City of Kenmore
City Council Special and Regular Meeting
Minutes
November 12, 2019

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

RECESS TO EXECUTIVE SESSION
(Confidential Session of the Council)
The meeting recessed to executive session pursuant to RCW 42.30.110(1)(i), Potential Litigation.

The meeting reconvened to regular session at 7:00 p.m.

7:00 p.m. - CALL REGULAR MEETING TO ORDER

ACTION RELATED TO EXECUTIVE SESSION:

MOTION: **Councilmember Smith made a motion to extend time to review FCC Form 394 to December 31, 2019, relating to the request to transfer the Frontier Communications franchise to Northwest Fiber LLC and authorize the City Manager and his designee to continue negotiating the transfer request, Councilmember Denuski seconded the motion. The motion passed unanimously.**

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

FLAG SALUTE

AGENDA APPROVAL
Mayor Baker stated that Ordinance 19-0499 would be removed from the business agenda and rescheduled to the next meeting. The Council approved the agenda as modified.

PROCLAMATION

Proclamation Recognizing Efforts of Sno-King Watershed Council

Mayor Baker read the proclamation into the record.

CITIZEN COMMENTS

David Peterson
7301 NE 175th Street, Unit 142
Kenmore, Washington 98028

Mr. Peterson spoke against the boardwalk at Squires Landing and the concern for wildlife habitat.

Phyllis Finley
5962 NE Arrowhead Drive
Kenmore, Washington 98028

Ms. Finley spoke to the Financial Sustainability Task Force (FSTF) and the need for public input in the process.

Tracy Banaszynski
5863 NE 197th Street
Kenmore, Washington 98028

Ms. Banaszynski spoke about the invasive Himalayan Blackberries in the City.

Vicki Grayland
20308 73rd Avenue NE
Kenmore, Washington 98028

Ms. Grayland spoke about Indigenous People Month and she supported Ms. Finley's comments about the FSTF needing public input.

John Hendrickson
5919 NE 202nd Lane
Kenmore, Washington 98028

Mr. Hendrickson spoke about the FSTF and the need for public input.

CONSENT AGENDA

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

The consent agenda included the following items:

Total Check #s 43550 through 43635 in the amount of $419,874.96.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 10/11/19 in the amount of $150,935.18.

Authorize the City Manager to Execute the Interlocal Agreement with South Correctional Entity (SCORE)

Authorize the City Manager to Execute Amendment No. 7 of Contract 17-C1657 with Mott MacDonald for Swamp Creek Mitigation and Design

PUBLIC HEARING

Proposed Tax Levy Necessary to Meet Authorized Tax-Supported Estimated Expenses for the Year 2020 - Joanne Gregory, Finance and Administration Director

Finance Director Gregory explained that each year the City must set the tax levy for the ensuing year and hold a public hearing prior to approval of the levy. The City is allowed to increase its levy by the lesser of one (1) percent or the percentage increase in the July IPD (Implicit Price Deflator). The IPD this year is 1.396% (which is more than 1%). The state Department of Revenue (DOR) calculates the IPD using the most recent quarterly numbers reported by the federal Bureau of Economic Analysis (BEA). The IPD is a measure of inflation. Every month BEA publishes an estimate of the quarterly IPD numbers. These quarterly numbers are seasonally adjusted each year in July, and these seasonal numbers form the basis for the prior year IPD personal consumption expenditure number that is used by DOR to calculate inflation.

For 2020, the Proposed 2019-2020 Biennial Budget includes a 3% increase in the levy ($5,199,791) using banked tax capacity from years when the City Council did not raise the levy by the allowable 1%. The City's banked tax capacity is $498,000.

In 2019 the property tax levy was $5,053,032. The County Assessor has only released preliminary assessed valuations and levy information at this time. Based on what has been received, the proposed property tax levy for 2020 is $5,303,935 which includes the 3.0 % increase over 2019 ($151,591), plus new construction which adds about $99,313 (or 1.96%) to the tax rolls. Overall, the 3% levy compared to a 1% levy provides an additional $101,061 to the City in 2020 and provides a compounding benefit for future years.

The 3.0% increase in the property tax levy will not have a dramatic increase on the tax that a homeowner pays, especially in this era of rising home values. In fact, with the increase in assessed valuation for the entire City, the levy rate will decline from $1.04 to about $1.00 for each $1,000 of assessed value. The City's preliminary assessed value is $5,315,198,593, an increase of about 9.5% from 2019.

If the City Council were to take a 1% increase, the city-wide levy would be $5,202,875 and the probable levy rate would be about $.98 per $1,000 of assessed value. On a $500,000 home in the City, the annual tax with a 1% levy increase and a rate of $.98 would be $490. The tax impact of a 3% levy and tax rate of $1.00 would be $500; an increase of $10 per year.

If the City Council were to approve the increase of 3% to the levy for 2020, additional revenue of $101,061 would be realized which will also provide a compounding revenue benefit in future levies. The City would continue to have "banked capacity" property tax remaining; estimated to be $290,000 (pending confirmation from King County).

Mayor Baker opened the public hearing at 7:42 p.m.

There were no comments from the public.

Mayor Baker closed the public hearing at 7:42 p.m.

Council discussed the ordinance and action will be taken at a future Council meeting.

Temporary Use Permit for Indoor Storage for a One-Year Period at Real Property Located at 15036 70th Avenue NE, Kenmore, Washington, Which is Owned by the Northshore Fire District and Zoning Public/Semi-Public, Subject to Conditions - Tela Whiteman, Permit Specialist

Permit Specialist Whiteman explained that this property located at 15036 70th Avenue NE Kenmore, WA 98028; King county parcel number 364910-0122 ("subject property") is zoned Public/Semi-Public ("PSP") and owned by the King County Fire District #16 ("Northshore Fire Department" or the "District"). The property contains an existing 1,842 square foot building and is often referred to as "the old fire station," because 25 years ago it was an operational fire station (Fire Station #54), staffed mostly by District volunteers. In 1994, the old fire station was vacated and thereafter the space was leased by nonprofits like the YMCA, for youth programs. When the YMCA terminated its lease with the District, the building sat vacant until May 2015 when the space was leased by Michael Klebeck for storage (prior to moving to the old fire station, Mr. Klebeck leased storage space from the city at Kenmore Village). Kenmore City Council ("Council") approved a temporary use permit to allow indoor storage from May 15, 2015 to May 14, 2016. Since then, the use has continued without renewal of the temporary use permit.

The Kenmore Municipal Code (KMC) does not identify the indoor storage use as permitted, conditionally permitted or prohibited in the PSP zone (KMC 18.27.020). Since the code is silent on indoor storage use in the PSP zone, a temporary use permit is a mechanism by which the city may allow it, provided that the use can be made compatible for periods of limited duration. Per KMC 18.100.120, temporary use permits shall not exceed 90 days unless approved by City Council. A temporary use permit may be renewed for additional periods up to one year at Council's discretion, following a public hearing.

The Northshore Fire Department has requested a one-year renewal of the temporary use permit (November 15, 2019 to November 15, 2020). The District continues to evaluate future use of the property and is committed to using the building in a way that is compatible with the surrounding residential area. The temporary use of the space ensures that property holding costs to the District are offset by revenue generated by the lease. In addition, the temporary use will ensure that the property grounds are well maintained.

The City and Northshore Fire Department recommend the following conditions for the temporary use permit:

- Storage is only permitted inside the structure;
- No alcohol or other hazardous materials shall be stored in the facility;
- The building shall be equipped with a monitored alarm system;
- The grounds shall be maintained at the current level of care; and
- Visits to the site for pick up and drop shall be infrequent (approximately once per week) and limited to daytime hours;
- The one-year renewal will be valid for November 15, 2019 to November 15, 2020.

Staff recommends approval as the requested temporary use permit meets the decision criteria of KMC 18.100.125.A-.C, as the temporary use i) will not be materially detrimental to the public welfare; ii) is compatible with existing land uses in the immediate vicinity in terms of noise and house of operation; and iii) provides adequate parking.

Mayor Baker opened the public hearing at 7:52 a.m.

Bonnie Dornfeld
7332 NE 150th Street
Kenmore, Washington 98028

Ms. Dornfeld stated that she lives near by and asked the City to consider a better use for this property. She stated it seems like a waste to have storage on that property.

Mayor Baker closed the public hearing at 7:55 p.m.

BUSINESS AGENDA

Approve Temporary Use Permit for Indoor Storage for a One-Year Period at Real Property Located at 15036 70th Avenue NE, Kenmore, Washington, Which is Owned by the Northshore Fire District and Zoning Public/Semi-Public, Subject to Conditions - Tela Whiteman, Permit Specialist

MOTION: Councilmember Curtis made a motion to Approve Temporary Use Permit for Indoor Storage for a One-Year Period at Real Property Located at 15036 70th Avenue NE, Kenmore, Washington, Which is Owned by the Northshore Fire District and Zoning Public/Semi-Public, Subject to Conditions, Councilmember Denuski seconded the motion. The motion passed unanimously.

Contract 19-C2105 with Microsoft Research to Participate in a Pilot Project Deploying Air Quality Sensors Within the City - Richard Sawyer, Environmental Services Manager

Manager Sawyer explained that earlier this year, Mayor Baker attended a presentation by Microsoft Research regarding the development of low cost air quality sensors that could be easily deployed in a variety of environments to collect data on different air quality parameters. Poor air quality is something most urban residents experience regularly, but because it's largely invisible and we lack sensors to help inform us it has become something of a "silent killer". Linked to a number of serious health ailments, including heart and lung disease, as well as issues like asthma aggravation, the World Health Organization estimate that 91% of the world's population live in places where air quality exceeds guideline limits. Microsoft Research's Urban Innovation Initiative presents a full stack -from sensors to analytics- air quality sensing platform for cities. The goal is a radical increase (10x - 100x) in the geographic granularity of environmental sensing in cities in support of a variety of public health scenarios.

With the City of Kenmore partnership, Microsoft Research is excited to work with a local municipality that shares the goals of getting innovative technology out into the community, ultimately to help inform and improve the lives of its residents. For the air quality sensor deployments, Microsoft Research hopes to learn fundamental properties of air pollution at a 'hyperlocal' level: how does air pollution dissipate away from major roadways, specifically how and how much do parks and greenspaces improve air quality, and so on. In addition to informing community members about their environment, we hope the results of this pilot program can be used to inform policy decisions.

Additionally, with this partnership, the City is excited to keep pace with emerging technologies that will aid in serving this community now and into the future with reliable and cost effective data collection options.

The sensors are designed to be easily deployed on City owned properties and right-of-way. Microsoft Research covers the cost of the sensors, installation, maintenance and data retrieval and they retain ownership of the sensors throughout the project.

MOTION: Deputy Mayor Herbig made a motion to authorize the City Manager to Execute Contract 19-C2105 with Microsoft Research to Participate in a Pilot Project Deploying Air Quality Sensors Within the City, Mayor Baker seconded the motion. The motion passed unanimously.

Charter for City Financial Sustainability Plan Task Force (CFSPTF) - Torie Brazitis, Contracted Project Manager

Project Manager Brazitis explained that due to State-imposed limits on property tax growth, relatively flat growth in other revenues, unfunded state and federal mandates, and other factors, the City's operating revenues are not keeping pace with the cost of doing business. As a result, the City of Kenmore faces an upcoming structural deficit in its operating budget (General Fund and Street Fund).

At the City Council 's October 7, 2019 regular meeting, the Council approved a two-phase process to create a Financial Sustainability Plan, approved Professional Services Agreements for Management Partners and Chancery Civic LLC, and approved staff s proposal to commission a community survey in 2019. The goal of this process is to create a plan for the City Council's approval by early summer 2020 that will resolve the budget gap for six years (2021-2026, or for three budget biennia) in a way that reflects the community's values.

- In Phase 1, staff is gathering and verifying data on community satisfaction, community priorities, City finances, and the City's long-range financial projections to determine when the City will face a structural deficit and how large that deficit will be. Information gathered in this phase will be presented to the City Council at their retreat in January 2020 for the Council 's response and direction before Phase 2 begins.
- In Phase 2, the city will convene a community conversation through spring 2020 to present this information, solicit input on these challenges, evaluate options, and work with community members to propose a range of options to the City Manager that could resolve the issue. This phase concludes with a report from the City Manager to the City Council with recommend ed actions before the City Council begins deliberations on the 2021-2022 budget.

Proposed Charter for City Financial Sustainability Task Force (CFSTF):
The City Council approved creation of a task force of community members to represent diverse interests in the community, become educated on City finances and causes of the structural deficit, propose ideas to resolve it, synthesize public input, and develop a range of solutions for the City Manager's consideration.

Staff has prepared a proposed charter to define the work of this task force. The goal of this charter is to create a role for the task force that adds value to the process of creating the Financial Sustainability Plan. The role must be interesting and substantial to attract attention and the time commitment of community members who want to serve, but it must also be complementary to both:

1. The City Council's decision-making authority on these matters, and
2. The City staff s professional responsibility to be experts on City finances, to perform research, to analyze options, and to advise the task force and City Council well on these matters.

To initiate this project, the City Council is asked to review and approve the City Financial Sustainability Task Force Charter.

MOTION: Councilmember Curtis made a motion to approve the Charter for the City Financial Sustainability Plan Task Force, Councilmember Denuski seconded the motion. The motion passed unanimously.

STAFF REPORT

Update on the City's Management of Aquatic Weeds in Lake Washington and Sammamish River - Richard Sawyer, Environmental Services Manager

ADJOURNMENT

The meeting adjourned at 9:09 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk