



City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607 - Kenmore, WA 98028
Phone: 425-398-8900 - Fax: 425-481-3236 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
City Council Regular Meeting Agenda
7:00 p.m., Monday, November 21, 2016
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at www.kenmorewa.gov.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. 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.

VI. CONSENT AGENDA

- A. Adopt Minutes for the October 10, October 17, and October 24, 2016 City Council Meetings
[DRAFT 10 10 2016 Minutes](#)
[DRAFT 10 17 2016 Minutes](#)
[DRAFT 10 24 2016 Minutes](#)
- B. The Following Checks and Electronic Payments are Approved for Payment:
Total Check Numbers 35539 through 35643 - \$422,886.52
Total Payroll Electronic Deposits Dated 10/28/2016 - \$79,374.61
[Checks & Electronic Payments](#)
- C. Approve the 2017 Federal Legislative Agenda for the City of Kenmore, Washington
[Agenda Bill & Attachments](#)

VII. PUBLIC HEARINGS

- A. Proposed Budget Amendments for the 2015-2016 Biennial Budget - Joanne Gregory, Finance & Administration Director
[Agenda Bill, Memorandum & PowerPoint](#)
- B. Public Hearing on Allowing Drive-Through Service as a Temporary Use for Another Year at 6532 NE Bothell Way in the Downtown Commercial Zone - Samantha Loyuk, Associate Planner, and Bryan Hampson, Development Services Director
[Agenda Bill & Attachment](#)

VIII. BUSINESS AGENDA

- A. Motion to Allow Drive-Through Service as a Temporary Use for Another Year at 6532 NE Bothell Way in the Downtown Commercial Zone - Samantha Loyuk, Associate Planner, and Bryan Hampson, Development Services Director
(See Public Hearing for item attachments)
- B. Adoption of Ordinance No. 16-0434, Bond Ordinance - Joanne Gregory, Finance & Administration Director, and Stacey Lewis, Attorney, Pacifica Law Group
[Agenda Bill & Attachment](#)
- C. Rhododendron Park Boardwalk Project Update - Ann Stanton, Parks Projects Manager, and Debbie Bent, Community Development Director
[Agenda Bill & Attachment](#)
[PowerPoint Presentation](#)
- D. Moorlands Park 2016 Master Plan - Ann Stanton, Parks Projects Manager, and Debbie Bent, Community Development Director
[Agenda Bill & Attachments](#)
[PowerPoint Presentation](#)
- E. Review of 2017-2018 Proposed Preliminary Biennial Budget - Joanne Gregory, Finance & Administration Director, and Rob Karlinsey, City Manager
 - Community Development
 - Public Art
 - Park Impact Fees
 - Real Estate Excise Tax (REET)
 - Park Capital Fund
 - Strategic Reserve
 - Strategic Opportunity Fund
 - Kenmore Village
 - Swamp Creek Basin Fund
 - Equipment Replacement Fund[Agenda Bill](#)
[Art Fund Proposal](#)
[PowerPoint Presentation](#)

IX. STAFF REPORT

X. COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

XI. ADJOURNMENT

Upcoming Meetings:

Tues., November 22, 2016 6:00 p.m. City Council Special Executive Session Meeting
Mon., November 28, 2016 7:00 p.m. City Council Regular Meeting
Mon., December 5, 2016 7:00 p.m. City Council Special Meeting
Mon., December 12, 2016 7:00 p.m. City Council Regular Meeting

**City of Kenmore, Washington
City Council Special & Regular Meeting
Minutes
October 10, 2016**

CALL SPECIAL MEETING TO ORDER – The Kenmore City Council special meeting was called to order by Mayor David Baker at 6:00 p.m.

EXECUTIVE SESSION

Mayor Baker recessed the special meeting to an executive session at 6:10 p.m. to discuss Potential Litigation and Litigation pursuant to Pursuant to RCW42.30.110(1)(i). He stated that the executive session will last for approximately 50 minutes and that no action is anticipated when the meeting is reconvened.

CALL REGULAR MEETING TO ORDER – The Kenmore City Council regular meeting was called to order by Mayor David Baker at 7:01 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Stacey Denuski

Staff present: Rob Karlinsey, City Manager; Joanne Gregory, Finance & Administration Director; Bryan Hampson, Development Services Director; Lauri Anderson, Senior Planner; Brian Randall, Accountant; Rod Kaseguma and Dawn Reitan, City Attorneys; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

PRESENTATION

Recognition of Joanne Gregory, Finance & Administration Director, and Brian Randall, Accountant, for Receipt of the Washington Finance Officers Association (WFOA) Professional Finance Officer Award - Mayor Baker read the award letters into the record. He stated that he knows they both work hard, and he really appreciates their efforts and the fact that they have both won this award for many years.

CITIZEN COMMENTS

Vicki Grayland, 20308 73rd Avenue NE, was present to invite the Council to join her in honoring indigenous people today, especially the Duwamish here, who were the protectors of this land for

so long. She congratulated the Council for looking at alternatives to PSE, asked when citizen comment will be taken on that, and encouraged the Council to look at alternative, renewable energy sources.

Essy Mohazzabfar, 16108 84th Avenue NE, was present to state his concern about how the City Code was applied to the Simonds Court project.

Garreth Jeffers, 15527 12th Avenue NE, was present as program manager for the Kenmore Senior Center to request an increase of \$3,000 in the next City budget for the functioning of the Senior Center.

Mayor Baker thanked the citizens for their comments and stated that the City Hall has some solar power. City Manager Karlinsey gave a response about the opportunity for citizen comments regarding PSE. Bryan Hampson responded to Mr. Mohazzabfar. Mayor Baker responded to Ms. Jeffers that the City will do whatever it can to support the efforts of the Senior Center.

CONSENT AGENDA

Councilmember Denuski moved to approve the consent agenda as submitted. Deputy Mayor Van Ness seconded the motion to Adopt the Minutes for the September 12, 2016 City Council Meeting; Approve the Following Checks and Electronic Payments for Payment: Total Check Numbers 35252 through 35350 in the Amount of \$847,063.55, and Payroll Check Number 9102 in the Amount of \$1,216.69, and Total Payroll Electronic Deposits Dated 9/16/2016 in the Amount of \$79,360.75; Receive and File August Financial Report for the City of Kenmore, Washington; and Authorize the City Manager to Execute Amendment No. 5 to Contract No. 14-C1324 with Hewitt Architects for Professional Services in the Amount of \$35,500. The motion passed unanimously.

PUBLIC HEARINGS

Public Hearing on Proposed Changes to Single-Family Zoning Rules – Lauri Anderson, Senior Planner, was present to give a brief report. She stated that the proposed changes impact the R1, R4 and R6 zoning districts. She reviewed the proposed changes to single-family zoning districts and some of the reasons for these proposed changes. She stated that prohibiting apartments in the single-family zones is consistent with the City's Comprehensive Plan. The current height rules would permit a maximum height of 75 feet in the single-family zones if additional setbacks from the property lines are provided. Staff does not believe that this height limit is either consistent or compatible with the bulk of development in the City's single-family areas. When this item is resumed in the Business Agenda, staff will ask for Council's direction on whether an ordinance should be prepared. She was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:19 p.m.

The following citizen spoke:

Linda Atkins, 777 108th Avenue NE, Suite 2300, Bellevue, Attorney with Davis Wright Tremaine, stated that the elimination of apartments from those zones and will probably have the effect of reducing collocation opportunities for wireless facilities.

As there was no further testimony, Mayor Baker closed the public hearing at 7:21 p.m.

Public Hearing on Wireless Communications Facilities Code Amendments, Ordinance No. 16-0426 - Lauri Anderson, Senior Planner, stated that the Planning Commission originally submitted their recommendations on this to Council at a joint meeting in July. During consideration of the draft Ordinance on September 12, Council asked for two changes to the Ordinance. One was to make small cells a permitted use rather than a conditional use, and the second was to clarify the major adjustment process criteria that requires a significant gap in service to address not only a gap in service *capacity*, but also a gap in service *coverage*. She detailed the proposed changes to the Ordinance in response to these change requests. She stated that following the public hearing, Council will be asked to adopt the Ordinance. She was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:25 p.m.

The following citizens spoke:

Kim Allen, 113 Cherry Street SW, Seattle, appearing on behalf of AT&T, was present to thank Council and urge them to adopt the Ordinance, as it is fair and balanced and is workable for the carriers.

Linda Atkins, 777 108th Avenue NE, Suite 2300, Bellevue, appearing on behalf of T-Mobile, was present thank Council and staff for taking such a serious approach to the comments of the carriers. She stated that T-Mobile is prepared to recommend that Council adopt the Ordinance, but suggested that Council make a motion to make two minor changes to the Ordinance prior to adoption.

Ken Lyons, 17533 47th Avenue NE, on behalf of AT&T, was present to acknowledge the tremendous efforts of staff, the City Attorney, Council, and the Planning Commission on this Ordinance and stated that he would like the Council to adopt the Ordinance.

As there was no further testimony, Mayor Baker closed the public hearing at 7:32 p.m.

BUSINESS AGENDA

Discussion of Proposed Changes to Single-Family Zoning Rules - Lauri Anderson, Senior Planner, restated the purpose of the proposed amendments. She clarified that Zoning Code Section 18.30.060 currently includes exceptions for church steeples, crosses, spires, and similar structures. She was also available to answer any additional questions.

It was Council consensus to bring an Ordinance back to a future meeting for adoption.

Adopt Ordinance No. 16-0426, Wireless Communication Facilities Code Amendments –
Lauri Anderson, Senior Planner, was available to answer any additional questions.

Councilmember Curtis moved to Adopt Ordinance No. 16-0426, Wireless Communication Facilities Code Amendments, as written. Councilmember Herbig seconded the motion. The motion passed 7-0.

Receive and File Estimates of Revenue and Expenditures for Current 2015-2016 Budget and Preliminary 2017-2018 Budget for the City of Kenmore, Washington - Joanne Gregory, Finance & Administration Director, was present to give a brief report. She distributed a handout to the Council, projections of the City's operating funds, including revenues and expenditures for the 2015-16 biennial budget period and preliminary estimates of operating funds for the 2017-18 biennial budget period. She detailed some primary assumptions and anticipated changes affecting the 2017-18 biennial budget period. She stated that Council will receive the preliminary budget document on October 24th. She reviewed other upcoming budget items to come before Council this year. She was also available to answer any questions.

It was Council consensus to Receive and File Estimates of Revenue and Expenditures for the Current 2015-2016 Budget and Preliminary 2017-2018 Budget for the City of Kenmore, Washington.

STAFF REPORT

City Manager Karlinsey stated that last week a well-attended business networking event was held at City Hall, and he reviewed some of the presentations. He noted that there will be a Walkways and Waterways open house tomorrow night. Also tomorrow, the State Growth Hearing Board will be here at City Hall to hear the appeal of our Public Agency Utility Exception (PAUE) Ordinance.

CITY COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

Councilmember Denuski stated that she and Mayor Baker met with someone from the United Methodist Church who is interested in getting a group together to do a Community Day Center for low income homeless at old police station; however, the proposal needs a lot more work. They are also working on Care Day, where service providers come and serve low income people in one location for a day. They usually serve about 450 low income people that day. She would like to know if Council is in support of the idea of Care Day, which will not cost the City any time, resources or money.

It was Council consensus that they are supportive of the idea of Care Day.

Councilmember Sperry stated that the Kenmore Library Advisory Board (KLAB) is having a special meeting tomorrow, in honor of Karen Hardiman, who is retiring. They may have two people interested in the youth position for the KLAB. She asked if anyone has any objections to create an alternate, so as not to discourage either applicant. There were no objections.

Deputy Mayor Van Ness stated that there is an Eastside Transportation Partnership (ETP) meeting this Friday, to consider their legislative priorities, which he handed out to Council. There was discussion among the Council regarding the proposed legislative agenda. Van Ness stated that he will convey Council's concerns to ETP. He invited any other Councilmembers to come to the meeting. He stated that he and Mayor Baker attended a leadership conference in Madison, Wisconsin, and he handed out slides from one of the presenters.

Mayor Baker stated that he has been asked to speak in Sultan on "Where's the Fun." He is meeting tomorrow with Congresswoman DelBene and others in Redmond.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 8:19 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Special & Regular Meeting
Minutes
October 17, 2016**

CALL SPECIAL MEETING TO ORDER – The Kenmore City Council special meeting was called to order by Mayor David Baker at 6:30 p.m.

EXECUTIVE SESSION

Mayor Baker recessed the meeting to an executive session at 6:30 p.m. to discuss Potential Litigation and Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 20 minutes and that no action is anticipated when the meeting is reconvened.

CALL REGULAR MEETING TO ORDER – The Kenmore City Council regular meeting was called to order by Mayor David Baker at 7:01 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, and Nigel Herbig

Councilmembers excused: Councilmember Denuski

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Public Works Director/City Engineer; Bryan Hampson, Development Services Director; Richard Sawyer, Surface Water Program Manager; John Vicente, Capital Projects Manager; Ann Stanton, Parks Projects Manager; Brett Schock, Traffic Engineer; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Mayor Baker led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

PRESENTATION

Recognition of Nancy Ousley, Assistant City Manager, for Receipt of the 2016 Washington City Management Association (WCMA) Leadership Excellence Award - Presented by Bob Jean, Interim City Manager of Bothell, on behalf of WCMA

Bothell Interim City Manager Jean noted Ousley's work on economic development strategies for the City, including creating new programs and building relationships; the business incubator; the Kenmore Business Alliance; attracting new businesses and promoting existing businesses; and historic preservation of St. Edward State Park Seminary building. Mayor Baker presented the award to Ousley. He stated that she has been a tremendous asset to the City, and the Council is very proud of her. Ousley thanked the WCMA and the person who nominated her, City Manager Karlinsey. She thanked the Council, leadership and colleagues at the City for such a nimble, creative working atmosphere. Karlinsey stated that the programs Ousley started have really put the City of Kenmore on the map.

CITIZEN COMMENTS

Dave Maehren, 6316 NE 196th Street, resident of Kenmore since 1982, and currently Fire Commissioner, was present as a citizen to speak about NEMCo emergency management services and coordination.

Mayor Baker thanked the citizen for his comments.

CONSENT AGENDA

Deputy Mayor Van Ness moved to approve the consent agenda as submitted. Mayor Baker seconded the motion to Adopt the Minutes for the September 19, 2016 City Council Meeting; Approve the Following Checks and Electronic Payments for Payment: Total Check Numbers 35351 through 35432 in the amount of \$807,407.95 and Payroll Check Number 9147 in the amount of \$429.03 and Total Payroll Electronic Deposits Dated 9/30/2016 in the amount of \$81,276.85; Authorize the City Manager to Execute Amendment No. 1 to Contract No. 16-C1502 with MacLeod Reckord for the Moorlands Park Project; Authorize the City Manager to Execute Amendment No. 7 to Contract No. 12-C1082 with Perteet for Traffic Engineering, Transportation and Parks On-Call Services; and Authorize the City Manager to Execute Contract No. 16-C1614, Memorandum of Understanding with King County Parks & Recreation Division, for Landscape Maintenance of the Burke Gilman Trail. The motion passed unanimously.

BUSINESS AGENDA

City of Kenmore 2017 State Legislative Agenda - Nancy Ousley, Assistant City Manager, and Briahna Murray, Gordon Thomas Honeywell, were present to give a brief report on the proposed priorities and legislative policies. Murray gave a broad overview of what to expect during the next legislative session. Their primary task during the 2017 session will be to develop their budget. She reviewed the proposed legislative budget and some items that it will not cover as proposed. She stated that with the coming election, the political environment that we have seen in recent years is likely to continue, making it harder to get consensus on budgets and harder to get consensus on very challenging policy bills. She stated that she sees where we can advance a number of Kenmore's priorities despite the challenges the legislature is facing.

They reviewed the proposed legislative agenda and policy statement included in the packet. Ousley stated that they would like feedback from the Council. She stated that the City has been very successful in transportation funding over recent years. Now we are transitioning to other priorities as well, although transportation funding remains a priority, as set out in the document. They were available to answer any questions.

Ousley thanked the Council for their comments and stated that staff will make some refinements to the document based on those comments.

Review of Proposed 2017-2022 Capital Improvement Program (CIP) for Surface Water, Parks, and Transportation - Joanne Gregory, Finance & Administration Director, provided a PowerPoint presentation reviewing the projects included in the proposed 2017-2022 CIP, including nine parks projects, ten transportation projects, and seven surface water projects. She detailed total CIP projected Capital Fund expenses and total CIP Capital Fund resources which would impact the 2017-2018 Biennial Budget. She noted that at the City Council's October 24th meeting, there will be a public hearing on the proposed 2017-2022 CIP, and she will bring an ordinance before Council for adoption at that time. She was also available to answer any questions.

Ann Stanton, Parks Project Manager; Kris Overleese, Public Works Director/City Engineer; Kent Vaughan, Senior Civil Engineer; John Vicente, Capital Projects Manager; Brett Schock, Traffic Engineer; and Richard Sawyer, Surface Water Program Manager, were all present to answer any questions regarding specific projects.

STAFF REPORT

Northshore Emergency Management Coalition (NEMCo) Update - Bryan Hampson, Development Services Director, was present to give a brief report. City Manager Karlinsey introduced the topic with a review of what the City has done to date and the various options we have for emergency services. Director Hampson detailed the latest proposal, for a full-time employee to replace the current half-time employee, who is only temporarily on loan from Northshore Utility District. He was available to answer any questions.

It was Council consensus to allow City Manager Karlinsey and City staff to make the decision regarding the NEMCo position.

City Manager Comments – City Manager Karlinsey stated that the Council's annual goal-setting retreat will be held the weekend of January 6 and 7, 2017. He is requesting his performance evaluation on the evening of November 22nd.

It was Council consensus to hold an executive session on November 22nd at 6:00 p.m. for City Manager evaluation.

CITY COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

Deputy Mayor Van Ness reviewed some discussion at the Eastside Transportation Partnership (ETP) meeting last Friday regarding their legislative agenda. He hopes they will have a revised draft soon for Council comment. He stated that it would be nice to have a brochure and an online source for information regarding the new mural.

Mayor Baker stated that a staff member from Representative DelBene's Washington, DC office was recently in town, and he toured St. Edward State Park, including the ball field and the Seminary building. He noted that there is a Seattle Chamber of Commerce Leadership Conference in Suncadia this week, so he will be there talking up Kenmore.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 9:18 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

**City of Kenmore, Washington
City Council Special & Regular Meeting
Minutes
October 24, 2016**

CALL SPECIAL MEETING TO ORDER – The Kenmore City Council special meeting was called to order by Mayor David Baker at 6:00 p.m.

EXECUTIVE SESSION

Mayor Baker recessed the meeting to an executive session at 6:00 p.m. to discuss Real Estate, pursuant to RCW 42.30.110(1)(c). He stated that the executive session will last for approximately 55 minutes and that no action is anticipated when the meeting is reconvened.

CALL REGULAR MEETING TO ORDER – The Kenmore City Council regular meeting was called to order by Mayor David Baker at 7:01 p.m.

Councilmembers present: Mayor David Baker, Deputy Mayor Allan Van Ness and Councilmembers Brent Smith, Laurie Sperry, Milton Curtis, Nigel Herbig and Stacey Denuski

Staff present: Rob Karlinsey, City Manager; Nancy Ousley, Assistant City Manager; Joanne Gregory, Finance & Administration Director; Kris Overleese, Public Works Director/City Engineer; Richard Sawyer, Surface Water Program Manager; Rod Kaseguma, City Attorney; and Patty Safrin, City Clerk

FLAG SALUTE

Eric Adman led the flag salute.

AGENDA APPROVAL

It was Council consensus to approve the agenda as submitted.

CITIZEN COMMENTS

Garreth Jeffers, 15527 12th Avenue, Shoreline, was present on behalf of the Kenmore Senior Center. She provided some statistics regarding the activities of the Senior Center to help support her request for an increased human services grant from the City in the next biennium.

Eric Adman, 7815 NE 192nd Street, Kenmore, was present to request that Twin Springs Park be made usable, perhaps with trails, in the near future. He stated that he attended the open house on integrating LID tonight and is happy to see the City moving forward on that.

Mayor Baker thanked the citizens for their comments.

CONSENT AGENDA

It was Council consensus to approve the Consent Agenda as submitted, Adopting the Minutes for the September 26, 2016 City Council Meeting.

PUBLIC HEARING

Public Hearing to Receive Public Testimony on Ordinance No. 16-0430, 2017-2022 Capital Improvement Program (CIP) for Surface Water, Parks, and Transportation - Joanne Gregory, Finance & Administration Director, was present to provide a PowerPoint presentation. She stated that Council last reviewed the CIP at their meeting on October 17th. There are three components to the CIP: nine Parks Projects, ten Transportation Projects, and seven Surface Water Projects, which she reviewed briefly, including anticipated costs over a six-year period. She summarized the impact on the budget and the funding sources for the 2017-2018 biennium. She was also available to answer any questions.

Mayor Baker opened the public hearing to receive public testimony on this issue at 7:21 p.m.

The following citizen spoke:

Eric Adman, 7815 NE 192nd Street, Kenmore, was present to comment on maintaining restored natural areas of the Twin Springs Park.

As there was no further testimony, Mayor Baker closed the public hearing at 7:23 p.m.

BUSINESS AGENDA

Adopt Ordinance No. 16-0430, 2017-2022 Capital Improvement Program (CIP) for Surface Water, Parks, and Transportation - Joanne Gregory, Finance & Administration Director, was present to answer any additional questions.

Councilmember Smith moved to Adopt Ordinance No. 16-0430, 2017-2022 Capital Improvement Program (CIP) for Surface Water, Parks, and Transportation.
Councilmember Curtis seconded the motion. The motion passed 7-0.

City Manager's Budget Message & 2017-2018 Preliminary Biennial Budget - The Preliminary Biennial Budget was distributed by Joanne Gregory, Director of Finance & Administration. City Manager Rob Karlinsey read his budget message into the record, including highlights of the budget and how they relate to the City Council's goals and the City's desired priority-based budgeting results. The budget message also addressed the budget picture, including a budget that achieves a strong balance of making new investments and keeping operational services fully funded; proposed personnel changes; and the six-year financial plan and economic outlook.

Integrating Low Impact Development Principles and Best Management Practices into the City's Development-Related Codes, Rules and Standards - Ordinance No. 16-0428 - Richard Sawyer, Surface Water Operations Manager, and Alex Campbell with AHBL were present to provide a follow-up to the September 19th Council meeting, where staff presented the first draft of the proposed code amendments. They presented a second draft, which was created after some public open houses and incorporation of review and comments. Sawyer stated that there are no substantial changes in the second draft. A public hearing will be held on November 14th. Following that, staff will review citizen comments and Council comments and present a final ordinance for approval in late November/early December. They were available to answer any questions.

STAFF REPORT

City Manager Karlinsey reminded Council about Halloween at the Hall this Friday night, October 28th.

CITY COUNCILMEMBER REPORTS, COMMENTS & INITIATIVES

Councilmember Smith thanked City Manager Karlinsey for his fine report.

Councilmember Sperry thanked the City Manager and staff for all their work on the budget, and for taking the time to read the budget message. She stated that the King County Library has had a couple of staff changes. A King County Library system library advisory board forum is going to be held to clarify the function of the library advisory boards. The Kenmore Library Advisory Board (KLAB) has a regular member opening and youth member opening, so they are advertising for those positions.

Deputy Mayor Van Ness reminded Council about the December 2nd Eastside Transportation Partnership (ETP) tech transportation conference. He hopes to go to Tacoma for a WSDOT conference the day before that.

Mayor Baker stated that the leadership summit at the Seattle Chamber of Commerce last week was different than expected, and the word is getting out about Kenmore. He participated in a breakout session on Creating Middle Income Jobs. One of the things they came up with was keeping seniors in the work force. He has a meeting tomorrow regarding human services with Councilmember Dembowski.

EXECUTIVE SESSION

Mayor Baker recessed the regular meeting to an executive session at 8:20 p.m. to discuss Litigation and Potential Litigation, pursuant to RCW 42.30.110(1)(i). He stated that the executive session will last for approximately 20 minutes and that action may be taken when the meeting is reconvened.

ADJOURNMENT

Mayor Baker adjourned the regular meeting at 8:40 p.m.

David Baker, Mayor

ATTEST:

Patty Safrin, City Clerk

Voucher Certification and Approval

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim.

The following checks and electronic payments are approved for payment:

Total Check numbers: 35539 through 35643 \$ 422,886.52

Total Payroll electronic deposits dated: 10/28/2016 \$ 79,374.61

 City Manager	<u>11-8-16</u> Date
 Finance Director	<u>11/4/16</u> Date

Check #	Vendor Name	Description	Check Amount
35539	NATIONWIDE FINANCIAL 401a	Social Security Replacement Plan	11,681.84
35540	NATIONWIDE RETIREMENT SOLUTIONS 457	Deferred Comp Payroll Deduction	2,195.00
35541	ICMA RETIREMENT TRUST 457 - 304745	Deferred Comp Payroll Deduction	3,103.81
35542	DRS 457	Deferred Comp Payroll Deduction	460.00
35543	AFLAC	Private Medical/ Disability Plans	348.94
35544	CITY OF KENMORE FS	Flexible Spending Medical Plans	396.38
35545	BANK OF AMERICA 941	Payroll Taxes	16,982.85
35546	AWC EMPLOYEE BENEFITS	Employee Health Insurance	45,189.50
35547	DEPARTMENT OF RETIREMENT SYSTEMS	WA State Retirement	18,606.53
35548	DEPARTMENT OF LABOR AND INDUSTRIES	Worker's Compensation	2,681.27
35549	UNITED WAY OF KING COUNTY	Employee Charitable Contribution	442.00
35550	NATIONAL LIFE OF VERMONT	Life Insurance	123.17
35551	AMERICAN GENERAL LIFE GPO-400S	Life Insurance	409.94
35552	STATE OF FLORIDA DISBURSEMENT UNIT	Payroll Deduction	275.00
35553	LINCOLN NATIONAL LIFE INSURANCE	Life/Long Term Disability/AD&D	934.52
35554	HSA BANK	Employee Health Savings Account Contribution	80.76
35555	BANNER BANK LD	Special Events/Training/Supplies	2,122.96
35556	BANNER BANK NO	Business Mtgs/Hotel/Business Directory	909.52
35557	BANNER BANK JG	Emp. Recognition/Wellness/522 Ribbon Cutting	1,007.40
35558	BANNER BANK KENMORE	Computer/Training/Supplies	2,592.28
35559	BANNER BANK KENMORE	Monitors/Registration/Supplies	1,963.68
35560	BANNER BANK VAN NESS	City Council Travel Expenses	910.36
35561	BANNER BANK BAKER	Registration/Mtgs/Travel Expenses	1,661.32
35562	BANNER BANK RK	Business Mtgs/Supplies/Park Materials	139.53
35563	BAKER, DAVID	N. End Mayor's Luncheon/Tolls/Meals	244.94
35564	CENTER FOR HUMAN SERVICES	3rd Qtr Human Svcs 15-C1391 Family Support	3,750.00
35565	CENTER FOR HUMAN SERVICES	3rd Qtr Human Svcs 15-C1390 Clinical Programs	1,250.00
35566	CITY OF BELLEVUE	3rd Qtr Human Svcs Pooled Program	9,250.00
35567	CITY OF BELLEVUE	3rd Qtr My Building Permit Surcharge	3,663.88

35568	COASTWIDE LABORATORIES	Parks Maintenance Supplies	138.43
35569	CODE PUBLISHING COMPANY	Kenmore Municipal Code Electronic Update	3,983.06
35570	CONSOLIDATED PRESS	Walkways & Waterways Fact Sheet	1,946.26
35571	FERGUSON ENTERPRISES INC #1539	Catch Basin Grate	170.17
35572	FRUHLING SAND & TOPSOIL	Storm Clean Up & Brush Dumping	320.00
35573	CALPORTLAND COMPANY	Drainage Materials	78.11
35574	HERRERA ENVIRONMENTAL CONSULTANTS	D.O.E. Grant Aquatic Weed Prof. Svcs 16-C1606	7,697.72
35575	HOPELINK	3rd Qtr 15-C1393 Human Svcs Housing Program	1,250.00
35576	HOPELINK	3rd Qtr 15-C1394 Human Svcs Financial Aid	2,500.00
35577	HOPELINK	15-C1392 Human Svcs Emergency Food	3,750.00
35578	INSLEE, BEST, DOEZIE & RYDER, P.S.	September Legal Services	33,827.16
35579	INTERNATIONAL CITY/CNTY MGMT ASSOC	2017 Assistant City Mgr. Membership Renewal	1,104.67
35580	JET CITY PRINTING	Printing for Walkways & Waterways	186.15
35581	KING COUNTY ANIMAL SVCS	Pet Licenses/Renewals Aug.-Oct.	1,020.00
35582	KING COUNTY FINANCE	Sept. Road Svcs/Signs/Signals/Overlay/Bridge	39,588.51
35583	KING COUNTY FINANCE	Sept. Adult/Juv. Detention Maint/Work Release	5,766.49
35584	KING COUNTY FINANCE	Sept. Adult/Juv. Detention Community Work Proj.	5,940.00
35585	KUSTOM SIGNALS, INC.	Police Radar Equipment Repair	145.94
35586	NORTHSHORE FIRE DEPT	September Fire Marshall Plan Review	240.00
35587	NORTHSHORE SCHOOL DISTRICT	2nd & 3rd Qtr 15-C1395 Human Svcs "Hang Time"	5,000.00
35588	NORTHSHORE YMCA	1st - 3rd Qtrs Human Svcs 15-C1395	4,875.00
35589	NORTHSHORE YOUTH & FAMILY SERVICES	3rd Qtr 15-C1400 Human Svcs Program	4,000.00
35590	HONEY BUCKET	10/8-11/4 Squire's Landing Rental	218.35
35591	OFFICE DEPOT	Office Supplies	240.24
35592	OFFICE TEAM	Temporary Reception Services	484.99
35593	OGDEN, MURPHY, WALLACE	Sept. St. Edward Ballfields Professional Svcs	682.50
35594	PACIFIC TOPSOILS	Storm Clean up - Dump Fees	220.50
35595	PARAMETRIX INC	15-C1471 8/28-10/1 Lakepointe Professional Svcs	1,875.00
35596	PUGET SOUND ENERGY	9/13-10/13 68/181st St. Lts/Signals/Electric/Gas	2,046.83
35597	SIGN UP, SIGN CO, INC	Temporary Signs for CARS Complaints	197.10
35598	TOTAL LANDSCAPE CORP	Oct. NS Summit & Squire's Landing Landscaping	1,730.10
35599	UNITED STATES POSTMASTER	12 Month PO Box Renewal	348.00
35600	WA STATE DEPT OF TRANSPORTATION	Sept. 68th/175th & 68th/181st Traffic Signal Maint.	3,335.01
35601	UPS STORE	October Public Records Copies	42.29
35602	AURORA RENTS	Rental Fee Charges	18.90
35603	KEEP POSTED INC	Halloween Event Posting	304.00
35604	GRAINGER	Safety Vest & Hard Hat	42.57
35605	EVER-MARK, LLC	Kenmore Logo Grocery Totes	1,076.11
35606	A+ CONFERENCING	Conference Calls	32.11
35607	ALCALDE & FAY	October Government Affairs Consulting	5,018.07
35608	KENMORE ELEMENTARY PTA	15-C1388 1st Qtr 2016 Human Svc-Social Svc Crisis	1,500.00
35609	ZUMAR	Pedestrian Crossing Flags	1,636.12
35610	COMCAST	10/30-11/29 Incubator Internet & Cable	161.89
35611	ANDERSON, LAURI	Business Travel Per Diem 11/15-11/19 - Houston	178.50
35612	TOWN CENTER HARDWARE	Sept. Public Works Crew Supplies	115.48
35613	SARAH ROBERTS	October Prosecution Services	10,623.62
35614	PHSI PURE HEALTH SOLUTIONS INC.	City Hall Water Filter Systems	122.56
35615	FAZZARI MARKETING	Target Zero Caribiner Reflecto	1,400.23
35616	LAW OFFICE OF JOHN RONGERUDE, PS	Special Defense Services	300.00
35617	PAWS	September Animal Sheltering Services	700.00
35618	INDEPENDENT STATIONERS	Office Supplies/Toner & Pens	116.96
35619	HOPKINS, CRAIG	Police Volunteer Mileage Reimbursement	29.16
35620	DEVRIES, DENIS	Police Volunteer Mileage Reimbursement	41.04

35621	PERTEET INC.	12-C1082 On Call Consulting Services 8/29-10/2	12,529.70
35622	JOYCE ZIKER PARKINSON	Sept. Kenmore Village Legal Advice	525.00
35623	KBA INC.	Sept. 15-C2586 Town Green Construction Mgmt.	9,697.48
35624	OVERLEESE, KRISTEN	Expense Reimbursement/Train/Meals/Supplies	107.75
35625	ALPHAGRAPHS US718	Business Cards	239.42
35626	GOODSELL POWER EQUIPMENT #2 INC.	Tools & Supplies	60.20
35627	CULLEY, AMBERLY GAUL	SR522/61st Artwork Consultation	2,800.00
35628	MOBILE MINI, INC.	10/17-11/13 Rhod. Park Storage Container Rental	97.49
35629	BRIEN, GAYLYNN	August Sales Tax Data Conversion	50.00
35630	WA TRUST FOR HISTORIC PRESERVATION	2017 Membership	100.00
35631	TRINITY CONTRACTORS, INC.	15-C1484 181st NE - North Sidewalk Project	60,017.55
35632	HANSEN, COREY	Oct. Incubator Consulting & Port of Seattle Training	8,975.00
35633	LENNAR NORTHWEST, INC.	Deposit Refund PRJ2004-140	7,500.00
35634	LENNAR NORTHWEST, INC.	Deposit Refund PRJ2005-0116	7,500.00
35635	NORTHWEST TROPHY	Kenmore Seaplane Mugs	1,847.45
35636	STARDOM SERVICES, INC.	October Incubator Janitorial Service	510.00
35637	KPFF CONSULTING ENGINEERS	8/27-9/30 62ne Ave Corridor Improvements	6,233.70
35638	MUNIMANAGE, LLC	8/13-10/10 Lakepointe Project Professional Svcs	5,125.00
35639	FCS GROUP, INC.	16-C1547 Public Works Service Analysis	4,117.50
35640	OLBRECHTS & ASSOCIATES, PLLC	16-C1558 Oct. Hearing Examiner Services	1,518.00
35641	REACTCS	Room Rental Deposit Refund	250.00
35642	AURELIAN DESIGN	Seaplane Coffee Mug Design	342.00
35643	MARINE EXCHANGE OF PUGET SOUND	Economic Impact Study Support of Ballard Locks	1,000.00
10/28/16	PAYROLL	Direct Deposit	79,374.61
			<u>\$ 502,261.13</u>

2016	PRIOR VENDOR ACTIVITY	TOTAL	FOR 2016
	A & A LIMOUSINE & BUS SERVICE		1,653.00
	A+ CONFERENCING		916.65
	AA ASPHALTING, INC		11,389.51
	AAA FLAG & BANNER MFG. CO., INC.		4,918.36
	AAA PRINTING		1,100.65
	AABCO BARRICADE COMPANY INC.		2,726.55
	ABIGANIA, ALBERT		300.00
	ACF WEST INC		3,533.01
	ACTION ENTERTAINMENT		770.00
	ACTIVE SHOOTER TRAINING LLC		1,425.00
	ADMAN, STACI		6,296.26
	ADVANCE TESTING & SERVICE INC		702.00
	AFLAC		3,140.46
	AGORA NW LLC		336.39
	ALCALDE & FAY		46,080.03
	ALEXANDER, JEFF		400.00
	ALL CLIMATE HEATING AND AIR		36.05
	ALL TRAFFIC SOLUTIONS		2,625.00
	ALLPLAY SYSTEMS LLC		58.04
	ALPHAGRAPHICS US718		1,261.09
	ALTA MAXINE MELVIN		14,674.00
	AM TEST, INC		1,650.00
	AMERICAN GENERAL LIFE GPO-400S		3,889.53
	AMERICAN PLANNING ASSOCIATION		2,124.00
	AMERICAN PUBLIC WORKS ASSOCIATION		1,225.00
	AMERICAN SOCIETY OF CIVIL ENGINEERS		225.00
	AMERICAN SOCIETY OF COMPOSERS		336.63
	ANCHOR QEA, LLC		7,611.50
	APPLIED CONCEPTS, INC.		2,979.50
	AQUATECHNEX LLC		37,624.20
	ARC - PACIFIC NORTHWEST		2,711.51
	ARTS OF KENMORE		4,344.76
	ARTSITE LTD, LLC		1,435.76
	ASPLUNDH		5,420.25
	ASSOCIATION OF WA CITIES		16,935.04
	ATHENAS		320.00
	AURORA RENTS		2,073.21
	AUTO BEE		150.00
	AUTOMATED CONTROLS		1,543.95
	AV CAPTURE ALL		4,718.57
	AVCA HARDWARE		341.33
	AWC EMPLOYEE BENEFITS		408,250.27
	BAKER, BRIDGIT		138.62
	BAKER, DAVID		3,437.64
	BANK OF AMERICA 941		320,491.86
	BANNER BANK		3,774.45
	BANNER BANK DB		1,204.04
	BANNER BANK LD		2,264.98
	BANNER BANK BAKER		7,861.97
	BANNER BANK BH		4,362.34
	BANNER BANK CS		4,544.73

BANNER BANK	DB	3,356.05
BANNER BANK	JG	3,388.29
BANNER BANK	JGORDON	8,188.45
BANNER BANK	KENMORE	24,849.24
BANNER BANK	LD	4,012.88
BANNER BANK	NO	3,297.52
BANNER BANK	PS	2,189.67
BANNER BANK	RK	3,035.97
BANNER BANK	VAN NESS	4,381.46
BARTLETT TREE EXPERTS		394.20
BASTYR UNIVERSITY		50,200.00
BELLEVUE COLLEGE		219.12
BELMARK, LLC		7,776.05
BEN HOLT INDUSTRIES		6,050.00
BERK CONSULTING		77,226.03
BEST BUY BUSINESS ADVANTAGE ACCOUNT		21,943.51
BJELDE, LAUREN		1,750.00
BLACKBAUD		7,225.80
BLUEBEAM, INC.		2,592.00
BRAVO ENVIRONMENTAL SERVICE		26,665.44
BRIEN, GAYLYNN		500.00
BRUCE DEES & ASSOCIATES		56,089.28
BUILDERS EXCHANGE OF WASHINGTON INC		451.95
BULGER SAFE & LOCK, INC.		363.54
CABOT DOW ASSOCIATES, INC.		3,836.25
CALPORTLAND COMPANY		1,324.44
CAPITAL ONE COMMERCIAL/ COSTCO		19.37
CAPPS, DAWNA		50.00
CARSTAR		1,793.19
CASCADE PEST CONTROL		1,138.80
CASCADE RECREATION, INC		301.13
CATHOUSE PIZZA		112.00
CEMEX		2,768.97
CENTER FOR HUMAN SERVICES		10,000.00
CHICAGO TITLE		1,099.78
CITY OF BELLEVUE		119,804.72
CITY OF KENMORE FS		5,927.60
CITY OF KENT		500.00
CITY OF LAKE FOREST PARK		765,768.87
CITY OF SHORELINE		12,538.07
CITY OF TACOMA		40.00
CITYWORKS/ AZTECA SYSTEMS INC.		21,900.00
CLEARWATER LEAK DETECTION, INC.		1,100.00
CLOWNS UNLIMITED, INC.		897.90
COAST & HARBOR ENGINEERING		63,329.05
COASTAL WEAR PRODUCTS INC		1,356.71
COASTWIDE LABORATORIES		7,352.73
COBRA BEC, INC.		8,945.94
CODE PUBLISHING COMPANY		8,349.64
COLUMBIA RIDGE LANDFILL		8,019.72
COMCAST		4,758.03
CONSOLIDATED PRESS		9,239.49
CONTOUR FENCE CO. INC.		4,789.53

CORT PARTY RENTAL	582.98
COX PRINTING & SIGNS	766.40
CULLEY, AMBERLY	6,296.26
CURTIS, DR. MILTON	560.16
D.R. HORTON	15,000.00
DAILY JOURNAL OF COMMERCE	2,381.55
DANSOUND INC	8,830.08
DAY WIRELESS SYSTEMS	76.44
DEPARTMENT OF ECOLOGY	34,739.65
DEPARTMENT OF LABOR AND INDUSTRIES	22,797.15
DEPARTMENT OF RETIREMENT SYSTEMS	358,582.32
DEPPA, DOUG	127.50
DEVRIES, DENIS	423.93
DIGITAL REPROGRAPHICS SERVICES INC.	430.78
DRS 457	23,680.00
DURRANT, JEFF	178.50
EA ENGINEERING SCIENCE & TECHNOLOGY	59,997.34
ECONOMIC DEV COUNCIL OF SEATTLE/KC	5,000.00
ECOSS	3,841.54
EJ USA, INC.	2,868.72
EMERALD FIRE LLC	289.08
EMPLOYMENT SECURITY DEPT	13,988.75
ENVIRONMENTAL SYSTEMS RESEARCH INST	5,694.00
ESA ADOLFSON	34,929.05
EVERGREEN PRINT SOLUTIONS	1,489.70
EVERGREEN SAFETY COUNCIL	299.00
EVER-MARK, LLC	1,570.73
EXPONENT, INC.	10,040.00
FAZZARI MARKETING	2,155.69
FCS GROUP, INC.	18,069.50
FEDEX OFFICE	941.05
FEENEY WIRELESS	1,195.81
FERGUSON ENTERPRISES INC #1539	6,464.57
FINANCIAL CONSULTANTS INT'L INC	495.50
FIRE PROTECTION, INC	5,002.92
FIRE SYSTEMS WEST, INC.	547.50
FIX AUTO	1,000.00
FLEMINGS HOLIDAY LIGHTING LLC	1,394.66
FLOW TECHNOLOGIES INC.	54,497.61
FOOTPRINT PROMOTIONS	1,912.53
FRONTIER	10,455.37
FRUHLING SAND & TOPSOIL	4,008.79
FUJII, GLORIA	1,700.00
G & H PRINTING	388.84
GALLATIN PUBLIC AFFAIRS	33,925.03
GLENMOOR 6, LLC	7,500.00
GOOD TO GO	18.75
GOODSELL POWER EQUIPMENT #2 INC.	49.13
GORDON THOMAS HONEYWELL	33,749.12
GOVDELIVERY, INC.	11,025.00
GOVERNMENT FINANCE OFFICERS ASSOC	190.00
GRAINGER	2,047.80
GREATER BOTHELL CHAMBER OF COMMERCE	4,800.00

GREGORY, JOANNE	459.50
GRINDLINE SKATEPARKS INC.	12,850.01
GROUP FOUR INC.	7,620.00
GRYPHON TRAINING GROUP, INC.	150.00
HAMPSON, BRYAN	138.14
HANSEN, COREY	30,825.00
HARRIS, LESLIE	242.38
HATFIELD, CHRISTOPHER	75.00
HDR ENGINEERING, INC	532,940.33
HERBIG, NIGEL	61.56
HERMANSON COMPANY, LLP	5,352.94
HESTON VISUAL ARTS	1,051.75
HEWITT	114,314.14
HOME DEPOT CREDIT SERVICES	408.29
HONEY BUCKET	3,769.68
HOPELINK	15,000.00
HOPKINS, CRAIG	750.06
HORIZON DISTRIBUTORS INC	2,722.09
HSA BANK	1,615.20
IAP2 PUGET SOUND CHAPTER	1,550.00
ICMA RETIREMENT TRUST 457 - 304745	61,226.20
iCOMPASS TECHNOLOGIES, INC.	9,650.00
INDEPENDENT STATIONERS	1,613.11
INGLEWOOD GOLF COURSE	1,248.30
INSLEE, BEST, DOEZIE & RYDER, P.S.	367,878.23
INTEGRA TELECOM	9,082.84
INTERNATIONAL BUSINESS INNOVATION	525.00
INTERNATIONAL CITY/CNTY MGMT ASSOC	1,528.46
INTERNATIONAL CODE COUNCIL	135.00
INTERNATIONAL INST OF MUNI CLERKS	220.00
iWORQ SYSTEMS	2,800.00
JACOBS ENGINEERING GROUP	215,424.66
JD PLUMBING & FIRE PROTECTION INC.	214.03
JET CITY PRINTING	4,846.67
JOYCE ZIKER PARKINSON	10,007.50
JP HENNESSY	500.00
JUSTIN BREWER WEB DESIGN	945.00
KAMINS, CHAD	546,369.09
KARLINSEY, ROB	154.72
KBA INC.	101,767.91
KCDA PURCHASING COOP	1,693.69
KD CANOPY	771.00
KEARNEY GROUP, LLC	668.00
KEEP POSTED INC	304.00
KENMORE CAMERA	2,994.70
KENMORE COMMERCIAL LLC	33,234.19
KENMORE COMMUNITY CLUB	490.00
KENMORE ELEMENTARY PTA	1,500.00
KENMORE HERITAGE SOCIETY	475.00
KIMBERLY LANE 9, LLC	8,645.82
KING COUNTY ANIMAL SVCS	2,349.00
KING COUNTY DISTRICT COURT	121,748.00
KING COUNTY FINANCE	309,126.91

KING COUNTY FINANCE W.L.R.D.	61,731.13
KING COUNTY FINANCE/ GIS	2,644.47
KING COUNTY FLEET ADMIN	882.17
KING COUNTY MUNICIPAL CLERKS ASSOC	25.00
KING COUNTY OFFICE OF FINANCE	1,838.87
KING COUNTY RADIO COMM SERVICES	850.83
KING COUNTY RECORDER'S OFFICE	166.00
KING COUNTY SHERIFF	2,416,139.70
KING COUNTY TREASURY	12,024.01
KING'S DRYWALL REPAIR LLC	2,299.50
KINGS HEATING	28.84
KOMPAN, INC	169.73
KONICA MINOLTA BUSINESS SOLUTIONS	7,057.97
KORTE, BRENT	27.61
KPFF CONSULTING ENGINEERS	240,815.51
KRAZAN & ASSOCIATES, INC.	8,522.50
KVO INDUSTRIES, INC	1,245.00
LANEY JONES AND THE SPIRITS	1,000.00
LANGTON SPIETH, LLC	35,000.00
LANGUAGE LINE SERVICES, INC.	4.83
LAW OFFICE OF JOHN RUNGERUDE, PS	2,100.00
LENNAR NORTHWEST, INC.	13,334.10
LIGHTHOUSE CONSULTING INC	61,193.48
LINCOLN NATIONAL LIFE INSURANCE	8,240.09
LITTLE, ERIK	7,500.00
LOVE BOMB GO-GO	1,500.00
LOYUK, SAMANTHA	52.92
M M COMFORT SYSTEMS	28.84
MACDONALD MILLER FACILITY SOLUTIONS	2,079.05
MACLEOD RECKORD	19,322.55
MAGEE, STEVEN	49.44
MAIL FINANCE	2,109.00
MAINSTREET MASONRY RESTORATION LLC	1,228.25
MARINE FLOATS CORPORATION	4,844.19
MARSHBANK CONSTRUCTION	4,611,755.64
MARY BRABEC	3,500.00
MCALLISTER, TERESA	186.18
MCKINNEI, SHAHIN	102.35
METROPOLITAN TRANS. COMMISSION	1,500.00
MILLER STEPHENS, MARY	15,000.00
MIWONGTUM, RACHEL	120.99
MOBILE MINI, INC.	2,721.16
MOON CONSTRUCTION COMPANY	27,199.81
MORGAN SOUND INC	2,581.80
MOTT MACDONALD GROUP, INC.	945.00
MR. T'S TROPHIES	253.65
MRSC ROSTERS	90.00
MUMMA, RYAN	58.32
MUNIMANAGE, LLC	18,125.00
NATIONAL LEAGUE OF CITIES	1,563.45
NATIONAL LIFE OF VERMONT	1,108.53
NATIONWIDE FINANCIAL 401a	246,790.66
NATIONWIDE RETIREMENT SOLUTIONS 457	7,850.00

NEOPOST NORTHWEST	58.02
NORTHLAKE LUTHERAN CHURCH	100.00
NORTHSHORE FIRE DEPT	5,483.00
NORTHSHORE PARK & REC SERVICE AREA	1,360.00
NORTHSHORE ROTARY CLUB	714.00
NORTHSHORE SCHOOL DISTRICT	2,500.00
NORTHSHORE SENIOR CENTER	14,300.00
NORTHSHORE UTILITY DIST	155,762.92
NORTHSHORE YOUTH & FAMILY SERVICES	8,000.00
NORTHWEST ARBORICULTURE LLC	1,235.00
NORTHWEST LANDSCAPE SERVICES	32,201.95
NORTHWEST MARINE TRADE ASSOCIATION	425.00
NORTHWEST PLAYGROUND EQUIPMENT INC.	14.97
NORTHWEST PRECISION BUILDERS	15,902.80
NORTHWEST TROPHY	2,433.28
NORTHWESTERN COLLECTION SERVICE INC	690.00
NRC ENVIRONMENTAL SERVICES, INC.	4,975.10
OAC SERVICES, INC	307.97
OFFICE DEPOT	10,396.35
OFFICE TEAM	14,156.42
OGDEN, MURPHY, WALLACE	14,820.00
OLBRECHTS & ASSOCIATES, PLLC	660.00
OLYMPIC ENVIRONMENTAL RESOURCES INC	33,723.87
OSBORN CONSULTING INC.	50,185.76
OUSLEY, NANCY	1,020.86
OVERLEESE, KRISTEN	62.40
OWEN EQUIPMENT COMPANY	1,246.98
PACE ENGINEERS, INC.	62,925.82
PACIFIC TOPSOILS	4,962.85
PACIFICA LAW GROUP LLP	632.50
PAJEK, KELLY	22.00
PAMPLIN MEDIA GROUP	190.00
PARAMETRIX INC	30,664.40
PASSPORT TRAVEL AND TOURS	924.40
PAT'S TREES AND LANDSCAPE INC.	4,043.52
PAWS	1,925.00
PCS MOBILE	4,741.35
PEARSON ESTATES LLC	14,897.46
PEMBERTON, JIM	3,086.64
PENDLETON, MICHAEL	3,186.34
PEOPLES STORAGE	1,608.00
PERFORMANCE SYSTEMS INTEGRATION LLC	826.73
PERSONAL BEST/ TOPHEALTH	117.20
PERTEET INC.	156,861.92
PETERSON, JANET	2,250.00
PETTY CASH CUSTODIAN	1,224.65
PHSI PURE HEALTH SOLUTIONS INC.	100.63
PHSI PURE WATER FINANCE	1,424.11
PRINTWEST	492.75
PROFFITT, QUINN	150.00
PROTECTION TECHNOLOGIES, INC	1,224.63
PROTHMAN COMPANY	14,275.80
PRSA	307.00

PUBLIC HEALTH DEPT. OF KING COUNTY	430.00
PUGET SOUND BUSINESS JOURNAL	105.00
PUGET SOUND CLEAN AIR AGENCY	17,411.00
PUGET SOUND ENERGY	196,566.86
PUGET SOUND FINANCE OFFICERS ASSOC	50.00
QUALITY BUSINESS SYSTEMS INC.	9,119.78
QUINN, JANET	71.60
R.C. PAINTING & SONS, INC.	1,314.00
RAMCO CONSULTING SERVICES, INC.	185.00
RANDALL, BRIAN	381.58
REID, JAMES FALCONER	5,400.00
REIQUAM, PETER	19,500.00
REPUBLIC SERVICES	6,833.67
RESOURCE EXPLORATION, LLC	12,000.00
RFI ENTERPRISES INC.	2,075.03
RICHARDSON, ZACK	116.00
RICHMOND AMERICAN HOMES OF WA	47.00
SALTER, JON	444.00
SAMYN, DR. JEFFREY	250.00
SANDRA OWEN DESIGN	260.00
SARAH ROBERTS	95,612.58
SAUVE, GAYLEN	350.00
SAWYER, RICHARD	124.11
SCHINDLER ELEVATOR CORPORATION	5,519.47
SCHOCK, BRETT	116.00
SCORE	292,443.73
SEATTLE TIMES	12,597.53
SELECT AIR SERVICES DBA GREENWOOD	32.14
SESAC	378.00
SHRED-IT USA LLC	1,170.70
SIGN UP, SIGN CO, INC	1,890.01
SITEIMPROVE, INC.	2,499.00
SITTS & HILL ENGINEERS, INC.	26,133.46
SKILLET	404.00
SKYWARD CONSTRUCTION	2,708,160.02
SMITH, BRENT	63.72
SMITH, JARRETT	140.49
SNOHOMISH COUNTY	9,532.00
SNO-KING WATERSHED COUNCIL	3,000.00
SOFTRESOURCES LLC	4,243.75
SOFTWAREONE, INC.	10,353.38
SOLAR TRAFFIC SYSTEMS INC.	4,935.00
SOLOMON ARTS & ENTERTAINMENT	300.00
SOLTERRA	298.65
SOUND CITIES ASSOC	13,353.25
SOUND LAW CENTER	17,948.00
SOUND OCEAN	188.96
SOUND PUBLISHING, INC.	6,763.02
SPERRY, LAURIE	64.80
ST EDWARD STATE PARK	7,410.40
STARDOM SERVICES, INC.	4,590.00
STATE AUDITOR'S OFFICE	26,851.92
STATE OF FLORIDA DISBURSEMENT UNIT	5,500.00

STEWART MACNICHOLS HARMELL, INC.	50,803.00
SUNGARD PUBLIC SECTOR INC.	51,096.00
SWANK MOTION PICTURES, INC.	386.55
TACOS LA FLACA	40.00
TECHNEX	24,768.90
TELESYSTEMS WEST	634.12
TERREBONNE LIMITED	301.83
THE DAVEY TREE EXPERT COMPANY	3,613.50
THE TILLERS, LLC	1,750.00
THE WIDE FORMAT COMPANY	1,045.73
THOMAS, MICHAEL	223.30
TOP TO BOTTOM JANITORIAL, INC.	25,125.00
TOPIA TECHNOLOGY/ BIS	1,300.00
TOTAL LANDSCAPE CORP	100,971.00
TOWN CENTER HARDWARE	948.46
TRAFFICALM SYSTEMS	4,571.00
TWO STORY ZORI	1,750.00
TYLER TECHNOLOGIES, INC.	46,821.38
UNCLE STINKY'S MAGIC	273.75
UNITED RENTALS NW, INC	1,355.45
UNITED STATES POSTMASTER	6,104.24
UNITED STATES TREASURY	4.10
UNITED WAY OF KING COUNTY	4,420.00
UPS STORE	277.62
US POSTAL SERVICE (HASLER)	9,559.28
UTILITIES UNDERGROUND LOCATION CTR	1,593.15
V2WORKS	935.55
VAN NESS, ALLAN	2,518.23
VAUGHAN, KENT	198.00
VERIZON WIRELESS	9,507.06
VERTICAL VISUAL SOLUTIONS INC.	793.88
VICENTE, JOHN	47.00
VOLGISTICS, INC	540.00
W.S.S.O. Advanced Training	520.00
WA ASSOC OF BUILDING OFFICIALS	1,575.00
WA ASSOC OF PUBLIC RECORDS OFFICERS	350.00
WA CITIES INSURANCE AUTHORITY	229,194.00
WA FINANCE OFFICERS ASSOCIATION	475.00
WA STATE DEPARTMENT OF AGRICULTURE	25.00
WA STATE DEPT OF LABOR & INDUSTRIES	141.60
WA STATE DEPT OF TRANSPORTATION	35,340.16
WAGE WORKS	994.00
WALL, JOHN	187.83
WALTERS, GEORGE	7,500.00
WASHINGTON ARCHITECTURAL HARDWARE	1,664.41
WASHINGTON AWARDS	546.39
WASHINGTON CITY/COUNTY MGMT ASSOC	630.00
WASHINGTON STATE DEPT OF REVENUE	2,667.11
WASHINGTON STATE OFFICE CASH MGMT	2,847.50
WASHINGTON STATE PATROL	2,757.42
WASHINGTON TREE SERVICE INC	3,066.00
WATSON, ELIZABETH	500.00
WELLS FARGO FINANCIAL	9,785.02

WELWEST CONSTRUCTION INC.	36,050.00
WESTERN DISPLAY FIREWORKS, LTD.	17,000.00
WETLANDS & WOODLANDS INC	730.91
WHELFHAM, STEPHANIE	250.00
WINTERBOURNE LANDSCAPE	574.88
WONDERLAND DEVELOPMENT	1,250.00
WRIGHT, MARCI	1,500.00
WSU URBAN IPM & PESTICIDE SAFETY	58.00
YOURMEMBERSHIP.COM, INC	150.00
ZONAR SYSTEMS	525.33
ZONES	1,122.80
ZORNES, GARY	641.50
ZUMAR	554.28
	<u>\$ 18,506,861.25</u>



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: City of Kenmore Proposed 2017 Federal Legislative Agenda Proposed Council Action/Motion: Motion to Approve City of Kenmore Proposed 2017 Federal Legislative Agenda	For Council Meeting Agenda of: 21 November 2016 Department: Executive Prepared by: Nancy Ousley, Assistant City Manager <u>Initial & Date</u> Approved by Department Head: <u>NKO 15 Nov 2016</u> Approved by City Attorney: _____ Approved by Finance Director: _____ Approved by City Manager: _____ Exhibits/Attachments: 1. Proposed 2017 Federal Legislative Agenda 2. Draft 2017 Federal Legislative Agenda from Council 25 July 2016 Meeting Agenda 3. 2015 Federal Legislative Agenda			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Expenditure Required \$n/a</td> <td style="width: 33%; border: none;">Amount Budgeted \$</td> <td style="width: 33%; border: none;">Appropriation Required \$0</td> </tr> </table>		Expenditure Required \$n/a	Amount Budgeted \$	Appropriation Required \$0
Expenditure Required \$n/a	Amount Budgeted \$	Appropriation Required \$0		
<u>INFORMATION/BACKGROUND:</u> The City of Kenmore continues to pursue active contacts with our Congressional Delegation and Federal agencies to promote City priorities for policies and project funding. The City's Federal Legislative Agenda charts the key initiatives that City officials will advocate and provides clarity for our Delegation and our government relations consultant in representing the City. The City's investment in maintaining strategic contacts at the federal level has resulted in funding for sediment testing and analysis of the Kenmore Navigation Channel, transportation project funding, and progress in dealing with disruptions in Kenmore Air operations related to Presidential visits to the area. Council involvement with the National League of Cities also provides positive connections to municipal policy initiatives at the federal level. The Council reviewed a Draft Agenda at its July 25, 2016 meeting and requested a revised format for the Federal Legislative Agenda that is comparable to the City's State Legislative Agenda structure. The proposed Federal Agenda prioritizes Infrastructure Support for the Lakepointe property redevelopment; the need for US Army Corps of Engineers maintenance dredging of the Kenmore Navigation Channel; process streamlining for transportation projects involving land acquired with Federal Land and Water Conservation Fund monies; and support for Kenmore Air operations that are affected by federal agencies. General policy statements accompany the legislative priorities. The City contracts with Alcalde and Fay for federal government relations consulting.				

FISCAL CONSIDERATION:

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: 2016-2017 Council Goals as follows:

1. **To focus on and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.**
 - **Implement the Sidewalk Plan**
2. **To continue to implement the Economic Development Plan, with an emphasis on the following key points:**
 - **Promote the image of Kenmore**
 - **Create a vibrant, walkable downtown**
 - **Support existing businesses**
 - **Advance the public's access and connection to the waterfront**
3. **To continue to seek funding and mitigation for State impacts on the City's transportation system.**
4. **To continue to seek opportunities to complete a successful LakePointe project.**

CITY OF KENMORE, WASHINGTON**PROPOSED 2017 FEDERAL LEGISLATIVE PRIORITIES****Lakepointe Project Infrastructure**

The 45 acre Lakepointe property, with its legacy of playing a support role in major regional transportation projects, is the most significant redevelopment opportunity in generations for Kenmore. Federal aid may be able to help support the substantial transportation, basic infrastructure and public space development needed for the project. The City is also proposing State legislation to create development incentives for Lakepointe redevelopment. Requests include:

- Transportation: new street construction to access and serve the site; grade separated access to downtown Kenmore; support for potential water taxi landing/terminal facility now being studied by King County. Sound Transit 3 projects will add bus rapid transit and parking facilities in the area.
- Foundation Infrastructure: the project requires installing thousands of pilings to support structures on the site, due to the property's geological conditions. This adds potentially \$90 Million to any project cost.
- Environmental Protection Agency Brownfields grant programs support for former landfill reuse for public space development.

Kenmore Navigation Channel Maintenance Dredging

Request funding for updated sediment testing and analysis, environmental review and maintenance dredging.

The Kenmore Navigation Channel has not had maintenance dredging performed since the 1990's, prior to the City's incorporation. The conditions of the Channel hinder barge and seaplane operations in the Channel, which is a US Army Corps of Engineers facility.

As a result of City's efforts, the project was provided \$440,000 and included in the US Army Corps of Engineers work plan for Fiscal Year 2014. The required sediment sampling/analysis and environmental review were completed in 2015, and it was determined that the dredged material would not be eligible for open water disposal. Upland disposal substantially increases the project cost, and although it is not specifically required, project sponsors have often funded the margin between open water disposal and upland disposal costs. Since results of the sediment sampling are valid for two years, new sampling and analysis will be required before maintenance dredging can proceed. Standards for open water disposal may be reexamined, based on recent studies in Puget Sound.

Transportation Process Streamlining

Land and Water Conservation Fund Modifications for Transportation Projects:

Pursue modifications to Land and Water Conservation Fund (LWCF) requirements to:

1. Exempt small land transfers that have a de minimis effect on recreation from the formal conversion process now required by the Land and Water Conservation Fund.
2. Extend the temporary non conforming use period, often used for construction activity, from the current six month maximum to a maximum of twenty four months.

Kenmore's West Sammamish River Bridge project needs to acquire a small and unusable for recreation piece of land adjacent to the bridge that was originally acquired by the State of Washington with LWCF resources. The modifications would provide efficiencies for transportation projects in general with minimal effect on recreational resources, and other state and local agencies support this proposal.

Kenmore Air: Temporary Flight Restrictions and Customs Processing

Pursue resolution to the Temporary Flight Restriction that currently impacts Kenmore Air's business and inconveniences passengers. Our Federal Delegation has worked with U.S. Secret Service, TSA and FAA on the issue, and the Secret Service agreed to modify the requirement on a trial basis for a Presidential visit in 2016. Support the request to make this modification a permanent, standard procedure.

Support Kenmore Air's request for more efficient US Customs and Border Patrol processing of passengers arriving in Kenmore from Canada who are not Canadian or US citizens. These passengers must now be transported to Seattle for Customs Services while other passengers are processed at the Customs office at the Kenmore, WA Air Harbor.

Policy Statements—Guidance to Government Relations Representatives

Support Bastyr University Legislative Priorities

As Kenmore's largest employer, the success of Bastyr University in achieving its legislative priorities is important to the City of Kenmore. Support for natural health education, research, product development and accreditation are among the University's priorities.

Identify and Pursue Grant Funding for City Priorities

Economic development, broadband technology and infrastructure, and improved public access to the water are examples of grant opportunities that may be pursued.

Monitor Discretionary Budgets

Programs administered by the Department of Housing and Urban Development, such as Community Development Block Grants will be of particular concern.

CITY OF KENMORE, WA**2016-2017 PROPOSED FEDERAL LEGISLATIVE AGENDA****Kenmore Navigation Channel**

The Kenmore Navigation Channel has not been the beneficiary of federally-assisted maintenance dredging since the 1990's, prior to the City's incorporation. We will continue to pursue funding for the US Army Corps of Engineers to engage in maintenance dredging, working with our Congressional delegation, Congressional committee staff, and appropriate federal agencies; most notably the Corps and the Office of Management and Budget.

Through regular contact with our Congressional Delegation and Congressional committee staff, Army Corps officials and staff in the Seattle District, Northwestern Division, Washington Headquarters, and the Assistant Secretary's office, as well as with the Office of Management and Budget, the project was provided \$440,000 with inclusion in the Corps' work plan for Fiscal Year 2014. The required preliminary steps of core sediment sampling and analysis and environmental review were completed in 2015, and it was determined that the dredged material would not be eligible for open water disposal. Upland disposal adds several million dollars to the project cost, and although it is not specifically required, project sponsors have funded the margin between open water disposal and upland disposal costs. It will be important to continue contact with decision makers so that the maintenance dredging itself is funded. The results of the sediment sampling are valid for two years, so additional sampling and analysis will likely be required.

In addition, the Water Resources Reform and Development Act of 2014 (WRRDA) contains a provision that assures funding will continue to be set aside for the maintenance dredging of small harbors.

Transportation Funding: West Sammamish River Bridge/Corridor Funding: Lakepointe Transportation; and Pedestrian/Bike Safety Improvements.

Long term, sustainable transportation federal financing for state and local government projects continues to be a priority. Priority projects for the City include:

West Sammamish River Bridge: The 68th Avenue NE (southbound) bridge over the Sammamish River should be replaced. The 80 year old bridge is of regional significance and is a well-used route around Lake Washington. Traffic over the Bridge has increased as drivers utilize this route to avoid tolls on State Route 520. The Bridge was constructed in the 1930's and is showing accelerated structural deterioration as a result of the increased traffic volumes. Load restrictions on the bridge are in place.

Additionally, a north-bound improvement to the corridor is needed to assist traffic approaching the heavily congested SR 522/68th Avenue NE intersection. The Total cost of the project is \$22 million. The City has been successful in securing State and Federal funding for a total of \$21 million, but costs may increase by the time final design is completed.

Lakepointe Transportation Infrastructure: Preliminary work on the long-planned redevelopment of the 45 acre Lakepointe site on Lake Washington is underway. Transportation is the linchpin of achieving a successful project, and multi modal travel opportunities are potential solutions, including connections to Bus Rapid Transit planned in the ST3 2016 ballot measure, parking (also in the ST3 project package), and the possibility of water taxi service to the University of Washington Main Campus/Sound Transit Station now being studied by King County. In addition to these key investments, major street improvements will certainly be needed to serve the major redevelopment project.

Pedestrian/Bike Safety Improvements: The City is working diligently to make significant improvements for bike and pedestrian safety, including major sidewalk construction on 68th Ave NE/Juanita Drive NE from the north to the south borders of the City that will go before the voters in a local bond measure in November 2016. Additional improvements are needed to ensure safer and healthier travel for walkers and cyclists.

Land and Water Conservation Fund Modifications for Transportation Projects

The City requested in a 2016 letter to Senator Cantwell modifications to Land and Water Conservation Fund (LWCF) requirements to:

1. Exempt small land transfers that have a de minimis effect on recreation from the formal conversion process now required by the Land and Water Conservation Fund.
2. Extend the temporary non conforming use period, often used for construction activity, from the current six month maximum to a maximum of twenty four months.

The Sammamish River Bridge project needs to acquire a small and unusable for recreation piece of land adjacent to the bridge that was originally acquired by the State of Washington with LWCF resources. The modifications would provide efficiencies for transportation projects in general with minimal effect on recreational resources, and other state and local agencies support this proposal.

Kenmore Air Temporary Flight Restrictions

To help maintain our jobs base, and to reduce inconvenience to residents, the City will continue to work with the Congressional Delegation to seek resolution to the Temporary Flight Restriction issue that is impacting Kenmore Air's business while inconveniencing passengers. The Delegation has been provided an estimate of the financial impact each time Kenmore Air is required to close down its flight operations as a result of a TFR. As a result of these efforts, the staffs of our two Senators convened a meeting with leadership from the three agencies involved – U.S. Secret Service, TSA and FAA – to discuss a potential fix to the issue. The Secret Service agreed to modify the requirement on a trial basis for a Presidential visit in June 2016.

The City will also continue to support Kenmore Air's request for more efficient US Customs and Border Patrol processing of passengers arriving from Canada who are not Canadian or US citizens. These passengers must now be transported to Seattle for Customs services while other passengers are processed at the Customs office at the Kenmore, WA Air Harbor.

Support Bastyr University Legislative Priorities

As Kenmore's largest employer, the success of Bastyr University in achieving its legislative priorities is important to the City of Kenmore. Support for natural health education, research and accreditation are among the University's priorities.

Identify and Pursue Grant Funding for City Priorities

The City's government relations consultants Alcalde & Fay will provide regular reports and alerts on federal grant funding opportunities for various purposes and programs, such as an economic development/business incubator, parks, broadband technology and infrastructure, and can assist in the development of grant proposals and garnering the political support for such proposals that can sometimes be instrumental to their being met receptively in federal agencies.

Monitor Discretionary Budgets

The City will want to monitor federal sources of assistance to assure that their budgets are not cut during these times of fiscal constraint. Programs administered by the Department of Housing and Urban Development, such as Community Development Block Grants will be of particular concern.

CITY OF KENMORE, WA
2015 FEDERAL LEGISLATIVE AGENDA

Kenmore Navigation Channel

The Kenmore Navigation Channel has not been the beneficiary of federally-assisted maintenance dredging since the 1990's, prior to the City's incorporation. We will continue to pursue funding for the Army Corps to engage in maintenance dredging, working with our Congressional delegation, Congressional committee staff, and appropriate federal agencies; most notably the Corps and the Office of Management and Budget.

Through regular contact with our Congressional Delegation and Congressional committee staff, Army Corps officials and staff in the Seattle District, Northwestern Division, Washington Headquarters, and the Assistant Secretary's office, as well as with the Office of Management and Budget, the project was provided \$440,000 with inclusion in the Corps' work plan for Fiscal Year 2014. The required preliminary steps of core sediment sampling and analysis and environmental review are expected to be complete by early 2015. It will be important to continue contact with decision makers so that the maintenance dredging itself is funded. The results of the sediment sampling are valid for two years, so the dredging needs to be accomplished in a timely manner.

In addition, the Water Resources Reform and Development Act of 2014 (WRRDA) contains a provision that assures funding will continue to be set aside for the maintenance dredging of small harbors.

West Sammamish River Bridge/Corridor Funding

The City has determined through studies that the 68th Avenue NE (southbound) bridge over the Sammamish River should be replaced. The 80 year old bridge is of regional significance and is a well-used route around Lake Washington. Traffic over the Bridge has increased as drivers utilize this route to avoid tolls on State Route 520. The Bridge was constructed in the 1930's and is showing accelerated structural deterioration as a result of the increased traffic volumes. Load restrictions on the bridge were posted earlier this year.

Additionally, a north-bound improvement to the corridor is needed to assist traffic approaching the heavily congested SR 522/68th Avenue NE intersection. The Total cost of the project is \$22 million. The City has committed \$2 million in local resources to the project, and is actively seeking funding resources for the remaining \$20 million.

There may be other opportunities to advocate for legislation that could provide assistance for the bridge project. In August, Congress passed and the President signed into law, legislation continuing the federal surface transportation programs through May 31, 2015, at current funding levels, and provided revenues deemed sufficient to finance these programs. By the end of May, Congress will need to extend these programs, either with a temporary extension of existing law, or through action on a comprehensive reauthorization. And because existing highway user fees are no longer sufficient to fund these programs at existing levels, let alone at the higher levels that most authorities believe are necessary, a method for generating greater amounts of revenue will need to be identified to fund the nation's transportation programs into the future.

There is some discussion in Washington of a return to the practice of earmarking which, if adopted, could make a transportation reauthorization bill, or the annual transportation appropriations bill, a vehicle for the earmarking of funds directly for this project. Regardless, development of a new reauthorization bill will be monitored to try and assure that it might facilitate work on this project.

Kenmore Air Temporary Flight Restrictions

To help maintain our jobs base, and to reduce inconvenience to residents, the City will continue to work with the Congressional Delegation to seek resolution to the Temporary Flight Restriction issue that is impacting Kenmore Air's business while inconveniencing passengers. The Delegation has been provided an estimate of the financial impact each time Kenmore Air is required to close down its flight operations as a result of a TFR. As a result of these efforts, the staffs of our two Senators convened a meeting with leadership from the three agencies involved – U.S. Secret Service, TSA and FAA – to discuss a potential fix to the issue. The delegation tasked the three agencies to work to develop a viable solution.

Commuter Parking Facility Funding

Kenmore is a regional commuter center that is served by Metro Transit and Sound Transit. Existing park-and-ride facilities are full by early morning, resulting in overflow parking spilling over into local neighborhoods. The City will work with Sound Transit and/or Metro Transit to identify opportunities for locating a parking structure that can also serve downtown Kenmore businesses and/or trail and park users.

Transportation Financing

The City urges the Federal Government to establish a long-term sustainable transportation assistance program for highways and transit. Revenue sources need to be indexed to the economy and sufficient to assist with the funding of the nation's growing transportation needs. The financing mechanism needs to be long term,,

providing state and local jurisdictions with assurances of an on-going program so that they can plan projects. Continuing Resolutions do not provide any assurance of future funding of transportation needs.

Identify and Pursue Grant Funding for City Priorities

The City's government relations consultants Alcalde & Fay will provide regular reports and alerts on federal grant funding opportunities for various purposes and programs, such as an economic development/business incubator, parks, and infrastructure, and can assist in the development of grant proposals and garnering the political support for such proposals that can sometimes be instrumental to their being met receptively in federal agencies. Funding for bicycle and pedestrian safety improvements will be a priority in seeking grant funds in the coming year.

Monitor Discretionary Budgets

The City will want to monitor federal sources of assistance to assure that their budgets are not cut during these times of fiscal constraint. Programs administered by the Department of Housing and Urban Development, such as Community Development Block Grants will be of particular concern.

July 11/14/16
July 11/14/16
PDK

VII. A. Proposed Budget Amendments for the 2015-2016 Biennia...

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Per RCW 35A the budget is the legal authority to expend public funds and controls those expenditures by setting the amount of the appropriation at the fund level by ordinance.

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The City of Kenmore

PO Box 82607
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Mayor, Members of the City Council

FROM: Rob Karlinsey, City Manager;
Joanne Gregory, Finance Director

DATE: November 10, 2016

RE: Recommended 2015-2016 Final Budget Amendments

On December 8, 2014, the City of Kenmore adopted the 2015-2016 biennial budget. The city wide budget (excluding the Transportation Benefit District) included revenue (\$52,089,453) and expenditure (\$59,750,318) estimates for both years which support the City Council priorities, departmental work programs, various municipal obligations, as well as Federal and State mandates.

On November 23, 2015 the Council adopted mid-biennial budget amendment Ordinance 15-0413 as prescribed by State law. At that time the amended revenue budget became \$59,692,797 and the amended expenditure budget was \$69,265,349. There have been no budget amendments since that time. This is the final review and opportunity to amend fund budgets prior to the close of the 2015-2016 budget period. The attached adjustments would result in an amended city wide revenue budget of \$61,202,525 and expenditure budget of \$70,859,449.

The management team has reviewed the budgets and recommends the adjustments outlined below. During the course of the current year, the City Council has discussed and authorized certain actions, not yet budgeted, which should now be considered as amendments to the budget.

General Fund revenues have been better than anticipated, especially sales taxes and development revenues. Favorable new construction going on the tax rolls in 2016 resulted in an unbudgeted increase in property tax revenues. Water and sewer franchise fees, a relatively new revenue source, were better than anticipated. These revenues are passed through to the Street Fund. Also \$150,000 is expected in 2016 as a reimbursement for costs incurred regarding the St. Edward Seminary Environmental Impact Statement. Total General Fund revenues adjustments would add \$977,000 to the total revenue budget.

General Fund expenditures across departments are reasonably close to budget with a few exceptions, detailed below, and these total \$1,328,000.

At adoption, the General Fund budget was balanced with \$20,553,270 in budgeted revenues and \$20,538,937 in budgeted expenditures. At the mid-biennium review, the General Fund ending fund balance was \$2,497,022 after several adjustments including a transfer of \$1,180,786 to the

Mid Biennium Budget Amendment
November 10, 2016

Strategic Opportunity Fund. The total of the proposed adjustments to the General Fund at this time reduce the budgeted ending fund balance by \$351,000 to \$2,146,022. This balance continues to exceed the \$2,111,550 minimum general fund balance required for 2016 by the City's financial policies. The amended expenditure budget for the General Fund will be \$24,100,723 as compared to the projected expenses of \$23,605,641. The amended revenue budget will be \$22,025,270 compared to the projected revenues of \$22,515,853.

Note that the proposed amendments are for budgeting authority purposes. Fund balance projections in the preliminary 2017-2018 budget differ. For example, while this budget amendment shows a General Fund ending balance of \$2,146,022 for 2015-2016, the projected General Fund balance is \$3,131,687.

All adjustments recommended at this time are presented in the table below. The adjustments are grouped by fund, displayed in a table on separate pages which follow. Revenue accounts are shaded in green and expenditure accounts are shaded in pink. The net effect of budget amendments are shown as a net adjustment to the budgeted ending fund balance at the end of each table.

Mid Biennium Budget Amendment
November 10, 2016

Description	2015-2016 Amended Budget	Proposed Increase (Decrease)	2015-2016 Final Amended Budget	Explanation
General Fund				
Beginning Fund Balance	\$4,221,475	\$0	\$4,221,475	No Change
Property Tax Revenue	\$8,948,766	\$127,000	\$9,075,766	Increase in new construction over budget for 2016 tax levy
Sales Tax Revenue	\$3,749,580	\$300,000	\$4,049,580	Favorable year to date results of sales tax from construction, wholesale and retail
Water Sewer Franchise Fees	\$800,000	\$200,000	1,000,000	Better than anticipated
Building Permit Revenue	\$734,004	\$200,000	\$934,004	Better than anticipated building and construction activity
Miscellaneous Reimbursements	\$17,400	\$150,000	\$167,400	Reimbursements for St. Edward Seminary EIS
Total Additional Resources		\$977,000		
Expenditures: City Manager Budget Electric Power Reliability Audit	\$0	\$60,000	\$60,000	Exponent retained to perform electric power reliability audit
Legal Budget City Attorney Costs	\$400,000	\$260,000	\$660,000	Code violations, land use appeals, other significant non-recurring actions requiring City Attorney attention
Finance Budget Liability Insurance	\$318,000	\$50,000	\$368,000	Higher premiums from providers, increased claims, worker hours
Finance Budget Financial Software Purchase-Tyler	\$0	\$98,000	\$98,000	\$155,000 approved by the City Council on April 25, 2016; unspent balance to be carried into 2017
Public Safety Budget District Court Costs	\$180,000	\$84,000	\$264,000	Increasing costs not offset by revenue from tickets, fines or forfeitures

Mid Biennium Budget Amendment
November 10, 2016

Non Department Budget Transfer to Street Fund	\$800,000	\$200,000	\$1,000,000	Better than anticipated revenues which can be passed through to Street Fund
Non Department Budget Transfer to Kenmore Village Fund	\$800,000	\$150,000	\$950,000	Increase transfer to provide funds for Tenant Improvements
Public Works Engineering Salary and Benefits for Capital Project Engineer	\$1,081,029	\$216,000	\$1,297,028	Provide salary and benefits budget for Capital Project Engineer; originally anticipated to be funded completely from Sammamish River Bridge Project. Budget should have been included in General Fund as well with reimbursement due for time spent on project.
Development Services Lakepointe Consulting	\$0	\$100,000	\$100,000	Consulting costs related to project to include Parametrix and MuniManage. 50% of project manager to be paid for by developer.
Development Services Fee Study	\$0	\$35,000	\$35,000	Retained consulting firm FCS to perform rate study of development services and fees
Park & Facility Maintenance Public Works Service Analysis	\$0	\$75,000	\$75,000	Retained consulting firm of FCS to perform analysis of service provision in public works, maintenance, and surface water
Total Additional Expenditures		\$1,328,000		
Ending Fund Balance	\$2,497,022	(\$351,000) net change	\$2,146,022	

Mid Biennium Budget Amendment
November 10, 2016

Description	2015-2016 Amended Budget	Proposed Increase (Decrease)	2015-2016 Final Amended Budget	Explanation
Street Fund				
Beginning Fund Balance	\$899,288	\$0	\$899,288	No Change
Transfer from General Fund	\$833,000	\$200,000	\$1,033,000	Water Sewer franchise fees from General Fund better than expected
Total Additional Resources		\$200,000		
Salaries and Benefits	\$577,783	\$77,000	\$654,783	Reclassify (add) 50% of Traffic Engineer for 2016 for work programs relevant to the Street Fund
Liability Insurance	\$18,000	\$18,000	\$36,000	City wide higher premiums from providers, increased claims, worker hours affecting allocation to the Street Fund
Total Additional Expenditures		\$95,000		
Ending Fund Balance	\$487,542	\$105,000 net change	\$592,542	

Description	2015-2016 Amended Budget	Proposed Increase (Decrease)	2015-2016 Final Amended Budget	Explanation
Public Art Fund				
Beginning Fund Balance	\$67,131	\$728	\$67,849	2014 Ending Fund Balance better than budgeted
Total Additional Resources		\$728		
1% for Arts Program	\$1,000	\$100	\$1,100	Provide for additional cost of art purchases
Total Additional Expenditures		\$100		
Ending Fund Balance	\$66,331	\$628 net change	\$66,959	

Mid Biennium Budget Amendment
November 10, 2016

Description	2015-2016 Amended Budget	Proposed Increase (Decrease)	2015-2016 Final Amended Budget	Explanation
Kenmore Village Fund				
Beginning Fund Balance	\$2,386,249	\$0	\$2,386,249	No Change
Miscellaneous Revenue	\$0	\$30,000	\$30,000	Reimbursement from MSPT XI (Main Street) for costs associated with soil testing
* Interfund Transfer From General Fund	\$860,000	\$150,000	\$1,010,000	Transfer to provide funds for tenant improvements
Total Additional Resources		\$180,000		
*Town Square/Hangar	\$4,265,000	\$30,000	\$4,295,000	Increase budget due to cost of soil testing – reimbursed by Main Street
Total Additional Expenditures		\$30,000		
Ending Fund Balance	\$1,980	\$150,000 net change	\$151,980	

Description	2015-2016 Amended Budget	Proposed Increase (Decrease)	2015-2016 Final Amended Budget	Explanation
Park Impact Fee Fund				
Beginning Fund Balance	\$752,774	\$0	\$752,774	No Change
Total Additional Resources		\$0		
Transfer to Park Capital Fund	\$703,416	\$152,000	\$855,416	To fund design and permitting costs associated with St. Edward Ballfields; construction budget not yet established
Total Additional Expenditures		\$152,000		
Ending Fund Balance	\$283,421	(\$152,000) net change	\$131,421	
Description	2015-2016	Proposed	2015-2016	Explanation

Mid Biennium Budget Amendment
November 10, 2016

	Amended Budget	Increase (Decrease)	Final Amended Budget	
Park Capital Fund				
Beginning Fund Balance	\$567	\$0	\$567	No Change
Interfund Transfer From Park Impact Fee Fund	\$703,146	\$152,000	\$855,146	To fund design and permitting costs associated with St. Edward Ballfields; construction budget not yet established
Total Additional Resources		\$152,000		
P29 St. Edward Ballfields	\$0	\$152,000	\$152,000	To fund design and permitting costs associated with St. Edward Ballfields; construction budget not yet established
Park Project Management	\$163,000	(\$163,000)	\$0	Line item not needed as costs are associated to individual park projects.
Total Additional Expenditures		(\$11,000)		
Ending Fund Balance	(\$85,492)	\$163,000 net change	\$77,508	

SUMMARY OF ALL FUNDS

The proposed revenue adjustments (not including changes in beginning fund balances) represent an increase of \$1,509,728 from the 2015-2016 amended biennial revenues of \$59,692,797 bringing the total adjusted revenues, for all funds, to \$61,202,525. Interfund transactions of \$502,000 are included in the proposed revenue adjustments.

The proposed expenditure adjustments, for all funds, represent an increase of \$1,594,100 to the 2015-2016 amended biennial expenditure budget of \$69,265,349 bringing the total amended expenditure budget to \$70,859,449. Of the total expenditure adjustments, interfund transactions represent \$502,000.

This represents the second and final amendment to the adopted 2015-2016 biennial budget. After the public hearing on November 21, 2016 the budget amendment ordinance will be brought forward for adoption on December 12, 2016.

Please let me know if there are questions that can be addressed prior to the November 21, 2016 City Council meeting.

City of Kenmore



City of Kenmore, Washington

PUBLIC HEARING on 2015-2016 Budget Amendments

City Council Meeting November 21, 2016





Prior to closing the 2015-2016 Budget period
Need to ensure expenditures do not exceed legally
adopted budgets



Adjust for previously approved Council actions and/or
direction since the Mid Biennial review and adjustment



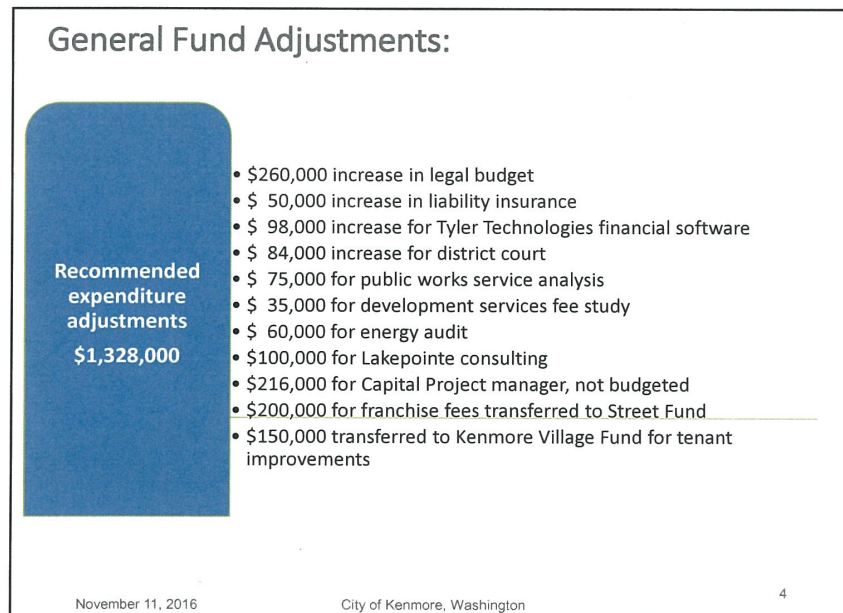
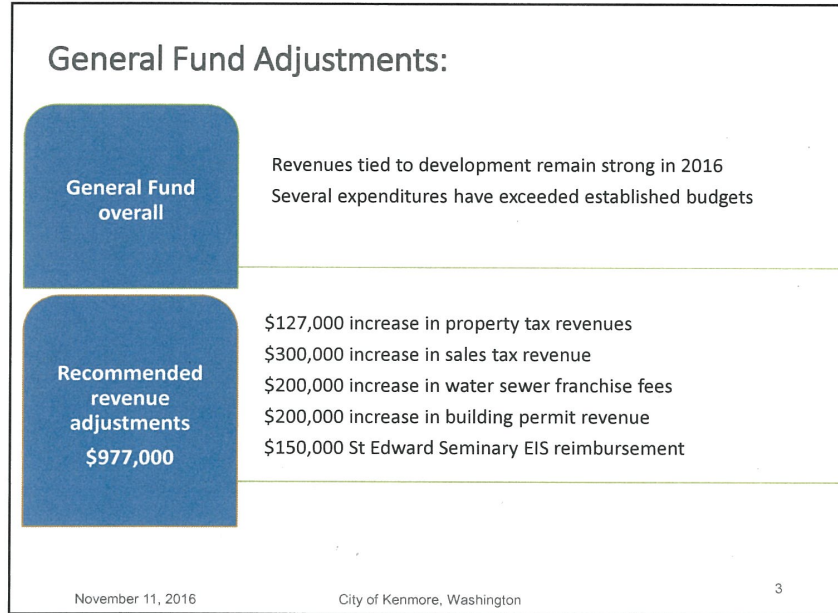
Unanticipated increases in certain expenditures as well
as better than expected revenues

November 11, 2016

City of Kenmore, Washington

2

City of Kenmore



City of Kenmore

General Fund Adjustments:

Summary 2015-2016 Amended General Fund Budget

Total Amended Revenues	\$22,025,270
Total Amended Expenditures	\$24,100,723

Net impact to Ending Fund Balance

General Fund Budgeted Amended Ending Fund Balance =	\$2,497,022
Add: Revenue adjustments	977,000
Less: Expenditure adjustments	(1,328,000)
Current Amended Ending Fund Balance	\$2,146,022

November 11, 2016

City of Kenmore, Washington

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Other Fund Adjustments:

Street Fund

- **Revenues:**
\$200,000 increase in FF transfer from General Fund
- **Expenditures:**
 - \$77,000 = 50% of Traffic Engineer for 2016
 - \$18,000 Higher liability insurance premiums

Public Art Fund

- **Revenues:**
\$728 better than budgeted beginning fund balance
- **Expenditures:**
\$100 due to art purchases exceeding budget by \$92

Kenmore Village Fund

- **Revenues:**
\$30,000 reimbursement for soil testing costs
- \$150,000 transfer from General Fund for tenant improvements
- **Expenditures:**
\$30,000 increase in Town Square budget

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City of Kenmore

Other Fund Adjustments:

Park Impact Fee Fund

- **Expenditures:**
 - Transfer resources to Park Capital Fund \$152,000 for St. Edward Ballfields preliminary project costs

Park Capital Fund

- **Revenues:**
 - \$152,000 Transfer from Park Impact Fees for St. Edward Ballfields preliminary project costs
- **Expenditures:**
 - \$152,000 St. Edward Ballfields costs for 2016 not yet budgeted
 - (\$163,000) Reduce Park Project Management line item cost; staff charges are applied directly to projects.

November 11, 2016

City of Kenmore, Washington

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Total City wide Budget Amendments

City Wide: Total Revenue Adjustments

- Revenues: \$1,509,728
- Includes Interfund of \$502,000
- Total Amended Revenues
- \$61,202,525

City Wide: Total Expenditure Adjustments

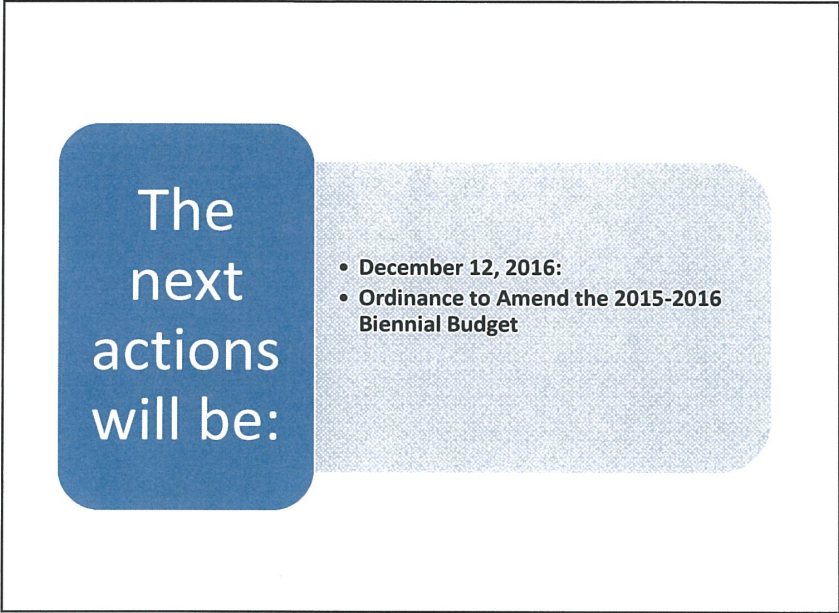
- Expenditures: \$1,594,100
- Includes Interfund of \$502,000
- Total Amended Expenditures
- \$70,859,449

November 11, 2016

City of Kenmore, Washington

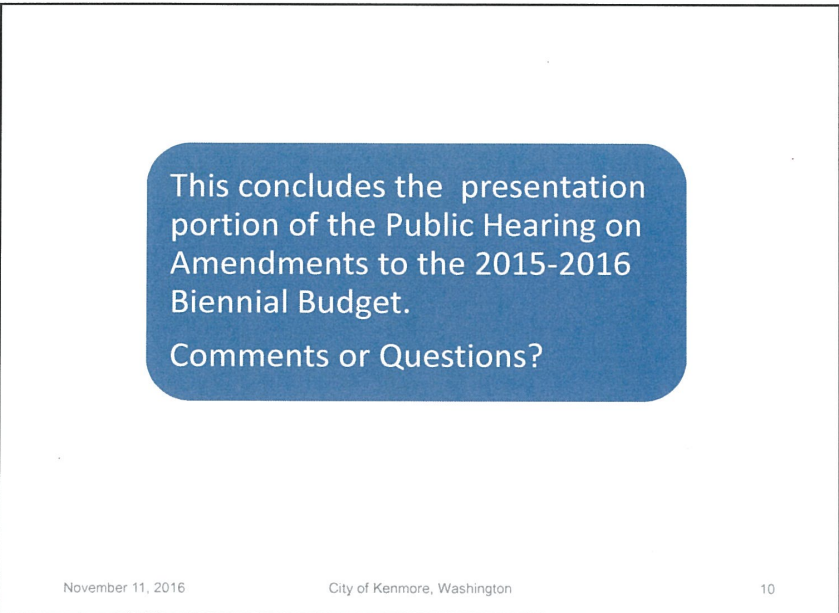
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City of Kenmore



The next actions will be:

- **December 12, 2016:**
- **Ordinance to Amend the 2015-2016 Biennial Budget**



This concludes the presentation portion of the Public Hearing on Amendments to the 2015-2016 Biennial Budget.

Comments or Questions?

November 11, 2016 City of Kenmore, Washington 10

NOTATION

CITY COUNCIL BUSINESS AGENDA



City Council Business Agenda Item City of Kenmore, WA

Subject/Topic: Public Hearing, Deliberation and Action to allow “drive-through service” as a temporary use for another year located at 6532 NE Bothell Way in the Downtown Commercial zone. Proposed Council Action/Motion: Motion to allow “drive-through service” as a temporary use for another year located at 6532 NE Bothell Way in the Downtown Commercial zone.	For Council Meeting Agenda of: <u>November 21, 2016</u> Department: <u>Development Services</u> Prepared by: <u>Samantha Loyuk, Associate Planner</u> <u>Initial & Date</u> Approved by Department Head: <u>BA 11/9/16</u> Approved by City Attorney: <u>SL for RK 10/31/16</u> Approved by Finance Director: <u>[Signature] 11/9/16</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: 1. Site location map			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Expenditure Required \$0</td> <td style="width: 33%;">Amount Budgeted \$ N/A</td> <td style="width: 33%;">Appropriation Required \$ N/A</td> </tr> </table>		Expenditure Required \$0	Amount Budgeted \$ N/A	Appropriation Required \$ N/A
Expenditure Required \$0	Amount Budgeted \$ N/A	Appropriation Required \$ N/A		
<u>INFORMATION/BACKGROUND:</u> “Drive-through services” as defined in KMC 18.20.785 are only allowed as an accessory use when meeting certain criteria in the Downtown Commercial (DC) zone. Stand alone drive-through services, such as espresso stands, are prohibited in the DC zone. However, a temporary use permit is a mechanism by which the City may permit a use otherwise not permitted in the zone that can be made compatible for periods of limited duration. A temporary use permit cannot exceed a total of 90 days unless extended by the City Council (KMC 18.100.100). Espresso Works is currently located at 6532 NE Bothell Way. Council approved the temporary use permit at this location for the first year on November 24, 2014, beginning from the first date of business opened at the new location, which was November 19, 2015. The current temporary use permit will expire on November 19, 2016. In accordance with KMC 18.100.125, a temporary use permit shall demonstrate that: A) The proposed temporary use will not be materially detrimental to the public welfare; B) The proposed temporary use is compatible with existing land uses in the immediate vicinity in terms of noise and hours of operation; and C) Adequate public off-street and traffic control for the exclusive use of the proposed temporary use can be provided in a safe manner. Staff believes the espresso stand will not be detrimental to the public welfare, is generally compatible with the existing land uses on NE Bothell Way in the immediate vicinity which consist of restaurants and commercial services, and the use will provide adequate vehicle access for customers visiting the site. Development Services staff recommends the temporary use be allowed for an additional year.				
<u>FISCAL CONSIDERATION:</u> Rental income collected by the City as the property is City-owned.				
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Economic Development				



Expenditure Required \$0	Amount Budgeted \$0	Appropriation Required \$0
<u>INFORMATION/BACKGROUND:</u> 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 September 26, 2016, 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 Lindsay Sovde of Piper Jaffray & Co. who has been retained as the City's Financial Advisor. Ms. Sovde presented a Preliminary Schedule of Events that would lead up to the sale of the bonds should Proposition 1 be approved by the voters. The Walkways & Waterways Proposition 1 was approved by the voters on November 8, 2016. Bond Ordinance No. 16-0434 provides authorization to issue the Bonds 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. A first reading of the Bond Ordinance was held at the City Council meeting of November 14, 2016. Final reading and passage of the Bond Ordinance is scheduled for this evening at which time Deanna Gregory of Pacifica Law Group LLP will be present for further discussion and to answer questions.		
<u>FISCAL CONSIDERATION:</u> The Bond Ordinance provides authorization to issue the first series of bonds, in an amount up to \$10,000,000, to finance projects described in the Walkways & Waterways Proposition 1, approved by the voters on November 8, 2016. The City anticipates that this actual issuance may be \$9,750,000. The total bond authorization approved by the passage of Proposition I is \$19,750,000. It is anticipated that the second series of bonds would not exceed \$10,000,000.		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> Council Goal 1: Focus on and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel. Council Goal 2: Continue to implement the Economic Development Plan. Council Goal 4: Advance the public access and connection to the waterfront. Council Goal 5: Accelerate implementation of the Sidewalk Plan and pursue various funding options. Council Goal 8: Continue to implement a Parks Improvement and Financial Plan. Council Goal 11: Address watershed issues affecting the City.		

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 16-0434

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

PASSED NOVEMBER 21, 2016

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

30067 00002 f1233m425p

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 16-0434

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

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 16-0434

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

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

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

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

WHEREAS, this Council wishes to delegate authority to the City Manager and the Finance Director, or his or her designee (each, a “Designated Representative”), for a limited time, to approve the interest rates, maturity dates, redemption terms and principal maturities for the bonds within the parameters set by this ordinance; and

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

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

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

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

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

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

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

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

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

Bonds mean the City's Unlimited Tax General Obligation Bonds, 2016, or other series designation as approved by a Designated Representative, authorized to be issued pursuant to the terms of this ordinance.

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

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

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

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

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

Commission means the United States Securities and Exchange Commission.

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

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

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

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

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

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

Fair Market Value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term "investment" shall include a hedge.

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

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

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW, as this chapter may be hereafter amended or restated.

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

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

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

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

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

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

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

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

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

State means the State of Washington.

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

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

Section 3. Authorization of Bonds and Bond Details. For the purpose of paying and/or reimbursing the City for costs of the Project and paying costs of issuance of the Bonds as authorized by the Election Ordinance and by the qualified electors of the City at a special

election held on November 8, 2016, the City is hereby authorized to issue and sell unlimited tax general obligation bonds in an aggregate principal amount of not to exceed \$10,000,000 (the "Bonds"). Notwithstanding anything in this ordinance to the contrary, the issuance of the Bonds shall be subject to satisfaction of the conditions set forth in Section 12 of this ordinance.

The Bonds shall be general obligations of the City and shall be designated "City of Kenmore, Washington, Unlimited Tax General Obligation Bonds, 2016" with additional series designation or other such designation as determined to be necessary by a Designated Representative. The Bonds shall be dated as of the date of Closing; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and commencing as provided in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract, as approved and executed by a Designated Representative pursuant to Section 12 of this ordinance.

Section 4. Registration, Exchange and Payments.

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

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

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held by DTC acting as depository. The City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or

obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

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

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

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

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

shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

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

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

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

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

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

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

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

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

(d) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar shall provide any notice of redemption to any beneficial owners. The notice of redemption may be conditional. Thereafter (if the Bonds are no longer held by a depository), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) any conditions to redemption,
- (E) that unless conditional notice of redemption has been given and such conditions have either been satisfied or waived, on the redemption date the redemption price shall become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

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

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

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and

maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 14 and the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

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

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

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

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

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

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

(a) Net premium (premium minus costs of issuance) shall be deposited in the Debt Service Fund and/or the Project Fund and used to pay debt service on the Bonds coming due on the next upcoming interest payment date or costs of the Project, respectively; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment

of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of the Bonds in accordance with the Continuing Disclosure Certificate.

Section 12. Sale of Bonds.

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

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

- (1) the aggregate principal amount of the Bonds does not exceed \$10,000,000,
- (2) the final maturity date for the Bonds is no later than December 1, 2036,
- (3) the aggregate purchase price for the Bonds shall not be less than 98% of the aggregate stated principal amount of the Bonds, excluding any original issue discount, and
- (4) the true interest cost for the Bonds (in the aggregate) does not exceed 4.00%.

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

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

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and execution of the Bond Purchase Contract, the proper officials of the City,

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

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

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

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

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

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

Section 18. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or

federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 19. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON
AT A REGULAR MEETING ON THIS 21ST DAY OF NOVEMBER, 2016.

CITY OF KENMORE, WASHINGTON

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin, City Clerk

Approved as to form:

Pacifica Law Group LLP

Date of Publication: _____

Effective Date: _____

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF KENMORE

UNLIMITED TAX GENERAL OBLIGATION BOND, 20[]

INTEREST RATE: %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

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

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 16-0434 duly passed by the City Council on _____, 2016 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

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

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of

A-1

\$ _____ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary (a) to construct, develop, equip, upgrade, acquire, and improve arterial walkways and waterfront access in the City, including the acquisition of property, as identified in Exhibit A attached to Ordinance No. 16-0422 passed by the City Council on June 13, 2016 and approved by the qualified electors of the City at a special election held therein on November 8, 2016, and (b) to pay costs of issuance.

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Purchase Contract.

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

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

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

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

[SEAL]

CITY OF KENMORE, WASHINGTON

By _____
/s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Unlimited Tax General Obligation Bonds, 20____, of the City of Kenmore, Washington, dated _____, 2016.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____

CERTIFICATE

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

1. The attached copy of Ordinance No. 16-0434 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on November 21, 2016 as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect five (5) days after its passage and publication as provided by law; and

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

3. That Ordinance No. 16-0434 has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of November, 2016.

City Clerk



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Rhododendron Park Boardwalk Project Update Proposed Council Action/Motion: No action required –discussion item	For Council Meeting Agenda of: <u>November 21, 2016</u> Department: <u>Community Development</u> Prepared by: <u>Ann Stanton</u> Approved by Department Head: <u>W.A. GORDON 11/4/16</u> Approved by City Attorney: <u>N/A</u> Approved by Finance Director: <u>[Signature] 11/3/16</u> Approved by City Manager: <u>[Signature]</u> Exhibits/Attachments: Memorandum and Plan	
Expenditure Required \$0	Amount Budgeted \$0 Proposed 2017-2022 CIP \$795,000	Appropriation Required \$0
<u>INFORMATION/BACKGROUND:</u> This agenda item will provide a progress report on Rhododendron Park boardwalk, path and access drive improvements. The trail alignment has been modified and extended to create an accessible route of travel from the park to the proposed float on the Sammamish River. A cost estimate prepared on October 19, 2016 projects total project expenditures of approximately \$900,000, including approximately \$100,000 spent 2013 through 2016.		
<u>FISCAL CONSIDERATION:</u> This project was selected for inclusion in the 2017-2022 CIP in the amount of \$795,000. Together with approximately \$99,024 prior years' expenditures, total proposed project funding is \$894,024.		
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u> To continue to implement a Parks Improvement and Financial Plan.		



City Of Kenmore, Washington

Memorandum

Date: November 21, 2016

To: Rob Karlinsey, City Manager

From: Ann Stanton, Parks Project Manager

Re: Project Update on the Proposed Boardwalk at Rhododendron Park

Project Timeline: A boardwalk to connect the active area of Rhododendron Park across its wetland to the Sammamish River was proposed in the park master plan prepared in 2006. Other elements of the master plan have been completed in the meantime, including new restrooms and the picnic shelter.

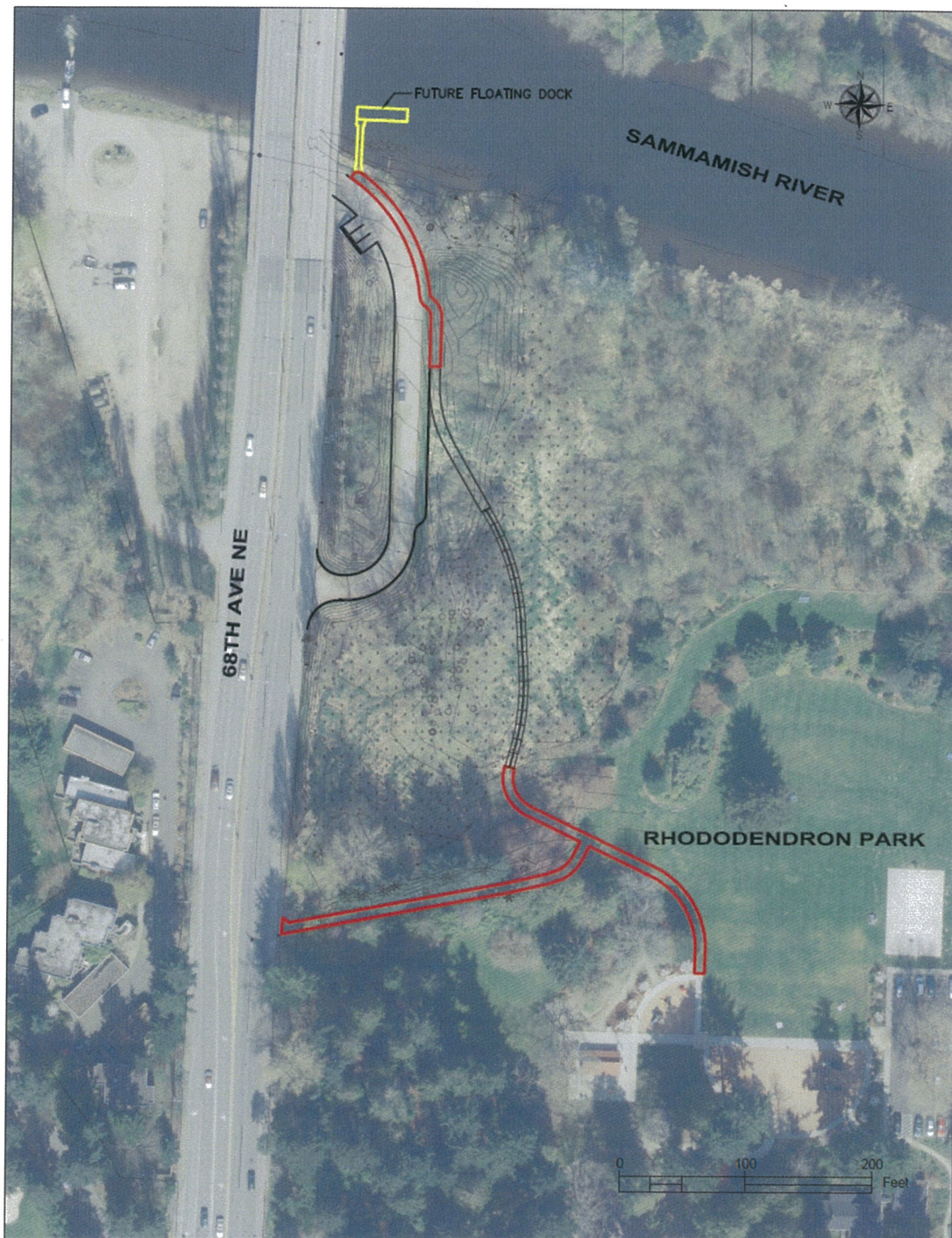
A preliminary design for the boardwalk was prepared in 2013, paired with boathouse and boarding float plans. Improvements to the access drive were subsequently added, increasing the estimated cost of the project. Two funding applications for the boardwalk and boarding float were submitted to the state granting agency this year, updated to connect to park features and establish a continuous accessible route of travel from the float to Rhododendron Park's main parking lot. The project scored well in the RCO ALEA and WWRP-Water Access grant programs but was not ranked high enough to qualify for grant funding.

Design Changes: Connecting to the rest of the park with a paved path will improve the accessibility of the project. The 90-degree intersection of the boardwalk with the connecting trail segment has since been rounded so that rowing sculls can also be easily carried along the new path section. It is this final alignment that is included with this update.

Permits: SEPA review, shoreline variance and shoreline conditional use permits were completed in 2015. The adjustments to the path alignment and additional paving of the existing trail from 68th were shared in advance with reviewers of the shoreline permits and SEPA Checklist and it was confirmed that these adjustments for accessibility would not trigger modifications to the land use decisions. It was noted that the mitigation plan for this work was combined with the proposed boathouse, and that the Habitat Management Plan prepared for the shoreline permits should be amended to separate mitigation associated with the boathouse from the boardwalk.

Funding and Schedule: While the float is included in the current CIP, the boardwalk is not. It is one of the projects in the city's Walkways and Waterways bond issue voter proposition. Subject to funding, the boardwalk project is on track for construction in 2017 or 2018. An updated cost estimate prepared on October 19th, 2016 estimates a construction cost of just under \$600,000 for the boardwalk, path and access drive improvements. This project does not include the boarding float. The estimated total cost of the boardwalk project, including taxes, engineering and 5% contingency, is approximately \$900,000, of which approximately \$100,000 have been spent through the end of 2016. The proposed 2017-2022 CIP project budget is \$795,000.

18120 68th Ave NE · PO Box 82607 · Kenmore, WA 98028
Office: (425) 398-8900 · Fax: (425) 481-3236 · cityhall@kenmorewa.gov
www.kenmorewa.gov



Rhododendron Park Boardwalk, Path and Access Drive Layout October 19, 2016 Osborn & Associates

Rhododendron Park Improvements

2016
RCO Grant
Applications

Path Alignment



Walkways and Waterways

Boardwalk Project

Path Alignment Change



Boardwalk Permits

Approved:

✓SEPA

✓Shoreline

Pending:

HPA

Corps

Remaining:

Engineering





City Council Business Agenda Item
City of Kenmore, WA

Subject: Moorlands Park 2016 Master Plan Proposed Council Action/Motion: Motion to approve the 2016 Update to the Moorlands Park Master Plan	For Council Meeting Agenda of: <u>November 21, 2016</u> Department: <u>Community Development</u> Prepared by: <u>Ann Stanton</u> <table style="width: 100%;"> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: center;"><u>Initial & Date</u></td> </tr> <tr> <td>Approved by Department Head:</td> <td style="text-align: center;"><u>LWA GWD Bear</u> 11/4/16</td> </tr> <tr> <td>Approved by City Attorney:</td> <td style="text-align: center;"><u>N/A</u></td> </tr> <tr> <td>Approved by Finance Director:</td> <td style="text-align: center;"><u>mg</u> 11/8/16</td> </tr> <tr> <td>Approved by City Manager:</td> <td style="text-align: center;"><u>pgk</u></td> </tr> </table> Attachment 1: 2016 Master Plan Attachment 2: 2006 Master Plan		<u>Initial & Date</u>	Approved by Department Head:	<u>LWA GWD Bear</u> 11/4/16	Approved by City Attorney:	<u>N/A</u>	Approved by Finance Director:	<u>mg</u> 11/8/16	Approved by City Manager:	<u>pgk</u>
	<u>Initial & Date</u>										
Approved by Department Head:	<u>LWA GWD Bear</u> 11/4/16										
Approved by City Attorney:	<u>N/A</u>										
Approved by Finance Director:	<u>mg</u> 11/8/16										
Approved by City Manager:	<u>pgk</u>										
<table style="width: 100%;"> <tr> <td style="width: 33%;">Expenditure Required \$0</td> <td style="width: 33%; text-align: center;">Amount Budgeted \$1,567,020 2017-2019 CIP</td> <td style="width: 33%; text-align: right;">Appropriation Required \$0</td> </tr> </table>		Expenditure Required \$0	Amount Budgeted \$1,567,020 2017-2019 CIP	Appropriation Required \$0							
Expenditure Required \$0	Amount Budgeted \$1,567,020 2017-2019 CIP	Appropriation Required \$0									
<u>INFORMATION/BACKGROUND:</u> Moorlands Park is on track for renovation in 2017. City Council approval of a 2016 Master Plan is requested prior to preparation of construction plans (see Attachment 1). In addition, staff would like Council authorization to explore property acquisition for parking should school district property not be available for the long-term. The proposed 2017 renovation will replace the play area, backstops and shelter, add dugouts, bleachers and walking paths, and repair existing fencing. New park features will be restrooms, perimeter landscaping, ballfield irrigation and underdrainage. Along 84th Avenue NE, a new path will meander into the park alongside a low rail fence where new plantings will incorporate the existing ditch into a more inviting street front. The park's mature trees, open lawn and eastern views will be preserved. Moorlands Park is unusual in that it functions as three parks in one: 1. It is a well-loved neighborhood park, used daily by residents of all ages. 2. It is the only ballfield owned by the city and, as such, is fully-scheduled by Little League, Northshore Youth Soccer Association and Northshore Girls Slow-pitch Softball Association. Aerial photos confirm the ballfield has been present since at least 1961. 3. The park functions as Moorlands Elementary School's playground while school is in session; it is used by hundreds of kids throughout a normal school day. First dedicated to the public in 1943, all of the park's well-used improvements show wear. Although major elements of the 2006 master plan (see Attachment 2) are essentially unchanged, the proposed update reflects (1) recent public input; (2) guidance from Development Services; and (3) revisions to the 2006 plan to help offset increases to estimated project costs. These changes are discussed further below. Lighting and Restrooms: Recent public input requested addition of path lighting on the path between the school and church to support the current use of the church parking lot for evening school events. Smaller restrooms (such as those currently in use at the boat launch) rather than the larger restrooms provided at Rhododendron Park were suggested as more appropriate for this park.											

Vehicle Access: Guidance from Development Services notes that the park's driveway is substandard in width and not acceptable as a long-term solution for vehicle access by park users. The narrow driveway is also a concern for neighbors as the source of speeding cars. Over the long-term, this access must either be widened to meet driveway standards, or closed to vehicles, serving only bike, pedestrian and maintenance vehicle access. This access is not recommended as the park's main entry due to lack of visibility of the park from the street. 84th Avenue NE provides the park's only public visibility and is the preferred location for the park's formal entrance. The park is addressed off 84th Ave. NE but there is no on-street parking.

Parking: In addition to the substandard driveway, the parking area does not meet parking lot dimensional requirements, has no ADA stall, and encroaches into the outfield. Providing a complete outfield and meeting parking design requirements will leave six stalls on city property (five regular and one accessible) plus approximately ten stalls on the school's portion of the parking lot, for a total of 16 stalls. The ballfield generates a greater need for parking than a typical neighborhood park. Weekend games have been reported to bring up to 18 cars to the park at a time. Street parking is not available on either of the streets with access to the park (84th & 81st Avenues NE) due to a lack of shoulders and "no parking" signs. Staff has investigated parking alternatives and, for at least the near-term, recommends including a shared use provision in the revised lease now under development with the Northshore School District for 25 stalls of existing school parking.

Park Entry/Potential Long-Term Parking Option: At 4.6 acres, Moorlands is not a large park and, as a result, does not offer room to add parking on-site without impacting the multiple park functions it currently serves. A future option that also creates a recognizable park entrance could be achieved by acquiring property. Moorlands property acquisition has been a city CIP project in the past, indicating that this need has been recognized for some time. The surrounding 1960s-era homes are being replaced with larger homes, increasing assessed property values by 50%, which indicates some urgency for action. If shared-use parking with the Northshore School District is not a long-term option, staff requests Council authorization to further explore acquisition opportunities.

Significant changes that increased project costs since adoption of the 2006 Moorlands Park master plan include (1) changes in storm water management regulations, (2) utility connection fees, and (3) adding underdrainage to the outfield for increased playability. Recognition of water ponding problems at the Bastyr ballfields, where outfield drainage was not installed, indicate the value of including underdrainage in the Moorlands upgrade. Revisions proposed in the 2016 update to reduce costs include consolidating the two proposed shelters (one picnic, one for student pick-up) into one, removing one of two parallel paths near the play area, and reducing the size of the restrooms.

FISCAL CONSIDERATION:

The 2017-2022 CIP contains a mix of funding sources for the renovation including two state grants, REET, Strategic Opportunities Funds, and Park Impact Fees. The poor condition of the ballfield was instrumental in securing two state grants totaling \$637,520. Including new items, current construction costs are currently estimated at \$1,500,000, which indicates a potential project funding shortfall of approximately \$400,000. A future budget adjustment will likely be required in order to award the construction contract. Northshore School District would consider participating in the cost of the play area as a part of a memorandum of understanding now being drafted, which could offset an estimated \$80,000 in project costs. Other cost savings that may be identified during preparation of construction documents may further reduce the current apparent project shortfall.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Council Goal 8: To continue to implement a Parks Improvements and Financial Plan.

Comprehensive Park Recreation and Open Space Plan Policies:

Policy 4.1.1 Complete development of city park sites with approved master plans as funding allows.

Policy 4.1.1.2 Update the adopted Master Plan and complete development of Moorlands Park.

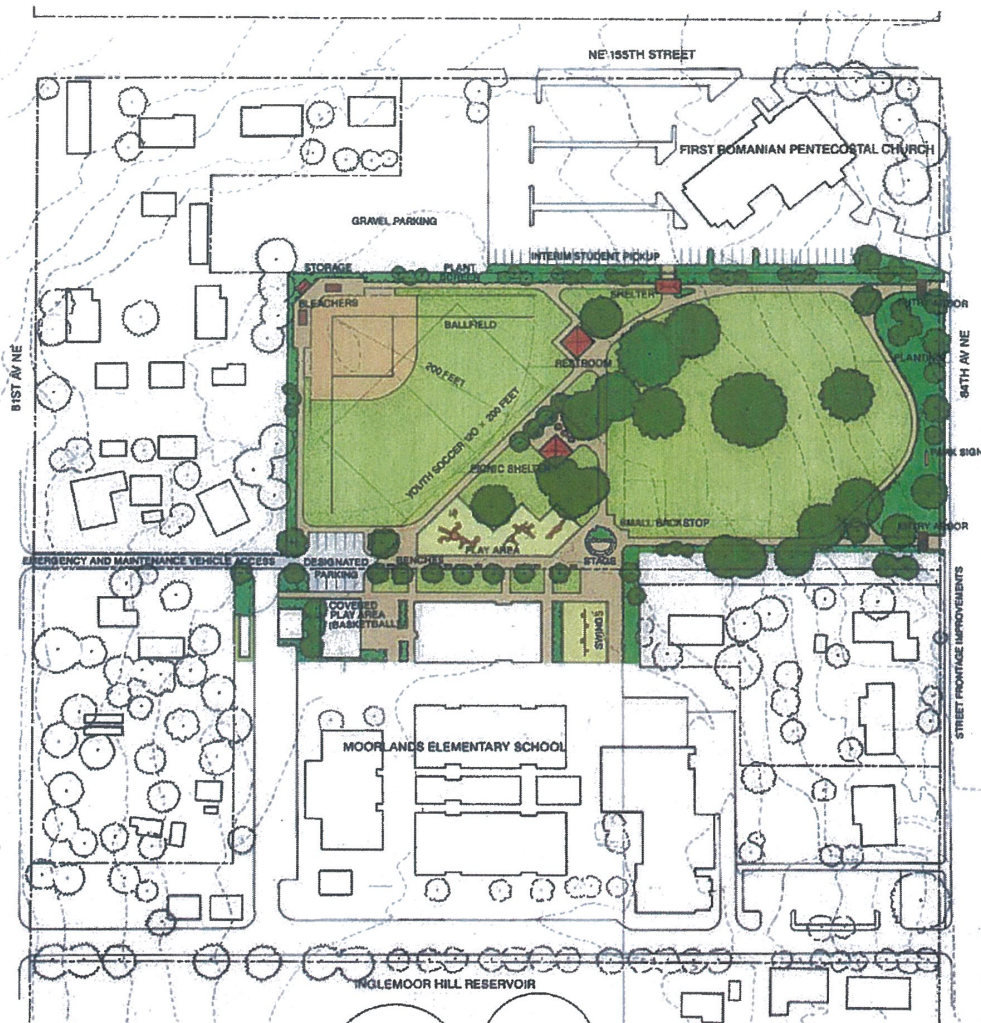
Policy 5.1.3 Consider providing new facilities and facility upgrades to existing park lands to support new or existing recreation opportunities where appropriate.

Policy 7.1.4 Identify, and actively seek potential grant funding assistance from public and private sources for...renovation of Kenmore park lands.



Moorlands Park Updated Master Plan

September 26, 2016 Macleod Reckord



PROPOSED MASTER PLAN
MOORLANDS PARK • CITY OF KENMORE
 1/10/06

MAGLE
 00-RE
 CKORD

Moorlands Park 2017 Renovation





Park Elements

Moorlands Park 2017 Renovation



View East From Park

Moorlands Park 2017 Renovation



84th Avenue NE

- Moorlands Park 2017 Renovation



Moorlands Park 2017 Renovation

84th Ave. North Entrance



Moorlands Park 2017 Renovation

84th Ave. South Entrance



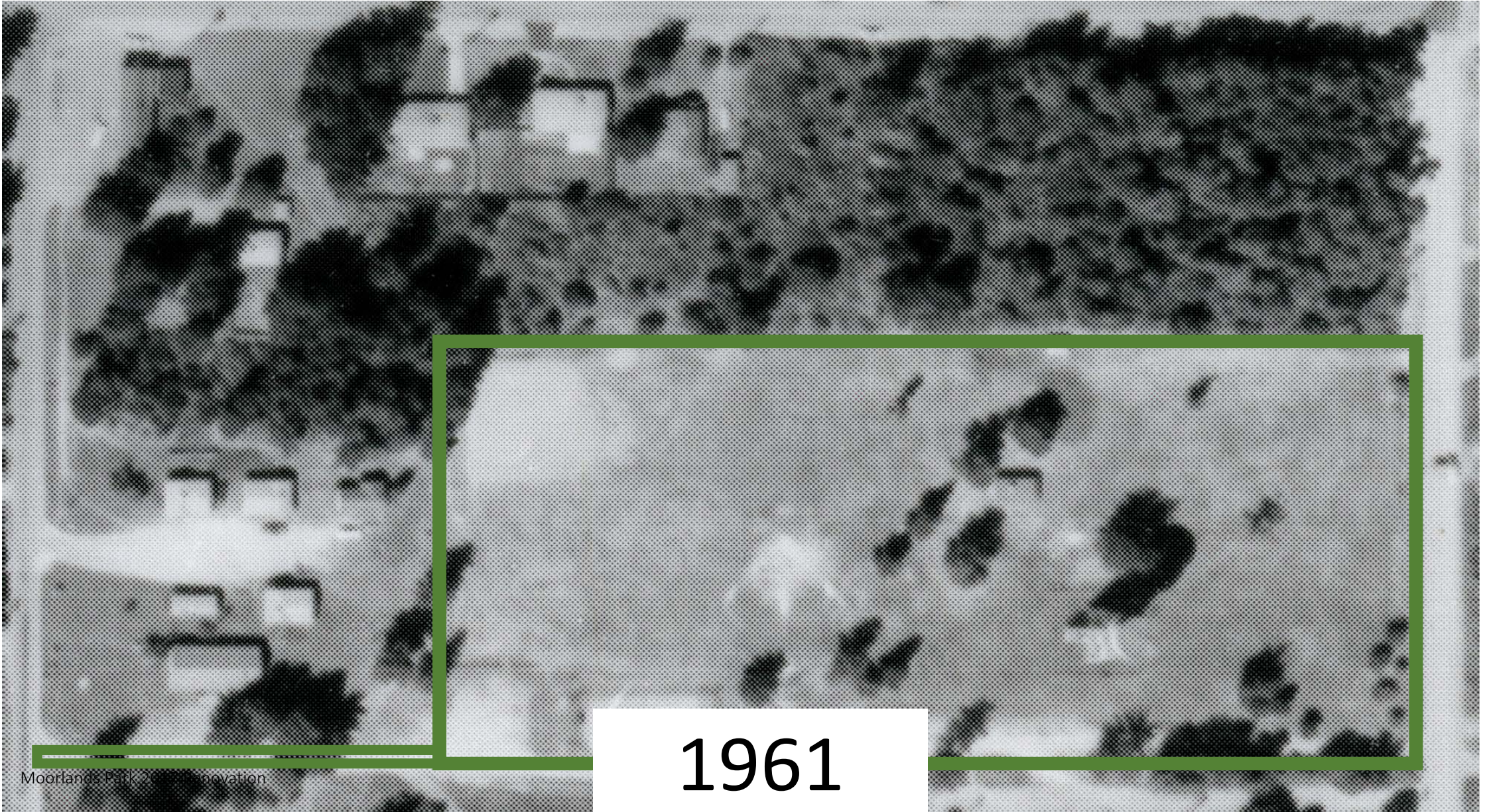
Moorlands Park 2017 Renovation

81st Avenue Entrance



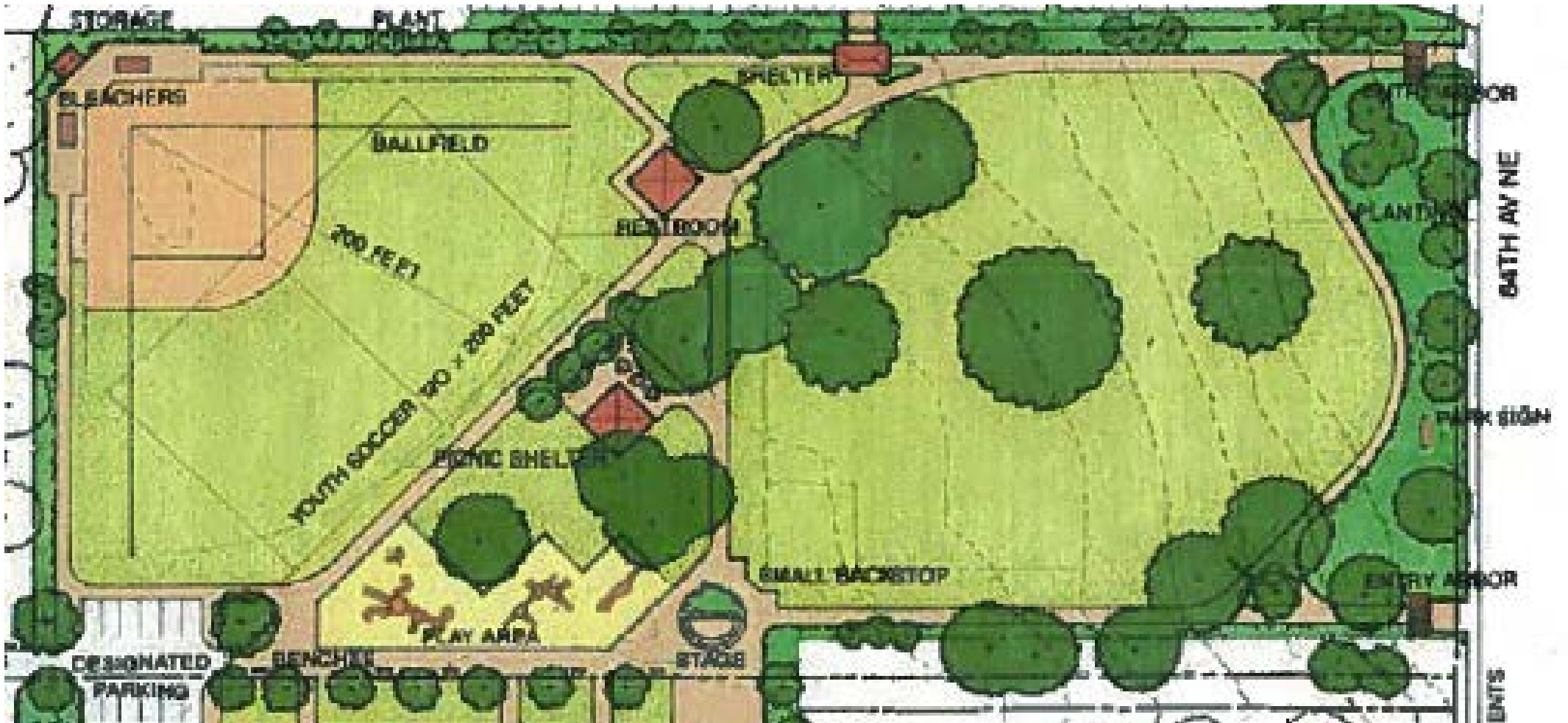
Moorlands Park 2017 Renovation

Parking

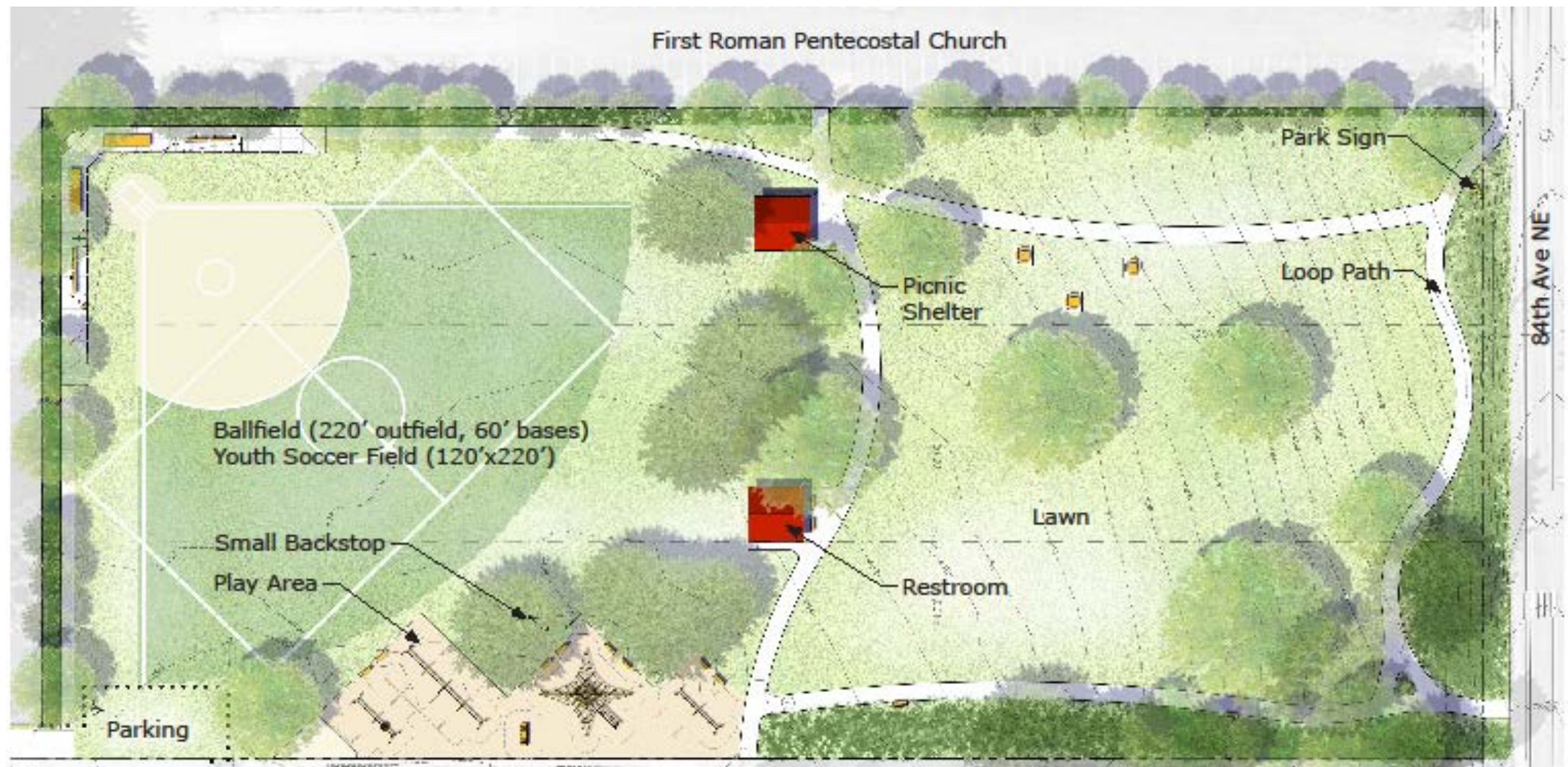


1961

Moorlands Park 2016 Renovation



2006 Plan



2016 Plan





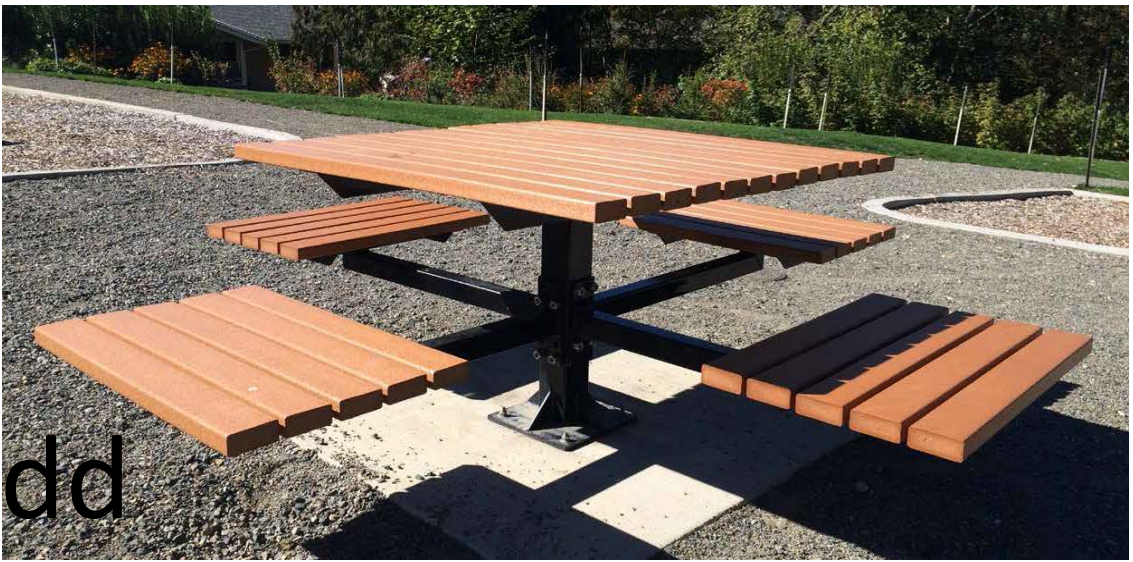
Moorlands Park 2017 Renovation

Replace Shelter, Playground





Moorlands Park 2017 Renovation



Add

2017 Renovation:

- \$1.14 million – Construction budget
 - Eliminated 1 path, 1 shelter
 - Added field underdrainage
- \$1.50 million - 30% estimate
 - Includes lighting, playground
 - Possible school district participation

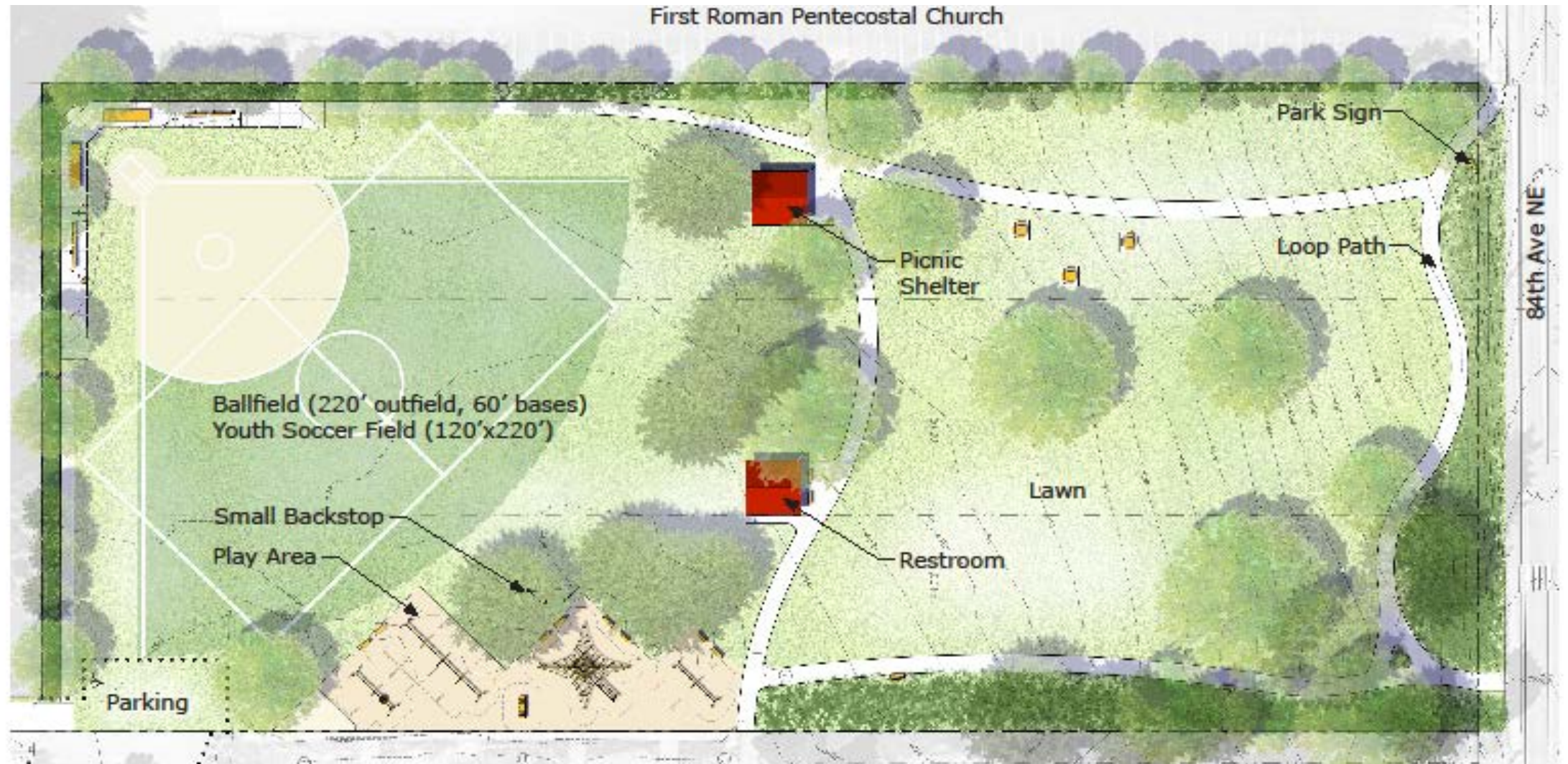
Construction Estimate

2017 Renovation:

- Approve 2016 Plan
- Northshore School Agreement
- Permits
- Bid and Award with Budget Increase
- Construction
- 2019 Ballgames

Future: Create Park Entrance

Next Steps



Questions?



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:

Presentation of 2017-2018 Preliminary Biennial Budgets for the following departments and funds: Community Development, Public Art Fund, Park Impact Fee Fund, Real Estate Excise Tax Fund, Park Capital Fund, Strategic Reserve Fund, Strategic Opportunity Fund, Kenmore Village Fund, Swamp Creek Basin Fund, Equipment Replacement Fund.

Proposed Council Action/Motion:

Presentation of 2017-2018 Preliminary Biennial Budgets for the following departments and funds: Community Development, Public Art Fund, Park Impact Fee Fund, Real Estate Excise Tax Fund, Park Capital Fund, Strategic Reserve Fund, Strategic Opportunity Fund, Kenmore Village Fund, Swamp Creek Basin Fund, Equipment Replacement Fund.

For Council Meeting Agenda of: November 21, 2016

Department: Finance and Administration

Prepared by: Joanne Gregory, Director of Finance and Administration; Rob Karlinsey, City Manager, Nancy Ousley, Assistant City Manager, Debbie Bent, Director of Community Development

Initial & Date

Approved by Department Head:

Approved by City Attorney:

Approved by Finance Director:

Approved by City Manager:

Exhibits/Attachments:

Powerpoint Presentation to be uploaded the week of November 14, 2016

Expenditure Required:

2017-2018 Preliminary General
Fund Budget \$23,366,621

Amount Budgeted \$0

Appropriation Required N/A

2017-2018 Preliminary General Fund
Budget \$23,366,621

INFORMATION/BACKGROUND:

The following 2017-2018 preliminary budgets will be presented to the City Council for review and discussion: Community Development, Public Art Fund, Park Impact Fee Fund, Real Estate Excise Tax Fund, Park Capital Fund, Strategic Reserve Fund, Strategic Opportunity Fund, Kenmore Village Fund, Swamp Creek Basin Fund, Equipment Replacement Fund.

A powerpoint and staff presentation will be provided.

FISCAL CONSIDERATION:

Budgets to be reviewed include:

Community Development	\$ 1,715,510	page 116
Public Art Fund	\$ 61,000	page 148
Park Impact Fee Fund	\$ 754,500	page 150
Real Estate Excise Tax Fund	\$2,184,895	page 164

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Park Capital Fund	\$4,493,956	page 170
Strategic Reserve Fund	\$ 0	page 157
Strategic Opportunities Fund	\$ 305,000	page 159
Kenmore Village Fund	\$ 292,228	page 166
Swamp Creek Basin Fund	\$ 0	page 194
Equipment Replacement Fund	\$ 119,000	page 196
<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u>		
The budget should be a performance, financing and spending plan, agreed to by a majority of the City Council. It should contain information and data regarding expected revenues, expected expenditures and expected performance.		

Art Fund Proposal

- 1) SR522 “Church Wall” metal sculptures
- 2) 61st Ave. / 181st St. Wall (NE corner of the intersection) Aluminum-Etched Mural

522 SEAPLANE/HYDROPLANE METAL INSTALLATION

IDEA:

On the very long retaining wall on 522, my inspiration was around modes of transportation; not only automobile, motorcycle, bicycle and pedestrian traffic, but the historic travel of the Seaplanes and hydroplanes **into** the City of Kenmore.

The colors would be very bold and silhouetted, as the viewing distance of this artwork would be in a car. The scale would be monumental, to reflect the scale of the wall.

One idea that was brought forth to me was to make the work in the third dimension; not only would this increase the cost significantly, but would not have any large impact based on the viewing distance.

I have included some civic projects as examples of what the metal cutout artwork could look like. I have also included a very rough estimate of what this would cost on the following page. The uses of this type of art is ENDLESS, and could really integrate art throughout Kenmore and along the 522 corridor (There are already cut-out fencing!). The scale of the silhouettes on the wall will be cut from an 8 foot by 4ft piece of metal.

Examples of Water jet fabrication



Prepared by A. Gaul Culley
583 E H St. Benicia, CA 94510 agaulculley@gmail.com
415-336-8847

522 SEAPLANE/HYDROPLANE METAL INSTALLATION

Steps of installation and the costs: (with a 20% lee-way.)

A. Design, Implementation oversight by Artist A Gaul Culley

B. Fabrication

1. Convert drawings into CAD format so that the Water jet machine can read the image digitally.
2. Collaborate with Engineering staff, City of Kenmore Engineering staff on how to design the way the artwork will be attached to the wall.
3. Procure materials: Aluminum
4. Cut out artwork
5. Transport artwork to powder coating/finishing manufacturer.
6. Preparation of the surface.
7. Powder coating of cut-outs and devices that will attach the cut-outs to the wall.
8. Coordination with the artist, City of Kenmore and installation contractors on delivery dates, crating the artwork, permits, transportation and installation of the artwork.

C. Installation of the artwork

1. Transportation of the artwork to the site.
2. Procure proper permits for installation.
3. Procure proper equipment for installation.
4. Collaboration with the city on proper logistical help (police, cones, barricades, etc.)
5. Oversight and approval of the installation.
6. Removal of equipment.

D. Final reporting of the process. (completed by the Artist as part of the oversight)

1. Final cost reporting
2. Photographs, press releases to local and social media sources.
3. Final fee paid including sales tax.

TOTAL COST ESTIMATE: \$50,000*

*Cost does not include tax or a 20% lee-way.

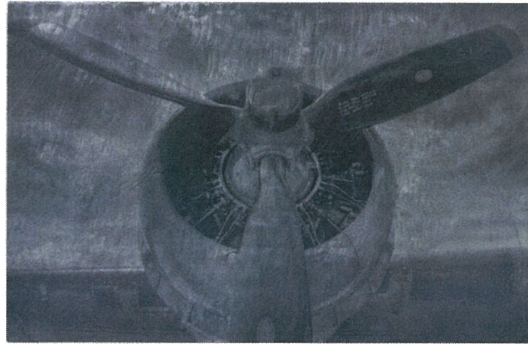
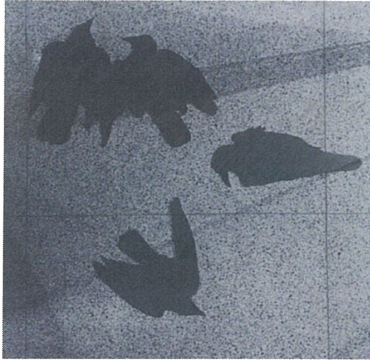
Prepared by A. Gaul Culley
583 E H St. Benicia, CA 94510 agaulculley@gmail.com
415-336-8847

61ST AVE NE MOUNTIAN LION/EAGLE ETCHING

IDEA:

On the 61st Ave NE wall (Cat Whisker's Road), my intent is to celebrate and reveal the story of why 61st Ave NE was once called the Cat Whisker's Road, not only with an 8ft x 4 ft aluminum-etched mural, but also didactics about the history of how one local business owner saved a young cub from uncertain death. This cub became a beloved member of the Kenmore community.

Here are some examples of etched aluminum artwork:



Here is a detail image from a study that I've done of the Cat Whisker's aluminum etched mural.



Prepared by: A Gaul Culley
583 E H ST. Benicia, CA 94510
agaulculley@gmail.com 415-336-8847

This is the design of the aluminum-etched mural.



Prepared by: A Gaul Culley
583 E H ST. Benicia, CA 94510
agaulculley@gmail.com 415-336-8847

61ST AVE NE MOUNTIAN LION/EAGLE ETCHING

Steps of installation and the costs:

A. Design, Implementation oversight by Artist A Gaul Culley

B. Fabrication

1. Convert drawing into digital format so that the artwork stencil can be cut out.
2. Collaborate with Engineering staff, City of Kenmore Engineering staff on how to design the way the artwork will be etched into the wall and at what depth.
3. Create stencil.

C. Installation/Surface finishing

1. Preparation of the surface.
2. Etch and clear sealant application.
3. Coordination with the artist, City of Kenmore and installation contractors on delivery dates, permits, transportation of stencils and installation dates of the artwork.

D. Installation of the artwork

1. Transportation of the artwork to the site.
2. Procure proper permits for installation.
3. Procure proper equipment for installation.
Collaborate with the city on proper logistical help (police, cones, barricades, etc.)
4. Oversight and approval of the installation.
5. Removal of equipment.

E. Final reporting of the process. (completed by the Artist as part of the oversight)

1. Final cost reporting
2. Photographs, press releases to local and social media sources.
3. Final fees paid including sales tax.

TOTAL COST ESTIMATE: \$10,000*

*Cost does not include tax or a 20% lee-way.

Prepared by: A Gaul Culley
583 E H ST. Benicia, CA 94510
agaulculley@gmail.com 415-336-8847



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 2017-2018 Budget \$1,715,510
- 95% increase over 2015-2016 Budget (personnel and service costs)
- 7.3% percent of General Fund

FTEs

- 4.5FTE's
 - Community Development Director
 - Senior Planner
 - Two Park Project Manager positions (assumes current temporary position plus additional regular position)
 - 1/2 FTE Administrative Assistant (shared with Development Services)



2017-2018 Budget Highlights Personnel Costs

- Addition of a park project manager (a new regular position) to support management of three walkways & waterways park projects. Continuing the temporary park project manager position to complete current park projects and related grants and update of park plans. 57% cost increase from the 2015-2016 budget.

2017-2018 Budget Highlights Service Costs

- Consultant technical support service costs \$370k (700% increase from the 2015-2016 budget)
- \$200k: Update of the Shoreline Master Program (adopted 2012) and critical area regulations (adopted 2006) programmed in 2018. State deadline for adoption 6/30/19.
- \$50k: Update of the Park Impact Fee study programmed for 2017. Last adopted 2001.
- \$50k: PROS plan update (adopted 2013) programmed for 2018. Due November 2019 to be grant eligible for 2020.
- \$30k: RCO grant application assistance programmed for 2018.
- \$20k: Comp plan and development regulation support programmed for the 2017-2018 biennium.
- \$20k: Park development support programmed for 2017-2018 biennium e.g. title reports, appraisals.

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).
- Current Fund Balance: \$67,849
- Preliminary Budget: \$61,000

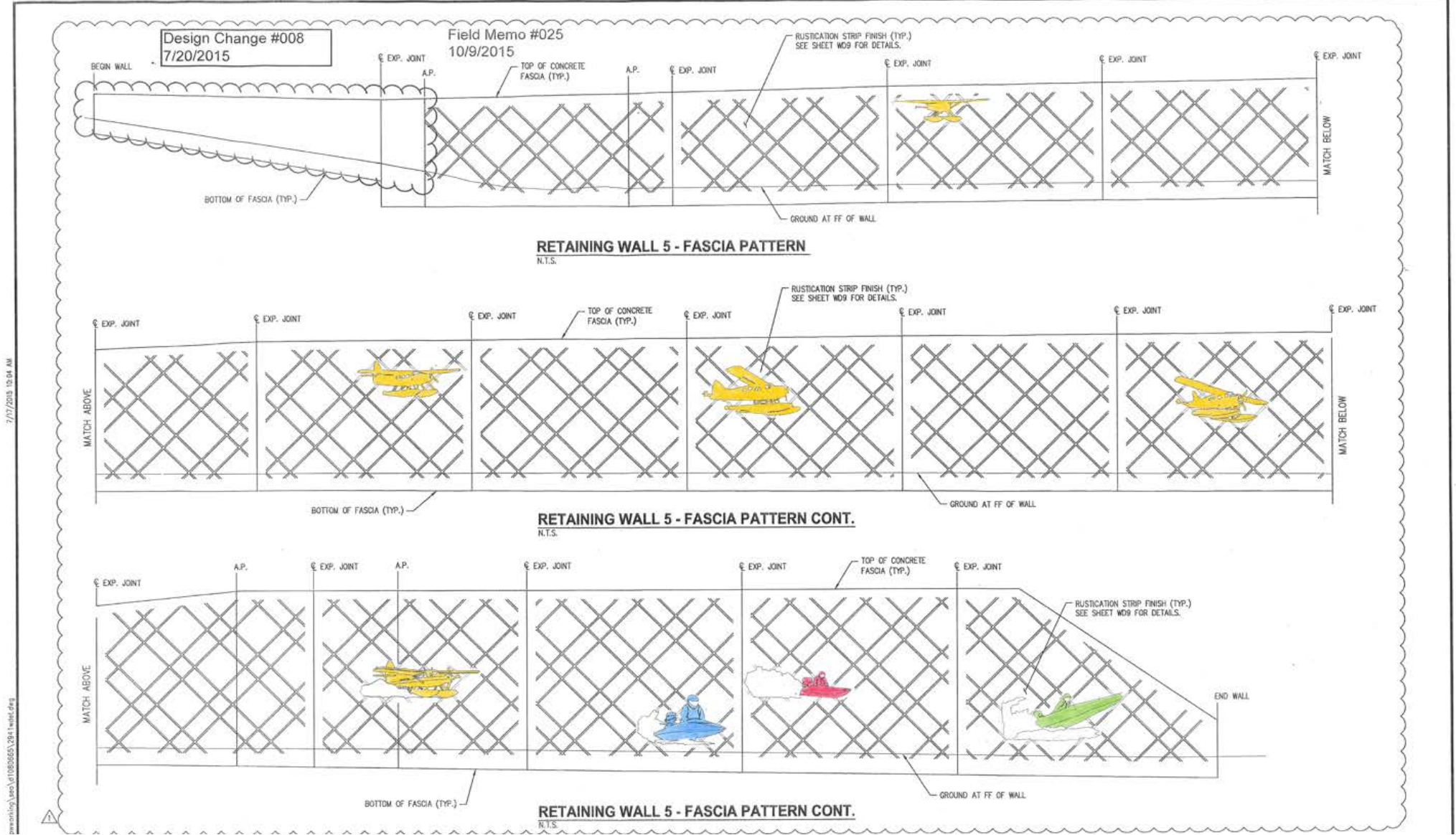
Budget Highlights



- \$1,000 for Arts of Kenmore annual acquisition
- Artist Proposal: Bothell Way (allocated \$50,000)
- Artist Proposal: 61st Ave NE & NE 181st Street (allocated \$10,000)



**Bothell Way Proposal
\$50,000 (see next
slide)**





**61st Ave NE & NE
181st Street
Proposal \$10,000
(see next slide)**



Park Impact Fees

- Revenues from this fund are received from new development activity that creates additional demand and need for public parks. The 2016 park impact fee for a single-family residence was \$2,565 and the fee remains unchanged at this time.
- Expenditures from this fund will be spent for public improvements including, but not limited to: planning for parks that will reasonably benefit new development, land acquisition, improvements, construction, engineering, architectural, permitting, financing and administrative expenses, applicable impact or mitigation costs and capital equipment pertaining to park facilities.

Preliminary Budget

- 2017-2018 Projected Revenue **\$412,000**
 - Impact Fees and Investment Interest
- 2017-2018 Total Preliminary Expenditures **\$754,500**
 - Tolt Pipeline Trail **\$25,000**
 - Moorlands Park **\$359,500**
 - Rhododendron Park Float **\$175,000**
 - Squires Landing Improvements **\$195,000**
- 2018 Budgeted Ending Fund Balance **\$819,603**



Real Estate Excise Tax

- The Real Estate Excise Tax Fund 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. These monies can only be used for capital expenditures following adoption of a Capital Facilities Plan (CFP).



Preliminary Budget

- 2017-2018 Projected Revenue \$1,403,000
 - Taxes and Investment Interest
- 2017-2018 Total Preliminary Expenditures \$2,184,895
 - Transfers to Repay Strategic Opp Fund \$ 200,000
 - Transfers to Park Capital Fund \$ 380,000
 - Transfers to Transportation Capital Fund \$1,604,895
- 2018 Budgeted Ending Fund Balance \$856,439

Park Capital Fund

This fund accounts for park capital improvement project expenditures with resources provided by: park impact fees / real estate excise tax / strategic opportunity funds/RCO grants/King County trail levy/King County park levy/and Walkways & Waterways Bond funds.

Preliminary Budget

Total 2017-2018 Revenues: \$4,332,000

Total 2017-2018 Fund Budget: \$4,493,956*

*Does not include St. Edward Ballfield project. Costs to be determined

Budgeted 2018 Ending Fund Balance \$259,486

2017-2018 Budget Highlights

- Nine park development projects including: Twin Springs Park, Tolt Pipeline Trail, Squires Landing Park (2 projects), Log Boom Park, Rhododendron Park (2 projects), Moorlands Park and St. Edward State Park



P-1 Twin Springs: Interim Plan

2017/18 Budget: \$40,000

2016 property transferred to City.
2017 prepare and implement an interim park use plan

Total CIP Budget 2017/22: \$40,000
(King County Levy Funds).

Prior Years: \$0



P-2 Tolt Pipeline Trail

2017/18 Budget: \$206,936

2015/16 design, permitting, and agreement with SPU. 2017 trail construction

Total CIP Budget 2017/22: \$206,936 (\$181,936 KC park levy funds \$25,000 impact fee funds)

Prior Years: \$69,587



T-6 Moorlands Park

2017/18 Budget: \$1,567,020

2016 design. 2017 construction: athletic field renovation, restroom, picnic shelter, landscaping

Total CIP Budget 2017/22: \$1,567,020 (\$380k REET, \$150k Strategic Opps, \$40K KC levy, \$637,520 RCO grants, \$395,500 park impact fees)

Prior Years: \$43,295



**P-18 Rhododendron Park:
Waterfront/ Boardwalk**

2017/18 Budget: \$775,000

2014/15 design/shoreline permit, 2017 engr/building permits, 2018 construction, 2019-2022 monitoring.

**Total CIP Budget 2017-22:
\$795,000 (bond funds)**

Prior Years: \$96,024



**P-18a Rhododendron Park:
Float**

2017/18 Budget: \$260,000

2014/15 design/shoreline permit, 2016/17 engr/building permits, 2018/19 construction

**Total CIP Budget 2017/22:
\$285,000 (\$85,000 strategic opps, \$200,000 park impact fees)**

Prior Years: \$17,957



**P-26 Squires Landing Park:
Float**

2017/18 Budget: \$195,000

2016 design/shoreline permit, 2017 engr/building permits and construction

**Total CIP Budget: 2017/22
\$195,000 (park impact fees)**

Prior Years: \$41,483



**P-27 Squires Landing Park:
Waterfront**

2017/18 Budget: \$850,000

2015/16 conceptual plan;
2017/18 design; 2019/20
permitting; 2021/22
construction.

**Total CIP Budget 2017/22:
\$4,975,000 (bond funds)**

Prior Years: \$57,300



**P-28 Log Boom Park:
Waterfront**

2017/18 Budget: \$600,000

2015/16 conceptual plan;
2017/18 design; 2019/20
permitting; 2021/22
construction.

**Total CIP Budget 2017/22:
\$3,175,000 (bond funds)**

Prior Years: \$57,400



**P-29 St. Edward Park:
Ballfields**

2017/18 Budget: TBD

2016 design, SEPA, PAUE permit;
2017 lease, engr/building
permits; 2018 construction

Total Budget: TBD

Prior Years: \$151,000 (est.)

Strategic Reserve Fund

- This fund was created to serve as the City’s emergency reserve fund.
- Per State Statute, RCW 35A.33.145, the Fund cannot exceed \$.375 per \$1,000 assessed value.
- Based on a 2017 preliminary assessed value of \$3,903,423,117, the fund could be increased to \$1,463,783, its statutory limit.



Preliminary Budget

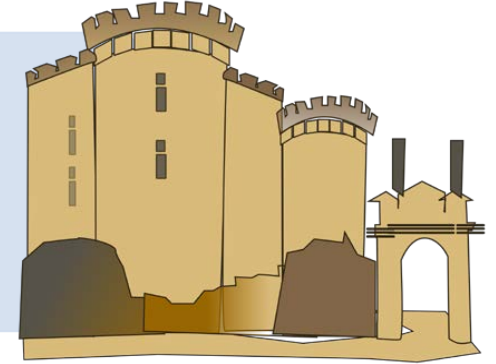
- | | |
|--|-------------|
| • 2017-2018 Projected Revenue | \$20,000 |
| • Investment Interest | |
| • 2017-2018 Total Preliminary Expenditures | \$0 |
| • 2018 Budgeted Ending Fund Balance | \$1,294,471 |
| • Budget page 158 will be corrected | |

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

- Expenditures \$305,000 for 2017-2018
- Revenue:
 - Transfer from REET (repayment) \$200,000
 - Incubator leases/client fees \$60,000



Budget Highlights

- Kenmore Business Incubator \$220,000
- Rhododendron Park Floats \$85,000 (transfer to Parks Capital Fund)

Kenmore Village Fund

- Accounts for general operations and development of the downtown area formerly known as Kenmore Village.



Preliminary Budget

- Expenditures: \$292,228 for 2017-2018
- Revenue:
 - Transfer from General Fund \$328,228
 - Art \$125,000
 - Operational support \$203,228
- Lease income from Hangar building and US Post Office

Budget Highlights

- Any one-time capital costs of the Town Square and Hangar building will be tracked and accounted for in the Kenmore Village Fund.
- Day-to-day operations of the Town Square and the US Post Office will also be accounted for in this fund.
- Commencing operations and programming of the Town Square and Hangar building will be the top priority for the City's downtown efforts.

Swamp Creek Basin Fund

- This fund accounts for balances reserved for surface water projects included in the City of Kenmore’s Comprehensive Plan and are funded by an Memorandum of Agreement (MOA) with King County. Twelve percent (12%) of the King County disbursement to the City of \$10,750,000 was to be reserved for permanent maintenance of projects. This amounts to \$1,290,000.
- As of December 31, 2016, the projected fund balance is \$1,411,934 of which \$1,322,363 comprised the permanent maintenance fund (the original \$1,290,000 plus interest); and \$89,571 was available for Sewer System Protection capital projects.

Preliminary Budget

- | | |
|--|-------------|
| • 2017-2018 Projected Revenue | \$14,000 |
| • Investment Interest | |
| • 2017-2018 Total Preliminary Expenditures | \$0 |
| • 2018 Budgeted Ending Fund Balance | \$1,425,934 |

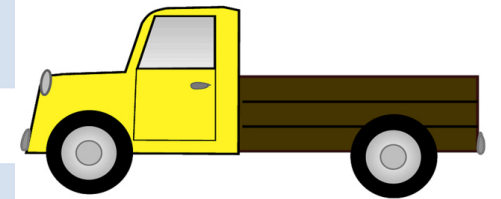


Equipment Replacement Fund

- This fund is used to maintain a reserve for the future replacement of equipment – including, but not limited to furniture, computers and vehicles.
- Payments are received from various departments and funds that benefit from or use the assets.
- Each department is charged its prorated share of the replacement costs per year of the replacement equipment assigned.

Preliminary Budget

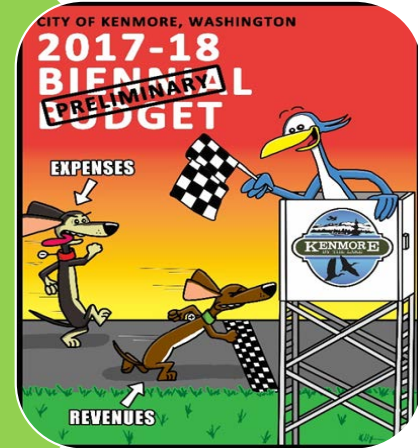
- 2017-2018 Projected Revenue \$210,986
 - Dept Contributions and Investment Interest
- 2017-2018 Total Preliminary Expenditures \$119,000
 - 2016 Ford Truck, network and desktop hardware and software upgrades and replacements, city wide software licenses
- 2018 Budgeted Ending Fund Balance \$505,370



**City of
Kenmore,
Washington
2017-2018
Preliminary
Budget**

**Next Week: City
Council Meeting
November 28,
2016**

**Final Public
Hearing on 2017-
2018 Preliminary
Budget
And
2017 Property Tax
Levy**



**Thank you! Questions or
Comments?**