

**City of Kenmore
City Council Regular Meeting
Minutes
November 18, 2019**

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

ROLL CALL

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

FLAG SALUTE

AGENDA APPROVAL

The agenda was approved as submitted.

CITIZEN COMMENTS

Karen McFadden
19604 66th Avenue NE
Kenmore, Washington 98028

Ms. McFadden urged the Council to preserve St Edward ballfield in its natural state.

April Rose
6446 NE 154th Street
Kenmore, Washington 98028

Mr. Rose also spoke to preserving the St. Edward ballfield in its natural state.

Karen Prince
15122 65th Avenue NE
Kenmore, Washington 98028

Ms. Prince thanked the Council for good environmental decisions. She also agreed about the St. Edward ballfield.

City of Kenmore - City Council Meeting Minutes
November 18, 2019

Tracy Banaszynski
5863 NE 197th Street
Kenmore, Washington 98028

Ms. Banaszynski also spoke to the ballfields and the need to preserve those wetlands.

Susan Carlson
13468 64th Street NE
Kenmore, Washington 98028

Ms. Carlson spoke about the St. Edward Environmental Education and Research Center.

Phyllis Finley
5962 NE Arrowhead Drive
Kenmore, Washington 98028

Ms. Finley also spoke about the ballfield and urged that it stay in its nature state.

CONSENT AGENDA

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

The consent agenda included the following items:

Total Checks #43636 through #43730 in the amount of \$601,640.01.

Payroll Check #10151 dated 10/25/19 in the amount of \$1,528.29.

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 10/25/19 in the amount of \$153,464.51.

City Council Meeting Minutes of October 14, 2019

BUSINESS AGENDA

Ordinance 19-0499, an Ordinance Of The City Of Kenmore, Washington, Authorizing The Issuance Of One Or More Series Of Unlimited Tax General Obligation Bonds Of The City In The Aggregate Principal Amount Of Not To Exceed \$10,000,000, To Finance Costs Related To Constructing, Developing, Acquiring, Equipping, Upgrading, And Improving Walkways And Waterfront Access In The City And Paying Costs Of Issuing The Bonds; Providing The Form, Terms And Covenants of The Bonds; Providing For The Disposition Of The Proceeds Of The Sale Of The Bonds; Delegating Authority To Approve The Final Terms Of The

City of Kenmore - City Council Meeting Minutes
November 18, 2019

Bonds; And Providing For Other Matters Relating Thereto - Joanne Gregory, Finance and Administration Director

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

On December 12, 2016, the City issued the first traunch (series) of bonds which provided \$9.8M for the Walkways and Waterways projects. At this time, the City desires authorization to issue the second and final traunch of bonds.

On October 21, 2019, the Council received a presentation from Deanna Gregory of Pacifica Law Group LLP who serves as the City's Bond Counsel in this matter. She presented a summary of the bond ordinance and subsequent approval process. Also introduced was Justin Monwai of Piper Jaffray & Co. who serves as the City's Financial Advisor. Mr. Monwai presented a Preliminary Schedule of events that will lead up to the sale of the bonds.

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

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

A first reading of the Bond Ordinance was held at the City Council meeting of October 21, 2019.

MOTION: Councilmember Curtis made a motion to approve Ordinance 19-0499 Ordinance 19-0499, an Ordinance Of The City Of Kenmore, Washington, Authorizing The Issuance Of One Or More Series Of Unlimited Tax General Obligation Bonds Of The City In The Aggregate Principal Amount Of Not To Exceed \$10,000,000, To Finance Costs Related To Constructing, Developing, Acquiring, Equipping, Upgrading, And Improving Walkways And Waterfront Access In The City And Paying

Costs Of Issuing The Bonds; Providing The Form, Terms And Covenants of The Bonds; Providing For The Disposition Of The Proceeds Of The Sale Of The Bonds; Delegating Authority To Approve The Final Terms Of The Bonds; And Providing For Other Matters Relating Thereto, Councilmember Smith seconded the motion. The motion passed unanimously.

Resolution 19-331 Amending the City Purchasing and Contracting Policies to Allow and Optional Invitational Process for Selection of Artists Providing Artwork Services Funded Under the 1% for the Arts - Debbie Bent, Community Development Director

Kenmore's adopted purchasing policies require all professional and services contracts in excess of \$50,000 to be published and contracted through an advertised Request for Proposal process. Staff is proposing that a narrow exception to this rule would be appropriate as an optional process for public art projects funded under the 1% for the Arts established under Ordinance 01-0115 (codified in Kenmore Municipal Code Chapter 3.50). This exception would allow artist contracting through an invitational Request for Qualifications process, without general advertisement.

At the 9/23/19 City Council meeting, Council approved the use of \$143,474.30 for 1% for the Arts for the three Waterways Projects located at Log Boom, Squire's Landing and Rhododendron parks.

Staff has hired Carolyn Law, a consulting public artist, through Contract 19-C2059 to assist staff with identifying appropriate themes, materials and locations for art at each park site. Ms. Law will provide services to assist the City with the artist selection process.

Council discussed whether they wanted to allow another process.

When the Mayor called for a motion, there was none made. Therefore, it dies.

Public Art Selection Approach and Process for Public Art at the Walkways and Waterways Projects: Log Boom, Squire's Landing and Rhododendron Parks - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Director Bent explained that KMC Chapter 3.50 sets out the procedures for using the One Percent for the Arts funds on public projects. These funds may be used for selection, acquisition, and installation or display of visual art. Staff requests that the City Council review the art selection approach, process and committee charter. Assuming Council agrees with the approach outlined by staff, Council involvement in the future would come at two stages: at the time of artist selection (based on a recommendation from the committee), in conjunction with a design contract, and at the time of final art selection (also based on a committee recommendation), in conjunction with a fabrication contract.

Art Selection Approach: Staff has hired consulting public artist Carolyn Law to develop procedures for an ad hoc committee to make recommendations on the artist and art, along with an art selection approach--including appropriate themes, materials and locations for art at each park site--consistent with the requirements of KMC Chapter 3.50. These recommendations will also be part of a Request for Qualifications (RFQ).

Art Selection Process: A separate agenda item on 11/18/19 is Council consideration of Resolution No. 19-331 amending the City's purchasing policies to allow an invitational RFQ process for professional and service contracts over \$50,000 associated with the 1% for the Arts Program for capital improvement projects. If Council approves this amendment, staff anticipates utilizing the invitational process for the RFQ artist selection for the walkways & waterways park projects. Carolyn Law our consulting public artist also recommends this approach and she would develop the invitational artist list. An artist(s) with experience in public art in general as well as with park settings is an ideal candidate. In addition, an artist who has experience working collaboratively with a design team to ensure artwork is appropriately incorporated into the park design plans is also ideal. Given the allocated budget it is anticipated that a single artist would likely be chosen for installations at all three parks, although choosing a team of artists or different artist(s) for artwork in each park is not precluded.

Committee Charter: Separately, staff has developed a draft charter for the ad hoc committee. Rather than Council nominate specific individuals for the ad hoc committee, areas of expertise have been identified and staff, with assistance from Carolyn Law, would approach and select potential members.

Draft Schedule: The design team for the Log Boom Park and Squires Landing projects are currently working on 60% design plans, and ideally need the final art design by March/April to incorporate into 90% plans. The following draft schedule assumes Council approves the staff recommended art selection approach and process as well as the invitational RFQ process.

- November 2019: RFQ sent to invited artists. Committee members selected.
- December 2019: RFQ responses received, committee selects artists for interview.
- January 2020: Committee interviews artists and makes a recommendation to Council on artist(s) selection and execution of a design contract.
- February-March 2020: Artist completes preliminary designs.
- March-Early April: Committee recommendation to Council on the final design and execution of a fabrication contract.

MOTION: Councilmember Curtis made a motion to approve a Public Art Selection Approach and Process for Public Art at the Walkways and Waterways Projects: Log Boom, Squire's Landing and Rhododendron Parks with amendments that were made to add the word "playful" and to change the

**draft scheduled if needed, Councilmember Smith seconded the motion.
The motion passed unanimously.**

Mid-Biennium Budget Adjustments for 2019-2020 and Salary Plan for 2020 - Joanne Gregory, Finance and Administration Director

Finance Director Gregory explained On November 19, 2018 the City of Kenmore adopted the 2019-2020 biennial budget by Ordinance No. 18-0474. The city-wide budget includes revenue (\$110,138,175) and expenditure (\$106,088,340) estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates.

At this time the mid biennial review of the biennial budget as prescribed by State law is complete. Per RCW 35A.34.130, cities that budget on a biennial basis must adopt an ordinance providing for a mid-biennial review and any modifications of the biennial budget. This must occur no sooner than eight months after the start (September 1, 2019) and no later than the end of the first year of the biennium (December 31, 2019). Another requirement of the mid biennial review process is a public hearing at a City Council meeting, which shall be held on November 25, 2019.

Funds affected include the General Fund, Street Fund, Transportation Capital Fund, Park Capital Fund, Park Impact Fee Fund, Sammamish River Bridge Fund, Surface Water Management Fund, and the Swamp Creek Basin Fund as described on the attached Exhibit 1.

In the General Fund, recognition of a 2018 ending fund balance of \$4,934,505 creates the opportunity to utilize \$1M for slurry and crack sealing in 2019 which had not been included in the adopted budget. Additionally, \$624,000 is available to transfer to the Strategic Opportunity Fund. Another significant expenditure item is the carryover of unspent start up and transition costs for the in-house public works operation. These planned expenditures were approved in the 2018 budget in the amount of \$854,150 and only \$43,487 was spent, therefore a carryover of \$810,000 to 2019 is recommended (Surface Water Fund will eventually share a portion of these costs). These transactions would bring the General Fund Reserve back closer to the target amount of \$2.5M.

An adjustment to the budget of the Street Fund is recommended to include the \$1M revenue from the General Fund and increase the Road Preservation account accordingly.

Adjustments in the Park Capital Fund include the budget increase, as well as additional funding, for the Rhododendron Park Public Boathouse as approved by the Council on October 7, 2019.

With the completion and approval of the Surface Water rate study, improved fee revenues in the Surface Water Management Fund allow for a transfer to the Sammamish River Bridge Fund to pay for expected surface water components of that project.

City of Kenmore - City Council Meeting Minutes
November 18, 2019

Other recommended fund adjustments are outlined in more detail on Exhibit 1, the 2019-2020 Schedule of Mid-Biennium Recommended Budget Adjustments.

Also included for Council consideration is an update to the Salary Plan. The CPI-W as of June was 1.7%. This is the index typically used by the City for wage adjustments. The pay ranges in the attached Salary Plan have been updated and increased by 1.7% which would allow for that wage adjustment for all employees on January 1, 2020. Also, the Planner salary range (not a new position), which was removed from the Salary Plan in 2016, has been included.

Several staff positions are at the top of their pay range and will not be eligible for a merit increase during 2020. The adopted budget provided for an adjustment to wages and benefits in 2020; a 3.5% average increase was budgeted for salaries and a 5% increase was budgeted for medical and dental. The good news is that there will be no 2020 increase in premiums for the City's primary medical, dental or vision plans. In fact, 2019 rate increases were about 2% less than was budgeted.

Following Council's direction on the proposed budget amendments and the recommended Salary Plan for 2020, an Ordinance to formally amend the budget and approve the Salary Plan will be presented for approval on November 25, 2019.

2019 Public Works Engineering Update - John Vicente, City Engineer

STAFF REPORT

Withdrawal from RCO Grant Agreement for St. Edward Ballfield Renovation - Debbie Bent, Community Development Director

I 976 Update - Rob Karlinsey, City Manager

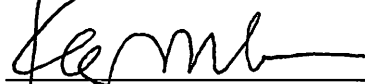
ADJOURNMENT

The meeting adjourned at 8:56 p.m.



David Baker, Mayor

ATTEST:



Kelly M. Chelin, City Clerk