



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

**City of Kenmore
City Council Special Council Meeting Agenda
Monday, October 29, 2018
5:30 p.m. to 6:45 p.m. - Shoreline City Hall (see address below)
7:30 p.m. Kenmore City Hall
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. 5:30 p.m. JOINT MEETING WITH CITIES OF SHORELINE AND LAKE FOREST PARK

- A. 5:30 p.m. to 6:45 p.m. Joint Meeting at the City of Shoreline located at 17500 Midvale Avenue North, Shoreline, Washington 98133
[Agenda Item](#)

II. RETURN TO KENMORE CITY HALL

III. 7:30 p.m. - CALL MEETING TO ORDER

IV. ROLL CALL

V. FLAG SALUTE

VI. AGENDA APPROVAL

VII. 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.

VIII. CONSENT AGENDA

- A. Receive and File August 2018 Financial Report for the City of Kenmore, Washington
[Financial Report](#)
- B. City Council Meeting Minutes of September 17, 2018

[Minutes](#)

IX. BUSINESS AGENDA

- A. Presentation of 2019-2020 Proposed Biennial Budgets for the Following Departments and Funds: PW Engineering, Development Services, Community Development, City Clerk, Finance and Administration, Non-Department, Public Works Maintenance, Street Fund, Kenmore Village Fund, Strategic Reserve Fund, Strategic Opportunities Fund, Public Art Fund, Transportation Benefit District, 2016 Bond Fund, Real Estate Excise Tax, and Walkways and Waterways Fund and Impact Fee Funds - Finance and Administration Director Joanne Gregory and Jennifer Gordon, Public Works Operations Manager Jennifer Gordon

[Agenda Item](#)
[Presentation](#)

X. STAFF REPORT

XI. COUNCILMEMBER REPORTS & COMMENTS & INITIATIVES

XII. ADJOURNMENT

Upcoming Meetings:

- A. Tuesday, October 30, 2018 - Special Council Meeting - 6:00 p.m.
Monday, November 5, 2018 - Special Council Meeting
Monday, November 12, 2018 - Regular Council Meeting
Monday, November 19, 2018 - Regular Council Meeting
Monday, November 26, 2018 - Regular Council Meeting



AGENDA

SHORELINE CITY COUNCIL SPECIAL WORKSHOP DINNER MEETING Joint Meeting with Cities of Kenmore and Lake Forest Park

Monday, October 29, 2018
5:30 p.m.

Conference Room 303 · Shoreline City Hall
17500 Midvale Avenue North

1. **CALL TO ORDER** 5:30 p.m.
2. **AGENDA ITEMS**
 - City Updates
 - ST3 SR522/NE 145th BRT Project
 - Responses to Homelessness
 - Ballot Measures
 - Legislative Priorities
3. **ADJOURNMENT** 6:45 p.m.

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2230 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://www.shorelinewa.gov/government/council-meetings>.

Shoreline City Council

Mayor Will Hall
Deputy Mayor Jesse Salomon
Councilmember Susan Chang
Councilmember Doris McConnell
Councilmember Keith McGlashan
Councilmember Chris Roberts
Councilmember Keith Scully



Kenmore City Council

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



City of Shoreline Staff

Debbie Tarry, City Manager
John Norris, Assistant City Manager
James Hammond, Intergovernmental Programs Manager

City of Kenmore Staff

Rob Karlinsey, City Manager

Lake Forest Park City Council

Mayor Jeff Johnson
Deputy Mayor Catherine Stanford
Councilmember Semra Riddle
Councilmember John Wright
Councilmember Phillippa Kassover
Councilmember Mark Phillips
Councilmember Tom French
Councilmember E. John Resha III



City of Lake Forest Park Staff

Phillip Hill, City Administrator



DATE: October 22, 2018

TO: Shoreline City Council
City of Lake Forest Park Mayor and Council
Kenmore City Council

FROM: Debbie Tarry, Shoreline City Manager
Phillip Hill, Lake Forest Park Town Administrator
Rob Karlinsey, Kenmore City Manager

RE: Joint Dinner Meeting of the Shoreline, Lake Forest Park, and Kenmore City Councils

CC: John Norris, Assistant City Manager

On October 29, the City Councils of Shoreline, Lake Forest Park and Kenmore will meet to discuss topics of mutual interest. The City Manager/Administrators worked together to identify the following four primary topics:

1. Sound Transit 3 SR 522/523 BRT Project;
2. Response to homelessness;
3. Ballot measures that cities may be considering;
4. Legislative priorities

The meeting will begin with each city providing a brief city update followed by a discussion of the primary topics.

This memo provides a brief synopsis of the topics and some discussion points to facilitate the conversation. As always, the questions and discussion points are suggestions to stimulate conversation amongst councilmembers.

Sound Transit 3: The SR 522/NE 145th St Bus Rapid Transit (BRT) project is currently in the planning phase with the goal of the Sound Transit Board advancing a proposed project into conceptual engineering and environmental review by first quarter 2019. The BRT project is one of the ‘early win’ projects that were part of the ST3 package. Most recently Sound Transit held Open Houses in the cities along the corridor, including sessions in Shoreline, Lake Forest Park and Kenmore. Open Houses focused on a review of the SR522/NE 145th St BRT Representative Project included in the ST3 ballot measure and alternatives, or “refinements,” that are currently being analyzed by Sound Transit. Two issues that are of particular concern to the cities involve BAT lanes through Lake Forest Park and alternatives being considered on NE 145th St.

Lake Forest Park has specific concerns with an alternative being considered by Sound Transit in not having continuous BAT lanes going northbound on SR522 through Lake Forest Park. Sound Transit is concerned that changes to the bridge structure at roughly 153rd would be extraordinarily expensive and therefore would consider eliminating BAT lanes through that section. Lake Forest Park's position is that Sound Transit must provide the representative project and to require the buses to re-enter the general purpose lanes does not result in a true BRT project (with 10 minute headways). Rather the changes would result in what currently exists with a different brand.

One of the primary concerns that has been raised by all three cities is the alignment refinements that Sound Transit is considering for NE 145th Street (Attachment A). Specifically the consideration of converting two of the general purpose vehicle lanes, one in each direction, to Transit BAT Lanes. Sound Transit has not completed its analysis on this option, but there is concern amongst our cities that if this change were made it would seriously impact the flow of vehicular traffic to the point of impacting both the BRT line and traffic flow along SR 522 and 523.

Discussion Points

- Are there common interests between our three cities on any of the refinements being considered on SR522/NE 145th?
 - o Should the cities consider a unified response?
- Are there questions and/or opportunities to support capital projects associated with BRT service such as:
 - o Design and construction of improvements to the I-5 interchange at 145th;
 - o Improvements to the intersection of SR 522 & SR 523 at 145th Street and Bothell Way;
 - o Location of parking facility and BRT stations in Lake Forest Park
 - o Intersection at SR 522 & SR 104
 - o Downtown Kenmore improvements
 - o Design for the section of 145th from I-5 to SR 99.
- How can we best support each other's projects to ensure a successful outcome?

Efforts to Address Homelessness – As homeless populations increase in King County, our cities are increasingly being called upon to respond. Each of our cities are now host to an overnight shelter, transitional housing and at least informal day services for homeless individuals. Shoreline churches frequently host a rotating tent encampment and the City is partnering with King County on a project to provide permanent housing for individuals exiting homelessness. Lake City Partners provides a winter overnight shelter by partnering with churches in Seattle, Shoreline and Kenmore, with each church hosting the winter shelter for approximately a month.

Discussion Points

- What opportunities are cities taking to meet the shelter, housing and service needs of homeless individuals and families?
- What types of shelter are your cities hosting and who is taking the lead?
- Who are your major community partners in this work?

Ballot Measures – Each of our cities have either recently, currently or are planning for a ballot measure.

- *Kenmore* – In November 2016 Kenmore was successful in passing a \$19.75 million bond issue to fund walkways and waterways improvements. The measure included five projects. This is a 20 year property tax bond measure. The measure passed with 64% approval.
- *Shoreline*:
 - In November 2016 voters approved a levy lid lift for basic services with 66.5% approval. The measure is for a period of six years, reset the general property tax levy rate to \$1.39, a 6-cent increase, and allows for annual inflationary increases in the levy (instead of 1% limitation). This is Shoreline’s second levy lid lift. The first was passed in 2010. The current levy lid lift will expire at the end of 2022.
 - In November 2018 Shoreline has a 0.2% sales tax measure on the ballot to fund sidewalks. If approved, the measure would be in place for 20 years. It is projected to generate \$59 million. The Council identified twelve initial projects to be funded if the measure is approved.
 - The City may place a property tax bond measure on the ballot in 2019 to fund a new Community/Aquatic Facility and/or other park improvements. The City’s current pool was built in 1971 and is near the end of its useful life.
- *Sound Cities* – Attachment B provides a listing of current and future potential ballot measures throughout King County.

Discussion Points

- Are there other ballot measures that cities may be considering?
- Are there opportunities to support each other or coordinate measures to support projects of mutual interest?

Legislative Priorities – Each of our cities are planning to adopt legislative priorities for the 2019 State Legislative Session. Kenmore and Lake Forest Park adopted their priorities in October. Lake Forest Park and Shoreline plan to review legislative priorities in November with Council action to follow. Attachment C includes Kenmore and Lake Forest Park’s adopted priorities and a draft of Shoreline’s potential priorities.

Discussion Points

- Are there opportunities to support each other on our respective legislative priorities?

ATTACHMENTS

Attachment A – Sound Transit NE 145th Refinements

Attachment B – Sound Cities Association Ballot Measures in King County

Attachment C – Legislative Priorities



Attachment A

Project Refinements Considered in Shoreline and Seattle

Based on feedback that we gathered during our May 2018 outreach period and further technical analyses, we developed one potential parking and station project refinement to the representative project within Shoreline and Seattle, and four potential roadway/transit refinements to the representative project. The table below shows preliminary scores for each refinement in relation to project goals.

Visit the maps station to learn more about each of these potential project refinements!

PROJECT & REFINEMENT OPTIONS	KEY CONSIDERATIONS
Roadway refinement options	
NE 145th Street: Representative alignment	▪ Adds queue jumps at congested intersections, improves bus operations. ▪ Sidewalks added where roadway is widened. ▪ Buses operate in general purpose lanes where no queue jump lanes exist. ▪ Property impacts. ▪ Consistent with ST3 plan and partially consistent with local plans.
NE 145th Street: Refinement 1. Repurposed general purpose lanes for BAT lanes	▪ Reconfigures roadway to one general purpose lane in each direction, adds BAT lanes and sidewalks in both directions. ▪ Degrades general purpose traffic; overall roadway operation effectiveness reduced. ▪ Improves bus operations, buses travel in BAT lanes. ▪ Lower cost and fewer property impacts (smallest footprint) compared to Representative alignment. ▪ Inconsistent with City of Shoreline NE 145th Street plan.
NE 145th Street: Refinement 1a. Repurposed general purpose lanes for BAT lanes, with Roundabouts	▪ Reconfigures roadway to one general purpose lane in each direction, adds BAT lanes and sidewalks in both directions. ▪ Roundabouts instead of signalized intersections. Analysis for potential roundabouts required by WSDOT. ▪ Higher cost and more property impacts than Refinement 1, repurposed lanes. ▪ Buses travel in dedicated lane, effect of roundabouts to be determined. ▪ Inconsistent with City of Shoreline NE 145th Street plan.
NE 145th Street: Refinement 2. Shorter queue jump lanes and more sidewalks	▪ Adds shorter queue jumps at congested intersections compared to the representative alignment. ▪ Westbound bus operations improved less than representative alignment, eastbound bus operations improved more than representative alignment. ▪ Sidewalks added in both directions. ▪ Buses operate in general purpose lanes where no queue jump lanes exist. ▪ Higher cost and more property impacts than representative alignment due to additional sidewalks. ▪ Partially consistent with local plans.
NE 145th Street: Intersection Refinement, additional turn lane to improve bus movement from NE 145th Street to SR 522	▪ Widens the intersection at NE 145th Street and SR 522, longer pedestrian crossing. ▪ Included in Refinment 2, but could be applied to any of the options listed above. ▪ Improves bus operations eastbound from NE 145th Street to SR 522. ▪ Cost and property impacts. ▪ Consistent with City of Shoreline plans.
Station refinement options	
Representative: Shoreline South/145th LRT Station	Provides connection to Link light rail.
Representative: NE 145th Street at 15th Avenue NE	Near high activity area along NE 145th Street.
Representative: NE 145th Street at 25th Avenue NE	Modest ridership projection.
Representative: NE 145th Street and SR 522, both stations on NE 145th Street	Location of eastbound station on NE 145th Street provides slower transition to SR 522.
Refinement: NE 145th Street and SR 522, eastbound station on SR 522	Location of eastbound station on SR 522 provides faster transition from NE 145th to SR 522.



October 10, 2018
SCA PIC Meeting

Item 12:

Future Levies and Ballot Measures in King County

UPDATE

SCA Staff Contact

Brian Parry, SCA Policy Director, brian@soundcities.org, (206) 499-4159

Discussion

This is a monthly item on the PIC agenda to share information on recent and upcoming local levies and ballot measures in King County. Items identified as “potential future ballot measures” are under consideration or reflect potential renewal of an existing levy but have not been approved to be placed on the ballot and may not ultimately move forward.

Future Ballot Measures – SCA Cities			
Year	Month	Jurisdiction	Measure
2018	November	Bothell	Public Safety Levy Lid Lift. Increase public safety funding for new fire, police and traffic officers, mental health professionals and support staff and other public safety expenses. Maximum 2019 rate of \$1.96 per \$1,000 of assessed value.
2018	November	Bothell	Fire Station Bonds. Issuance of \$35.5 million of general obligation bonds to reconstruct or renovate and equip two fire stations and make related capital improvements.*
2018	November	Covington	Sales and Use Tax for Transportation Improvements. Authorize a sales and use tax at a rate of 0.2% for up to 10 years for transportation maintenance and improvement projects. Measure would replace existing \$20 annual vehicle license fee.
2018	November	Kirkland	Sales and Use Tax for Enhanced Police Services and Community Safety. Increase the sales and use tax by 0.1% to provide ongoing funding for public safety purposes including additional police officers in middle schools, after school programs and expanded programs focusing on gun safety, homelessness, domestic violence, suicide prevention, and related public safety issues.
2018	November	Mercer Island	Levy Lid Lift for Public Safety, Youth, Family and Senior Services, and Parks and Recreation. Increase the city’s regular property tax levy by \$0.238 per

			\$1,000 of assessed value and set the limit factor for 2020-2024 at 103% of the prior year's regular levy.
2018	November	Shoreline	Sales and Use Tax for Sidewalk and Pedestrian Improvements. Authorize a sales and use tax at a rate of 0.2% for up to 20 years to construct, maintain, and rehabilitate sidewalks and pedestrian improvements.

*Requires 60% for passage

Future Ballot Measures – Other Cities, Schools and Special Purpose Districts			
Year	Month	Jurisdiction	Measure
2018	November	Seattle	Families, Education, Preschool, and Promise Levy. Replace two expiring levies and initially fund expanded early learning and preschool, college and K-12 education support, K-12 student health, and job readiness opportunities through an increase to the regular property tax levy by up to \$0.365 per \$1,000 of assessed value.
2018	November	King County Fire Protection District No. 45 (Duvall Fire)	Bonds to Construct and Renovate Fire Stations. Issuance of \$7.65 million of general obligation bonds to construct a new fire station as well as renovate, repair, and improve existing fire stations.*
2018	November	Snoqualmie Pass Fire Protection District No. 51	Proposition No. 1. Increase the size of the District's Board of Commissioners from three to five members.
2018	November	Si View Metropolitan Park District	Improvement Bonds to Connect and Protect Parks, Trails and Recreation Facilities. Issuance of \$14.8 million in general obligation bonds to construct and improve multiuse trails, improve parks, and acquire and develop property for recreational use.
2019	February	Seattle School District	Operations Levy
2019	February	Seattle School District	Capital Levy

*Requires 60% for passage

Potential Future Ballot Measures – SCA Cities			
Year	Month	Jurisdiction	Measure
2020		Kirkland	Fire Services and Capital Levy

Potential Future Ballot Measures – Other Cities			
Year	Month	Jurisdiction	Measure
2019		Seattle	Library Levy (renewal)
2020		Seattle	Transportation Benefit District (renewal)

Potential Future Ballot Measures – Countywide			
Year	Month	Jurisdiction	Measure
2019		King County	Medic One/EMS Levy (renewal). Proposed levy rate of \$0.27 per \$1,000 of assessed value beginning in 2020.
2019		King County	Regional Parks Levy (renewal)
2021		King County	Best Starts for Kids (renewal)
-----		King County	Affordable Housing and Related Services Sales Tax

Next Steps

Please share this information with your city and provide information on upcoming elections in your city to SCA Policy Director Brian Parry at brian@soundcities.org or 206-499-4159.

Attachment C



City of Kenmore, Washington

City of Kenmore 2019-2021 State Legislative Agenda

Propel Lakepointe Development

Lakepointe is the last remaining undeveloped property of its size on Lake Washington - a 47-acre site poised to become a dynamic mixed-used transit-oriented development with housing, office and retail space, hotel, and nearly a mile of public shoreline public access. A longstanding barrier to redeveloping the Lakepointe property stems from site conditions that are the result of a State transportation project. When Interstate-5 was built in Seattle, WSDOT used the Lakepointe site as a landfill for construction and demolition debris. As a result, deep foundation systems consisting of thousands of pilings will be required for the property to be developed, adding substantial costs of potentially over \$100 million to any redevelopment project.

To alleviate these extraordinary costs related to the site's prior use by the State, the City of Kenmore requests that the State provide a construction sales tax credit for public improvements on the site, or other economic development incentives necessary to allow this property to overcome this hurdle and be developed. Without the State's partnership, the steep infrastructure and other project costs will continue to cause this vital waterfront site to languish and not redevelop. Even with the proposed incentives, the redevelopment of this site has the potential to offer a significant financial return on investment at both the state and local levels.

68th Avenue NE Pedestrian & Bicycle Safety

68th Avenue NE is an existing collector arterial roadway with mostly one travel lane in each direction and asphalt shoulders. The posted speed is 35 mph. This safety project extends from NE 182nd Street to 61st Place NE and consists of new sidewalk on one side of the roadway with retaining walls as needed, buffered bicycle lanes in each direction, new stormwater infrastructure, and utility relocation as needed. The citizens of Kenmore approved a bond measure to provide \$5.1 million toward this project. The City is seeking \$450,000 from the 2019-21 State Transportation Budget to complete the project.

Washington Wildlife & Recreation Program (WWRP)

The City of Kenmore supports ongoing funding for the WWRP grant program. If WWRP is funded at the recommended level, the City could receive the following funding:

- Squire's Landing Waterfront and Natural Area Access - \$1.7 million
- Log Boom Park Waterfront Access and Viewing - \$665,916

Capital Budget Request

Twin Springs Park, a 25-acre tract of land in northeast Kenmore, was recently transferred to the City of Kenmore from King County as part of mitigation for the Brightwater regional wastewater project. The land consists mostly of wetland and steep forested land as well as about two acres of flat useable land for recreation. The City of Kenmore requests \$150,000 to perform minimal improvements in order to get the park open to the public. Work will include parking improvements and also drainage improvements to make the field area suitable for the public. These improvements will allow the public to picnic and throw a frisbee while at the same time enjoying the park's beautiful natural features and open space.

Reconnecting Kenmore's Downtown to Lake Washington

Regional decisions regarding the State's transportation system, including imposing tolls on SR 520, and the failure of the state system to handle daily commuter traffic, has resulted in more drivers opting to travel on State Route 522 through Kenmore. Despite recent improvements to State Route 522 to increase transit and vehicle capacity and improve pedestrian safety, congestion on State Route 522 continues to worsen. State Route 522 divides Kenmore's downtown from its waterfront and the City is seeking a partnership with the State to reconnect the city's downtown with the Lake Washington waterfront. The City is grateful for \$500,000 from the State to complete a study that will determine the best location, design concept and cost for such a crossing. The City hopes to have results from the study by early 2020.

18120 68th Ave NE · PO Box 82607 · Kenmore, WA 98028

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Page 8 of 12

**City of Kenmore
2019 Policy Statements**

This document 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.

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.

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. The City also requests that the Legislature reform the condominium liability act to spur development of middle income, starter, senior and high-density housing units.

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. The City supports legislation to establish a stewardship program for paint.

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 devices 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 non-competitive to ensure more equitable funding.

Mobile Home

The City supports legislation to ensure individuals considering purchasing a mobile home are informed about laws and regulations limiting the transport of mobile homes.

Passenger Only Ferry

The City supports efforts to explore a passenger only ferry service from Kenmore to downtown Seattle.

Saint Edwards Ballfields

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



City of Lake Forest Park State Legislative Agenda 2019-21

Top Priorities

Town Center to Burke Gilman Connector

The City of Lake Forest Park requests \$1.6 million from the Capital Budget to design a grade separated connector from the Lake Forest Park Town Center to the Burke-Gilman Trail (BGT). The majority of Lake Forest Park residents are separated from the BGT by State Route 522. The BGT is an important nonmotorized route for weekday bicycle commuters and is highly popular with cyclists, joggers, skaters and strollers. For Lake Forest Park residents to access the BGT they must cross the increasingly congested SR 522. This connector will improve access to the BGT and increase public safety.

Roundabout on State Route 104

The City requests \$650,000 from the 2019-21 Transportation Budget toward construction of a roundabout at SR 104 and 40th Place NE/NE 184th to improve driver and pedestrian safety and increase mobility on this main thoroughfare. The intersection of State Route 104 and 40th Place NE/NE 184th Street is a skewed, four-legged intersection that is unsafe for drivers and pedestrians and is consistently congested during peak travel times. The City recently completed a Safe Highways study which evaluated intersections on SR 104 and recommended installing a roundabout at this intersection.



Improving Fish Passage in Lake Forest Park Creeks

The City remains committed to creek restoration and has allocated millions of local dollars and resources towards healthy fish passage in LFP streams. The City is eager to continue partnering with the state to address a series of failing culverts along State Route 104. The City supports full funding of the WDFW Fish Barrier Removal Board recommended project list. If fully funded, the City stands to receive \$200,000 toward design of a private culvert along State Route 104.

Other Legislative Priorities

Recyclable Materials & Solid Waste

LFP urges the Legislature to support the ability of WA cities and counties to continue to lead in the environmentally sustainable management of recyclable materials and solid waste. The City requests the state fund an analysis of state-wide economics and regulatory framework of the recycling and solid waste disposal industries.

Business & Occupation Tax

The City will monitor legislation that would modify the B&O tax apportionment to ensure it remains revenue-neutral.

Lake Forest Park supports those elements of the Association of Washington Cities' Legislative Agenda and Sound Cities Association Agenda that best serve the interests of the City.



2019 Shoreline Legislative Priorities

Legislative Issues the City Supports:

- Support Local Government Financial Sustainability and Flexibility:
 - Revise the 1% property tax limitation to allow more flexibility for cities.
 - Increase flexibility on existing revenues to allow cities to meet critical needs.
 - Maintain the state's obligation to share revenues with cities and restore city revenue that has been diverted.
 - Full and adequate funding to meet the State's obligation for the Law Enforcement and Corrections Officer Academies.
- State investment and financial support to address homelessness, affordable housing, behavioral health and chemical dependency services.
- Develop a systems-wide approach to correct fish-blocking culverts that includes funding for local governments.
- Enhance economic development tools that supports reinvestment in local infrastructure.
- Support changes to the Washington Condominium Act to encourage construction of affordable condominiums while maintaining consumer protections

Shoreline priorities

- Monitor and optimize Fircrest Campus redevelopment opportunities.
- Maintain project visibility for the N. 145th St./I-5 Interchange as a strong candidate for any state transportation package.
- Secure funding for a pedestrian/bicycle bridge to integrate connections to the 148th Street light rail station.
- Pursue funding support for a new Community and Aquatics Center.

Subject/Topic: August 2018 Financial Report	For Council Meeting Agenda of: October 29, 2018 Department: Finance and Administration Prepared by: Joanne Gregory
	Initial & Date Approved by Department Head: [Signature] 10-19-18 Approved by City Attorney: _____ Approved by Finance Director: [Signature] 10-19-18 Approved by City Manager: [Signature] POK
Proposed Council Action/Motion: Receive and File August 2018 Financial Report for the City of Kenmore, Washington	Exhibits/Attachments: August 2018 Financial Report for the City of Kenmore, Washington.
<u>INFORMATION/BACKGROUND:</u> The August 2018 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 2017-2018 adopted biennial budget. The budget was adopted on December 12, 2016 and amended July 24, 2017 and November 27, 2017. This review also provides an opportunity to identify any additional potential variances or fluctuations from the budget.	
<u>FISCAL CONSIDERATION:</u> August is the 20 th month of the 2017-2018 biennium. As of August, revenues for the biennium exceeded expenditures in the General Fund by \$1,107,612. Also, revenues were 83% of the biennial budget and expenditures were 78%.	
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> 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.	



PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: October 16, 2018
RE: August 2018 Financial Reports for the City of Kenmore, Washington

August 2018 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
- Monthly Report for Kenmore Village
- Report for Transportation Benefit District

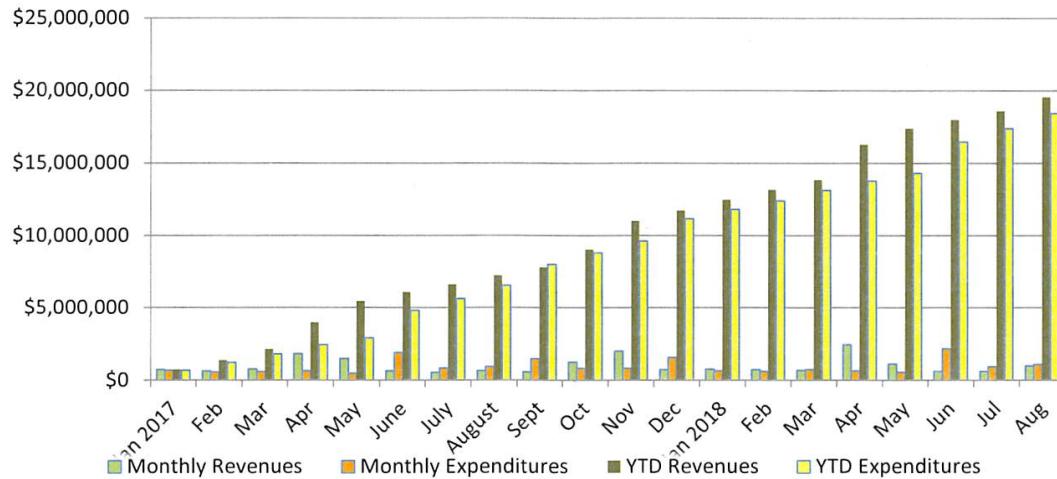
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, August is the twentieth month (83%) of the 2017-2018 biennial budget period. For the month of August, expenditures exceeded revenues in the General Fund by \$88,511.

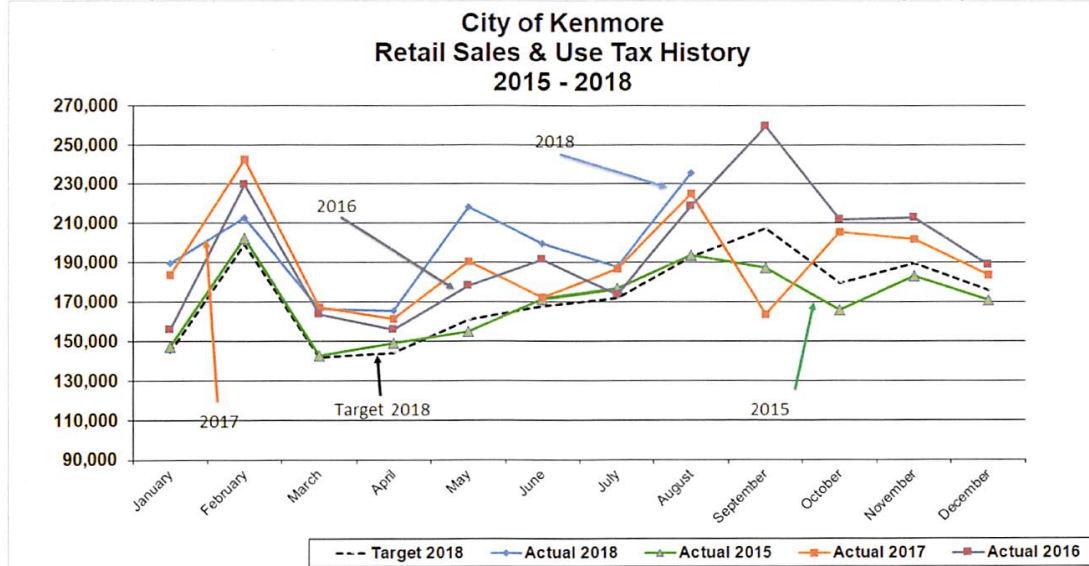
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through August 2018.

City of Kenmore, Washington
Monthly Financial Report
August 2018



Total **revenues** for the month were **\$969,597**. Biennium to date revenues are \$19,539,603, which is 83% of the budgeted revenues of \$23,533,174. Primary sources of revenue for the month included property taxes in the amount of \$15,414, development fees & permits in the amount of \$198,587, franchise fees in the amount of \$149,725, retail sales and use taxes in the amount of \$235,886, and utility taxes in the amount of \$69,015.

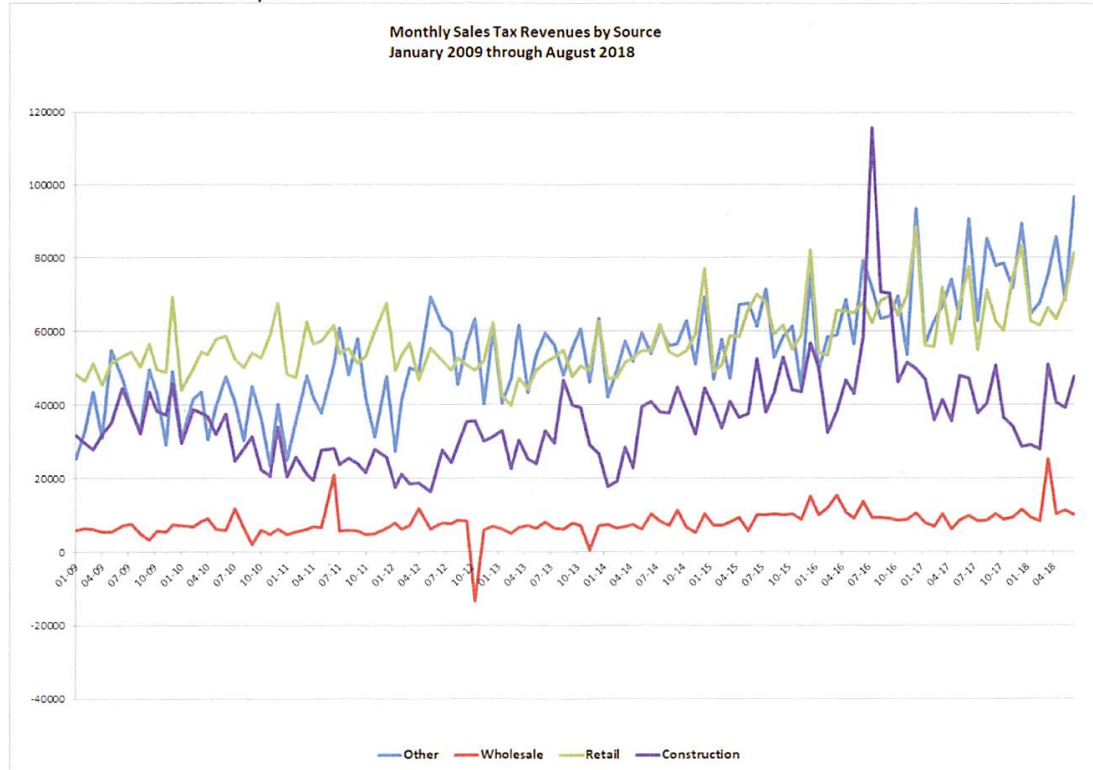
A summary of sales tax revenues received in August is attached. These receipts are based on June sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2018 line is a monthly average of actual receipts during 2015, 2016, and 2017. The blue line represents 2018 actual receipts, which are \$46,070 above 2017 and ahead of the 2018 target by \$253,008.



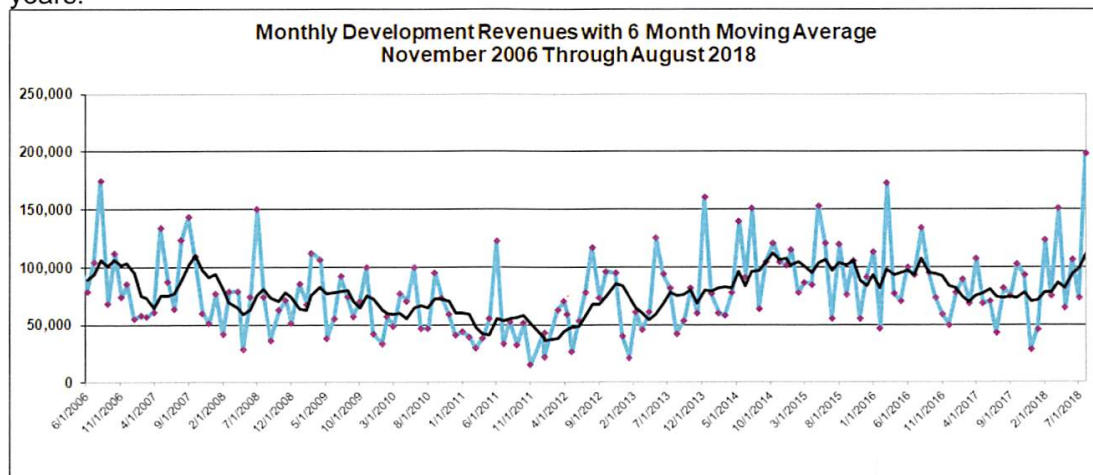
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City of Kenmore, Washington
 Monthly Financial Report
 August 2018

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 2018. Retail and Other are on a favorable upward trend.



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



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City of Kenmore, Washington
Monthly Financial Report
August 2018

August 2018 expenditures were \$1,058,108. Biennium to date expenditures are \$18,431,991, which is 78% of the amended biennial budget expenditures of \$23,535,546.

Total City cash (\$15,948,617) and long-term investments (\$10,985,981), at the end of August, totaled \$26,934,598. 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 2017-2018 biennial budget.

Total non-General Fund revenues were \$681,687 and total non-General Fund expenditures were \$678,506.

In the **Street Fund** revenue from gas tax distributions was \$46,228. \$176,748 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund**, there were expenditures in the amount of \$12,126 for SR522 Projects and \$82,661 on pedestrian & bike safety projects. The fund received \$70,529 in project grant reimbursements.

The **Park Impact Fee** fund received \$0 in revenues during the month.

There was \$0 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax Fund** received \$115,421 of real estate excise taxes (REET) in August from sales activity that occurred in July. 41 transactions were reported during the month. The 2018 year to date revenue is lower than the 2017 revenue by \$152,703 and the 2018 target by \$34,173.

The **Park Capital** fund had expenditures in the amount of \$22,477 on park improvement projects.

The **Kenmore Village Fund** had \$13,427 in maintenance and operations expenditures during the month.

The **Walkways & Waterways Debt Service Fund** collected \$4,095 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$1,965,340.

The **Transportation Benefit District Fund** received \$32,706 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **August 31, 2018**. 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, 2018



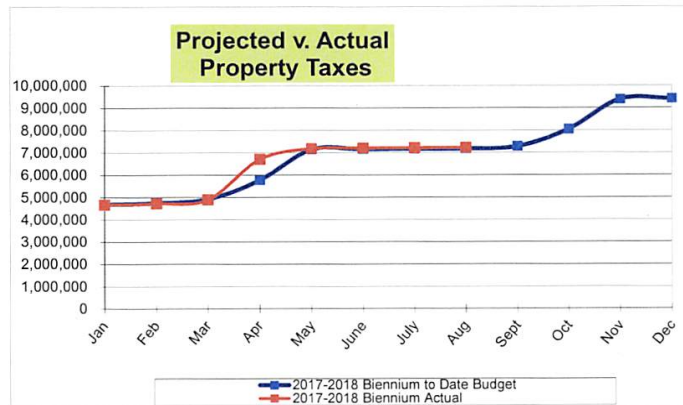
	CURRENT PERIOD 2017-2018				PRIOR PERIOD 2015-2016			
	MONTH August 2018	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018	MONTH August 2016	BIENNIUM TO DATE 2015-2016	% of BUDGET	BIENNIUM BUDGET 2015-2016
REVENUES								
Beginning Fund Balance		2,981,035		3,131,687				
Property Taxes	15,414	7,234,550	76.9%	9,408,704	13,434	6,929,862	76.4%	9,075,766
Sales and Use Taxes	298,787	4,919,598	91.5%	5,376,291	273,837	4,445,072	88.9%	5,000,532
Utility Taxes	69,015	2,059,904	75.8%	2,717,485	73,934	2,027,084	73.4%	2,763,390
Other Taxes	11,476	149,611	68.6%	218,113	23,084	149,721	132.8%	112,720
Development Fees & Permits	198,587	1,746,193	99.0%	1,764,518	180,924	1,998,060	92.9%	2,151,432
Franchise Fees	149,725	1,527,389	91.5%	1,668,476	6,755	1,444,401	89.0%	1,622,160
Intergovernmental and Grants	11,367	778,282	92.5%	841,615	416	668,149	94.5%	707,370
Investment Interest	6,924	181,542	349.1%	52,000	3,950	116,940	230.6%	50,700
Fines and Forfeitures	-290	13,066	0.0%	0	-50	-6,290	n/a	0
Transfers and Other Revenues	208,592	929,467	62.5%	1,485,972	11,377	106,398	19.7%	541,200
Total Revenues	969,597	19,539,603	83.0%	23,533,174	587,662	17,879,396	81.2%	22,025,270
Total Revenues & Beginning Fund Balance		22,520,638		26,664,861				22,025,270

	CURRENT PERIOD 2017-2018				PRIOR PERIOD 2015-2014			
	MONTH August	BIENNIUM TO DATE 2017-2018	% of BUDGET	BIENNIUM BUDGET 2017-2018	MONTH August 2016	BIENNIUM TO DATE 2015-2016	% of BUDGET	BIENNIUM BUDGET 2015-2016
EXPENDITURES								
Cost Center								
City Council	9,258	283,298	86.0%	329,426	13,931	266,963	81.3%	328,435
City Manager	189,750	2,729,406	82.0%	3,328,297	146,934	2,412,925	74.6%	3,233,222
City Clerk	15,149	410,937	96.6%	425,368	12,945	282,922	101.9%	277,683
Finance	74,533	1,540,559	92.1%	1,672,775	54,977	1,284,669	86.2%	1,490,155
Legal	22,095	416,320	83.3%	500,000	55,021	484,366	69.2%	700,000
Interfund Transfers	0	650,220	49.0%	1,328,228	0	1,666,216	46.9%	3,552,671
Public Safety	359,974	6,475,212	73.5%	8,806,304	306,963	6,407,734	78.5%	8,160,115
Engineering & Environmental Services	121,556	1,159,449	81.9%	1,415,011	59,536	1,520,662	87.2%	1,743,950
Community Development	101,608	1,112,102	64.8%	1,715,510	41,419	722,236	87.0%	830,030
Developmental Services	45,070	1,982,712	95.7%	2,071,288	61,948	1,484,739	84.6%	1,755,050
Parks & Facility Maintenance	119,115	1,671,776	86.0%	1,943,339	74,856	1,365,224	67.3%	2,029,409
Total Expenditures	1,058,108	18,431,991	78.3%	23,535,546	828,529	17,898,656	74.3%	24,100,720
Ending Fund Balance		4,088,647		3,129,315			0.0%	-2,075,450
Total Expenditures and Ending Fund Balance		22,520,638		26,664,861				22,025,270

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

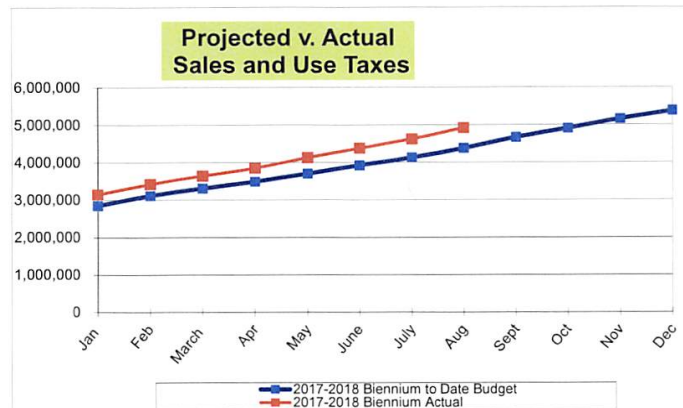
**City of Kenmore, Washington
General Fund Revenue Graphs
August 31, 2018
PROPERTY TAXES**

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	4,668,509	4,656,328
Jan	4,683,738	4,673,846
Feb	4,742,392	4,720,413
Mar	4,916,568	4,888,629
Apr	5,765,778	6,698,458
May	7,142,021	7,182,523
June	7,155,271	7,210,439
July	7,168,409	7,219,136
Aug	7,182,371	7,234,550
Sept	7,277,730	
Oct	8,047,191	
Nov	9,381,763	
Dec	9,408,704	
2017-18 Year To Date	9,408,704	
Actual v. Projected		101%



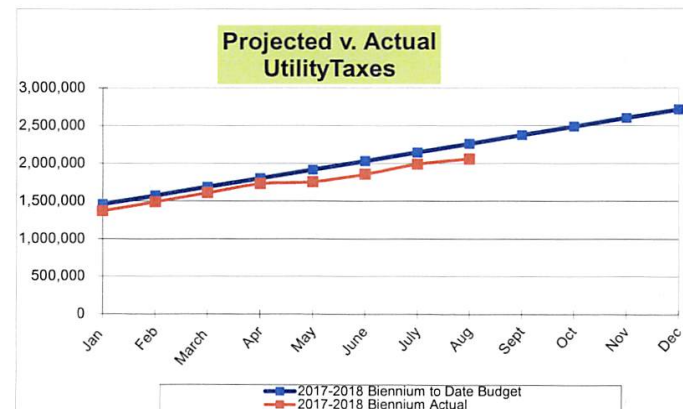
SALES, USE, CRIM JUSTICE TAXES

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	2,661,530	2,903,337
Jan	2,847,158	3,143,844
Feb	3,114,522	3,422,078
March	3,304,812	3,637,316
Apr	3,488,513	3,849,131
May	3,699,746	4,125,405
June	3,919,794	4,376,790
July	4,124,717	4,620,811
Aug	4,378,444	4,919,598
Sept	4,664,890	
Oct	4,909,348	
Nov	5,156,649	
Dec	5,376,291	
2017-18 Year To Date	5,376,291	
Actual v. Projected		112%



UTILITY TAXES

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	1,345,290	1,242,051
Jan	1,459,640	1,370,760
Feb	1,573,989	1,490,618
March	1,688,339	1,610,638
Apr	1,802,688	1,731,071
May	1,917,038	1,757,374
June	2,031,388	1,858,304
July	2,145,737	1,990,889
Aug	2,260,087	2,059,904
Sept	2,374,436	
Oct	2,488,786	
Nov	2,603,135	
Dec	2,717,485	
2017-18 Year To Date	2,717,485	
Actual v. Projected		91%



**City of Kenmore, Washington
General Fund Revenue Graphs
August 31, 2018**

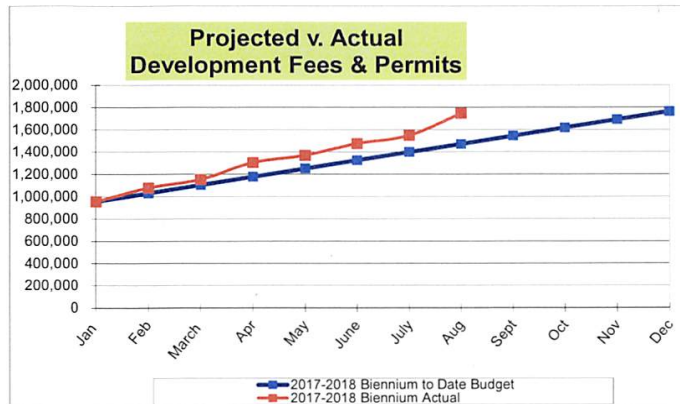
DEVELOPMENT FEES & PERMITS

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	882,259	907,838
Jan	955,781	953,639
Feb	1,029,302	1,077,107
March	1,102,824	1,151,836
Apr	1,176,345	1,303,338
May	1,249,867	1,367,787
June	1,323,389	1,474,421
July	1,396,910	1,547,606
Aug	1,470,432	1,746,193
Sept	1,543,953	
Oct	1,617,475	
Nov	1,690,996	
Dec	1,764,518	
'2017-18	1,764,518	

Year To Date

Actual v. Projected

119%



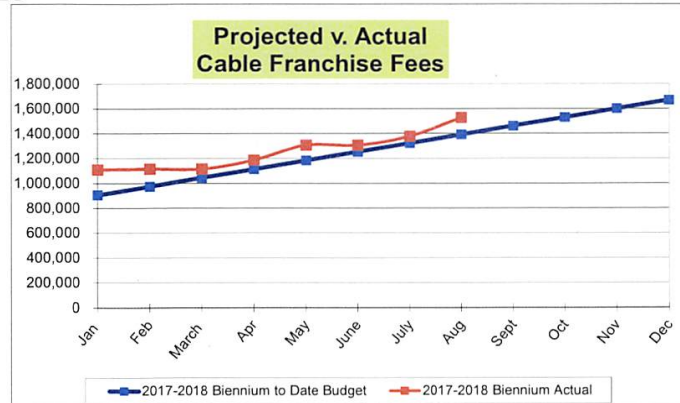
CABLE/WATER/SEWER FRANCHISE FEES

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	837,494	861,559
Jan	906,743	1,109,316
Feb	975,991	1,115,749
March	1,045,240	1,115,749
Apr	1,114,488	1,187,700
May	1,183,737	1,306,033
June	1,252,985	1,306,033
July	1,322,234	1,377,664
Aug	1,391,482	1,527,389
Sept	1,460,731	
Oct	1,529,979	
Nov	1,599,228	
Dec	1,668,476	
'2017-18	1,668,476	

Year To Date

Actual v. Projected

110%



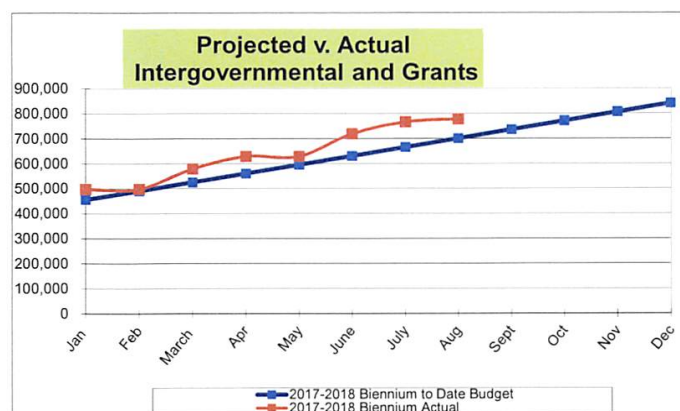
INTERGOVERNMENTAL & GRANTS

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	420,808	448,132
Jan	455,875	497,763
Feb	490,943	498,463
March	526,010	579,878
Apr	561,077	629,627
May	596,145	629,627
June	631,212	719,491
July	666,279	766,915
Aug	701,347	778,282
Sept	736,414	
Oct	771,481	
Nov	806,549	
Dec	841,615	
'2017-18	841,615	

Year To Date

Actual v. Projected

111%



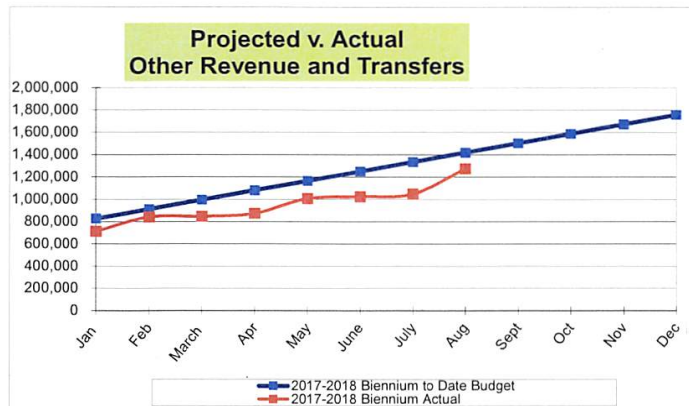
**City of Kenmore, Washington
General Fund Revenue Graphs
August 31, 2018**

OTHER REVENUES AND TRANSFERS

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	742,986	701,874
Jan	827,411	712,400
Feb	911,836	840,519
March	996,261	847,291
Apr	1,080,686	873,291
May	1,165,111	1,006,588
June	1,249,536	1,024,068
July	1,333,960	1,046,985
Aug	1,418,385	1,273,687
Sept	1,502,810	
Oct	1,587,235	
Nov	1,671,660	
Dec	1,756,085	
2017-18 Year To Date	1,756,085	

Actual v. Projected

90%



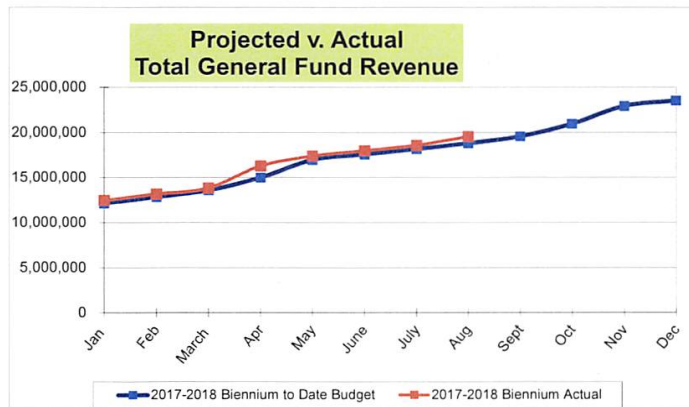
TOTAL GENERAL FUND REVENUE

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
Jan	12,136,345	12,461,569
Feb	12,838,975	13,164,947
March	13,580,053	13,831,338
Apr	14,989,576	16,272,617
May	16,953,663	17,375,336
June	17,563,574	17,969,546
July	18,158,246	18,570,006
Aug	18,802,547	19,539,603
Sept	19,560,964	
Oct	20,951,495	
Nov	22,909,980	
Dec	23,533,174	

Year To Date

Actual v. Projected

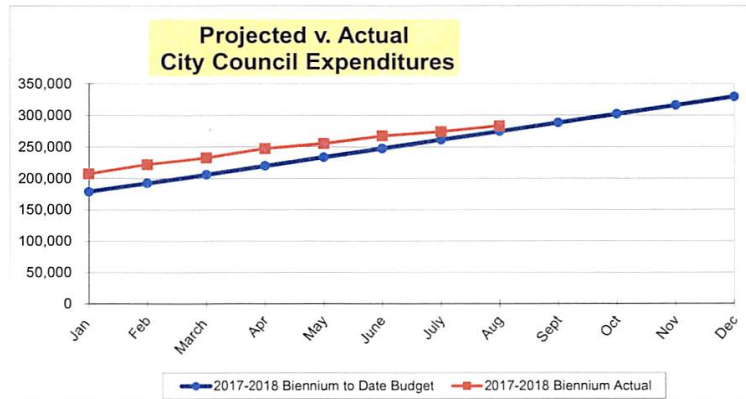
104%



**City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2018**

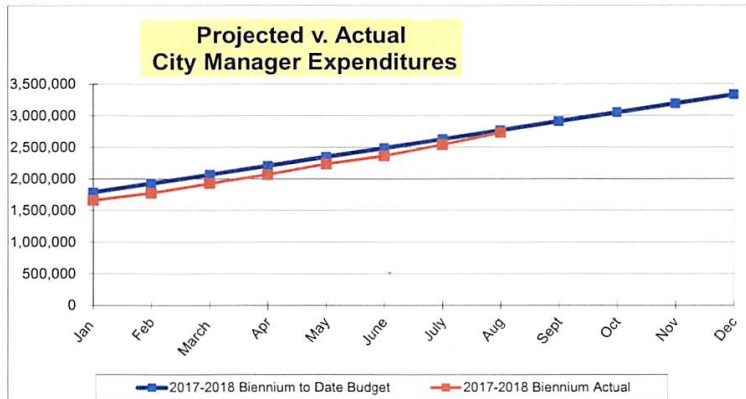
CITY COUNCIL

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	164,713	167,354
Jan	178,439	207,017
Feb	192,165	221,839
March	205,891	232,673
Apr	219,617	247,095
May	233,343	255,093
June	247,070	266,851
July	260,796	274,040
Aug	274,522	283,298
Sept	288,248	
Oct	301,974	
Nov	315,700	
Dec	329,426	
2017-18	329,426	
Year To Date		
Actual v. Projected		103%



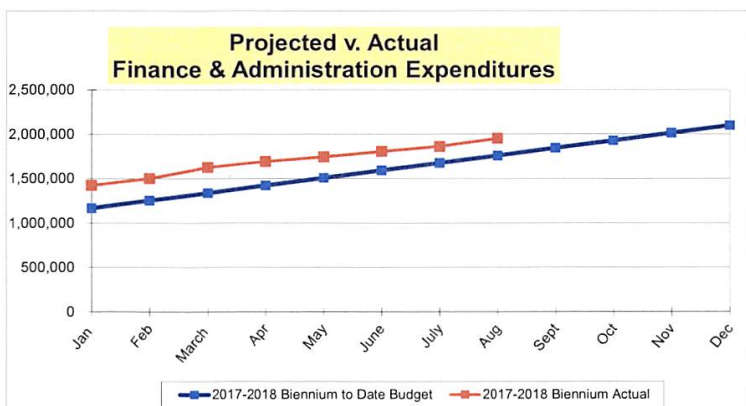
CITY MANAGER

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	1,643,289	1,563,222
Jan	1,783,706	1,654,331
Feb	1,924,124	1,770,648
March	2,064,541	1,924,823
Apr	2,204,958	2,064,887
May	2,345,376	2,232,051
June	2,485,793	2,361,311
July	2,626,210	2,539,657
Aug	2,766,628	2,729,406
Sept	2,907,045	
Oct	3,047,462	
Nov	3,187,880	
Dec	3,328,297	
2017-18	3,328,297	
Year To Date		
Actual v. Projected		99%



FINANCE & ADMINISTRATION

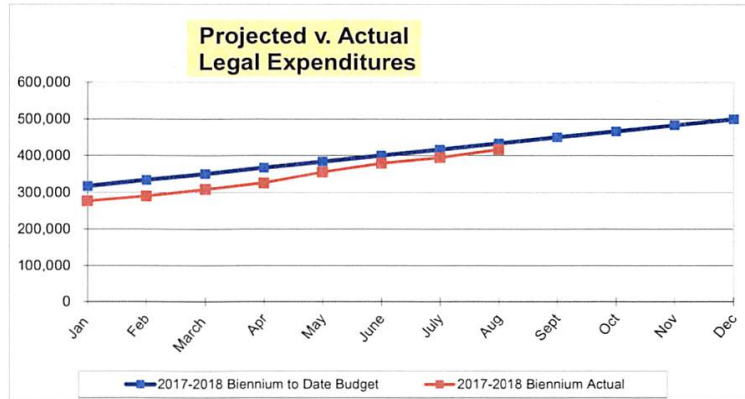
	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	1,083,885	1,129,357
Jan	1,168,407	1,424,099
Feb	1,252,928	1,501,280
March	1,337,450	1,627,809
Apr	1,421,971	1,691,362
May	1,506,493	1,744,026
June	1,591,014	1,805,177
July	1,675,536	1,861,814
Aug	1,760,057	1,951,496
Sept	1,844,579	
Oct	1,929,100	
Nov	2,013,622	
Dec	2,098,143	
2017-18	2,098,143	
Year To Date		
Actual v. Projected		111%



**City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2018**

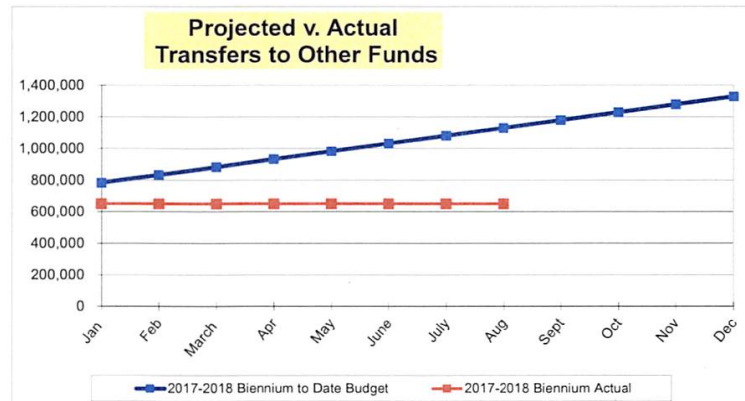
LEGAL

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	300,000	274,954
Jan	316,667	275,802
Feb	333,333	289,096
March	350,000	307,549
Apr	366,667	324,964
May	383,333	354,313
June	400,000	378,906
July	416,667	394,224
Aug	433,333	416,320
Sept	450,000	
Oct	466,667	
Nov	483,333	
Dec	500,000	
2017-18 Year To Date	500,000	
Actual v. Projected		95%



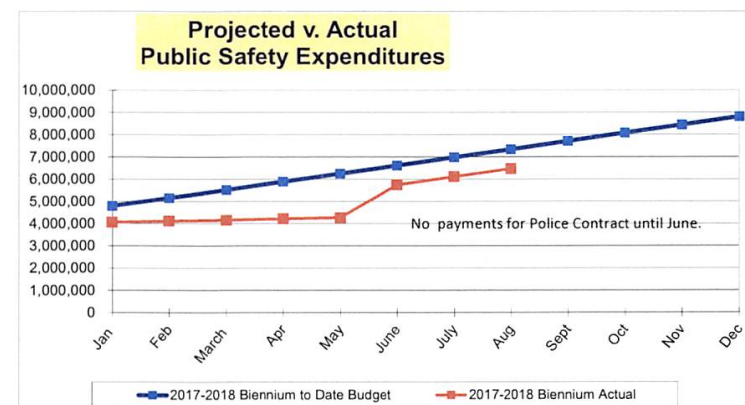
TRANSFERS TO OTHER FUNDS

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	733,151	650,220
Jan	782,741	650,220
Feb	832,331	650,220
March	881,920	650,220
Apr	931,510	650,220
May	981,100	650,220
June	1,030,690	650,220
July	1,080,279	650,220
Aug	1,129,869	650,220
Sept	1,179,459	
Oct	1,229,049	
Nov	1,278,638	
Dec	1,328,228	
2017-18 Year To Date	1,328,228	
Actual v. Projected		58%



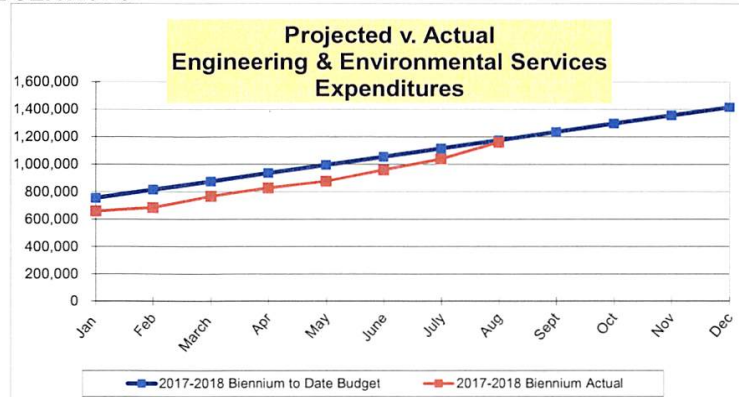
PUBLIC SAFETY

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	4,428,152	4,055,650
Jan	4,792,998	4,062,008
Feb	5,157,844	4,126,878
March	5,522,690	4,151,656
Apr	5,887,536	4,217,160
May	6,252,382	4,269,134
June	6,617,228	5,749,318
July	6,982,074	6,115,238
Aug	7,346,920	6,475,212
Sept	7,711,766	
Oct	8,076,612	
Nov	8,441,458	
Dec	8,806,304	
2017-18 Year To Date	8,806,304	
Actual v. Projected		88%



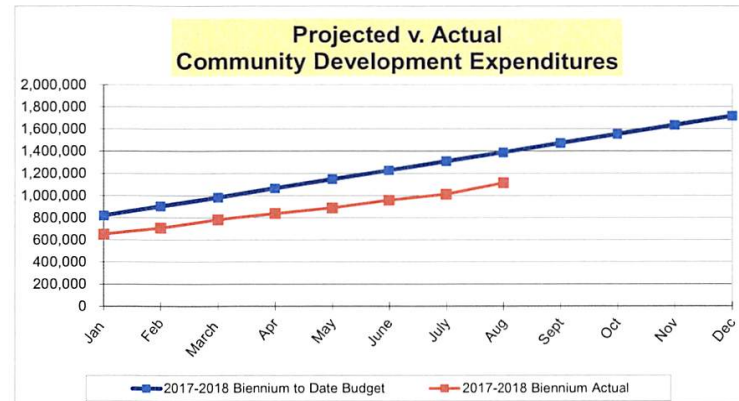
City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2018
ENGINEERING & ENVIRONMENTAL SERVICES

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	694,010	629,990
Jan	754,093	657,935
Feb	814,177	684,399
March	874,260	765,832
Apr	934,344	825,992
May	994,427	875,015
June	1,054,511	958,652
July	1,114,594	1,037,893
Aug	1,174,677	1,159,449
Sept	1,234,761	
Oct	1,294,844	
Nov	1,354,928	
Dec	1,415,011	
2017-18	1,415,011	
Year To Date		
Actual v. Projected		99%



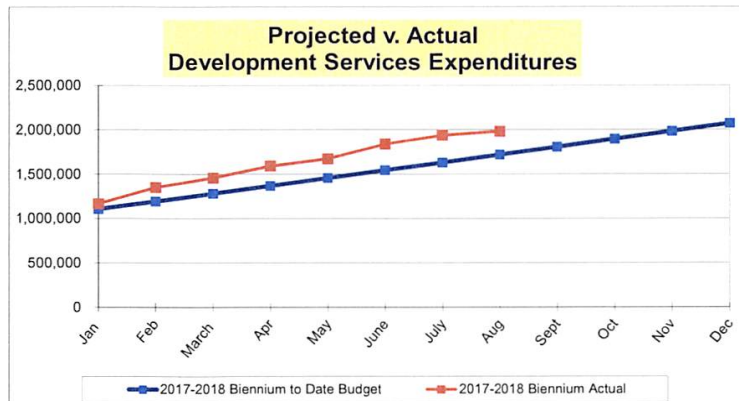
COMMUNITY DEVELOPMENT

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	737,951	599,620
Jan	819,414	650,702
Feb	900,878	705,878
March	982,341	780,880
Apr	1,063,804	837,168
May	1,145,267	887,496
June	1,226,731	957,178
July	1,308,194	1,010,494
Aug	1,389,657	1,112,102
Sept	1,471,120	
Oct	1,552,584	
Nov	1,634,047	
Dec	1,715,510	
2017-18	1,715,510	
Year To Date		
Actual v. Projected		80%



DEVELOPMENT SERVICES

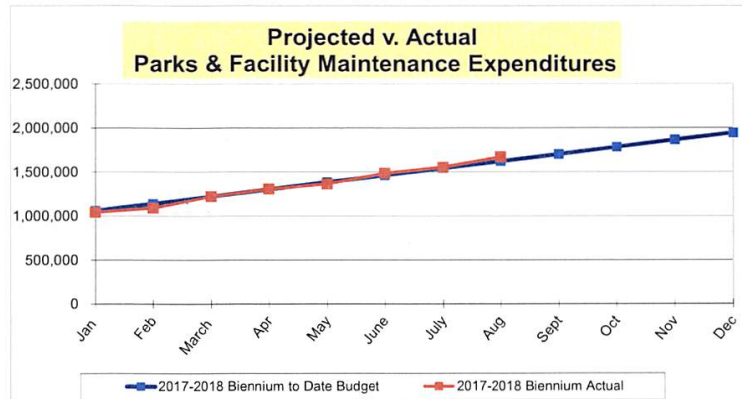
	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	1,017,664	1,087,784
Jan	1,105,466	1,165,099
Feb	1,193,268	1,351,077
March	1,281,070	1,458,554
Apr	1,368,872	1,592,825
May	1,456,674	1,672,844
June	1,544,476	1,839,707
July	1,632,278	1,937,642
Aug	1,720,080	1,982,712
Sept	1,807,882	
Oct	1,895,684	
Nov	1,983,486	
Dec	2,071,288	
2017-18	2,071,288	
Year To Date		
Actual v. Projected		115%



**City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2018**

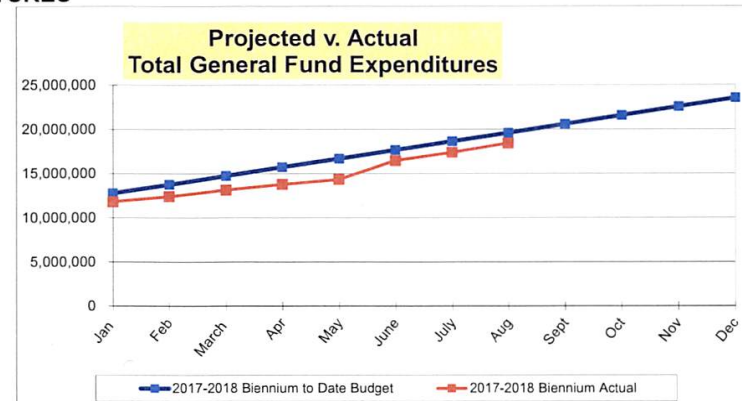
PARKS & FACILITY MAINTENANCE

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
2017	978,706	1,002,290
Jan	1,059,092	1,040,692
Feb	1,139,478	1,090,051
March	1,219,864	1,219,391
Apr	1,300,250	1,303,719
May	1,380,636	1,362,490
June	1,461,023	1,482,943
July	1,541,409	1,552,661
Aug	1,621,795	1,671,776
Sept	1,702,181	
Oct	1,782,567	
Nov	1,862,953	
Dec	1,943,339	
2017-18 Year To Date	1,943,339	
Actual v. Projected		103%



TOTAL GENERAL FUND EXPENDITURES

	2017-2018 Biennium to Date Budget	2017-2018 Biennium Actual
Jan	12,761,023	11,787,903
Feb	13,740,525	12,391,367
March	14,720,027	13,119,388
Apr	15,699,529	13,755,393
May	16,679,031	14,302,681
June	17,658,534	16,450,263
July	18,638,036	17,373,883
Aug	19,617,538	18,431,991
Sept	20,597,040	
Oct	21,576,542	
Nov	22,556,044	
Dec	23,535,546	
Year To Date		
Actual v. Projected		94%



**City of Kenmore, Washington
Street Fund Summary Report
August 31, 2018**



	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>August 2018</u>	<u>2017-2018</u>	<u>BUDGET</u>	<u>2017-2018</u>
<u>REVENUES</u>				
Beginning Fund Balance		790,989		861,602
Fuel Tax	46,228	800,760	82.6%	969,604
Investment Interest	376	5,339	-	6,000
Miscellaneous	88	11,113	-	1,500
ROW Permit Fees/Inspections	18,006	206,304	93.8%	220,000
Multimodal Transportation	0	39,354	85.2%	46,200
Transfer from General Fund	0	527,135	52.7%	1,000,000
Transfer from TBD	0	334,500	50.0%	669,000
Total Revenues	64,697	1,924,506	66.1%	2,912,304

Total Revenues & Beginning Fund Balance	2,715,495	3,773,906
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	BIENNIUM TO DATE	% of	BUDGET
	<u>2017-2018</u>	<u>BUDGET</u>	<u>2017-2018</u>
<u>EXPENDITURES</u>			
Salary and Benefits	35,980	733,188	78.1%
Maintenance & Operations	176,748	1,606,397	83.2%
Capital	0	132,250	330.6%
Total Expenditures	212,729	2,471,835	85.0%

Ending Fund Balance	243,660	864,897
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Total Expenditures and Ending Fund Balance	2,715,495	3,773,906
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City of Kenmore, Washington
Cash and Investment Report
August 31, 2018



<u>Fund</u>	<u>Beg. Cash & Inv.</u> <u>from Prev. Mo.</u>	<u>Monthly</u> <u>Revenues</u>	<u>Monthly</u> <u>Expenditures</u>	<u>End. Cash & Inv.</u> <u>Current Month</u>
General	\$4,345,408	\$969,597	\$1,058,108	4,256,897
Street	391,722	64,697	212,729	243,691
Transportation Capital	350,301	70,529	95,128	325,702
Public Art	68,599	106	0	68,705
Park Impact Fee	554,887	856	0	555,743
Transportation Impact Fee	1,959,225	3,024	0	1,962,249
Swamp Creek Basin	1,436,102	2,216	0	1,438,318
Transportation Benefit District	295,930	33,214	0	329,143
Sammamish Bridge Replacement	-357,063	335,268	141,404	(163,199)
Walkways & Waterways Debt Service	678,868	4,095	0	682,963
Real Estate Excise Tax	3,354,409	120,776	0	3,475,185
Kenmore Village	242,227	353	13,427	229,153
Park Capital	-321,019	0	22,477	(343,496)
Walkways & Waterways Bond	7,924,063	13,706	0	7,937,769
Surface Water Management	1,717,185	6,815	180,184	1,543,817
Surface Water Capital	-97,582	0	8,256	(105,838)
Strategic Reserve	1,292,517	1,995	0	1,294,512
Strategic Opportunities	2,053,202	6,041	4,902	2,054,341
Equipment Replacement	442,377	17,344	0	459,721
Trust & Agency	688,661	653	0	689,313
Totals	\$27,020,019	\$1,651,284	\$1,736,614	\$26,934,689

<u>Fund</u>	<u>Cash, Savings,</u> <u>Local Govt Investment Pool</u>	<u>(> One Year)</u> <u>Fixed</u> <u>Investments</u>	<u>Total</u>
General	-\$1,144,052	\$5,400,981	4,256,929
Street	-606,309	850,000	243,691
Transportation Capital	325,584	0	325,584
Public Art	53,704	15,000	68,704
Park Impact Fee	-374,254	930,000	555,746
Transportation Impact Fee	1,932,251	30,000	1,962,251
Swamp Creek Basin	38,319	1,400,000	1,438,319
Transportation Benefit District	329,143	0	329,143
Sammamish Bridge Replacement	-163,200	0	(163,200)
Walkways & Waterways Debt Service	682,963	0	682,963
Real Estate Excise Tax	3,475,184	0	3,475,184
Kenmore Village	-220,851	450,000	229,149
Park Capital	-343,496	0	(343,496)
Walkways & Waterways Bond	7,937,769	0	7,937,769
Surface Water Management	1,033,818	510,000	1,543,818
Surface Water Capital	-105,838	0	(105,838)
Strategic Reserve	444,513	850,000	1,294,513
Strategic Opportunities	2,054,342	0	2,054,342
Equipment Replacement	9,720	450,000	459,720
Trust & Agency	589,309	100,000	689,309
Totals	\$15,948,617	\$10,985,981	\$26,934,599

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City of Kenmore, Washington
Investment Schedule
August 31, 2018



Average Yield to Maturity-Securities							Overall Average Yield	1.63%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Principal or Balance	Yield Equivalents
Morgan Stanley								
	3134G9GR2	FHLMC	8/18/2020	8/7/2017	1.60%	1.62%	999,500.00	16,191.90
	3130ACTL8	FHLB	11/25/2020	12/22/2017	1.95%	1.95%	997,650.00	19,454.18
	3134GSEU5	FHLB	2/24/2021	5/23/2018	2.62%	2.62%	996,714.35	26,153.78
	3133EHXL2	FHLB	3/5/2020	9/19/2017	1.54%	1.54%	999,000.00	15,384.60
	3130AB3N4	FHLB	10/29/2019	4/28/2017	1.55%	1.55%	1,000,750.00	15,511.63
Total Morgan Stanley Purchases							4,993,614.35	92,696.08
Time Value Investments								
	31771EAQ4	FHLB	11/2/2018	11/23/2016	1.08%	1.08%	999,868.36	10,798.58
	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
	3135G0G23	FNMA	4/29/2019	11/24/2015	1.35%	1.35%	998,326.00	13,477.40
Total TVI Purchases							4,992,366.54	92,480.50
Sound Community Bank CD's								
Total Sound Community Bank CD's							0.00	0.00
Opus Bank CD's								
	11495975	CD	8/10/2019	8/10/2018	2.37%	2.40%	1,000,000.00	24,000.00
Total Cascade Bank CD's							1,000,000.00	24,000.00
TOTAL ALL SECURITIES							\$ 10,985,980.89	\$ 209,176.59
					Banner Checking and Savings	0.07% Banner	4,091,835.84	2,864.29
					Opus Savings	1.96% Opus	3,035,588.48	59,497.53
					Cash			-
					LGIP - Primary Account	1.89% LGIP	797,296.63	15,068.91
					LGIP - Bond Proceeds Account	1.89% LGIP	8,023,896.44	151,651.64
					Total Accounts		\$ 26,934,598.28	438,258.95

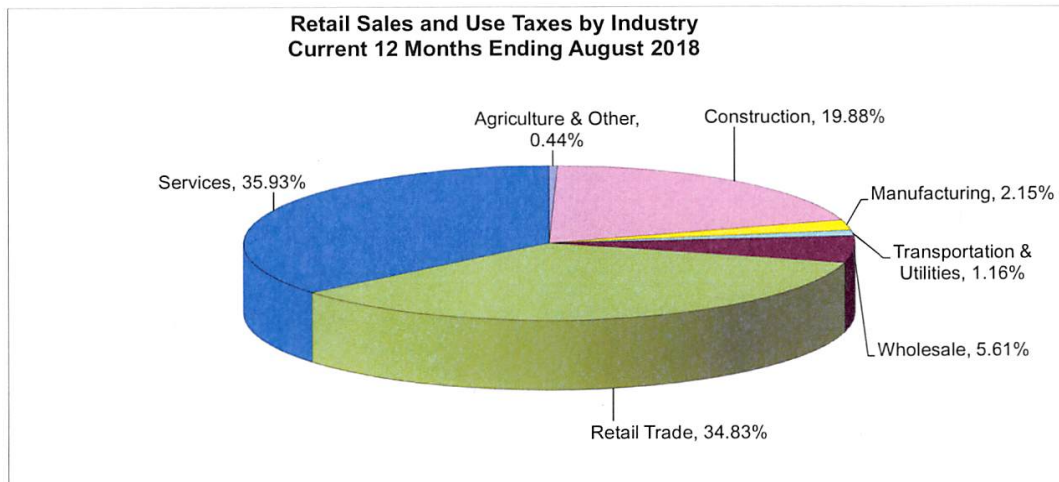
City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 August 2018

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	148.61	0.00	148.61	0.1%
CONSTRUCTION	47,587.75	119.35	47,707.10	20.2%
MANUFACTURING	5,161.37	-3.17	5,158.19	2.2%
TRANSPORTATION & UTILITIES	2,216.36	1,202.49	3,418.84	1.4%
WHOLESALE	9,839.39	82.08	9,921.46	4.2%
RETAIL TRADE	81,482.12	-37.21	81,444.91	34.5%
SERVICES	73,596.57	420.37	74,016.94	31.4%
INFORMATION	7,996.89	104.83	8,101.72	3.4%
PUBLIC SERVICES	8.61	5,959.63	5,968.24	2.5%
	<u>228,037.66</u>	<u>7,848.36</u>	<u>235,886.02</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
August 31, 2018

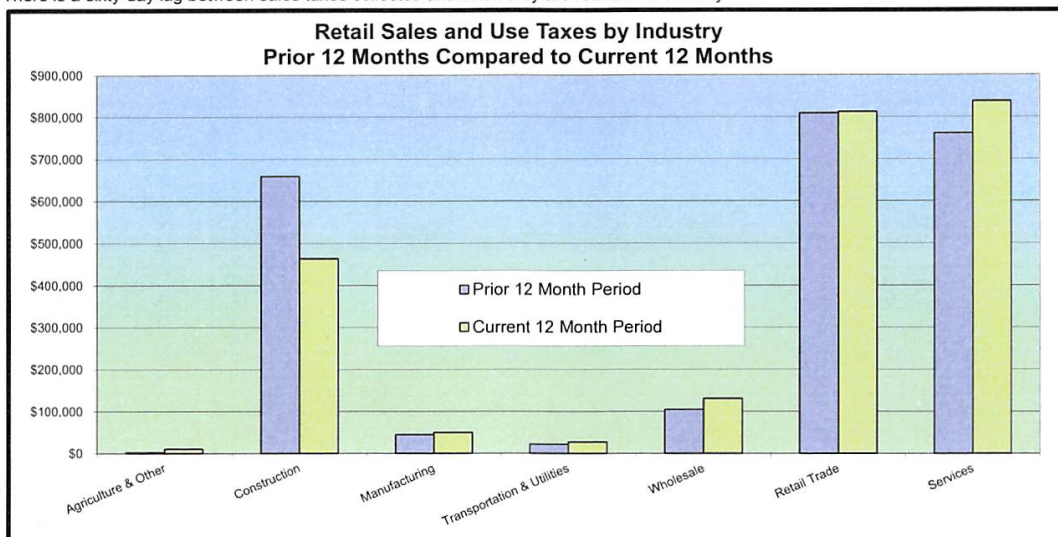


Industry	Prior 12 Months ending August 2017	Current 12 Months ending August 2018	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$2,132	\$10,249	380.65%	0.44%
Construction	658,710	463,339 *	-29.66%	19.88%
Manufacturing (Printing, Publishing, Other Manuf.)	45,150	50,053	10.86%	2.15%
Transp/Comm/Utilities (Telecomm., Air Transport.)	21,923	27,110	23.66%	1.16%
Wholesale (Lumber, Other Wholesale)	105,011	130,713	24.47%	5.61%
Retail Trade (Eating, Merchandise, Food Stores)	808,647	811,806	0.39%	34.83%
Services (Auction, Recreation, Auto Repair, Financial)	761,077	837,282	10.01%	35.93%
Totals	\$2,402,651	\$2,330,550	-3.00%	100%
Increase/(Decrease)		(\$72,101)	-3.00%	



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

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



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**City of Kenmore, Washington
Real Estate Excise Tax Report
August 31, 2018**



**Real Estate Excise Taxes (REET)
2015 - 2018 Monthly Receipts**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Target 2018
January	74,259	122,819	176,657	99,205	124,578
February	61,070	70,146	94,134	82,263	75,117
March	111,337	110,066	170,086	89,698	130,496
April	104,280	133,161	126,245	148,514	121,228
May	112,927	129,599	139,422	144,906	127,316
June	156,338	167,575	211,430	181,182	178,448
July	173,095	177,426	163,138	181,974	171,219
August	166,651	165,397	114,754	115,421	148,934
September	147,668	136,176	221,719		168,521
October	129,678	150,786	186,805		155,756
November	120,907	124,437	150,187		131,844
December	96,566	131,651	146,159		124,792
	\$1,454,776	\$1,619,239	\$1,900,736	\$1,043,163	\$1,658,250

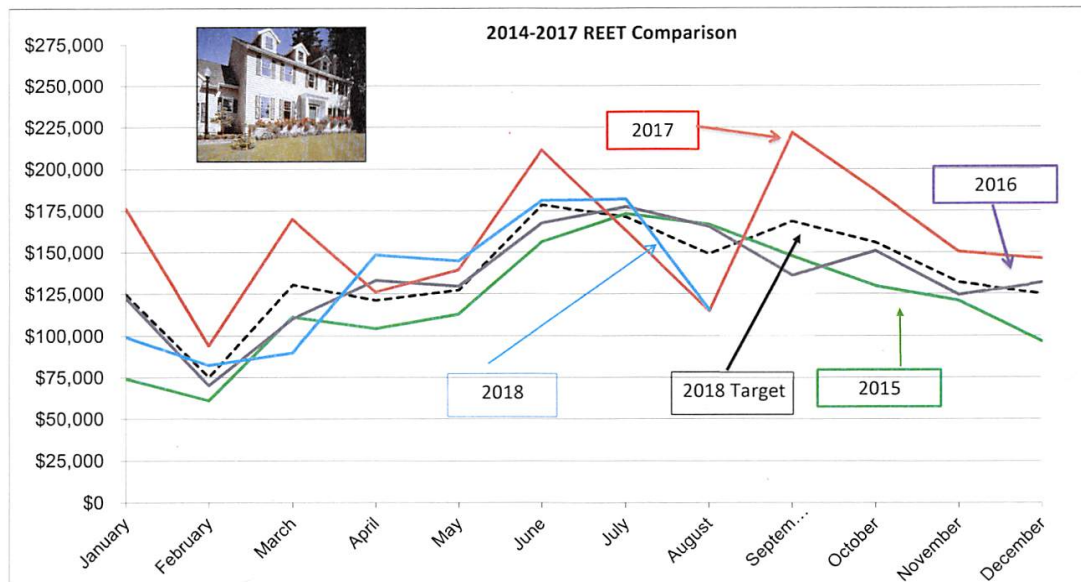
For 2018, REET is \$153,370 less than the same period last year and less than the 2018 target by \$660

* NOTE THE 2018 target is computed on a 3 year average (2015-2017) of actual receipts

**Real Estate Excise Taxes (REET)
2015 - 2018 Property Sales > \$500,000**

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

	2015	2016	2017	2018	2014	2015	2016	2017
January	7,418,000	18,590,517	27,548,430	17,379,581	23,264	36,719	92,023	136,365
February	6,607,900	9,701,034	19,017,050	15,277,640	19,458	32,709	48,020	94,134
March	7,874,934	15,147,174	29,692,641	13,818,387	10,768	38,981	74,979	146,979
April	14,291,370	21,160,913	19,953,544	23,896,450	21,120	70,742	104,747	98,770
May	14,068,904	19,813,122	24,277,456	25,710,632	61,121	69,641	98,075	120,173
June	20,361,466	26,065,161	36,414,050	31,816,871	36,402	100,789	129,023	180,250
July	25,571,387	24,020,546	28,779,145	32,800,185	74,604	126,578	118,902	142,457
August	22,614,538	21,648,781	18,859,991	19,693,600	29,117	111,942	107,161	93,357
September	18,821,380	16,950,242	38,431,272		41,767	93,166	83,904	190,235
October	16,519,240	21,157,409	31,278,148		220,060	81,770	104,729	154,827
November	14,736,156	16,916,011			44,164	72,944	83,734	0
December	13,187,535	20,607,695	25,603,889		35,357	65,278	102,008	126,739
	\$182,072,810	\$231,778,605	\$299,855,616	\$180,393,346	617,202	901,259	1,147,305	\$1,484,286



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City of Kenmore, Washington
Monthly Report for Kenmore Village Fund
August 31, 2018



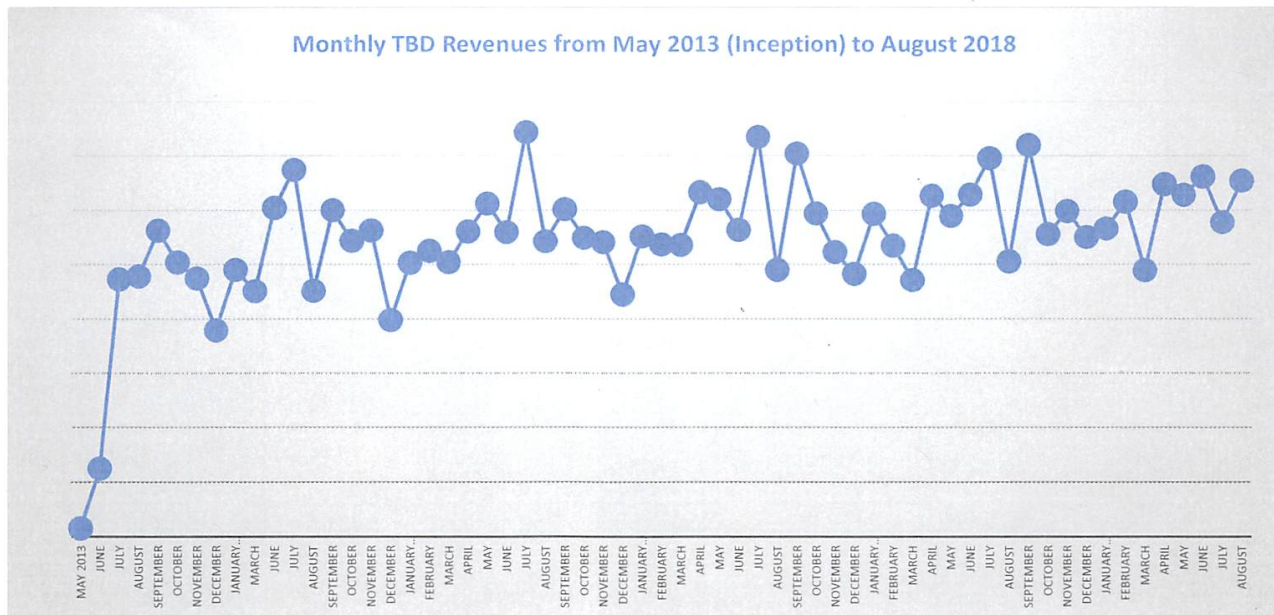
<u>Revenues</u>	<u>August 2018</u>	<u>Biennium-to- Date</u>	<u>Biennium Budget</u>
Lease Income (USPS & Kenmore Village)	0	20,120	89,000
Investment Interest	353	4,553	5,000
Transfer From General Fund	0	123,085	328,228
Misc. Revenues	0	170,282	0
Leasehold Excise Returned	0	1,087	2,400
Total Revenues	353	319,128	424,628
<u>Expenditures</u>			
Salaries/Wages/Benefits	0	761	60,000
Downtown Plan Services	0	8,382	0
Events & Misc.	8,437	43,418	44,000
Utilities and Insurance - Kenmore Village	1,642	55,620	64,200
Repairs, Maintenance, Other Services	3,349	84,405	84,600
Surface Water and Fire Benefit Fees	0	8,942	0
Computer Software	0	489	20,000
Improvements	0	0	8,000
Kenmore Village Public Square	0	358,660	0
Total Expenditures	13,427	560,678	292,228
Net Income (Loss)	-13,074	-241,550	132,400

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

**Kenmore Transportation Benefit District
Monthly Report
August 31, 2018**



<u>Revenues</u>	<u>August 2018</u>	<u>Biennium-to-Date</u>	<u>Percent of Budget</u>	<u>Biennium Budget</u>
Vehicle Fees	32,706	595,745	87.61%	680,000
Investment Interest	507	5,196	649.47%	800
Total Revenues	<u>\$33,214</u>	<u>\$600,940</u>	88.27%	<u>\$680,800</u>
<u>Expenditures</u>				
Reimbursement to Street Fund	0	334,500	50.00%	669,000
Total Expenditures	<u>0</u>	<u>334,500</u>	50.00%	<u>669,000</u>
Net Income (Loss)	<u>\$33,214</u>	<u>\$266,440</u>		<u>\$11,800</u>



**City of Kenmore
City Council Regular Meeting
Minutes
September 17, 2018**

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

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

ROLL CALL

FLAG SALUTE

AGENDA APPROVAL

The agenda was approved with no changes.

PRESENTATION

Award for Arthur Sullivan for his Upcoming Retirement from ARCH - Mayor David Baker

CITIZEN COMMENTS

(Spanish Speaking Interpreter was Available)

Ishbel Dickens
(Full address not given)
Seattle, Washington 98112

Ms. Dickens urged the Council to look at option 5 for the mobile home park zoning.

Todd Prince
(Full address not given)
Kenmore, Washington 98028

Mr. Prince stated his concerns for the temporary shelters in the City.

City of Kenmore - City Council Meeting Minutes
September 17, 2018

Stacey Valenzuela
Lakewood Villa
(Full address not given)
Kenmore, Washington 98028

Ms. Valenzuela urged the Council to preserve the mobile home parks.

Lori Jenson
Inglewood East
(Full address not given)
Kenmore, Washington 98028

Ms. Jenson urged the Council to preserve the mobile home parks.

Kylin Parks
4515 176th Street SW #4
Lynnwood, Washington 98037

Ms. Parks urged the Council to vote for option 5 on the mobile home parks.

Michael Grimm
Inglewood East
(Full address not given)
Kenmore, Washington 98028

Mr. Grimm spoke about rents being very high.

Nikole Dixon
7614 NE Bothell Way #17
Kenmore, Washington 98028

Ms. Dixon urged the Council to protect the mobile home parks.

Teresa Ortega
6905 NE 182nd #50
Kenmore, Washington 98028

Ms. Ortega asked the Council to save her home for her and her family.

Janice H. (Last name not confirmed)
7301 NE 175th Street #136
Kenmore, Washington 98028

City of Kenmore - City Council Meeting Minutes
September 17, 2018

Ms. H. urged the Council to protect the senior citizens.

Harry P. (Last name not confirmed)
7002 NE 181st #4
Kenmore, Washington 98028

Mr. P. spoke about his concerns for citizens with low incomes.

Melissa Riley
12424 NE 169th Street
Woodinville, Washington

Ms. Riley spoke about the students at Kenmore Elementary who live in mobile home parks.

Fred Olson
7031 NE 135th #37
Kenmore, Washington

Mr. Olson told the Council that the mobile home he lives in is all he can afford.

Alvaro Parra
315 212th Street SW
Bothell, Washington

Mr. Parra said he is a family advocate for Kenmore Elementary and urged Council to protect the mobile homes where students live.

CONSENT AGENDA

Councilmember Denuski asked that the Ordinance 18-0469 Adopting the 2019-2024 Capital Improvement Program for Surface Water, Parks, Transportation, and City Facilities be pulled from the consent agenda for further discussion.

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

The following items were included on the consent agenda:

Total Check #s 40607 through 40697 in the amount of \$685,366.93.
Total Payroll/Taxes/Flexible Spending & Health Savings Account Electronic Deposits
Dated: 8/31/2018 in the amount of \$110,581.58.

City of Kenmore - City Council Meeting Minutes
September 17, 2018

Receive and File July 2018 Financial Report for the City of Kenmore, Washington

BUSINESS AGENDA

Ordinance 18-0469 Adopting the 2019-2024 Capital Improvement Program for Surface Water, Parks, Transportation, and City Facilities

Councilmember Denuski stated that the Council needs to look into pavement preservation next year. Council discussed this with the City Manager.

MOTION: Deputy Mayor Herbig made a motion to approve Ordinance 18-0469 Adopting the 2019-2024 Capital Improvement Program for Surface Water, Parks, Transportation, and City Facilities, Councilmember Denuski seconded the motion. The motion passed unanimously.

Lake City Partners Ending Homelessness Request for \$2,000 - Rob Karlinsey, City Manager
City Manager Karlinsey explained that in partnership with Kenmore Bothell Interfaith Group (KBIG), Lake City Partners Ending Homelessness (LCP) is requesting \$2,000 from the City of Kenmore in order to provide full staffing and supervision for a co-ed shelter with beds for 30 men and women starting November 2, 2018.

The details of the request are included in their September 7, 2018 letter which is included in the Council packet. It should be noted that Lake City Partners did request funding through the human services application process however that is for the 2019-2020 biennium.

Also present for the discussion was Melaine Neufeld President of Lake City Partners.

Council, staff and Ms. Neufeld engaged in a discussion.

MOTION: Councilmember Curtis made a motion to approve the \$2,000 request made by Lake City Partners Ending Homelessness which will be implemented through a contract with Lake City Partners Ending Homelessness and authorize the City Manager to sign it, Councilmember Srebnik seconded the motion. The motion passed 5-2-0 with Mayor Baker and Councilmember Smith voting no.

Mobile Home Park (MHP) Approaches - Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner

Community Development Director Bent and Senior Planner Anderson explained that staff hopes to receive preliminary direction from the Council on the land use and financial

City of Kenmore - City Council Meeting Minutes
September 17, 2018

assistance strategies to be pursued for the MHPs. With this information, staff will craft code amendments and/or prepare budget amendments for your consideration.

Attachment 1 (in the Council packet) includes a comprehensive description of 7 options for treatment of the MHPs--the Planning Commission's four options (Options 1 through 4), plus the MHP protective zoning option (Option 5) discussed at your July 23 meeting. (Protective zoning could be either an overlay zone or a rezoning.) As you requested, staff also developed two additional options—Options 6 and 7. These options include time-limited protective zoning (staff recommends a minimum term of 10 years)—one with phased zoning that would lift at the end of the protection period, one with phased zoning that would lift in conjunction with an upzone of the property at the end of the protection period. It is presumed that affordability requirements would be included with the upzoning option. You will note that TDR is not included in either of the two new shorter-term protective zoning options. Staff does not recommend that the City allow the sale of development rights through TDR without obtaining either long-term protective zoning or a covenant for preservation in exchange.

Attachment 1 categorizes the 7 options by “long-term preservation,” “limited term preservation,” and “allow redevelopment with preservation of affordability and homeowner assistance.”

Attachment 2 is a “Decision Tree,” developed by staff to help the Council consider options for each of the 6 parks. Depending on the Council's goal for a park, alternative paths are shown, along with an abbreviated description of the actions associated with the chosen approach.

The criteria used by the Planning Commission to make their recommendations are found in Attachment 3.

Attachment 4 is a worksheet (modeled on a worksheet that was helpful to the Planning Commission) that might be a useful place for Councilmembers to draft thoughts and comments prior to the September 17th meeting.

Attachment 5 is a map of the 6 parks.

Council and staff engaged in a discussion.

MOTION: Councilmember Marshall made a motion to move forward with Option 1 & 5 and apply the options to all the parks, Deputy Mayor Herbig seconded the motion. The motion failed 2-5-0 with Councilmember Marshall and Deputy Mayor Herbig voting yes.

MOTION: Councilmember Smith made a motion to eliminate Option 5 as an option, Councilmember Curtis seconded the motion. The motion passed 4-3-0

City of Kenmore - City Council Meeting Minutes
September 17, 2018

with Councilmember Marshall, Mayor Baker and Deputy Mayor Herbig voting no.

MOTION: Councilmember Marshall made a motion to treat all parks the same, Deputy Mayor Herbig seconded the motion. The motion failed 2-5-0 with Councilmember Marshall and Deputy Mayor Herbig voting yes.

MOTION: Councilmember Srebnik made a motion to direct staff to treat the parks differently due to the unique characteristics and grouping the 2 on the Sammamish River, 1 on 182nd and the remaining 3 (Lake Terrace, Perkins and Kenmore Village), Councilmember Curtis seconded the motion.

AMENDMENT TO THE MOTION: Councilmember Smith made an amendment to the motion to separate based on the divider being SR522. Motion failed due to lack of second.

ORIGINAL MOTION: The motion failed 2-5-0 with Councilmember Curtis and Councilmember Srebnik voting yes.

MOTION: Councilmember Denuski made a motion to apply Option 1 on the two parks on 175th (South of SR522), Councilmember Curtis seconded the motion. The motion passed 6-1-0 with Councilmember Marshall voting no.

MOTION: Councilmember Marshall made a motion for the mandatory long-term preservation Option 1 for the rest of the parks, Deputy Mayor Herbig seconded the motion. The motion failed 2-5-0 with Councilmember Marshall and Deputy Mayor Herbig voting yes.

MOTION: Councilmember Curtis made a motion to apply Option 7 (10-year notice) on the mobile home park on 182nd, Councilmember Smith seconded the motion. The motion passed 4-3-0 with Councilmember Marshall, Mayor Baker and Deputy Mayor Herbig voting no.

MOTION: Councilmember Curtis made a motion to apply Option 4 to the remaining 3 parks (downtown parks: Lake Terrace, unnamed and Kenmore Village), Councilmember Smith seconded the motion. The motion failed 1-6-0 with Councilmember Curtis voting yes.

MOTION: Councilmember Smith made a motion to apply Option 7 to the remaining 3 parks (downtown parks: Lake Terrace, unnamed and Kenmore

City of Kenmore - City Council Meeting Minutes
September 17, 2018

Village) with a 5-year notice, Councilmember Curtis seconded the motion.

AMENDMENT TO THE MOTION: Councilmember Curtis made a motion to change the notice from 5 to 10-year notice, Councilmember Smith seconded the motion. The motion passed 6-1-0 with Councilmember Marshall voting no.

ORIGINAL MOTION AS AMENDED: (Restated: Remaining 3, Option 7 with a 10-year notice) The motion passed 4-3-0 with Councilmember Marshall, Mayor Baker and Deputy Mayor Herbig voting no.

Authorize the City Manager to Execute Amendment No. 2 to Contract 18-C1832 with the Johnston Group – Nancy Ousley, Assistant City Manager

Assistant City Manager Ousley explained that the City entered into a contract with the Johnston Group in January 2018 for consulting services related to policy issues and actions under the jurisdiction of the Sound Transit Board of Directors. Mayor David Baker was appointed to the Sound Transit Board and began his four-year term in January 2018. He serves on two Board Committees: Operations and Administration; and Auditing and Reporting. The Johnston Group is providing policy analysis and consultation to the Mayor related to his service on the Board of Directors. The consulting team has specific expertise in the region all transit issues, including issues related to this sub region of the Sound Transit jurisdiction. Sound Transit serves the urban areas of King, Pierce and Snohomish Counties.

The proposed amendment would authorize this work to continue through the end of this calendar year at the current retainer amount of \$2915 per month, which includes all consultant expenses. The total expenditure amount for the contract through December 2018 (\$34,082.50) would be within the City Manager's signature authority, but the City Manager requests the Council's concurrence on the Contract Amendment.

Mayor Baker recused himself from the vote.

MOTION: Councilmember Curtis made a motion to authorize the City Manager to Execute Amendment No. 2 to Contract 18-C1832 with the Johnston Group, Deputy Mayor Herbig seconded the motion. The motion passed 6-0. (Mayor Baker recused himself).

ADJOURNMENT

The meeting adjourned at 9:59 p.m.

City of Kenmore - City Council Meeting Minutes
September 17, 2018

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk



City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

Presentation of 2019-2020 Proposed Biennial Budgets for the following departments and funds: PW Engineering, Development Services, Community Development, City Clerk, Finance and Administration, Non-Department, Public Works Maintenance, Street Fund, Kenmore Village Fund, Strategic Reserve Fund, Strategic Opportunities Fund, Public Art Fund, Transportation Benefit District, 2016 Bond Fund, Real Estate Excise Tax, Walkways & Waterways Fund, Impact Fee Funds

Proposed Council Action/Motion:

Presentation of 2019-2020 Proposed Biennial Budgets for the following departments and funds: PW Engineering, Development Services, Community Development, City Clerk, Finance and Administration, Non-Department, Public Works Maintenance, Street Fund, Kenmore Village Fund, Strategic Reserve Fund, Strategic Opportunities Fund, Public Art Fund, Transportation Benefit District, 2016 Bond Fund, Real Estate Excise Tax, Walkways & Waterways Fund, Impact Fee Funds

For Council Meeting Agenda of: October 29, 2018

Departments: Finance and Administration
Director Joanne Gregory, City Engineer John Vicente, Development Services Director Bryan Hampson, Community Development Director Debbie Bent, City Clerk Kelly Chelin, Public Works Operations Manager Jennifer Gordon

Prepared by: Joanne Gregory, Finance and Administration Director

Initial & Date

Approved by Department Head: *JMG 10/24/18*

Approved by City Attorney:

Approved by Finance Director: *JMG 10/24/18*

Approved by City Manager: *PK*

Exhibits/Attachments:

Presentation to be uploaded by October 26, 2018

INFORMATION/BACKGROUND:

The 2019-2020 proposed biennial budget discussions will continue with presentations for the following departments and funds: PW Engineering, Development Services, Community Development, City Clerk, Finance and Administration, Non-Department, Public Works Maintenance, Street Fund, Kenmore Village Fund, Strategic Reserve Fund, Strategic Opportunities Fund, Public Art Fund, Transportation Benefit District, 2016 Bond Fund, Real Estate Excise Tax, Walkways & Waterways Fund, and the Impact Fee Funds. A power-point and staff presentation will be provided. Additional funds will be presented for discussion on October 31, 2018.

FISCAL CONSIDERATION:

The 2019-2020 preliminary budget book includes Department and Fund budget details for the following:

Public Works Engineering	page 120	Strategic Reserve Fund	page 155
Development Services	page 135	Strategic Opportunities Fund	page 157
Community Development	page 126	Public Art Fund	page 164
City Clerk	page 103	Transportation Benefit District	page 166
Finance and Administration	page 103	2016 Bond Fund	page 168
Non-Department	page 114	Real Estate Excise Tax Fund	page 174
Public Works Maintenance	page 146	Walkways & Waterways Fund	page 176
Street Fund	page 160	Park Impact Fee Fund	page 185
Kenmore Village Fund	page 152	Transportation Impact Fee Fund	page 187

**City Council
Meeting
October 29, 2018**

**City of Kenmore,
Washington
2019-2020
Proposed Budget**

**Department Presentations:
Development Services,
Community Development,
PW Engineering, PW
Maintenance, Street Fund,
City Clerk, Finance, Non-
Dept, Kenmore Village,
Strategic Reserve, Strategic
Opportunities, Public Art,
TBD, 2016 Bond, REET,
Walkways & Waterways,
Park Impact and
Transportation Impact Fees**

Development Services

- The Development Services Department is responsible for oversight of land and building development throughout the City. The Department's mission is to implement the City Council's vision of providing a safe and secure community; sustainable, healthy environment; and a desirable place to work and live.

Preliminary Budget

- Total 2019-2020 Budget = \$2,184,288
 - 5% increase over 2017-2018
- 8.4% of General Fund

FTEs

- 5.5 FTEs: Development Services Director, Associate Planner, Building Inspector/Plans Examiner, Building Inspector/Code Enforcement, Permit & Administrative Specialist, ½ FTE Admin Assistant
- Plus Temporary Building Inspector/Plans Examiner

Development Activities

- While the number of new single-family applications continue be low, multi-family townhomes are expected to increase.
- Complete and issue Certificate of Occupancies for The Flyway.
- Assist with the Lakepointe property development negotiations and process the associated permits and agreements.
- Continue to provide inspections and services for the rehabilitation of the existing Saint Edward Seminary building.

2019-2020 Budget Highlights

- This period should be a pivotal period for the Lakepointe project. Expected to receive a site plan application and accompanying environmental and secondary applications.
- No new programs. Focus on refining current programs.

Permit Intake and Management

- Development Review Team Meetings: occur at pivotal points of development; pre-application; permit review; and pre-occupancy.

Permit Review

- There are up to six separate review functions that may apply to a single project:
 - (1) Zoning and Land-use;
 - (2) Environmental;
 - (3) Clearing and Grading;
 - (4) Storm and Surface Water;
 - (5) Traffic and Parking; and
 - (6) Building and Structures



Construction Inspections and Monitoring Projects after Completion

- There are inspections that occur throughout the building process as well as a monitoring period for improvements that the City will inherit, or associated with mitigation for a critical area other site improvement activities as required.

Other Programs

- Code Enforcement
- Emergency Management
- Lakepointe Planning
- Mybuildingpermit.com
- Training and Conferences

Community Development

- Long-range strategic planning and policy development
- Comprehensive Plan development and implementation
- Park planning and development
- Project management and grant management

Preliminary Budget

- Total 2019-2020 Budget \$1,748,893
- 1.9% increase over 2017-2018 budget
- 6.8% percent of General Fund

FTEs

- 4.5 FTE's
 - Community Development Director
 - Senior Planner
 - Two Park Project Manager positions
 - 1/2 FTE Administrative Assistant (shared with Development Services)



2019-2020 Budget Highlights Planning

- Develop regulations for Preservation of Existing Affordable Housing, Mobile Home Park project (docket item 2018, complete 2019).
- Develop regulations for the Critical Area Regulation and Shoreline Master Program updates (docket item 2018, complete 2019).
- Support the Planning Commission and Council on the 2019 and 2020 docket related to Comprehensive Plan and development regulation amendments. Council approves the docket annually in January (estimate 6-8 docket items).

2019-2020 Budget Highlights Parks

- Manage the 10 park capital projects adopted in the Park Capital Improvement Program.
- Update the Park Recreation and Open Space Plan (last updated 2013).
- Update the rate study (adopted 2001) and develop recommendations related to Park Impact fees.
- Manage grant contracts for awarded funding for the park capital projects (estimate 8 grant contracts).
- Apply for grants to support park capital projects (estimate 6 applications).

2019-2020 Budget Highlights

- \$155k Planning Support: Consultant support related to: updating the PROS plan and Rate Study for Park Impact Fees (\$100k); Grant and other support (\$55k).
- \$120k Park Support: Consultant support related to comprehensive plan amendments and implementation.

PBB Highlights

Parks:

\$282,661 - Parks Project Management: Design & Permitting (Q1)

\$114,562 - Parks Project Management: Construction Inspection (Q2)

\$105,336 - Parks Grant Preparation & Administration (Q2)

Planning:

\$149,140 – Comprehensive Plan Implementation (Q1)

\$115,732 – Comprehensive Plan Amendments Preparation (Q1)

\$111,991 – Affordable Housing (Q3)

Public Works Engineering

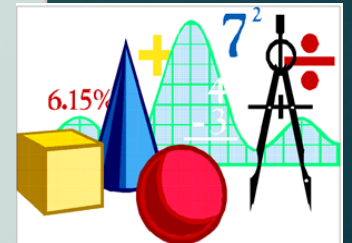
- The Engineering Division of Public Works is responsible for Capital Project Management, Traffic Engineering, Engineering Development Review and Inspection, Franchise Utility Permits, and management of right of way standards.

Preliminary Budget

- Total 2019-2020 Budget \$1,788,570
 - 20% increase from 2017-2018 budget
 - Addition of Public Works Director Consultant (2019)
 - PW Admin – 0.4 FTE
 - Peak Period Assistance for Development Review
- 6.9% of Total General Fund

FTEs

- FTEs: 5.40
- City Engineer
 - Permit and Administrative Specialist (0.4 FTE)
 - Senior Civil Engineer
 - Civil Engineer (Development Review) – Streets Fund
 - Civil Engineer (Capital Projects)
 - Senior Engineering Technician – Streets Fund



2019- 2020 Budget Highlights

- Add new administrative assistant position
- Continuation of project manager position (West Sammamish River Bridge)
- General Consulting budget includes:
 - Part time Public Works Director,
 - Development review and traffic engineering assistance,
 - Assistance with engineering service needs not associate with a Capital Project (Transportation On-Call Contract)

Priority Based Budgeting High Score Programs

Capital Projects

CIP Project Construction
Management/Insp. (1)*

CIP Project Design/Environmental (1)

CIP Project Grant

Applications/Funding Management
(1)

CIP Project Right of Way Acquisition
(1)

Traffic Safety

Target Zero (1)

Local Road Safety Plan (2)

Traffic Accident (Crash) Data (3)

Traffic Counts (3)

Engineering Development Review

Development Review (1)

Development Inspections (1)

* Quartile Rating

Public Works Parks and Facilities Maintenance

- The Parks and Facilities Maintenance cost center accounts for the operation, maintenance, and repair of the City's public parks and facilities, as well as miscellaneous City owned properties.

Preliminary Budget

- Total 2019-2020 Budget \$2,532,726
- 30% increase from 2017-2018 budget
- 9.8 % of Total General Fund



FTEs

- FTEs:
 - Permit and Administrative Specialist (.4 FTE)
 - Lead Parks Maintenance Worker
 - Part Time Maintenance Worker(.4 FTE)
 - Senior Facility Maintenance Technician
 - Part Time Facility Maintenance Technician (.4FTE)

2019-2020 Budget Highlights

- Overall budget increase due to the incorporation of Town Square, Hangar and Post Office from the Kenmore Village Fund
- Public works operations and maintenance services moved in-house with the elimination of the Interlocal Agreement with the City of Lake Forest Park at the end of 2018.

Priority Based Budgeting High Cost Programs

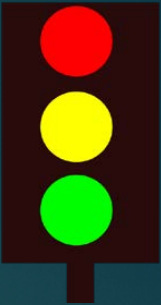
- PBB Programs with quartile rating
- Landscape and Site Maintenance (2)
 - Janitorial Maintenance (2)
 - Facilities Maintenance (3)
 - Parks and Facilities Service Requests (2)
 - Parks CIP Support (2)

Street Fund

- The Street Fund accounts for traffic engineering and maintenance expenditures on street, traffic control devices, sidewalks and right of way maintenance.

Preliminary Budget

- Total 2019-2020 Budget \$3,207,214
 - 10% increase over 2017-2018 Budget



FTEs

- 8.4 FTEs:
 - Public Works Operations Manager
 - Street & Surface Water Maintenance Supervisor (new position*)
 - Public Works Maintenance Workers (4 FTE) (new positions*)
 - Permit and Administrative Specialist (.4 FTE)
 - ROW Inspector
 - Traffic Engineer
- *The salary/benefit costs are allocated to Street Fund, General Fund (PW Maint) and Surface Water Fund

Street Fund

Engineering

- Neighborhood Traffic Safety Program (NTSP)
- Traffic Calming Program and projects
- Data collection and analysis
- Pavement Management
- Franchise ROW Permits
- Coordination with Northshore School District, King County and WSDOT

Operations and Maintenance

- Roadway Maintenance
- Bridge Maintenance
- Snow and ice
- Signals, signs and markings
- Rights of Way (amenities and vegetation)

The goal: to protect and preserve the health, safety and well being of the citizens through effective and efficient maintenance and operation of the City's transportation infrastructure.

Street Fund Revenues

Fuel Tax \$1,006,335	Multi Modal \$62,910	ROW Permit Fees \$240,000	Transfer from General Fund \$1,174,969 Water Sewer Franchise Fees	Transfer from TBD \$716,000	Other \$7,000
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2019-2020 Operations Highlights

- Roadway Maintenance
- Maintenance of signals, signage, markings, and ROW (amenities and vegetation)
- Support Transportation CIP and transition to maintenance

2019-2020 Engineering Highlights

- Response to traffic-related service requests
- Annual Overlay Program moved from Operations to Engineering
- Franchise ROW Permits moved from Operations to Engineering

2019-2020 Budget Highlights

- Public works operations and maintenance services moved in-house with the elimination of the Interlocal Agreement with the City of Lake Forest Park at the end of 2018.
- \$355K Federal Road Preservation Grant (Simonds Road Overlay, Phase II) to go to construction in 2019
- 2020 Budgeted Ending Fund Balance = \$975,015



Priority Based Budgeting High Cost Programs

PBB Programs with quartile rating

- ROW Landscape and Vegetation Maintenance (2)
- Signal Maintenance and Operations (1)
- Roadway Maintenance (1)
- Street Sign Management (2)
- Roadway Markings (2)

City Clerk

- Council support, agenda preparation, meeting minutes, Municipal Code, archives, Human Services contracts

Preliminary Budget

- Total \$864,966
 - 103% increase over 2017-2018
- 3.3% of General Fund

% Increase

- Transferred Human Services Contract from City Manager Dept \$346,681
- Voter Registration and Election Expense \$157,000

City Clerk

Budget Highlights and Changes

- **Human Services Contracts**
 - Now managed by the City Clerk
 - Formula: Per capita is \$7.53 with a population of 22,290.
 - Budget is \$172,588 per year.
 - 48 applications received for \$408,701 in funding requests.
 - Recommendation is to fund 28 programs totaling \$172,545.
- **Voter Registration**
 - Unfunded mandate.
 - Voter registration costs have gone up 76% between 2011 and 2017. Per voter, the voter registration cost for Kenmore has gone up 57% over the same period.

Finance and Administration

- Budget, Financial and Accounting Services, Personnel Services, Risk Management, Information Technology

Preliminary Budget

- Total \$1,911,887
 - 14.29% increase over 2017-2018
- 7.4% of General Fund

FTE's

- 4 FTEs:
- Finance and Administration Director, Accountant, Accounting Technician, City Clerk

Budgeting and Financial Reporting

- Biennial Budget Preparation and Monitoring
- Monthly Financial Reports
- Financial and Accountability Audits
- Capital Improvement Planning
- Long Range Financial Planning
- Debt Management
- Investments

Human Resource Management

- Recruitments
- Employee Benefits including Health, Retirement,
- Salary Studies
- Risk Management
- Personnel Policies

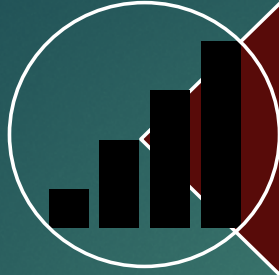
Information Technology

- Financial System Maintenance
- Network and Workstation Maintenance and Upgrades
- Software Upgrades and Enhancements
 - Secure Share and Sharepoint coming soon!

Finance and Administration Budget Highlights and Changes

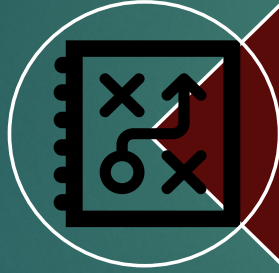
- **Liability Insurance** increased \$142,900
 - Increased worker hours and claims
- **GIS** capabilities \$100,000
 - City has very limited resources and demand is increasing
- **Telephone System** \$35,000
 - 20 years old
 - Reached expansion limit, some equipment cannot be replaced

Top PBB Programs By Score



Budget Monitoring/Amendments

- Personnel = \$18,535
- Non Personnel = \$465



CIP Development

- Personnel = \$39,322
- Non Personnel = \$965



Biennial Budget Development

- Personnel = \$87,656
- Non Personnel = \$5,152

Top PBB Programs By \$\$ Value



Risk Management (Quartile 2)

- Personnel = \$3,707
- Non Personnel = \$461,995 (Liability & Property Premiums)



Council Mtg Management, Support (Quartile 1)

- Personnel = \$87,017
- Non Personnel = \$117,403 (Elections, Icompass, Voter Reg)



Administration (Quartile 4)

- Personnel = \$173,648
- Non Personnel = \$20,445

Non Department

- General Fund ending fund balance
- Transfers from the General Fund to other funds

Preliminary Budget

- Transfers:
 - \$1,174,969 to Street Fund
 - 2020 Projected Ending Fund Balance = \$3,823,626 (29% of 2020 expenditure budget)

Kenmore Village Fund

- Accounted for general operations and development of the downtown area formerly known as Kenmore Village and the construction and initial operation of the Town Square and Hangar.



Preliminary Budget

- This fund will be closed at the end of 2018 and any fund balance will be transferred to the General Fund.
- 2019-2020 Budget:
 - Revenue is from Diva Espresso and US Postal Service leases
 - Expenditures for events will be in the City Manager's accounts
 - Expenditures for maintenance will be in the PW Parks & Facilities Maintenance accounts.

Strategic Reserve Fund

- Created to serve as the City's emergency reserve (rainy day) fund.
- Per State Statute, RCW 35A.33.145, the Fund cannot exceed \$.375 per \$1,000 assessed value.
- Based on a 2019 preliminary assessed value of \$4,835,437,983, the fund could be increased to \$1,813,289, its statutory limit.

Preliminary Budget

- 2019-2020 Projected Revenue
\$25,900 Interest on Investments
- 2019-2020 Total Preliminary Expenditures
\$0
- 2020 Budgeted Ending Fund Balance
\$1,325,369



Strategic Opportunities Fund

- Created in 2013 to have resources available for key investments and to take advantage of strategic opportunities as they present themselves.

Preliminary Budget

- Revenue:
 - Transfer from REET (repayment) \$360,000
 - Interest on Investments \$47,000
- Expenditures \$60,000 for 2019-2020
 - ARCH Contribution

Budget Highlights

- Kenmore Business Incubator activities will be recorded in General Fund
- 2020 Budgeted Ending Fund Balance
 - \$2,465,751



Public Art Fund

- Kenmore Municipal Code 3.50 established the fund to be used for selection, acquisition, installation, or display of visual art in public facilities or as part of a project. Performing arts events in public places can also be funded by the Fund. Funds cannot be used for administrative staffing.

Preliminary Budget

- Fund Source: 1% of capital cost (construction contract) from City capital projects (buildings, streets, sidewalks, parks, drainage, water/sewer).
- Revenue: \$2,063 Interest on Investments
- Expenditures: \$1,000 for public art acquisitions

Budget Highlights



- \$1,000 for Arts of Kenmore annual acquisition
- Funds are pending in 2017-18 from the following projects:
 - 62nd NE Sidewalk Project
 - Hangar (stand alone art piece still pending)
 - Moorlands Park
 - Rhody Boardwalk
 - Rhody and Squire's Floats
- The unfinished W&W projects (except for 68th) include art in budgets
- NE 202nd SRTS project incorporated an art element

Transportation Benefit District

- Accounts for \$20 vehicle fee.
- The purpose of the fee is to support transportation improvements and road preservation efforts.

Preliminary Budget

- | | |
|--|-----------|
| • 2019-2020 Projected Revenue | \$718,000 |
| • Vehicle License Fees and Investment Interest | |
| • 2019-2020 Total Preliminary Expenditures | \$716,000 |
| • Transferred to the Street Fund | |
| • 2020 Budgeted Ending Fund Balance | \$109,234 |



2016 Bond Fund

- This fund accounts for the proceeds of the excess tax levy which was approved by the voters in 2016, for Walkways & Waterways projects
- Initial sale of bonds resulted in debt of \$9,220,000

Preliminary Budget

- Debt service for 2019 = \$1,223,150
 - Principal = \$950,000
 - Interest = \$273,150
- Adds .25 cents to the tax levy
- Debt service for 2020 = \$529,650
 - If no new debt is incurred

Real Estate Excise Tax

- Accounts for the collections and appropriation of the two, one-quarter percent (total of .5%) real estate excise tax revenues (REET) levied by the City.
- Can only be used for capital expenditures following adoption of a Capital Facilities Plan (CFP).

Preliminary Budget

- 2019-2020 Projected Revenue \$2,665,916
 - Taxes and Investment Interest
- 2019-2020 Total Preliminary Expenditures \$5,205,050
 - Transfers to Repay Strategic Opp Fund \$ 360,000
 - Transfers to Park Capital Fund \$ 900,000
 - Transfers to Transportation Capital Fund \$3,945,050
- 2020 Budgeted Ending Fund Balance \$64,609



Walkways & Waterways Fund

- Created to account for the proceeds of 2016 Bonds issued (\$9.8M)
- Transfers are made to Capital Funds for the W&W projects as needed
- About 50% will be expended by 12/31/18 (\$4.7M ending fund balance)

Preliminary Budget

- Revenue:
 - Assumes \$10M for additional bonds issued in 2019
 - \$45,000 interest earned on investments
- Expenditures:
 - \$1,153,000 transferred for Squires Landing and Log Boom Park projects
 - \$7,531,894 transferred for Juanita Drive and 68th Ave projects
 - 2020 Budget Ending Fund Balance \$6,056,749

Park Impact Fees

- Revenues from new development activity that creates additional demand and need for public parks.
- The 2018 park impact fee is \$2,642 for a single-family residence, \$1,727 for a multi-family unit and \$821 for a mobile home.
- Transfers from this fund support the City's Park Capital Improvement Program which includes acquisition and improvements to parks and trails.

Preliminary Budget

• 2019-2020 Projected Impact Fee Revenue Plus Investment Interest	\$491,864
2019-2020 Transfers to the Park Capital Fund	\$347,000
Twin Springs Interim Use Plan (\$100,000)	
Rhododendron Park Float Mitigation (\$4,000)	
Squires Float Mitigation (\$8,000)	
Rhododendron Park Boathouse (\$10,000)	
St. Edward Ballfield EIS (\$225,000)	
• 2020 Budgeted Ending Fund Balance	\$478,795



Transportation Impact Fees

- City-imposed transportation impact fees received from new development activity that creates additional demand and need for transportation improvements.
- The 2018 transportation impact fee for a single-family residence is \$9,600 and \$7,113 for an apartment unit.
- Expenditures for planning, land acquisition, improvements, construction, engineering, architectural, permitting, financing and administrative expenses, applicable impact or mitigation costs and any other transportation expenses which can be capitalized.

Preliminary Budget

2019-2020 Projected Impact Fee Revenue
(Plus Investment Interest) \$1,981,991

- 2019-2020 Total Preliminary Expenditures \$1,216,663
Transfers to Transportation Capital Fund:
Sidewalk projects (\$320,887)
68th Ped. And Bike Safety (\$500,000)
W. Samm Bridge Fund (\$395,776)
- 2020 Budgeted Ending Fund Balance \$2,779,215



**City of Kenmore,
Washington
2019-2020
Preliminary
Budget**

**COMING UP:
Tomorrow: City
Council Meeting
October 30, 2018**

**Surface Water
Management Fund
Swamp Creek Basin
Fund
Equipment
Replacement Fund**

**Thank you! Questions or
Comments?**