

**City of Kenmore
City Council Meeting
Special Meeting Minutes
Monday, December 4, 2023**

These minutes are created to capture Council action. This is not a verbatim transcript.
Meeting video and audio is available on the City YouTube channel.

PRESENT:

Councilmembers: Mayor Nigel Herbig
Deputy Mayor Melanie O’Cain
Councilmember David Baker
Councilmember Joe Marshall
Councilmember Angela Kugler
Councilmember Debra Srebnik
Councilmember Corina Pfeil – Virtual

Staff: City Manager Rob Karlinsey
Deputy City Manager Stephanie Lucash
City Attorney Dawn Reitan
City Clerk Anastasiya Warhol
Deputy City Clerk Michelle Kang
Community Development Director Debbie Bent
Assistant to the City Manager Garrett Oppenheim
Development Services Director Samantha Loyuk
Housing and Human Services Manager Tambi Cork
Finance and Administration Director Melinda Merrell
Public Works Operations Director Jennifer Gordon
Environmental Services Director Richard Sawyer

Speaking Guests: Yichuan Zhao, Executive Director at Imagine Housing
Troy Drawz, Director of Real Estate Development at Imagine Housing
Meghan Altimore, Vice President of Community Services and Operational Excellence at Hopelink
Rebecca Wold, Director of Real Estate Partnerships at Habitat for Humanity SKKC
Mike Rooney, Managing Partner at Rooney Partners
Molly Mahan, Principal at W.G. Clark Construction
John Woodworth, Managing Principal at SMR Architects

David Trageser, D.A. Davidson & Co. Managing Director
Deanna Gregory, Pacific Law Group Partner / Bond Counsel

Public Comments Speaking Guests:

Jim Howard, Kenmore Resident
Tracy Banaszynski, Kenmore Resident
William (Bill) Leak, Kenmore Resident
Elizabeth Mooney, Kenmore Resident
Carl Michelman, Kenmore Resident
Geoff Chism, Kenmore Resident
Chris Olson, Kenmore Resident
Stacey Valenzuela, Kenmore Resident
Laurie Sperry, Kenmore Resident
Heidi Shepherd, NUHSA Board Chair and Shoreline Resident
Jim Meyers, Kenmore Resident
Eli Ren, Kenmore Resident
Liana Ren, Kenmore Resident

Public Hearing A Speaking Guests:

Carl Michelman, Kenmore Business Owner, and Brier Resident
Stacey Valenzuela, Kenmore Resident - virtual
Laurie Sperry, Kenmore Resident – virtual

Public Hearing B Speaking Guests:

Jonathan Lounds, Seattle Resident / Master Builders Association
Jim Howard, Kenmore Resident
Carl Michelman, Kenmore Business Owner, and Brier Resident
Stacey Valenzuela, Kenmore Resident - virtual
Elizabeth Mooney, Kenmore Resident - virtual
William (Bill) Leak, Kenmore Resident

CALL SPECIAL MEETING TO ORDER

Mayor Herbig called the special meeting to order at 6:00 PM.

EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(i), the City Council entered an executive session to discuss pending and potential litigation. It was announced that the executive session is slated to last 60 minutes, until approximately 7:00 PM. At 7:00 PM, the Council exited the executive session and returned to the open meeting.

MOTION: Deputy Mayor O’Cain moved to authorize the City Attorney’s Office to extend the Manufactured Housing Community’s Growth Board Appeal for 90 days for the purposes of a potential settlement. Councilmember Kugler seconded the motion.
VOTE: 6 Yes – O’Cain, Kugler, Baker, Pfeil, Srebnik, Herbig; 1 No – Marshall; 0 Abstain.
MOTION PASSES.

LAND ACKNOWLEDGEMENT

Mayor Herbig read the Land Acknowledgement Honoring First Peoples.

FLAG SALUTE

Mayor Herbig led the Council in the flag salute.

AGENDA APPROVAL

The agenda was approved as presented.

WHERE’S THE FUN?

Public Works Operations Director Jennifer Gordon highlighted City events from the past weekend, including the Luminary Walk from this past Friday as well as the Holiday Pop! Shop Kenmore Winter Market from this past Saturday. The Holiday Pop! Shops will have future dates including December 8, 9, 15, 16, 22, and 23.

PUBLIC COMMENTS

The City Council took comments from the public.

Timestamped link here:

https://www.youtube.com/live/8HlirROvUGc?si=EOAjWfVYect2p_u0&t=4072

CONSENT AGENDA

- A. Approve Total Check #s 53316 through 53399 totaling \$410,968.08 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 11/17/2023 in the amount totaling \$240,867.67 and ACH Payment to Center for Human Services in the amount of \$12,978.66, and ACH Payment to KBA, Inc. in the amount of \$1,080.60 and Payroll Check #10249 dated 11/17/2023 in the amount of \$404.09.

[Voucher Certification and Approval 11/11/2023-11/24/2023](#)

- B. Approve the administrative correction for the corrected City Council Special and Regular Meeting Minutes from October 24, 2022. *(Added December 1, 2023)*
[Agenda Bill - Administrative Correction City Council Special and Regular Meeting Minutes from October 24 2022](#)
[Attachment 1 - Corrected City Council Special and Regular Meeting Minutes from October 24, 2022](#)

[Attachment 2 - Original City Council Special and Regular Meeting Minutes from October 24, 2022](#)

MOTION: Councilmember Srebnik moved to approve the consent agenda items A-B outlined above. Councilmember Baker seconded the motion.

VOTE: Consent Agenda was approved by UNANIMOUS CONSENT.

BUSINESS AGENDA

- A. Approval of Affordable Housing Development Proposal RFP No. 23-C2969 with Imagine Housing, presented by Deputy City Manager Stephanie Lucash, Housing and Human Services Manager Tambi Cork, and guests, *for approval*
[Agenda Bill - RFP 23-C2969 Affordable Housing Development Proposal \(updated 12/2/2023\)](#)
[Attachment 1 - Proposal from Imagine Housing](#)
[Presentation - Kenmore and Imagine Housing](#)

Deputy City Manager Stephanie Lucash introduced key partners for this RFP Proposal from Imagine Housing. This proposal is for the property located at 7010 NE 181st Street, purchased by the City in September 2022 for \$3.2 million. The RFP was issued in August 2023 and after the closing of the RFP in October 2023, the selection committee interviewed respondents, ultimately selecting Imagine Housing and the additional partnerships.

The Proposal outlines a collaboration involving Imagine Housing, Habitat for Humanity, and Hopelink to create a 152-unit community focused on affordable housing. This joint effort includes 20 units for affordable ownership by Habitat for Humanity, 132 units for affordable rental by Imagine Housing, and a 7,000 square foot commercial space for community services provided by Hopelink. The housing community will cater to families and offer a variety of unit sizes from studios to three-bedroom apartments. More than 20% of the units will be three-bedroom units, specifically designed to accommodate larger families. Situated in a walkable area with convenient access to downtown and public transit, the estimated total cost for this project is \$103 million. The financing partners involved will contribute \$1.5 million toward property payment to the City.

Imagine Housing will be the lead agency with partnerships with Habitat for Humanity, Hopelink, Rooney Partners, W.G. Clark Construction Co., SMR Architects and subconsultants Atlas Design Group, Kimley-Horn Engineering, and Karen Kiest Landscape Architects.

Councilmembers raised some of the following questions:

- Will the services be open to the public? The staff answered yes.

- Is the parking ratio sufficient? There is a 1:1 parking spot per unit requested; the team agree to investigate this.
- Will there be space uses other than Hopelink? The team noted there may be other options.
- Will the rental units be permanently affordable? The Staff answered yes. Councilmembers also asked questions about case management and the multifamily tax exemption.

MOTION: Councilmember Pfeil moved to approve the Affordable Housing Development RFP 23-C2969 with Imagine Housing. Councilmember Kugler seconded the motion.

VOTE: 7 Yes – Herbig, O’Cain, Pfeil, Kugler, Marshall, Baker, Srebnik; 0 No; 0 Abstain.

MOTION PASSES.

MOTION: Councilmember Pfeil moved to provide staff direction to initiate negotiations with Imagine Housing, Habitat for Humanity and/or Hopelink for the property sale price, property transfer agreement, threshold determination, development agreement, and/or any other necessary agreements. Deputy Mayor O’Cain seconded the motion.

VOTE: 7 Yes – Herbig, O’Cain, Pfeil, Kugler, Marshall, Baker, Srebnik; 0 No; 0 Abstain.

MOTION PASSES.

PUBLIC HEARINGS

- A. Proposed Ordinance No. 23-0587 Mid-Biennial Amendments to the 2023-2024 Biennial Budget and 2024 Salary Plan, presented by Finance and Administration Director Melinda Merrell, *for public hearing*
[Agenda Bill - Mid-Biennial Amendments to the 2023-2024 Biennial Budget and 2024 Salary Plan](#)
[Attachment 1 - Proposed Ordinance No. 23-0587 including Exhibit A \(Proposed 2024 Salary Plan\)](#)
[Attachment 2 - Mid-Biennium Budget Amendment Worksheet](#)
[Attachment 3 - Projected Ending Fund Balance Worksheet](#)
[Attachment 1 - Proposed Ordinance No. 23-0587 including Exhibit A \(Proposed 2024 Salary Plan\)](#)
[Presentation - 2023-2024 Mid-Biennium Budget Amendments](#)

Finance and Administration Director Melinda Merrell presented to the Council information about the 2023-2024 Mid-Biennium Budget Amendments that were first introduced to the Council during the City Council Regular Meeting of Monday, November 20, 2023. No new information was presented prior to the public hearing. The Council had no additional questions or comments.

Mayor Herbig opened the Public Hearing at approximately 8:54 PM
The City Council received testimony from the public.
Timestamped link here:
<https://www.youtube.com/live/8HlirROvUGc?si=enLZOa71Gz9vwmdw&t=10539>
Mayor Herbig closed the Public Hearing at approximately 9:07 PM

- B. Proposed Ordinance No. 23-0597, Remaining Tier 2 Tree Regulations, presented by Development Services Director Samantha Loyuk and Assistant to the City Manager Garrett Oppenheim, *for public hearing*
[Agenda Bill - Proposed Ordinance No. 23-0597, Remaining Tier 2 Tree Regulations](#)
[Attachment 1 - Proposed Ordinance No. 23-0597](#)
[Attachment 2 - Exhibit A to Proposed Ordinance No. 23-0597](#)
[Attachment 3 - Exhibit B to Proposed Ordinance No. 23-0597](#)
[Attachment 4 - Exhibit C to Proposed Ordinance No. 23-0597](#)
[Attachment 5 - Presentation](#)

Development Services Director Samantha Loyuk and Assistant to the City Manager Garrett Oppenheim reviewed information about Proposed Ordinance No. 23-0597, Remaining Tier 2 Tree Regulations. These proposed code amendments were first presented to the City Council on May 16, 2022. The proposed code amendments were brought to the Council for the first of two public hearings on Monday, November 20, 2023. Councilmembers discussed additional recommendations brought by community members.

Mayor Herbig opened the Public Hearing at approximately 9:15 PM
The City Council received testimony from the public.
Timestamped link here:
https://www.youtube.com/live/8HlirROvUGc?si=7_mPsTSAXhR7F-4w&t=11710
Mayor Herbig closed the Public Hearing at approximately 9:36 PM

BUSINESS AGENDA (continued)

- B. Proposed Ordinance No. 23-0587, Mid-Biennial Amendments to the 2023-2024 Biennial Budget and 2024 Salary Plan, presented by Finance and Administration Director Melinda Merrell, *for adoption*
[Agenda Bill - Mid-Biennial Amendments to the 2023-2024 Biennial Budget and 2024 Salary Plan](#)
[Attachment 1 - Proposed Ordinance No. 23-0587 including Exhibit A \(Proposed 2024 Salary Plan\)](#)
[Attachment 2 - Mid-Biennium Budget Amendment Worksheet](#)
[Attachment 3 - Projected Ending Fund Balance Worksheet](#)

Councilmembers asked Melinda Merrell to clarify a question made during the public hearing about the increase in health insurance benefits for 2024. The 2024 increase for

Regence is 4.1% and Kaiser is 5.6%. The 2023-2024 Biennial Budget, adopted in November 2022, accounted for a 5% increase, which is why it is not part of this mid-biennial budget amendment.

MOTION: Deputy Mayor O’Cain moved to Adopt Ordinance No. 23-0587, amending the 2023-2024 Biennial Budget, and approve a 4.5% Wage Increase and Salary Plan for 2024. Mayor Herbig seconded the motion.

VOTE: 6 Yes – Herbig, O’Cain, Pfeil, Marshall, Kugler, Srebnik; 1 No – Baker; 0 Abstain.

MOTION PASSES.

C. Proposed Ordinance No. 23-0597, Remaining Tier 2 Tree Regulations, presented by Development Services Director Samantha Loyuk and Assistant to the City Manager Garrett Oppenheim, *for adoption*

[Agenda Bill - Proposed Ordinance No. 23-0597, Remaining Tier 2 Tree Regulations](#)

[Attachment 1 - Proposed Ordinance No. 23-0597](#)

[Attachment 2 - Exhibit A to Proposed Ordinance No. 23-0597](#)

[Attachment 3 - Exhibit B to Proposed Ordinance No. 23-0597](#)

[Attachment 4 - Exhibit C to Proposed Ordinance No. 23-0597](#)

[Attachment 5 - Presentation](#)

MOTION: Councilmember Baker moved to ask Staff to consider and perhaps incorporate suggestions brought by Mr. Howard, especially where it refers to conifers and other things discussed in his email. Councilmember Marshall seconded the motion.

AMENDMENT: Councilmember Srebnik moved to amend the motion to consider input of stakeholders related to tree regulations. Mayor Herbig seconded the motion.

VOTE: 6 Yes – Baker, Herbig, Pfeil, O’Cain, Kugler, Srebnik; 1 No – Marshall; 0 Abstain.

MOTION PASSES.

MOTION AS AMENDED: Ask staff to consider the input of stakeholders related to tree regulations.

VOTE: 6 Yes – Baker, Herbig, Pfeil, O’Cain, Kugler, Srebnik; 1 No – Marshall; 0 Abstain.

MOTION PASSES.

D. Proposed Ordinance No. 23-0599, Public Works Operations Center (PWOC) Bond Issuance, presented by City Manager Rob Karlinsey, Finance and Administration Director Melinda Merrell, Public Works Operations Director Jennifer Gordon, Environmental Services Director Richard Sawyer, D.A. Davidson & Co. Managing Director David Trageser, and Pacifica Law Group Partner Deanna Gregory, *for adoption*

[Agenda Bill - Proposed Ordinance No. 23-0599, Public Works Operations Center Bond Issuance](#)
[Attachment 1 - Proposed Ordinance No. 23-0599 Presentation - PWOC Bond Issuance](#)

Staff and guests have returned to the Council to present the Public Works Operations Center (PWOC) Bond Issuance materials, originally brought to the Council during the City Council Regular Meeting of Monday, November 20, 2023. City Manager Rob Karlinsey and Public Works Operations Director Jennifer Gordon reiterated the need for the center, and the vision of what the PWOC will offer.

- **Background:** Plans for the new Public Works Operations Center near Kenmore Middle School have been in progress since last year. A revised plan suggested a phased construction approach over 10-15 years, funded through a councilmanic bond issue, repaid annually using Real Estate Excise Tax (REET) and Surface Water Utility revenues.
- **Previous Actions:** Ordinance No. 23-0594, amending the Capital Improvement Program, was adopted on September 11, 2023, including the use of REET. Surface Water rate changes, funding the bonds, were approved at the November 20th meeting.
- **Fiscal Details:** Ordinance No. 23-0599 currently before the Council, outlines the parameters for issuing bonds, granting authority to the City Manager and Finance Director within specified limits. The bonds will be "limited tax general obligation" bonds, backed by the City's credit and repaid through REET and Surface Water revenues. The maximum issuance is \$12.8 million, aiming for a deposit of \$12.57 million into the project fund, with extra for issuance costs. The ordinance caps borrowing costs at 6.5% and sets a 20-year financing term with an option to refinance after 10 years.
- **Debt Instruments:** The total \$21.8 million cost of the Public Works Operations Center is funded through three debt instruments, with the \$12,575,000 LTGO being the final instrument requiring Council approval.

One Councilmember expressed concerns about going into debt instead of proceeding with a "pay-as-you-go" method.

MOTION: Councilmember Baker moved to Adopt Ordinance No. 23-0599, providing for delegation of authority to issue bonds for the Public Works Operations Center. Councilmember Pfeil seconded the motion.
VOTE: 6 Yes – Baker, Pfeil, Marshall, Kugler, O’Cain, Herbig; 1 No – Srebnik; 0 Abstain.
MOTION PASSES.

- E. Proposed Resolution No. 23-408, Updated Council Rules and Procedures, adding Section 2.4 relating to Virtual Public Comment and Section 2.6 relating to the Consent Agenda, presented by City Clerk Anastasiya Warhol and City Attorney Dawn Reitan, *for adoption*

[Agenda Bill - Proposed Resolution No. 23-408 Updated Council Rules and Procedures](#)

[Attachment 1 - Proposed Resolution No. 23-408 Amending Council Rules and Procedures](#)

[Attachment 2 - Exhibit 1: Proposed Changes to Council Rules and Procedures](#)

City Clerk Anastasiya Warhol presented to the Council the recommended updates to the Council Rules and Procedures, which includes adding a section about the new virtual public comment procedures, as well as procedures about the consent agenda.

MOTION: Councilmember Kugler moved to adopt Resolution No. 23-408, to amend Resolution 22-388 and establish procedures related to the consent agenda and virtual public comment participation. Deputy Mayor O’Cain seconded the motion.

AMENDMENT: Mayor Herbig moved to amend Resolution No. 23-408 to include vouchers/payables (Section 2.6) in the consent agenda. Councilmember Marshall seconded the motion.

VOTE: 7 Yes – Herbig, Marshall, Baker, Kugler, Srebnik, O’Cain, Pfeil; 0 No; 0 Abstain.

MOTION PASSES.

AMENDMENT: Councilmember Pfeil moved to amend section 2.3.3.4 to read “it is a time to request that members peak it is a time for members of the public to speak on any topic of their choice on the agenda.” Mayor Herbig seconded the motion.

VOTE: 2 Yes Pfeil, Baker; 5 No – Marshall, O’Cain, Kugler, Srebnik, Herbig; 0 Abstain.

MOTION FAILS.

MOTION AS AMENDED: Approve Resolution No. 23-408 as amended (to include vouchers/payables in section 2.6.1).

VOTE: 7 Yes – Baker, Marshall, Kugler, Srebnik, Pfeil, O’Cain, Herbig; 0 No; 0 Abstain.

MOTION PASSES

STAFF REPORTS

There were no staff reports.

COUNCILMEMBER REPORTS & COMMENTS

Mayor Herbig wished to write a letter of support to aid the Northshore School District in secure legislative funding. The Council was supportive.

ADJOURNMENT

Mayor Herbig adjourned the meeting at approximately 10:44 PM


Nigel G. Herbig (Jan 12, 2024 13:18 PST)

Nigel Herbig, Mayor


Anastasiya Warhol (Jan 12, 2024 12:31 PST)

Anastasiya Warhol, City Clerk

City Council Special Meeting Minutes from December 4, 2023

Final Audit Report

2024-01-12

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