

**City of Kenmore
City Council Meeting
Special & Regular Meeting Minutes
Monday, November 20, 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 – Excused
Councilmember Corina Pfeil

Staff: City Manager Rob Karlinsey
Deputy City Manager Stephanie Lucash
City Attorney Dawn Reitan – Virtual
City Clerk Anastasiya Warhol
Deputy City Clerk Michelle Kang
Development Services Director Samantha Loyuk
Assistant to the City Manager Garrett Oppenheim
Engineering Director John Vicente
Senior Civil Engineer Kent Vaughan
Finance and Administration Director Melinda Merrell
Environmental Services Director Richard Sawyer

Speaking Guests: Ellen Arnstein, King Conservation District Representative
Nathan Anderson, KPFF Project Manager
Ashley Emery, Peninsula Financial Consulting Consultant
David Trageser, D.A. Davidson & Co. Managing Director
Morgan Garner, PlanIT Geo GIS Specialist

Public Comments Speaking Guests:
Laurie Sperry, Kenmore Resident
Patrick O’Brien, Kenmore Resident
Carl Michelman, Kenmore Resident

Stacey Valenzuela, Kenmore Resident
Janet Hays, Kenmore Resident

Public Hearing Speaking Guests:

Patrick O'Brien, Kenmore Resident
Carl Michelman, Kenmore Resident
Elizabeth Mooney, Kenmore Resident
Janet Hays, Kenmore Resident

CALL SPECIAL MEETING TO ORDER

Mayor Herbig called the special meeting to order at 6:20 p.m.

EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(i), the City Council will now enter an executive session to discuss potential litigation. This executive session is slated to last 40 minutes until approximately 7:00 PM. No action is expected.

ADJOURN SPECIAL MEETING

Mayor Herbig adjourned the special meeting at approximately 6:59 p.m.

CALL REGULAR MEETING TO ORDER

Mayor Herbig called the regular meeting to order at 7 p.m.

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?

Elizabeth Mooney, resident and part of PERK (People for an Environmentally Responsible Kenmore) highlighted this year's Streamfest that took place in September. This event was to raise awareness for the small local streams. This event was held to support clean water and healthy habitats.

PUBLIC COMMENTS

The City Council took comments from the public.

Timestamped link here:

<https://www.youtube.com/live/sF7zQcYQ03Y?si=soYeZ0FD01gud930&t=2827>

PRESENTATION

Tree Canopy Assessment Update, presented by Development Services Director Samantha Loyuk and King Conservation District Representative Ellen Arnstein

[Agenda Bill - Tree Canopy Assessment Update](#)

[Attachment 1 - Summary of 2019 Tree Canopy Assessment](#)

[Attachment 2 - Summary of 2023 Tree Canopy Assessment](#)

[Attachment 3 - Presentation](#)

Development Services Director Samantha Loyuk described the recent canopy assessment and highlighted that Development Services department and King Conservation District (KCD) present the results of the most recent tree canopy assessment. The results show an increase of 5% in tree canopy cover. The assessment used 2021 data. The increase can likely be attributed to the continued growth of older trees and other factors.

CONSENT AGENDA

A. Approve the 2024 Climate Action Plan (CAP) Workplan.

[Agenda Bill - 2024 CAP Workplan](#)

[Attachment 1 - Agenda Bill and Packet from the 10/23/2023 City Council Meeting](#)

B. Approve the Climate Advisory Committee Charter.

[Agenda Bill - Climate Advisory Committee Charter](#)

[Attachment 1 - Climate Advisory Committee Charter](#)

C. Authorize the City Manager to execute Amendment No. 1 of Contract No. 23-C2929 to adjust the time frame for Wednesdays at Cascadia from 2023-2024 academic year to the 2024 calendar year.

[Agenda Bill - Amendment No. 1 to Contract No. 23-C2929](#)

[Attachment 1 - Amendment No. 1 to Contract No. 23-C2929](#)

[Attachment 2 - Contract No. 23-C2929](#)

D. Authorize the City Manager to execute Contract No. 21-C2667 Amendment No. 3, substantially and materially in the form attached.

[Agenda Bill - Amendment No. 3 to Contract No. 21-C2667](#)

[Attachment 1 - Amendment No. 3](#)

E. Receive and file the August 2023 Financial Report for the City of Kenmore, Washington.

[Agenda Bill - August 2023 Financial Report](#)

[Attachment 1 - August 2023 Financial Report](#)

- F. Approve a contract contingency increase to \$780,481 and authorize the City Manager to execute change orders to Contract No. 22-C2773 with Tastad Construction for the NE 190th St. Culvert Replacement Project.

[Agenda Bill - Change Orders to Contract No. 22-C2773](#)

MOTION: Councilmember Kugler moved to approve the consent agenda outlined above. Deputy Mayor O’Cain seconded the motion.

VOTE: Consent Agenda was approved by UNANIMOUS CONSENT

PUBLIC HEARING

Proposed Ordinance 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 - 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 - King Conservation District Tree Canopy Study](#)

[Attachment 6 - Presentation](#)

Mr. Oppenheim summarized potential Tier 2 tree code changes presented to City Council on May 16, 2022, building on Tier 1 amendments adopted in March, which included:

- Increased tree density requirement for new developments.
- Reduced yearly allowances for single-family tree removal.
- Mandatory tree replacement.
- Preservation of trees not required for construction.
- Creation of a tree fund for infeasible replacements ("fee in lieu").
- Introduction of an Exceptional Tree program.

City Council, since 2017, has enacted various strategies from the Housing Strategy Plan, such as:

- Density transfers and manufactured housing community overlay.
- Regulations for accessory dwelling units (ADUs) and expanded density bonuses.
- Extension of the Multifamily Tax Exemption to Transit-Oriented Development (TOD).
- Implementation of school impact fees with exceptions for low-income housing.
- Streamlined permit reviews for affordable housing.
- Allocation of funds for affordable housing projects on surplus city land.

- Comprehensive plan amendments for "Missing Middle" housing near transit corridors.
- Ongoing funding for ARCH's Housing Trust Fund for affordable housing.

Changes in Tree Density Requirements (KMC 18.57.060):

- Increased minimum tree density by 33.3% (from 30 to 40 tree units per net buildable acre).
- Replacement trees considered after exhausting all options for retaining existing trees.

Mandatory Tree Replacement:

- Removal mandates replacement with native trees.
- Exceptions for hazardous trees; fee-in-lieu allowed with city manager approval.

Tree Retention Unaffected by Construction (KMC 18.57.080.C):

- Sites exceeding minimum density via existing trees must retain them if property use isn't compromised.
- Construction not requiring tree removal should retain trees (e.g., in building setbacks).

Establishment of Tree Fund and "Fee in Lieu" Option:

- Fee-in-lieu available for infeasible replacements, subject to approval.
- Preference for replacement over fee in lieu.
- Fee determined by planting, maintenance for 5 years, and program administration costs.

City Manager Rob Karlinsey highlighted the upcoming addition of new language regarding tree retention in the development perimeter.

Mayor Herbig opened the Public Hearing at approximately 7:44 p.m.
 The City Council received testimony from the public.
 Timestamped link here:
https://www.youtube.com/live/sF7zQcYQ03Y?si=2hS94kdBWWnDh_58&t=5096
 Mayor Herbig closed the Public Hearing at approximately 8:02 p.m.

BUSINESS AGENDA

- A. 61st Avenue NE Sidewalk Replacement Project - Sidewalk Replacement Options, presented by Engineering Director John Vicente and Senior Civil Engineer Kent Vaughan, *for discussion and direction*
[Agenda Bill - 61st Ave NE Sidewalk Replacement Project](#)
[Exhibit A - Public Involvement Survey Results](#)
[Presentation - 61st Ave NE Sidewalk Replacement Project \(updated 11/16/2023\)](#)

Senior Civil Engineer Kent Vaughan outlined the 61st Ave NE Sidewalk Replacement Project's Phase 1 scope, aiming to repair damaged sidewalks, add bike lanes, and enhance pedestrian safety. Phase 1 includes east sidewalk repair, bike lanes, and intersection improvements, planned for construction in 2025, while Phase 2, addressing the west sidewalk, awaits funding.

Evaluation of 67 red maple street trees found varying health statuses. Five alternatives were proposed, including tree removal and replacement, bridging over roots, relocating sidewalks, or filling over roots, with costs ranging from \$105,000 to \$1,889,000. Public feedback, gathered through various channels, showed mixed preferences, with a majority favoring preservation-focused option (2-5).

Staff recommended a blend of alternatives 1, 2, and 3 to design ADA-compliant sidewalks while preserving as many trees as possible, using root barriers and appropriate replacement trees.

During discussions, preferences ranged from favoring ADA accessibility (Option 1) to prioritizing tree preservation (Options 2-5). Some leaned towards a blend of options, while others preferred specific alternatives (1 or 4).

Mayor Herbig expressed disinterest in bridges or relocating sidewalks to save potentially short-lived trees, favoring walkability and accessibility. Other viewpoints included prioritizing cost-effectiveness (Option 1), tree preservation, or a blend of alternatives 1 and 2.

MOTION: Councilmember Pfeil moved to accept the recommendation to move ahead with the feasibility study for Alternatives 1, 2, and 3, and materials for bridges. Councilmember Baker seconded the motion.

VOTE: 5 Yes – O’Cain, Baker, Kugler, Pfeil, Herbig; 1 No – Marshall; 0 Abstain.

MOTION PASSES

- B. Proposed Resolution No. 23-406, repealing Resolution No. 18-315 and establishing Surface Water Management (SWM) Service Charges for 2024-2030 and Proposed Resolution No. 23-407, repealing Resolution No. 19-318 and establishing Stormwater Capital Facilities Charges beginning in 2024, presented by City Manager Rob Karlinsey, Finance and Administration Director Melinda Merrell, Environmental Services Director Richard Sawyer, and Consultant Ashley Emery, *for adoption*
[Agenda Bill - Proposed Resolutions No. 23-406 and 23-407](#)
[Attachment 1 - Proposed Resolution No. 23-406 SWM Service Charges](#)

[Attachment 2 - Proposed Resolution No. 23-407 Stormwater Capital Facilities Charge](#)
[Attachment 3 - Rate Analysis Report](#)
[Presentation - 2024-2030 Stormwater Rates and CFC](#)

Environmental Services Director Richard Sawyer recapped for the Council the Surface Water Management Analysis of the City's rates and capital facilities charges, conducted by Peninsula Financial Consulting. This study then led to the development of four funding options for the Council to consider, ranging from *Stay the Course* to *Rapid Progress+*. With Council's previous direction, Staff have returned tonight with information about *Rapid Progress+* and recommend the Council vote to adopt Resolution No. 23-406, approving the funding option for *Rapid Progress+*.

Staff also reminded the Council of the outreach that took place throughout this process, including multiple appearances at City Council meetings, social media posts, mailers, and other outreach.

Resolution No. 23-406 updates the 2024-2030 surface water service charge rates. A table was presented to the Council that shows the percentage change in rates as well as the prices. There is also a senior and disable surface water service charge exemption for qualifying residents.

The Council had no questions or comments.

MOTION: Councilmember Pfeil moved to adopt Resolution No. 23-406, repealing Resolution No. 18-315 and establishing Surface Water Management (SWM) Service Charges for 2024-2030. Councilmember Kugler seconded the motion.

VOTE: 5 Yes – O'Cain, Marshall, Pfeil, Kugler, Herbig; 1 No – Baker; 0 Abstain.

MOTION PASSES

Resolution No. 23-407 updates the City's stormwater utility capital facilities charge. This charge was the same for all four funding options brought forth to Council at \$3,7000 for a single-family residential development on a single parcel. For all other developments, the charge will be the square feet of impervious area of the parcel, divided by 2,500, and multiplied by \$3,700.

The Council had no questions or comments.

MOTION: Councilmember Pfeil moved to adopt Resolution No. 23-407, repealing Resolution No. 19-318 and establishing Stormwater Capital Facilities Charges beginning in 2024. Councilmember Kugler seconded the motion.

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

MOTION PASSES

C. 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 discussion*

[Agenda Bill - 2023-2024 Mid-Biennial Amendments](#)

[Attachment 1 - 2023-2024 Schedule of Mid-Biennium Recommended Budget Amendments](#)

[Attachment 2 - 2024 Proposed Salary Plan](#)

[Presentation - 2023-2024 Mid-Biennium Budget Amendments](#)

Finance and Administration Director Melinda Merrell introduced the Mid-Biennial Amendments to the budget. This process is required by law to amend for changing economic conditions and changes in work programs and priorities. The recommended revenue increase of \$1.7 million net includes:

- \$781K Solid Waste Utility Tax
- \$430K Electric Utility Tax
- \$245K Natural Gas Utility Tax
- \$165K Surface Water Utility Tax
- \$275K Plan Review Fees
- \$233K Investment Earnings

The recommended revenue decreases include:

- \$311K Sales Tax
- \$166K Cable Utility Tax
- \$135K Admission Tax
- \$100K Land Use Permit Application Fees

The recommended changes to the expenditure adjustments include:

- \$573K new Climate Action Plan Program
- \$550K new Housing and Human Services Program
- \$454K new Finance Manager and Administration Costs
- \$160K WCIA Premiums
- (\$480k) Street Fund Transfer
- \$290K Police Services

The total amended revenues for the biennium are \$32,967,258. The total amended expenditures for the biennium are \$32,796,301. Melinda Merrell also listed other fund

adjustments. The 2024 Salary Plan is also updated to reflect a recommended 4.5% adjustment based on the June CPI-W Seattle-Tacoma-Bellevue Index.

This discussion will continue on December 4, 2023, for a public hearing and possible adoption.

- D. Public Works Operations Center 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 discussion*
[Agenda Bill - Public Works Operations Center Bond Issuance \(updated 11/16/2023\)](#)
[Attachment 1 - Draft Bond Ordinance No. 23-0599](#)
[Attachment 2 - 7/24/2023 Public Works Operations Center Agenda Bill and Materials Presentation - Public Works Operations Center Bond Issuance](#)

Public Works Operations Director Jennifer Gordon summarized both the need for a Public Works Operations Center, as well as the decision-making process and Councilmanic direction authorizing the project.

Lawyers David Trageser and Deanna Gregory offered the following details relating to the bond issuance:

- Meeting Presentation on December 4, 2023:
 - An Ordinance will be proposed concerning bond issuance delegation.
 - Parameters outlined in the Ordinance:
 - Authorization for the City Manager or Finance Director to finalize bond issuance within specified limits.
 - Anticipated completion of financing by 2024; the delegation will remain effective for one year.
- Bond Characteristics:
 - These bonds fall under the category of "limited tax general obligation," secured by the City's full faith and credit.
 - Repayment plans involve utilizing REET and Surface Water Utility revenues, integrated into yearly budget allocations for debt service.
- Maximum Issuance Amount and Allocation:
 - The Ordinance specifies a cap of \$12,800,000 for bond issuance, although the final par amount is expected to be lower for flexibility purposes.
 - Approximately \$12.57 million is aimed to be allocated to the project fund. Additional provisions cover costs associated with bond issuance,

including payments to underwriters, bond counsel, rating agencies, printing, posting disclosure documents, and administrative expenses.

- Borrowing Cost Limitation and Interest Rates:
 - The Ordinance sets a cap on borrowing costs. If interest rates, determined on the "pricing" date based on market conditions, exceed 6.5%, further authorization from the City Council will be sought by the finance department.
 - While today's market conditions suggest an interest rate just under 5.0%, the actual rates and true interest cost will be determined based on market conditions on the pricing date.
- Financing Term and Refinancing Provisions:
 - The maximum term for this financing is 20 years. The finance team anticipates reserving the City's option to refinance after the initial 10 years, aiming for lower rates.
- Project Funding Overview:
 - The Public Works Operations Center, with a total cost of \$22.5 million, is financed via three debt instruments.
 - Two instruments have already been approved and issued. The \$12,575,000 LTGO is the third and final debt instrument requiring approval from the City Council at this meeting.

This comprehensive financing plan aims to align the City's infrastructure development needs with responsible fiscal management, leveraging various financial tools to facilitate necessary projects.

Councilmembers affirmed the need for the operations center and look forward to the next steps.

- E. Third Quarter Financial Report for the City of Kenmore, Washington, presented by Finance and Administration Director Melinda Merrell, *to receive and file*
[Agenda Bill - September 2023 Financial Report](#)
[Attachment 1 - September 2023 Financial Report](#)
[Presentation - Third Quarter Financial Report](#)

Finance and Administration Director Melinda Merrell updated the Council on the general fund and other revenue funds as of the end of September 2023.

STAFF REPORTS

City Manager Rob Karlinsey thanked the Staff for the work that has been done this evening. Additionally, the Sno-King Watershed Council 4th birthday is November 24th and to celebrate, they will be working on a Swamp Creek Habitat Restoration Project from 11:00 AM to 2:00 PM. Rob Karlinsey also thanked Tracy Banaszynski for her amazing work and passion for volunteering.

COUNCILMEMBER REPORTS & COMMENTS

ADJOURNMENT

Mayor Herbig adjourned the meeting at approximately 10:40 PM.


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

Nigel Herbig, Mayor


Anastasiya Warhol (Jan 12, 2024 12:32 PST)

Anastasiya Warhol, City Clerk

City Council Special and Regular Meeting Minutes from November 20 2023

Final Audit Report

2024-01-12

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