

**City of Kenmore
City Council Regular Meeting
Minutes
November 19, 2018**

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

ROLL CALL

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

FLAG SALUTE

AGENDA APPROVAL

MOTION: Councilmember Denuski made a motion to add Resolution 18-315 approving the Surface Water Fees to the business agenda, Councilmember Curtis seconded the motion. The motion passed unanimously.

CITIZEN COMMENTS

John Krumweide
7301 NE 175th Street
Kenmore, Washington 98028

Mr. Krumweide spoke about the need to preserve the mobile home parks. He also urged the Council not to transfer the surface water increase on to the mobile home park owners.

Joanna Crocker
7301 NE 175th Street
Kenmore, Washington 98028

Ms. Crocker spoke about preserving mobile home parks. She stated that this is housing for low income and seniors.

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Phyllis Finley
5962 NE Arrowhead Drive
Kenmore, Washington 98028

Ms. Finley spoke about the comprehensive plan amendments. She also asked about the status of the City Manager Karlinsey talking to the school districts about sharing ballfields.

Kylin Parks
4515 176th Street SW
Lynnwood, Washington

Ms. Parks urged the Council to approve the comprehensive plan amendments.

CONSENT AGENDA

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

The consent agenda included the following:

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Authorize the City Manager to Execute the Administrative Services Contract (Contract 18-C1949), the Money Purchase Plan Adoption Agreement (Contract 18-C1954) and the Loan Guidelines Agreement (18-C1955) with ICMA-RC

BUSINESS AGENDA

2018 Comprehensive Plan Amendments - Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner

Senior Planner Anderson introduced the 2018 Comprehensive Plan amendments for consideration. The Planning Commission held a public hearing on the draft amendments on November 6.

The City can amend the Comprehensive Plan only once a year, except for a limited number of exceptions. The Capital Facilities Element amendments you considered earlier this year were an exception to the general once-per-year rule, as are the Shoreline Sub-Element amendments that will accompany recommended amendments to the Shoreline Master Program early next year.

Following is an explanation of the proposed 2018 amendments.

Mobile Home Parks

At the September 17 meeting, the City Council provided policy direction on treatment of the six mobile home parks in the City. The Council directed that the two mobile home parks on NE 175th Street (Inglewood East and Lakewood Villa) be assigned protective zoning. The remaining four mobile home parks (Lakewood, Lake Terrace, the unnamed park on NE 181st Street, and Kenmore Village) would have protective zoning for a period of 10 years, at which point an upzoning, with affordability requirements, would be applied.

The proposed Comprehensive Plan amendments to the Land Use Element, Downtown Sub-Element and Housing Element (see Attachment 1) provide additional background information on the mobile home parks and address preservation. The amendment to the Comprehensive Plan map would put a new “MHC” (Manufactured Housing Community) designation over the two parks on NE 175th Street. The MHC designation is not recommended for the other four parks, as the long-term vision for those areas is not “Manufactured Housing Community.”

The Comprehensive Plan amendments are the first step in crafting new zoning regulations for the mobile home parks. Those regulations will be introduced to the City Council in early 2019.

Natural Environment

Recommended amendments to the Natural Environment Sub-Element update background information on critical areas and make minor revisions to associated policies. These changes are the first step in the critical areas update that is presently underway in front of the Planning Commission. It is anticipated that future amendments to the Shoreline Sub-Element will be more extensive.

During the comment period for the State Environmental Policy Act (SEPA) review of the amendments, the City received an email from Karen Walter, representing the Muckleshoot Tribe (see Attachment 3). Following a meeting with Ms. Walter on November 7, staff is recommending additional amendments to the Natural Environment Element. The following background text is found on page 4D-8 of Attachment 2. The Planning Commission’s recommended amendments are shown in yellow highlighting. The proposed new text responding to Ms. Walter’s concerns is in gray highlighting:

The water quality of the Sammamish River is largely influenced by the slow-moving nature of this lowland system and by the backwater effect from Lake Washington. The slow movement, while enhancing sediment deposition, also allows for development of dense stands of aquatic plants and higher algal productivity. The backwater affect means that warmer lake water with lower dissolved oxygen concentrations is significantly influencing the conditions in the lower reach of the river, especially during summer months; both of these conditions. Temperatures are limiting for salmon. A 2015 study prepared for King County

reported that “Elevated water temperatures may also adversely affect the fitness of adult Chinook salmon, delay their arrival at spawning grounds, or increase their susceptibility to disease/parasites,” and have even resulted in mortality prior to spawning. Swamp Creek’s cooler temperatures create an important thermal refuge for fish where the creek joins the river. Fecal coliform bacteria and various pollutants are additional water quality issues. Temperature, dissolved oxygen, and fecal coliform are water quality parameters that currently are listed by the Washington Department of Ecology as Category 5, a level of impairment that requires development of a Total Maximum Daily Load (TMDL) or water quality improvement plan. Ecology has been conducting studies in support of temperature and dissolved oxygen TMDL development since 2014.

The King County Water Quality Index rates the River at the Kenmore monitoring station as either of high or moderate “of high concern with respect to water quality between 2000 and 2008.”

An amendment to Policy LU-15.2.2 also is recommended:

Policy LU-15.2.2 In partnership with other jurisdictions and interested parties, continue restoring stream and river channels and surrounding riparian areas to enhance water quality and fish and wildlife habitat and to mitigate flooding and erosion. Of particular interest is retention of forest communities along stream and river channels that provide shade and a source of woody debris to the aquatic habitat.

The fourth concern raised in Ms. Walter’s email related to the historic extent of native use/occupation in Kenmore is more appropriately addressed at the time of the next full Comprehensive Plan periodic review. The information is for background only and does not relate to the mobile home park amendments that are proposed.

Council and Staff discussed the amendments. This item will come back to the Council at the next meeting.

Council took a 3-minute break.

PUBLIC HEARING

Increase in Surface Water Management Service Charge Rates and the Imposition of a Surface Water Management General Facilities Charge - Richard Sawyer, Surface Water Manager

On October 30, 2018, staff presented results of the Surface Water Management (SWM) service charge analysis (attached) to Council and recommended that Council consider 1) increasing rates, and 2) imposing a general facilities charge (GFC) on new development. These recommendations were based on increased staffing needs, workloads and costs associated with programs and projects required to comply with regulatory “unfunded” mandates established under the Clean Water Act and Endangered Species Act. The last rate analysis was conducted in 2008, which resulted in stepped rate increases from 2009 through 2012 and rates have remained the same since that time. After considering staff’s

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recommendations, Council approved and directed staff to implement the rates provided in Resolution No. 18-315. Resolution 18-315 only addresses changes to the SWM service charge and staff will return and present an ordinance to Council in January 2019 to implement the GFC. Moving forward, SWM service charge rates will also be referenced in the City's Fee Schedule, which is scheduled for adoption on November 26, 2018.

Deputy Mayor Herbig opened the hearing for public comments.

There were no public comments.

Deputy Mayor Herbig closed the public hearing.

Due to some revisions to Resolution 18-315 drafted by the City Attorney, this Resolution will come back to the next Council meeting.

BUSINESS AGENDA

Ordinance 18-0472 Setting the Regular Property Tax Levy for 2019 - Joanne Gregory, Finance and Administration Director

Finance Director Gregory explained that the passage of a biennial budget by year-end is required by State law and November 30 is the due date for property tax levies to be set by ordinance and filed with King County.

The City Council has reviewed department and fund budgets throughout October and November in public sessions. The preliminary proposed budget document was distributed to the City Council on October 8, 2018 and is available at City Hall and www.kenmorewa.gov/finance.

Public hearings were held November 5 and November 13, 2018 to receive public comment on the proposed 2019 tax levies and the proposed 2019-2020 biennial budget.

Adoption of the 2019 Regular Tax Levy is scheduled for November 19, 2018 along with adoption of the 2019-2020 Biennial Budget.

The Regular Property Tax Levy ordinance includes a levy of \$5,052,445 which is an increase of 3% over 2018, plus new construction of \$67,522 and relevys of \$2,164. This is updated information based on recent new construction and relevy figures from King County.

MOTION: Councilmember Denuski made a motion to approve Ordinance 18-0472 Setting the Regular Property Tax Levy for 2019, Councilmember Curtis seconded the motion. The motion passed 4-2-0 with Councilmember Smith and Councilmember Marshall opposed.

Ordinance 18-0473 Setting Excess Property Tax Levy for 2019 - Joanne Gregory, Finance and Administration Director

Finance Director Gregory explained that the 2019 excess property tax levy is necessary for repayment of the voted Walkways and Waterways bonds. In 2018 the City levied \$1,250,000 (.29/1.000 AV) to cover the debt service payments of \$1,221,750.

For 2019 the levy recommendation is \$1,220,000 which would result in a tax rate of \$.25 per \$1,000 AV to fund the debt service principal and interest payments of \$1,223,150.

Ordinance No. 18-0473 to approve the excess tax levy for 2019, in the amount of \$1,220,000, is recommended for adoption by the City Council.

MOTION: Councilmember Curtis made a motion to approve Ordinance 18-0473 Setting Excess Property Tax Levy for 2019, Councilmember Denuski seconded the motion. The motion passed unanimously.

Ordinance 18-0474 Adopting the 2019-2020 Biennial Budget

Finance Director Gregory explained that the 2019-2020 Proposed Biennium Budget presented to the City Council included total revenues for the biennium of \$109,660,611 and total expenditures for the biennium are \$105,527,212. The City Council directed revisions to the General and Street operating budgets in the amount of \$442,564 which resulted in a total revenue budget of \$110,138,175 and total expenditure budget of \$106,088,340. Details of the revisions are shown on slide 31 of the November 13, 2018 Public Hearing presentation.

The General Fund and the Street Fund are balanced in that budgeted expenditures equal budgeted revenues. Other special revenue funds, capital funds, and enterprise funds utilize fund reserves to support capital improvement programs and interfund transactions.

The Biennial Budget also includes a 3.6% wage adjustment for 2019 and 2020 for all city employees based on the CPI W Seattle Index. Exhibit A to the Ordinance will establish positions and salary schedules for City employees for 2019.

MOTION: Councilmember Denuski made a motion to approve Ordinance 18-0474 Adopting the 2019-2020 Biennial Budget, Councilmember Srebnik seconded the motion. The motion passed 5-1-0 with Councilmember Smith voting no.

Amendments to the 2017-2018 Biennial Budget - Joanne Gregory, Finance and Administration Director

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Finance Director Gregory explained that on December 12, 2016, the City of Kenmore adopted the 2017-2018 biennial budget. The city-wide budget was amended on July 24, 2017 and again on November 27 during the Mid Biennium Review. The amended budget includes revenue (\$71,875,400) and expenditure (\$71,166,405) projections for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates.

Prior to the close of 2018, which will be the end of the 2017-2018 biennial budget period, it is important to review all funds' budgets, consider actions taken by the City Council since the last budget amendment, consider any significant unappropriated expenditures, and adjust fund budgets accordingly so as not to exceed approved legal fund budgets.

Amendments to the General Fund, Street Fund, Park Capital Fund, Sammamish River Bridge Fund, and the Real Estate Excise Tax Fund are recommended and details are provided on the attachment.

In the General Fund, the most significant item is the anticipated start up and transition cost for the in house public works operation. These planned expenditures were reviewed with the City Council earlier this year. This adjustment and other underbudgeted expenditures are more than offset by better than expected revenues from taxes and development.

The Street Fund includes a number of unanticipated expenditures which should be recognized in the budget so as not to exceed the Fund's total appropriation. Additional revenues from the General Fund's water/sewer franchise fees are also recognized.

The Sammamish River Bridge Fund expenditures for this biennium may exceed the total fund budget if estimates of design and permitting expenditures for 2018 are accurate. This does not impact the overall Bridge budget. Therefore, it is recommended to increase the expenditure budget accordingly. Also, the fund is likely to have a negative cash balance at the end of 2018 due to the lag in receiving grant reimbursements. A temporary transfer from the Real Estate Excise Tax (REET) Fund is recommended to cover this cash shortfall. The actual transfer entry would not exceed \$2,000,000 and would be reversed in January. The REET Fund is projected to have a year-end balance of approximately \$2.6M.

The Park Capital Fund includes Project P31 Squires Landing Land Conversion/Acquisition with a budget established for 2019 but not 2018. Expenses in the current year include appraisal, staff time, and escrow deposit. A \$50,000 budget is recommended.

Following Council's direction on the proposed budget amendments, an Ordinance to formally amend the budget will be presented for approval on November 26, 2018.

MOTION: Councilmember Curtis made a motion to approve the salary plan with all the positions including the Recreation Coordinator, Councilmember

Srebnik seconded the motion. The motion passed 5-1-0 with Councilmember Smith opposed.

MOTION: Councilmember Denuski made a motion to make the Recreation Coordinator a 2-Year Position, Councilmember Smith seconded the motion. The motion passed unanimously.

Reappointment of Three Existing Commissioners to Additional 3-Year Terms Beginning on January 1, 2019 and Possible Changes to the Planning Commission Rules if Needed - Debbie Bent, Community Development Director

Director Bent and Senior Planner Anderson explained that at the end of the year, four Planning Commission positions become vacant (Commissioners Nugent, Ohrenschall, Olson, and Vanderlinde). At your meeting on October 8, the Council expressed general interest in reappointing existing Commissioners to new terms if they were interested. Commissioner Nugent previously had declined reappointment. Commissioner Ohrenschall had expressed interest in reappointment. At the time of the meeting, Commissioners Olson and Vanderlinde had not yet asked for reappointment. Both have since told us that they would like to continue on the Commission.

Given the general direction from October 8, staff recommends that the Council consider a motion to reappoint three of the existing Commissioners to new terms (Ohrenschall, Olson and Vanderlinde).

Even with the reappointments, there remains one vacancy on the Planning Commission (Commissioner Nugent's position). The vacancy has been advertised and, besides filling the position, will give the City Council the opportunity to create a pool of potential Commissioners who could be called on in the event of an unexpected future vacancy. The application period closes on November 16. Staff suggests holding interviews in December and will offer potential dates once the number of candidates is determined.

Also the October 8 agenda bill was information about the Planning Commission rules. Staff was requesting that the Council provide direction on whether or not amendments to the rules were desired. That portion of the Planning Commission discussion was deferred to a future meeting, and this agenda item brings forward that same question. The preliminary discussion on rule amendments could be useful as the City Council makes decisions on Commissioner selection.

The Planning Commission rules are found in Municipal Code Chapter 2.30. Planning Commissioners must:

- Be Kenmore residents;
- If possible, represent all geographic areas of the City;
- Be available to serve three-year terms.

After a review of Planning Commission standards in other cities (Kirkland, Redmond, Bothell, Lake Forest Park, and Shoreline), the following additional potential criteria surfaced:

- Redmond - The Commission should have a broad demographic representation. No member shall serve more than 2 consecutive 4-year terms.
- Lake Forest Park - Commissioners are limited to 2 consecutive 3- year terms, with at least a one-year break in service. Service as Commission Chair is limited to 36 months in every 48 consecutive months. Commissioners may be residents or business owners or employees in the City. In selection, consumer/citizen interests and professional expertise should be considered.
- Shoreline – No Commissioner should serve longer than 2 consecutive 4-year terms. Commissioners should have an interest in environmental affairs, planning, land use, and residential and commercial development as evidenced by training, experience or actions. The Commission should evenly represent these areas of interest. Property-owners may serve, as well as residents.

The basic questions the Council could address are:

1. Should other characteristics of the Commission, besides geographic representation, be considered?
2. Should business owners in the City, employees in the City, or property owners be eligible to serve?
3. Should the background qualifications for Commissioners be amended?
4. Should term limits be set either for appointment to the Commission or for election as the chair?

Besides the rules in the Municipal Code, the Planning Commission has its own “Rules of Procedure.”

MOTION: Councilmember Curtis made a motion to reappoint the three incumbents (Ohrenschall, Olson and Vanderlinde) for a 3-year term, Councilmember Denuski seconded the motion. The motion passed unanimously.

It was the consensus of the Council to hold interviews with the applicants as a whole with all the Councilmembers. The Council does not want to impose term limits. Lastly, service as Commission Chair is limited to 36 months in every 48 consecutive months

Field Use Policy for Moorlands Park Athletic Field and Direction on Field Rental Rates and Discounted Fees - Debbie Bent, Community Development Director

Staff is asking for Council direction regarding the field use policy for Moorlands Park Athletic Field.

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Field Use Policy: The draft field use policy has been reviewed by the City's insurance provider the Washington Cities Insurance Authority (WCIA) and the City attorney. On 10/16/18, the draft field use policy was also emailed to organizations who previously scheduled/used the field (Northshore School District, North Lake Little League, Northshore Youth Soccer Association, and Girls Slowpitch Softball) and asked for comments/questions by 11/5/18. The president of the North Lake Little League responded and had no comment, no other comments have been received. The field use policy outlines rules, policies and procedures for field rental. If Council comments/questions are addressed at the 11/19/18 meeting, then Staff requests that Council pass a motion approving the field use policy.

Field Rental Fees and Discounted Fees: In the handout provides a comparison of grass field rental fees for other jurisdictions. Staff recommends an hourly rental fee of \$22/hour (comparable to the Northshore School District). Field rental fees will be included in the 2019 Fee Schedule. A resolution adopting the 2019 fee schedule will be on the 11/19/18 Council agenda for consideration. Staff recommends Council pass a motion on field rental rates to be included in the 2019 fee schedule.

Field Rental Discounted Fees: The state legislative budget proviso for the Youth Athletic Funds (YAF) grant funding applicable to 2014 YAF grants administered through the Washington State Recreation and Conservation Office (RCO) requires that recipients of YAF grants have a fee waiver/reduction policy in place for youth athletic clubs based on the clubs rates and scholarships provided to low-income participants compared to other clubs. The Moorlands Park Project included 2014 YAF grant funds (Project 14-1290). RCO does not have any guidance on how to implement this budget proviso. Staff recommends that clubs have the opportunity to apply for a fee reduction reflecting the percentage of participants receiving scholarships or fee waivers. Staff suggests clubs have at least 20% of eligible participants with a maximum 50% reduction of field rental rates. Staff recommends Council pass a motion providing direction on the discounted field rental fee.

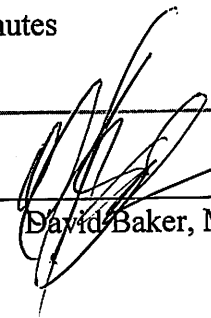
Background: The athletic field renovation at Moorlands Park was completed earlier this year. The field will be available for rental and use spring 2019, when the grass is established. The City is responsible for field maintenance, field scheduling and establishing and collecting rental fees for field use. Based on the Interlocal Agreement (Contract 17-C1814) with the Northshore School District, the majority of the park site (including the athletic field) is not available for public use during school hours.

MOTION: Councilmember Denuski made a motion to adopt the field use policy as amended, Councilmember Smith seconded the motion. The motion passed 5-1-0 with Councilmember Marshall opposed.

ADJOURNMENT

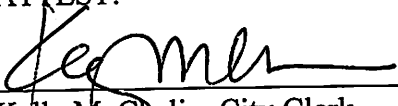
The meeting adjourned at 8:49 p.m.

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David Baker, Mayor

ATTEST:



Kelly M. Chelin, City Clerk