2019	Work Boot Reimbursement	234.57
PUGET SOUND ENERGY	43514	10/04/2019	8/14-9/13/19 Electricity & Gas Charges	2,067.53
QUINN, JANET	43515	10/04/2019	PWX Conference Parking/Mileage Reimbursement	133.48
RANDALL, BRIAN	43516	10/04/2019	WFOA Conference Expense Reimbursement	401.38
RED BARN ENGINEERING, INC.	43517	10/04/2019	19-C1976 8/19-9/13 Engineering Svcs	4,959.00
RED BARN ENGINEERING, INC.	43518	10/04/2019	19-C1976 8/5-8/16 Engineering Svcs	3,222.00
RED BARN ENGINEERING, INC.	43519	10/04/2019	19-C1976 9/16-9/27 Engineering Svcs	4,090.50
SARAH ROBERTS	43520	10/04/2019	August Prosecution Services	11,562.97
SCORE	43521	10/04/2019	July Outside Health Services	1,152.97
SEATTLE TIMES	43522	10/04/2019	9/19 Legal Notice Ord 19-0496	73.59
SEATTLE TIMES	43523	10/04/2019	9/16 Legal Notice of Application PSP19-0100	178.40
SEATTLE TIMES	43524	10/04/2019	9/13 Legal Notice Ord 19-0497	107.19
SEATTLE TIMES	43525	10/04/2019	9/13 Legal Notice Ord 19-0495	103.22
SMS CLEANING, INC.	43526	10/04/2019	Janitorial Svcs @ City Hall & Hangar Bldg.	6,495.00
SOD SPOT LLC	43527	10/04/2019	July Economic Development Services	3,000.00
SOUND SLEEP HEALTH	43528	10/04/2019	Test for CDL Permit	359.10
STAPLES ADVANTAGE	43529	10/04/2019	Parks Maintenance Supplies	129.43
STAPLES ADVANTAGE	43530	10/04/2019	Gloves	24.85
STAPLES ADVANTAGE	43531	10/04/2019	Paper Towels	35.07
STAPLES ADVANTAGE	43532	10/04/2019	Parks Maintenance Supplies	98.82

STAPLES ADVANTAGE	43533	10/04/2019	City Hall & Hangar Maintenance Supplies	315.60
STARDOM SERVICES, INC.	43534	10/04/2019	Sept. Incubator Bldg. Janitorial Svcs	555.00
STEVE BURNSTEAD CONSTRUCTION, LLC	43535	10/04/2019	Refund Deposit PRJ2013-009/ENG18-0258	7,500.00
STUDIO 3 SIGNS	43536	10/04/2019	153rd SRTS - Kids Art Sign	165.15
SUPERION, LLC	43537	10/04/2019	TRAKiT Annual Fees	19,823.55
SWOFFORD EXCAVATING	43538	10/04/2019	19-C2013 SWM Facilities Vegetation Maintenance	25,986.95
T MOBILE USA, INC.	43539	10/04/2019	Staff Cell Phones & Data Plans	772.07
THE EVP GROUP	43540	10/04/2019	Sept. 2019 Kenmore Business Incubator Consulting	1,680.00
U.S. BANK	43541	10/04/2019	Bank Fees for W & W Bonds	300.00
UNITED STATES POSTMASTER	43542	10/04/2019	Newsletter Postage	1,812.60
VICENTE, JOHN	43543	10/04/2019	Public Works Conference Parking Reimbursement	51.00
VSS INTERNATIONAL INC.	43544	10/04/2019	19-C2033 8/1-9/30 Slurry Seal Project	459,378.32
WA STATE DEPT OF TRANSPORTATION	43545	10/04/2019	Traffic Signal Maintenance	185.31
WA STATE DEPT OF TRANSPORTATION	43546	10/04/2019	SR 522 Phase 1 Project Costs Reconciliation	379.62
WASHINGTON STATE TREASURER	43547	10/04/2019	Summer Concert Series Park Rental	7,059.00
WELWEST CONSTRUCTION INC.	43548	10/04/2019	NE 181st Sidewalk Project	2,867.35
WHITEMAN, TELA	43549	10/04/2019	WSAPT Conference Lodging Reimbursement	384.76
DRS 457	DFT0000491	09/27/2019	DRS 457 Deferred Comp	246.24
DRS 457	DFT0000492	09/27/2019	DRS 457 Deferred Comp	650.00
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000493-498	09/27/2019	Public Employees Retirement	29,786.26
NAVIA	DFT0000499	09/27/2019	Employee Flexible Spending Account	368.15
BANK OF AMERICA 941	DFT0000500	09/27/2019	Federal Taxes	18,117.69
PAYROLL	DIRECT DEP.	09/27/2019	Direct Deposit	105,551.18
			Total	1,293,812.79

City of Kenmore

Vendor Purchasing Report

For Date Range 01/01/2019 - 10/04/2019

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0002	ACTION ENTERTAINMENT	550.00
0014	AMERICAN PLANNING ASSOCIATION	1,818.00
0022	ASSOCIATION OF WA CITIES	44,800.00
0024	BAKER, DAVID	2,523.66
0037	BASTYR UNIVERSITY	50,000.00
0050	BRUCE C ALLEN & ASSOC INC	15,550.00
0054	BULGER SAFE & LOCK, INC.	7,303.37
0064	CASCADE PEST CONTROL	1,287.00
0067	CENTER FOR HUMAN SERVICES	5,250.00
0076	CITY OF BELLEVUE	120,153.21
0081	CITY OF KENMORE	600.00
0083	CITY OF LAKE FOREST PARK	120,373.83
0092	CODE PUBLISHING COMPANY	1,503.77
0099	CONSOLIDATED PRESS	8,688.74
0106	CROWN PRODUCTS LLC	1,970.20
0109	DAILY JOURNAL OF COMMERCE	1,998.90
0111	DEPARTMENT OF ECOLOGY	11,948.00
0121	REPUBLIC SERVICES	13,919.51
0130	EMPLOYMENT SECURITY DEPT	10,952.69
0134	EVERGREEN PRINT SOLUTIONS	215.06
0137	FERGUSON ENTERPRISES INC #3011	17,694.24
0145	FRUHLING SAND & TOPSOIL	9,011.20
0147	FUN RENTALS	902.25
0151	CALPORTLAND COMPANY	2,700.77
0152	GOVERNMENT FINANCE OFFICERS ASSOC	190.00
0173	HOME DEPOT CREDIT SERVICES	10,377.77
0184	INSLEE, BEST, DOEZIE & RYDER, P.S.	191,810.33
0189	INTERNATIONAL CITY/CNTY MGMT ASSOC	1,400.00
0197	JET CITY PRINTING	3,013.73
0201	KCDA PURCHASING COOP	2,377.06
0204	KENMORE COMMUNITY CLUB	470.00
0205	KENMORE HERITAGE SOCIETY	950.00
0206	KENMORE MIDDLE SCHOOL	8,000.00
0212	KING COUNTY FINANCE W.L.R.D.	7,936.00
0213	KING COUNTY ANIMAL SVCS	3,618.00
0216	KING COUNTY REAL ESTATE SVCS	2,500.00
0217	KING COUNTY DISTRICT COURT	62,196.00
0218	KING COUNTY FINANCE	4,636.79
0219	KING COUNTY FINANCE	242,366.54
0224	SOUND PUBLISHING, INC.	4,519.65
0229	KING COUNTY OFFICE OF FINANCE	6,096.61
0230	KING COUNTY RADIO COMM SERVICES	900.90
0233	KING COUNTY SHERIFF	2,361,317.46
0235	KING COUNTY TREASURY	31,017.97
0251	LIGHTHOUSE CONSULTING INC	58,068.34
0260	MEEHAN, NANCY	576.83
0261	PENDLETON CONSULTING LLC	4,046.80
0265	MORGAN SOUND INC	2,146.10
0267	MR. T'S TROPHIES	255.43
0280	NEOPOST USA INC.	197.99
0285	NORTHSHORE FIRE DEPT	2,360.00
0286	NORTHSHORE SCHOOL DISTRICT	52,865.00

Vendor Purchasing Report

For Date Range 01/01/2019 - 10/04/2019

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Vendor	Name	Volume
0287	NORTHSHORE SENIOR CENTER	23,050.00
0288	NORTHSHORE UTILITY DIST	166,841.87
0289	NORTHSHORE YMCA	4,125.00
0290	NORTHSHORE YOUTH & FAMILY SERVICES	12,000.00
0292	HONEY BUCKET	5,825.42
0299	PERSONAL BEST	118.27
0300	OFFICE DEPOT	8,467.16
0304	OLYMPIC ENVIRONMENTAL RESOURCES INC	21,282.00
0310	PACIFIC TOPSOILS	7,727.06
0314	PETTY CASH CUSTODIAN	765.66
0327	PUGET SOUND CLEAN AIR AGENCY	18,505.00
0328	PUGET SOUND ENERGY	129,981.80
0329	PUGET SOUND FINANCE OFFICERS ASSOC	50.00
0331	PUGET SOUND REGIONAL COUNCIL	9,002.00
0345	SEATTLE TIMES	11,348.63
0350	SIGN UP, SIGN CO, INC	1,342.00
0355	STAPLES ADVANTAGE	13,252.76
0356	STATE AUDITOR'S OFFICE	25,445.58
0357	STEWART MACNICHOLS HARMELL, INC.	45,000.00
0359	SOUND CITIES ASSOC	15,017.45
0365	TOTAL LANDSCAPE CORP	77,926.55
0370	UNITED RENTALS NW, INC	1,115.05
0371	UNITED STATES POSTMASTER	5,424.84
0375	US POSTAL SERVICE (HASLER)	3,779.16
0385	WA ASSOC OF BUILDING OFFICIALS	125.00
0386	WA ASSOC OF CODE ENFORCEMENT	40.00
0387	WA CITIES INSURANCE AUTHORITY	290,060.00
0389	WASHINGTON CITY/COUNTY MGMT ASSOC	315.00
0401	WA STATE DEPT OF TRANSPORTATION	14,513.97
0405	WASHINGTON STATE OFFICE CASH MGMT	1,719.50
0412	COLUMBIA RIDGE LANDFILL	13,152.33
0416	WETLANDS & WOODLANDS INC	5,073.20
0419	WONDERLAND DEVELOPMENT	750.00
0424	ICMA RETIREMENT TRUST 457 / 304745	101,481.32
0425	DRS 457	17,424.68
0426	AFLAC	2,943.90
0428	BANK OF AMERICA 941	354,511.83
0429	AWC EMPLOYEE BENEFITS	512,983.74
0431	DEPARTMENT OF RETIREMENT SYSTEMS	565,767.73
0432	DEPARTMENT OF LABOR AND INDUSTRIES	41,398.34
0434	UNITED WAY OF KING COUNTY	1,460.00
0436	NATIONAL LIFE OF VERMONT	1,108.53
0441	DANSOUND INC	8,400.00
0448	UPS STORE KENMORE	143.47
0450	AURORA RENTS	9,807.45
0473	ARTS OF KENMORE	3,032.54
0480	WASHINGTON TREE SERVICE INC	1,606.00
0484	CITY WIDE FENCE COMPANY, INC	28,765.00
0497	DAY WIRELESS SYSTEMS	1,176.72
0501	MACLEOD RECKORD	5,783.82
0510	AA ASPHALTING, INC	8,343.52
0515	NATIONAL LEAGUE OF CITIES	1,533.67
0542	AMERICAN SOCIETY OF COMPOSERS	362.64
0550	KING COUNTY RECORDER'S OFFICE	234.00
0564	AMERICAN PUBLIC WORKS ASSOCIATION	7,580.00
0575	FUNRENT	250.00
0586	MAIL FINANCE	2,128.50
0588	ENVIRONMENTAL SYSTEMS RESEARCH INST	5,720.00

Vendor Purchasing Report **For Date Range 01/01/2019 - 10/04/2019**

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Vendor	Name	Volume
0594	RANDALL, BRIAN	1,611.37
0610	WA STATE DEPT OF TRANSPORTATION	5,591.58
0617	KING COUNTY FINANCE	1,950.00
0639	KONICA MINOLTA BUSINESS SOLUTIONS	659.38
0641	TELESYSTEMS WEST	761.75
0685	PACE ENGINEERS, INC.	208,708.86
0689	DIGITAL REPROGRAPHICS SERVICES INC.	1,109.04
0690	BUILDERS EXCHANGE OF WASHINGTON INC	681.60
0692	HDR ENGINEERING, INC	558,019.29
0696	AMERICAN GENERAL LIFE GPO/400S	3,044.64
0699	BANNER BANK DB	6,114.58
0743	BANNER BANK NO	9,094.90
0764	OUSLEY, NANCY	1,511.77
0781	QUALITY BUSINESS SYSTEMS INC.	8,148.96
0788	CURTIS, DR. MILTON	193.68
0791	NORTHSHORE ROTARY CLUB	498.00
0800	BANNER BANK JG	11,555.69
0817	GRAINGER	13,062.56
0831	NORTHSHORE PARK & REC SERVICE AREA	2,567.00
0834	BANNER BANK KENMORE	26,081.78
0837	INGLEWOOD GOLF COURSE	5.20
0851	EVER MARK, LLC	1,908.57
0852	GREGORY, JOANNE	385.18
0858	A+ CONFERENCING	251.98
0864	COLUMBIA FORD	274,070.97
0868	JAYMARC AV	646.25
0869	BANNER BANK JGORDON	24,789.64
0892	JACOBS ENGINEERING GROUP	174,243.43
0898	ZONAR SYSTEMS	527.73
0899	SHRED IT USA LLC	761.28
0912	ALCALDE & FAY	45,499.49
0913	KENMORE ELEMENTARY PTA	2,500.00
0937	ZUMAR	10,870.07
0964	J&K ASSOCIATES	28,263.40
0981	COMCAST BUSINESS	18,477.13
0983	PASSPORT TRAVEL AND TOURS	208.60
0994	GORDON THOMAS HONEYWELL	28,177.10
1000	JRW ENTERPRISES	2,150.59
1003	iWORQ SYSTEMS	2,800.00
1010	TOWN CENTER HARDWARE	2,926.81
1032	SAWYER, RICHARD	217.80
1045	HORIZON DISTRIBUTORS INC	1,568.76
1047	SARAH ROBERTS	103,664.93
1052	FIRE PROTECTION, INC	10,313.31
1068	WA STATE DEPT OF LABOR & INDUSTRIES	147.20
1114	PHSI PURE HEALTH SOLUTIONS INC.	909.81
1116	FRONTIER	9,501.62
1123	AM TEST, INC	2,025.00
1140	PAWS	2,484.00
1148	AGORA REFRESHMENTS	1,398.72
1161	INDEPENDENT STATIONERS	261.24
1168	SCHINDLER ELEVATOR CORPORATION	2,407.09
1177	WELLS FARGO FINANCIAL	1,859.19
1192	HOPKINS, CRAIG	307.98
1197	MILLER STEPHENS, MARY	11,250.00
1212	MCALLISTER, TERESA	19.62
1215	STATE OF FLORIDA DISBURSEMENT UNIT	5,500.00
1216	ADVANCE TESTING & SERVICE INC	1,512.00

Vendor Purchasing Report **For Date Range 01/01/2019 - 10/04/2019**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
1222	OLSON BROTHERS PRO VAC	5,667.75
1248	KENMORE AIR	3,037.40
1258	SESAC	470.85
1267	AUTOMATED CONTROLS	5,190.68
1269	KAMINS CONSTRUCTION INC.	524,109.50
1299	VERIZON WIRELESS	2,147.76
1304	HAMPSON, BRYAN	103.67
1309	BANNER BANK BAKER	7,947.98
1311	WASHINGTON STATE PATROL	6,130.48
1313	BOTHELL KENMORE CHAMBER OF COMMERCE	4,800.00
1331	KBA INC.	29,164.09
1333	WELWEST CONSTRUCTION INC.	522,618.92
1339	STATE OF WA DEPARTMENT OF LICENSING	30.00
1342	PETERSON, JANET	750.00
1345	SHERWIN WILLIAMS CO. #8099	291.11
1356	KARLINSEY, ROB	994.00
1357	KENMORE COMMERCIAL LLC	33,670.40
1358	ALPHAGRAPHICS	1,465.44
1359	EVERGREEN FIRE AND SAFETY, INC.	96.80
1363	INNOVAC	4,182.65
1364	KINGS HEATING	529.20
1372	AAA PRINTING	1,398.72
1385	CITYWORKS/ AZTECA SYSTEMS INC.	22,000.00
1390	UTILITIES UNDERGROUND LOCATION CTR	1,612.50
1402	NORTHWEST MARINE TRADE ASSOCIATION	460.00
1403	OSBORN CONSULTING INC.	88,524.49
1412	SKAGIT GARDENS	2,920.28
1420	SAUVE, GAYLEN	400.00
1425	FASTSIGNS	910.80
1431	BRIEN, GAYLYNN	450.00
1437	VOLGISTICS, INC	540.00
1452	CITY OF KENT	500.00
1456	HESTON VISUAL ARTS	506.00
1457	LANGUAGE LINE SERVICES, INC.	9.85
1459	FLEMINGS HOLIDAY LIGHTING LLC	5,739.02
1478	HERBIG, NIGEL	498.26
1482	HIGHWIRE	762.12
1485	WA ASSOC OF PUBLIC RECORDS OFFICERS	375.00
1500	MARINE FLOATS CORPORATION	5,867.08
1504	SCORE	306,764.95
1544	METROPOLITAN TRANS. COMMISSION	1,500.00
1550	THE EVP GROUP	46,513.81
1555	LINCOLN NATIONAL LIFE INSURANCE	11,236.67
1577	MUMMA, RYAN	529.43
1580	NORTHWEST TROPHY	461.03
1581	STARDOM SERVICES, INC.	4,995.00
1584	STUDIO 3 SIGNS	330.30
1590	HERMANSON COMPANY, LLP	401.59
1591	ULINE	2,642.59
1596	NW ENVIRONMENTAL TRAINING CENTER	3,225.00
1605	ALL CITY FENCE CO.	14,412.20
1606	GALLATIN PUBLIC AFFAIRS	31,500.00
1629	WESTERN DISPLAY FIREWORKS, LTD.	18,000.00
1647	MASTEC NETWORK SOLUTIONS	1,523.55
1657	STEWART TITLE COMPANY	958.13
1661	WHITEMAN, TELA	903.93
1673	KPFF CONSULTING ENGINEERS	378,533.15
1678	VICENTE, JOHN	2,485.00

Vendor Purchasing Report **For Date Range 01/01/2019 - 10/04/2019**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
1686	GRAHAM BABA ARCHITECTS	1,222.50
1689	MOTT MACDONALD GROUP, INC.	228,529.41
1690	SITTS & HILL ENGINEERS, INC.	5,730.00
1693	SKYWARD CONSTRUCTION	33,000.00
1698	WRIGHT, MARCI	1,000.00
1704	BANNER BANK RK	8,033.66
1711	SOFTWAREONE, INC.	11,052.93
1715	THE WIDE FORMAT COMPANY	649.00
1718	RESOURCE EXPLORATION, LLC	20,000.00
1731	NORTHWEST ARBORICULTURE LLC	9,707.28
1738	MUNIMANAGE, LLC	78,045.00
1759	CORT PARTY RENTAL	55.00
1762	BAKER, BRIDGIT	1,455.99
1774	OWEN EQUIPMENT COMPANY	1,305.30
1782	SWANK MOTION PICTURES, INC.	2,213.20
1786	TYLER TECHNOLOGIES, INC.	17,853.40
1787	M M COMFORT SYSTEMS	36.75
1789	BLUEBEAM, INC.	493.90
1791	PROFFITT, QUINN	234.57
1793	QUINN, JANET	133.48
1798	OLBRECHTS & ASSOCIATES, PLLC	3,342.00
1811	CAMPBELL SCIENTIFIC	624.00
1814	YSI INCORPORATED, A XYLEM BRAND	2,885.98
1816	NAVIA	21,113.00
1828	QUALITY BUSINESS SYSTEMS / WELLS FARGO	6,676.38
1829	SHI INTERNATIONAL CORP.	882.20
1832	EASTSIDE HOMES, INC.	1,670.10
1835	INC4INC, INC.	11,500.00
1846	AWCPD	100.00
1855	OFFICE DEPOT	12.31
1863	HAULAWAY STORAGE CONTAINERS, INC.	1,260.90
1867	TACK PHOTOGRAPHY	400.00
1879	HOLMBERG COMPANY	3,628.70
1885	NATIONAL BARRICADE CO., LLC	1,950.19
1889	WILLIAMS, KASTNER & GIBBS PLLC	27,771.44
1892	HEARTH MUSIC	3,850.00
1900	ASPECT CONSULTING LLC	1,749.54
1901	NORTH COAST ELECTRIC COMPANY	157.91
1913	GRAND EVENT RENTALS	3,039.02
1914	MCNAMARA SIGNS	440.40
1927	GAMETIME	6,225.01
1930	T MOBILE USA, INC.	6,699.12
1932	U.S. BANK N.A. / CUSTODY	268.00
1933	VALLEY, CHRIS & BETH	7,500.00
1936	SUPERION, LLC	19,823.55
1939	ARCHIVESOCIAL, INC.	2,388.00
1944	OHNO CONSTRUCTION	5,454.03
1945	GLASS MASTERS LLC	4,465.00
1946	FALL PROZ INC	896.50
1947	MCMILLAN, RANDY	500.00
1948	MULTICARE CENTERS OF OCCUPATIONAL MEDICINE	1,290.00
1955	HUIZENGA ENTERPRISES, LLC	5,857.22
1960	WALTER E. NELSON CO.	1,233.87
1962	BANNER BANK SKROGH	2,511.76
1964	EARTHWORKS	42,502.95
1970	CROSSROAD SIGN	2,074.60
1978	GOVDELIVERY, LLC	33,005.91
1979	MSPT XXII, LLC	10,954.00

Vendor Purchasing Report **For Date Range 01/01/2019 - 10/04/2019**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
1980	HRA VEBA TRUST	32,640.87
1981	U.S. BANK	600.00
1985	CONTRACT LAND STAFF LLC	21,007.76
1991	WASHINGTON STATE TREASURER	7,059.00
1993	HYAS GROUP, LLC	7,500.00
1994	LAKE CITY PARTNERS ENDING HOMELESSNESS	2,000.00
1995	REY TRANSLATIONS	220.00
1998	JOHNSTON GROUP, LLC	23,320.00
1999	KING COUNTY POLICE CHIEFS ASSOCIATION	50.00
2004	RED BARN ENGINEERING, INC.	57,466.50
2007	HYDROPOINT DATA SYSTEMS, INC.	1,027.30
2010	JUDHA OF LION LANDSCAPING AND SERVICES LLC	55,391.12
2019	EMERALD CITY STATEWIDE	727.10
2021	GEOTERRA, INC.	9,220.00
2024	DFR LAW GROUP, LLC	1,800.00
2028	PRIDE ELECTRIC INC.	1,573.00
2048	SMS CLEANING, INC.	54,062.75
2054	BLUE FLAME HEATING, AIR & ELECTRIC	264.60
2063	French Touchup LLC	6,929.00
2064	Bud Clary Dodge/Chevrolet	66,956.52
2065	AMY LUCK	200.00
2073	HOOPSMILES	275.00
2078	WA RECREATION & PARK ASSOC.	85.00
2081	SHANNON & WILSON, INC.	56,484.20
2095	TRANSPO GROUP USA INC.	85.00
2097	ROBINSON AND NOBLE, INC.	2,850.00
2113	WA ASSOC. OF SHERIFFS & POLICE CHIEFS	180.00
2114	NC Machinery	112,126.05
2126	SCHWARZWALTER, MARK	54.68
2128	SUNDANCE ENERGY SERVICES	766.27
2129	CHELIN, KELLY	203.19
2130	CGINI	4,925.00
2132	FUELCARE	660.00
2135	AMERICAN SOLUTIONS FOR BUSINESS	1,224.64
2138	HORVATH, PETER	300.00
2142	ICMA RETIREMENT C/O ALLFIRST BANK / 109964	320,978.40
2144	MODUS TECHNOLOGY, INC.	2,996.58
2147	SOD SPOT LLC	20,700.00
2148	Town and Country Fence Inc.	2,337.51
2157	SOUND SAFETY PRODUCTS CO.	2,025.74
2159	TRAILER BOSS	8,181.90
2160	ALLWEST UNDERGROUND INC.	1,980.60
2161	BENNETT GOLD, TOBIN	567.17
2162	ESWO, LLC	15,000.00
2163	CORNERSTONE ARCHITECTUAL GROUP	13,160.00
2164	RANKIN, BRUCE	418.95
2166	BARKER MARTIN, P.S.	9,505.50
2167	APWA/WA CHAPTER	1,500.00
2168	FRED PRYOR SEMINARS	149.00
2169	ETC INSTITUTE	18,750.00
2171	BELRED ENERGY SOLUTIONS	329.28
2172	TCF ARCHITECTURE	2,500.00
2173	TRI COUNTY LAND SURVEYING	3,800.00
2174	TUCKER, NATHAN	300.00
2175	ELECTRONIC BUSINESS MACHINES	1,899.90
2176	CANON FINANCIAL SERVICES, INC.	2,126.72
2177	ELYSIUM DEVELOPMENT, LLC	7,500.00
2178	STRIPE A LOT	2,822.88

Vendor Purchasing Report **For Date Range 01/01/2019 - 10/04/2019**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
2179	NC CAT RENTAL	3,553.00
2180	BUNTTING INC.	131,302.62
2181	CONNER HOMES AT SOLIRE LLC	187,241.00
2182	CUZ CONCRETE PRODUCTS	909.13
2183	SISKUN POWER EQUIPMENT	8,802.18
2184	DIVERSIFICATION INC.	2,310.00
2185	CRIMINAL JUSTICE TRAINING COMMISSION	1,450.00
2187	CORAL SALES CO.	9,553.50
2188	DIJULIO DISPLAYS, INC	5,174.98
2189	OFFICE TEAM	31,954.56
2190	PACIFIC INDUSTRIAL SUPPLY	984.39
2192	STEWART TITLE	103,308.00
2193	FENCING COMPANY, LLC	1,265.00
2194	CONFLUENCE ENVIRONMENTAL COMPANY	10,470.00
2195	CITY SOURCED	3,600.00
2196	Engaged Public	6,500.00
2197	BEST PARKING LOT CLEANING INC.	13,371.60
2198	CITY OF BOTHELL	50,000.00
2199	HALALILO, PAULA	34.56
2200	CHASE WALKER	209.75
2201	WA CHAPTER AMERICAN SOCIETY OF LANDSCAPE ARC	75.00
2202	ROGER WIGGINS	7,500.00
2203	KENMORE CLEANERS	36.30
2204	KING COUNTY	200.00
2205	MUNICIPAL MANAGEMENT SERVICES	5,000.00
2206	CHECK RIDE	6,900.00
2207	APA Washington	100.00
2208	FLUENT LANGUAGE SOLUTIONS	395.59
2209	MORUP SIGNS, INC.	913.02
2210	PACWEST MACHINERY	300.00
2211	PRECISION FUEL SOLUTIONS	1,452.00
2212	WEDENIG, MARK	7,500.00
2213	HELEN C. FORBES FAMILY TRUST	1,623.30
2214	CAROLYN LAW	2,525.00
2215	INTERSECTION MEDIA, LLC	1,000.00
2216	SEVERSON, ROBERT	13,732.35
2217	TOURNESOL SITEWORKS, LLC	473.02
2218	NORTH CREEK ROOFING, INC.	215.45
2219	C.R. CONTRACTING	105,800.00
2220	SAFETY SOURCE LLC	2,765.00
2221	O'REILLY/FIRST CALL	180.84
2222	GRADE, INC.	227,715.97
2223	JAIN, VAIBHAV	250.00
2224	BROWN, STEPHANIE	385.85
2225	THE COLOR GROUP, INC.	563.31
2226	QUANTUM HOMES	47,510.50
2227	EARTHCORPS	18,108.75
2229	ALIA PRODUCTIONS	2,000.00
2230	COMPASS NORTHWEST, INC	30,800.00
2231	A WORKSAFE SERVICE, INC	110.00
2232	DANNY BARNES INC.	1,500.00
2233	GARY HALEAMAU	2,425.00
2234	BRETT BENTON	250.00
2235	CEDRIC BURNSIDE	2,350.00
2236	COMCAST	7,834.14
2237	CREATIVE HOUSE BRANDING	1,031.17
2238	EVENT EXPERIENCE	500.00
2239	THE STORYMAKERS	1,125.00

Vendor Purchasing Report **For Date Range 01/01/2019 - 10/04/2019**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
2240	TAMAR LLANA & VENTANAS	1,900.00
2241	VIBE INC.	3,517.94
2242	MARY'S PLACE	7,333.00
2244	NGSSA	132.00
2245	JULIET HOWARD	1,250.00
2246	LYDIA RAMSEY	250.00
2247	EMERALD PAVING, INC	5,544.00
2248	INTERNATIONAL PUBLIC MGT ASSOC FOR HUMAN RES	149.00
2249	KING COUNTY BAR ASSOCIATION	500.00
2250	NAMI EASTSIDE	500.00
2252	TRUGREEN	605.00
2253	CHANCERY CIVIC LLC	8,160.00
2254	U.S. BANK PURCHASE CARDS	9,807.09
2255	ANNA ARNOTT	114.25
2256	FLYNN BEC LP	3,014.00
2257	ALTATERRA CONSULTING LLC	3,200.00
2258	STRONG TOWNS	300.00
2259	MINUTEMAN PRESS	7,567.46
2260	WESTERN ENGINEERS & SURVEYORS	225.75
2261	NEDOROSCIK, TAMMORA	42.83
2262	DILIGENT CORPORATION	6,160.00
2263	INTOXIMETERS, INC.	992.75
2264	SWOFFORD EXCAVATING	50,906.06
2265	TURNING CIRCLES LLC	60.00
2266	WA STATE PARKS & RECREATION COMMISSION	4,271.25
2267	THE PAPE GROUP	3,313.71
2269	HERC RENTALS INC.	3,987.53
2270	LAKESIDE INDUSTRIES	914.10
2271	HENLEY USA	22,483.30
2272	BIELENBERG, TERRI	76.43
2273	CROWN CASTLE	52.48
2275	HINES, KATHERINE	250.00
2276	IMAGE CRANE SERVICE	610.50
2277	KB FASTPITCH	250.00
2278	NOLAND, JIM	7,500.00
2279	PEARCE, COLLEEN	250.00
2281	SOUND SLEEP HEALTH	359.10
2282	STEVE BURNSTEAD CONSTRUCTION, LLC	7,500.00
2283	VSS INTERNATIONAL INC.	459,378.32
	Vendor Set Vendor Set 01 Total:	**13,220,370.93**

City of Kenmore
City Council Regular Meeting
Minutes
September 16, 2019

CALL TO ORDER – Deputy Mayor Herbig called the meeting to order at 7:00 p.m.

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

FLAG SALUTE

AGENDA APPROVAL

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

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

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

CITIZEN COMMENTS
Steven Gersman
7636 NE 196th Street
Kenmore, Washington 98028

Mr. Gersman spoke about security concerns with the open campus at Kenmore Elementary School.

John Shellon
On behalf of King County Library System

Mr. Shellon spoke about an upcoming diversity event at the King County Libraries.

Suzanne Tseng
7410 NE 163rd Street
Kenmore, Washington 98028

Ms. Tseng gave an update on the Just Getting Started program at the Hangar Building.

CONSENT AGENDA

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

The consent agenda included the following:

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.

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

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

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

City Council Meeting Minutes of July 22, 2019 and August 12, 2019

BUSINESS AGENDA

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 - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administration Director

Director Bent and Director Gregory explained that staff recommends Council adopt by motion Resolution 19-326 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, 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.

In the Council packet, 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. 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.

MOTION: Councilmember Curtis made a motion to approve 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, Councilmember Smith seconded the motion. The motion passed unanimously.

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

MOTION: **Councilmember Srebnik made a motion to approve 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, Councilmember Denuski seconded the motion. The motion passed unanimously.**

ADJOURNMENT

The meeting adjourned at 7:28 p.m.

____
David Baker, Mayor

ATTEST:

____
Kelly M. Chelin, City Clerk

City of Kenmore
City Council Regular Meeting
Minutes
September 23, 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
Councilmember Debra Srebnik
Councilmember Stacey Denuski
Councilmember Brent Smith (excused)

FLAG SALUTE

AGENDA APPROVAL
The agenda was approved as written.

PRESENTATION
<u>Washington Finance Officers' Association - Professional Finance Officer Award</u>
<u>Brian Randall and Joanne Gregory</u>

PROCLAMATION
<u>Domestic Violence Awareness Month - October, 2019</u>

<u>Northshore Schools Foundation All in For Kids Month - October, 2019</u>

CITIZEN COMMENTS
Susan Gins
6235 NE 184th Street
Kenmore, Washington 98028

Ms. Gins spoke about the Walkway and Waterways public arts proposal and provided suggestions.

Phyllis Finley
5962 NE Arrowhead Drive
Kenmore, Washington 98028

Ms. Finley spoke about finances. She asked the City to update the website to include another update on the ballfield costs. The last update was in December 2018.

CONSENT AGENDA

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

The consent agenda included the following:

Approve Total Check #s 43221 through 43283 in the amount of $327,904.60.
Total Payroll//Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 8/30/19 in the amount of $164,645.93.
8/30/19 Payroll Check 10149 in the amount of $135.06.

City Council Meeting Minutes of September 9, 2019

BUSINESS AGENDA

Resolutions 19-329 and 19-330 Providing for Support or Opposition to Northshore Parks and Recreation Service Area Proposition 1, Maintenance and Restoration Levy - Rob Karlinsey, City Manager

Additional Opportunity for Public Comment: Pursuant to RCW 42.17.A.555, members of the public and councilmembers will receive an approximately equal opportunity to express an opposing view.

City Manager Karlinsey explained that RCW 42.17A.555 states that a legislative body can take action to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the council or members of the public are afforded an approximately equal opportunity for the expression of an opposing view.

Under this statute, the City Council may consider taking a position on the upcoming Northshore Parks and Recreation Service Area Proposition 1, Maintenance and Restoration

Levy. If City Council chooses to take a position on the initiative it could send a message to residents and voters and help educate them on the issue.

Following is a discussion of the facts relating to the measure.

A YES vote would:

- Assess a new levy of up to $.04 of assessed property value for residents in the taxing district (equivalent to the Northshore School District).
- Ensure funding is available to provide immediate and on-going capital repairs to the facilities housing the Northshore Senior Center and the Northshore Health & Wellness Center.

A NO vote would:

- Keep the Northshore Parks and Recreation Service Area tax rates at the current level. Not provide funding for capital repairs of the facilities.
- Defer capital repairs of the facilities.

History

The Northshore Parks and Recreation Service Area (NPRSA) founded in 1988 constructed Northshore Senior Center and the Northshore Health and Wellness Center. Northshore Senior Center leases the buildings, runs and funds the programs and daily operations, and pays for basic maintenance of the facilities. It is a nonprofit organization, providing programs and services annually for over 6,000 seniors, people with disabilities and family caregivers in our region. In 2018, 400 Kenmore Residents used these facilities in Bothell.

Current programs include help managing depression, programs slowing the progression of Parkinson’s Disease, food assistance, recreational activities for special needs youth, help for seniors living on a fixed income and more.

Voters approved bonds to construct these heavily used public facilities, but no money for major maintenance was provided. Approaching thirty years old, the facilities need major repairs including roof replacement, windows, drainage and mechanical systems. These repairs total approximately $4.7M and are beyond the routine maintenance the Center is obligated to cover.

Arguments for:

Proponents believe that at 4 cents per thousand dollars of assessed value, this maintenance and operations levy is a modest investment for some of the most vulnerable members of our community--seniors and people with disabilities. If passed, the levy would cost the average homeowner less than $1.70 per month. The Senior Center is a non-profit organization that does not own these facilities nor have the financial means to generate the revenue needed to fully restore them. It is vital that these important public assets remain safe and well maintained for generations to come.

Arguments against:
Those opposed to the ballot measure may argue that overall taxing rates have gone up in the area, and that an additional increase in property tax would put more of a financial burden on tax payers. Opponents may also argue that other funding sources, including fees on the users of the facilities, should be explored before moving forward with a property tax levy ballot measure.

If the initiative were to pass the City anticipates fewer one-time emergency funding requests to cover emergency repairs to these facilities. As a participant in the Interlocal Agreement governing the Northshore Parks and Recreation Service Area, the City of Kenmore is one of several stakeholders who have been called upon to cover these costs.

Mayor Baker opened the meeting for public comment. There was no public comment.

MOTION: **Councilmember Srebnik made a motion to approve Resolution 19-329 Providing for Support to Northshore Parks and Recreation Service Area Proposition 1, Maintenance and Restoration Levy, Councilmember Denuski seconded the motion. The motion passed 5-0 with Councilmember Marshall recusing himself.** (Councilmember Marshall noted that he's on the NPRSA committee therefore he is recusing himself from the vote)

Ordinance #19-0485 Amending Kenmore Municipal Code Chapter 9.15 False Alarms - Peter Horvath, Police Chief

Chief Horvath explained that the Kenmore Municipal Code Chapter 9.15 False Alarms was enacted by the City in 1998. At that time, technology, and the accessibility of information to officers on the street was not what it is today; 21 years later.

Since its enactment, this False Alarm ordinance required the owners of any alarm system to register their system and personal information on a contact card with the City Clerk. This ordinance also states the City's Police may not respond to any alarm system for which a contact card has not first been obtained and completed. Further, the Code requires anyone with an unregistered alarm system make it non-operational, until such time as the owner has submitted such contact card with the City Clerk.

This registration requirement was put in place so the Police Department could easily access an alarm system's owner's info, and subsequently notify said owner of repeated false alarm calls, issue fines when appropriate, and/or place the alarm in a "no response" status, until the fines were remitted and corrections were made to the alarm system.

Despite this contact card code requirement, the City has not maintained such a file in multiple years, and such a legacy file has not been located by my office, nor the City Clerk.

Also, with the implementation of computer aided dispatch, (CAD) being in all patrol cars, the alarm and contact info, maintained by the respective alarm companies is available to responding officers, at the time of dispatch. Additionally, the Police Department can readily obtain from historical CAD records, whether an alarm system is responsible for repeated false alarms, and police responses. Further, should the City chose to continue with the contact card registration process, this database would not reflect the plethora of alarm systems currently in operation within the City, and, officers in the field, and the King County Sheriff's Office's 9-1-1 Center would not have access, to the City Clerk's file of contact cards to verify whether a system is registered or not. Officers would continue to be dispatched and would respond to alarm calls whether a City contact card existed or not.

It is my recommendation the requirement for alarm system owners to submit a contact card registration, to the City Clerk, and any mention of registration numbers provided by Alarm Companies requesting cancellation of Police response, be removed from the Code.

MOTION: Councilmember Denuski made a motion to approve Ordinance 19-0485 Amending Kenmore Municipal Code Chapter 9.15 False Alarms, Councilmember Curtis seconded the motion. The motion passed unanimously.

Approve the Use of Unexpended Public Art Funds in the Amount of $114,000.00 to Add to the 1% Public Art Funding Generated From the Three Walkways and Waterways Project at Log Boom, Squire's Landing and Rhododendron Parks in Order to Create Significant Works of Art in Each of the Three Park Sites - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administration Director

Staff is requesting approval from City Council to reallocate unexpended public art funds in the amount of $114,000.00 to add to the 1% public art funding for the three Waterways Projects at Log Boom, Squire's Landing and Rhododendron parks in order to create significant works of art in each of the three project sites. Ordinance 01-0115 established a 1% for the arts program and a public art fund to set aside one percent of the funds to be expended on public projects within the City for the funding of art for public places, now Chapter 3.50 of the Kenmore Municipal Code. Attachment 1, Section 7 Public Art Fund – Uses, Subsection B, indicates that City Council must authorize use of unexpended public art funds before they can be expended.

The voter approved Walkways and Waterways projects will create significant public spaces for our community. Adding art in public spaces further enhances civic pride. Of the five Walkways and Waterways projects, only one (68th Avenue Pedestrian & Bicycle Safety Project) will be unable to incorporate public art into the design of the capital project due to limited right-of-way. This project will contribute approximately $65,000 to the public art fund. The Juanita Drive Pedestrian and Bicycle Safety Project will incorporate a significant amount of public art into the design with an estimated $121,500.00 in 1% public art funds.

Table 1 on page 2 is an estimate of the total 1% public art funding that would be generated from construction contracts from the three Waterways projects at Log Boom, Squire's Landing and Rhododendron parks. With less than $70,000 available, it will be difficult to create a meaningful art impact in locations where there is space for the public to engage with art. Table 2 on page 2 shows staff's recommendation for utilizing unexpended public art funding in the amount of $114,000.00 towards the public art at the three Waterways project locations.

If City Council approves the use of the unexpended funding, the total that would be available for art in these three public spaces would be $183,474.30.

Table 1: 1% Public Art Fund Available for art being incorporated at Waterways Projects

Projects	Estimated $ for 1% Public Art
Rhododendron Park Boardwalk and Float Project (Completed)	$17,214.30
Squire's Landing Park Waterfront & Natural Area Access Project	$39,260.00
Log Boom Park Waterfront Access & Viewing Project	$13,000.00
Total	$69,474.30

Table 2: Total Unexpended Public Art Funding Available

1% Public Art Fund Contributions Generated From:	Estimated 1% Funds Available For Reallocation
The Public Art Fund Available Balance	$49,000.00
The 68th Avenue Pedestrian & Bicycle Safety Walkways Project	$65,000.00
Total	$114,000.00

Staff has hired Carolyn Law, a consulting public artist, through Contract 19-C2059 (see Attachment 2) to assist staff with identifying appropriate themes, materials and locations for art at each park site. Ms. Law will provide services to assist the City with the artist selection process. To save Public Art Fund dollars for the art works, Contract 19-C2059 is funded equally by the three capital project budgets. As work under this contract has yet to begin, staff will update City Council about the public art process at a future meeting this fall when staff provides an update on the walkways and waterways projects.

Table 2 shows that there is up to $114,000.00 available from public art contributions not directly attributable to the W&W Park projects. $49,000.00 is available within the current public art fund balance. $65,000.00 is the anticipated contribution from the 68th Avenue pedestrian and bicycle safety Walkways project. Contract 19-C2059's $5,750 fee is budgeted from the Parks Capital Improvement Program project budgets: (P-28 Log Boom Park Waterfront Access Project, P-27 Squire's Landing Park Waterfront Access Project and P-18a Rhododendron Park Boardwalk and Float Project).

MOTION: Deputy Mayor Herbig made a motion to allocate $74,000 to 3 and $40,000 for the Hangar, Councilmember Marshall seconded the motion.

AMENDMENT TO THE MOTION:	**Councilmember Denuski made an amendment to the motion to retain the $40,000 for future art (assuming it may go to the Hangar), Councilmember Curtis seconded the motion. The motion passed unanimously.**
ORIGINAL MOTION VOTE:	**Passed unanimously.**

STAFF REPORT

Heavy Manufacturing History - Bryan Hampson, Development Services Director

ADJOURNMENT

The meeting adjourned at 8:15 p.m.

____
David Baker, Mayor

ATTEST:

____
Kelly M. Chelin, City Clerk

City of Kenmore
City Council Regular Meeting
Minutes
October 7, 2019

5:30 p.m. DINNER

CALL TO ORDER - Mayor David Baker called the meeting to order at 6:00 p.m.

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

Fire District Commissioners and Staff were also in attendance.

FLAG SALUTE

JOINT MEETING WITH THE NORTHSHORE FIRE DISTRICT BOARD

<u>NEMCo/Emergency Management Update</u>

<u>City/Fire Marshall Partnership</u>

<u>Other City Updates</u>

<u>Other Fire District Updates</u>

<u>Fire District Consolidation Update</u>

<u>Station 54 Future Use</u>

<u>Northshore Fire Department’s Proposed 2020 Enhanced Community CPR/AED Training Initiative</u>

<u>West Sammamish Bridge Replacement Project Status</u>

The Council took a break from 6:55 p.m. to 7:02 p.m.

BUSINESS AGENDA

Update on CIP Project P-30 - Rhododendron Boathouse - Rob Sayre-McCord, Parks Project Manager

On 10/7/19 staff and project consultant, Osborn Engineering, will be on hand to give a short presentation on the Rhododendron Boathouse. Current design plans and construction cost estimates are attached in the Council packet, as well as updated budget estimates. Staff is seeking Council guidance on the preferred construction approach and the Council's preferred approach to funding any potential budgetary shortfall.

Project Status Update Since January 2019: The city received 90% design plans and corresponding construction cost estimates from Osborn Consulting on 8/14/19. The city has performed a biddability and cost assessment review as well as an internal design review, in conjunction with our community advisory committee.

Construction Cost Estimates and Budget Estimates:

• Schedule B 40' x 70' Building Shell: This schedule includes the concrete building slab/piles; paved asphalt path; wetland mitigation/plantings/irrigation; waterline extension; and boathouse building shell (metal sheeting with garage doors, interior restroom facilities, and boat racks). The building shell does not include a second level, balcony area, lift, mezzanine framing, flooring, coaches office, staircase. The total cost estimate is $766,326. The total construction cost includes: construction cost estimate $666,370 + $66,637 (10% sales tax) + $33,319 (5% contingency).

The total budget estimate is $1,158,481. The total budget estimate includes construction costs and all other anticipated costs (e.g. permits, consultant contract amendments, construction management). This estimate is $26,538 under the current CIP budget ($1,185,019). However, this estimate assumes that the School District's $250,000 contribution for tenant improvements can be fully allocated. However, School District funding is limited to only certain aspects of the project, termed 'tenant improvements', and Schedule B does not include many of these fundable aspects. Consequently, current projections limit School District contributions to $152,276 of their available $250,000, resulting in a funding shortfall of $71,186.

• Schedule C 40' x70' Building with Second Floor: This includes all elements of Schedule B plus a second level, balcony area, lift, mezzanine framing, flooring, coaches' office, and staircase. The total cost estimate is $867,641. The total cost includes: construction cost estimate $754,470 + $75,447 (10% sales tax) + $37,724 (5% contingency).

The total budget estimate is $1,250,677. This estimate is $65,658 over the current CIP budget. However, this estimate assumes that the School District's $250,000 contribution can be fully allocated. If, based on current estimates, only $237,091 of the School District's funds can be allocated, then there is a funding shortfall of $78,567.

Options for Bid Package and Funding:

1. Pursue Schedule B 40’ x 70’ Building Shell: This option would allow the building to be used as a basic storage center while additional non-city funding is secured to complete the remaining building improvements at a later date. Staff also needs direction on the Council’s position for allocating any additional City funds if the potential budget shortfall is $71,186 assuming all school district funds cannot be allocated. Staff is also seeking any preliminary direction on Council’s position for allocating any additional City funds if the construction bids come in above the current CIP allocation.

2. Pursue Schedule C 40’ x 70’ Building with Second Floor: This option is consistent with Council’s prior direction. However, staff needs direction on the Council’s position for allocating any additional City funds for the $65,568-$78,567 current estimated budget shortfall. Staff is also seeking preliminary direction on Council’s position for allocating any additional City funds if the construction bids come in above the current CIP allocation.

3. Pursue Schedule B +C: This option creates a bid alternate package that would allow the City to determine whether to construct the foundation and building shell (Schedule B) or the complete building (Schedule C) once bids have been received. However, staff would still appreciate Council direction on Council’s position for allocating any additional City funds based on the estimated budget shortfall or if construction bids come in over the current CIP allocation.

Staff Recommendations: For the preferred construction bid package schedule option, staff recommends that Council selects Option 3 (Schedule B +C) as this allows for greater future flexibility and the highest likelihood of saving the city money through design and construction in both the short and long-term.

If Council selects Option 3, then staff is seeking Council direction on funding for the estimated budget shortfall of $65,568 to $78,567. Council has two options: 1. Use City funds (general fund balance or strategic opportunity funds or 2. Non-city funds (e.g. non-profit fund raising, or other private funding source).

Background: At the 10/15/18 Council meeting, Council direction was to pursue a 20’ x 70’ building ($479,959) plus a concrete pad ($50,000) that could accommodate a larger 40’ x 70’ building. The total project cost estimate $586,759 ($529,959 plus $56,800 prior year expenditures). At the 1/14/19 Council meeting, Council direction 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 40’ x 70’ boathouse. The project cost estimate provided to Council on 10/15/18 for the 40’ x 70’ boathouse was estimated at $850,000. The cost estimate presented to Council on 7/22/19 during the discussion of the six-year Capital Improvement Program was $1,185,019 (plus $56,800 spent prior to 2019) giving a total project cost estimate of $1,241,819.

Ordinance No. 19-0947 adopted 9/9/19 amended the 2019-2024 Capital Improvement Program (CIP). $1,185,019 is allocated to the Rhododendron Boathouse Project, giving a total project cost of $1,241,819 ($56,800 spent prior to 2019. Funding sources in the 2019-2024 CIP include the following:
State Capital Budget S1889 – $242,500
Northshore School District (awaiting confirmation) – $250,000
King County Youth Sports Grant (awaiting confirmation) – $611,000
Recreation and Conservation Office ALEA Grant 12-1963 – $22,625
Park Impact Fees – $23,469
REET – $12,800

MOTION: Councilmember Srebnik made a motion to concur with the staff recommendation to go with options B & C, Councilmember Denuski seconded the motion. The motion passed 5-1-0 with Councilmember Marshall opposed.

MOTION: Councilmember Curtis made a motion to ask the Pocock Foundation (and other private foundations) to do the fundraising for the project and ask for a specific amount, which would most likely be $100,000, Councilmember Smith seconded the motion. The motion passed unanimously.

<u>Proposed 2021-2026 Financial Sustainability Plan Process -Rob Karlinsey, City Manager and Joanne Gregory, Finance and Administration Director and Torie Brazitis, Chancery Civic LLC</u>

City Manager Karlinsey and Director Gregory explained that due to State-imposed limits property tax growth, relatively flat growth in other revenues, and other factors, the City's operating revenues are not keeping pace with the cost of doing business. As a result, the City of Kenmore faces an upcoming structural deficit in its operating budget (General Fund, Street Fund). To determine how to resolve this problem, the City proposes to gather information and conduct due diligence on its finances from October through December 2019. After that, the City proposes to convene a community conversation through spring 2020 to present this information, solicit input on these challenges, evaluate options, and work with the community to create a set of recommended actions for the City Council's consideration.

The goal of this two-phase process is to create a Financial Sustainability Plan for the City Council's approval. The goal of this plan would be to resolve the budget gap for six years (2021-2026, or for three budget biennia) in a way that reflects the community's values.

Phase 1: Information Gathering and Preparation
October 2019 through December 2019

Before beginning a discussion on these issues, the City will spend three months confirming all important information. The City will verify priority City programs and spending through the Priority-Based Budgeting process and get an independent evaluation of its long-range financial forecast. It will also commission and complete a 2019 community survey to gauge citizen satisfaction with quality of life, service levels, and current costs.

Finally, following the City Council's approval of this plan, the City will communicate this work to the community and advertise for applications to the City Manager for an Citizens Financial Sustainability Task Force to review the information and advise the City Manager on these issues. The task force would convene in early 2020 to review all the information gathered in the fall of 2019, ask questions of staff, suggest alternatives, discuss options, and make recommendations to the City Manager in late spring 2020. Staff will create a task force charter in November in alignment with this approach.

The purpose of this phase is to confirm all technical information and prepare useful, accurate information for the City Council and the community on current resident satisfaction with City services and costs, the City's current financial condition, long-range financial forecasts, the underlying causes of the upcoming gap, and possible solutions.

All information gathered in this phase will be presented to the City Council at their retreat in January 2020 before the task force begins its work.

Phase 2: Community Engagement and Development of Recommendations
January 2020 through June 2020

In this phase, the task force will convene with the support of City staff and consultants to work to review the problem, understand the City finances and constraints, review the long-range financial forecast and options available to close the gap, and make recommendations to the City Manager by late spring 2020. This phase will include public communications and public engagement activities. These activities will include information posted on websites, newsletter articles, social media posts, dissemination of information through partner organizations, updates at City Council meetings, public meetings, and others.

In early summer, the City Manager will transmit all public feedback, the task force's report, and all summary executive recommendations to the City Council for its review and consideration. The final Financial Sustainability Plan will need City Council approval before it can be implemented.

Requested Actions
To initiate this project, the City Council is asked to take five actions:

1.) Confirm Priority-Based Budgeting results for the City of Kenmore 2021-2022 biennial budget process.
2.) Approve the proposed process to create a Financial Sustainability Plan (Exhibit B).
3.) Provide feedback to staff on success criteria for this project.

a. How will you know our work on this project has been successful? Please share your vision for community engagement on this topic.

4.) Authorize the City Manager to execute two professional services agreements:

a. Management Partners (financial evaluation, expertise, advising) - $62,900 for two phases of work to support this project:

i. Independent evaluation of City finances and long-range financial model (fall 2019)

ii. Ongoing support for City Council and task force to evaluate options and create a strategies matrix (early 2020)

b. Chancery Civic LLC (project management) - $47,520. There is no additional capacity among existing City of Kenmore staff to manage this project. The proposed consultant would function as an extension of staff to manage this project and coordinate public communications and community engagement activities without incurring the ongoing expenses or benefit costs of an FTE. This contract covers a maximum of 15 hours of work per week for 33 weeks (October 7, 2019-May 22, 2020), with a not-to-exceed amount of $47,520 for the project.

In addition to staff time, professional services agreements, including a community survey, to accomplish this project will total approximately $139,000. A budget amendment, utilizing General Fund reserves, would be included in the mid-biennium budget adjustment presented in late October or November.

MOTION: Deputy Mayor Herbig made a motion to add the word safe to the main "bubble" on the PBB diagrams, Councilmember Srebnik seconded the motion. The motion passed unanimously.

MOTION: Deputy Mayor Herbig made a motion to revise language to add words like safe roads, sidewalks, pedestrian and bike paths to effectively move people and goods. He then withdrew his motion.

MOTION: Councilmember Smith made a motion to approve the process to create a Financial Sustainability Plan with the citizen committee, Deputy Mayor Herbig seconded the motion. The motion passed unanimously.

MOTION: Councilmember Smith made a motion to approve both contracts with Management Partners and Chancery Civic LLC, Councilmember Curtis seconded the motion. The motion passed unanimously.

RECESS TO EXECUTIVE SESSION

The meeting recessed to executive session at 8:15 p.m. to discuss potential litigation per RCW 42.30.110 (1) (i) for approximately 30 minutes. There will be no action.

RECONVENE TO REGULAR SESSION
The meeting reconvened to regular session at 8:42 p.m.

ADJOURNMENT
The meeting adjourned at 8:42 p.m.

____
David Baker, Mayor

ATTEST:

____
Kelly M. Chelin, City Clerk

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: August 2019 Financial Report	For Council Meeting Agenda of: October 21, 2019 Department: Finance and Administration Prepared by: Joanne Gregory Initial & Date Approved by Department Head: JMG 10-9-19 Approved by City Attorney: Approved by Finance Director: JMG 10-9-19 Approved by City Manager: RDK
Proposed Council Action/Motion: Receive and File August 2019 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: August 2019 Financial Report for the City of Kenmore, Washington.

INFORMATION/BACKGROUND:

The August 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:

August is the eighth month of the 2019-2020, 24-month biennium. As of August, revenues exceeded expenditures in the General Fund by $45,821.

Both total revenues and total expenditures are tracking at about 30% of the biennial budget. Sales tax revenue is about $500,000 higher than expected as of August, however, costs of gearing up the Public Works operation are driving up the year to date expenditures in the General Fund; $462,000 spent to date. A budget amendment will be presented during the mid-biennium budget review.

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.

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18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

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

August 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

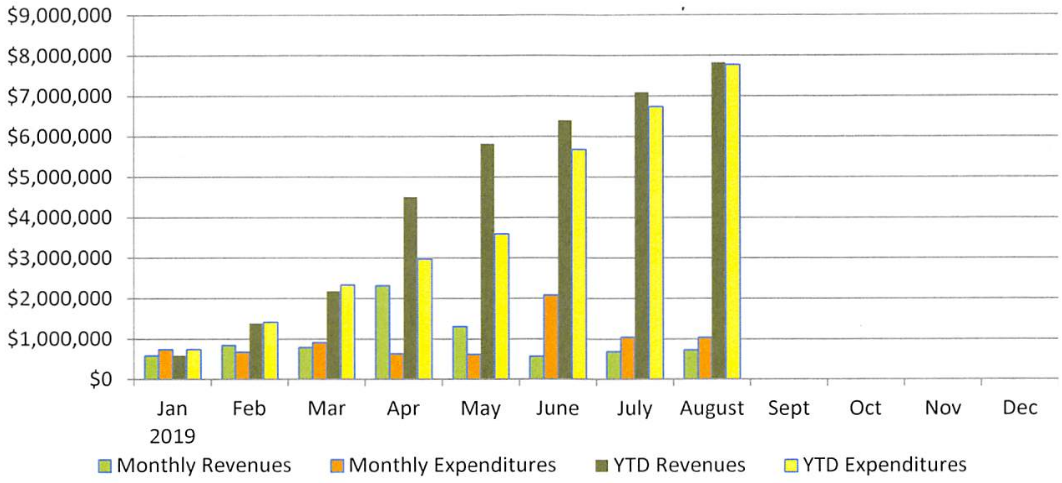
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

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, August is the eighth month (32%) of the 2019-2020 biennial budget period. For the month of August, expenditures exceeded revenues in the General Fund by $308,862. Biennium to date revenues exceed expenditures by $45,821.

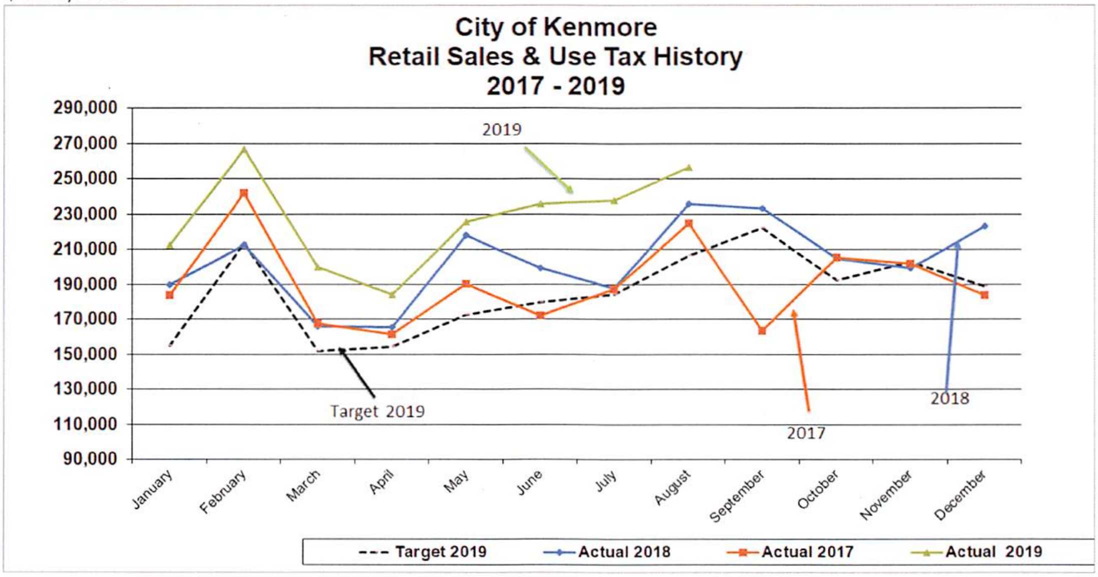
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through August 2019.

City of Kenmore, Washington
Monthly Financial Report
August 2019



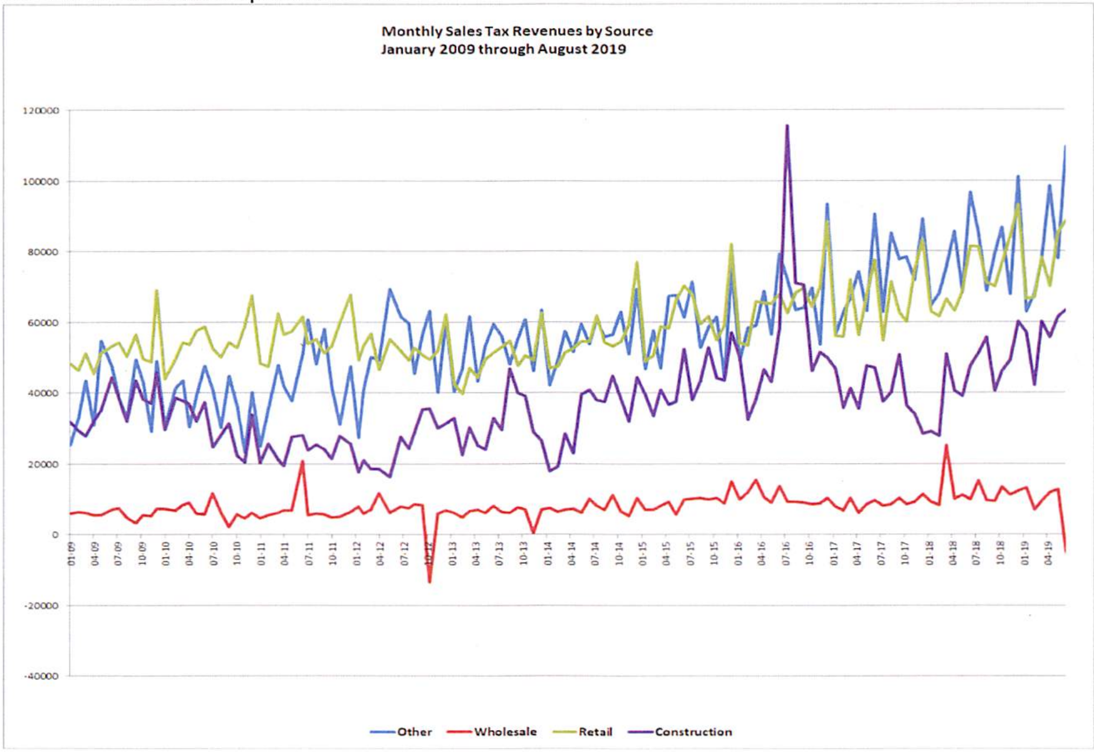
Total **revenues** for the month were **$735,431.** Biennium to date revenues are $7,827,346, which is 30% of the budgeted revenues of $25,927,872. Primary sources of revenue for the month included property taxes in the amount of $15,024, development fees & permits in the amount of $80,959, retail sales and use taxes in the amount of $256,744, franchise fees in the amount of $158,472 and utility taxes in the amount of $65,849.

A summary of sales tax revenues received in August is attached. These receipts are based on June 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 $243,890 above 2018 and ahead of the 2019 target by $401,525.

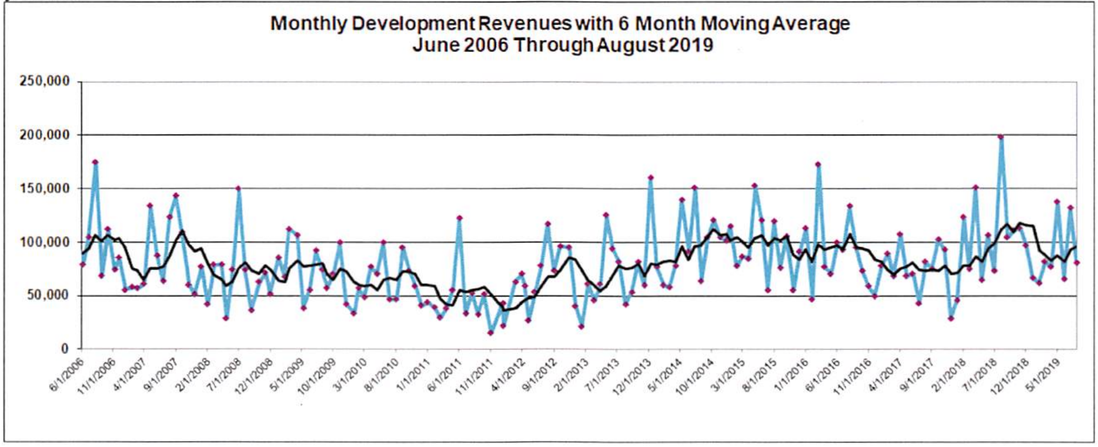


City of Kenmore, Washington
Monthly Financial Report
August 2019

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



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



August 2019 expenditures were **$1,044,293.** Biennium to date expenditures are $7,781,525, which is 30% of the biennial budget expenditures of $25,927,872.

Total City cash ($18,998,201) and long-term investments ($9,064,615), at the end of August, totaled $28,062,816. 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 $753,983 and total non-General Fund expenditures were $1,104,603.

In the **Street Fund** revenue from gas tax distributions were $40,604. $87,122 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund,** there were expenditures in the amount of $628,325 on pedestrian safety projects and $64,787 in street overlay. The fund received $151,948 in grant reimbursements during the month.

The **Park Impact Fee** fund received $5,284 in revenues during the month.

There was $19,200 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received $240,124 of real estate excise taxes (REET) in August from sales activity that occurred in July. 62 transactions were reported during the month. The 2019 year to date revenue is lower than the 2018 revenue by $50,186 and the 2019 target by $112,097.

The **Park Capital** fund had did not have any expenditures during the current month.

The **Walkways & Waterways Debt Service** Fund collected $3,795 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of $651,830.

The **Transportation Benefit District** Fund received $29,146 in vehicle license fees during the month.

SUMMARY

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

	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH August 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH August 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	15,024	2,698,195	26.4%	10,224,205	18,630	2,532,303	26.7%	9,491,704
Sales and Use Taxes	323,754	2,288,017	40.4%	5,662,000	282,493	1,931,738	32.7%	5,906,291
Utility Taxes	65,849	744,185	30.2%	2,466,355	78,537	894,394	32.9%	2,717,485
Other Taxes	15,445	95,473	52.5%	181,868	13,794	60,178	27.6%	218,113
Development Fees & Permits	80,959	704,660	38.0%	1,854,042	81,551	607,355	29.6%	2,050,518
Franchise Fees	158,472	670,837	36.6%	1,831,835	153,964	655,518	37.6%	1,743,476
Intergovernmental and Grants	40,809	345,687	32.7%	1,057,677	0	292,059	34.7%	841,615
Investment Interest	23,599	70,325	73.8%	95,300	-4,622	87,634	168.5%	52,000
Fines and Forfeitures	0	0	n/a	0	-323	-958	0.0%	0
Transfers and Other Revenues	11,521	209,967	8.2%	2,554,590	7,130	175,960	11.0%	1,600,972
Total Revenues	735,431	7,827,346	30.2%	25,927,872	631,154	7,236,181	29.4%	24,622,174
Total Revenues & Beginning Fund Balance		12,761,714		30,862,240		10,375,095		27,753,861

	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH August 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020	MONTH August	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018
EXPENDITURES								
Cost Center								
City Council	22,177	128,803	32.2%	400,337	7,875	117,178	35.6%	329,426
City Manager	150,406	1,107,936	33.3%	3,331,467	150,908	999,570	30.0%	3,328,297
City Clerk	37,435	243,896	28.5%	856,966	10,287	157,178	37.0%	425,368
Finance	57,531	667,728	36.1%	1,851,887	85,451	662,051	39.6%	1,672,775
Legal	18,288	190,275	35.9%	530,000	39,454	171,567	34.3%	500,000
Interfund Transfers	0	0	0.0%	1,602,484	0	0	0.0%	1,403,228
Public Safety	359,001	2,465,101	27.0%	9,133,991	343,654	2,319,390	26.3%	8,806,304
Engineering & Environmental Services	72,424	494,604	29.8%	1,658,620	81,453	451,218	31.9%	1,415,011
Community Development	84,812	555,711	32.7%	1,698,893	49,717	367,246	21.4%	1,715,510
Developmental Services	118,513	733,104	30.1%	2,436,502	71,147	685,004	32.1%	2,131,288
Parks & Facility Maintenance	123,707	1,194,367	49.2%	2,426,725	68,822	595,730	20.9%	2,854,489
Total Expenditures	1,044,293	7,781,525	30.0%	25,927,872	908,768	6,526,131	26.5%	24,581,696
Ending Fund Balance	-308,862	4,980,189	0	4,934,368		3,848,964		3,172,165
Total Expenditures and Ending Fund Balance		12,761,714		30,862,240		10,375,095		27,753,861

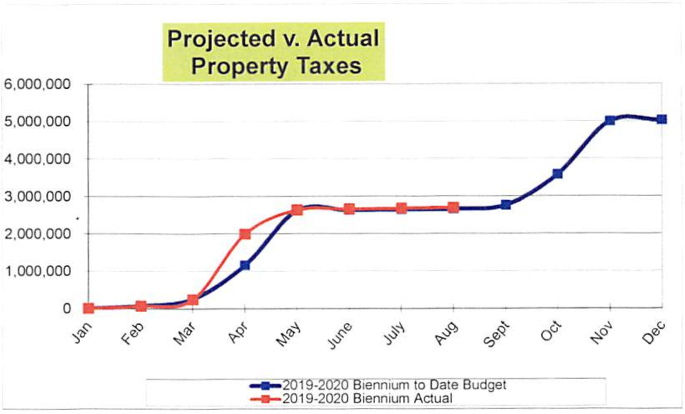
*Non-Departmental expenditures have been moved to other General Fund Cost Centers

I:\Admin & Finance\Monthly Reports\2019\August 2019\General Fund

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

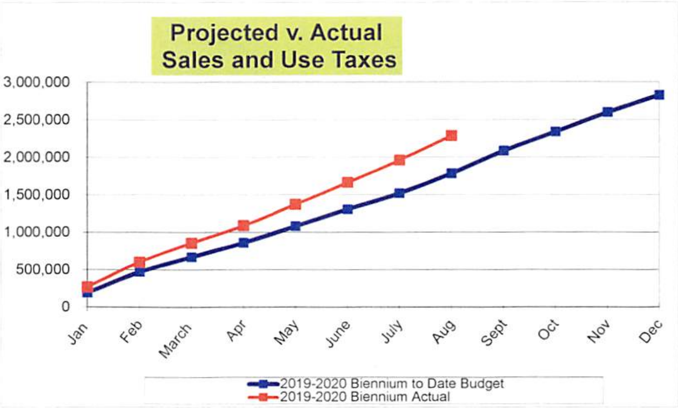
PROPERTY TAXES

	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	2,698,195
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%



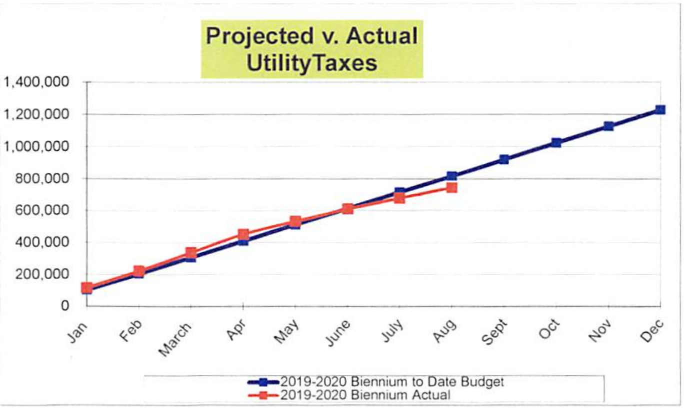
SALES, USE, CRIM JUSTICE TAXES

	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	2,288,017
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		128%



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	744,185
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		91%



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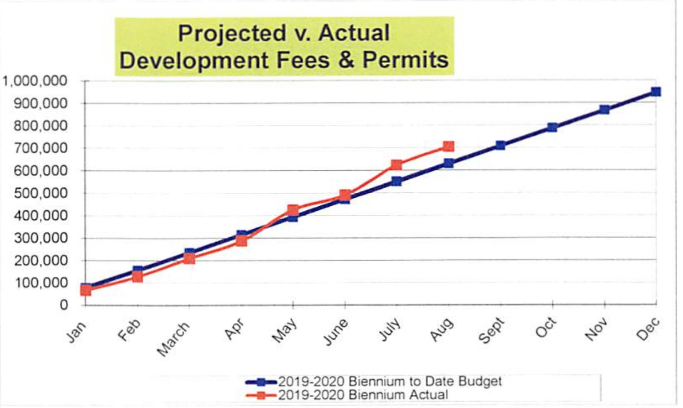
City of Kenmore, Washington
General Fund Revenue Graphs
August 31, 2019

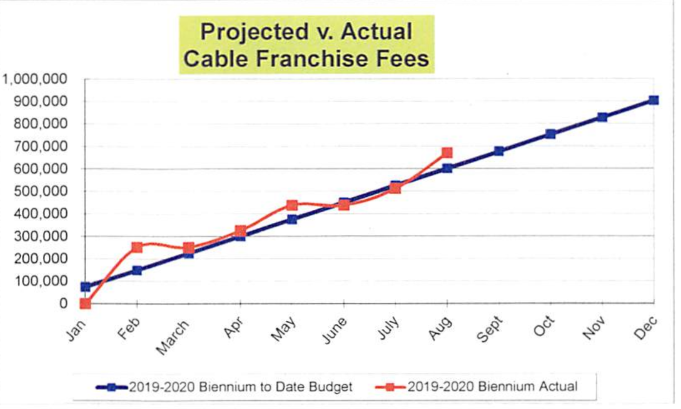
DEVELOPMENT FEES & PERMITS

	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	704,660
Sept	709,182	
Oct	787,980	
Nov	866,778	
Dec	945,576	
'2019-20	1,854,042	
Year To Date		
Actual v. Projected		112%



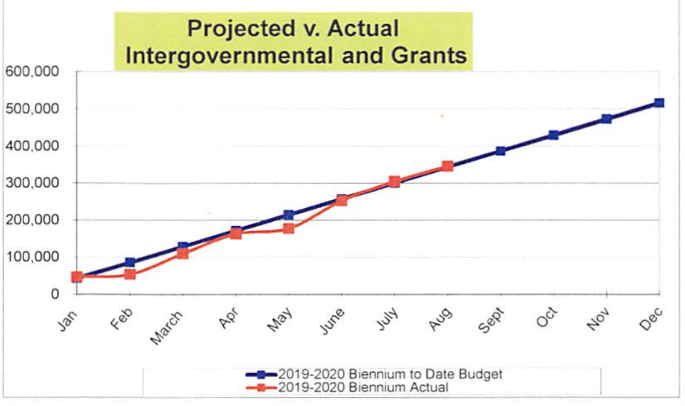
CABLE/WATER/SEWER FRANCHISE FEES

	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	670,837
Sept	676,787	
Oct	751,985	
Nov	827,184	
Dec	902,382	
'2019-20	1,831,835	
Year To Date		
Actual v. Projected		112%



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	345,687
Sept	386,738	
Oct	429,709	
Nov	472,680	
Dec	515,651	
'2019-20	1,057,677	
Year To Date		
Actual v. Projected		101%



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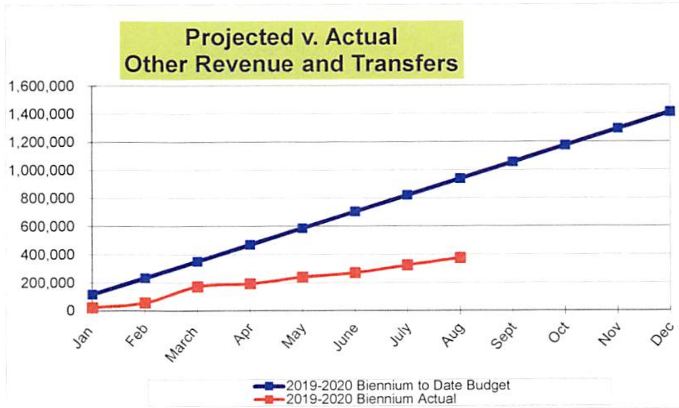
City of Kenmore, Washington
General Fund Revenue Graphs
August 31, 2019

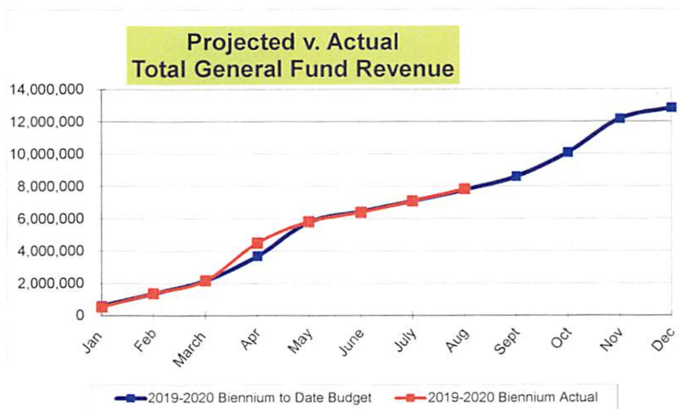
OTHER REVENUES AND TRANSFERS

	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	375,765
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	7,827,346
Sept	8,602,645	
Oct	10,089,562	
Nov	12,178,435	
Dec	12,852,467	
'2019-20	25,927,872	
Year To Date		
Actual v. Projected		101%



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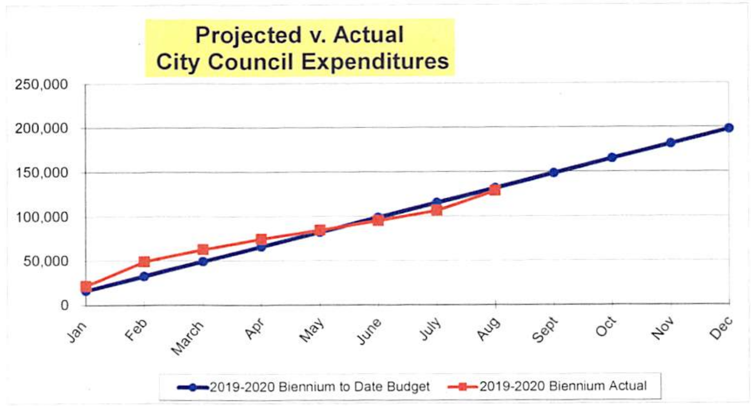
City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2019

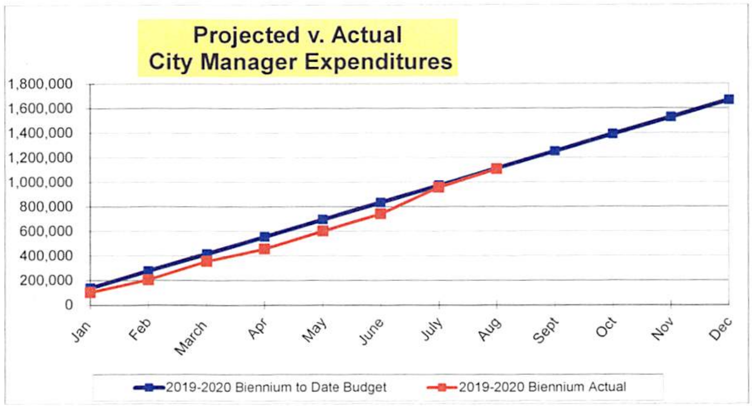
CITY COUNCIL

	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	128,803
Sept	148,465	
Oct	164,961	
Nov	181,457	
Dec	197,953	
2019-20	400,337	
Year To Date		
Actual v. Projected		98%



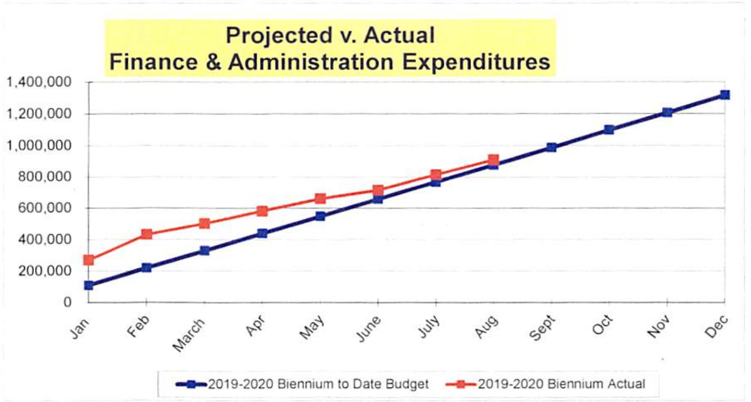
CITY MANAGER

	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	1,107,936
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		100%



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	911,624
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		104%



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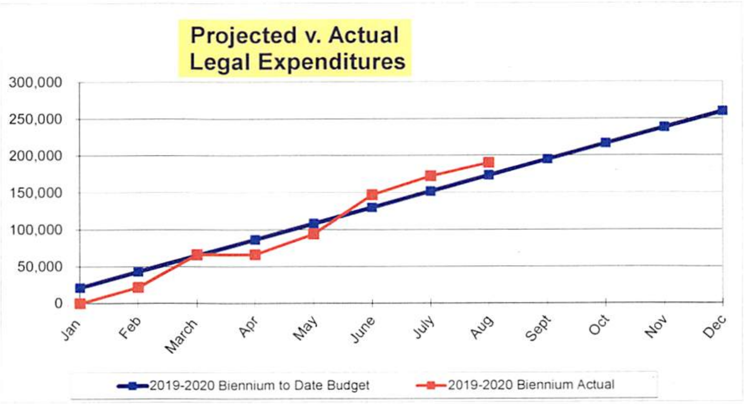
City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2019

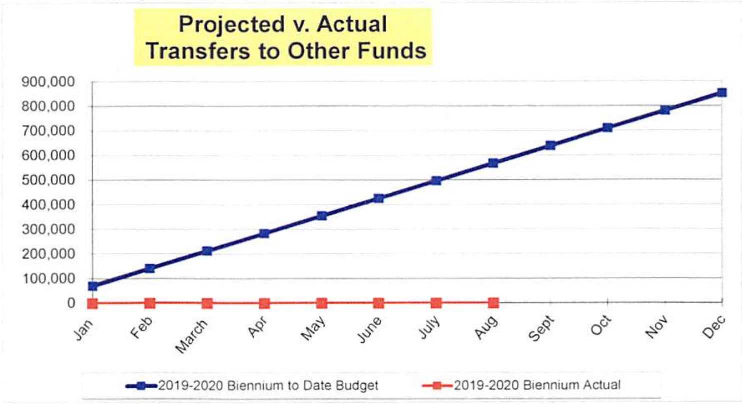
LEGAL

	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	190,275
Sept	195,000	
Oct	216,667	
Nov	238,333	
Dec	260,000	
2019-20	530,000	
Year To Date		
Actual v. Projected		110%



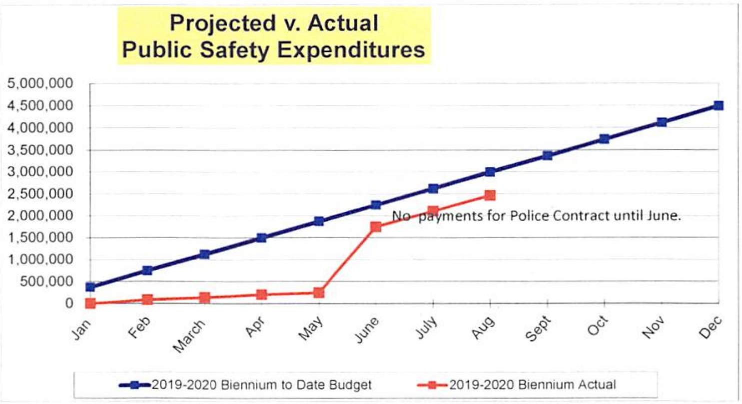
TRANSFERS TO OTHER FUNDS

	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	0
Sept	638,923	
Oct	709,914	
Nov	780,906	
Dec	851,897	
2019-20	1,602,484	
Year To Date		
Actual v. Projected		0%



PUBLIC SAFETY

	2019-2020 Biennium to Date Budget	2019-2020 Biennium Actual
Jan	374,381	4,167
Feb	748,763	83,327
March	1,123,144	139,422
Apr	1,497,525	206,168
May	1,871,906	247,288
June	2,246,288	1,751,151
July	2,620,669	2,106,100
Aug	2,995,050	2,465,101
Sept	3,369,431	
Oct	3,743,813	
Nov	4,118,194	
Dec	4,492,575	
2019-20	9,133,991	
Year To Date		
Actual v. Projected		82%



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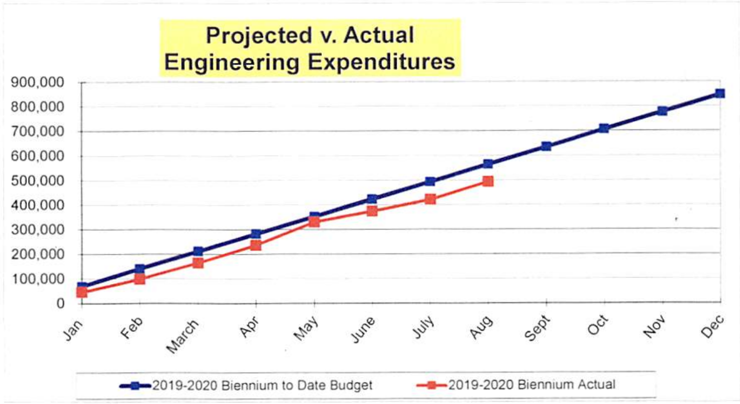
City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2019

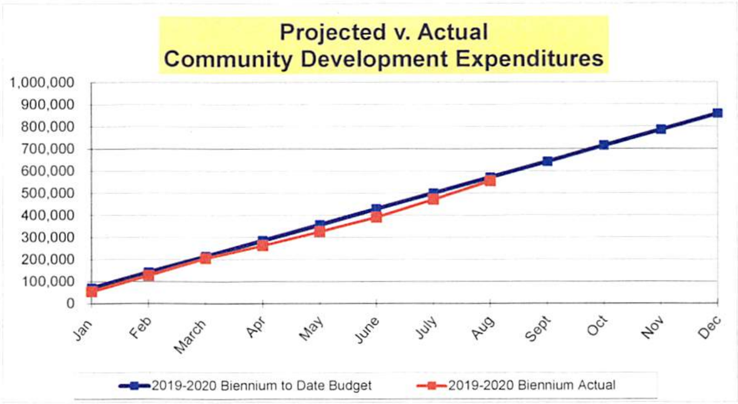
ENGINEERING

	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	494,604
Sept	635,764	
Oct	706,404	
Nov	777,045	
Dec	847,685	
2019-20	1,658,620	
Year To Date		
Actual v. Projected		88%



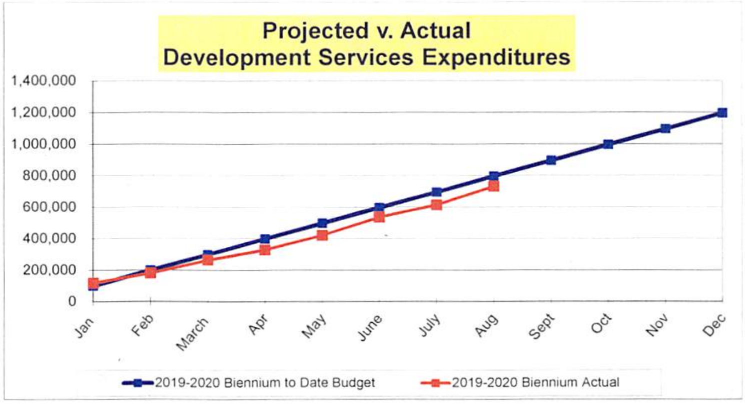
COMMUNITY DEVELOPMENT

	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	555,711
Sept	643,958	
Oct	715,508	
Nov	787,059	
Dec	858,610	
2019-20	1,698,893	
Year To Date		
Actual v. Projected		97%



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	733,104
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		92%



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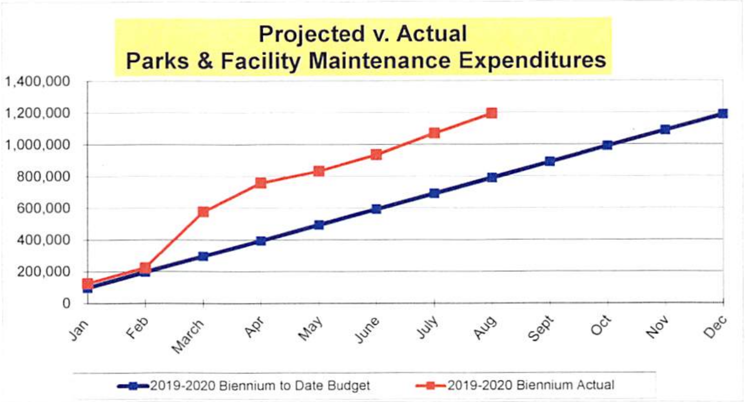
City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2019

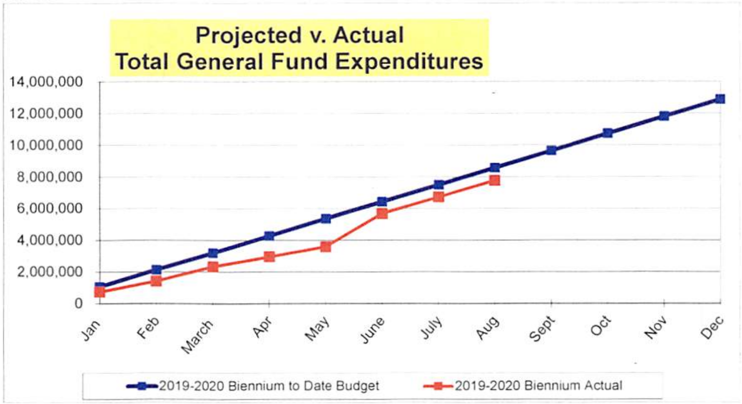
PARKS & FACILITY MAINTENANCE

	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	1,194,367
Sept	890,535	
Oct	989,483	
Nov	1,088,432	
Dec	1,187,380	
2019-20	2,426,725	
Year To Date		
Actual v. Projected		151%



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	7,781,525
Sept	9,658,101	
Oct	10,731,223	
Nov	11,804,346	
Dec	12,877,468	
2019-20	25,927,872	
Year To Date		
Actual v. Projected		91%



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

REVENUES	MONTH August 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BUDGET 2019-2020
Beginning Fund Balance		**926,962**		**926,962**
Fuel Tax	40,604	307,591	30.6%	1,006,385
Investment Interest	528	6,754	135.1%	5,000
Miscellaneous	770	9,817	490.9%	2,000
ROW Permit Fees/Inspections	12,790	112,889	47.0%	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	54,692	452,918	12.5%	3,634,779
Total Revenues & Beginning Fund Balance		1,379,880		4,561,741

EXPENDITURES		BIENNIUM TO DATE 2019-2020	% of BUDGET	BUDGET 2019-2020
Salary and Benefits	78,325	447,674	33.9%	1,320,880
Maintenance & Operations	87,122	429,372	19.8%	2,163,899
Capital	0	144,464	96.3%	150,000
Total Expenditures	165,447	1,021,511	28.1%	3,634,779
Ending Fund Balance		**358,369**		**926,962**
Total Expenditures and Ending Fund Balance		1,379,880		4,561,741

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

Fund	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	$5,289,050	$735,431	$1,044,293	4,980,188
Street	469,123	54,692	165,447	358,368
Transportation Capital	531,606	151,948	693,112	(9,558)
Public Art	70,273	104	0	70,377
Park Impact Fee	665,657	6,274	0	671,931
Transportation Impact Fee	3,085,431	23,783	0	3,109,214
Swamp Creek Basin	1,471,163	2,172	0	1,473,335
Transportation Benefit District	324,106	29,667	0	353,773
Sammamish Bridge Replacement	2,090,493	30,405	2,327	2,118,571
Walkways & Waterways Debt Service	701,423	3,795	0	705,217
Real Estate Excise Tax	1,547,299	242,762	0	1,790,061
Kenmore Village	3	0	0	3
Park Capital	-1,006,866	4,868	142	(1,002,140)
Walkways & Waterways Bond	6,912,220	15,936	0	6,928,156
Surface Water Management	1,739,065	8,757	133,516	1,614,306
Surface Water Capital	-41,153	109,144	109,483	(41,492)
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,324,073	1,954	0	1,326,027
Strategic Opportunities	2,208,038	3,259	0	2,211,297
Equipment Replacement	540,202	797	0	540,999
Trust & Agency	800,718	63,665	575	863,808
Totals	$28,721,925	$1,489,414	$2,148,895	$28,062,444

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	$1,050,948	$3,929,616	4,980,564
Street	-491,631	850,000	358,369
Transportation Capital	-9,558	0	(9,558)
Public Art	55,377	15,000	70,377
Park Impact Fee	-258,066	930,000	671,934
Transportation Impact Fee	3,079,216	30,000	3,109,216
Swamp Creek Basin	73,335	1,400,000	1,473,335
Transportation Benefit District	353,773	0	353,773
Sammamish Bridge Replacement	2,118,571	0	2,118,571
Walkways & Waterways Debt Service	705,217	0	705,217
Real Estate Excise Tax	1,790,059	0	1,790,059
Kenmore Village	0	0	0
Park Capital	-1,002,140	0	(1,002,140)
Walkways & Waterways Bond	6,928,156	0	6,928,156
Surface Water Management	1,104,308	510,000	1,614,308
Surface Water Capital	-41,492	0	(41,492)
Public Works Shop Fund	0	0	0
Strategic Reserve	476,028	850,000	1,326,028
Strategic Opportunities	2,211,298	0	2,211,298
Equipment Replacement	90,999	450,000	540,999
Trust & Agency	763,804	100,000	863,804
Totals	$18,998,201	$9,064,616	$28,062,817

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City of Kenmore, Washington
Investment Schedule
August 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		1.99%
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
	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								3,996,900.00	66,542.30
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							$	**9,064,615.44**	$ **184,082.44**
		Banner Checking and Savings				**0.07% Banner**		**2,789,625.90**	1,952.74
		Opus Savings				**2.36% Opus**		**3,109,797.06**	73,391.21
		LGIP - Primary Account				**2.29% LGIP**		**4,880,313.84**	111,637.18
		LGIP - Bond Proceeds Account				**2.29% LGIP**		**8,218,463.90**	187,997.36
				Total Accounts			$	**28,062,816.14**	**559,060.93**

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City of Kenmore, Washington

SALES TAX RECEIPTS BY BUSINESS TYPE

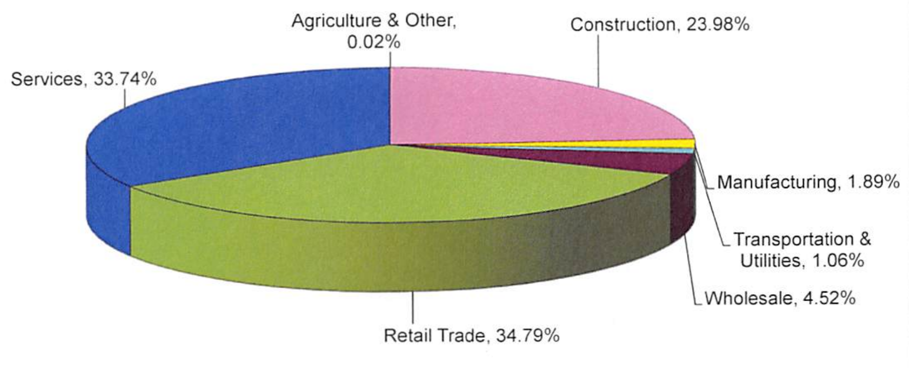
August 2019

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	115.67	0.00	115.67	0.0%
CONSTRUCTION	63,412.41	36.53	63,448.94	24.7%
MANUFACTURING	3,999.49	10.67	4,010.16	1.6%
TRANSPORTATION & UTILITIES	2,332.82	1,144.80	3,477.61	1.4%
WHOLESALE	-5,268.40	141.15	-5,127.25	-2.0%
RETAIL TRADE	88,725.56	168.58	88,894.14	34.6%
SERVICES	86,340.23	642.57	86,982.80	33.9%
INFORMATION	9,331.21	265.99	9,597.20	3.7%
PUBLIC SERVICES	7.13	5,337.74	5,344.87	2.1%
	248,996.11	7,748.04	256,744.15	100.0%

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

Industry	Prior 12 Months ending August 2018	Current 12 Months ending August 2019	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	$10,249	$626	-93.89%	0.02%
Construction	463,339	642,900	38.75%	23.98%
Manufacturing (Printing, Publishing, Other Manuf.)	50,053	50,648	1.19%	1.89%
Transp/Comm/Utilities (Telecomm., Air Transport.)	27,110	28,460	4.98%	1.06%
Wholesale (Lumber, Other Wholesale)	130,713	121,268	-7.23%	4.52%
Retail Trade (Eating, Merchandise, Food Stores)	811,806	932,671	14.89%	34.79%
Services (Auction, Recreation, Auto Repair, Financial)	837,282	904,486	8.03%	33.74%
Totals	$2,330,550	$2,681,059	15.04%	100%
Increase/(Decrease)		$350,508	15.04%	

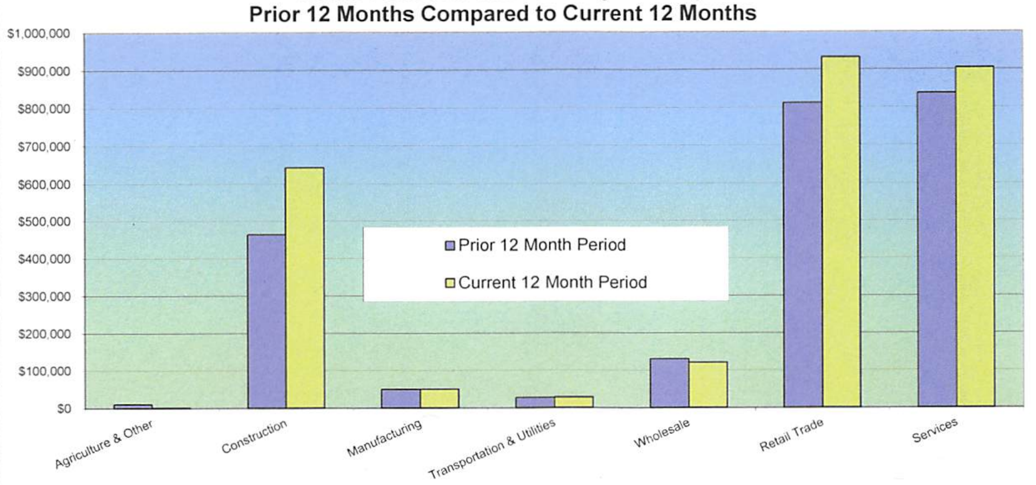
Retail Sales and Use Taxes by Industry
Current 12 Months Ending August 2019



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

Retail Sales and Use Taxes by Industry
Prior 12 Months Compared to Current 12 Months



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City of Kenmore, Washington
Real Estate Excise Tax Report
August 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	240,124	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	$992,976	$1,668,234

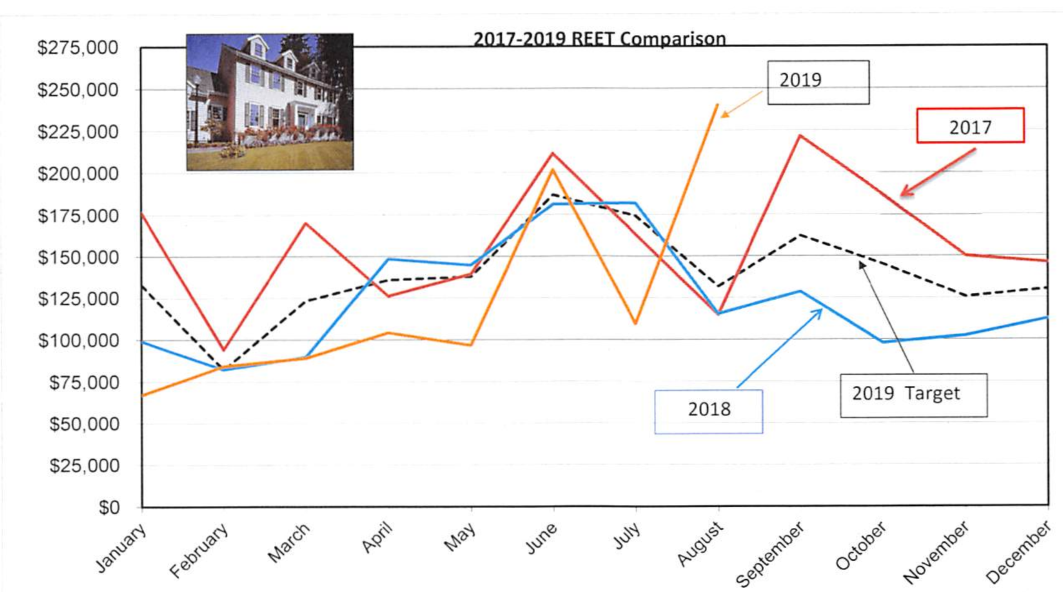
For 2019, REET is $50,186 less than the same period last year and less than the 2019 target by $112,097

* 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	44,530,295	107,161	93,357	97,483	220,425
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	$179,450,649	1,147,305	$1,484,286	$1,254,920	$888,280



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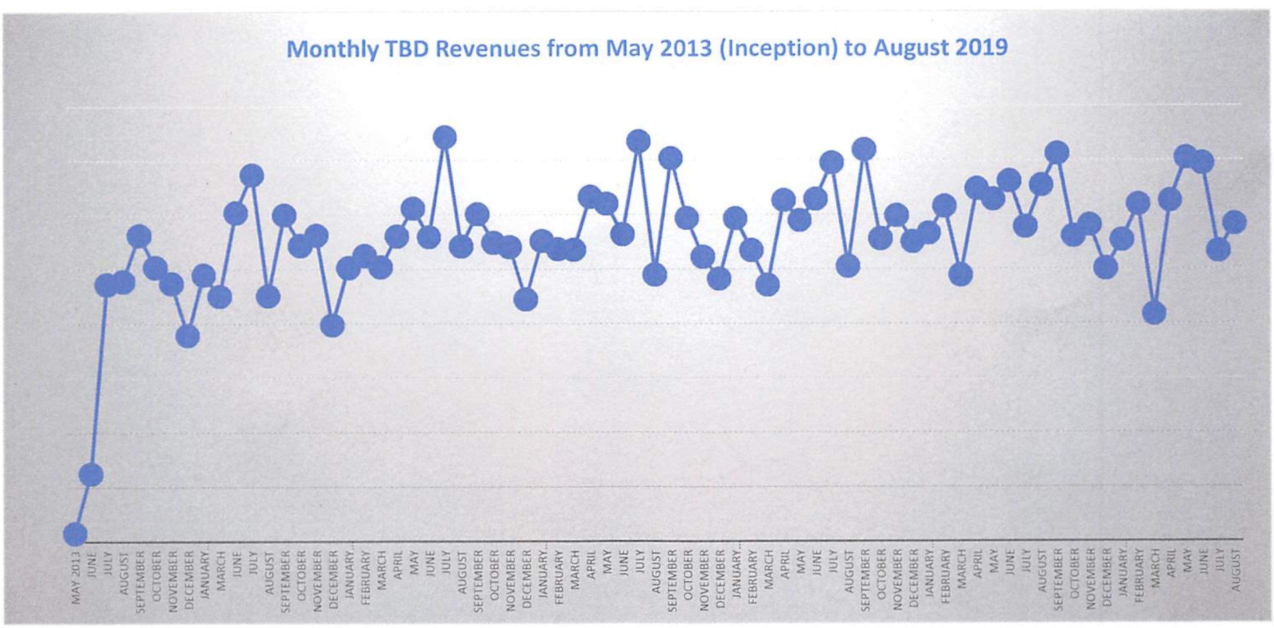
Kenmore Transportation Benefit District
Monthly Report
August 31, 2019

Revenues	August 2019	Biennium-to-Date	Percent of Budget	Biennium Budget
Vehicle Fees	29,146	236,511	33.31%	710,000
Investment Interest		2,381	29.76%	8,000
Total Revenues	$29,146	$238,892	33.27%	$718,000
Expenditures				
Reimbursement to Street Fund		0	0.00%	716,000
Total Expenditures	0	0	0.00%	716,000
Net Income (Loss)	$29,146	$238,892		$2,000



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City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Discussion of the Proposed King County Regional Homelessness Authority **Proposed Council Action/Motion:** Council motion on a position regarding the King County Regional Homelessness Authority	**For Council Meeting Agenda of:** 10/21/2019 **Department:** Community Development **Prepared by:** Debbie Bent, Community Development Director Initial & Date **Approved by Department Head:** DB 10/15/19. **Approved by City Attorney:** ______ **Approved by Finance Director:** ______ **Approved by City Manager:** RDK **Exhibits/Attachments:** None

INFORMATION/BACKGROUND: At the 10/21/19 Council meeting, King County Councilmember Rod Dembowski along with Kelly Rider, King County Government Relations Manager or Leo Flor, Director of the King County Department of Community and Human Services (DCHS) will provide information on the King County Executive's proposal to establish the King County Regional Homelessness Authority. Council will have the opportunity to ask questions and provide feedback and consider a position on whether to support the King County Regional Homelessness Authority and/or join a proposed Interlocal Agreement.

In September, King County Executive Dow Constantine and Seattle Mayor Jenny Durkan transmitted to their respective Councils a proposal for an Interlocal Agreement and Charter for the creation of the King County Regional Homelessness Authority. The scope of the new Authority will include coordination of all outreach, diversion, shelter, rapid re-housing, transitional housing and permanent supportive housing services and most of the region's prevention efforts. King County Council, and Seattle City Council are currently deliberating on this proposal, and all cities from King County are eligible to join the proposed Interlocal Agreement. A charter authorizes the creation of a new Public Development Authority to administer and oversee the regional homelessness efforts. Additional information is available on this website: https://regionalhomelesssystem.org/.

FISCAL CONSIDERATION: Unknown

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

Excerpt from 10/09 SCA Public Issues Committee Meeting:

DRAFT SCA Statement of Principles re Regional Homelessness Authority Proposal 10/9/2019:

• The Sound Cities Association (SCA) recognizes that homelessness is a regional crisis

o People are experiencing homelessness throughout the region

o The acute crisis in Seattle affects the rest of the region

o There are differences in the challenges, and solutions, in subregions of the county that need to be addressed sub-regionally

• Sub-regional planning is key to the success of a region-wide effort

o We need better clarity on how sub-regional plans would be incorporated into a regional plan, and how sub-regional planning efforts would be supported by a proposed regional entity

o There must be a commitment that funding will be disbursed equitably throughout county

o Cities have been told that funds will be distributed without regard to whether a jurisdiction agrees to sign onto an ILA or service agreement – this must be formalized in the legislation

• SCA members have significant questions about the value of forming a new government (PDA) to tackle the challenges of a fractured system

o There are questions about whether the new proposal would be more efficient, or simply more bureaucracy

o SCA cities have requested details on current administrative costs, and anticipated administrative costs under the new proposal

o Questions remain about how signatories would extricate themselves from the structure if it does not work, and/or if future council budgets do not fund, and whether a sunset clause should be built into the legislation

o We must ensure that the new entity is not creating additional silos (with behavioral health, affordable housing, and other systems)

• Before a new entity would be formed, there needs to be high level agreement among policy makers across the region on what objectives we have for an entity

o A common shared understanding of goals is a minimum – more detail on a plan for how to achieve these goals will likely be necessary for many to decide whether to participate

• If a new governance structure is established, policy makers (elected officials) should set policy o A board of experts to oversee day to day operations may make sense but large regional policy decisions, and major budgetary decisions, need to be made by elected officials, who are accountable to the public

• Any board/committee of elected officials should have equitable distribution of power between King County, Seattle, and SCA cities

o A minimum of two seats (north/east and south) for SCA members would be necessary to reflect the sub-regional planning efforts

o Appointments to subcommittees and working board should be made jointly by SCA/County/Seattle

o Approval of any major decision (budget, regional plan, etc.) should have approval from at least one representative from each of the three (SCA/Seattle/King County) to ensure that there is regional buy in

King County Regional Homelessness Authority

Unified Governance

Equity
Efficiency
Accountability

Briefing to the
Kenmore City Council
October 21, 2019

Leo Flor
Director
King County Department of
Community & Human Services

Fragmentation

+

Inequity

Persistent problems in the system we have <u>now</u>

Fragmentation | *A Well Studied Problem*

"Countless hours of thought, discussion and planning have led to this watershed moment, intended to address major shortcomings in a fragmented regional system which has lacked strong central leadership or direction."
https://www.seattletimes.com/opinion/editorials/organize-regional-homelessness-response-carefully/

"…leading significant changes may not be possible as currently structured."

http://www.seattle.gov/documents/departments/pathwayshome/FS.pdf at 51.

"…[D]iffuse authority still hinders regional homeless response."

https://www.kingcounty.gov/~/media/depts/auditor/new-web-docs/2018/homeless-2018/2018-homeless-rpt.ashx?la=en

"With decision making spread across multiple bodies, the system lacks agility to quickly implement change"
https://www.bizjournals.com/seattle/news/2018/05/17/mckinsey-study-king-county-homelessness-crisis.html#g/434959/16 at slide 16.

" Fragmentation across programs and systems is a critical weakness of the homeless service systems in Seattle and King County."
https://hrs.kc.nis.us/actions/2/

Focus Strategies Report
Sep 2016

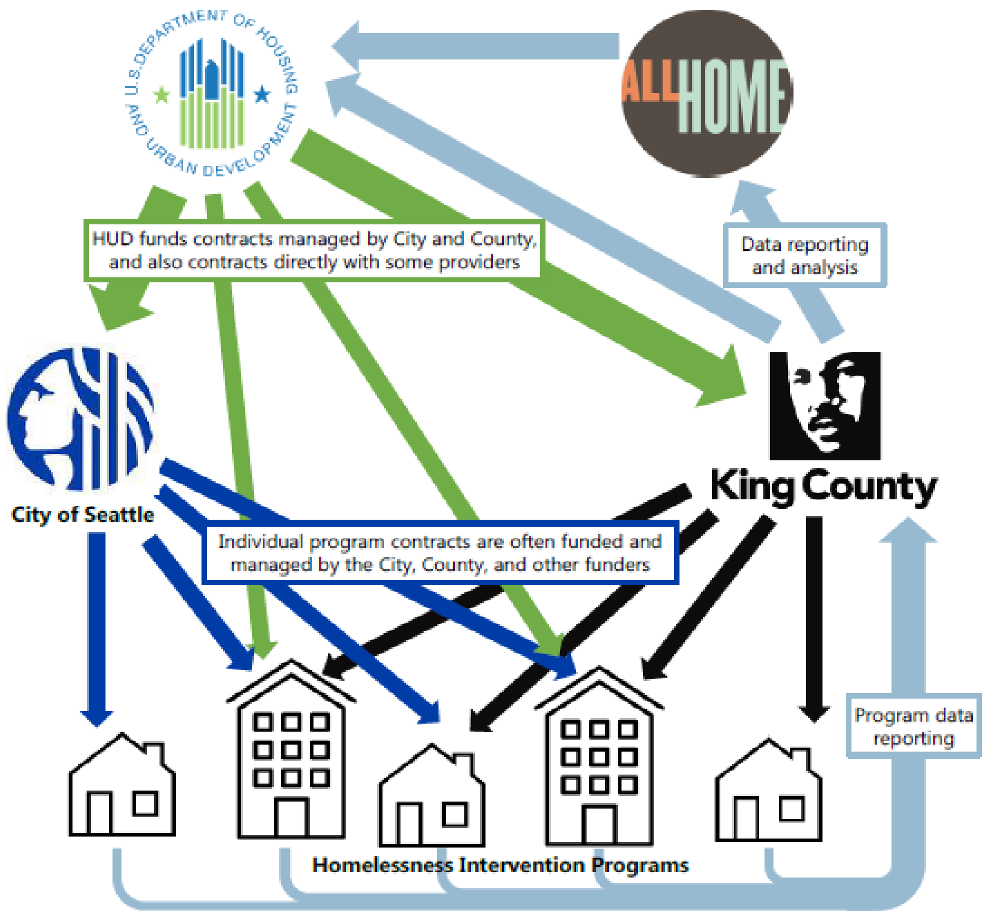
McKinsey Report
Dec 2017

King County Auditor's Report
May 2018

Future Labs Actions
Dec 2018

Seattle Times
July 2019

Fragmentation | *A Well Studied Problem*



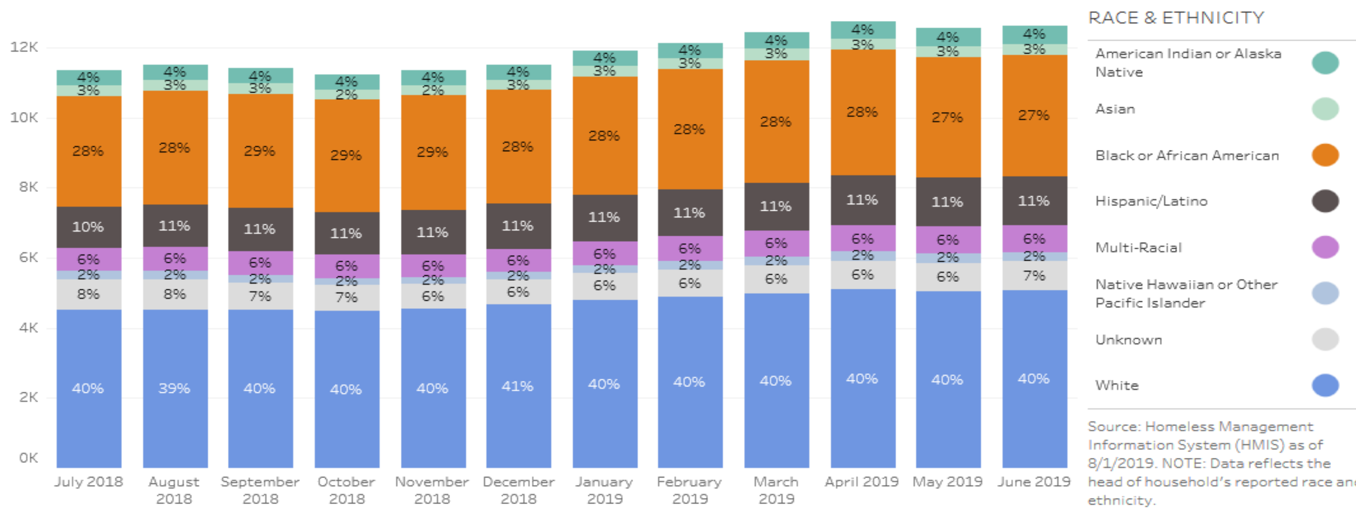
Source: King County Auditor's Office

- **Cumbersome for providers**
  Contracts & Duplication
- **Hard to implement systemic change**
  CEA &
  perf. measures
- **Confusing for clients**
  "Where do I go?"
- **Difficult for sub-regions**
  "Where/How to influence approaches?"
- **Diffuse accountability**

Inequity & Disparity | http://allhomekc.org/data-overview/

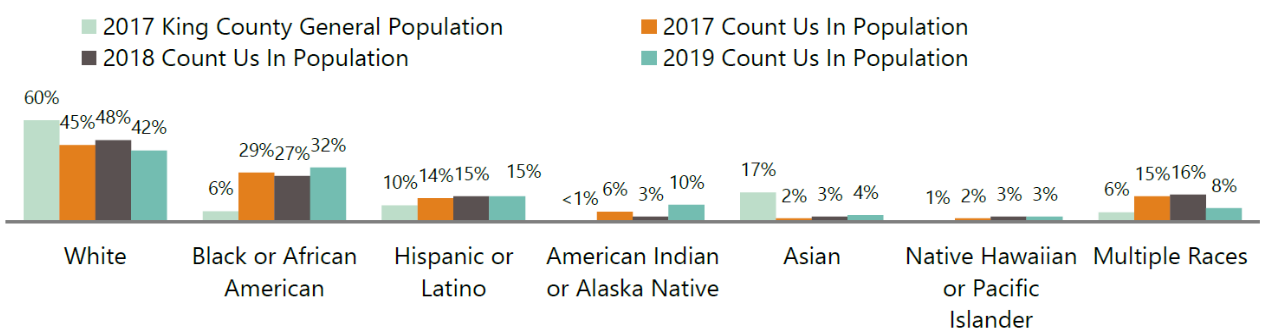
HMIS Data Dashboard

What is the race and ethnicity of those receiving services in the homeless response system?



Point in Time Count

FIGURE 12. INDIVIDUALS EXPERIENCING HOMELESSNESS, TOTAL COUNT POPULATION BY RACE AND ETHNICITY



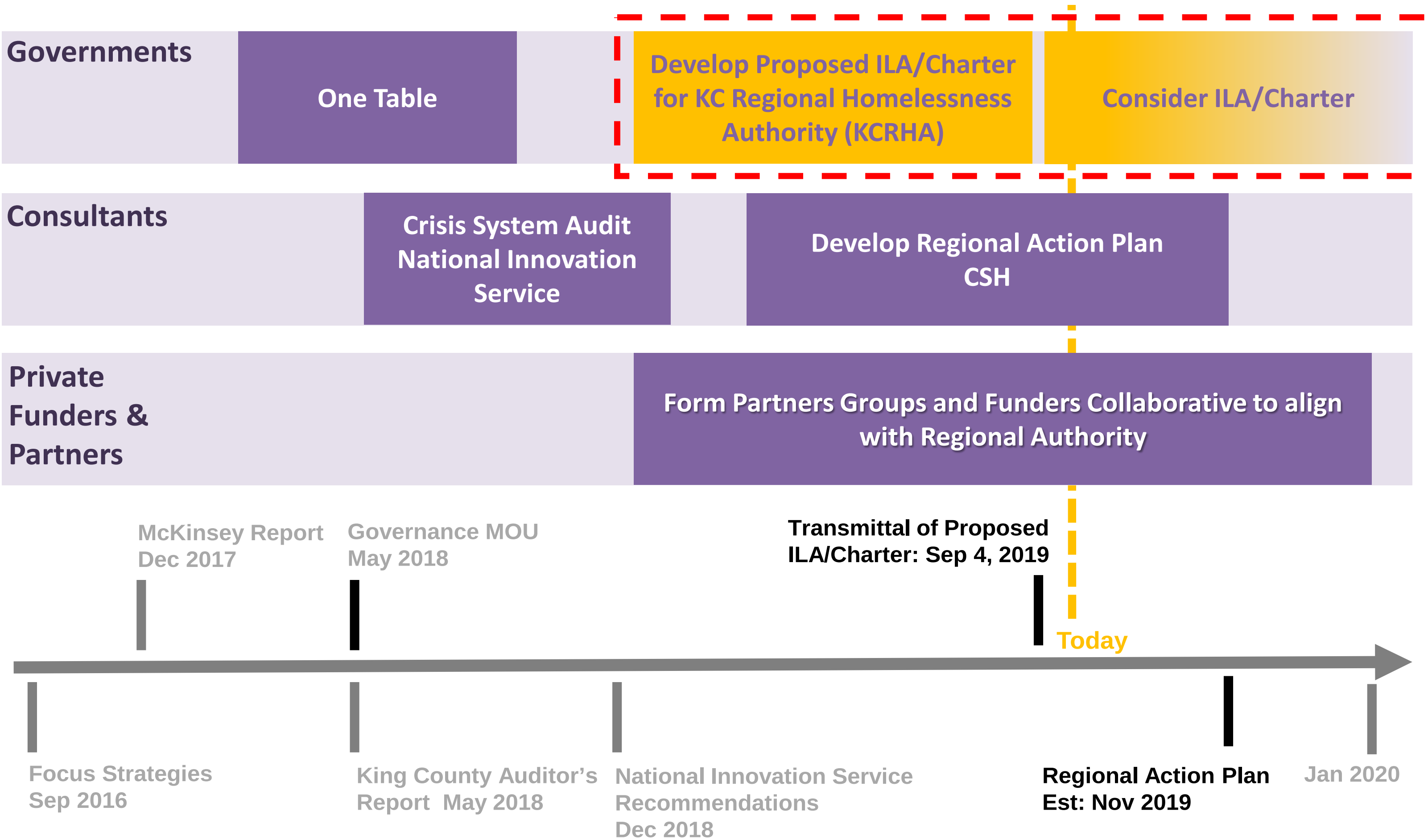
We can solve fragmentation & inequity

Unify Regional Governance

+

Pro-Equity & Person-Centered

Process Overview & Timeline



KCRHA | Engagement

SCA Engagement

- **SCA designated leadership** (Nancy Backus, John Chelminiak, Ed Prince) participated in an Executive Leadership Team in fall 2018 and received two briefings spring 2019
- **SCA Leads and SCA Director** invited/participated in 3 joint KC CMAT/Sea Client Group/SCA meetings. 1 additional meeting is forthcoming.
- **SCA PIC** received briefings nearly monthly on ongoing conversations, including the September meeting
- **SCA Pre-PIC workshop** in fall, 2018 to inform homelessness system redesign recommendations
- DCHS and SCA hosted a briefing/discussion for **all SCA jurisdictions, July 30 & Oct 25**

Additional Jurisdiction/sub-regional Engagement

- **RPC** briefings June 12, July 10, August 21
- **Shoreline City Council** presentation, June 17
- **Bellevue City Council** presentation, September 23
- Individual outreach with elected and/or administrative (city manager or administrator) leadership from: **Auburn, Bellevue, Burien, Kenmore, Kirkland, Redmond, Renton, Tukwila, Shoreline.**
- Briefings/workshops with sub-regional collaborations including **Eastside Homelessness Advisory Committee (EHAC)**, June 6 and August 1

KCRHA | The Basics

Timing

- Council Briefings started 7 months ago at both Seattle and County Councils
- Transmitted on September 4^{th}
- Both Councils currently deliberating

The Legislation & Legal Form

A proposed Interlocal Agreement and Charter to form a **Regional Public Development Authority (PDA)**

Scope

- **Geography**
  King County
- **Levels of Government**
  Federal Continuum of Care, King County, Seattle, Cities that choose to join
- **Services & Programs**
  The Homelessness Response System
- **Unification of <u>Existing</u> Programs & Funding**

KCRHA | Why a PDA?

- **Reduces fragmentation, unifies** governance and administration in a single agency
- **Improves** governmental **efficiency** from **3** to **1** distinct lead entities
- Honors and **retains legislative authority**, including land use and police powers
- **Transforms** to a system centered on equity and customers
- Enables county government to focus on **root causes and upstream prevention**

What is the Homelessness Response System?

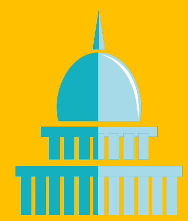
Key Issue: How to coordinate with key systems that the Regional Authority won't control? E.g., Behavioral, & Public Health; Courts; Jails.

Proposed Board Structure

STEERING COMMITTEE

(5-6 Elected Officials; 2 L.E. Appointed)

- King County Executive
- King County Council
- Seattle Mayor
- Seattle City Council
- 1 Sound Cities Member
- 1 additional SCA Member if majority of SCA jurisdictions participate
- 2 Representatives appointed by People who have experienced



Confirm or Reject Members

Approve or Reject Implementation Plan

Approve or Reject Annual Budgets

GOVERNING BOARD

(11 Seats)

- **Experts** with technical skills, knowledge or connections needed to drive the work
- **Majority of the members** would with experience, expertise or identify to credibly represent and be accountable to populations disproportionately experiencing homelessness

Detailed and Persistent Direction of KCRHA

ADVISORY COMMITTEE

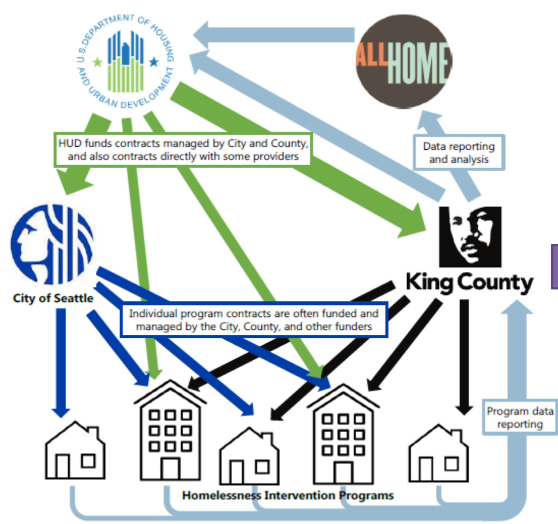
(Appointed by Governing Board as Needed; May Perform CoC Board Role if authorized)

CoC Integratio n

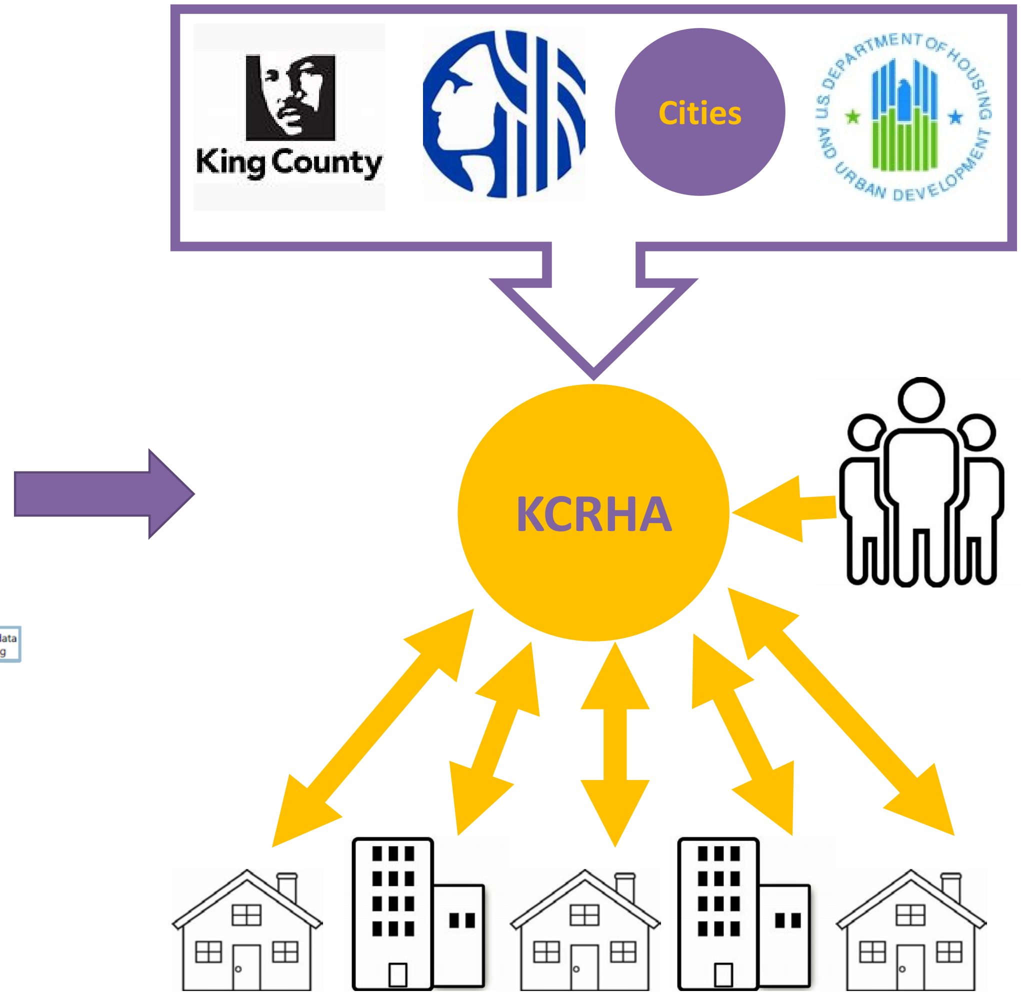
How will KCRHA improve Equity?

- **Office of the Ombuds**
- **Equity-Based Decision Making Framework**
- **Lived Experience at all levels of Governance**
- **Pro-Equity Board Composition**
- **Principles of Equity in ILA**
  - **Equity Performance Measures**
  - **Customer Accountability**
  - **Theory of Change**

How will KCRHA reduce fragmentation?



Source: King County Auditor's Office



How will KCRHA increase accountability?

- **Single and Standard Data Region-Wide**
- **Unified Contracting, Technical Assistance, & Performance Measurement**
- **Clear Answer to "Where do I go?"**
- **Requirement for Sub-Regional Planning**

We've transformed our data systems & surfacing. Visit http://allhomekc.org/data-overview/ to see the capability that--matched with complete regional data--will drive our unified system.

Questions?

Unified Governance

Equity
Efficiency
Accountability

Briefing to the Bellevue Chamber of Commerce
October 9, 2019

Leo Flor
Director
King County Department of Community & Human Services

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: First Reading of Bond Ordinance No. 19-0499	**For Council Meeting Agenda of:** October 21, 2019 **Department:** City Manager, Finance and Administration **Prepared by:** Joanne Gregory, Finance and Administration Director **Initial & Date** **Approved by Department Head:** Jmg 10-9-19 **Approved by City Attorney:** D.G. Pacifica 10-9-19 **Approved by Finance Director:** Jmg 10-9-19 **Approved by City Manager:** RGK
Proposed Council Action/Motion: None	**Exhibits/Attachments:** Attachment 1: Bond Ordinance No. 19-0499 Attachment 2: Preliminary Schedule of Events

INFORMATION/BACKGROUND:

On June 13, 2016, the City Council adopted Bond Election Ordinance No. 16-0422 to place a not to exceed $19,750,000 bond measure for voter consideration at the November 8, 2016 election to fund projects identified during the Imagine Kenmore process.

Known as Walkways & Waterways Proposition 1, the measure was approved by the voters on November 8, 2016. The City issued its Unlimited Tax General Obligation Bonds, 2016, and deposited the receipts into a designated Fund in the amount of $9,752,825 (consisting of the par amount of $9,220,000 plus original issue premium of $639,408) less costs of issuance. The City now desires to issue additional unlimited tax general obligation bonds to provide funds needed to finance the additional components of the Walkways & Waterways Projects and pay for costs of issuance of the bonds.

At the October 21, 2019 Council meeting Deanna Gregory of Pacifica Law Group LLP, who serves as the City's Bond Counsel in this matter, will present the ordinance and provide an overview of the approval process. Also present will be Justin Monwai of Piper Jaffray & Co. who serves as the City's Financial

Advisor. Mr. Monwai will present a Preliminary Schedule of Events that will lead up to the sale of the bonds.

Bond Ordinance No. 19-0499 provides authorization for the City to issue one or more series of bonds in the aggregate principal amount of not to exceed $10,000,000 and delegates authority to the City Manager and Finance Director, for a limited time and within specific parameters, to approve the interest rates, maturity dates, redemption terms and principal maturities for the bonds. The ordinance authorizes the bonds to be issued as tax-exempt obligations or a combination tax-exempt and taxable obligations. This option is intended to provide additional flexibility to the City on how to structure the bonds to achieve the most favorable terms for the City, including the option of designating the tax-exempt bonds as "bank qualified," a designation that may be more attractive to certain investors and may result in better overall interest rates for the City depending on market conditions on the day of pricing.

Based on recent growth in the City's tax base, and being near 40 year interest rate lows, we expect that the bond tax impact beginning in 2020 will be reasonably lower than the $.32 per $1,000 of Assessed Value estimated for voters back in 2016. After the bond sale (planned for November 21st) we will report the results to Council.

This is the first of two readings of the Bond Ordinance and questions and comments from the City Council are encouraged.

Final reading and passage of the Bond Ordinance is scheduled for November 12, 2019 at which time Deanna Gregory of Pacifica Law Group LLP will be present for further discussion and to answer questions.

FISCAL CONSIDERATION:

The Bond Ordinance provides authorization to issue one or more series of bonds in an aggregate principal amount of not to exceed $10,000,000, to finance projects described in the Walkways & Waterways Proposition 1, approved by the voters on November 8, 2016.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

2019-2020 Council Goal No. 2. Implement the Walkways and Waterways projects. .

ATTACHMENT 1

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 19-0499

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $10,000,000, TO FINANCE COSTS RELATED TO CONSTRUCTING, DEVELOPING, ACQUIRING, EQUIPPING, UPGRADING, AND IMPROVING WALKWAYS AND WATERFRONT ACCESS IN THE CITY AND PAYING COSTS OF ISSUING THE BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF THE SALE OF THE BONDS; DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

PASSED NOVEMBER 12, 2019

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

30067 00003 ii19bx276b

ATTACHMENT 1

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. _______

TABLE OF CONTENTS*

* This Table of Contents is provided for convenience only and is not a part of this ordinance.

ATTACHMENT 1

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. _________

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $10,000,000, TO FINANCE COSTS RELATED TO CONSTRUCTING, DEVELOPING, ACQUIRING, EQUIPPING, UPGRADING, AND IMPROVING WALKWAYS AND WATERFRONT ACCESS IN THE CITY AND PAYING COSTS OF ISSUING THE BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF THE SALE OF THE BONDS; DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, at an election held in the City of Kenmore, Washington (the "City") on November 8, 2016, the City submitted the question to the qualified electors of the City of whether the City shall issue unlimited tax general obligation bonds in the aggregate principal amount of not to exceed $19,750,000 ("Bond Authorization") to provide the funds to construct, develop, equip, upgrade, acquire, and improve arterial walkways and waterfront access in the City, including the acquisition of property, as identified in Exhibit A attached to Ordinance No. 16-0422 (the "Election Ordinance") passed by the City Council on June 13, 2016 (the "Project"); and

WHEREAS, the number and proportion of the qualified electors of the City required by law for the adoption thereof voted in favor of the Bond Authorization and the election results were certified by King County Elections, as *ex officio* supervisor of elections in King County, Washington, on November 29, 2016; and

WHEREAS, pursuant to the Bond Authorization and Ordinance No. 16-0434, adopted on November 21, 2016, the City issued its Unlimited Tax General Obligation Bonds, 2016, and deposited into a designated fund a portion of the sale proceeds thereof in the amount of $9,752,825 (consisting of the par amount of $9,220,000 plus original issue premium of $639,408 less costs of issuance); and

WHEREAS, it is deemed necessary and advisable that the City authorize the issuance of additional unlimited tax general obligation bonds (the "Bonds") to provide part of the funds necessary to finance additional components of the Project and to pay costs of issuance for the Bonds; and

WHEREAS, this Council wishes to delegate authority to the City Manager and the Finance Director, or his or her designee (each, a "Designated Representative"), for a limited time, to designate the Bonds of each series as taxable or tax-exempt obligations, and to approve the interest rates, maturity dates, redemption terms and principal maturities for each series of the Bonds within the parameters set by this ordinance; and

WHEREAS, the City expects to receive a proposal from D.A. Davidson & Co. (the "Underwriter") and now desires to issue and sell the bonds to the Underwriter as set forth herein;

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

Section 1. Definitions. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Authorization means the unlimited tax general obligation bonds in the aggregate principal amount of $19,750,000 authorized by the Election Ordinance and approved by the requisite number of voters of the City at a special election held on November 8, 2016 for the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance of such bonds.

Bond Counsel means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Purchase Contract means the contract for the purchase of the Bonds between the Underwriter and the City, executed pursuant to Section 12 of this ordinance.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

Bond Registrar means, initially, the fiscal agent of the State, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bonds mean the City's Unlimited Tax General Obligation Bonds, with such series designation as approved by a Designated Representative, authorized to be issued in one or more series pursuant to the terms of this ordinance.

City means the City of Kenmore, a municipal corporation duly organized and existing under the laws of the State.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to the duties of that office.

City Manager means the duly appointed and acting City Manager, including anyone acting in such capacity for the position, or the successor to the duties of that office.

Closing means the date of delivery of the Bonds to the Underwriter.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Continuing Disclosure Certificate means the written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

Council or ***City Council*** means the Kenmore City Council, as the general legislative body of the City as the same is duly and regularly constituted from time to time.

Debt Service Fund means the fund or account created pursuant to this ordinance for the purpose of paying debt service on the Bonds.

Designated Representative means the City Manager and the Finance Director, or his or her designee. The signature of one Designated Representative shall be sufficient to bind the City.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 of this ordinance.

Election Ordinance means Ordinance No. 16-0422 passed by the Council on June 13, 2016.

Fair Market Value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certificate executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on the Tax-Exempt Bonds, and attachments thereto.

Finance Director means the Finance Director of the City or the successor to such officer.

Government Obligations means direct or indirect obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

Letter of Representations means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

Mayor means the duly appointed and acting Mayor of the City or the successor to the duties of that office.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of the Bonds.

Project means the capital projects described in Section 2 of this ordinance.

Project Fund means the fund or account created pursuant to Section 8 of this ordinance.

Record Date means the close of business for the Bond Registrar 15 days preceding any interest and/or principal payment or redemption date.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of Washington.

Taxable Bonds means any Bonds determined to be issued on a taxable basis pursuant to Section 12.

Tax-Exempt Bonds means any Bonds determined to be issued on a tax-exempt basis pursuant to Section 12.

Underwriter means D. A. Davidson & Co., or its successors.

Section 2. Authorization of the Project. The Bonds are being issued to finance and/or reimburse the City for costs related to constructing, developing, equipping, upgrading, acquiring, and improving arterial walkways and waterfront access in the City as authorized by the Election Ordinance and described in Exhibit A attached thereto, which description is incorporated herein by this reference (the "Project"), and to pay costs of issuance for the Bonds.

Section 3. Authorization of Bonds and Bond Details. For the purpose of paying and/or reimbursing the City for costs of the Project and paying costs of issuance of the Bonds as authorized by the Election Ordinance and by the qualified electors of the City at a special election held on November 8, 2016, the City is hereby authorized to issue and sell one or more series of unlimited tax general obligation bonds in an aggregate principal amount of not to exceed $10,000,000 (the "Bonds"). Notwithstanding anything in this ordinance to the contrary, the issuance of the Bonds shall be subject to satisfaction of the conditions set forth in Section 12 of this ordinance.

The Bonds shall be general obligations of the City and shall be designated "City of Kenmore, Washington, Unlimited Tax General Obligation Bonds" with additional series designation or other such designation as determined to be necessary by a Designated Representative. The Bonds of each series shall be dated as of the date of Closing; shall be fully registered as to both principal and interest; shall be in the denomination of $5,000 each, or any integral multiple thereof, within a series and maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and commencing as provided in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract, as approved and executed by a Designated Representative pursuant to Section 12 of this ordinance.

Section 4. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register*. The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership*. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 4(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held by DTC acting as depository. The City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond of each series maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Finance Director pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Finance Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity of that series then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Finance Director determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain physical Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Finance Director to the Bond Registrar, new Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Bond during the 15 days preceding any principal payment or redemption date.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners or beneficial owners of Bonds.

(g) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by a depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than $1,000,000 of Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption.* The Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 12. The Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 12.

(b) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to it at any time at a price deemed reasonable by the Finance Director plus accrued interest to the date of purchase.

(c) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of $5,000. In the case of a Bond of a denomination greater than $5,000, the City and the Bond Registrar shall treat each Bond of a series as representing such number of separate Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of such Bond by $5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar shall provide any notice of redemption to any beneficial owners. The notice of redemption may be conditional. Thereafter (if the Bonds are no longer held by a depository), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of

the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(A) the redemption date,

(B) the redemption price,

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(D) any conditions to redemption,

(E) that unless conditional notice of redemption has been given and such conditions have either been satisfied or waived, on the redemption date the redemption price shall become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless such redemption has been rescinded or revoked, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds of such series which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds of such series to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give

all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 14 and the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference.

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted, or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

Only such Bonds as shall bear thereon a Certificate of Authentication manually executed by an authorized representative of the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

Section 8. Application of Bond Proceeds. The Finance Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. From the money derived from the sale of the Bonds:

(a) Net premium (premium minus costs of issuance) shall be deposited in the Debt

Service Fund and/or the Project Fund and used to pay debt service on the Bonds coming due on the next upcoming interest payment date or costs of the Project, respectively; and

(b) The balance of the proceeds of the Bonds shall be deposited in the Project Fund and shall be used solely to pay the allocable cost of issuing and selling the Bonds and to finance costs of the Project as authorized by the Election Ordinance.

None of the proceeds of the Bonds shall be used for the replacement of equipment or for other than a capital purpose. The Finance Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted to cities of the State by law and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Project.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Project other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Project, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Tax-Exempt Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to the Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Tax-Exempt Bonds.

(i) *Bank Qualification.* The Finance Director is hereby authorized to designate the Tax-Exempt Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for investment by financial institutions if the City does not reasonably expect to issue more than $10,000,000 of qualified tax-exempt obligations in the calendar year in which the Tax-Exempt Bonds are issued.

<u>Section 10.</u> <u>Debt Service Fund and Provision for Tax Levy Payments</u>. The City hereby authorizes the creation of a fund or account to be used for the payment of debt service on the Bonds (the "Debt Service Fund"). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value.

The City hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the City subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due. All of such taxes and any of such other money so collected shall be paid into the Debt Service Fund. None of the money in the Debt Service Fund shall be used for any other purpose than the payment of the principal of and interest on the Bonds.

The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of the Bonds in accordance with the Continuing Disclosure Certificate.

Section 12. Sale of Bonds.

(a) *Bond Sale*. The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Council has determined that it is in the best interest of the City to delegate to the Designated Representatives, for a limited time, the authority to designate each series of Bonds as Tax-Exempt Bonds or Taxable Bonds and to approve the final interest rates, aggregate principal amount(s), principal amount of each maturity of the Bonds of each series, and the redemption rights for each series of the Bonds.

Subject to the terms and conditions set forth in this Section 12, and subject further to certification of approval of the Bond Authorization, each Designated Representative is hereby authorized to approve the final interest rates, aggregate principal amount, principal maturities, and redemption rights for the Bonds of each series in the manner provided hereafter so long as:

(1) the aggregate principal amount of the Bonds does not exceed $10,000,000,

(2) the final maturity date for the Bonds is no later than December 1, 2039,

(3) the aggregate purchase price for the Bonds shall not be less than 98% of the aggregate stated principal amount of the Bonds, excluding any original issue discount, and

(4) the true interest cost for the Bonds (in the aggregate) does not exceed 4.00%.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute the Bond Purchase Contract on behalf of the City.

Following the execution of the Bond Purchase Contract, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 12 shall expire 180 days after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 180 days after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds are re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 12.

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and execution of the Bond Purchase Contract, the proper officials of the City, including the Designated Representatives, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the City.

Section 13. Preliminary and Final Official Statements. Each Designated Representative is hereby authorized to deem final the preliminary Official Statement relating to the Bonds for the purposes of the Rule. Each Designated Representative is further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of the Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed by him or her to be appropriate.

Section 14. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing a Continuing Disclosure Certificate. Each Designated Representative is hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interests of the City.

Section 15. Lost, Stolen or Destroyed Bonds. In case any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date and tenor to the Registered Owner thereof if the owner pays the expenses and charges of the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

Section 16. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 17. Payments Due on Holidays. If an interest and/or principal payment date for the Bonds is not a business day, then payment shall be made on the next business day and no interest shall accrue for the intervening period.

Section 18. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 19. 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 OF THE CITY OF KENMORE, WASHINGTON AT A REGULAR MEETING ON THIS 12TH DAY OF NOVEMBER, 2019.

CITY OF KENMORE, WASHINGTON

____
David Baker, Mayor

ATTEST/AUTHENTICATED:

____
Kelly Chelin, City Clerk

Approved as to form:

____
Pacifica Law Group LLP

Date of Publication: ____________
Effective Date: ____________

ATTACHMENT 1

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____ $__________

STATE OF WASHINGTON

CITY OF KENMORE

UNLIMITED TAX GENERAL OBLIGATION BOND, 20[__][A (TAXABLE)][B]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Kenmore, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from ___________, 20___, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on ___________ 1, 20___, and semiannually thereafter on the first days of each succeeding ___________ and ___________. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No.____ duly passed by the City Council on _____________, 2019 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

[This bond is designated as the City of Kenmore, Washington, Unlimited Tax General Obligation Bond, 20XXA (Taxable) issued pursuant to the Bond Ordinance to provide a portion of the funds necessary (a) to construct, develop, equip, upgrade, acquire, and improve arterial walkways and waterfront access in the City, including the acquisition of property, as identified in Exhibit A attached to Ordinance No. 16-0422 passed by the City Council on June 13, 2016 and approved by the qualified electors of the City at a special election held therein on November 8, 2016, and (b) to pay costs of issuance. Simultaneously with the issuance of this bond, the City is issuing its City of Kenmore, Washington, Unlimited Tax General Obligation Bonds, 20XXB pursuant to the Bond Ordinance.

This bond is not subject to redemption prior to maturity.]

[This bond is one of an authorized issue of bonds of like series, date and tenor, except as to number, amount, rate of interest, redemption provisions and date of maturity, designated as the City of Kenmore, Washington, Unlimited Tax General Obligation Bonds, 20XXB (the "Bonds"). The Bonds are issued in the aggregate principal amount of $__________ pursuant to the Bond Ordinance to provide a portion of the funds necessary (a) to construct, develop, equip, upgrade, acquire, and improve arterial walkways and waterfront access in the City, including the acquisition of property, as identified in Exhibit A attached to Ordinance No. 16-0422 passed by the City Council on June 13, 2016 and approved by the qualified electors of the City at a special election held therein on November 8, 2016, and (b) to pay costs of issuance. Simultaneously with the issuance of the Bonds, the City is issuing its City of Kenmore, Washington, Unlimited Tax General Obligation Bond, 20XXA (Taxable) pursuant to the Bond Ordinance.

The Bonds are subject to redemption prior to their stated maturities as provided in the Bond Purchase Contract.

The City has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions.]

The City has irrevocably covenanted with the owner of this bond that it will levy taxes annually upon all the taxable property in the City without limitation as to rate or amount and in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond when due. The full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Kenmore, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this ____ day of ___________, 20___.

[SEAL]

CITY OF KENMORE, WASHINGTON

By ___/s/ manual or facsimile___________
Mayor

ATTEST:

______/s/ manual or facsimile____________
City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: ______________________

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is [one of] the Unlimited Tax General Obligation Bond[s], 20___[A (Taxable)][B], of the City of Kenmore, Washington, dated ____________, 2019.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By ____________________________

ATTACHMENT 1

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Kenmore, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. __________ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on November 12, 2019 as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect five (5) days after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Ordinance No. __________ has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of November, 2019.

____
City Clerk

PiperJaffray.

1420 Fifth Avenue, Suite 1425, Seattle, Washington 98101
Tel: 206-628-2882 | Tel: 866-382-6637 | PJCx: 206-343-2103
Piper Jaffray & Co. Since 1895. Member SIPC and NYSE.

ATTACHMENT 2

City of Kenmore, Washington

Unlimited Tax General Obligation Bonds, 2019

Preliminary Schedule of Events

(As of November 16, 2018)

September 2019

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2019

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2019

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 2019

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Staff: City Staff
Council: City Council *[meets 2nd, 3rd & 4th Monday of each month]*
PJC: Piper Jaffray & Co. (Financial Advisor)
BC: Pacifica Law Group LLP (Bond Counsel)
UW: D.A. Davidson & Co.

Date	Event	Participants
Sept. 17	Send data requirements sheet to City for preparation of Preliminary Official Statement ("POS")	PJC
Sept. 20	Distribute 1st draft Bond Ordinance for review	BC
Sept. 26	Comments due on 1st draft Bond Ordinance	Staff, PJC, BC, UW
Sept. 30	Distribute 2nd draft Bond Ordinance for review	BC
Oct. 4	Complete data requirements for POS	Staff
	Comments due on 2nd draft Bond Ordinance	Staff, PJC, BC, UW
	Distribute 3rd draft Bond Ordinance for review	BC
Oct. 8	Comments due on 3rd draft Bond Ordinance	Staff, PJC, BC, UW
Oct. 9	Final Bond Ordinance available for Council packets	BC
Oct. 10	Distribute 1st draft POS for review	PJC
Week of Oct. 14	First review of draft rating presentation	Staff, PJC
Oct. 17	Comments due on 1st draft POS	Staff, PJC, BC, UW
Oct. 18	Send information to S&P	PJC
Oct. 21	**First reading of Bond Ordinance**	**Council, Staff**
Week of Oct. 21	Second review of draft rating presentation	Staff, PJC
Oct. 22	Distribute 2nd draft POS for review	PJC
Week of Oct. 28	Final review of draft rating presentation/conference call with S&P	Staff, PJC, UW
Oct. 29	Comments due on 2nd draft POS	Staff, PJC, BC, UW
Nov. 1	Distribute 3rd draft POS for review	PJC
Week of Nov. 4	Due diligence call to review POS	Staff, PJC, BC, UW
Nov. 8	Rating due	
	Comments due on 3rd draft POS	Staff, PJC, BC, UW
Nov. 11	*Veterans Day holiday*	
Nov. 12	**Council approves Bond Ordinance**	**Council, Staff**
Nov. 13	Distribute POS to potential investors	UW
Nov. 20	Review market conditions	Staff, PJC, UW
Nov. 21	**Bond Pricing**	**Staff, PJC, UW**
Nov. 22	Distribute final OS for review	PJC

PiperJaffray.

ATTACHMENT 2

Nov. 26	Comments due on final OS	Staff, PJC, BC, UW
Nov. 27	Distribute final OS	UW
Nov. 28	*Thanksgiving Day holiday*	
Dec. 10	**Bond Closing and delivery of bond proceeds**	**Staff, PJC, BC, UW**

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: City of Kenmore 2020 State Legislative Agenda	For Council Meeting Agenda of: 21 October 2019 Department: City Manager's Office Prepared by: Rob Karlinsey, City Manager
Proposed Council Action/Motion: Motion to Approve the City of Kenmore 2020 State Legislative Agenda	Initial & Date Approved by Department Head: ________ Approved by City Attorney: N/A Approved by Finance Director: ________ Approved by City Manager: RJK 10-9-19 Exhibits/Attachments: 1. Proposed 2020 Legislative Agenda and Policy Statements

INFORMATION/BACKGROUND:

The 2020 Session of the Washington State Legislature will be a 60-day ("short") session, starting on January 13. The Kenmore City Council approves a Legislative Agenda prior to each session that outlines priority actions the City and its government relations consultants will promote during the session.

The proposed 2020 Legislative Agenda for Kenmore places a priority on supplemental funding for Walkways & Waterways transportation projects. The document also requests funding for Department of Natural Resources to install safety buoys on Lake Washington and requests help in addressing the City's structural deficit by lifting the 1% annual growth cap on property tax revenue.

The packet includes Policy Statements that guide the consultants in expressing City support for proposals and issues that are not on the priorities list.

Gordon Thomas Honeywell represents the City in State Legislative matters and will be available to present the proposed legislative agenda at this this City Council meeting.

FISCAL CONSIDERATION:
The City has a strong record of legislative successes for infrastructure funding and support for key projects.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:
Effective advocacy at the State Legislature supports all Council goals.

City of Kenmore, Washington

KENMORE BY THE LAKE

City of Kenmore
2020 State Legislative Agenda

Capital Budget Request: Lake Washington Loop Trail - $1 million
The project will help provide 3 miles of buffered bike lanes in both directions (1.5 miles in each direction), improved lighting, a landscaped walkway on the east side, retaining walls, stormwater system improvements and more along the Kenmore portion of the Lake Washington Loop Trail (Juanita Drive NE). This corridor is part of the regional bike trail around Lake Washington and carries over 15,000 vehicles per day. Over the past 5 years, there have been 93 vehicle collisions, of which 10% were pedestrian and bicycle collisions - including one pedestrian fatality. These improvements will provide safe pedestrian and bicycle access to the City's downtown for thousands of local residents. The stormwater components will greatly improve water quality. The total project cost is roughly $16.4 million. The City has already committed $5 million through the voter approved Walkways & Waterways bond measure, received a $1.5 million system access grant from Sound Transit and pursued other state and federal grants. A $1 million investment from the state would help close the funding gap resulting from increased construction costs and allow us to go out to bid in 2020.

Transportation Budget Request: 68th Avenue NE Pedestrian & Bicycle Safety - $450,000
68th Avenue NE is one of Kenmore's major north-south arterials with one travel lane in each direction and narrow asphalt or gravel shoulders. This safety project provides a new continuous ADA accessible sidewalk (one side) and bike lanes (both sides), pedestrian crossings, improved street lighting, and an enhanced stormwater system along 1.5 miles of 68th Avenue NE between downtown Kenmore and the northern city limit. In addition to increasing public safety, the project's stormwater system improvements will enhance the water quality of downstream waterbodies. The total project cost is roughly $9.5 million. The voter approved Walkways & Waterways bond measure provided $5.1 million, city funds are contributing $2.9 million and the city has pursued various grants. The city is requesting $450,000 from the state's transportation budget – the final amount needed to complete the project.

Kenmore's "Forward Washington" Priorities
As the Legislature considers development of the next transportation revenue package, the city requests the following local priorities be included.

Local Revenue Options for Maintenance and Preservation: Cities have limited resources to pay for maintenance of roadways. The 2019 JTC City Transportation Funding study estimated the statewide need for preservation funding to be $900 million more per year than current spending. The City supports AWC's efforts to institute a local government transportation funding package that provides new resources to cities for maintenance and preservation of existing transportation systems.

61st Avenue Sidewalk Replacement: Kenmore needs to repair and replace major sections of the sidewalk along 61st Avenue, a major north-south arterial connecting North Kenmore and South Snohomish County to bus lines and SR 522. The aging sidewalk panels are massively upheaving and unusable for major segments of our population. The project is estimated to cost $5 million and is beyond the capacity of the City's budget to fund.

Reconnecting Kenmore's Downtown to Lake Washington: The study to determine the best location, design concept and cost for a grade separated crossing of SR 522 will be completed in late 2020.

Sustainable Fiscal Structure for Cities
As a residential community, 40% of Kenmore's general fund revenue is generated from its largest source of revenue—property tax; The city has a limited retail tax base and is constrained from generating additional revenue to maintain city services, the costs of which are increasing at a rate greater than the State-imposed property growth limit of 1% per year. The City of Kenmore supports lifting the 1% cap on property tax increases and providing a sales tax equalization distribution to bedroom communities.

Buoys on Lake Washington
The City supports Kenmore Air's request for the Department of Natural Resources to be allocated funding to install buoys on Lake Washington to increase public safety for aircraft and boaters.

18120 68th Ave NE · Kenmore, WA 98028
Office: (425) 398-8900 · cityhall@kenmorewa.gov · www.kenmorewa.gov

City of Kenmore
2020 Policy Statements

This is an internal document designed to provide guidance to city staff and the city's lobbyist. The policy statements in this document allow the city to quickly take positions on legislation. It is not all inclusive of all policy positions that the city may take throughout a session, and the following items are not listed in order of priority.

Tax Increment Financing
The City of Kenmore supports the Association of WA Cities in its efforts to amend the state's constitution to allow for true tax increment financing. The City also supports the AWC efforts for renewal and reform of the Local Revitalization Financing (LRF) program.

Local Control on Asphalt Plant Regulations
The City of Kenmore supports efforts to ensure that the asphalt plant operates in a manner that is mindful of the surrounding urban neighborhoods and reduces the impact of asphalt production odor on Kenmore residents and business owners. The City will be partnering with Microsoft on a pilot program to test the air quality throughout the City which will better inform decisions about enforcement of air quality standards.

Affordable Housing
Kenmore residents are experiencing the squeeze of increased housing prices and fewer affordable housing options. The City of Kenmore supports legislation that provides tools and funding options that promote affordable housing, including investment in the Housing Trust Fund.

Support for WWRP & ALEA Grant Programs
The City of Kenmore supports fully funding the Washington Wildlife Recreation Program (WWRP) and the Aquatic Lands Enhancement Account (ALEA). Many city parks have benefitted from funding through these programs.

Product Stewardship
The City of Kenmore supports statewide product stewardship programs for products that are harmful to the environment such as electronic waste, mercury-containing florescent lights, and prescription drugs. The City will closely monitor the implementation of recently passed legislation to establish a statewide prescription drug takeback program to ensure there is no lapse in coverage as the King County program is phased out.

Prevent Human Trafficking
The City of Kenmore recognizes that human trafficking is a problem in all communities and supports legislation that provides tools and solutions to prevent and intervene in human trafficking.

Local Infrastructure Funding
The City of Kenmore joins AWC in supporting the State's ongoing and increased investment in infrastructure funding programs such as the Public Works Assistance Account.

Small Cell Infrastructure
Small cell technology requires more devises that each have a smaller distance of radio coverage, the equipment is typically smaller, and they are frequently installed on existing street furniture in the public right of way. There is a push to standardize the permitting process of small cell technology across WA and would require local governments to provide access to public facilities for use as small cell technology sites. The City opposes legislation that removes local control in the siting and regulation of small cell network facilities and supports legislation that provides for grandfathering of existing wireless communication facilities ordinances.

Funding for Indigent Defense
Indigent defense is a constitutional right that should be funded by the State. However, WA State only contributes 4% of the total amount spent for trial court indigent defense. The City supports state funding for indigent defense that is standardized and equally accessible for all jurisdictions to ensure more equitable funding.

Mobile Homes
The City supports legislation that recognizes that mobile homes represent an important affordable housing option throughout the state. Topics such as: ensuring individuals considering purchasing a mobile home are informed about laws and regulations limiting the transport of mobile homes; lease increase notice and other guidelines; and requiring that sellers notify purchasers if a home cannot be moved, are examples of potential legislation that could help protect mobile home owners' investments and provide greater predictability.

Passenger Only Ferry
The City supports efforts to explore a passenger only ferry service from Kenmore to Seattle. The City will be closely monitoring the Puget Sound Regional Council's Passenger Only Ferry Study which will provide analysis to support current and future Puget Sound Passenger Only Ferry routes. The study will also identify future capacity needs and terminal locations on the Puget Sound, Lake Washington and Lake Union.

Saint Edward State Park Ballfields
The City continues to work with the WA State Parks Commission to ensure the current ballfields at Saint Edward State Park are renovated for public use and enjoyment.

GORDON THOMAS HONEYWELL
GOVERNMENTAL AFFAIRS

City of Kenmore
2020 Legislative Session

Briahna Murray & Shelly Helder

Gordon Thomas Honeywell Governmental Affairs

Overview

The goal for tonight's discussion:

- Overview of what to expect during the 2020 Legislative Session
- Review Proposed 2020 State Legislative Agenda
- Timeline to Prepare for 2020 Session

2020 Legislative Session

- Second year of the two-year legislative biennium
- Scheduled to last 60 days
- Focus will be on amending the 2019-21 Operating, Capital, and Transportation Budgets adopted in 2019
  - **Operating:** While the latest revenue forecast is up, the amount is minimal
  - **Capital:** Limited funding during the 2020 session
  - **Transportation:** Conversations around a "transportation package" will continue, however will be difficult to finalize in a short session
- Thousands of bills introduced; hundreds that will impact city business

2020 Legislative Session: Political Climate

- New Speaker in the House
  - Rep. Laurie Jinkins (D-Tacoma) will be the first woman to serve in the role in state history
- Democrats continue to control all three “chambers”
- Election year: Statewide and legislative races on the ballot in November 2020
  - All legislators in the House and roughly half of those in the Senate are up for election.
  - Redistricting will follow the November 2020 elections

2020 Legislative Session: AWC Priorities

- Adopt a comprehensive **city transportation package** that provides new resources and options
- Fully fund the **Public Works Trust Fund** (PWTF)
- Create a **tax increment financing** (TIF) option for cities
- Preserve city fiscal health with **secure funding sources**
- Support **statewide medication assisted treatment** (MAT) services in city and regional jails with local flexibility
- Advance a watershed-based strategic plan to address **local fish-blocking culverts along with state culverts**
- Continue to pursue new resources and policies to **increase affordable housing both at the state and local level**

Guidance on Legislative Agenda

- Amend the two-year legislative agenda for 2020
- Take into account political climate/context
- Keep agenda concise, and easily comprehensible
- Consistency – build on previous successes

Build on successes of 2019

- Capital Budget
  - $155,000 for Twin Springs Park
  - Lake WA Loop Trail
- Transportation Budget
  - West Sammamish Bridge funding transfer
  - 68^{th} Avenue NE
- Aquatic Land Enhancement Account
  - $500,000 for Squires Landing
  - $470,575 for Log Boom Park

City of Kenmore
2020 Draft State Legislative Agenda

Capital Budget Request: $1 million for Lake Washington Loop Trail

- Juanita Drive NE is part of the regional bike trail around Lake Washington
- Buffered bike lanes, improved lighting, a landscaped walkway on the east side, retaining walls, & stormwater system improvements
- Total project cost: $16.4 million
  - $5 million from Walkways & Waterways voter approved bond measure
  - $1.5 million System Access Grant from Sound Transit
- $1 million from the state would close funding gap from increased construction costs and allow the city to go out to bid in 2020

City of Kenmore
2020 Draft State Legislative Agenda

Transportation Budget Request: $450,000 for 68th Avenue NE Pedestrian & Bicycle Safety

- ADA accessible sidewalk (one side) and bikes lanes (both sides), pedestrian crossings, improved street lighting, enhanced stormwater system
- Total project cost: $9.5 million
  - $5.1 million from City Walkways & Waterways voter approved bond measure
  - $2.9 million of City funds
- $450,000 from the state would be the final amount needed to complete the project

City of Kenmore
2020 Draft State Legislative Agenda

- **“Forward Washington” Priorities**
  - Local Revenue Options for Maintenance and Preservation
  - 61st Avenue Sidewalk Replacement
  - Reconnecting Kenmore’s Downtown to Lake Washington
- **Sustainable Fiscal Structure for Cities**
- **Buoys on Lake Washington**

Timeline to Prepare for Session

- September: State agencies submit budget proposals to the Governor's Office
- November: Finalize amendments to the state legislative agenda for 2020
- **Meet with delegation prior to the beginning of the legislative session**
- December: Governor releases proposed budgets
- January: Session begins
- Visits to Olympia during session

GORDON THOMAS HONEYWELL
GOVERNMENTAL AFFAIRS

Questions?

Briahna Murray
(253) 310-5477
bmurray@gth-gov.com

Shelly Helder
(360) 209-3338
shelder@gth-gov.com

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: North Urban Human Services Alliance (NUHSA)	For Council Meeting Agenda of: October 21, 2019 Department: City Manager Prepared by: Kelly Chelin, City Clerk Joanne Gregory, Finance and Administration Director
Proposed Council Action/Motion: Provide direction on NUHSA membership for $1,000 per year	Initial & Date Approved by Department Head: JMG/ 10-15-19 Approved by City Attorney: ______ Approved by Finance Director: JMG/ 10-15-19 Approved by City Manager: RJK Exhibits/Attachments: 1) Information on NUHSA

INFORMATION/BACKGROUND:

At the City Council 2019 retreat, staff was directed to set up a meeting to learn more about NUSHA (the North Urban Human Services Alliance). NUHSA is comprised of non-profit agencies, faith communities, City and Counties, school districts and members of the community who advocate for strong and accessible health and human service systems in North King County. North King County includes the cities of Shoreline, Lake Forest Park, Kenmore, Bothell and Woodinville. Of these cities, Lake Forest Park and Shoreline are members.

For the last few months, NUHSA has been holding community outreach meetings at City Hall and has asked if the City of Kenmore would like to join the alliance.

Mayor Baker and City Clerk Kelly Chelin met with representatives in August 2019 and received more information about the alliance (see Attachment). At that meeting, NUHSA representatives explained that they support the most vulnerable citizens and help build community outreach to address homelessness, hunger, mental health support, quality educational opportunities and sufficient housing and transportation options.

In 2003, the City joined the North/Eastside Funders pooled program in an effort to reduce the administrative burden to City staff of managing a large number of individual requests, awards and contracts in support of Human Services. The Funders program includes Bellevue, Issaquah, Kirkland, Mercer Island, Sammamish, Redmond, Shoreline and Kenmore. This program provides a way to leverage Kenmore funds with those of the other participating cities and focus on programs that most benefit the Kenmore community. This group meets monthly and the City Clerk represents Kenmore.

In 2018 the City of Kenmore received requests which totaled $408,701 from 48 applications. 28 organizations were awarded $172,545. 15 awards are in the pooled program, 13 are managed directly. The adopted budget includes a similar amount to be awarded in 2020. NUHSA did not apply for an allocation during the 2018 application process.

At least as far back as 2008 the City has had conversations with NUHSA regarding our Human Services efforts and participation in the Northshore/Eastside Funders pooled program. NUHSA has always been encouraged to apply for funding during the regular biennium budget development process.

Involvement in NUHSA by City staff would not be possible due to ongoing workload; the City Clerk already participates in meetings of the Funders program which is at times a challenging time commitment. Most cities in these organizations have a dedicated Human Services staff person.

NUHSA is requesting that the City join the alliance which requires an annual membership fee of $1,000. A representative from NUHSA will be present at the Council Meeting on October 21, 2019 to further inform the Council about the Alliance and answer any questions the Council may have.

NUHSA

North Urban Human Services Alliance

2018 NUHSA in Action

Throughout the past year, NUHSA has continued to be a leader in North King County, advocating for a strong, accessible system of health and human services for our most vulnerable populations. NUHSA has increased its membership, expanded its Board of Directors and communicates regularly with members through a monthly newsletter and events. Our strong alliance of service providers, nonprofits, faith communities, city and county leaders, school districts and community members help ensure that our regional assets meet the critical human service needs of our community. In 2018, NUHSA's accomplishments include the following:

Advocacy

- Advocated for **increased human services funding in North King County**. The Cities of Shoreline and Lake Forest Park have both made strides in doing so; the City of Shoreline has developed a funding formula for supporting human services, increasing its funding by 60% since 2013, and LFP has increased its funding by 28% since 2017.

- Advocated on behalf of the **ORCA Passport Program** to ensure increased access for low-income populations and those living in subsidized housing; **Hopelink**'s Consolidated Grant Application for Mobility Management in King County; and **International Community Health Services**' HRSA grant application for Health Center Program funding.

- Alerted Shoreline, Lake Forest Park and Seattle elected leaders of a procedural problem that left low income ratepayers unable to fully access Low-Income Heating and Energy Assistance Program (LIHEAP) funds. This advocacy led to action from the staff of the City of Shoreline, Seattle City Light (SCL), Hopelink and the State of Washington to develop new procedures for SCL. Shoreline and LFP residents are now able to access the fullest support possible using LIHEAP funds and keep their electric bills current and the heat turned on.

- Communication with King County Councilmember Rod Dembowski and others on the King County Council, advocating for North King County human services as part of the **King County budget** and in support of allocating additional **Lodging Tax dollars towards development of affordable housing.**

- Continued monitoring of the **Veterans, Seniors & Human Services Levy**, noting gaps in housing stability and advocating for directed funding that best serves our most vulnerable populations.

Grants

- **Rotary Club of Lake Forest Park**: To support development and implementation of an online information and referral resource for North King County to be housed on the NUHSA website.

- **King County United Way:** To address the social and racial justice legacy of Martin Luther King by engaging self-selected North King County high school students and supporting their activism and leadership through education and experience.

Partnerships

Monthly meetings provide opportunities for NUHSA members and the Board of Directors to learn about area services and organizations, building a foundation for partnership and collaboration. Presentations included:

- Michael McKee, M.Ed. Director of Health Services & Community Partnerships and Joe Sperry, Shoreline Health Center Manager, **International Community Health Services, Shoreline Medical & Dental Clinic**
- Joel Sisolak, Sr. Director of Sustainability & Planning, **Capitol Hill Housing**
- Kelly Brown, Executive Director, **North Helpline**
- Guru Dorje, Occupational Education & Training Program Admin., **Shoreline Community College**
- Constance Perenyi, **Neighborhoods Coordinator & CARE Team Coordinator, City of Shoreline**
- Tamarah Lee, Center Manager & Brandi Painter, Welcome Project Lead, **Hopelink**
- Josh Little, Student Services Specialist & District Homeless Education Liaison, **Shoreline School District**
- Teena Ellison, Housing Services Manager and Ryan Mielcarek, Strategic Initiatives Director, **Compass Housing Alliance**
- Yichuan Zhao, Regional Manager, **King County Housing Authority**
- Melissa Brown Rotholtz, North King County Mobility Coordinator, **Mobility Management**
- Selby Coffin, **Northwest Neighbors Network (NNN)**
- Marya Gingrey, Director of Equity & Community Partnerships, **HealthierHere**

Resource Trainings/Events

- **Housing, Hope & Hospitality (March - May)**
  As part of *Affordable Housing Week* through the Housing Development Consortium, NUHSA received proclamations supporting increased affordable housing options from the cities of Shoreline, Lake Forest Park, Kenmore and Bothell. NUHSA then invited city and county officials, school board members and community members for a tour, Q&A and community meal at Ronald Commons to learn about and experience this unique and holistic model for outreach, housing and support through NUHSA partners Hopelink, Compass Housing Alliance and Ronald United Methodist Church.

- **Homelessness in Our Community (Sept.-Dec.)**
  This free, three-part series, offered twice in different North King County locations, was developed to raise awareness and provide education and information that would result in a more compassionate response to those dealing with homelessness, mental illness and/or addiction (HMIA). A secondary goal included reducing the future risk of HMIA for children through awareness and possible intervention with ACES. The series was well-attended and included:
  - *What's Happening in YOUR Community? We want to hear from you!*
  - *Adverse Experiences & Resiliency: Why some struggle & others don't*
  - *Dangerous vs. Difficult: Useful tools for responding with compassion & concern*

- **Human Services Awards (Dec.)**
  Celebrating its 10th year, this annual awards program honors those who have made a significant contribution to the health and welfare of our community by advocating for health and human services and strengthen our community through their initiative and leadership. 2018 recipients include:
  - *Human Services Champion of the Year:* Srijan Chakraborty, Hunger Intervention Project
  - *Outstanding Human Services Program:*
    West Side: Counselors in Training Program (Center for Human Services)
    East Side: Kenmore Bothell Interfaith Group
  - *President's Award:* Shoreline City Council
  - Lifetime Achievement Award: Judy Parsons

NUHSA's members and Board of Directors are invested in supporting our community and ensuring that all North King County residents have access to a strong health and human services system. Join us!

NUHSA
North Urban Human Services Alliance

To advocate support for health and human services in North King County through promotion of partnerships between communities and providers.

Mission

The mission of the North Urban Human Services Alliance (NUHSA) is to build the community's capacity to respond to human service needs in North King County, encompassing Shoreline, Lake Forest Park, Kenmore, Bothell and Woodinville.

Members

NUHSA is an alliance of non-profit social and health service agencies, faith communities, King County, the cities of Shoreline and Lake Forest Park, the Northshore and Shoreline School Districts, community organizations, citizen advocates, and many more.

Goals

- Provide a strong voice and leadership role in local and regional human service decisions;
- Identify and communicate emerging community human service needs and issues;
- Support cooperation, coordination and collaboration among providers, funders and the community to enhance resources and the ability to respond to community needs;
- Advocate for a continuum of care that increases access to services.

www.nuhsa.org | staff@nuhsa.org | PO Box 60215, Shoreline, WA 98160

NUHSA

Frequently Asked Questions

1. **What is NUHSA?**
   The North Urban Human Services Alliance (NUHSA) has as its mission to build the community's capacity to respond to human service needs in North King County, encompassing Shoreline, Lake Forest Park, Kenmore, Bothell and Woodinville.
   Our goals are to:
   - Provide a strong voice and leadership role in local and regional human service decisions;
   - Identify and communicate emerging community human service needs and issues;
   - Support cooperation, coordination and collaboration among providers, funders and the community to enhance resources and the ability to respond to community needs; and
   - Advocate for a continuum of care that increases access to services.

2. **What issues does NUHSA address?**
   Our current work focuses on homelessness and affordable housing; hunger in North King County; responding to mental health needs; and increasing human services funding in North King County.

3. **Who belongs to NUHSA?**
   Over two dozen human service providers, community organizations, community leaders, faith communities, citizen advocates and North King County cities are members of NUHSA, with hundreds more following NUHSA on social media and participating in events, forums and activities.

4. **What is the organizational structure?**
   NUHSA is a non-profit, 501 c3 organization. The Board is comprised of 9-15 members representing human service agencies, city government, faith communities, health providers, school districts and community leadership. NUHSA employs one part-time staff person. A set of bylaws and administrative policies guides our functioning. All documents related to the organization are posted on our website (www.nuhsa.org).

5. **How are Board members selected?**
   New Board members are recommended by current Board members and then contacted and interviewed by the Nominating Committee before being elected by the Membership at the Annual Meeting.

6. **What are the organization's sources of funding and budget?**
   Membership is our primary source of funding. Membership has four categories: Individual, Organization, Government Agency, and Supporting Member.

7. **What is the geographic area served by NUHSA?**
   North King County comprises the geographic area served by Northshore and Shoreline School Districts. North King County is one of the three sub-regions defined by King County for planning and funding purposes and includes the cities of Woodinville, Bothell, Kenmore, Lake Forest Park and Shoreline.

NUHSA

North Urban Human Services Alliance

2019 NUHSA Board of Directors

Heidi Shepherd, President
Community Advocate

Kelly Dahlman-Oeth, Vice President
Lead Pastor, Ronald United Methodist Church

Rob Beem, Treasurer
Community Advocate

Tamara Piwen, Secretary
Family Support Assoc. Director
Center for Human Services

Ed Sterner
Attorney, Sterner Law Offices

Lisa Surowiec
Community Advocate

Rebecca Cavanaugh
Student Services, Northshore School District

Denise Bugallo
Regional Manager, King County Library System

Phillippa Kassover
City Council Member, City of Lake Forest Park

Tamarah Lee
Center Manager, Hopelink

Judy Parsons
Community Advocate

Staff
Silje Sodal, MPH
email: staff@NUHSA.org

Participate in one or more of NUHSA's task forces, addressing our region's most pressing health & human services issues:

- Homelessness & Affordable Housing
- Hunger in North King County
- Increasing Health & Human Services Funding in North King County
- Mental Health

Join the conversation!

Check-out NUHSA online via Facebook or our website (www.NUHSA.org) and become a member today!
Email staff@NUHSA.org

2019-2020 Human Services Pooled Program

2019 Invoice

Fund Code: 61960.338590.0000

Parks/HS Contact: Denise Catalano, dcatalano X6165

Finance Contact: Treasury AR

City	Contact	Quarter 1: Invoice on 4/20/19 (Includes Annual Admin Fee)	Quarter 2: Invoice on 7/20/19	Quarter 3: Invoice on 10/20/19	Quarter 4: Invoice on 12/15/19	TOTAL: Awards and Admin Fees
Issaquah	Monica Negrila City of Issaquah P. O. Box 1307 Issaquah, WA 98027-1307	**$156,456** (Admin Fee: $5,131 Q1 Contracts Value: $151,325)		$151,325		$307,781
Kenmore	Kelly Chelin City of Kenmore PO Box 82607 Kenmore, WA 98028	**$14,761.25** (Admin Fee: $1,525 Q1 Contracts Value $13,236.25)	$13,236.25	$13,236.25	$13,236.25	$54,470
Kirkland	Leslie Miller City of Kirkland 123 5th Avenue Kirkland, WA 98033	**$215,803.75** (Admin Fee: $6,304 Q1 Contracts Value $209,499.75)	$209,499.75	$209,499.75	$209,499.75	$844,303
Mercer Island	Cindy Goodwin City of Mercer Island 2040 - 84th Avenue SE Mercer Island, WA 98040	**$17,852** (Admin Fee: $352 Q1 Contracts Value $17,500)				$17,852
Redmond	Brooke Buckingham City of Redmond Planning Department P.O. Box 97010 Redmond, WA 98073-9710	**$250,716** (Admin Fee: $6,450 Q1 Contracts Value: $244,266)	$244,266.00	$244,266.00	$244,266.00	$983,514
Sammamish	Rita Badh City of Sammamish 801 228th Ave SE Sammamish, WA 98075	**$84,456** (Admin Fee: $3,166 Q1 Contracts Value: $81,290)		$81,290		$165,746
Shoreline	Victoria Alie City of Shoreline 17544 Midvale Avenue North Shoreline, WA 98133-4921	**$200,642** (Admin Fee: $1,642 Q1 Contracts Value: $199,000)				$200,642

Total all awards & fees: **$2,574,308**

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:	For Council Meeting Agenda of: 14 October 2019
Amendment No. 2 to Contract No. 18-C1946 with SkipStone Consulting	Department: Executive Prepared by: Nancy Ousley, Assistant City Manager Initial & Date Approved by Department Head: NKO 3 OCT 2019 Approved by City Attorney: ________ Approved by Finance Director: [illegible] 10/3/19 Approved by City Manager: [illegible]
Proposed Council Action/Motion: Approve Amendment No. 2 to Contract No.18-C1946 with SkipStone Consulting	Exhibits/Attachments: 1. Proposed Amendment No. 2 2. Contract No. 18-C1946

INFORMATION/BACKGROUND:
The City is working with SkipStone to position the City for commercial office development, an early implementation measure following the completion of the Economic Development Strategy Update in 2018. The proposed contract amendment extends the contract term to December 2020 and amount to complete the next phase of the work, which includes collaborating on potential development scenarios for Lakepointe.

FISCAL CONSIDERATION:
Funds are available in the 2019-2020 Budget to complete this work. The contract amendment increases the not to exceed amount from $55,000 to $70,000, and to date $36,300 has been spent on the contract. The Port of Seattle Economic Development Partnership Grant is funding part of the work.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:
Council Goal 5: Update and continue to implement the Economic Development Plan: attract new businesses and support existing businesses.

ATTACHMENT
1

CITY OF KENMORE CONTRACT NO. 18-C1946
AMENDMENT NO. 2

The following section of the consulting services contract dated November 14, 2018, between the City of Kenmore and SkipStone/ Sod Spot, LLC is amended to read in its entirety as set forth below and in attachment. All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 1. Scope of Work. The Consultant's Scope of Work is amended as described in Attachment A.

Section 2. Compensation and Method of Payment

The contract agreement not to exceed amount is modified from $55,000 to the new contract amount of $70,000.

Section 3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on November 8, 2018 and ending December 31, 2020 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

DATED this ____ day of ________, 20__.

CONSULTANT:

BY: ____________________________

Title: ___________________________

Address: ____________________________

____

____

Phone No.: __________________________

CITY OF KENMORE:

BY: ____________________________
Rob Karlinsey
City Manager

EXHIBIT A

Scope of Services to be Provided by Contractor. The Contractor shall furnish services including, but not limited to, the following:

Amended Scope of Work to Include:

Map of employment space opportunities in Kenmore, including notes of considerations that could incentivize change of use, reinvestment or redevelopment

Brief Kenmore senior staff on Phase 1 conclusions and continue discussions with the group as requested

Development Incentives: Work with Kenmore senior staff on prioritizing potential land use actions to incentivize office development, analyzing the potential benefits of various options, and reviewing draft code language. Be available for presentation or discussion of real estate development considerations and potential incentives with Planning Commission and/or Council.

Identify project opportunities and a plan to attract several cycles of capital to projects, in addition to meaningful incentives that can support the desired investments.

Collaborate with the Real Estate Financial Consultant retained by the City of Kenmore to examine options for Lakepointe redevelopment and contribute to written report(s) and/or briefings as requested.

ATTACHMENT
2

CITY OF KENMORE CONTRACT NO. 18-C1946
AMENDMENT NO. 1

The following section of the Consultant Services contract dated November 14, 2018, between the City of Kenmore and SkipStone, LLC is amended to read in its entirety as set forth (i.e. below or in attachment). All other terms and conditions of the underlying contract shall remain in full force and effect.

Section 2. Compensation and Method of Payment

The City shall pay Consultant:

____According to the rates set forth in Exhibit B

_x__A sum not to exceed $55,000

____Other

The Consultant shall complete and return to the City Exhibit D federal tax Form W-9, prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days ater City Council voucher approval.

Section 3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on November 8, 2018 and ending June 30, 2019 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

DATED this 17th day of December, 2018

CONSULTANT:

BY: [signature]

Title: President

Address: 6753 2nd Ave NW
Seattle, WA
98117

Phone No.: 857-891-1663

CITY OF KENMORE:

BY: [signature]
Rob Karlinsey
City Manager

City of Kenmore Contract No. 18-C1946

CONSULTANT CONTRACT

This Agreement is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and SkipStone , ("Consultant") whose principal office is located at 6753 2nd Avenue NW, Seattle, Washington 98117.

WHEREAS, the City desires to have certain services performed for its citizens; and

WHEREAS, the City has selected the Consultant to perform such services pursuant to certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

1. Scope of Services to be Performed by Consultant. The Consultant shall perform the services described in Exhibit "A" of this Agreement. In performing the services, the Consultant shall comply with all federal, state and local laws and regulations applicable to the services. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation and Method of Payment. The Consultant shall request payment for work performed using the billing invoice form at Exhibit "C."

The City shall pay Consultant:

[Check applicable method of payment]

__ According to the rates set forth in Exhibit "B."

__x A sum not to exceed $23,000

__ Other (describe): ______________________________

The Consultant shall complete and return to the City Exhibit "D," federal tax Form W-9, prior to or along with the first billing invoice. The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval.

3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on November 8, 2018 and ending December 31, 2018 unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents. Any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials produced by the Consultant in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

5. Independent Consultant. The Consultant and the City agree that the Consultant is an independent Consultant with respect to the services provided pursuant to this Agreement. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, subconsultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties.

6. Indemnification.

A. Consultant shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the negligent acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

C. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

D. The provisions of this section shall survive the expiration or termination of this Agreement.

7. Insurance. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent Consultants and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance. Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of $300,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than $1,000,000 each occurrence, $2,000,000 general aggregate.

3. Professional Liability insurance shall be written with limits no less than $1,000,000 per claim and $1,000,000 policy aggregate limit.

C. Other Insurance Provision. The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A-VII.

E. Verification of Coverage. The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

F. Notice of Cancellation. The Consultant shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.

G. Failure to Maintain Insurance. Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

H. No Limitation. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

8. Record Keeping and Reporting.

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement, unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

9. Audits and Inspections. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City during the performance of this Agreement. All work products, data, studies, worksheets, models, reports and other materials in support of the performance of the service, work products, or outcomes fulfilling the contractual obligations are the products of the City.

10. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon seven (7) days prior written notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than fourteen (14) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

11. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, presence of any sensory, mental or physical disability, or other circumstance prohibited by federal, State or local law or ordinance, except for a bona fide occupational qualification.

12. Assignment and Subcontract. The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

13. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

14. Confidentiality. All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

15. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which

funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

16. Entire Agreement. This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. If there is a conflict between the terms and conditions of this Agreement and the attached exhibits, then the terms and conditions of this Agreement shall prevail over the exhibits. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

17. Notices. Notices to the City of Kenmore shall be sent to the following address:

City Clerk
City of Kenmore
18120 68th Ave NE
Kenmore, Washington 98028-0607

Notices to the Consultant shall be sent to the following address:

SkipStone A-P Hurd
6753 2nd Avenue NW
Seattle, WA 98117

Phone No.: 857-891-1663

18. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

19. Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

CONSULTANT	CITY OF KENMORE
By: [signature]	By: [signature]
Title: President	Title: City Manager
Date: 11/14/18	Date: 11/9/18

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following: See Attached

September 20, 2018

Commercial Development Strategy Project Outline

Questions we are trying to answer:

1. What types of commercial development would be most likely to attract investment in Kenmore, and what can the City do to accelerate that investment?
2. What are the 'seed amenities' or unique advantages that can attract commercial development, and how can we cultivate these even more?
3. How do we let the right kind of developer know that we are "open for business"?
4. How could re-purposing existing buildings lead to increased supply of attractive office space?
5. How do initial projects or clusters contribute to longer-term commercial growth?
6. Are the incentives that can accelerate development or make the City more attractive to companies, or more 'sticky' for growing companies?
7. What is the role/opportunity for co-working as part of this strategy?

High Level Project Plan

Initial Contract:

Phase 1: November through December 31, 2018: Develop a map of the as-is state and define areas of opportunity.

1. Meet with City, review existing Comp Plan and strategy documents and develop detailed project plan. (20 hours)
2. Tour existing space inventory and locations of opportunity. (10 hours)
3. Meet with existing businesses and developers with current/recent local projects (e.g. Main Street, Daniels, Weidner) to understand challenges and opportunities. (20 hours)
4. Deliverable: Develop a summary document of key learnings, connections and opportunities. (25 hours)

Phase 1: 75 hours x hourly rate ($300) = $22,500

Preliminary Scope for Future Contract Amendment

Phase 2: January – April 2019: Develop a plan and framework for new commercial development.

1. Identify barriers to success in areas of opportunity—for instance, what are the cost barriers to re-purposing existing buildings. (25 hours)
2. Create a draft strategy around how to generate demand for (and supply of) commercial space (working with City staff) and test it with developers and business people. (25 hours)
3. Craft incentives (or eliminate barriers) that can help the plan happen. (25 hours)
4. Deliverable: Identify project opportunities, a plan to attract several cycles of capital to projects and incentives that can support the desired investments. (25 hours)

Phase 2: 100 hours x hourly rate ($300) = $30,000

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EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the following rates:

$300 per hour