



City of Kenmore - 18120 68th Avenue NE - Kenmore, WA 98028
Phone: 425-398-8900 - E-mail: cityhall@kenmorewa.gov

City Council Special & Regular Meeting

ON-SITE

MONDAY, NOVEMBER 20, 2023 - 6:20 PM

In addition, we try to provide access to the meeting virtually:

ZOOM LINK: <https://kenmorewa-gov.zoom.us/j/85783637689>

ZOOM PASSWORD: budget

Or One tap Mobile: US: +12532158782,,85783637689#

Or Telephone Dial US: +1 253 215 8782

Callers please dial *9 to raise and lower hand

Webinar ID: 857 8363 7689

ZOOM PASSWORD: budget

SIGN UP FOR VIRTUAL PUBLIC COMMENT HERE: www.kenmorewa.gov/virtualpubliccomment

Technical Difficulties - If the virtual component of the meeting disconnects, and we cannot resolve technical difficulties to reconnect the virtual component, the in-person meeting will continue at City Hall if there is a quorum of the body to conduct business.

Land Acknowledgement to Honor First Peoples

We acknowledge that the City of Kenmore is situated upon the ancestral lands of the Snohomish, Snoqualmie, Sauk-Suiattle, Duwamish, Stillaguamish, Tulalip, Suquamish, Muckleshoot, and other tribes who are part of the Coast Salish Peoples. We recognize and express our deepest respect for their enduring stewardship and profound relationship with this land, which they have cherished and protected since time immemorial. We honor the First Peoples, acknowledge their vibrant cultures, and commit ourselves to learning from their wisdom in our journey to promote justice, equity, and mutual understanding. We pledge to stand alongside these communities in acknowledging past injustices and working towards a future that respects and celebrates the diverse heritage of this land.

I. CALL SPECIAL MEETING TO ORDER - 6:20 PM

II. EXECUTIVE SESSION

- A. 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.

NO ACTION

III. ADJOURN SPECIAL MEETING

IV. CALL REGULAR MEETING TO ORDER - 7:00 PM

V. ROLL CALL

VI. LAND ACKNOWLEDGEMENT

VII. FLAG SALUTE

VIII. AGENDA APPROVAL

IX. WHERE'S THE FUN?

X. PUBLIC COMMENTS

We welcome our community members to the Council's meeting. In this forum, the Council does not engage or dialogue with the public; the primary role of the Council is to listen. We will hear from our on-site guests first, followed by our pre-registered virtual guests. All guests must address comments to the Mayor and City Council. The Clerk will acknowledge your request and call your name when it is your turn. Your time will start when we confirm that we can hear you. Please state your name and city of residence for the record and keep your comments to the allotted time. We will not split your time with others or reset your time except by express approval of the Presiding Officer. You can submit materials to the Council or Clerk in advance. This meeting is being recorded. Thank you for taking the time to express your comments.

NEW VIRTUAL PARTICIPATION PROCESS: To provide public comments virtually, please fill out the [Virtual Public Comment Request Form](#) in advance of the meeting. The form opens Tuesdays at 12:00 Noon and closes Mondays at 12:00 Noon. You will be confirmed by the City Clerk. Only registered guests will be allowed to speak. If you are having difficulty, please reach out to the City Clerk at awarhol@kenmorewa.gov.

XI. PRESENTATION

- A. 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](#)

XII. CONSENT AGENDA

APPROVED BY UNANIMOUS CONSENT

- 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](#)

XIII. PUBLIC HEARING

PUBLIC HEARING HELD

NEW VIRTUAL PARTICIPATION PROCESS: To provide public comments virtually, please fill out the [Virtual Public Comment Request Form](#) in advance of the meeting. The form opens Tuesdays at 12:00 Noon and closes Mondays at 12:00 Noon. You will be confirmed by the City Clerk; only registered guests will be allowed to speak. If you are having difficulty, please reach out to the City Clerk at awarhol@kenmorewa.gov.

- A. 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](#)

XIV. 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*

MOTION MADE TO MOVE FORWARD WITH FEASIBILITY STUDY FOR ALTERNATIVES 1, 2, 3.

[Agenda Bill - 61st Ave NE Sidewalk Replacement Project](#)
[Exhibit A - Public Involvement Survey Results](#)
[Presentation - 61st Ave NE Sidewalk Replacement Project \(updated 11/16/2023\)](#)

- 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*

RESOLUTIONS 23-406 AND 23-407 ADOPTED

[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](#)

- 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*

DISCUSSED

[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](#)

- 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*

DISCUSSED

[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](#)

- E. Third Quarter Financial Report for the City of Kenmore, Washington, presented by Finance and Administration Director Melinda Merrell, *to receive and file*

PRESENTED

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

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

[Presentation - Third Quarter Financial Report](#)

XV. STAFF REPORTS

XVI. COUNCILMEMBER REPORTS & COMMENTS

XVII. ADJOURNMENT

UPCOMING MEETINGS

- A. Monday, November 27, 2023 7:00 PM - City Council Regular Meeting
Monday, December 4, 2023 7:00 PM - City Council Special Meeting
Monday, December 11, 2023 7:00 PM - City Council Regular Meeting

NOTICE OF POTENTIAL QUORUMS

[Click here for information about Potential Quorums of the City Council.](#) Now found on the City website under City Council Meetings.



City Council Agenda Bill City of Kenmore, WA

<p>Subject/Topic: Tree canopy assessment update.</p> <p>Proposed Council Action/Motion: No action requested.</p>	<p>For Council Meeting Agenda of: <u>November 20, 2023</u></p> <p>Department: <u>Development Services</u></p> <p>Prepared by: <u>Samantha Loyuk, Development Services Director</u></p> <table border="0"><thead><tr><th></th><th><u>Initial & Date</u></th></tr></thead><tbody><tr><td>Approved by Department Head:</td><td><u>10/30/23</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>DR 11/2/23</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>MM 11/6/23</u></td></tr><tr><td>Approved by City Manager:</td><td><u>RK 11/6/23</u></td></tr></tbody></table> <p>Exhibits/Attachments:</p> <ol style="list-style-type: none">1. Summary of 2019 tree canopy assessment2. Summary of 2023 tree canopy assessment3. PowerPoint presentation		<u>Initial & Date</u>	Approved by Department Head:	<u>10/30/23</u>	Approved by City Attorney:	<u>DR 11/2/23</u>	Approved by Finance Director:	<u>MM 11/6/23</u>	Approved by City Manager:	<u>RK 11/6/23</u>
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Approved by Finance Director:	<u>MM 11/6/23</u>										
Approved by City Manager:	<u>RK 11/6/23</u>										
<p>Summary: 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 was completed in 2023 (2021 data). Further explanation and analysis will be provided at the City Council meeting by Ellen Arnstein, KCD representative.</p>											
<p>Information/Background: The City of Kenmore works with King Conservation District (KCD) to support preservation of Kenmore's tree canopy. Below are a few milestones that summarize Kenmore's collaboration with KCD:</p> <ul style="list-style-type: none">• 2004: Wildcliffe Shores Sammamish River Shoreline Restoration Project (\$12,500 grant)• 2009: Swamp Creek Restoration Project (\$20,000 grant)• 2014: Washington Native Plant Society – Advanced King County Stewardship Partner Training and Restoration Project (\$13,000 grant)• 2019: Tree Canopy Assessment (\$26,000 grant)• 2022: Tree Giveaway Program (\$14,700 grant)• 2023: Tree Canopy Assessment (\$12,700 grant)											
<p>Fiscal Consideration: None.</p>											
<p>City Council Priority or Budget Objective Being Addressed: #1: Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.</p>											

TREE CANOPY ASSESSMENT



TOTAL STUDY AREA

4,017 ACRES



TREE CANOPY

2017: 1,587 ACRES, 41%*

2009: 1,656 ACRES, 43%*



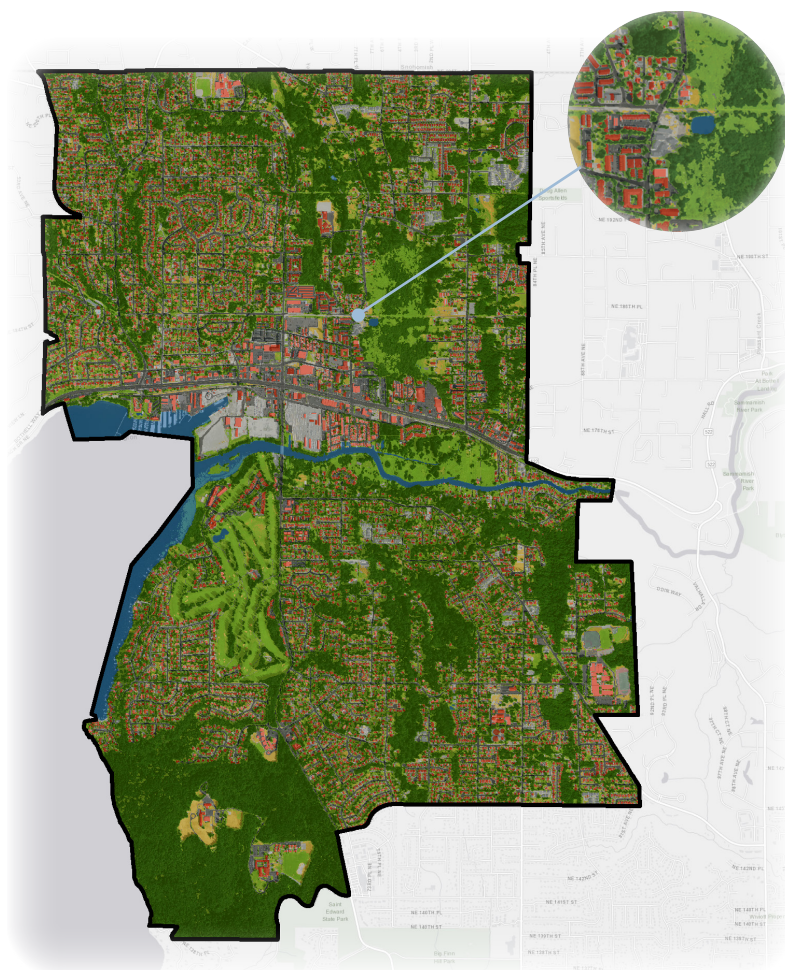
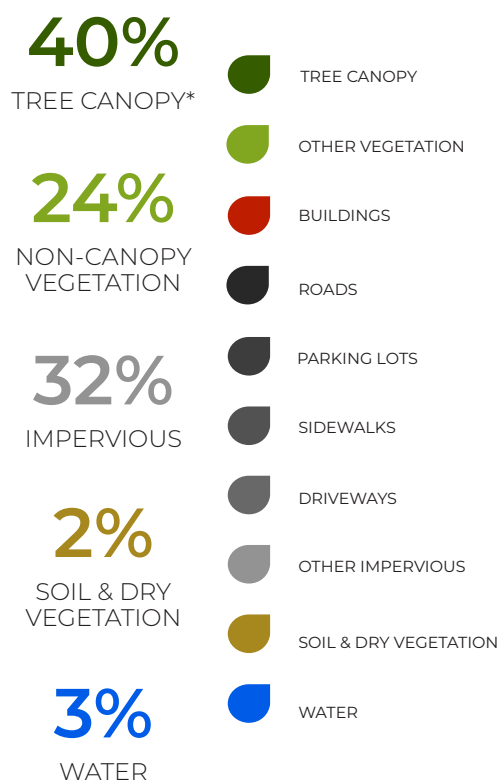
PLANTABLE SPACE

1,173 ACRES, 30%

**Urban tree canopy and possible planting area percentages are based on land area only.*

The urban forest in Kenmore is a valuable asset that provides residents and visitors with many ecological, environmental, and community benefits. This assessment analyzed the City's urban tree canopy (UTC), possible planting area (PPA), and change in UTC over an 8-year period (aerial Imagery 2009-2017). The results provide an updated baseline to develop strategies to protect and expand Kenmore's trees and natural areas during planning and development. The maps and project report help to concentrate efforts in areas where needs are greatest, tree planting space is available, and benefits can be realized.

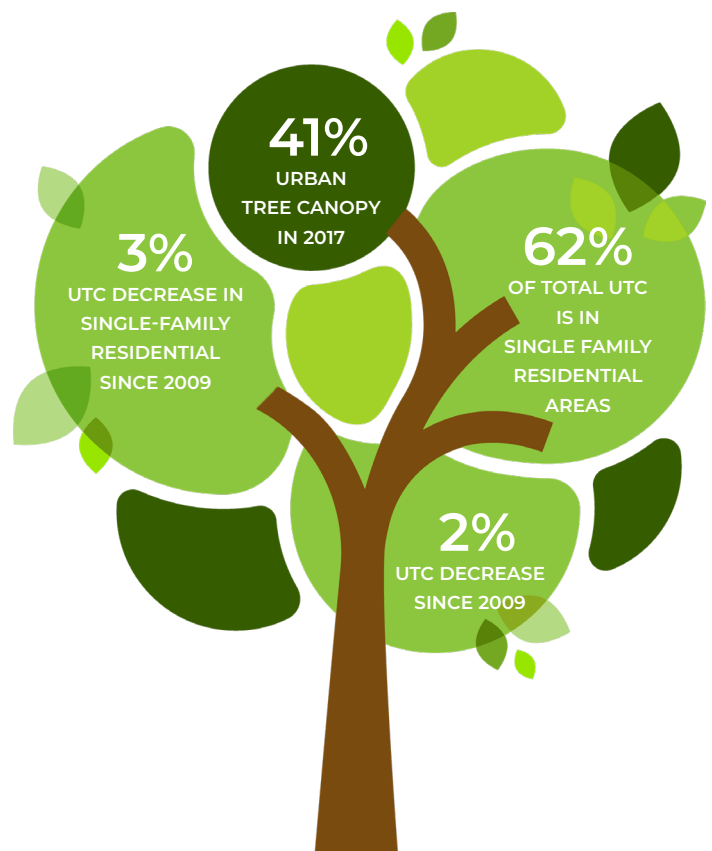
LAND COVER



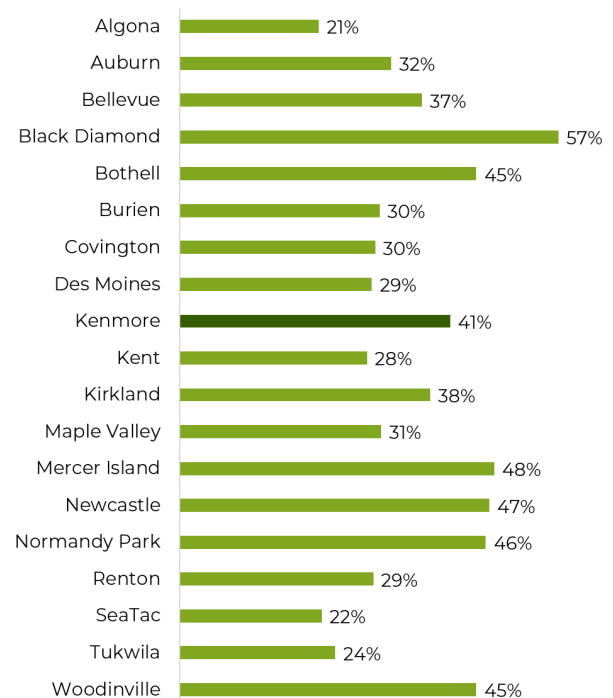
**Note: Land cover percentages are based on total area.*

categories to determine the distribution of existing and potential urban tree canopy throughout the city. Single-family residential and public use/institutional areas had the highest canopy coverage at 42% and 58%, respectively, and contained more than 90% of the City's total canopy. Single-family residential areas had a 3% loss of canopy cover but contained 64% of the City's total plantable space.

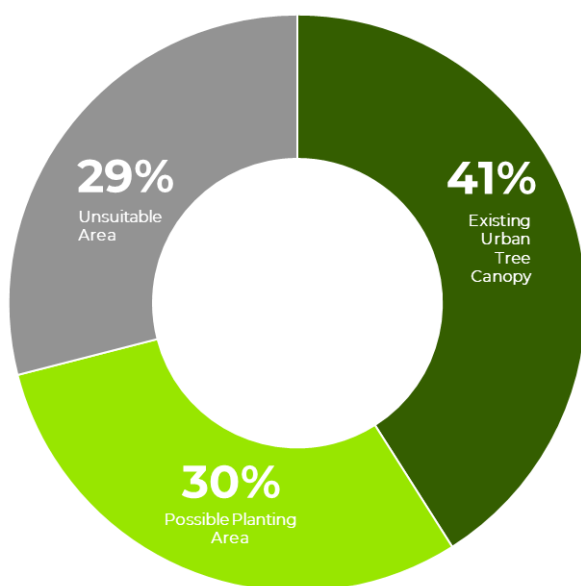
Urban Tree Canopy			
Land Use	Acres	%	Dist.
Central Business District	3	7%	0%
General Commercial	10	9%	1%
General Mixed Use	3	11%	0%
Single-Family Residential	977	42%	62%
Multi-Family Residential	47	28%	3%
Public Use/Institutional	452	58%	29%
Undesignated	93	20%	6%
Totals	1,586	41%	100%



COMPARING URBAN TREE CANOPY IN KING COUNTY COMMUNITIES



URBAN TREE CANOPY POTENTIAL



*Possible Planting Areas (PPA) were defined as vegetated areas without tree canopy and impervious surfaces such as parking lots and sidewalks. These areas may not be suitable for planting to increase canopy due to slope, views, soils, or other limitations. Field surveys to identify suitable planting areas are advised.



Local Food | Healthy Forests | Clean Water | Better Ground

Funded by King Conservation District, PlanIT Geo used high-resolution aerial imagery from the USDA's National Agriculture Imagery Program (NAIP) to map and measure current tree canopy and possible planting areas and to quantify changes in canopy in Kenmore. The results and metrics were then analyzed by watershed, zoning, and census block. This information will be used to aid the City's decision-making around land use planning, community development, and urban forest management.

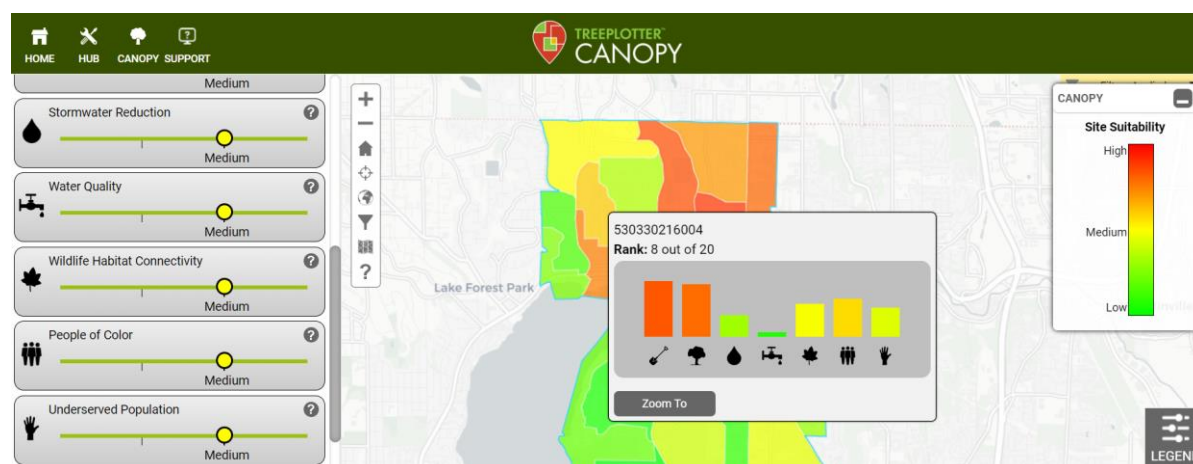
In particular, Kenmore wanted to explore how their tree canopy had changed since their first assessment was done in 2017. Results show that the City has gained 204 acres of tree canopy, representing a positive change of 5%.

UTC Change Metrics by City Boundary

Kenmore	Total Area (Acres)	Land Area (Acres)	UTC 2017 (Acres)	UTC 2017 (%)	UTC 2021 (Acres)	UTC 2021 (%)	UTC Change 2017-2021 (Acres)	Raw Change (%)	Relative Change (%)
	4,017	3,900	1,586	41%	1,790	46%	204	5%	13%

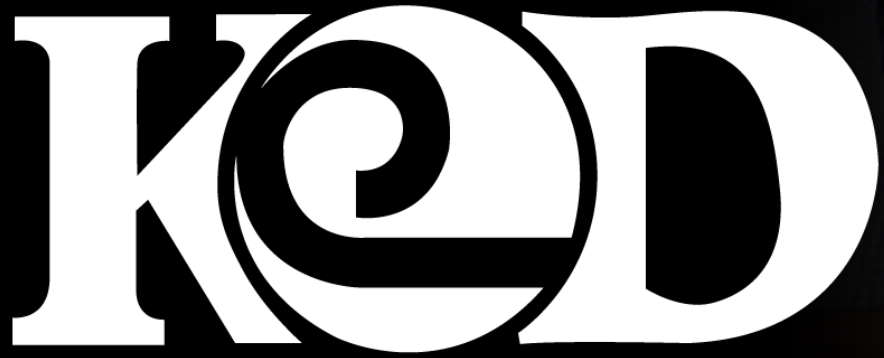
Increases were noted across all zoning categories – with the exception of neighborhood business. The analysis also revealed that there is still room to plant more trees in Kenmore. The study estimates that 22% of Kenmore is potential planting area – while 33% is unsuitable. Recommended zoning to concentrate on are R-1 residential, golf course, R-6 residential and R-4 residential.

With the data provided by PlanIT Geo, tree canopy and planting opportunities can also be analyzed by census block prioritized by factors such as income, habitat connectivity, or stormwater reduction. GIS layers were provided to the City of Kenmore but a visualization of Kenmore's tree canopy and possible planting areas is also available online at: <https://pg-cloud.com/KingCD-Cities/>



2023 TREE CANOPY ASSESSMENT

Samantha Loyuk, Development Services Director
Ellen Arnstein, King Conservation District



King Conservation District

KCD is a nonregulatory, special purpose district, with a mission to **promote the sustainable use of natural resources** through voluntary stewardship in King County. They provide technical assistance to private residents in forest management, farm conservation planning, wildfire preparedness, and streamside and shoreline enhancement. They also work with cities and other organizations to support community gardens, urban forest canopy, and local food systems.

KENMORE TREE CANOPY ASSESSMENTS

2019 & 2023
(2017 & 2021 data)



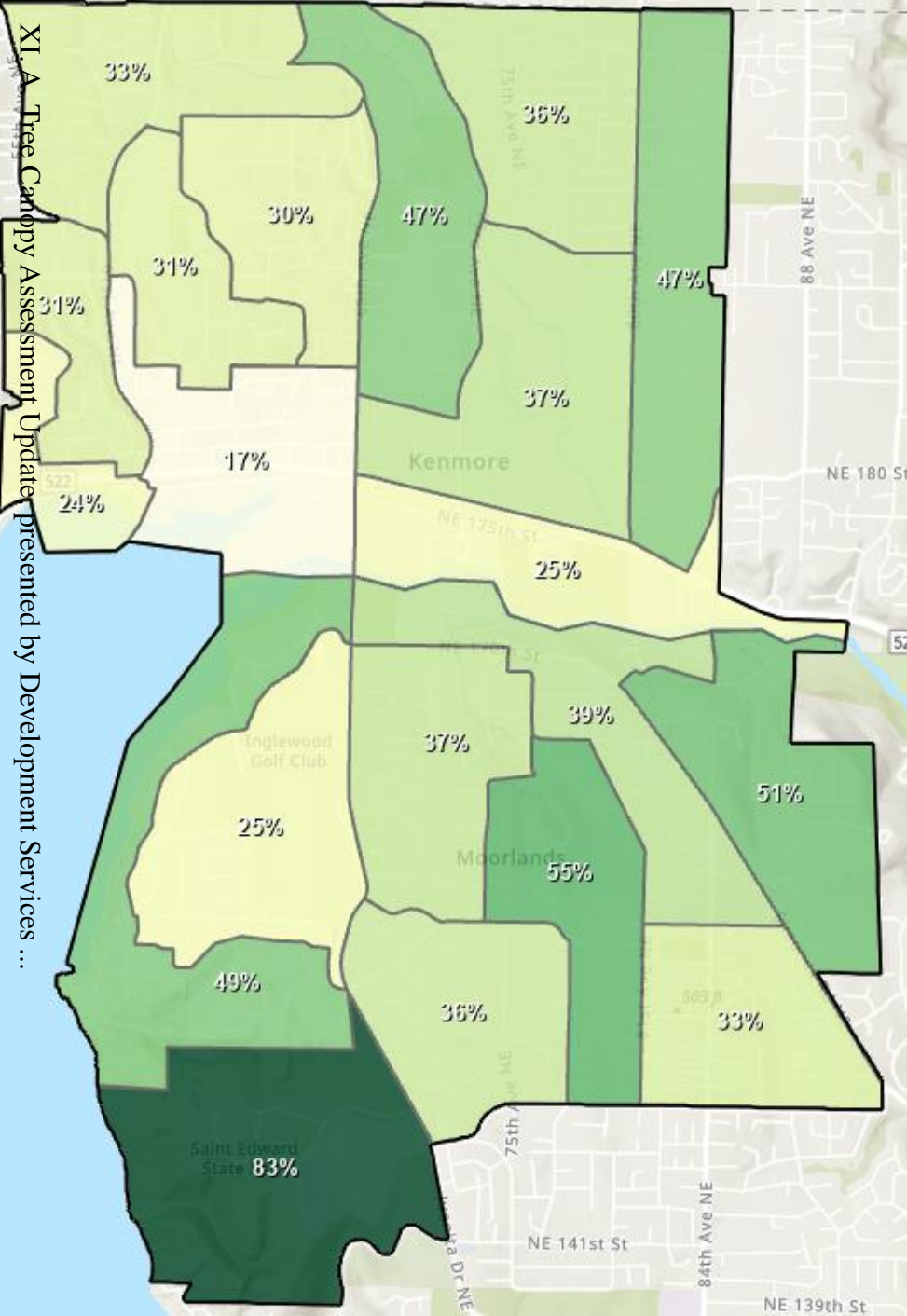
2017 DATA

- 41 % canopy coverage, city-wide
- Data shows a 2% loss in tree canopy since 2009
- Single-family residential and public use/institutional uses had the highest canopy coverage at 42 % and 58 %
- “Increased efforts should be made to preserve the city’s existing urban forest through revised management actions.” — KCD (Page 20, 2019 Tree Canopy Assessment)

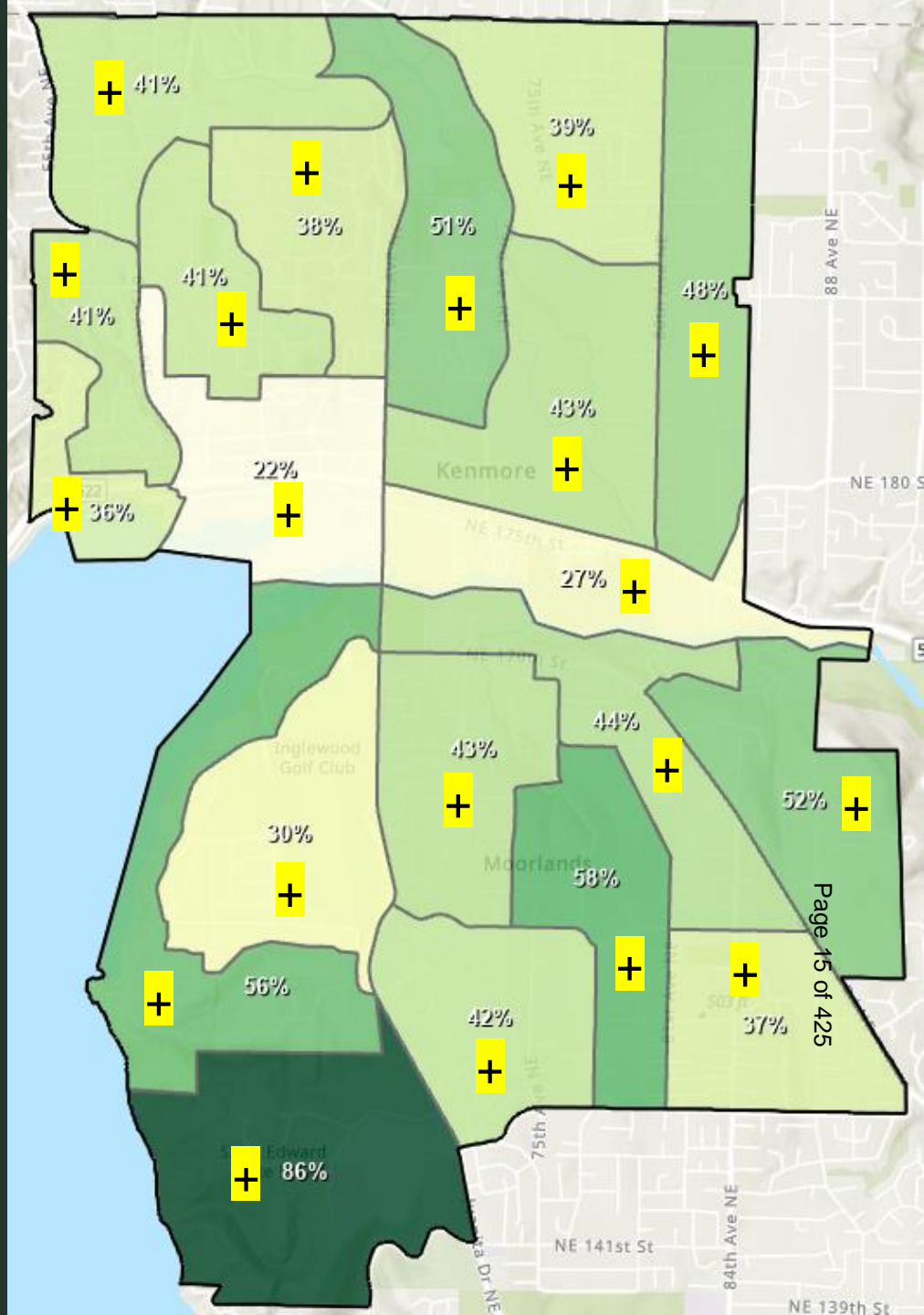
2021 DATA

- 46% canopy coverage, city-wide
- Data shows a 5% gain in tree canopy since 2019
- 5% gain = 204 acres of tree canopy!



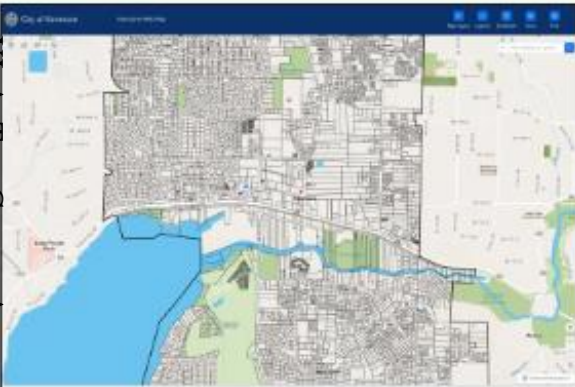


2017 DATA



ACCESSING RESULTS





Kenmore GIS Viewer

Kenmore GIS Viewer is an interactive map that allows the Kenmore community to access and view...



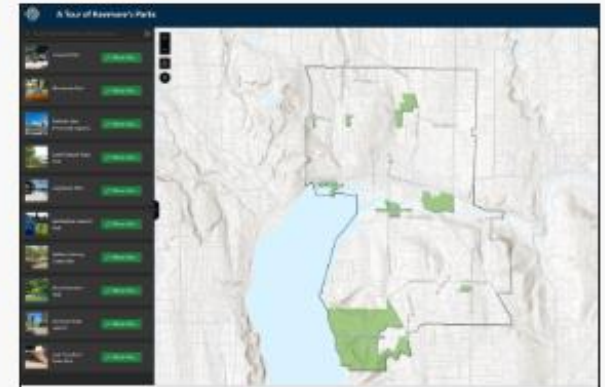
Traffic Map Viewer

Kenmore's Traffic Map Viewer allows the user to view the most up to date traffic related data from the City of...



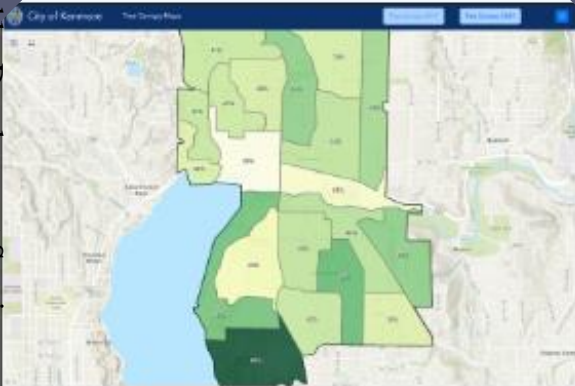
Kenmore Plat Mapper

Kenmore's Plat Mapper shows historic plat map boundaries and the popups for each feature contain...



Kenmore Parks Tour

Take an in-depth tour of Kenmore's parks by clicking on the park bookmarks to the left. Click on a...



Kenmore Tree Canopy Maps

A comparison of tree canopy coverage by census block between 2017 and 2021.

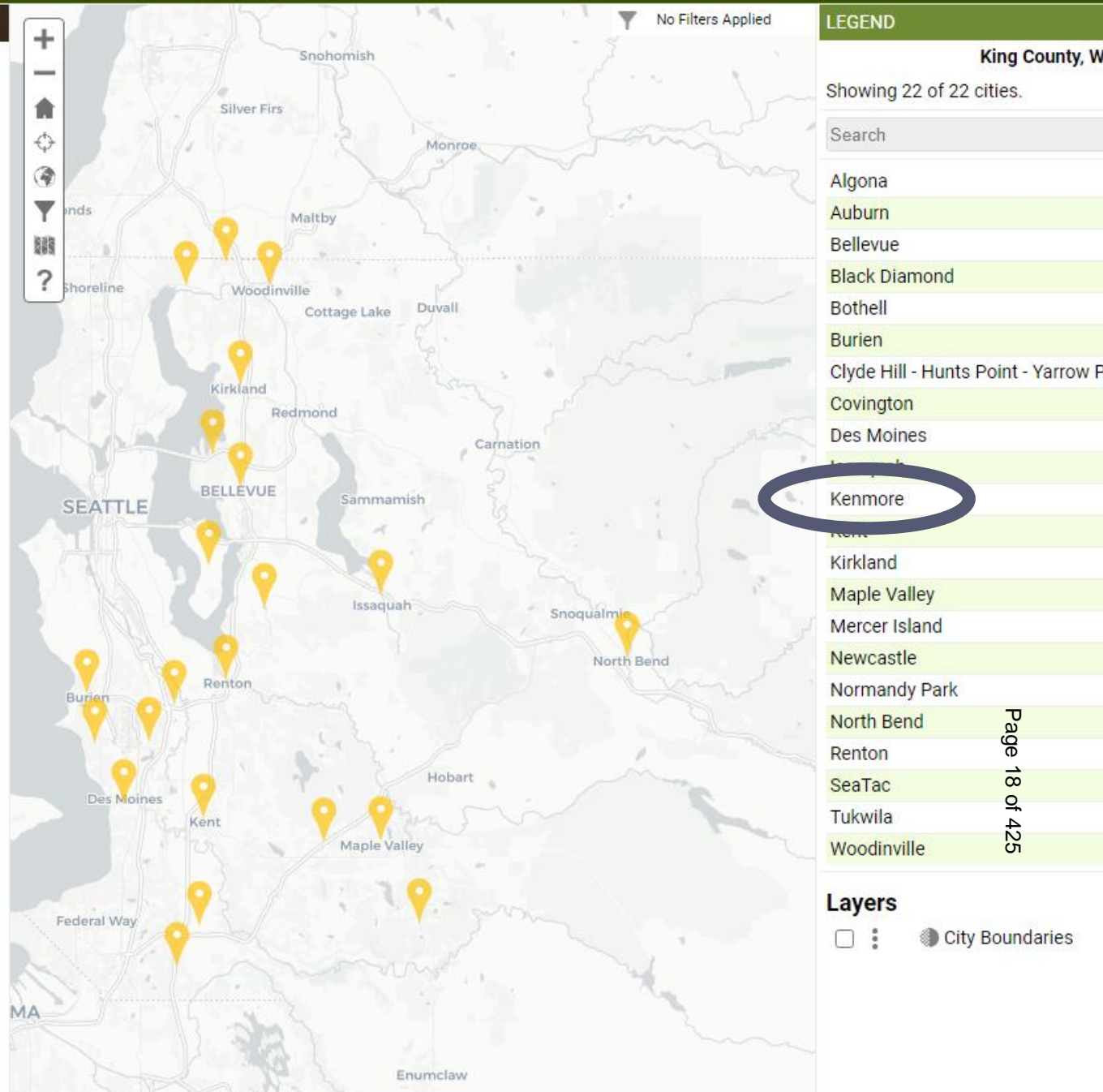
KENMORE GIS

<https://kenmore.maps.arcgis.com/home/index.html>



KCD WEBSITE

<https://pg-cloud.com/KingCD-Cities/>



NEXT STEPS

<p>Subject/Topic: 2024 CAP Workplan</p>	<p>For Council Meeting Agenda of: Nov 20, 2023</p> <p>Department: Public Works, Env Services Division</p> <p>Prepared by: Richard Sawyer, Env Services Manager; Nina Rasmussen, Climate Action Plan Program Manager</p>										
<p>Proposed Council Action/Motion: 2024 CAP Workplan Approval</p>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><u>Initial & Date</u></td> </tr> <tr> <td>Approved by Department Head:</td> <td style="text-align: right;"><u>RS 11/7/23</u></td> </tr> <tr> <td>Approved by City Attorney:</td> <td style="text-align: right;"><u>N/A</u></td> </tr> <tr> <td>Approved by Finance Director:</td> <td style="text-align: right;"><u>MM 11/8/23</u></td> </tr> <tr> <td>Approved by City Manager:</td> <td style="text-align: right;"><u>RK 11/8/23</u></td> </tr> </table> <p>Exhibits/Attachments:</p> <ul style="list-style-type: none"> Agenda Bill & Packet from the 10/23 City Council meeting 		<u>Initial & Date</u>	Approved by Department Head:	<u>RS 11/7/23</u>	Approved by City Attorney:	<u>N/A</u>	Approved by Finance Director:	<u>MM 11/8/23</u>	Approved by City Manager:	<u>RK 11/8/23</u>
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City Council approval of the 2024 CAP Workplan.

On October 23, 2023, staff presented the CAP 2023 Annual Report to the City Council to provide updates on climate work conducted to date, staff recommendations on climate actions to consider immediately (2023-2024), and ongoing actions to consider through 2029 that achieve the City's first GHG emissions reduction target of 50% in 2030. Several actions are funded with existing revenue and grant funds were identified for immediate implementation of two projects, including urban forestry planning and EV infrastructure planning. Unfunded projects are awaiting evaluation during the Financial Sustainability Plan and the 2025-2026 biennium budget processes for funding recommendations.

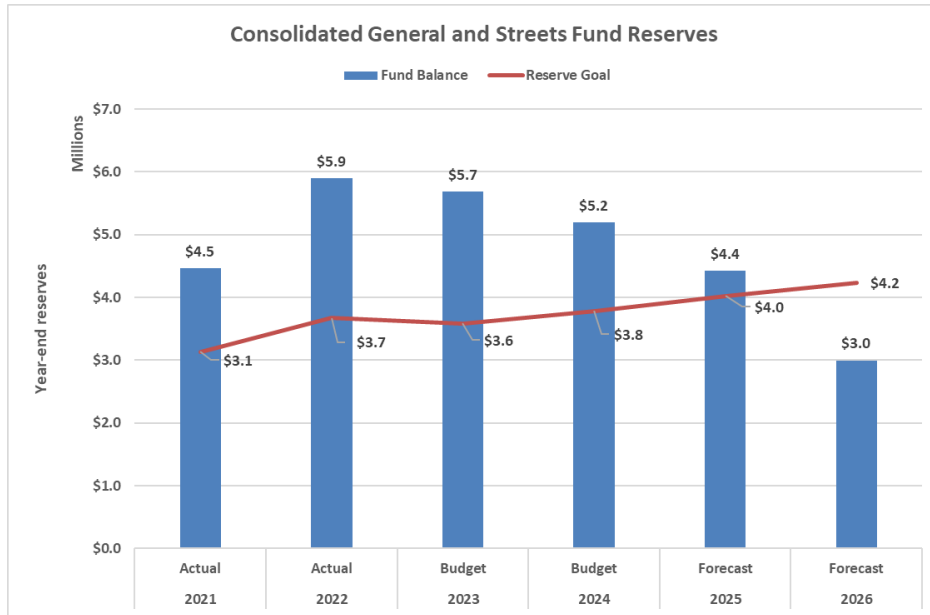
The City Council discussed many aspects of the proposed climate action workplan at their October 23rd meeting, but staff was not directed to make any substantive changes. The following table summarizes the climate action workplan for 2024, which is very similar to the original table presented on October 23rd. Clarification was added to the funding description to indicate grant funding sources for two of the projects that are currently being applied for, including one from the Washington State Department of Commerce and one from the Washington State Department of Natural Resources. Otherwise, projects notated with grant funding are yet to be determined.

CAP Workplan	2023-2024+	Ongoing
EV Infrastructure Plan (EV charging)	Grant* (plan)	Grants (implementation) FSP (implementation)
Solarize Kenmore Program	Existing Funds	Existing Funds
Green Power Program (w/ incentive program)	Existing Funds (Outreach)	FSP (Incentives) Grants
Green Jobs hub	Grant (feasibility study) Existing Funds	FSP (implementation)
Climate Advisory Committee	Existing Funds	Existing Funds Grants
Education & Outreach Program	Grants Existing Funds	Grants FSP
Urban Forest Management Plan	Grant** (plan)	FSP (implementation) Grants
Natural systems & habitat restoration	SWM Grants, Loans	SWM Grants, Loans
Expand solar at City Hall	Grant	FSP (implementation) GF, SWM
Electrify City fleet		FSP (implementation) GF, SWM
LED Streetlight replacement		FSP (implementation) Grants, GF
Public Works Operations Center solar		Grants, GF, SWM, Loans
FSP – CAP Team will work with Financial Sustainability Plan Staff & Task Force Grant – Project relies on grant for <u>funding</u> SWM – Project is funded through Surface Water Management Fund GF – General Fund * Applying for WA Dept. of Commerce grant ** Applying for a WA Dept. of Natural Resources grant		
Fiscal Consideration: 2024 costs associated with projects will be funded with utility tax and TBD vehicle license fee revenue, grants, general fund and SWM capital funds.		
City Council Priority or Budget Objective Being Addressed: 1. Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.		



City Council Agenda Bill City of Kenmore, WA

<p>Subject/Topic: Climate Action Plan Implementation</p> <p>Proposed Council Action/Motion: Discussion and Feedback.</p>	<p>For Council Meeting Agenda of: Oct 23, 2023</p> <p>Department: Environmental Services</p> <p>Prepared by: Nina Rasmussen, Climate Action Plan Program Manager; Richard Sawyer, Environmental Services Director</p> <table border="0"><thead><tr><th></th><th><u>Initial & Date</u></th></tr></thead><tbody><tr><td>Approved by Department Head:</td><td><u>RS 10/13</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>N/A</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>N/A</u></td></tr><tr><td>Approved by City Manager:</td><td><u>RGK 10/13</u></td></tr></tbody></table> <p>Exhibits/Attachments:</p> <ul style="list-style-type: none">• CAP 2023 Annual Report• Revenue and Expenditure Forecast		<u>Initial & Date</u>	Approved by Department Head:	<u>RS 10/13</u>	Approved by City Attorney:	<u>N/A</u>	Approved by Finance Director:	<u>N/A</u>	Approved by City Manager:	<u>RGK 10/13</u>
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Approved by Department Head:	<u>RS 10/13</u>										
Approved by City Attorney:	<u>N/A</u>										
Approved by Finance Director:	<u>N/A</u>										
Approved by City Manager:	<u>RGK 10/13</u>										
<p>The City Council's number one priority continues to be the implementation of the City's adopted Climate Action Plan (CAP), to promote environmental stewardship, and to restore and preserve habitat. Staff will present the attached CAP 2023 Annual Report to provide updates on climate work conducted to date, staff recommendations on climate actions to consider immediately (2023-2024), and ongoing actions to consider through 2029 that achieve the City's first GHG emissions reduction target of 50% in 2030.</p>											
<p>Fiscal Consideration:</p> <p>Staff recommend moving forward with CAP actions that 1) are fundable with the existing CAP budget, 2) can be funded with grants, and 3) leverage partnerships with other agencies. Staff propose that any new proposed CAP actions that need additional funding be wrapped into the context of the Financial Sustainability Plan discussions.</p> <p>At the June 30 – July 1 retreat, the City Council was presented with a multi-year budget forecast. Due to the state-imposed 1% limit on property tax growth, high inflation, a big jump in police costs, relatively flat growth in other revenues, unfunded state and federal mandates, and other factors, the City's operating revenues are not keeping pace with the cost of doing business. As a result, the City of Kenmore faces an upcoming structural deficit in its operating budget (General Fund and Street Fund).</p> <p>During the June 30 -July 1 retreat, the City Council was presented with the following budget picture which shows how the structural deficit affects the projected combined ending fund balances (i.e., Reserves) of the General Fund and Street Fund.</p> <p>XIII. Review of the 2024 Climate Action Plan (CAP) Workplan.</p>											



The above graph shows the reserves declining and falling below the reserve goal (which is 20% of the operating budget) in 2026. A recession, more high inflation, and other phenomena could cause the reserves to decline even sooner than is shown on the above graph. For more detailed information on revenue and expenditure projects, see [this forecast](#) that was also presented at the City Council retreat.

The City’s financial health must be a top priority and is a prerequisite to meaningful climate work. Therefore, new CAP programs or staffing above and beyond what’s already funded or beyond what grants and partnerships can provide need to be folded into the Financial Sustainability Plan process, which is about to get underway and should wrap up by the end of March 2024.

City Council Priority or Budget Objective Being Addressed:

1. Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.



City of Kenmore, Washington

**City Council Meeting
October 23, 2023**

Climate Action Plan 2023 Annual Report

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

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Appendix B – Community Workshop Actions Added by Public 36

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EXECUTIVE SUMMARY

The City has developed and is implementing a climate action plan and the plan requires an annual update to the City Council. This update summarizes actions worked on this year and outlines proposed plans for 2024 through 2029.

2023 Recap Highlights

- Hired a Climate Action Program Manager
- Hired a part-time consultant (grants specialist)
- Grant research
- Developed and adopted a Climate Action Element (Comprehensive Plan)
- GHG emissions inventory update underway
- Starting a Climate Action Advisory Committee
- Education and outreach
- Develop expedited habitat conservation/restoration capital plan

2024-2029 Proposed Next Steps

- Develop an Urban Forest Management Plan (grant funded)
- Develop an EV Infrastructure Plan (grant funded)
- Ramp up education and outreach to the community (additional funding needed)
- Work in concert with the Financial Sustainability Plan process to strategize a funding plan to fund ongoing climate programs, including education and outreach
- Push for energy efficient buildings (education & outreach and incentives)
- Push for electric vehicles (education & outreach and incentives)
- Push for clean energy sources (lobbying efforts, education & outreach and incentives)
- Produce a Green Economy/Jobs Strategy
- Implement sustainable waste management initiatives, including more composting and recycling
- Increase energy efficiency of municipal operations (EV fleet, solar energy improvements, efficient streetlights)
- Move forward on more habitat conservation and restoration projects

Implementation of these actions is critical to achieve the City's GHG emissions reduction targets (50% by 2030 is the first target) and to increase the community's resiliency to climate impacts affecting the city now and into the future. Work in all sectors of the CAP is being done; however, resources are primarily focused on reducing emissions in *Buildings & Energy* and *Transportation & Land Use* community-wide, which account for over 91% of Kenmore's (community-wide) emissions, and in habitat conservation/restoration

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and urban forest management, which are the primary actions identified for increasing community resiliency.

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INTRODUCTION

In 2020, the City Council set a vision and priority for creating a climate action plan for the City. After numerous outreach efforts, public engagement events, and many City Council meetings, the Kenmore City Council unanimously voted to adopt the first City of Kenmore Climate Action Plan (CAP) on May 16, 2022. The CAP establishes actions the City and community can take to reduce greenhouse gas (GHG) emissions 50% by 2030, 75% by 2040, and achieve net zero GHG emissions by 2050. The CAP also provides strategies to adapt to future climate change impacts. The strategies and actions in the CAP include five focus areas: Buildings & Energy, Transportation & Land Use, Consumption & Materials Management, Natural Systems & Water Resources, and Community Resilience & Wellbeing. Additionally, the City identifies actions it can take in its day to day operation of the City to reduce GHG emissions identified as Municipal Operations.

Reducing Greenhouse Gas Emissions

The following figure summarizes the primary sources of GHG emissions in the City. Knowing where the City's emissions come from helps guide where City resources and time should focus to achieve GHG emission reduction goals.

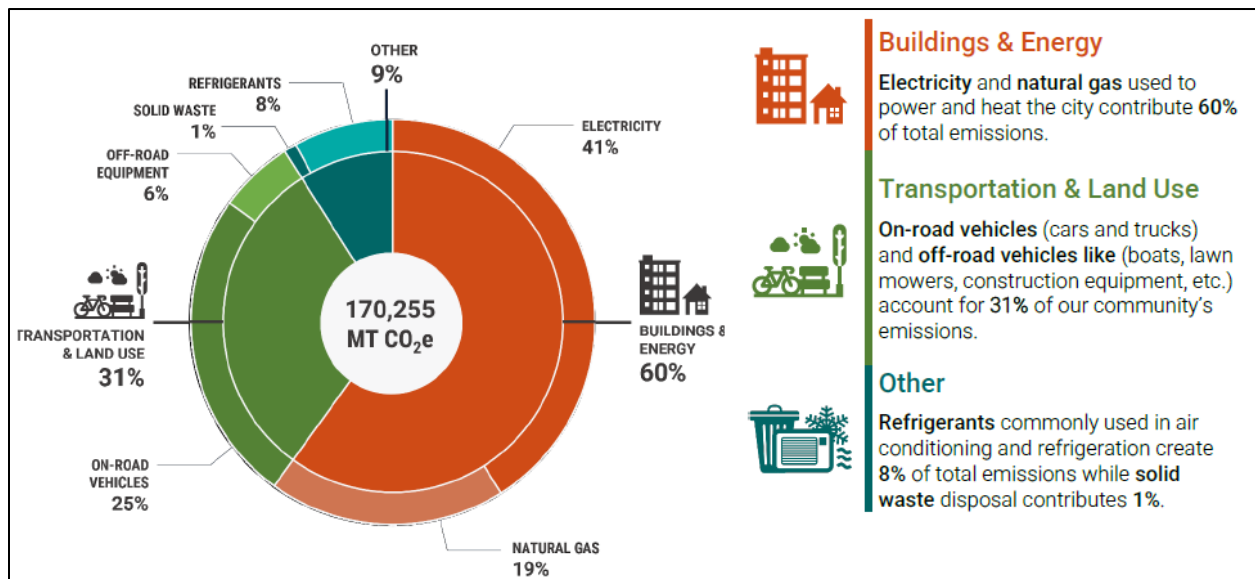


Figure 1: 2019 City of Kenmore GHG Emissions

The City's primary source of GHG emissions come from the electricity and natural gas used to power and heat the community. Transportation and land use come in second, which primarily includes the use of vehicles. These two sectors account for 91% of GHG emissions and efforts should be prioritized to implement actions here first.

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In addition to understanding where the City's GHG emissions come from, the figure below demonstrates that the City must support regional efforts to reduce emissions. Building and energy codes that push climate action must be supported and lobbied for, fuel standards must improve, and one of the most important factors in achieving our climate goals is to have a clean energy source powering our electrified homes, businesses, and vehicles by ensuring that the State Clean Energy Transformation Act (CETA) is successful.

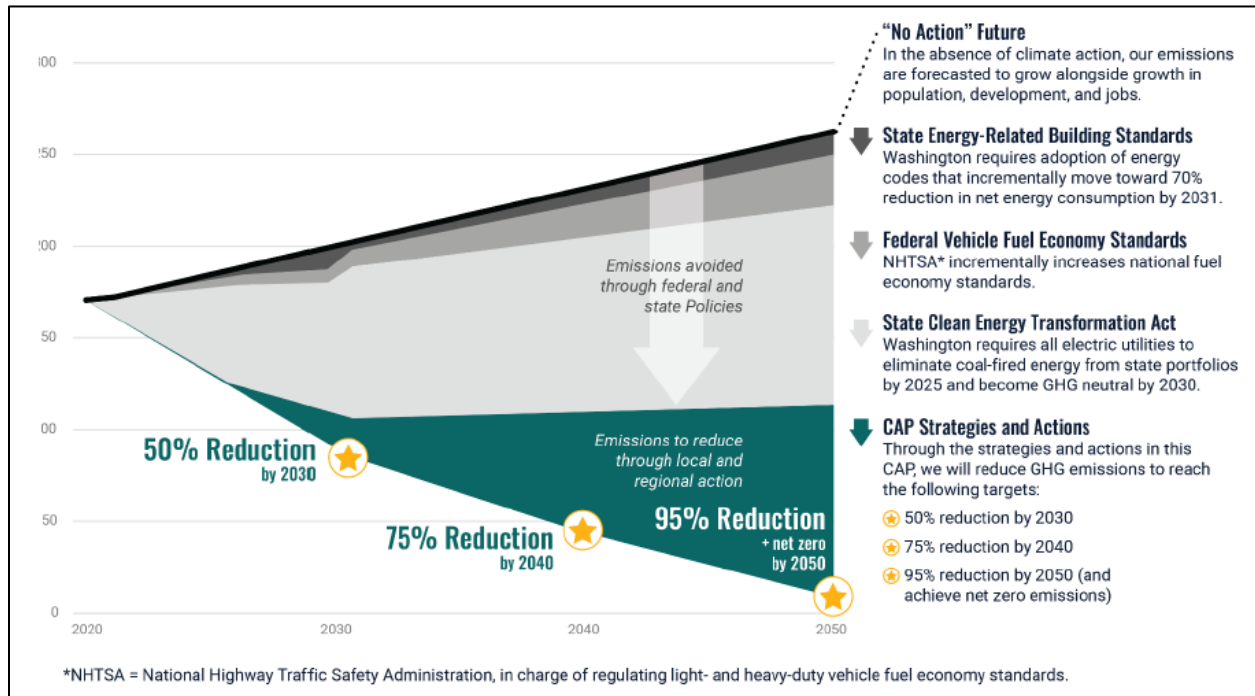


Figure 2: Emissions Reduction Goals and Key Actions

Increasing Community Resiliency and Adapting to Climate Impacts

An important aspect in Kenmore's climate planning and action is building resilience for communities and ensuring the ability to respond and adapt to climate impacts or events.

Being located on the shorelines of Lake Washington and the Sammamish River with miles of tributaries providing riparian habitat connected through urban forests, wetlands and floodplains provide the City with opportunities to counter impacts of climate change through conservation, restoration and protection of these natural resources. These natural environments provide carbon sequestration and can buffer some impacts of climate change in progress as local weather patterns change. Environmental stewardship needs to remain a priority.

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Additionally, as the City implements actions to achieve climate goals it must recognize that different members of the community face different challenges and not everyone has the same ability to adapt to these changes. Equity considerations will be included with any action the City implements.

To better anticipate potential adverse impacts, monitoring and evaluation is conducted on a regular basis. This includes regularly updated reports, such as Climate Vulnerability Assessments to better understand the local and regional risks and GHG emissions inventories to determine emissions trends. These evaluations can inform the direction of programming to best prepare for climate impacts.

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COMMUNITY & PARTNERSHIPS

In completing climate action work it is crucial that the City of Kenmore forms partnerships to achieve regional and local goals. Additionally, receiving feedback, concerns, priorities and other input from the public is a necessary step to ensure Kenmore's work benefits all residents. Involving the community has occurred at various points in the planning process and will continue in future milestones and processes.

Some of Kenmore's existing partners include:

- King County-Cities Climate Collaboration (K4C)
 - K4C is a regional partnership that brings together local governments to accelerate climate action through joint efforts and resource sharing.
- ICLEI
 - ICLEI is an international organization that provides support to local jurisdictions in climate planning and reporting. ICLEI's ClearPath tool is used to track GHG emissions and determine projections for reductions.
- Olympia Community Solar
 - Kenmore's in-the-works residential solar campaign is being led by Olympia Community Solar, a regional non-profit that works to bring solar to more communities and that advocates for solar-friendly legislation.
- Northwest Electric & Solar
 - A local solar installer based in Kenmore, Northwest Electric & Solar has supported climate education through the Go Electric series and continues to be an involved participant in providing helpful solar knowledge to the community.
- Lake Forest Park & Shoreline
 - Kenmore began a partnership with the cities of Lake Forest Park & Shoreline earlier this year to host a summer seminar series. Staff are currently exploring other opportunities for collaboration with the cities.

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OPERATING BUDGET & GRANTS

Climate Action Operating Budget

City Council approved three funding sources to establish a climate action operating budget in March 2023. Ongoing Surface Water Management (SWM) funds are also budgeted to support climate action. The following table summarizes the current climate action operating budget.

Funding Source	Estimated Annual Revenue
Natural Gas Utility Tax	\$42,546
Solid Waste Utility Tax	\$175,120
TBD Vehicle License Fee	\$104,469
SWM Service Charge	\$20,000
Total Annual	\$342,135

Climate Action Grants

Grants are a critical component of the City's implementation plan and staff have been working, with assistance from a consultant hired earlier this year, to research, prioritize and, if feasible, apply for grant funds to support climate action.

- Urban & Community Forestry (Washington Department of Natural Resources)
 - This funding supports the development of an Urban Forest Management Plan, a tree canopy assessment, public tree inventories, education and outreach, and tree planting and pruning. Awards range between \$5,000-\$40,000 with a 50% match requirement.
- Climate Planning (Washington State Department of Commerce)
 - Funding to support the addition of climate elements in comprehensive plan updates. This may include implementation items related to a climate element. Kenmore has a formula funding designation of \$500,000 to be guaranteed through 2029. The current round of funding offers \$30 million in total to be dispersed.
- Charge Where You Are (Washington Department of Ecology)
 - Grant provides funding for EV charging installation for fleets and workplaces, multi-unit residential buildings, and publicly available charging. \$1 million is available covering up to \$10,000 per plug or up to 80% of project costs.
- Washington State Electric Vehicle Charging Program (Washington State Department of Commerce)

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- Similar to the Ecology EV grant, this funding prioritizes multi-family, public, and fleet charging access, with a focus on overburdened areas. \$64 million is available, covering between \$7,500-\$85,000 per plug, depending on charger type.
- Climate Pollution Reduction Grant – Phase II (Environmental Protection Agency)
 - Phase II grants will be awarded to implement GHG reduction programs identified in a Priority Climate Action Plan in Phase I. Puget Sound Regional Council and Puget Sound Clean Air Agency will develop the plan with input from municipalities. Awards will be given in a range between \$2 million and \$500 million but will be very competitive. A collaborative approach is intended for successful applications.

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CAP CURRENT IMPLEMENTATION (2022 - 2023)

The City hired a Climate Action Program Manager in May 2023, established an ongoing funding source to support Climate Action staff and programs, developed and adopted a new Climate Action Element in the City's Comprehensive Plan, hired a consultant to work with the CAP Manager on researching and applying for grant opportunities, provided climate education and outreach at several city and partnered events, and continued meeting with City Council and the community to develop this continually evolving plan to progress the City towards its climate action goals.

Climate Action Element – Comprehensive Plan Update

Development of a Climate Action Element was identified as an action in the City's CAP. After the adoption of the CAP, the Growth Management Act added a Climate Element as a requirement in Comprehensive Plan updates moving forward. The City was awarded an \$80,000 grant to develop a Climate Element, which is currently on schedule for City Council adoption in November 2023.

The Climate Element establishes climate goals, objectives, and policies for consideration in all of the City's on-going and long-term planning. Citywide implementation efforts, including the City's primary implementation plan, the CAP, will be consistent with the Climate Element.

The Element was reviewed by City Planning Commission and the community from February - June 2023 and City Planning Commission provided their final recommendation for City Council action in June 2023. Staff completed SEPA and Commerce review by September 2023 and presented the draft Climate Element to City Council in September 2023. The Climate Element is currently scheduled to be adopted November 2023.

Education & Outreach

Education and outreach efforts are one of the primary tools for implementing change needed to achieve the City's climate goals. The following opportunities were provided to the community throughout 2023.

Go Electric Series

The City of Kenmore partnered with the cities of Shoreline and Lake Forest Park to implement a summer seminar series around home electrification. Each city hosted an event to inform residents about clean energy and energy efficient options in their homes. The topic areas presented were induction stoves, home solar, and heat pumps. Staff plan on continuing this partnership to provide additional seminars and workshops in the future.

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Farmers Market Outreach

Staff engaged Farmers Market attendees through climate trivia and educational materials over the summer. Residents were asked how much they knew about climate change to help establish a baseline for future education needs. Staff also focused on educating children through activities and youth-tailored information.

Concert Series Outreach

Staff provided hands-on activities and games for concert attendees to learn about surface water and water quality. The Adopt-a-Drain program was promoted alongside other actions people could take related to climate change.

25th Anniversary Celebration Outreach

Kenmore's 25th anniversary was an opportunity to engage residents about the climate work that has been done thus far and Kenmore's climate plans for the future. Staff promoted the community workshop and encouraged residents to provide feedback in person and online. Energy and transportation were focus areas and staff showcased the electric GEM utility vehicle as an example

Information Pieces Via the City's Media Channels

The City has published a number of climate and environmental stewardship articles in its various media, including the quarterly newsletter, weekly top four listserv, and other channels.

Greenhouse Gas Emissions Inventory

An update to Kenmore's Greenhouse Gas Emissions Inventory is underway. Cascadia Consulting created Kenmore's first inventory for 2019. The current update will provide information for 2021 to assess trends in emissions reductions. In 2024 an additional update will be completed by staff to provide 2023 emissions numbers and additional trends. The 2021 update is being reviewed for methodology to ensure a capture of all appropriate activities and a resulting robust inventory.

Grants Pursuit

In addition to the grants identified above, staff have spent considerable effort researching a number of funding opportunities to support Kenmore's climate action work. While not

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every opportunity has been a good fit and Kenmore was not always likely to be a competitive applicant, it is important to continue to research upcoming grants to continue to see progress in the City's climate goals.

CAP Community Workshop and Online Open House

The City of Kenmore hosted a community workshop in September 2023 to gather feedback from the public on existing project options and to have the public put forward their own project ideas. An online open house mirrored the content of the workshop and allowed for further reach. The open house was open for two weeks with a survey to gather feedback and a forum to pose projects. There was ample participation with several new projects and priorities noted. The feedback gathered in both formats helped to inform the CAP implementation recommendations below.

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PROPOSED CAP IMPLEMENTATION (2024 – 2029)

In Progress Items

The following table highlights actions that are currently in progress. These actions are possible through utilizing existing staff, resources, or upcoming grants.

Sector	Action
Buildings & Energy	Local and regional review of building/energy codes and lobbying efforts to promote CAP goals.
	Solarize Kenmore
	Support development of community solar projects
	Green Power Program
Transportation & Land Use	Encourage transition to electric vehicles
	Incorporate environmental justice criteria into land use decisions
	Provide dense, mixed-use, transit-oriented developments and affordable housing
	EV infrastructure plan and charging stations
Consumption & Materials Management	City facility composting
	Conduct education, outreach, and technical assistance to promote recycling and composting
	Green purchasing policy, incl. contracts and goods
	Require fast food/take out compostables in restaurants
	Require vendors at city events to compost/recycle
	Requiring composting + recycling in res + commercial
	Strengthen construction and demolition (C&D) diversion requirements
Municipal Operations	Embed climate action considerations in City planning efforts
	Retrofit + solarize city buildings
Community Resiliency & Wellbeing	Advisory committee
	Strengthen transportation resiliency
	Green jobs strategy + hub
	Education & Outreach Program
Natural Systems & Water Resources	Habitat restoration + long term stewardship
	Protect, preserve, and restore local waterways
	Stream Culvert replacements
	Develop an Urban Forest Management Plan and increase tree canopy

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Recommended Actions to Start/Continue

Staff have received input from City Council, City Planning Commission, the community, and regional partners on a variety of implementation actions and strategies to consider for the City. Implementing every option isn't feasible; therefore, staff have identified actions that are impactful, feasible and fundable. The table below summarizes staff recommended actions and more detail on each action is provided on the following pages. A list of actions identified prior to the community workshop is listed in Appendix A. This list also tallies community votes and compares relative impact to cost. Appendix B shows additional identified projects from the community.

Proposed Action	Funding Source	
	2023-2024	Ongoing
EV Infrastructure Plan (EV charging)	Grant (plan)	Grants (implementation) FSP (implementation)
Solarize Kenmore Program	CAOB	CAOB
Green Power Program (w/ incentive program)	CAOB (Outreach)	FSP (Incentives) Grants
Green Jobs hub	Grant (feasibility study) CAOB	FSP (implementation)
Climate Advisory Committee	CAOB	FSP Grants
Education & Outreach Program	Grants CAOB	Grants FSP
Urban Forest Management Plan	Grant (plan)	FSP (implementation) Grants
Natural systems & habitat restoration	SWM Grants, Loans	SWM Grants, Loans
Expand solar at City Hall	Grant	FSP (implementation) GF, SWM
Electrify City fleet		FSP (implementation) GF, SWM
LED Streetlight replacement		FSP (implementation) Grants, GF
Public Works Operations Center solar		Grants, GF, SWM, Loans
FSP – CAP Team will work with Financial Sustainability Plan Staff & Task Force Grant – Project relies on grant for funding CAOB – Project is funded through existing Climate Action Operating Budget with staff time and/or direct funds SWM – Project is funded through Surface Water Management Fund GF – General Fund		

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EV Infrastructure Plan

Action:	Develop an EV Infrastructure Plan and expand access to public EV charging
Source:	CAP: TL 3.2, Expand EV Charging CAE: Objective 3.3, Increase the percentage of electric vehicles (EV), electric equipment, and other low emission transportation modes operating within the city.
Description:	Develop a comprehensive EV infrastructure charging strategy that encompasses fleet, public, and private property charging. Plan would ensure charger installations are placed in high-demand and high-convenience areas and serve a broad range of the city. Increase number of EV charging stations throughout the city to encourage a faster transition to EVs.
Implementation Considerations:	Strategy planning lead time may delay implementation of EV charger placement. Requires coordination and cooperation of commercial businesses and multi-family housing complexes.
Key City Department(s):	Environmental Services: Project Management Engineering: Review Operations: Review, installation, maintenance Development Services: Review
Regional Partnerships:	Possibility to develop a regional strategy with neighboring cities
Deliverable:	EV Infrastructure Plan EV charging projects
Impact Potential:	Moderate potential for GHG emissions reduction.
Staffing	0.15 FTE Environmental Services Project Manager 0.10 FTE Fleet & Facilities Manager 0.10 FTE Maintenance Worker 0.05 FTE GIS Analyst 0.15 FTE Engineer
Consultant	Planning: EV Infrastructure Plan development
Budget	\$1,866,000 (2024-2029 Estimated Cost) \$251,000 (Average Annual Cost) Grant support may be possible through the Washington Department of Commerce for plan development. Additional rebates and grants are possible for EV charging installation.

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Solarize Kenmore Program

Action:	Implement a Solarize Kenmore Program
Source:	CAP: BE 2.1, Incentivize a full transition to electric or solar energy in existing buildings CAE: Goal 4, Eliminate GHG Emissions from Buildings through Energy Efficiency and Electrification.
Description:	Work with a regional solar educator and local installers to promote residential solar to residents. Residents would be able to take advantage of a bulk discount during the campaign period and be walked through the process with the educating organization.
Implementation Considerations:	Control and implementation of the project would largely lie in the hands of the solar educator. Equity – Bulk discount does not provide substantially easier means for low-moderate income households to implement.
Key City Department(s):	Environmental Services: Project Management, Education & Outreach
Regional Partnerships:	Build partnerships with local installers, solar non-profits
Deliverable:	Report on campaign from solar educator including GHG reductions
Impact Potential:	Moderate potential for GHG emissions reduction. Moderate potential for community resiliency.
Staffing	0.10 FTE Environmental Services Project Manager
Consultant	NA
Budget	\$14,000 (2024 Estimated Cost) Program costs shouldered by partner organization. Budget accounts for staff time needed to assist in program implementation.

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Green Power Program

Action:	Encourage residential enrollment in PSE's Green Power Program
Source:	CAP: BE2.2, Encourage enrollment in PSE's Green Power Program CAE: Goal 4, Eliminate GHG Emissions from Buildings through Energy Efficiency and Electrification.
Description:	Transition homes and businesses in the community to PSE Green Power program, which provides renewable energy sourcing. Kenmore would subsidize the additional cost on electricity bills that would be required, especially for low-income residents. Monitoring and evaluation would be required to report impacts. Education and outreach would be implemented to gain buy-in and participation from residents.
Implementation Considerations:	Incentive programs for community – need to develop criteria for low-income prioritization
Key City Department(s):	Environmental Services: Project Management, administration, education & outreach
Regional Partnerships:	PSE
Deliverable:	PSE Report – number of Kenmore program participants, quantified kWh moved to clean energy
Impact Potential:	High potential for GHG emissions reduction.
Staffing	0.025 FTE Environmental Services Program Manager 0.20 FTE Administrative 0.125 FTE Education & Outreach
Consultant	NA
Budget	\$357,000 (2024-2029 Estimated Cost) \$59,500 (Average Annual Cost)

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Green Jobs Hub

Action:	Transform Kenmore into a Green Jobs hub and bolster the green economy
Source:	CAP: CR 2.2, Develop a green jobs strategy CAE: Goal 15, Support a Resilient and Green Local Economy Community workshop: 1 st highest overall comment
Description:	Establish Kenmore as a business center for green jobs, green innovation and industry. This involves a multi-pronged approach to incentivize companies in the green economy to move/do business in Kenmore and to build a green workforce. Specific action items include: <ul style="list-style-type: none"> • Green jobs economic feasibility study • Joining EnviroStars as a community partner • Recruit green tech employers for any future Lakepointe development • Host green events (summits, job fairs, trainings)
Implementation Considerations:	Economic feasibility study may delay implementation of other actions
Key City Department(s):	Environmental Services: Project Management, administration City Manager's Office: Economic development, outreach
Regional Partnerships:	Potential to partner with local schools, universities, businesses, and land owners
Deliverable:	Green Jobs Economic Feasibility Study Green jobs projects Green jobs, companies (as percentages of total Kenmore workforce and businesses)
Impact Potential:	Moderate potential for community resiliency.
Staffing	0.025 FTE Environmental Services Program Manager 0.8 FTE Economic Development Manager (new)
Consultant	Planning: Green Jobs Economic Feasibility Study
Budget	\$978,000 (2024-2029 Estimated Cost) \$147,500 (Average Annual Cost) Staff anticipate the availability of grants to cover the Economic Feasibility Study. Costs for implementation could vary wildly based on the program options identified in the study.

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Community Climate Advisory Committee

Action:	Establish a Climate Advisory Committee comprised of Kenmore residents, business owners, and students
Source:	CAP: CR 1.2, Co-create climate communications with Kenmore's communities
Description:	Implement a committee to advise the City Manager on climate-related issues. The committee will work closely with City staff to review plans, reports, and strategies for climate action. The committee may also lead volunteer activities, events, and other outreach needs.
Implementation Considerations:	
Key City Department(s):	Environmental Services: Project Management, administration
Regional Partnerships:	Local community groups, neighborhoods, schools, business associations
Deliverable:	Advisory reports Community projects
Impact Potential:	Low potential for community resiliency.
Staffing	0.05 FTE Environmental Services Program Manager 0.05 FTE Administrative
Consultant	NA
Budget	\$102,000 (2024-2029 Estimated Cost) \$17,000 (Average Annual Cost)

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Education & Outreach Program

Action:	Establish an Education & Outreach program to support climate projects and goals
Source:	CAP: BE 2.2, Encourage enrollment in PSE's Green Power Program; TL 3.1, Encourage transition to electric vehicles; CM 2.2, Conduct education, outreach, and technical assistance to promote recycling and composting; NS 1.1, Conduct outreach and education on water conservation strategies; NS 1.2, Utilize educational campaigns to encourage low-impact, drought-resistant landscape development and design
Description:	An Education and Outreach program will support various climate projects and goals and establish key programming to reach youth, low-income residents, business owners, and others. An Education and Outreach Specialist would be hired to implement the program. Each category of projects has needs for education and outreach in some form, which this role would fill. The program would include reports on number of students reached, events held, and other key metrics.
Implementation Considerations:	Funding may only provide staffing for term-limited position to fulfill specific projects.
Key City Department(s):	Environmental Services: Project Management
Regional Partnerships:	Local community groups, neighborhoods, schools, business associations
Deliverable:	Outreach reports
Impact Potential:	Low potential for community resiliency.
Staffing	1.0 FTE Education & Outreach Specialist (new)
Consultant	NA
Budget	<p>\$720,000 (2024-2029 Estimated Cost) \$120,000 (Average Annual Cost)</p> <p>Budget covers cost to hire new position. The amount listed is the high-end estimate for a full-time position. Other options such as intern support and/or part-time staffing would significantly lower budget.</p> <p>Grant funding may be available to fund position in part as it relates to specific projects.</p>

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Urban Forest Management Plan

Action:	Develop an Urban Forest Management Plan Increase Tree Canopy
Source:	CAP: NS & WR Strategy 2, Preserve and restore natural systems CAE: Policy CA-5.1.2, Develop an Urban Forest Management Plan Community Workshop: 2 nd highest overall comment
Description:	Develop an Urban Forest Management Plan to preserve, maintain and increase the city's tree canopy. Implementation can include updated regulations, programs to incentivize community participation (e.g. tree giveaways, tree planting events), and improved forest management practices on public properties.
Implementation Considerations:	Leverage other conservation/restoration projects Landscaping, tree and critical area standards/regulations Incentive programs for community Establishment protocols to consider (watering, inspections)
Key City Department(s):	Environmental Services: Project Management Engineering: Review Development Services: Review, Permits Operations: Maintenance
Regional Partnerships:	NA
Deliverable:	Urban Forest Management Plan Tree planting projects Tree canopy (as percentage coverage and number of trees)
Impact Potential:	High potential for community resiliency. High potential for carbon sequestration.
Staffing	0.05 FTE Environmental Services Project Manager 0.05 FTE Environmental Services Technician 0.10 FTE Maintenance Worker 0.05 FTE GIS Analyst 0.025 FTE Administrative
Consultant	Planning: UFMP Development Arborist: Design, inspection Engineering: Design, permits (if needed) Property Acquisition
Budget	\$563,000 (2023-2029 Estimated Cost) \$93,833 (Average Annual Cost) Grant funding for development of the UFMP is anticipated.

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Habitat Restoration

Action:	Protect, preserve, and restore local streams, shoreline and wetlands through habitat restoration, conservation, and long-term stewardship.
Source:	CAP: NS & WR Strategy 2, Preserve and restore natural systems Community Workshop: 4th highest overall comment
Description:	Protect, preserve, and restore local waterways: Partner with local and regional environmental groups and other jurisdictions (e.g., Conservation Corps, King County, and other cities along Sammamish River) to restore and protect Lake Washington, Sammamish River, Swamp Creek, and other critical waterways through actions such as invasive species removal, water quality monitoring (e.g., harmful algae), and riparian habitat restoration and conservation.
Implementation Considerations:	Land Acquisition Environmental Review Permitting Establishment (watering, inspections)
Key City Department(s):	Environmental Services: Project Management Engineering: Review Development Services: Review, Permits Operations: Maintenance
Regional Partnerships:	NA
Deliverable:	Restoration Projects Land Acquisition/Conservation
Impact Potential:	High potential for community resiliency. High potential for carbon sequestration.
Staffing	0.10 FTE Environmental Services Project Manager (New) 0.05 FTE Environmental Services Technician 0.10 FTE Maintenance Worker 0.05 FTE GIS Analyst 0.025 FTE Administrative
Consultant	Engineering: Design, permits (if needed) Property Acquisition
Budget	\$8,452,600 (2023-2029 Estimated Cost) \$1,408,800 (Average Annual Cost) Project is highly competitive for conservation and restoration grants. Grant reimbursement of 50%-75% is anticipated for projects. Budget would be provided by SWM Fund.

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Replace Fish Passage Barrier Stream Culverts

Action:	Remove and Replace Fish Passage Barrier Culverts and Restore Riparian Habitat
Source:	CAP: NS & WR Strategy 2, Preserve and restore natural systems Community Workshop: 4th highest overall comment
Description:	Remove or replace fish passage barrier culverts and ensure they are adequately sized to accommodate increased peak flows resulting from climate impacts. Any new or replacement culverts will be fish passable, particularly for migrating salmonid species. Engage the public in restoring native salmon populations via public outreach campaigns.
Implementation Considerations:	Land Acquisition Environmental Review Long Design and Permit Schedules Fish Windows (Construction) Utility Coordination
Key City Department(s):	Environmental Services: Project Management Engineering: Review Development Services: Review, Permits Operations: Maintenance
Regional Partnerships:	NA
Deliverable:	Completed Culvert Projects
Impact Potential:	High potential for community resiliency. High potential for carbon sequestration.
Staffing	0.9 FTE Environmental Services Project Manager (New) 0.025 FTE Administrative
Consultant	Engineering: Design, permits Property Acquisition
Budget	\$15,987,200 (2023-2029 Estimated Cost) \$2,664,433 (Average Annual Cost) Grants are anticipated to reimburse 50% of construction costs. Budget would be provided from SWM Fund.

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Municipal Operations: Expand Solar at City Hall

Action:	Install additional solar panels at City Hall to maximize roof area and potential power output.
Source:	CAP: MO 1.2, Retrofit existing buildings to be energy efficient and carbon neutral CAE: Goal 4, Eliminate GHG Emissions from Buildings through Energy Efficiency and Electrification.
Description:	Increase City Hall solar output capacity by installing additional solar panels and/or replacing existing solar panels as needed.
Implementation Considerations:	Permitting
Key City Department(s):	Environmental Services: Project Management Operations: Facilities Management Operations: Maintenance
Regional Partnerships:	NA
Deliverable:	Solar Panels Electrical Upgrades (if required)
Impact Potential:	High impact for municipal operations. Low impact for overall community emissions.
Staffing	0.10 FTE Facilities and Fleet Management Supervisor 0.05 FTE Facilities Maintenance Worker
Consultant	Electrician: Design, installation, permits (if needed)
Budget	\$197,500 (Estimated Install Cost) \$2,500 (Ongoing Maintenance) Staff anticipate utilizing grants to cover most of the installation cost.

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Municipal Operations: Electrify City Fleet

Action:	Replace existing city fleet vehicles with electric vehicles (EV) when current vehicles reach the end of their lifespan. New vehicles added to the fleet shall be EV.
Source:	CAP: MO 2.2, Electrify the City's fleet CAE: Policy CA-3.3.1, Convert public-owned fleets to zero-emission vehicles as they need to be replaced (e.g., electric or renewably produced hydrogen) and as soon as feasible.
Description:	<p>In 2024, the City operates a fleet of approximately 11 passenger vehicles (car/SUV), 9 light trucks (e.g. Ranger, F150), 4 heavy trucks (e.g. F350 and larger). Additionally, the City operates one sweeper and one backhoe, which is included in this program.</p> <p>Vehicle lifespan can vary depending on usage, but 10 years is generally used for planning purposes. The City has 21 vehicles scheduled for replacement in 2024-2029, including the sweeper and the backhoe.</p> <p>Currently, based on state contract pricing, a premium of approximately 25% is expected on purchasing EV versus a gas-powered counterpart (e.g. 2023 Ford F150 base price is \$35,674 and 2023 Ford Lightning is \$44,792). This program funds the premium for upgrading to EV.</p> <p>Charging infrastructure will be required to support electric fleet. Installation of charging infrastructure can vary, and daily use vehicles will require dedicated chargers.</p>
Implementation Considerations:	<p>Some vehicles do not have comparable EV (e.g., large trucks)</p> <p>Potential long-term savings on charging versus gas</p> <p>Requires installation of charging infrastructure</p>
Key City Department(s):	<p>Environmental Services: Project Management</p> <p>Operations: Fleet Management</p>
Regional Partnerships:	NA
Deliverable:	<p>Electric vehicles</p> <p>Charging Infrastructure</p>
Impact Potential:	<p>High impact for municipal operations.</p> <p>Low impact for overall community emissions.</p>
Staffing	0.10 FTE Facilities and Fleet Management Supervisor
Consultant	NA
Budget	<p>\$602,750 (2023-2029 Estimated Cost)</p> <p>\$100,460 (Average Annual Cost)</p> <p>Staff anticipate that grants may become available for EV infrastructure installation.</p>

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LED Streetlight Replacement

Action:	Replace existing city streetlights with high efficiency LED lights.
Source:	CAE: Goal 4, Eliminate GHG Emissions from Buildings through Energy Efficiency and Electrification.
Description:	In 2023, the City operates approximately 1,341 streetlights. 309 streetlights are already LED, but 1,032 still need to be converted.
Implementation Considerations:	Upfront cost to replace streetlights Ongoing energy cost savings expected to be \$68,837, annually
Key City Department(s):	Operations
Regional Partnerships:	NA
Deliverable:	LED lights on all City operated streetlights
Impact Potential:	High impact for municipal operations. Low impact for overall community emissions.
Staffing	0.10 FTE Facilities and Fleet Management Supervisor
Consultant	Contractor will conduct installation.
Budget	\$460,000 (Estimated Installation Cost) Staff anticipate \$200,000 in grants are available for installation of LED lights reducing installation costs to \$260,000. Annual energy costs for streetlights is currently about \$243,974 and with LED lights that will reduce to about \$175,137.

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Public Works Operations Center Solar

Action:	Install a solar panel system at the Public Works Operations Center.
Source:	CAP: CAE: Goal 4, Eliminate GHG Emissions from Buildings through Energy Efficiency and Electrification.
Description:	The Public Works Operations Facility will be constructed “solar ready” meaning that the site will be designed to accommodate solar, conduit will be available for wiring and the electrical room will have capacity for upgrading. This action provides for the installation of solar after the site is constructed sometime in 2024-2025.
Implementation Considerations:	PWOC will be “solar ready”
Key City Department(s):	Environmental Services: Project Management Operations: Facilities Management
Regional Partnerships:	NA
Deliverable:	Solar system installation
Impact Potential:	High impact for municipal operations. Low impact for overall community emissions.
Staffing	0.10 FTE Facilities and Fleet Management Supervisor
Consultant	System will be installed by a contractor.
Budget	\$240,000 (Installation Cost Estimate) Staff anticipate that grants may become available for solar infrastructure installation.

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APPENDICES

Appendix A – CAP Action List

The following tables show all the actions provided by the CAP and additional actions identified by City Council and staff. Most items listed were presented to the public during the CAP Community Workshop and votes are tallied signifying public support. Items that were not presented are listed as “NA” under the Community Votes column. The diamonds indicate actions that staff are currently pursuing (included in the above In Progress Items chart). The check marks indicate items included in the recommended actions to start/continue.

Each action has a listed cost/impact ratio providing an estimated comparison of the outcome of the action versus the costs put into it. Costs and impacts are estimated on a “high”, “medium”, and “low” scale to determine the ratio.

+ = Higher impact than cost

o = Neutral

- = Higher cost than impact

Table 1: CAP action list for sector. Community input (if applicable) from September 2023 workshop. Cost/Impact considers cost relative to GHG emissions reduction potential or resiliency potential.

Sector	Action	Community Votes	Cost/Impact Ratio
Buildings & Energy	Advocate for increased electricity grid reliability	13	+
	Convert streetlights to LED ✓	16	o
	Energy audits for residents and businesses	10	o
	Heat pump incentives, rebates	29	o
	Ban gas-powered tools + replacement incentive	15	o
	Local and regional review of building/energy codes and lobbying efforts to promote CAP goals. ♦♦	NA	+
	PSE Green Direct	NA	+
	PSE Green Power – Community ✓*	21	+
	Solar incentives	NA	o
	Solarize Kenmore ♦♦✓	12	+
	Support development of community solar projects ♦♦	24	o

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Table 2: CAP action list for sector. Community input (if applicable) from September 2023 workshop. Cost/Impact considers cost relative to GHG emissions reduction potential or resiliency potential.

Sector	Action	Community Votes	Cost/Impact Ratio
Transportation & Land Use	Bike infrastructure – parking and charging	22	o
	Encourage transition to electric vehicles ♦♦	16	+
	Evaluate the development code related to landslide and flooding hazards	NA	o
	Incorporate environmental justice criteria into land use decisions ♦♦	15	+
	Micromobility/alternative transportation options	11	+
	Provide dense, mixed-use, transit-oriented developments and affordable housing ♦♦	19	o
	Trolley on wheels NS circularity	14	o
	EV infrastructure plan and charging stations ♦♦✓	12	+

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Table 3: CAP action list for sector. Community input (if applicable) from September 2023 workshop. Cost/Impact considers cost relative to GHG emissions reduction potential or resiliency potential.

Sector	Action	Community Votes	Cost/Impact Ratio
Consumption & Materials Management	Apply for Re+ grant to support business implementation	NA	+
	City facility composting ♦♦	NA	o
	Conduct city-wide waste audit and adopt waste prevention and diversion goals	11	o
	Conduct education, outreach, and technical assistance to promote recycling and composting ♦♦	21	o
	Green purchasing policy, incl. contracts and goods ♦♦	11	+
	Partner with Metropolitan Solid Waste Management Advisory Committee on policy, projects, and programs	NA	+
	Require fast food/take out compostables in restaurants ♦♦	20	+
	Require vendors at city events to compost/recycle ♦♦	14	o
	Requiring composting + recycling in res + commercial ♦♦	23	+
	Strengthen construction and demolition (C&D) diversion requirements ♦♦	16	+
	Support sustainable local food economy	29	o

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Table 4: CAP action list for sector. Community input (if applicable) from September 2023 workshop. Cost/Impact considers cost relative to GHG emissions reduction potential or resiliency potential.

Sector	Action	Community Votes	Cost/Impact Ratio
Municipal Operations	Backup power for critical facilities	NA	+
	Electrify City fleet ✓	17	-
	Embed climate action considerations in City planning efforts ♦♦	NA	+
	LID requirements in new/remodeled construction projects	14	o
	Prioritize sequestration opportunities on public lands	13	o
	PSE Green Power - Municipal ✓	21	+
	Require new City buildings to be energy efficient (adopt efficiency standards)	14	o
	Retrofit + solarize city buildings ♦♦✓	15	-
	Transition to native or drought-tolerant plants on City properties	31	+

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Table 5: CAP action list for sector. Community input (if applicable) from September 2023 workshop. Cost/Impact considers cost relative to GHG emissions reduction potential or resiliency potential.

Sector	Action	Community Votes	Cost/Impact Ratio
Community Resiliency & Wellbeing	Advisory committee 00✓	NA	o
	Conduct a study to expand on WSDOT's vulnerability assessment	8	-
	Create climate emergency resilience hubs	17	o
	Green Jobs Strategy ✓	34	o
	Mitigate impacts of green gentrification	NA	+
	Education & Outreach Program ✓	19	+
	Leverage strategic partnerships (Eastside Climate Challenge, EERC, UW Bothell, PERK, Citizens' Climate Lobby, People for Climate Change, etc.)	13	+
	Provide free or discounted air filter box fans	14	o
	Strengthen transportation resiliency 00	NA	o
	Study and evaluate air quality and extreme heat interactions	9	-
	Climate Action Tracking Platform/Coordination Effort (e.g., BrightAction)	NA	o

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Table 6: CAP action list for sector. Community input (if applicable) from September 2023 workshop. Cost/Impact considers cost relative to GHG emissions reduction potential or resiliency potential.

Sector	Action	Community Votes	Cost/Impact Ratio
Natural Systems & Water	City-wide stream + stream buffer delineation	NA	o
	City-wide wetland + buffer delineation	NA	o
	Conduct outreach and education on water conservation strategies	NA	+
	Design and install flood prevention projects	11	o
	Develop an urban landscape strategy or framework	14	o
	Habitat restoration + long term stewardship 00✓	29	o
	Incentivize infiltration & LID on private property	20	o
	Natural Yard Care, Native plant, and LID workshops	22	+
	Protect, preserve, and restore local waterways 00✓	NA	o
	Stream Culvert replacements 00		o
	Develop an Urban Forestry Management Plan 00✓	19	o
	Increase tree canopy 00✓	33	o

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Appendix B – Community Workshop Actions Added by Public

The following actions were provided by participants at the CAP Community Workshop and the Online Open House in September 2023. The “Stickers” column indicates support for these items from other attendees.

Comment	Category	Stickers
Assistance for electrical conversions needed to decarbonize local homes. These transitions are very complex, especially for older homes.	Buildings & Energy	
Call out PSE for being a fossil fuel corp. with fake green-energy programs (op-ed from City Council).	Buildings & Energy	18
Don't build an indoor aquatic center - huge gas consumer	Buildings & Energy	
Implement a commercial building emission standard (similar to Seattle's upcoming standard)	Buildings & Energy	6
Accelerate coding policy to require more efficient buildings, EV charging ready and LEED Gold+	Buildings & Energy	
No particle board, black mold	Buildings & Energy	
Require low carbon steel and cement in new buildings	Buildings & Energy	
Smart grid/load optimization to level-load energy needs	Buildings & Energy	
No cost permit for solar panels	Buildings & Energy	
Form a public utility district with surrounding communities to replace PSE. No coal or natural gas.	Buildings & Energy	
Educate adults with seminars, workshops and connections to companies who can provide green services.	Community Resilience	
Incentives for local tourism to show region natural beauty in a safe manner to travel companies (ecotourism)	Community Resilience	1
This would be partnering with NEMCo	Community Resilience	
End asphalt plant in Kenmore. Test all our waters for PCB and dioxins. Dirt too.	Community Resilience	2
Focus education on misinformation and disinformation	Community Resilience	
Locate appropriate places to install interactive water features to help people stay cool	Community Resilience	2

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Pea patch	Community Resilience	
Plastic bag ban means no plastic bags - "reusable" bags (plastic) should be included in the ban.	Consumption & Materials Management	2
Have a "waste monitor" at city events to ensure all waste ends up in the receptable intended for it	Consumption & Materials Management	
Compost at schools	Consumption & Materials Management	2
No need to ban gas lawn mowers. Public is already moving to electric mowers.	Consumption & Materials Management	1
I think we should ban small gas-powered equipment (leaf blowers, lawn mowers, etc.)	Consumption & Materials Management	
Pea patch/community gardens	Consumption & Materials Management	1
Ban single use plastics of all kinds (bags, straws, spoons, etc.)	Consumption & Materials Management	
Replace fireworks with an alternative (e.g., drone)	Consumption & Materials Management	
Acquire a kei truck > other large work trucks	Municipal Operations	1
Increase climate action budget (do more of these great ideas)	Municipal Operations	5
Upgrade city hall and all city buildings from current LEAD [sic] rating to zero emissions and include composting toilets.	Municipal Operations	1
Green roofs on city buildings with native plants	Municipal Operations	3
No more leaded aviation gas burned over Kenmore	Municipal Operations	
Restore Lake Washington Shoreline - No New Docks	Natural Systems & Water	
Rain Barrel Collection - Homes recycle commercial building rainwater	Natural Systems & Water	

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No more parking lots, especially in our natural areas. No new parking lot at Twin Springs.	Natural Systems & Water	
Annual native plant giveaway	Natural Systems & Water	
Rainwater collection encouraged in gardens to mitigate runoff into streams/Puget Sound	Natural Systems & Water	2
Swamp Creek invasive knotweed removal	Natural Systems & Water	1
Improve salmon spawning habitat (completely restore, stop buffer encroachment)	Natural Systems & Water	9
Incentivize/support lawns, pollinator gardens	Natural Systems & Water	
Plant shrubs, not trees along roadways	Natural Systems & Water	
Prohibit dogs/humans swimming in creeks during spawning season	Natural Systems & Water	1
Promote nonnative pollinator plants in urban environments. Native plants don't perform well in heat	Natural Systems & Water	
City should plan and identify locations for rain gardens and conifer trees with public ROW	Natural Systems & Water	
City should identify heavily forested neighborhoods as "urban forests." Educate and help property owners protect this resource. Encourage lawn removal and planting of nonnative habitat plants	Natural Systems & Water	
City should partner with KC parks to create a continuous tree canopy with native shrubs along BG trail	Natural Systems & Water	
City should pay property owners to permanently protect significant and exceptional trees on private property	Natural Systems & Water	
City should update city development standards for landscaping	Natural Systems & Water	
Tolt Pipeline trail to 185th station (trip 10mi to 3mi)	Transportation & Land Use	
On call electric fleet to provide rides to and from transit stops (as Bellevue's model)	Transportation & Land Use	3
Build boardwalks instead of removing trees with concrete busting roots	Transportation & Land Use	
Sound Transit link lite [sic] rail station here	Transportation & Land Use	3
Code for business/commercial bike parking and safety	Transportation & Land Use	2

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Not electric vehicles but non-petroleum vehicles	Transportation & Land Use	
More local work (i.e., offices, retail) to reduce need to travel out of Kenmore to work	Transportation & Land Use	1
Expand bicycle infrastructure north/south with access to B-G trail	Transportation & Land Use	3
Mindful on which company to partner with on microtransport	Transportation & Land Use	
Move away from NA zoning & favor European like Netherlands	Transportation & Land Use	
City should develop urban design plan for the TOD and downtown that emphasizes LID	Transportation & Land Use	

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City Council Agenda Bill City of Kenmore, WA

<p>Subject/Topic: Climate Advisory Committee Charter</p> <p>Proposed Council Action/Motion: Authorize the City Manager to establish a Climate Advisory Committee comprised of community members that advise the City Manager on climate-related matters.</p>	<p>For Council Meeting Agenda of: Nov 20, 2023</p> <p>Department: Environmental Services</p> <p>Prepared by: Nina Rasmussen, Climate Action Plan Program Manager; Richard Sawyer, Environmental Services Director</p> <table border="0"><tr><td></td><td><u>Initial & Date</u></td></tr><tr><td>Approved by Department Head:</td><td><u>RS 11/7/23</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>N/A</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>MM 11/8/23</u></td></tr><tr><td>Approved by City Manager:</td><td><u>RK 11/8/23</u></td></tr></table> <p>Exhibits/Attachments:</p> <ul style="list-style-type: none">Climate Advisory Committee Charter		<u>Initial & Date</u>	Approved by Department Head:	<u>RS 11/7/23</u>	Approved by City Attorney:	<u>N/A</u>	Approved by Finance Director:	<u>MM 11/8/23</u>	Approved by City Manager:	<u>RK 11/8/23</u>
	<u>Initial & Date</u>										
Approved by Department Head:	<u>RS 11/7/23</u>										
Approved by City Attorney:	<u>N/A</u>										
Approved by Finance Director:	<u>MM 11/8/23</u>										
Approved by City Manager:	<u>RK 11/8/23</u>										
<p>Summary:</p> <p>Establishing a Climate Advisory Committee has been supported by City Council and community members throughout 2023 and was identified as an action in the CAP update, presented during the October 23, 2023 City Council meeting and as a 2024 workplan item. The Climate Advisory Committee will be comprised of community members that advise the City Manager on climate-related matters.</p> <p>Community members have expressed interest in participating on a committee that provides an opportunity for more hands-on community input and engagement and involves the community throughout the decision-making process for policies, programs, and projects. To ensure climate action decisions are equitable and effective, staff will strive to reach a diverse group of community members and encourage them to apply for the committee so that it represents the varied communities and businesses located in Kenmore.</p> <p>With City Council approval, the Climate Advisory Committee Charter (attached) will be implemented to establish the committee and begin the process of recruiting community members. The committee will consist of seven members on 2-year terms. The committee is provided with a budget to cover stipends, if needed, and committee projects, with approval. Staff will facilitate committee meetings, but committee members will be responsible for determining meetings times and frequency, having effective discussions, and reporting their recommendations/feedback to the City Manager.</p>											

The committee and its members will serve at the pleasure of the City Manager, and the City Manager may suspend or discontinue the committee based on the needs, competing priorities, and other circumstances. The City Manager may amend the charter from time to time to meet the needs of the city and the committee or as a result of unforeseen circumstances.

Fiscal Consideration:

The committee may be allocated an annual budget to come out of existing climate action operating funds, not to exceed \$20,000 annually. Stipends will be offered to members upon request to address issues of access, not to exceed \$600 per member in a calendar year.

City Council Priority or Budget Objective Being Addressed:

1. Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.



Charter for Climate Advisory Committee

Mission

Climate action is an urgent need regionally and globally to ensure the resilience of communities and the reduction of greenhouse gas (GHG) emissions. Climate action is also an immediate priority for Kenmore's City Council. The projects and policies that will be developed by staff to implement the Climate Action Plan (CAP) will encompass all of Kenmore. As such, it is important that residents have an avenue of participation in the decision-making process and ensure actions are equitable.

To provide community perspective, the City will create a Climate Advisory Committee of residents and/or business representatives. The Committee will work on an ad-hoc basis to review strategy, plans, reports, and proposals, and advise the City Manager on climate-related matters.

Background

The CAP was adopted by the City Council in May 2022. The strategies and actions identified within the plan address both GHG emissions and climate change impacts.

Implementation actions fall within the following categories:

- Municipal operations
- Buildings & energy
- Transportation & land use
- Consumption & materials management
- Natural systems & water resources
- Community resilience & wellbeing

In February 2023 the City Council approved a set of taxes and fees to fund CAP implementation and hire a Climate Action Program Manager. The City is forming a Climate Advisory Committee to ensure that projects and policies put forward are those that are highly impactful and fundable through the budget, grants, and partnerships.

Organization

Membership: The Climate Advisory Committee will consist of seven members appointed through the selection process described in the following section.

Membership Selection Process: Members will be selected using the following criteria:

- Members will be residents of the City of Kenmore and/or own/work at a business physically located within the City or attend school in Kenmore.
- Members will be 16 years of age or older.

- It is the City's desire that the committee represents the community's diversity in demographics and life experiences, which may include, but is not limited to, factors such as age, housing type, and geography/neighborhood. Therefore, preference may be given to potential members to achieve diversity on the committee.
- Preference may be given to potential members with climate, sustainability, and ecosystem knowledge or experience for up to two member positions.
- Preference may be given to potential members with Diversity, Equity, Inclusion, and Accessibility (DEIA) experience for at least one member position.

Member Terms: Member terms will start on a staggered basis. 4 members will begin with a 2-year term and 3 members will begin with a 1-year term. All terms after will be for 2 years.

Meetings: Regular meeting frequency will be determined by the group, most likely on weekday evenings.

Meeting Stipend: A meeting stipend to offset member expenses will be available upon request, not to exceed \$600 per member in a calendar year.

Facilitator: The City will provide a staff member to facilitate to plan and moderate meetings to ensure: (1) all voices are heard, (2) the committee functions smoothly, (3) there are productive discussions between committee members on climate topics, (4) the committee has enough technical support to provide feedback to the City Manager, and (5) feedback is noted appropriately.

The committee and its members will serve at the pleasure of the City Manager, and the City Manager may suspend or discontinue the committee based on the needs, competing priorities, and other circumstances. The City Manager may amend the charter from time to time to meet the needs of the city and the committee or as a result of unforeseen circumstances.

Expectations

Committee members are expected to do the following:

- Come prepared to committee meetings.
- Treat one another, City staff members, and the public with respect, courtesy, and civility.
- Listen with an open mind.
- Ask questions to facilitate improved understanding of the issues and options.
- Think independently and speak on their own behalf as informed citizens, not as a designated representative of an organized group in the community.
- Share their viewpoint. Silence will be interpreted to indicate agreement.
- Work together with other committee members to develop advisory reports of recommendations to the City Manager if requested or as determined by the group.
- Maintain focus on *public benefit to all in the Kenmore community* in this work.

Authority and Responsibilities

The work of the committee will be brief, focused, and advisory in nature. The City Council retain decision-making authority. The committee provides recommendations to the City Manager, and it is at the City Manager's discretion whether such recommendations are presented directly to the City Council for consideration.

The committee will perform tasks such as the following:

Study and understand City of Kenmore's CAP: The committee will get dedicated access to staff who will present information on the City's CAP planning, completed work, and ongoing projects, answer questions on CAP budget and finances, and conduct research to facilitate understanding and assess options suggested by the committee.

Advise on and assist with public engagement process: The committee may be asked to review public engagement plans and advise on an appropriate process for this work. The committee's recommendations will consider available resources. Committee members may assist with and attend public engagement events, though at these events the committee members are encouraged to listen and observe to allow others to be heard.

The committee will review all public input and assist in synthesizing the information into useful formats for the City Manager's consideration.

Create committee advisory reports to City Manager: The committee will provide their thoughts and range of solutions to the City Manager in the form of advisory reports. The facilitator will help draft these reports. When approved by a vote of the committee, the advisory reports will be transmitted in full to the City Manager. A copy will be provided to the City Council and published on the City website for the public to read. Based on the committee's work and the work of City staff, the City Manager will then provide recommendations to the City Council for their consideration.

Community projects: The committee may be authorized to lead and participate in community projects consistent with the CAP, in the form of education & outreach, volunteer events, community service days, and others.

Provide feedback on the process: Committee members are welcome to provide input on the process while underway by email, phone, or in-person.

Selection Process

The City will accept letters of interest from qualified community members through December 31, 2023. Qualified community members may also be nominated for consideration by others. By January 31, 2024, the City Manager will select members based on the criteria listed here.



City Council Agenda Bill City of Kenmore, WA

<p>Subject/Topic:</p> <p>American Rescue Plan Act (ARPA) Catch-up Learning and Child-Care Support</p> <p>Proposed Council Action/Motion: Authorize the City Manager to execute Amendment 1 of Contract 23-C2929 to adjust time frame for Wednesdays at Cascadia from 2023/2024 academic year to 2024 calendar year.</p>	<p>For Council Meeting Agenda of: November 20, 2023</p> <p>Department: City Manager's Office</p> <p>Prepared by: Janet Quinn, Management Analyst (ARPA)</p> <table><thead><tr><th></th><th><u>Initial & Date</u></th></tr></thead><tbody><tr><td>Approved by Department Head:</td><td><u>SLL, 11/7/23</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>n/a</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>MM, 11/8/23</u></td></tr><tr><td>Approved by City Manager:</td><td><u>RGK, 11/8/23</u></td></tr></tbody></table> <p>Exhibits/Attachments: 1: Contract No. 23-C2929 2: Contract No. 23-C2929 Amendment 1</p>		<u>Initial & Date</u>	Approved by Department Head:	<u>SLL, 11/7/23</u>	Approved by City Attorney:	<u>n/a</u>	Approved by Finance Director:	<u>MM, 11/8/23</u>	Approved by City Manager:	<u>RGK, 11/8/23</u>
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Approved by Finance Director:	<u>MM, 11/8/23</u>										
Approved by City Manager:	<u>RGK, 11/8/23</u>										
<p>Summary: This amendment adjusts the contract time frame, as requested by Cascadia College, from the 2023-2024 school year to the 2024 calendar year. The summer 2024 academy to serve students during a two-week learning experience remains as originally approved. The value of the \$50,000 contract with Cascadia College to provide catch-up learning services has not changed.</p>											
<p>Information/Background: On May 16, 2022, the Kenmore City Council adopted a \$575,000 American Rescue Plan Act (ARPA) Work Program for 2022-2026 that included \$100,000 for Catch-Up Learning and Childcare Support. The City issued a Request for Proposals (RFP) on May 5, 2023, and Cascadia College responded with a scope of work that includes two programs: Wednesdays at Cascadia and a Summer 2024 Academy. The original contract was approved by Council on July 17, 2023, and the attached Amendment 1 modifies the term to align with the 2024 calendar year rather than the 2023/2024 academic year. Cascadia College requested that the program be adjusted to run Winter and Spring quarter 2024 and Fall quarter 2024 to coincide with the high school schedule and to capitalize on early release Wednesdays in Northshore. Cascadia is using the rest of this year to build internal infrastructure and to identify students in partnership with the Northshore School District.</p>											
<p>Fiscal Consideration: No change. The program uses one half of the \$100,000 allocated for catch-up learning and childcare support made possible by the City's receipt of \$6.4 million in ARPA funds. The two programs covered under this \$50,000 contract will be funded for the 2024 calendar year (Wednesdays at Cascadia) and through summer 2024 (Cascadia Academy).</p>											
<p>City Council Priority or Budget Objective Being Addressed: Goal #4: Promote Diversity, Equity, and Inclusion Goal #11: Respond to the Pandemic</p>											

CITY OF KENMORE CONTRACT NO. 23-C2929
AMENDMENT NO. 1
Cascadia College – ARPA Catch-Up Learning and Childcare Support

This Amendment No. 1 is entered into between the City of Kenmore, a Washington municipal corporation (“City” or “Kenmore”) and Cascadia College (“Consultant”) an institution of higher education accredited by the Northwest Commission on Colleges and Universities (NWCUE). City and Consultant are each a “Party” and together “Parties” to this Amendment.

The Parties hereby agree as follows:

RECITALS:

- A. The City and Consultant entered into an agreement on 7-18-2023 for the purpose of providing Catch-Up Learning services to Kenmore high school juniors and seniors through Wednesdays at Cascadia and Cascadia Summer Academy (“Agreement”).
- B. The Agreement needs to be amended to adjust the dates of service for Wednesdays at Cascadia from the 2023-2024 Academic Year to the 2024 Calendar Year, excluding Summer 2024.
- C. In order to make this change, the Agreement needs updating.

FIRST AMENDMENT TO AGREEMENT:

- 1. **Amendment.** The Agreement is hereby amended to read as follows:

Section 3. Duration of Agreement. This Agreement shall be in full force and effect for a period commencing on July 18, 2023, and ending March 31, 2024, unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

General Scope of Work in Exhibit A to be amended as follows:

WEDNESDAYS AT CASCADIA (ONE WEDNESDAY/MONTH DURING THE FOLLOWING 2024 CALENDAR YEAR QUARTERS: Winter 2024, Spring 2024, Fall 2024).

Reporting, Check-Ins, and Deliverables for Wednesdays at Cascadia

- Email check-ins between City and Cascadia College monthly (minimum)
- Mid-program update after end of Winter 2024 quarter, between March 15 and April 15, 2024, to include:
 - Teams or Face-to-Face meeting

Amendment No. 1 to Agreement between City of Kenmore and Cascadia College
Contract No. 23-C2929

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- Written participation and outcomes report
- Recommendations for program adjustment(s), if indicated

All other sections of Exhibit A remain as originally agreed upon.

Manner and Timing of invoices in Exhibit B to be amended as follows:

Invoice 1 – To be submitted by Consultant before January 31, 2024. Amount to cover the estimated cost of preparation, hiring, and program delivery through 2024 for Wednesdays at Cascadia, not to exceed \$40,000.00 unless by mutual agreement in writing in advance of submission.

Invoice 2 – To be submitted by Consultant in July 2024 to cover the estimated cost of preparation, hiring and program delivery for Cascadia Academy in Summer 2024.

Invoice 3 – To be submitted by Consultant before December 31, 2024. Amount to cover the balance due, if any, for Wednesdays at Cascadia service through Fall 2024 quarter.

The total compensation will not exceed \$50,000, the value of the contract.

2. **Severability.** The provisions of this Amendment are declared to be severable. If any provision of this Amendment is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision.
3. **Entire Agreement.** The written provisions and terms of this Amendment shall supersede all prior verbal statements of any officer or other representative of the parties, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Amendment. The entire agreement between the Parties with respect to the subject matter hereunder is contained in the Agreement and exhibits thereto, any prior executed amendments and this Amendment. Should any language in any of the Exhibits to the Agreement or prior amendments conflict with any language contained in this Amendment, then this Amendment shall prevail. Except as modified by this Amendment, all other provisions of the original Agreement and any amendments thereto not inconsistent with this Amendment shall remain in full force and effect.
4. **Effective date.** This Amendment shall be effective as of _____, 202__.

DATED this ____ day of _____, 20__.

CONSULTANT:

CITY OF KENMORE:

BY: _____

BY: _____

Name: _____

Rob Karlinsey

Title: _____

City Manager

Address: _____

APPROVED AS TO FORM:

Kenmore City Attorney's Office

Phone No.: _____

Amendment No. 1 to Agreement between City of Kenmore and Cascadia College

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XII. C. Authorize the City Manager to execute Amendment No. 1 of Contrac...

City of Kenmore Contract: 23-C2929

Authorized Amount: \$50,000

Date Start: July 18, 2023

Date End: December 31, 2024

**CITY OF KENMORE CONTRACT FOR SERVICES
Cascadia College – ARPA Catch-Up Learning and Childcare Support**

THIS AGREEMENT is entered into by and between the City of Kenmore, Washington, a municipal corporation ("City") and Cascadia College, ("Consultant") an institution of higher education accredited by the Northwest Commission on Colleges and Universities (NWCUE), located and doing business at 18345 Campus Way NE, Bothell, WA 98011 (hereinafter the "Consultant").

RECITALS:

WHEREAS, the American Rescue Plan Act (ARPA) was signed by President Biden on March 11, 2021, providing \$1.9 trillion in COVID-19 response and recovery funds across the United States including \$350 million for local, state, tribal, and territorial governments; and

WHEREAS, the City of Kenmore received approximately \$6.4 million in ARPA funding which must be allocated by the end of 2024 and expended by the end of 2026; and

WHEREAS, the Kenmore City Council, at its May 16, 2022 meeting, approved an ARPA Work Program that includes \$100,000 for Catch-Up Learning and Childcare Support; and

WHEREAS, the ARPA Final Rule presumes that any K-12 student who lost access to in-person instruction for a significant period of time has been impacted by the pandemic and is thus eligible for responsive services; and

WHEREAS, students within the City of Kenmore are in the service area of the Northshore School District, which was the first school district in the nation to close its schools to in-person learning to transition to virtual learning for just over a year due to the proximity of the first known U.S. COVID-19 outbreak in nearby Kirkland; and

WHEREAS, the Northshore School District is in the service area of the Consultant; and

WHEREAS, the City of Kenmore released a Request for Proposals (RFP) in May 2023 in search of a community organization to provide Catch-Up Learning and Childcare Support for Kenmore students; and

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WHEREAS, the Consultant applied under this RFP and was selected in a competitive process to provide these services; and

WHEREAS, the City desires to have the Consultant perform such services pursuant to certain terms and conditions;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

AGREEMENT:

1. Scope of Services to be Performed by Consultant.

The Consultant shall perform those services described on Exhibit "A," which is attached hereto and incorporated herein by this reference as if set forth in full. In performing such services, the Consultant shall at all times comply with all federal, state, and local statutes, rules and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith. The Consultant shall perform the services diligently and completely and in accordance with professional standards of conduct and performance. The Consultant shall request and obtain prior written approval from the City if the scope or schedule is to be modified in any way.

2. Compensation and Method of Payment.

The City shall pay the Consultant for services rendered according to the rates and methods set forth below. The Consultant shall request payment for work to be performed using the billing invoice form at Exhibit "C."

- | |
|---|
| <p><input checked="" type="checkbox"/> According to the rate and schedule set forth in Exhibit "B."
<input checked="" type="checkbox"/> A sum not to exceed <u>\$ 50,000.00</u></p> |
|---|

The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval. However, if the City objects to all or any portion of an invoice, it shall notify Consultant and reserves the option to only pay that portion of the invoice not in dispute. In that event, the Parties will immediately make every effort to settle the disputed portion.

The City further reserves the right to direct the Consultant's compensated services before reaching the maximum amount.

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The Consultant shall complete and return to the City Exhibit "D," federal tax Form W-9, prior to or along with the first billing invoice.

3. Duration of Agreement.

This Agreement shall be in full force and effect for a period commencing on July 18, 2023, and ending December 31, 2024, unless sooner terminated under the provisions of this Agreement. Time is of the essence of this Agreement in each and all of its provisions in which performance is required.

4. Ownership and Use of Documents.

A. *Ownership.* Any records, files, documents, drawings, specifications, data, or information, regardless of form or format, and all other materials produced by the Consultant and submitted to the City in connection with the services provided to the City, shall be the property of the City whether the project for which they were created is executed or not.

B. *Records preservation.* Consultant understands that this Agreement is with a government agency and thus all records created or used in the course of Consultant's work for the City are considered "public records" and are subject to disclosure by the City under the Public Records Act, Chapter 42.56 RCW ("the Act"). Consultant agrees to safeguard and preserve records in accordance with the Act. The City may be required, upon request, to disclose the Agreement, and the documents and records submitted to the City by Consultant, unless an exemption under the Public Records Act applies. If the City receives a public records request and asks Consultant to search its files for responsive records, Consultant agrees to make a prompt and thorough search through its files for responsive records and to promptly turn over any responsive records to the City's public records officer at no cost to the City.

5. Independent Consultant.

The parties intend that an independent contractor-client relationship will be created by this Agreement. As the Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or sub-consultant of the Consultant shall be or shall be deemed to be the employee, agent, representative or sub-consultant of the City. In the performance of the work, the Consultant is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance, and unemployment insurance are available from the City to the employees, agents,

representatives, or sub-consultants of the Consultant. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to the Consultant, or any employee of the Consultant. The Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives, and sub-consultants during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

6. Indemnification.

Consultant shall defend, indemnify, and hold the City, its officers, officials, employees, agents, and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorneys' fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

The provisions of this section shall survive the expiration or termination of this Agreement.

7. Insurance.

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. *Minimum Scope of Insurance.* Consultant shall obtain insurance of the types described below:

i. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services

Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

ii. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent Consultants and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.

iii. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

iv. Professional Liability insurance appropriate to the Consultant's profession.

B. *Minimum Amounts of Insurance.* Consultant shall maintain the following insurance limits:

i. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

ii. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

iii. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. *Other Insurance Provision.* The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

D. *Acceptability of Insurers.* Insurance is to be placed with insurers with a current A.M. Best rating of not less than A-VII.

E. *Verification of Coverage.* The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement,

evidencing the insurance requirements of the Consultant before commencement of the work.

F. *Notice of Cancellation.* The Consultant shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.

G. *Failure to Maintain Insurance.* Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

H. *No Limitation.* Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

8. Record Keeping and Reporting.

A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

B. The foregoing records shall be maintained for a period of seven (7) years after termination of this Agreement unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.

C. Documents and information identifying individual participants shall not be provided to the City but shall be retained by Consultant. Reporting to the City shall be done on an aggregate basis rather than by participant to preserve the anonymity of individual student participants.

9. City's Right of Inspection and Audit.

A. Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

B. The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by the City or State Auditor's office, or federal or other state agencies to verify expenditures and compliance with ARPA during the performance of this Agreement.

10. Consultant to Maintain Records to Support Independent Contractor Status.

On the effective date of this Agreement (or shortly thereafter), the Consultant shall comply with all federal and state laws applicable to independent contractors including, but not limited to the maintenance of a separate set of books and records that reflect all items of income and expenses of the Consultant's business, pursuant to the Revised Code of Washington (RCW) Section 51.08.195, as required to show that the services performed by the Consultant under this Agreement shall not give rise to an employer-employee relationship between the parties which is subject to RCW Title 51, Industrial Insurance.

11. Work Performed at the Consultant's Risk.

The Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and sub-consultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at the Consultant's own risk, and the Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held by the Consultant for use in connection with the work.

12. Termination.

A. The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, upon seven (7) days' prior written

notice. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports, or other materials prepared by the Consultant pursuant to this Agreement shall promptly be submitted to the City.

B. In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services performed and reimbursable expenses incurred to the date of termination.

C. This Agreement may be canceled immediately if the Consultant's insurance coverage is canceled for any reason, or if the Consultant is unable to perform the services called for by this Agreement.

D. The Consultant reserves the right to terminate this Agreement with not less than fourteen (14) days written notice, or in the event that outstanding invoices are not paid within sixty (60) days.

E. This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Agreement.

13. Force Majeure.

Notwithstanding anything to the contrary in this Agreement, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, governmental laws, regulations or restrictions, civil commotions, Casualty, actual or threatened public health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, declarations or quarantines by a governmental entity or health organization, breaches in cybersecurity, and other causes beyond the reasonable control of the party obligated to perform, regardless of whether such other causes are (i) foreseeable or unforeseeable or (ii) related to the specifically enumerated events in this paragraph (collectively, a "**Force Majeure**"), shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage. To the extent this Agreement specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Provided however, that the current COVID-19 pandemic shall not be considered a Force Majeure unless constraints on a Party's performance that result from the pandemic become substantially more onerous after the effective date of this Agreement.

14. Discrimination Prohibited.

The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement, on the basis of race, color, religion, creed, sex, sexual orientation, age, national origin, marital status, presence of any sensory, mental or physical disability, or other circumstance prohibited by federal, State or local law or ordinance, except for a bona fide occupational qualification.

15. Assignment and Subcontract.

The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City. Any assignment made without the prior approval of the City is void.

16. Conflict of Interest.

The Consultant represents to the City that it has no conflict of interest in performing any of the services set forth in Exhibit "A." In the event that the Consultant is asked to perform services for a project with which it may have a conflict, Consultant will immediately disclose such conflict to the City.

17. Confidentiality.

All information regarding the City obtained by the Consultant in performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination.

18. Non-Appropriation of Funds.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. This Agreement will terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of the provision are effectuated.

19. Employment of State Retirees.

The City is a "DRS-covered employer" which is an organization that employs one or more members of any retirement system administered by the Washington State Department of Retirement Systems (DRS). Pursuant to RCW 41.50.139(1) and WAC 415-02-325(1), the City is required to elicit on a written form if any of the Consultant's employees providing services to the City retired using the 2008 Early Retirement Factors (ERFs), or if the

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Consultant is owned by an individual who retired using the 2008 ERFs, and whether the nature of the service and compensation would result in a retirement benefit being suspended. Failure to make this determination exposes the City to significant liability for pension overpayments. As a result, before commencing work under this Agreement, Consultant shall determine whether any of its employees providing services to the City or any of the Consultant's owners retired using the 2008 ERFs, and shall immediately notify the City and shall promptly complete the form provided by the City after this notification is made. This notification to DRS could impact the payment of retirement benefits to employees and owners of Consultant. Consultant shall indemnify, defend, and hold harmless the City from any and all claims, damages, or other liability, including attorneys' fees and costs, relating to a claim by DRS of a pension overpayment caused by or resulting from Consultant's failure to comply with the terms of this provision. This provision shall survive termination of this Agreement.

20. Entire Agreement.

This Agreement contains the entire agreement between the parties, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties. If there is a conflict between the terms and conditions of this Agreement and the attached exhibits, then the terms and conditions of this Agreement shall prevail over the exhibits. Either party may request changes to the Agreement. Changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

21. Notices.

All notices or other communications required or permitted under this Agreement shall be in writing and shall be (a) personally delivered, in which case the notice or communication shall be deemed given on the date of receipt at the office of the addressee; (b) sent by registered or certified mail, postage prepaid, return receipt requested, in which case the notice or communication shall be deemed given three (3) business days after the date of deposit in the United States mail; or (c) sent by overnight delivery using a nationally recognized overnight courier service, in which case the notice or communication shall be deemed given one business day after the date of deposit with such courier. In addition, all notices shall also be emailed, however, email does not substitute for an official notice. Notices shall be sent to the following addresses:

Notices to the City of Kenmore shall be sent to the following address:

Janet Quinn, Management Analyst/ARPA
City of Kenmore
18120 68th Ave. NE
Kenmore, Washington 98028-0607

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Phone No.: 425-398-8900
Email: jquinn@kenmorewa.gov

Notices to the Consultant shall be sent to the following address:

Dr. Kerry Levett, Vice President for Student Learning and Success
Cascadia College
18345 Campus Way NE
Bothell, Washington 98011

Phone No.: 425-352-8860
Email: klevett@cascadia.edu

22. Applicable Law; Venue; Attorneys' Fees.

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit, which shall be fixed by the judge hearing the case and such fee shall be included in the judgment.

23. Compliance with Laws.

The Vendor agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or in the future become applicable to Vendor's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of those operations.

24. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Agreement.

25. Severability.

Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Consultant, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

Contract 23-C2929 Cascadia College
Page 11

IN WITNESS WHEREOF, the City and the Consultant have executed this Agreement as of the dates listed below.

CONSULTANT, CASCADIA COLLEGE

Signature: Kenny Levett

Name: Kenny Levett

Title: Vice President for Student Learning and Success

Date: July 17, 2023

CITY OF KENMORE

Signature: Rob Karlinsky

Name: ROB KARLINSEY

Title: CITY MANAGER

Date: 7/17/2023

APPROVED AS TO FORM

Dawn Reitan

Kenmore City Attorney's Office

EXHIBIT A

Scope of Services to be Provided by Consultant. The Consultant shall furnish services including, but not limited to, the following outlined here or attached separately.

Cascadia College: Wednesdays at Cascadia & Cascadia Summer Academy

Project Directors:

- Dr. Kerry Levett, Vice President for Student Learning and Success
- Chari Davenport, Executive Director of Equity and Inclusion

Project Lead: TBD

2023-2024 Overview of Working Project Plan

City Contact for Communications:

- Janet Quinn, Management Analyst/ARPA (primary)
- Garrett Oppenheim, Assistant to the City Manager/ARPA (secondary)

WEDNESDAYS AT CASCADIA (ONE WEDNESDAY/MONTH 2023-2024 ACADEMIC YEAR)

Program Content/Subjects to include some or all of the following:

College Success Skills

- Career exploration/Planning your path
- Civic Engagement/Advocacy
- How to pay for college
- Navigating college (Intro to College Success)
- Critical Thinking

Academic Skills

- Basic hands-on lab skills
- Learning skills
- Math isn't scary
- Information literacy (library, media, research)

Program Provided Resources

- Basic supplies such as notebooks lab supplies
- Calendar and daily agenda
- Peer mentors
- Transportation accommodation included in program (parking vouchers, vans, ORCA cards or other)

Operational Details:

Program Day/Time

Contract 23-C2929 Cascadia College

Page 13

- 2.5-3 hours – One Wednesday afternoon/month after school district early release time
- One mentor session per month

Recruiting Plan/Outreach

- Principals (Inglemoor, Bothell)
- AVID staff (Inglemoor HS)
- Social media with Inglemoor / Bothell high school students
- Parents

Criteria for Participation

- Students residing in 98028 zip code only, unless excess capacity available after accommodating all eligible Kenmore applicants
- Junior or Senior in high school
- May include students not currently attending school, provided:
 - They were enrolled in K-12 school pre-pandemic
 - They would have junior or senior status if enrolled in school
 - They sign a participation learning contract
- AVID (Advancement Via Individual Determination) participants to meet AVID requirements, including maintenance of a 2.5 GPA
- Application for participation
- Complete a parent/guardian form
- Participants and parents/guardians sign a participation learning contract with requirements and expectations. Example requirements include:
 - Maintain a 'Cascadia Academy' notebook
 - Maintain calendar / agenda
 - Required to take notes (Cornell or other method) in each class
 - Monthly Mentoring sessions

Students served

- Up to 100
- Transportation accommodation included in program

Reporting, Check-Ins, and Deliverables for Wednesdays at Cascadia

- Email check-ins between City and Cascadia College monthly (minimum)
- Mid-program update at end of 2023, to include:
 - Teams or Face-to-Face meeting

Contract 23-C2929 Cascadia College
Page 14

- Written participation and outcomes report
 - Recommendations for program adjustment(s), if indicated
- End of program written report, to include
 - No. Students served
 - Student engagement/participation
 - Academic and other successes
 - Identified challenges
 - Aggregate data
- Adjustments to the program may be made by mutual consent reduced to writing

CASCADIA ACADEMY (SUMMER 2024)

The Academy will be a two-week learning experience focused on preparing students to improve critical gateway skills. Students will not receive grades. Students will receive a placement evaluation that could include a standard college placement tool, Accuplacer. Students who complete an Accuplacer placement will be able to send results to other colleges and universities.

Program Content/Subjects to include some or all of the following:

- Math*
- English*
- Sample of Daily seminar-style discussion topics facilitated by a success coach (e.g., academic advisor or other staff):
 - College readiness
 - Time management / Stress Management
 - Study Skills
 - Information Literacy, research, media

*Students will be grouped based on a placement evaluation.

Operational Details

Program Days/week, Hours/day

- 5 days, 2 weeks (10 total days)
- 4 hours/day - with two breaks
- 2 sessions offered (one morning, one afternoon)

Recruiting Plan

- Principals (Inglemoor, Bothell)
- AVID staff (Inglemoor HS)
- Social media with Inglemoor / Bothell students
- Northshore School District staff

Criteria for Participation

Contract 23-C2929 Cascadia College

Page 15

- Students residing in 98028 zip code only, unless excess capacity available after accommodating all eligible Kenmore applicants
- Junior or Senior in high school, or 2024 graduate if participant in Wednesdays at Cascadia during 2023-2024 school year
- AVID participants to meet AVID requirements including maintenance of a 2.5 GPA
- Complete a program application
- Complete a parent/guardian form
- Sign a participation learning contract with requirements and expectations
- Placement evaluation prior to and at the conclusion of the program. The purpose of the evaluation is to cluster students into similar skill level to better customize the instruction. The placement evaluation can be a placement test (no cost to participants), Smarter Balance scores, or other available measures.

Students served

- Up to 100
- Students participating on Wednesdays at Cascadia will have first choice for participation.
- Transportation accommodation included in program (parking vouchers, vans, ORCA cards or other)

Reporting, Check-Ins, and Deliverables for Cascadia Academy

- Email check-ins between City and Cascadia College as necessary, to include:
 - Spring 2024 during program development
- End of program written report, to include
 - Number of students served
 - Student engagement/participation
 - Academic and other successes, which may include:
 - Increased placement
 - Gains in writing skills
 - College or trade school application and acceptance
 - Financial aid application submitted
 - Career plan created
 - Identified challenges
 - Aggregate data

EXHIBIT B

Rates for Services to be Provided by Consultant. The Consultant shall furnish the services in accordance with the rates specified below or attached hereto, as Exhibit B.

The Consultant shall submit electronic, signed original invoices, using Exhibit C, attached.

In recognition of the fact that preparation and hiring will be required in advance of each of the two planned programs, Wednesdays at Cascadia during the 2023-2024 school year and Cascadia Academy in Summer 2024, the Consultant shall submit invoice(s) and the City will remit payment as described in Section 2 of the Agreement, titled "Compensation and Method of Payment," and in advance of each program in the following manner and timing:

Invoice 1 – To be submitted by Consultant between July 15 and September 15, 2023 – Amount to cover the estimated cost of preparation, hiring, and program delivery for Wednesdays at Cascadia, not to exceed \$40,000.00 unless by mutual agreement in writing in advance of submission.

Invoice 1a – If necessary, to be submitted in May or June 2024 and paid prior to Cascadia fiscal year end of June 30, 2024 – Amount to balance the estimated with the actual cost and to close out the Wednesdays at Cascadia program.

Invoice 2 – To be submitted in July 2024 and paid in accordance with Section 2 of the Agreement, titled "Compensation and Method of Payment" – Amount to cover the estimated cost of hiring and program delivery for Cascadia Academy in Summer 2024.

Invoice 2a – If necessary, to be submitted by no later than November, 2024 and paid in accordance with Section 2 of the Agreement, titled "Compensation and Method of Payment" - Amount to balance the estimated with the actual cost and to close out the Cascadia Academy.

The total compensation will not exceed \$50,000, the value of the contract.

EXHIBIT C

City of Kenmore
Billing Invoice

To: City of Kenmore
18120 68th Ave. NE
Kenmore, Washington 98028
Phone: (425) 398-8900
Fax: (425) 481-3236

Invoice Number: _____ Date of Invoice: _____

Consultant: _____

Mailing Address: _____

Telephone: () _____

Contract Period: _____ Reporting Period: _____

Amount requested this invoice: \$ _____

Attach itemized description of services provided/to be provided.

Specific Program/Project: _____

Authorized signature

For Department Use Only

BUDGET SUMMARY

Total contract amount	\$ _____
Previous payments	\$ _____
Current request	\$ _____
Balance remaining	\$ _____

Approved for Payment by: _____ Date: _____

Authorized Signature (Required)

Contract 23-C2929 Cascadia College
Page 18

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code		
7 List account number(s) here (optional)		

Part I	Taxpayer Identification Number (TIN)
---------------	---

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			-			-					
--	--	--	---	--	--	---	--	--	--	--	--

or

Employer identification number

			-							
--	--	--	---	--	--	--	--	--	--	--

Part II	Certification
----------------	----------------------

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign
Here**

Signature of
U.S. person ►

Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



City Council Agenda Bill City of Kenmore, WA

Subject/Topic: Amendment of Contract No. 21-C2667 with PACE Engineers, Inc. to increase the contract amount.	For Council Meeting Agenda of: <u>November 20, 2023</u> Department: <u>Development Services</u> Prepared by: <u>Samantha Loyuk, Development Services Director</u> <table><tr><td>Approved by Department Head:</td><td><u>SL 10/30/23</u></td></tr><tr><td>Approved by City Attorney:</td><td><u>DR 11/2/23</u></td></tr><tr><td>Approved by Finance Director:</td><td><u>MM 11/6/23</u></td></tr><tr><td>Approved by City Manager:</td><td><u>RK 11/6/23</u></td></tr></table> Exhibits/Attachments: 1. Contract No. 21-C2667, Amendment No. 3	Approved by Department Head:	<u>SL 10/30/23</u>	Approved by City Attorney:	<u>DR 11/2/23</u>	Approved by Finance Director:	<u>MM 11/6/23</u>	Approved by City Manager:	<u>RK 11/6/23</u>
Approved by Department Head:	<u>SL 10/30/23</u>								
Approved by City Attorney:	<u>DR 11/2/23</u>								
Approved by Finance Director:	<u>MM 11/6/23</u>								
Approved by City Manager:	<u>RK 11/6/23</u>								
Summary: An increase in the contract amount is necessary due to a vacancy in the department (senior development review engineer position).									
Information/Background: The City of Kenmore Development Services Department ("City") contracts with PACE Engineering, Inc. ("PACE") for planning and engineering support services on an as-needed basis. Services include review of engineering permits, final plat language/survey requirements, environmental assessments, and other activities associated with the review and approval of development projects within the city. While the demand for services is typically low, a vacancy in the department has resulted in an increased need for these services (senior development review engineer position). The proposed amendment increases the yearly contract amount from \$50,000 to \$100,000.									
Fiscal Consideration: The Contract is for a sum not to exceed \$100,000 per year. The 2022-2023 biennium budget includes \$300,000 for this purpose, funded in the General Fund. Land use applications and permit fees collected from developers during permitting process pay for costs associated with staff (and consultant) review of development applications.									
City Council Priority or Budget Objective Being Addressed: (1) Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation; and (2) Increase and preserve the options for affordable housing stock.									

CITY OF KENMORE CONTRACT NO. 21-C2667
AMENDMENT NO. 3
PACE Engineers, Inc., Contract

This Amendment No. 3 is entered into between the City of Kenmore, a Washington municipal corporation (“City” or “Kenmore”) and PACE Engineers, Inc., a Washington corporation (“Contractor”). City and Contractor are each a “Party” and together “Parties” to this Amendment.

The Parties hereby agree as follows:

RECITALS:

- A. The City and Contractor entered into an agreement on February 4, 2021, for the purpose of providing on-call services related to development review, inspections and planning support services or any other engineering/planning services requested by the City (“Agreement”).
- B. The Agreement needs to be amended to accommodate an increased need for services.
- C. In order to make this change, the Agreement needs updating.

AMENDMENT TO AGREEMENT:

1. **Amendment.** Section 2 of the Agreement is hereby amended to read as follows:

The City shall pay the Consultant a sum not to exceed \$100,000 per year.

2. **Severability.** The provisions of this Amendment are declared to be severable. If any provision of this Amendment is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision.
3. **Entire Agreement.** The written provisions and terms of this Amendment shall supersede all prior verbal statements of any officer or other representative of the parties, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Amendment. The entire agreement between the Parties with respect to the subject matter hereunder is contained in the Agreement and exhibits thereto, any prior executed amendments and this Amendment. Should any language in any of the Exhibits to the Agreement or prior amendments conflict with any language contained in this Amendment, then this Amendment shall prevail. Except as modified by this Amendment, all other provisions of the original Agreement and any amendments thereto not inconsistent with this Amendment shall remain in full force and effect.

4. **Effective date.** This Amendment shall be effective as of November 24, 2023.

DATED this ____ day of _____, 20__.

CONSULTANT: PACE, Engineers, Inc.

CITY OF KENMORE:

BY: _____

BY: _____

Name: Kenneth H. Nilsen

Name: Rob Karlinsey

Title Executive Vice President

Title: City Manager

Address: PACE Engineers, Inc.

11255 Kirkland Way, Suite 300

Kirkland, WA 98033

Phone: (425) 827-2014

APPROVED AS TO FORM:

Kenmore City Attorneys' Office

Amendment No. 3 to Agreement between City of Kenmore and PACE Engineers, Inc.

Contract No. 21-C2667

Page 2

Updated 1/2022 IBDR

XII. D. Authorize the City Manager to execute Contract No. 21-C2667 Amen...



City Council Business Agenda Item City of Kenmore, WA

<p>Subject/Topic: August 2023 Financial Report</p> <p>Proposed Council Action/Motion: Receive & File: August 2023 Financial Report for the City of Kenmore, WA</p>	<p>For Council Meeting Agenda of: November 20, 2023</p> <p>Department: Finance & Administration</p> <p>Prepared by: Melinda Merrell, Finance Director</p> <table border="0"><thead><tr><th></th><th><u>Initial & Date</u></th></tr></thead><tbody><tr><td>Approved by Department Head:</td><td>MM</td></tr><tr><td>Approved by City Attorney:</td><td>N/A</td></tr><tr><td>Approved by Finance Director:</td><td>MM</td></tr><tr><td>Approved by City Manager:</td><td>RK</td></tr></tbody></table> <p>Exhibits/Attachments: August 2023 Financial Report for the City of Kenmore, WA</p>		<u>Initial & Date</u>	Approved by Department Head:	MM	Approved by City Attorney:	N/A	Approved by Finance Director:	MM	Approved by City Manager:	RK
	<u>Initial & Date</u>										
Approved by Department Head:	MM										
Approved by City Attorney:	N/A										
Approved by Finance Director:	MM										
Approved by City Manager:	RK										
<p>Summary:</p> <p>The August 2023 financial report is presented for Council review. It provides a look into the first eight (8) months of the biennium.</p>											
<p>Information/Background:</p> <p>This monthly report provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2023-2024 adopted biennial budget. The budget was adopted on November 21, 2022.</p>											
<p>Fiscal Consideration:</p> <p>August 2023 is the eight (8th) month of the 2023-2024 biennium budget period with 33.3% of the biennium budget elapsed.</p> <p><u>General Fund:</u> As of August 2023, the biennium to date revenues exceeded expenditures by \$1,087,796. Revenues were \$10.2 million while expenditures were \$9.1 million. Revenues (32.7%) for the year are right on target of 33.3% for the biennium while expenditures (29.2%) came in below. Expenses are running low for the year due to a one-month lag in the police services contract (approx. \$350K) and no entries completed yet for interfund transfers.</p>											

Property taxes, the major revenue source for the City, are cyclical with due dates in April and October each year. \$21,803 was received in August bringing the total for the year to \$3.0 million or 26.7% of the amount budgeted. Property taxes are expected to bring in \$11.4 million in revenue for the biennium.

Utility taxes, development fees and permits, and franchise fees are all ahead of the biennial target of 33.3%.

With the uptick in the interest rates, our investment interest is ahead of target coming in at \$16,340 for the month and \$116,353 for the biennium. This is 174% of the budgeted biennium amount of \$66,903.

City Clerk expenses are up due to the addition of the Deputy City Clerk as well as paying \$83,000 for our 2022 voter registration costs in March. The personnel costs are offset by the savings in our Human Resources cost center. City Manager expenses are slightly ahead of target due to the addition of the Health and Human Services Manager position and an increase in consulting services.

General Fund ending fund balance as of August 31, 2023, was \$5.7 million.

City Council Priority or Budget Objective Being Addressed:

Kenmore budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.

Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.

Priority Based budgeting Result: Governance: Supports decision making with timely and accurate short-term and long-range analysis that enhances vision and planning.



City of Kenmore, Washington

Memorandum

Date: September 27, 2023

To: Rob Karlinsey, City Manager

From: Melinda Merrell, Finance Director

Regarding: August 2023 Financial Reports for the City of Kenmore, Washington

August 2023 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

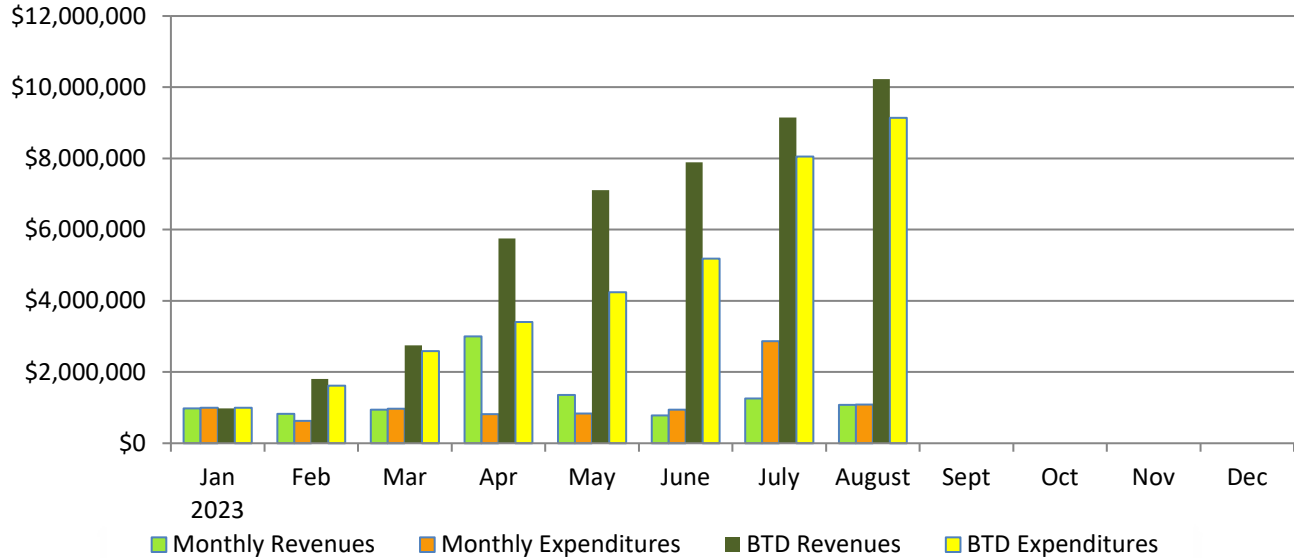
- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Cash and Investment Report
- Investment Schedule and Portfolio Analysis
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution

If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

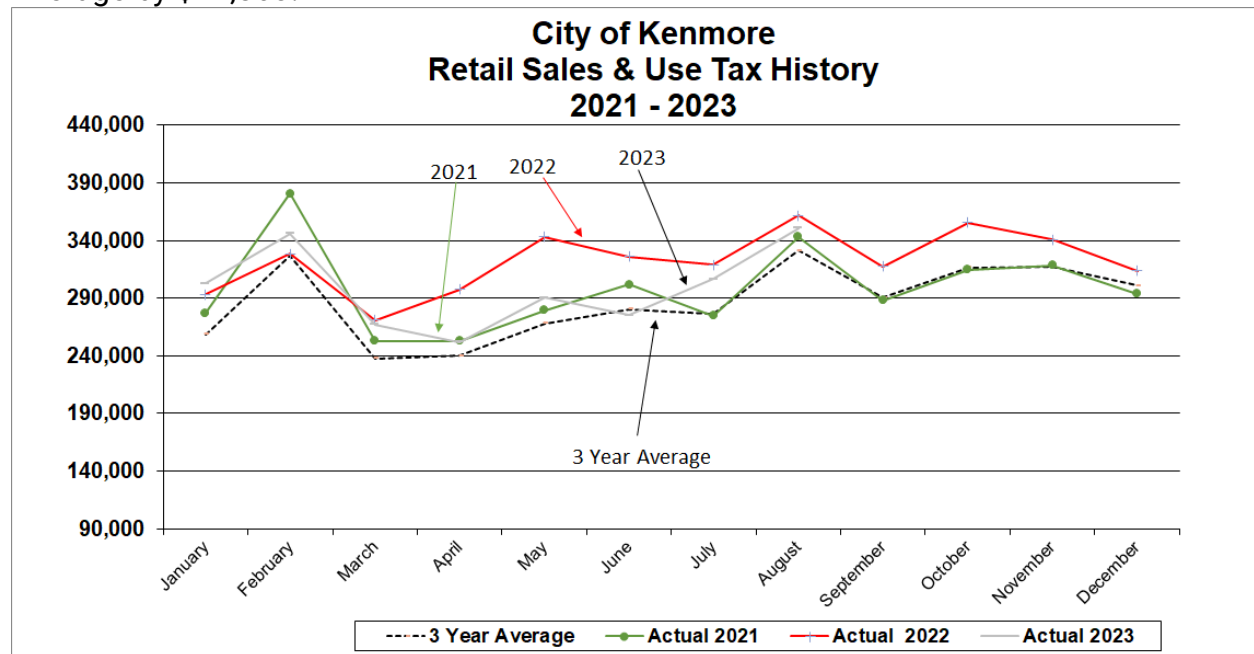
The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, August is the eighth month (33%) of the 2023-2024 biennial budget period. For the month of August, expenditures exceeded revenues in the General Fund by \$5,672. Biennium to date, revenues exceed expenditures by \$1,087,796.

The following chart illustrates the monthly revenue and expenditure activity in the General Fund through August 2023.

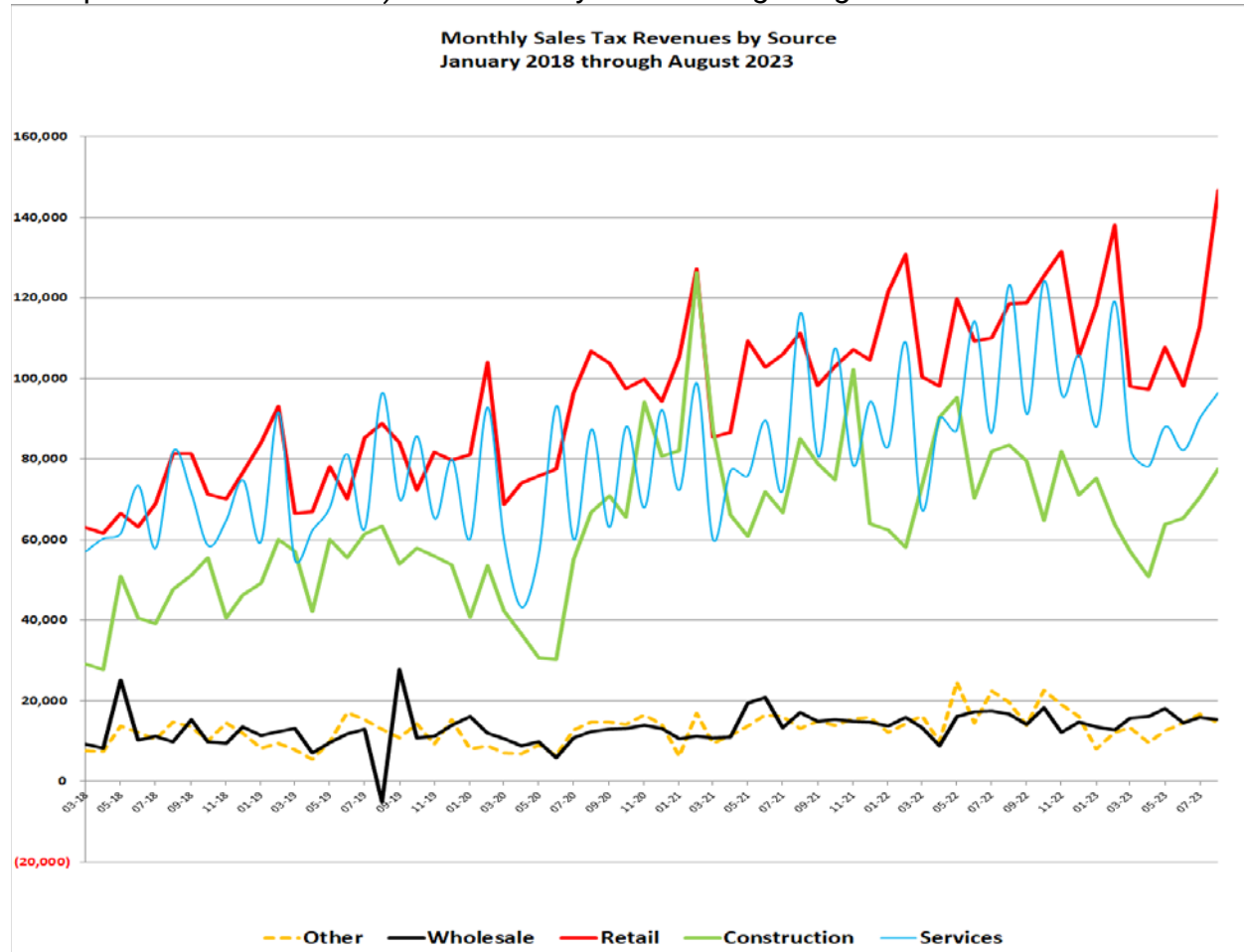


Total **revenues** for the month were **\$1,081,197**. Biennium to date revenues were \$10,228,081 which is 32.7% of the budgeted revenues of \$31,305,131. Primary sources of revenue for the month included \$21,803 in property taxes, \$252,720 in development fees & permits, \$350,977 in retail sales and use taxes, \$146,082 in intergovernmental & grants, \$94,486 in franchise fees, and \$176,332 in utility taxes.

A summary of sales tax revenues received in **August** is attached. These receipts are based on **June** sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted 3 Year Average line is a monthly average of actual receipts during 2020, 2021, and 2022. The gray line represents 2023 actual receipts by month, which are \$10,826 below 2022 and ahead of the 3 Year Average by \$19,863.



The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2018 through August 2023.

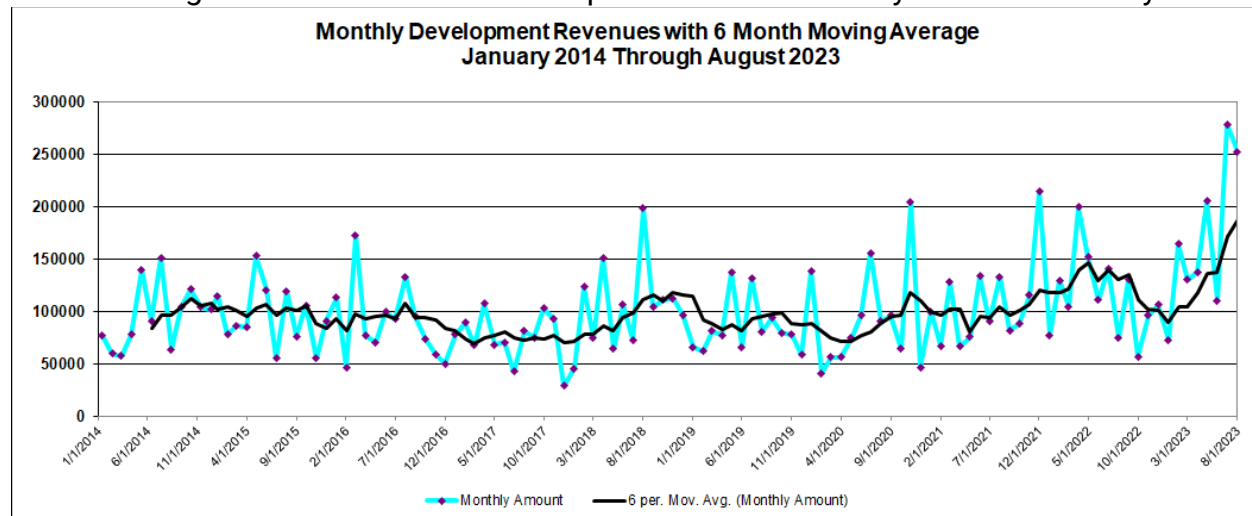


In August, the top 506 sales tax remitters, accounting for 86% or \$301,355 of total remittances, were reviewed for internet sales activity.

Of the \$301,355 of sales tax remitted by these companies in August, \$59,054 (20% of the total) was generated from internet-based companies. Below is a chart that illustrates the amount of internet-based sales tax in the major segments that include it:

	Top Sales Tax Remitters in August	Internet Based Companies	% of Total Internet Sales Tax Collected
Retail Trade	\$96,114	\$40,022	42%
Information	9,826	3,221	33%
Services	72,151	14,152	20%
Wholesale	10,883	1,659	15%
Other	112,381	0	0%
	\$301,355	\$59,054	

The following chart illustrates the development revenue activity over the last 10 years.



August 2023 expenditures were **\$1,086,869**. Biennium to date expenditures were \$9,140,285 which is 29.2% of the biennial budget expenditures of \$31,252,425.

City cash, \$21,801,182, and long-term investments, \$8,000,247, at the end of August, totaled \$29,801,429. Proposition 1 levy funds and ARPA Recovery Funds are included in this cash balance.

OTHER FUNDS

Total non-General Fund revenues for the month were \$482,163 and total non-General Fund expenditures were \$1,543,446.

In the **Street Fund**, expenses are outpacing revenues year to date as transfers from the General Fund and Transportation Benefit District have not yet been recorded. Overall, expenses are slightly lower than expected at 26.2% for the biennium vs the 33% target.

In August, the **Transportation Capital Fund** had expenditures in the amount of \$584,536 on pedestrian safety projects & street maintenance.

The **Sammamish Bridge Replacement Fund** had \$33,726 in expenditures during the month.

The **Real Estate Excise Tax Fund** received \$145,444 of real estate excise taxes (REET) in August from sales activity that occurred in July. Thirty-one (31) transactions were reported.

The **Park Impact Fee Fund** received \$16,422 in revenues during the month.

In August, there were \$42,755 in revenues for the **Transportation Impact Fee Fund**.

The **Park Capital Fund** had \$31,561 in Park improvement expenditures during August.

In August, the **Walkways & Waterways Debt Service Fund** collected \$3,649 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$567,213.

The **Transportation Benefit District Fund** received \$37,145 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **August 31, 2023**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

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

**City of Kenmore, Washington
General Fund Summary Report
August 31, 2023**



	CURRENT PERIOD 2023-2024				PREVIOUS PERIOD 2021-2022				
	MONTH	BIENNIUM	% of	BIENNIUM	MONTH	MONTH	BIENNIUM	% of	AMENDED
	<u>August 2023</u>	<u>2023-2024</u>	<u>BUDGET</u>	<u>2023-2024</u>	<u>August 2021</u>	<u>August 2022</u>	<u>2021-2022</u>	<u>BUDGET</u>	<u>BIENNIUM</u>
									<u>BUDGET</u>
REVENUES									
Beginning Fund Balance		4,634,521		4,634,521			4,934,368		4,934,368
Property Taxes	21,803	3,048,437	26.7%	11,403,392	20,829	20,246	2,915,372	26.8%	10,865,654
Sales and Use Taxes	350,977	2,391,602	31.7%	7,543,271	343,181	361,803	2,362,264	35.0%	6,754,280
Utility Taxes	176,332	1,205,508	40.8%	2,956,579	68,795	115,720	723,493	30.2%	2,399,290
Other Taxes	7,228	90,255	26.9%	335,010	15,734	30,429	68,824	37.8%	182,200
Development Fees & Permits	252,720	1,347,416	59.0%	2,283,416	133,236	74,831	796,747	46.3%	1,720,003
Franchise Fees	94,486	698,353	40.9%	1,707,003	144,956	61,097	641,561	36.7%	1,746,569
Intergovernmental and Grants	146,082	1,214,382	39.2%	3,099,112	96,869	87,299	943,219	32.5%	2,902,594
Investment Interest	16,340	116,353	173.9%	66,903	408	6,078	81,279	123.1%	66,000
Fines and Forfeitures	1,687	19,126	0.0%	0	5	0	2,341	0.0%	0
Transfers and Other Revenues	13,542	96,648	5.1%	1,910,445	1,584	12,100	45,799	0.9%	5,203,180
Total Revenues	1,081,197	10,228,081	32.7%	31,305,131	825,597	769,603	8,580,897	27.0%	31,839,770

City of Kenmore, Washington
General Fund Summary Report
August 31, 2023



EXPENDITURES

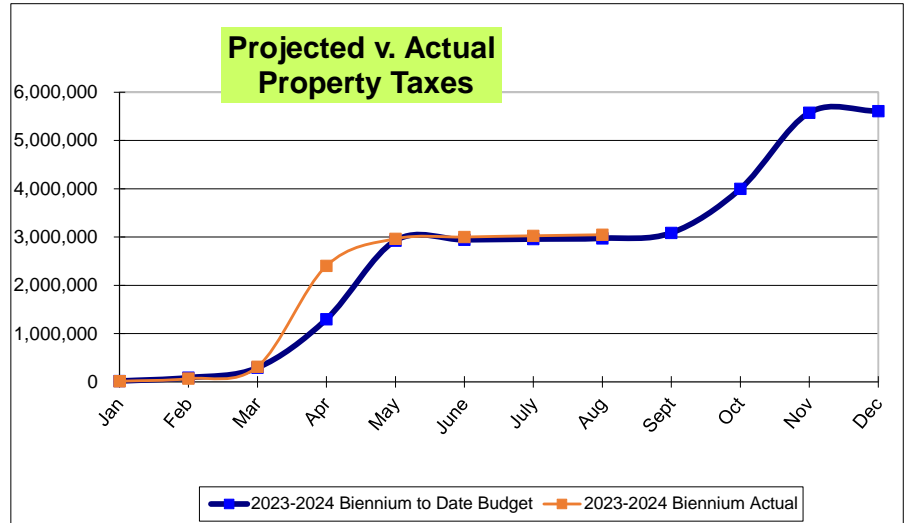
	CURRENT PERIOD 2023-2024				PREVIOUS PERIOD 2021-2022				
	MONTH August 2023	BIENNIUM TO DATE 2023-2024	% of BUDGET	BIENNIUM BUDGET 2023-2024	MONTH August 2021	MONTH August 2022	BIENNIUM TO DATE 2021-2022	% of BUDGET	AMENDED BIENNIUM BUDGET 2021-2022
Cost Center									
City Council	16,602	148,354	36.6%	405,013	7,589	13,421	100,305	30.1%	332,711
City Manager	203,050	1,487,312	40.8%	3,640,924	131,321	176,095	858,815	27.5%	3,121,846
City Clerk	31,561	423,593	43.3%	978,750	20,837	52,330	252,728	27.0%	937,052
Financial Services	102,733	974,187	38.5%	2,527,861	63,034	76,502	763,001	34.5%	2,212,820
Human Resources	1,756	106,221	20.8%	510,304	11,753	9,485	60,213	18.8%	319,432
Legal	15,665	181,935	26.0%	700,000	59,038	62,040	272,358	48.2%	565,000
Interfund Transfers/Non Department	0	0	0.0%	1,950,513	0	0	0	0.0%	6,830,617
Public Safety	367,588	2,643,088	27.3%	9,666,950	367,588	335,371	2,218,082	24.2%	9,152,371
Engineering & Environmental Services	59,632	547,324	31.4%	1,745,035	49,131	41,951	430,933	25.5%	1,689,574
Community Development	48,456	621,039	30.5%	2,038,723	57,187	61,307	515,689	30.4%	1,695,828
Developmental Services	106,656	976,637	29.0%	3,371,076	86,955	143,528	858,281	30.2%	2,845,428
Parks & Facility Maintenance	133,170	1,030,595	27.7%	3,717,276	81,504	124,919	845,912	31.6%	2,676,904
Total Expenditures	1,086,869	9,140,285	29.2%	31,252,425	935,939	1,096,948	7,176,318	22.2%	32,379,582
Revenues over Expenditures	(5,672)	1,087,796		52,706	(110,342)	(327,346)	1,404,579		(539,812)
Ending Fund Balance		5,722,317		4,687,227	-110,342	-327,346	6,338,948		4,394,556

City of Kenmore, Washington
General Fund Revenue Graphs
August 31, 2023

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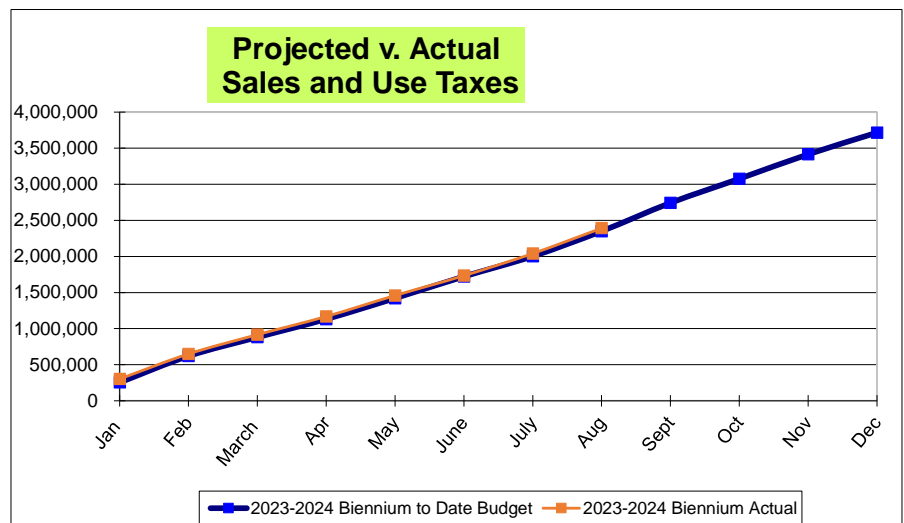
PROPERTY TAXES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	18,023	13,440
Feb	87,435	67,043
Mar	293,557	314,577
Apr	1,298,526	2,404,592
May	2,927,195	2,965,248
June	2,942,875	3,001,241
July	2,958,422	3,026,634
Aug	2,974,945	3,048,437
Sept	3,087,795	
Oct	3,998,387	
Nov	5,577,742	
Dec	5,609,623	
2023-24	11,403,392	
Year To Date		
Actual v. Projected		102%



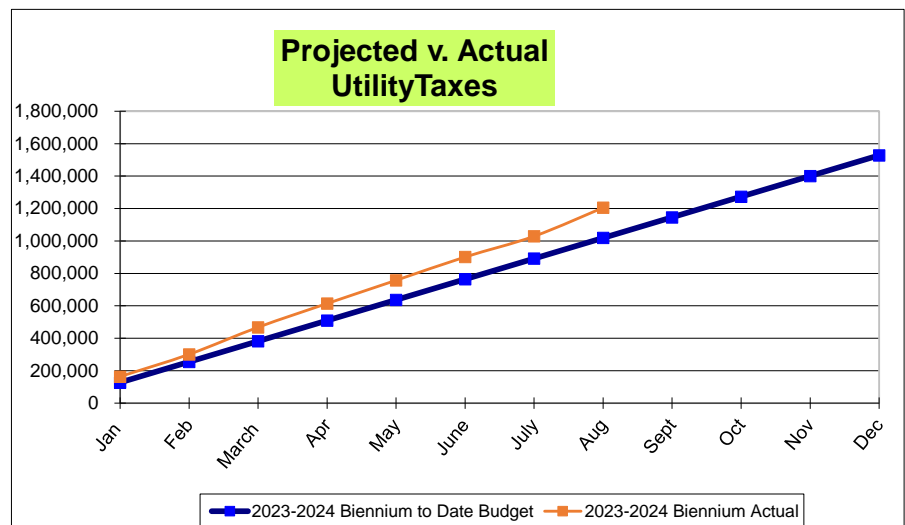
SALES & USE TAXES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	254,083	303,019
Feb	620,044	649,273
March	880,509	916,214
Apr	1,131,954	1,168,408
May	1,421,084	1,458,944
June	1,722,281	1,733,997
July	2,002,774	2,040,625
Aug	2,350,069	2,391,602
Sept	2,742,149	
Oct	3,076,757	
Nov	3,415,256	
Dec	3,715,897	
2023-24	7,543,271	
Year To Date		
Actual v. Projected		102%



UTILITY TAXES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	127,357	163,946
Feb	254,714	301,045
March	382,071	468,055
Apr	509,428	614,374
May	636,785	757,546
June	764,142	901,249
July	891,499	1,029,176
Aug	1,018,856	1,205,508
Sept	1,146,213	
Oct	1,273,570	
Nov	1,400,927	
Dec	1,528,284	
2023-24	2,956,579	
Year To Date		
Actual v. Projected		118%

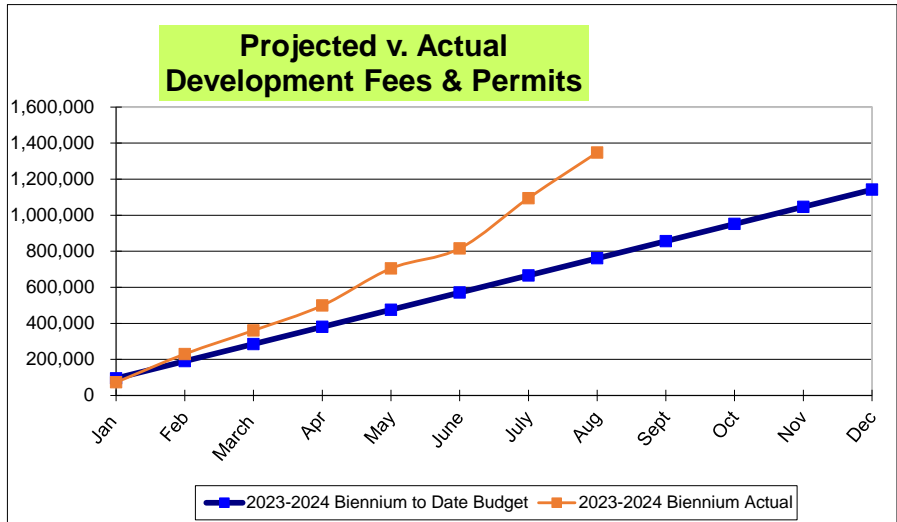


V:\Admin and Finance\Monthly Reports\1-2023\August 2023 General Fund Rev Graphs

XII. E. Receive and file the August 2023 Financial Report for the City o...

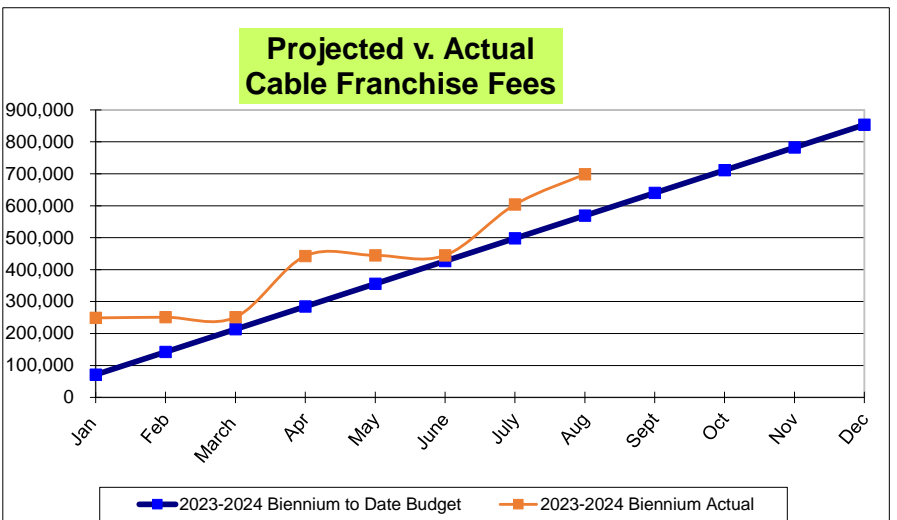
DEVELOPMENT FEES & PERMITS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	95,142	73,064
Feb	190,284	230,047
March	285,426	360,853
Apr	380,568	499,064
May	475,710	704,968
June	570,852	815,680
July	665,994	1,094,696
Aug	761,136	1,347,416
Sept	856,278	
Oct	951,420	
Nov	1,046,562	
Dec	1,141,704	
'2023-24	2,283,416	
Year To Date		
Actual v. Projected		177%



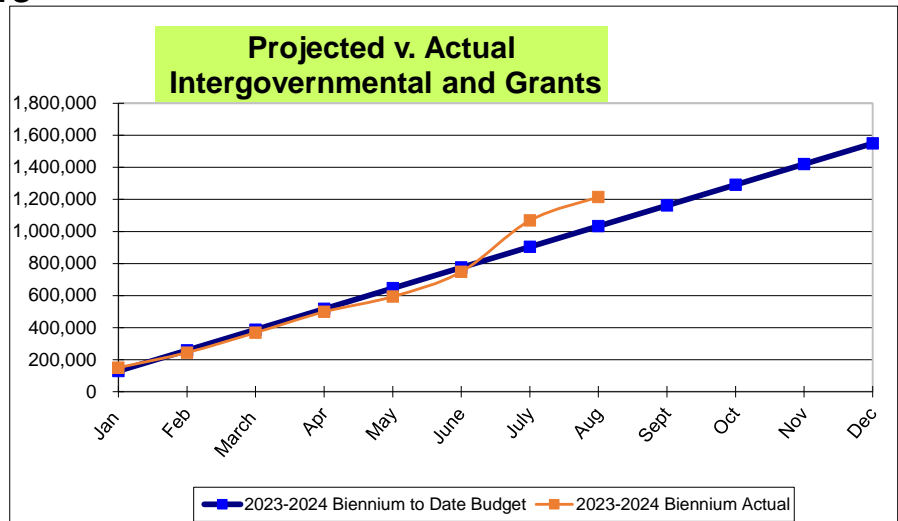
CABLE/WATER/SEWER FRANCHISE FEES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	71,125	248,923
Feb	142,250	251,037
March	213,375	251,037
Apr	284,500	442,714
May	355,625	444,721
June	426,750	444,721
July	497,875	603,867
Aug	569,000	698,353
Sept	640,125	
Oct	711,250	
Nov	782,375	
Dec	853,500	
'2023-24	1,707,003	
Year To Date		
Actual v. Projected		123%



INTERGOVERNMENTAL & GRANTS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	129,130	150,000
Feb	258,260	244,116
March	387,390	368,477
Apr	516,520	498,320
May	645,650	593,467
June	774,780	748,139
July	903,910	1,068,300
Aug	1,033,040	1,214,382
Sept	1,162,170	
Oct	1,291,300	
Nov	1,420,430	
Dec	1,549,560	
'2023-24	3,099,112	
Year To Date		
Actual v. Projected		118%



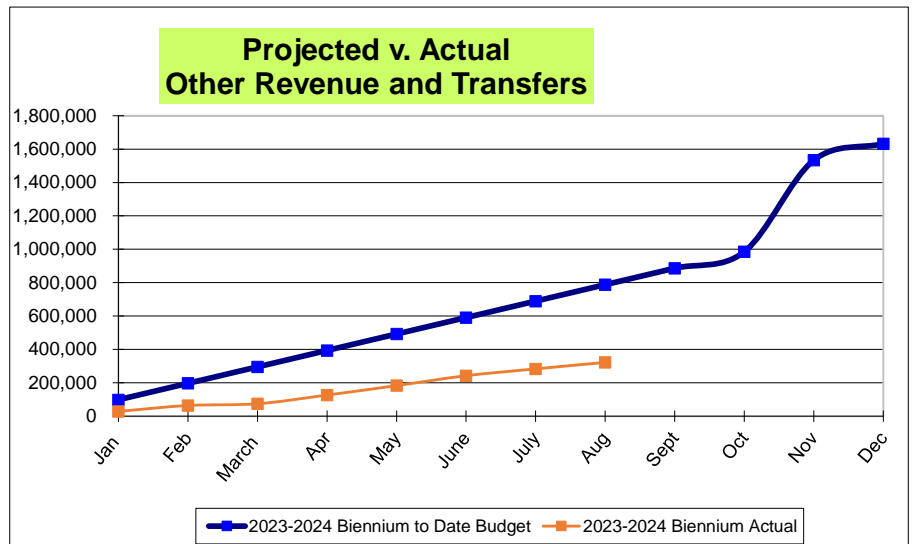
OTHER REVENUES AND TRANSFERS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
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Jan	98,495	28,926
Feb	196,990	64,066
March	295,485	74,632
Apr	393,979	126,650
May	492,474	183,298
June	590,969	242,511
July	689,464	283,587
Aug	787,959	322,383
Sept	886,454	
Oct	984,948	
Nov	1,533,443	
Dec	1,631,938	
'2023-24	2,312,358	

Year To Date

Actual v. Projected 41%



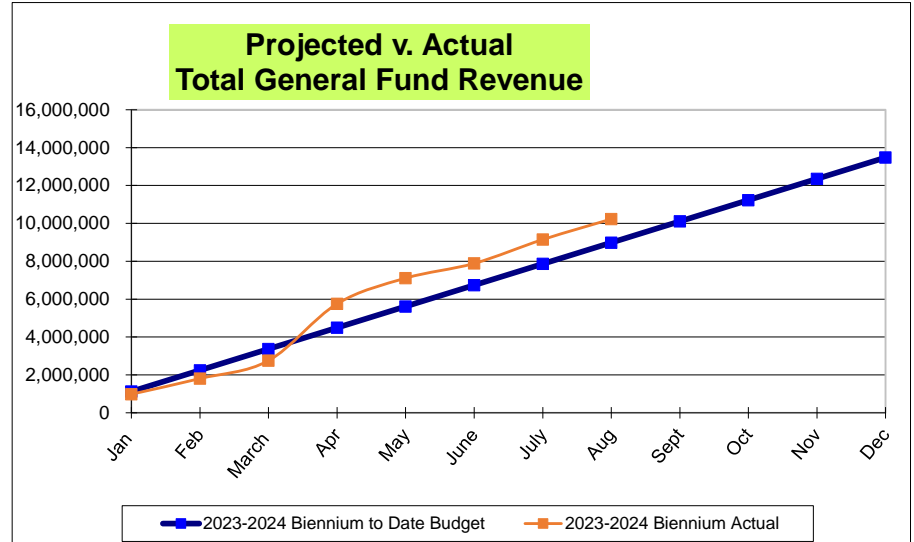
TOTAL GENERAL FUND REVENUE

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
--	---	---------------------------------

Jan	1,123,141	981,317
Feb	2,246,282	1,806,626
March	3,369,424	2,753,843
Apr	4,492,565	5,754,122
May	5,615,706	7,108,192
June	6,738,847	7,887,537
July	7,861,988	9,146,885
Aug	8,985,129	10,228,081
Sept	10,108,271	
Oct	11,231,412	
Nov	12,354,553	
Dec	13,477,694	
'2023-24	31,305,131	

Year To Date

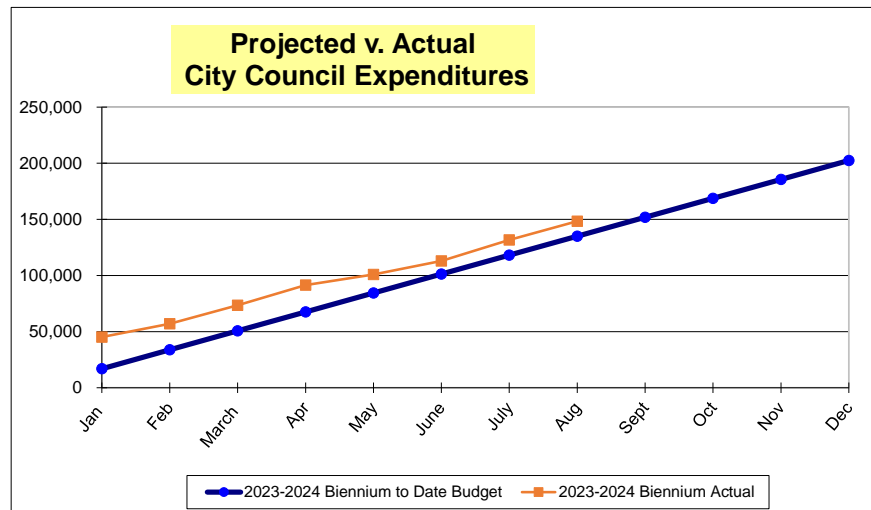
Actual v. Projected 114%



City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2023

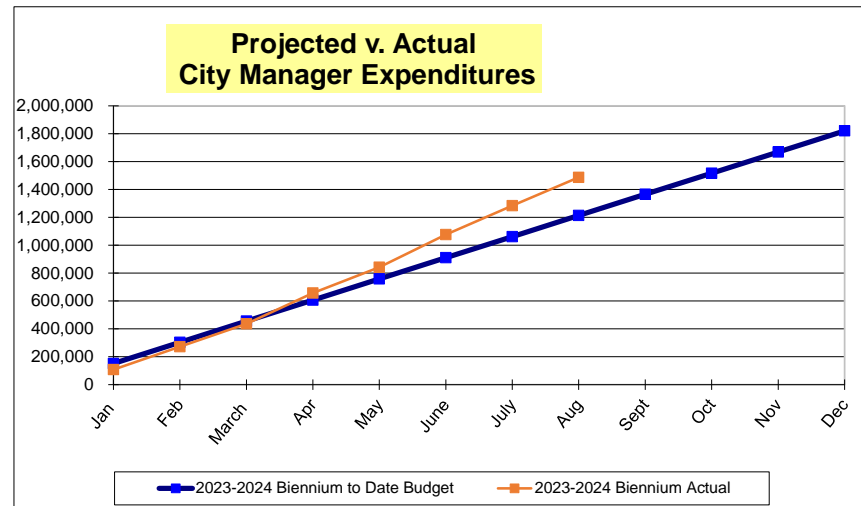
CITY COUNCIL

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	16,876	45,175
Feb	33,752	56,928
March	50,628	73,410
Apr	67,504	91,500
May	84,380	100,969
June	101,256	113,002
July	118,132	131,752
Aug	135,008	148,354
Sept	151,884	
Oct	168,760	
Nov	185,636	
Dec	202,512	
2023-24	405,013	
Year To Date		
Actual v. Projected		110%



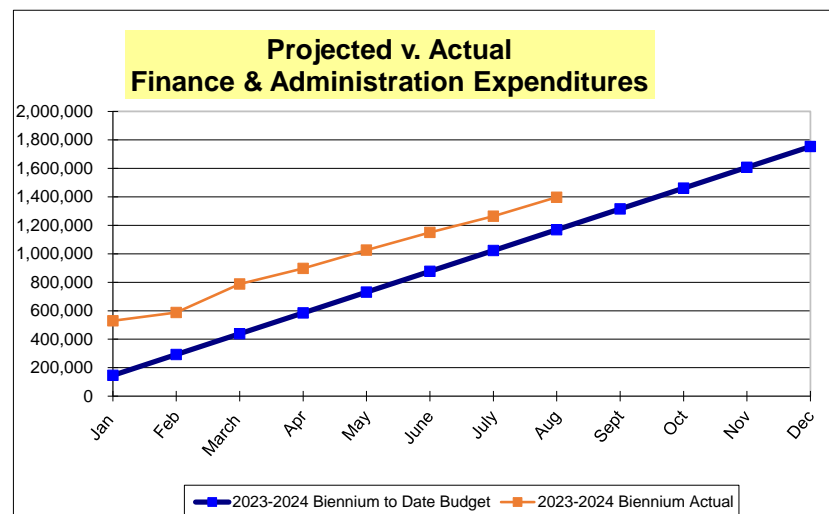
CITY MANAGER

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	151,705	107,862
Feb	303,410	272,756
March	455,115	435,641
Apr	606,820	657,696
May	758,525	842,864
June	910,230	1,076,794
July	1,061,935	1,284,261
Aug	1,213,640	1,487,312
Sept	1,365,345	
Oct	1,517,050	
Nov	1,668,755	
Dec	1,820,460	
2023-24	3,640,924	
Year To Date		
Actual v. Projected		123%



FINANCE & ADMINISTRATION

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	146,109	529,618
Feb	292,218	587,043
March	438,327	788,114
Apr	584,436	896,954
May	730,545	1,026,300
June	876,654	1,150,238
July	1,022,763	1,263,486
Aug	1,168,872	1,397,780
Sept	1,314,981	
Oct	1,461,090	
Nov	1,607,199	
Dec	1,753,308	
2023-24	3,506,611	
Year To Date		
Actual v. Projected		120%



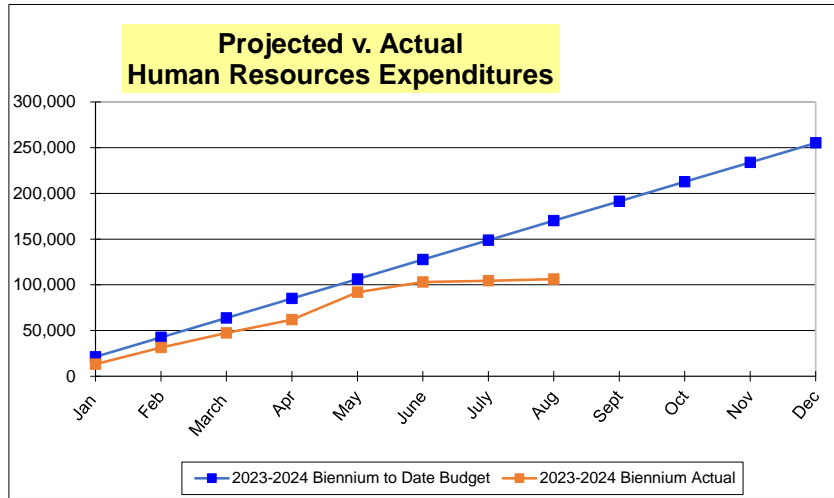
City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2023

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HUMAN RESOURCES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
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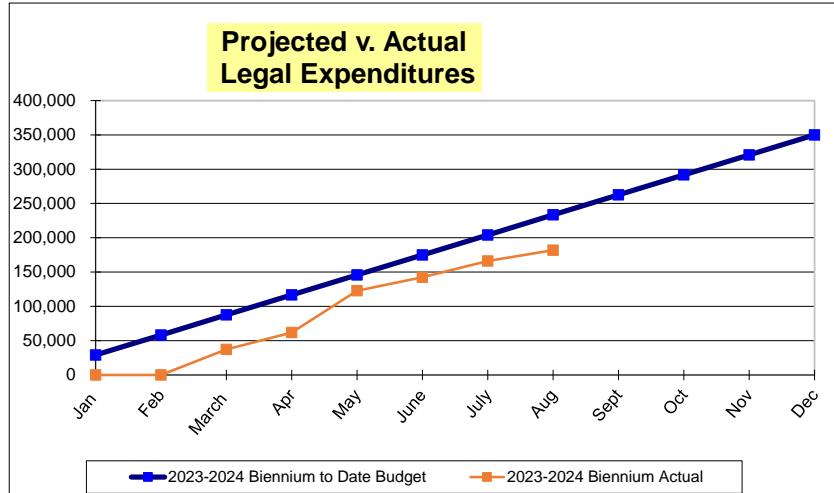
Jan	21,263	13,247
Feb	42,526	31,434
March	63,789	47,411
Apr	85,052	61,763
May	106,315	91,918
June	127,578	102,980
July	148,841	104,466
Aug	170,104	106,221
Sept	191,367	
Oct	212,630	
Nov	233,893	
Dec	255,156	
2023-24	510,304	
Year To Date		
Actual v. Projected		62%



LEGAL

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
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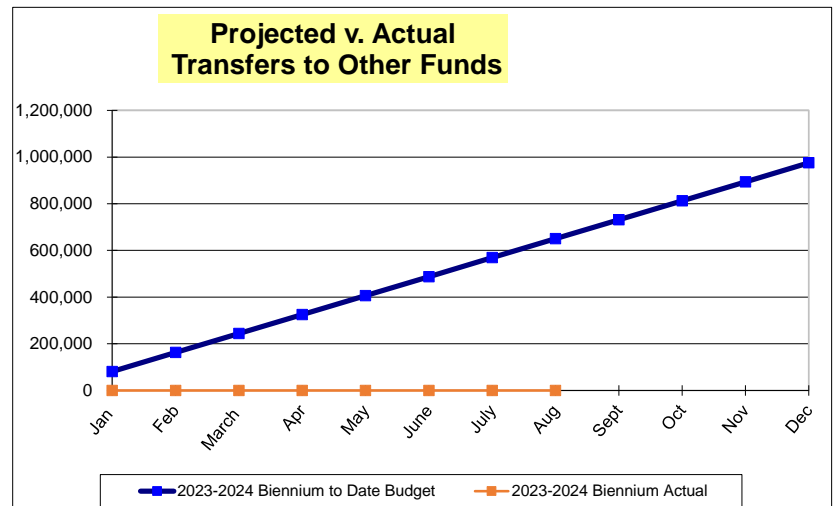
Jan	29,167	0
Feb	58,334	0
March	87,501	37,307
Apr	116,668	61,903
May	145,835	122,786
June	175,002	142,390
July	204,169	166,270
Aug	233,336	181,935
Sept	262,503	
Oct	291,670	
Nov	320,837	
Dec	350,004	
2023-24	700,000	
Year To Date		
Actual v. Projected		78%



TRANSFERS TO OTHER FUNDS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
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Jan	81,271	0
Feb	162,542	0
March	243,813	0
Apr	325,084	0
May	406,355	0
June	487,626	0
July	568,897	0
Aug	650,168	0
Sept	731,439	0
Oct	812,710	0
Nov	893,981	0
Dec	975,252	0
2023-24	1,950,513	
Year To Date		
Actual v. Projected		0%

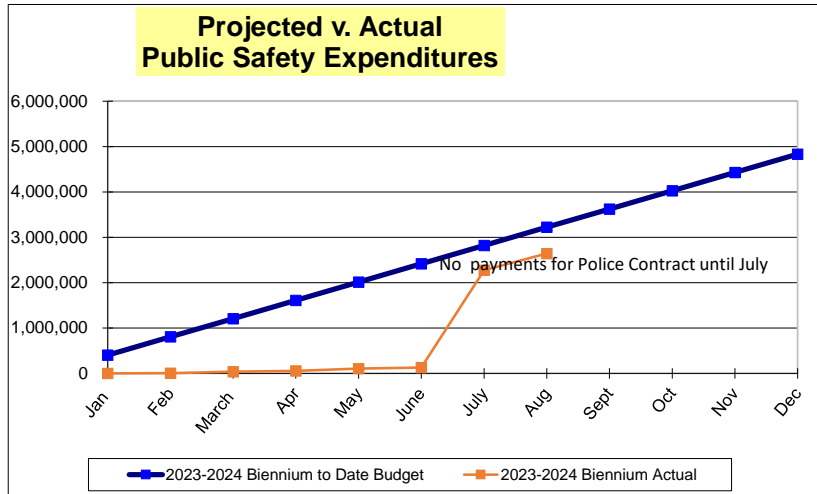


**City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2023**

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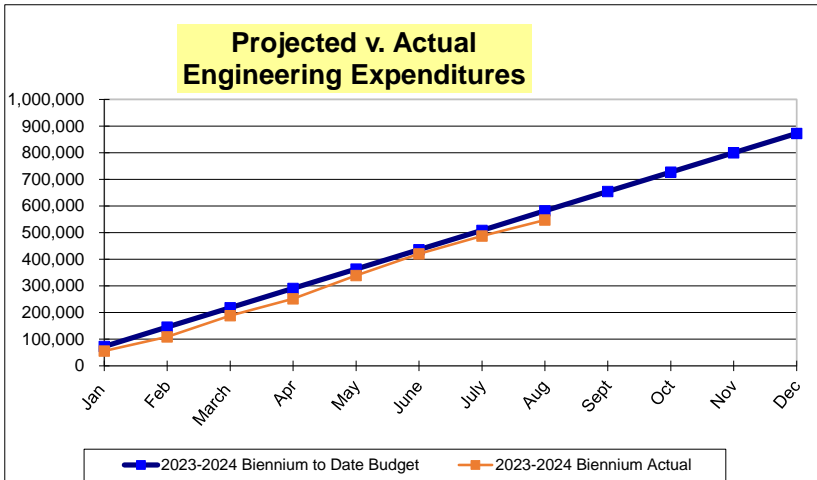
PUBLIC SAFETY

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	402,790	50
Feb	805,580	6,353
March	1,208,370	38,897
Apr	1,611,160	55,596
May	2,013,950	108,072
June	2,416,740	129,815
July	2,819,530	2,275,500
Aug	3,222,320	2,643,088
Sept	3,625,110	
Oct	4,027,900	
Nov	4,430,690	
Dec	4,833,480	
2023-24	9,666,950	
Year To Date		
Actual v. Projected		82%



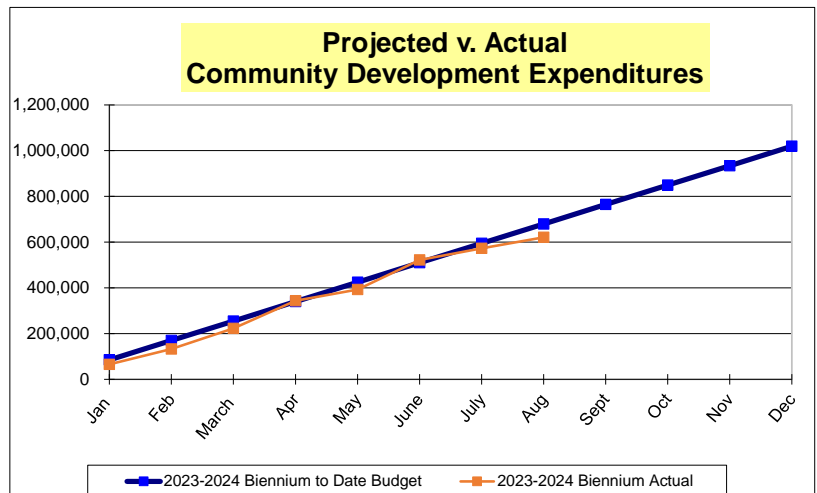
ENGINEERING

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	72,710	55,943
Feb	145,420	108,968
March	218,130	188,243
Apr	290,840	252,150
May	363,550	339,021
June	436,260	420,370
July	508,970	487,692
Aug	581,680	547,324
Sept	654,390	
Oct	727,100	
Nov	799,810	
Dec	872,520	
2023-24	1,745,035	
Year To Date		
Actual v. Projected		94%



COMMUNITY DEVELOPMENT

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	84,947	65,630
Feb	169,894	132,886
March	254,841	222,832
Apr	339,788	343,240
May	424,735	392,589
June	509,682	521,912
July	594,629	572,583
Aug	679,576	621,039
Sept	764,523	
Oct	849,470	
Nov	934,417	
Dec	1,019,364	
2023-24	2,038,723	
Year To Date		
Actual v. Projected		91%

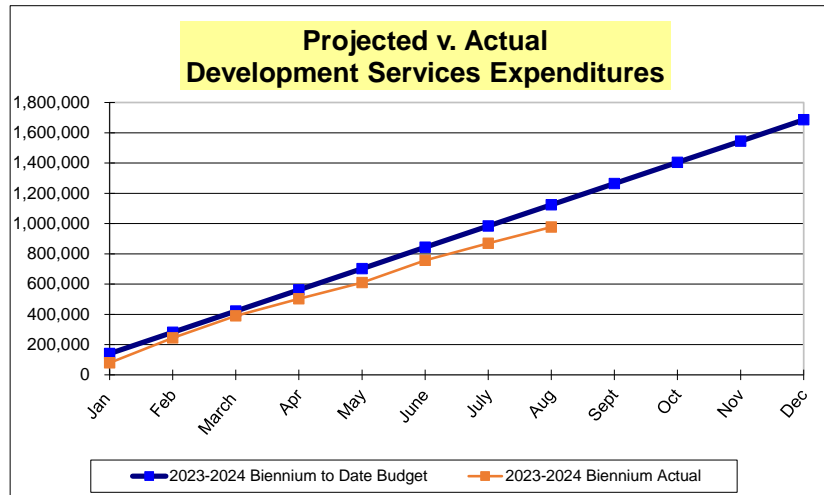


City of Kenmore, Washington
General Fund Expenditure Graphs
August 31, 2023

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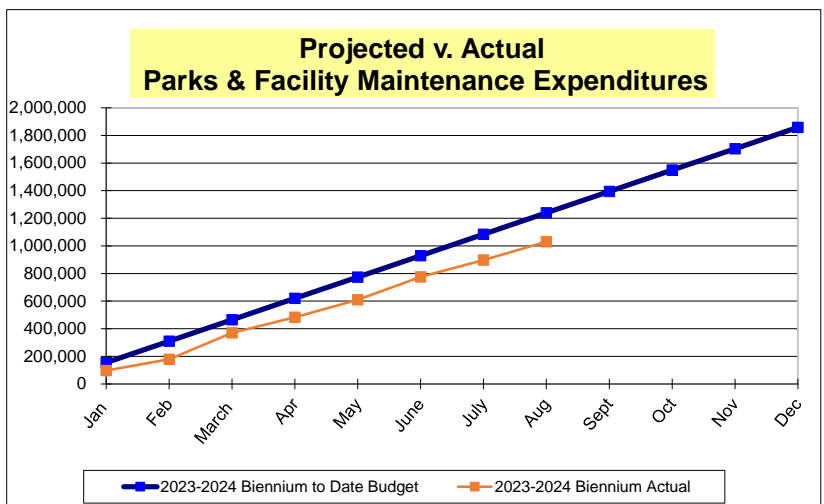
DEVELOPMENT SERVICES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	140,462	79,459
Feb	280,924	244,251
March	421,386	390,292
Apr	561,848	501,784
May	702,310	609,994
June	842,772	756,108
July	983,234	869,981
Aug	1,123,696	976,637
Sept	1,264,158	
Oct	1,404,620	
Nov	1,545,082	
Dec	1,685,544	
2023-24	3,371,076	
Year To Date		
Actual v. Projected		87%



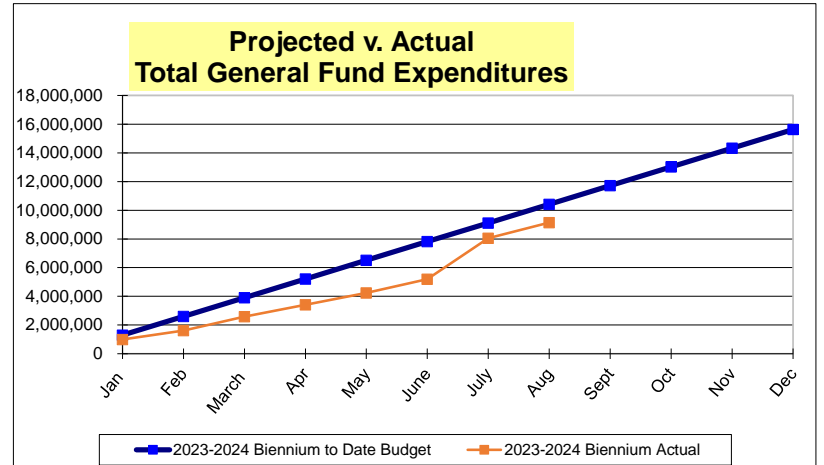
PARKS & FACILITY MAINTENANCE

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	154,887	97,307
Feb	309,774	179,636
March	464,661	370,226
Apr	619,548	483,257
May	774,435	609,443
June	929,322	774,953
July	1,084,209	897,425
Aug	1,239,096	1,030,595
Sept	1,393,983	
Oct	1,548,870	
Nov	1,703,757	
Dec	1,858,644	
2023-24	3,717,276	
Year To Date		
Actual v. Projected		83%



TOTAL GENERAL FUND EXPENDITURES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	1,302,184	994,291
Feb	2,604,368	1,620,254
March	3,906,552	2,592,374
Apr	5,208,736	3,405,842
May	6,510,920	4,243,954
June	7,813,104	5,188,563
July	9,115,288	8,053,416
Aug	10,417,472	9,140,285
Sept	11,719,656	
Oct	13,021,840	
Nov	14,324,024	
Dec	15,626,208	
2023-24	31,252,425	
Year To Date		
Actual v. Projected		88%



City of Kenmore, Washington
Street Fund Summary Report
August 31, 2023

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CURRENT PERIOD 2023 - 2024				
	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>August 2023</u>	<u>2023-2024</u>	<u>BUDGET</u>	<u>2023-2024</u>
REVENUES				
Beginning Fund Balance		2,270,562		2,270,562
Fuel Tax	40,504	273,457	29.8%	917,905
Investment Interest	7,046	42,006	210.0%	20,000
Miscellaneous	0	9,042	19.4%	46,602
ROW Permit Fees/Inspections	0	117,804	48.4%	243,612
Multimodal Transportation	0	15,639	24.5%	63,948
MVA Transpo City	0	13,684	0.0%	0
Transfer from General Fund	0	0	0.0%	1,858,313
Transfer from TBD	0	0	0.0%	700,000
Total Revenues	47,549	471,633	12.2%	3,850,380

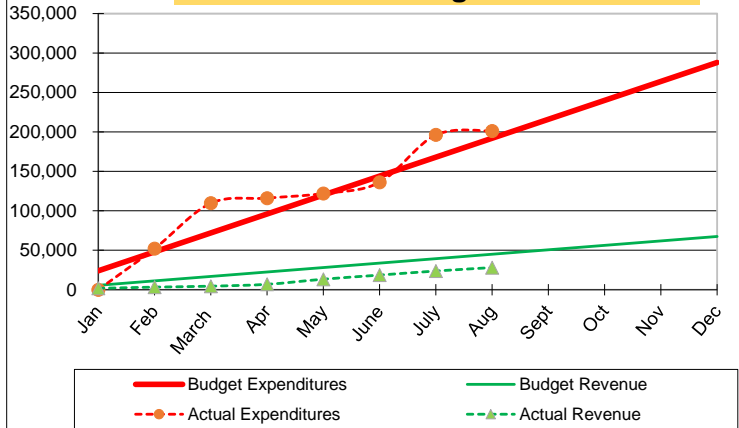
CURRENT PERIOD 2023 - 2024				
	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>August 2023</u>	<u>2023-2024</u>	<u>BUDGET</u>	<u>2023-2024</u>
EXPENDITURES				
Salary and Benefits	24,442	489,205	31.1%	1,575,300
Maintenance & Operations	105,061	488,852	24.4%	2,001,300
Capital	0	18,881	36.0%	52,500
Transfer to PW Shop Fund	0	0	0.0%	175,880
Total Expenditures	129,503	996,937	26.2%	3,804,980
Revenues over Expenditures	(81,954)	(525,304)		45,400
Ending Fund Balance		1,745,258		2,315,962

August 31, 2023

STRATEGIC OPPORTUNITIES FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	24,000	0	5,626	1,809
Feb	48,000	52,075	11,252	3,330
March	72,000	109,645	16,878	4,536
Apr	96,000	116,112	22,504	6,887
May	120,000	122,005	28,130	13,356
June	144,000	136,059	33,756	18,580
July	168,000	196,207	39,382	23,754
Aug	192,000	201,241	45,008	28,094
Sept	216,000		50,634	
Oct	240,000		56,260	
Nov	264,000		61,886	
Dec	288,000		67,512	
2023-24	576,000		135,018	
Total Actual to Date vs Total Budget		35%		21%

**STRATEGIC OPPORTUNITIES FUND
Actual v. Budget Results**

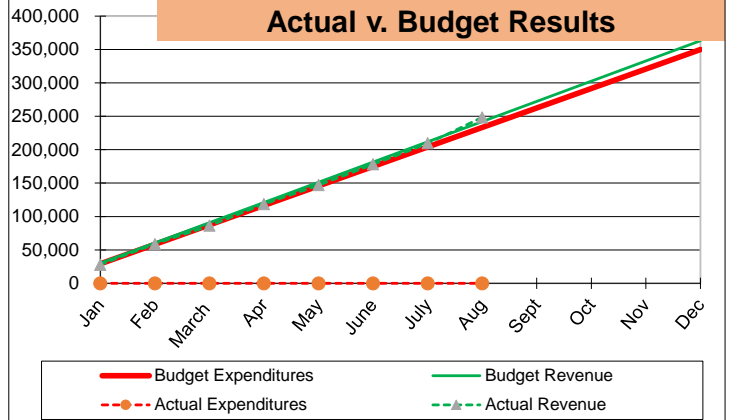


The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves.

TRANSPORTATION BENEFIT DISTRICT FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	29,167	0	30,263	27,898
Feb	58,334	0	60,526	58,709
March	87,501	0	90,789	86,440
Apr	116,668	0	121,052	118,485
May	145,835	0	151,315	146,980
June	175,002	0	181,578	178,187
July	204,169	0	211,841	209,849
Aug	233,336	0	242,104	248,513
Sept	262,503		272,367	
Oct	291,670		302,630	
Nov	320,837		332,893	
Dec	349,996		363,156	
2023-24	700,000		726,305	
Total Actual to Date vs Total Budget		0%		34%

**TRANSPORTATION BENEFIT DISTRICT FUND
Actual v. Budget Results**

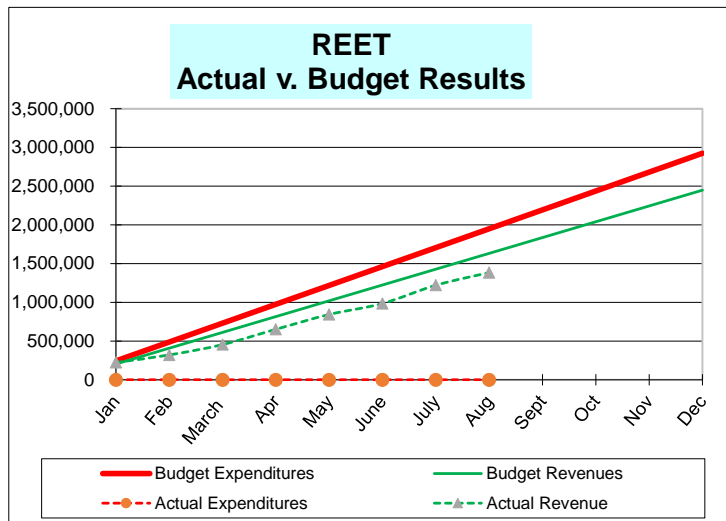


The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

August 31, 2023

REAL ESTATE EXCISE TAX FUND

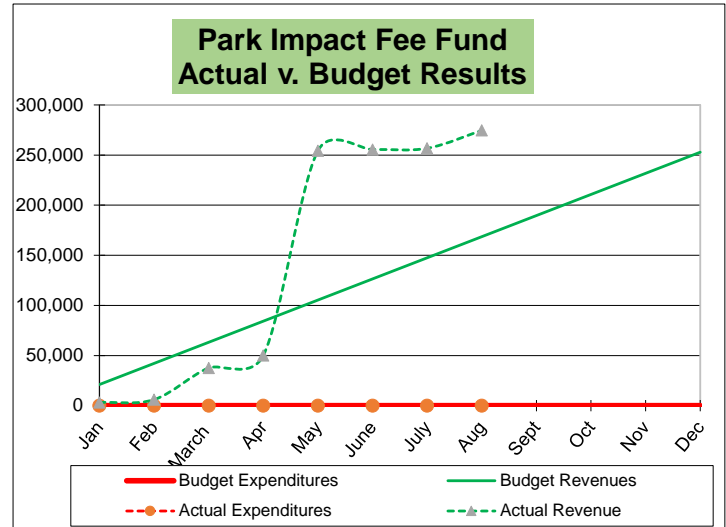
	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	243,704	0	204,007	223,695
Feb	487,408	0	408,014	320,826
March	731,112	0	612,021	454,752
Apr	974,816	0	816,028	651,898
May	1,218,520	0	1,020,035	843,314
June	1,462,224	0	1,224,042	984,966
July	1,705,928	0	1,428,049	1,220,776
Aug	1,949,632	0	1,632,056	1,384,080
Sept	2,193,336		1,836,063	
Oct	2,437,040		2,040,070	
Nov	2,680,744		2,244,077	
Dec	2,924,448		2,448,084	
2023-24	5,848,900		4,896,168	
Total Actual to Date vs Total Budget		0%		28%



The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include transfers to the Park Capital Fund for park improvements and Transportation Capital Fund for transportation improvements. include transfers to the Park Capital Fund for park improvements and and Transportation Capital Fund for transportation improvements.

PARK IMPACT FEE FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	0	0	21,070	3,147
Feb	0	0	42,140	6,018
March	0	0	63,210	37,652
Apr	0	0	84,280	50,046
May	0	0	105,350	254,340
June	0	0	126,420	255,545
July	0	0	147,490	256,743
Aug	0	0	168,560	274,688
Sept	0		189,630	
Oct	0		210,700	
Nov	0		231,770	
Dec	0		252,840	
2023-24	0		505,670	
Total Actual to Date vs Total Budget		0%		54%

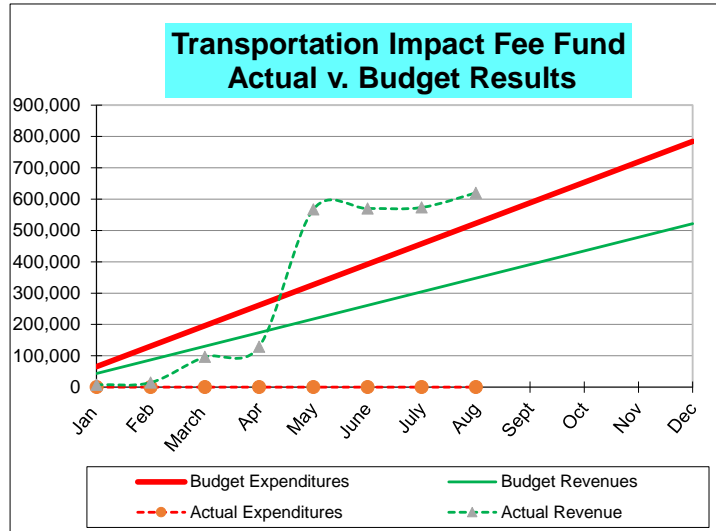


This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements.

August 31, 2023

TRANSPORTATION IMPACT FEE FUND

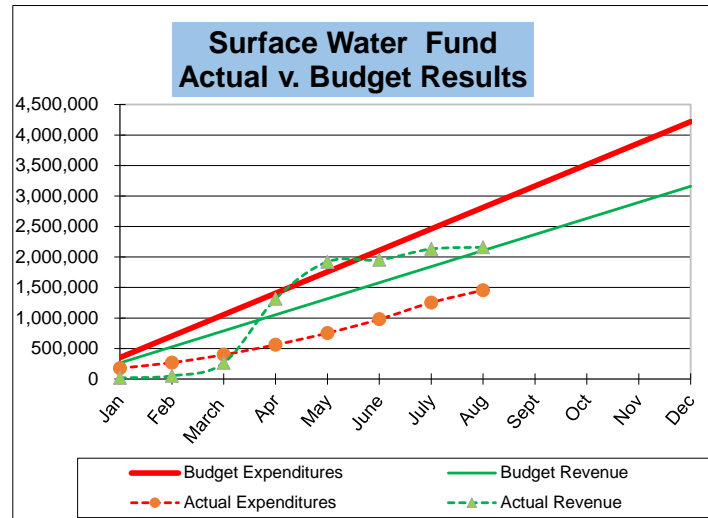
	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	65,358	0	43,472	7,562
Feb	130,716	0	86,944	14,461
March	196,074	0	130,416	96,287
Apr	261,432	0	173,888	128,935
May	326,790	0	217,360	566,969
June	392,148	0	260,832	570,166
July	457,506	0	304,304	573,348
Aug	522,864	0	347,776	620,141
Sept	588,222		391,248	
Oct	653,580		434,720	
Nov	718,938		478,192	
Dec	784,296		521,664	
2023-24	1,568,596		1,043,334	
Total Actual to Date vs Total Budget		0%		59%



This fund accounts for City imposed transportation impact fees on new development. Expenditures are for public transportation improvements

SURFACE WATER MANAGEMENT FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	351,574	177,516	263,276	17,517
Feb	703,148	268,361	526,552	52,102
March	1,054,722	398,377	789,828	263,203
Apr	1,406,296	561,906	1,053,104	1,314,101
May	1,757,870	753,038	1,316,380	1,921,920
June	2,109,444	979,153	1,579,656	1,953,992
July	2,461,018	1,253,483	1,842,932	2,131,717
Aug	2,812,592	1,455,579	2,106,208	2,158,464
Sept	3,164,166		2,369,484	
Oct	3,515,740		2,632,760	
Nov	3,867,314		2,896,036	
Dec	4,218,888		3,159,312	
2023-24	8,467,779		6,318,615	
Total Actual to Date vs Total Budget		17%		34%



This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements. collected in May and November.

City of Kenmore, Washington
Cash and Investment Report
August 31, 2023

Page 115 of 425



<u>Fund</u>	<u>Beg. Cash & Inv.</u> <u>from Prev. Mo.</u>	<u>Monthly</u> <u>Revenues</u>	<u>Monthly</u> <u>Expenditures</u>	<u>End. Cash & Inv.</u> <u>Current Month</u>
General	\$4,934,082	\$1,081,347	\$1,094,519	4,920,909
Street	1,826,900	47,549	129,503	1,744,946
Transportation Capital	1,404,611	0	584,536	820,075
KAPE Fund	-35,368	0	20,829	(56,197)
Public Art	115,661	476	538	115,600
Park Impact Fee	351,675	17,945	0	369,619
Transportation Impact Fee	933,375	46,793	0	980,168
Swamp Creek Basin	462,341	1,913	0	464,253
Transportation Benefit District	361,372	38,663	0	400,036
ARPA Fiscal Recovery Fund	4,970,972	0	212,653	4,758,319
Sammamish Bridge Replacement	916,524	0	33,726	882,798
Walkways & Waterways Debt Service	498,028	3,649	0	501,676
Real Estate Excise Tax	4,171,842	163,305	0	4,335,147
Park Capital	1,060,437	0	31,561	1,028,876
Walkways & Waterways Bond	241,255	29,534	0	270,788
Surface Water Management	2,721,676	26,747	202,095	2,546,327
Surface Water Capital	1,889,602	21,000	309,436	1,601,166
Public Works Shop Fund	224,008	0	8,348	215,660
Strategic Reserve	1,393,887	5,766	0	1,399,653
Strategic Opportunities	627,302	4,340	5,034	626,609
Equipment Replacement	676,133	2,779	4,326	674,586
Trust & Agency	1,132,896	71,705	860	1,203,741
Totals	\$30,879,210	\$1,563,510	\$2,637,965	\$29,804,755

<u>Fund</u>	<u>Cash, Savings,</u> <u>Local Govt Investment Pool</u>	<u>(> One Year)</u> <u>Fixed</u> <u>Investments</u>	<u>Total</u>
General	\$2,052,796	\$2,865,247	4,918,043
Street	894,459	850,000	1,744,459
Transportation Capital	820,075	0	820,075
KAPE Fund	-56,211	0	(56,211)
Public Art	100,600	15,000	115,600
Park Impact Fee	-560,381	930,000	369,619
Transportation Impact Fee	950,168	30,000	980,168
Swamp Creek Basin	-935,747	1,400,000	464,253
Transportation Benefit District	400,035	0	400,035
ARPA Fiscal Recovery Fund	4,758,144	0	4,758,144
Sammamish Bridge Replacement	882,798	0	882,798
Walkways & Waterways Debt Service	501,676	0	501,676
Real Estate Excise Tax	4,335,147	0	4,335,147
Park Capital	1,028,876	0	1,028,876
Walkways & Waterways Bond	270,788	0	270,788
Surface Water Management	2,036,544	510,000	2,546,544
Surface Water Capital	1,601,166	0	1,601,166
Public Works Shop Fund	215,660	0	215,660
Strategic Reserve	549,654	850,000	1,399,654
Strategic Opportunities	626,609	0	626,609
Equipment Replacement	224,585	450,000	674,585
Trust & Agency	1,103,741	100,000	1,203,741
Totals	\$21,801,182	\$8,000,247	\$29,801,429

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

City of Kenmore, Washington Investment Schedule August 31, 2023



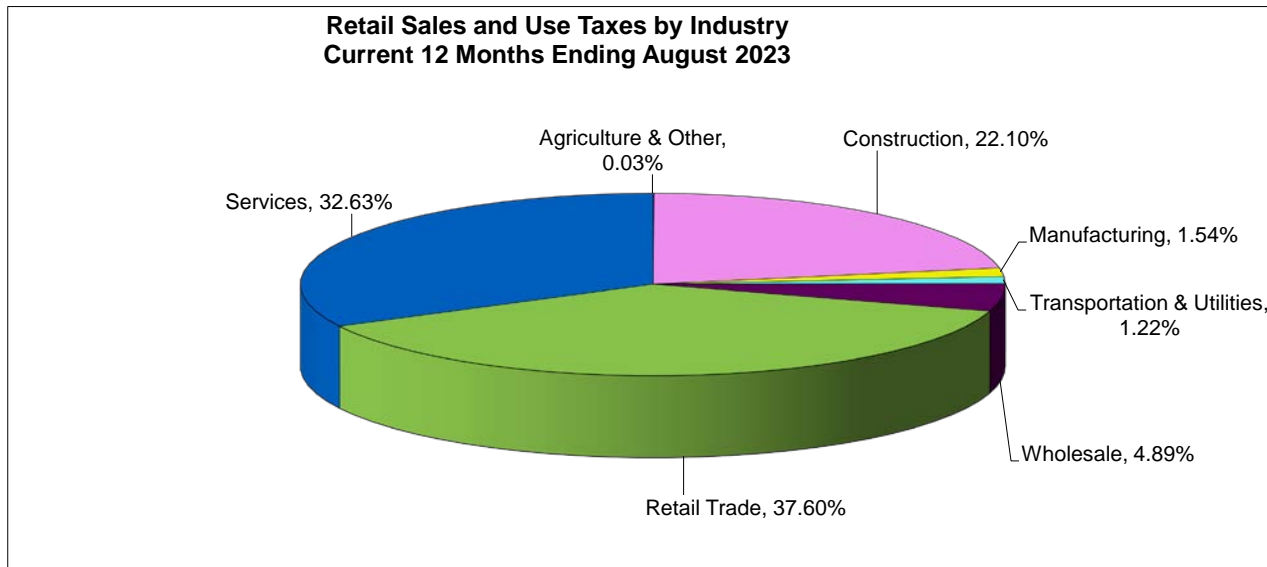
file the August 2023 Financial Report for the City of...

Average Yield to Maturity-Securities										Overall	2.26%
										Average Yield	4.23%
Time Value Investments	Investment #	Type		Purchase Date	Maturity Date	Rate	Yield		Principal or Balance	Yield Equivalents	
	3133EMHL9	FFCB		11/24/2020	11/30/2023	0.30%	0.30%		1,501,500.00	4,504.50	
	3133EMMN9	FFCB		1/25/2021	1/11/2024	0.19%	0.19%		1,000,000.00	1,900.00	
	9128286Z8	US TREAS		1/25/2021	6/30/2024	0.18%	0.18%		1,065,261.38	1,917.47	
	91282CCX7	US TREAS		7/14/2023	9/15/2024	5.00%	5.00%		1,445,711.91	72,285.60	
	91282CDN8	US TREAS		8/7/2023	12/15/2024	5.02%	5.02%		1,493,005.50	74,948.88	
	3130AQTT0	FHLB		3/2/2022	2/28/2025	1.67%	1.67%		1,494,768.00	24,962.63	
Total TVI Purchases									8,000,246.79	180,519.07	
CD's											
										-	
Total CD's									0.00	0.00	
TOTAL ALL SECURITIES										\$ 8,000,246.79	\$ 180,519.07
Banner Checking and Savings							0.02%		1,533,901.77	306.78	
Pacific Premier Savings							5.23%		3,302,959.88	172,599.47	
LGIP - Primary Account							5.34%		10,423,051.34	556,601.36	
LGIP - Bond Proceeds Account							5.34%		6,541,268.85	349,310.30	
Total Accounts									\$ 29,801,428.63	1,259,336.98	

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
August 31, 2023

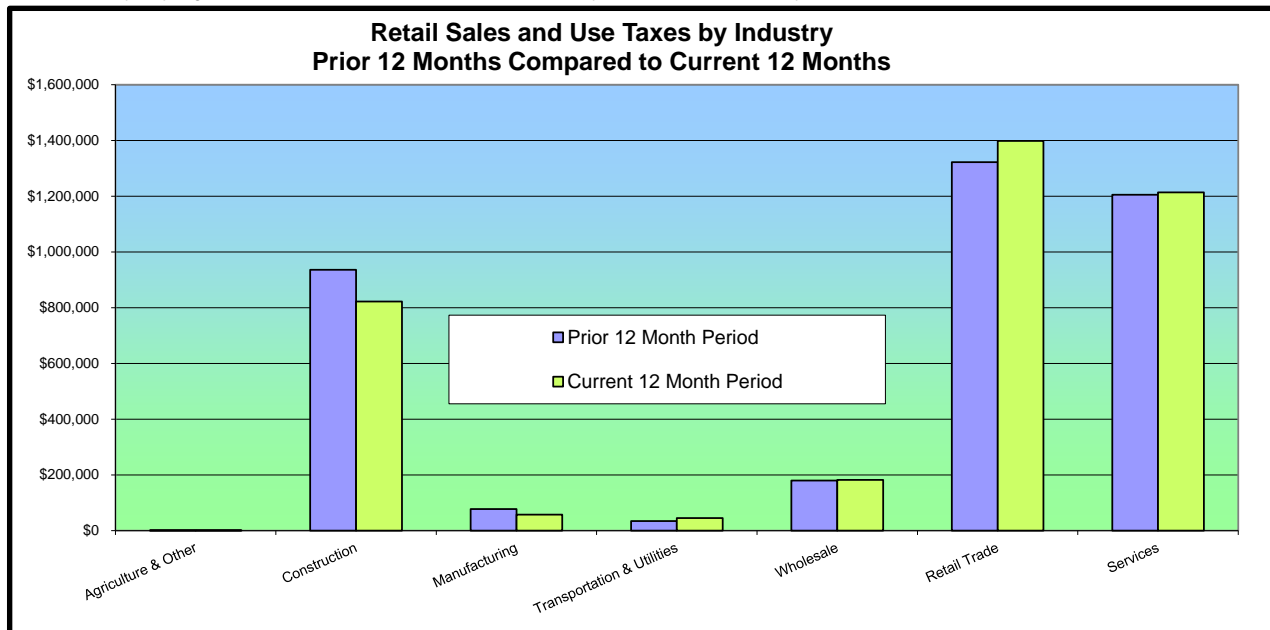


Industry	Prior 12 Months ending August 2022	Current 12 Months ending August 2023	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$946	\$942	-0.41%	0.03%
Construction	935,595	821,824	-12.16%	22.10%
Manufacturing (Printing, Publishing, Other Manuf.)	77,415	57,150	-26.18%	1.54%
Transp/Comm/Utilities (Telecomm., Air Transport.)	34,344	45,402	32.20%	1.22%
Wholesale (Lumber, Other Wholesale)	180,073	181,691	0.90%	4.89%
Retail Trade (Eating, Merchandise, Food Stores)	1,322,006	1,398,566	5.79%	37.60%
Services (Auction, Recreation, Auto Repair, Financial)	<u>1,204,890</u>	<u>1,213,745</u>	0.73%	32.63%
Totals	<u>\$3,755,270</u>	<u>\$3,719,320</u>	<u>-0.96%</u>	100%
Increase/(Decrease)		<u>(\$35,950)</u>	<u>-0.96%</u>	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City





City Council Business Agenda Item City of Kenmore, WA

Subject/Topic:

NE 190th St Culvert Replacement Project
– Construction Contingency Increase

Proposed Council Action/Motion:

Approve a contract contingency increase to \$780,481. and authorize the City Manager to execute change orders to Contract 22-C2773 with Tastad Construction for the NE 190th St Culvert Replacement Project.

For Council Meeting Agenda of: 11/20/2023

Department: Public Works Engineering

Prepared by: Terri Bielenberg

Initial & Date

Approved by Department Head:

JV

Approved by City Attorney:

N/A

Approved by Finance Director:

MM

Approved by City Manager:

RK

Exhibits/Attachments: N/A

Summary:

City staff is requesting authorization from City Council to increase the contract contingency for contract 22-C2773 to pay for additional construction cost due to change in conditions, Northshore Utility district impacts, and additional Puget Sound Energy (PSE) utility work.

Information/Background:

On April 24th, 2023, City Council awarded the 190th St Culvert Replacement project to Tastad Construction for \$2,436,000 which included a contingency of \$222,220. Construction started in July of 2023. As part of this project, a permit was required to establish an “in water work” window from July 1st to September 30th. During the course of the project, certain issues occurred that required changes to the contract. Below are 3 issues that have occurred that will exceed the current contingency for the contract.

Issue 1 – Southwest Wing Wall:

This was a Contractor designed Culvert and wall design project. After design was completed, it was discovered that the foundation of the southwest wing wall would be within a couple feet of a NUD sewer line. At NUD’s request, the wing wall replaced with a soldier pile wall. The City will pursue reimbursement from NUD for the difference in cost between the wing wall and the soldier pile wall.

Issue 2 – Northwest Wing Wall:

In the area northwest of the culvert, there were gas conflicts that required relocation so that a NUD sewer line could be relocated out of the way of the culvert. An error on the termination of the gas

XII. F. Approve a contract contingency increase to \$780,481 and authoriz...

relocation created a situation that required a change in the design. To accommodate the change in condition, the sewer line was kept in place and the NW wing wall required modification in the field. To avoid damage to the existing sewer line and to install the wing wall within the project “in water work” window the following changes were necessary:

- A bypass was put into place for the sewer line
- Cutting a portion of a wing wall was necessary to avoid conflicts with the existing sewer line
- Changes in shoring to avoid the sewer line
- Extra construction time for installation.

PSE was not able to do relocate their gas line in time to meet the ‘in water work’ permit requirements and the city needed to complete additional design work to meet the schedule. The City and PSE agreed that Tastad Construction would do the work and PSE would reimburse the City. The City is working with NUD to share additional cost not covered by PSE.

Issue 3 - Voids in Roadway: The project required pavement restoration in the intersection of 61st Ave NE and NE 190th St after the culvert and walls were installed. During excavation for the culvert and walls, large, unexpected voids and debris were discovered under 61st Ave NE. Staff believes that the debris originated from when the roadway was constructed, and the voids created when creek water infiltrated behind the previous culvert/walls. Staff expects that it will cost approximately \$200,000 dollars to repair the roadway.

The ‘in water work’ has been completed. Additional work is yet to be completed and will be performed prior to the end of 2023. However, some tasks such as the final pavement layer and pavement markings will need to wait until next year when weather will be more favorable.

Fiscal Consideration:

Below is a breakdown on the cost for each issue.

Issue	Amount*
1. Southwest wing wall	\$180,000
2. Northwest wing wall	\$178,261
3. 61 st Ave NE Road repair	\$200,000
Total	\$558,261

*Approximate values

Construction Contract Summary

Description	Amount
Total Contract Amount	\$2,991,895
Total Contract Budget	\$2,436,000
Amount Over Budget/Requested Increase in Budget	\$558,261
Funding Sources for Amount Over Budget:	
PSE/NUD	\$358,261
Pavement Overlay Project (Transportation CIP)	\$200,000

Additional contract budget in the amount of \$558,261 is necessary to make payment to the contractor for issues 1 – 3. It is anticipated that PSE and NUD will reimburse the City for most of the cost for issues 1&2. Issue 3 will be paid for out of the existing funds in Transportation Capital Fund. Total contract budget, if approved, will be **\$780,481**.

Council Goal/Budget Being Addressed:

Council Goal 1: Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.



City Council Agenda Bill City of Kenmore, WA

Subject/Topic:

Remaining Tier 2 Tree Regulations

For Council Meeting Agenda of: November 20, 2023

Department: Development Services

Prepared by: Garrett Oppenheim, Assistant to the City Manager, Samantha Loyuk, Development Services Director

Initial & Date

Approved by Department Head: SL 11/9/23

Approved by City Attorney: DR 11/9/23

Approved by Finance Director: MM 11/9/23

Approved by City Manager: RK 11/8/23

Proposed Council Action/Motion:

No action requested; discussion and direction on the items listed below. Public hearing.

Exhibits/Attachments:

1. Ordinance No. 23-0597
2. Ord. 23-0597 Exhibit A
3. Ord. 23-0597 Exhibit B
4. Ord. 23-0597 Exhibit C
5. King Conservation District Tree Canopy Study
6. PowerPoint presentation

Summary:

The proposed tree regulations provide added protections to Kenmore's urban tree canopy by increasing the requirements for tree density on new developments, decreasing the number of trees property owners can remove each year, requiring replacement whenever significant trees are removed, requiring that all trees on a property must be retained unless construction won't allow it, and establishing a tree fund for instances when replacement is infeasible.

Information/Background:

In April 2021, Development Services staff provided an informational presentation to summarize tree regulations in Kenmore, as requested by the City Council at the January 2021 retreat. During the presentation, there was discussion about potential code amendments to further preserve, protect, and enhance Kenmore's tree canopy. These recommendations included short-term and long-term action items, referred to as List 1 and List 2 (later referred to as "Tier 1 and Tier 2"). The Tier 1 action items were adopted on March 21, 2022.

The following items were included on Tier 2:

XIII. A. Proposed Ordinance 23-0597 Remaining Tier 2 Tree Regulations, p...

- Increase the tree density requirement for new development.
- Decrease yearly allowances for single-family tree removal.
- Always require replacement.
- Preserve all trees not required to be removed for construction.
- Establish a tree fund for instances where replacement is infeasible (“fee in lieu”).
- Establish an Exceptional Tree program.

The Exceptional Tree program was adopted at the Council’s October 16 meeting. This proposed ordinance would implement the other five remaining items.

The amendments to KMC 18.57.060 increase the tree density requirements for new development from 30 tree units per acre to 40, a 33% increase in the tree units that must be present on newly developed land.

KMC 15.25.070(B)(2)(d) currently allows for the removal of 2 trees annually from a lot up to 10,000 square feet, 4 trees annually for lots between 10,000 and 20,000 square feet, 6 trees annually for lots between 20,000 and 30,000 square feet, and 8 trees annually for lots larger than 30,000 square feet. These amendments would eliminate all of those allowances and permit the removal of only a single significant tree per year from any property and requiring replacement at a one to one ratio.

In order to preserve all trees unless construction requires their removal, KMC 18.57.060(B) is amended to add language saying “Sites capable of exceeding the minimum tree density requirement by retaining existing trees shall do so unless doing so would prevent use of the subject property otherwise allowed by applicable law.”

In order to establish a tree fund, KMC 18.57.080(D)(2), which dealt with off-site planting of replacement trees, would be replaced by a new section that details a fee-in-lieu system, whereby the city manager has authority to approve payments by property owners into a fund to plant trees on City-owned property where it would be infeasible to plant replacement trees on the subject property.

SEPA review and notice to the Washington State Department of Commerce have been completed, as required before adoption.

The City has received public comments about the difficulty of reconciling housing obligations and tree protections, implying that the protection of trees will prevent the City from meeting its housing obligations under the Growth Management Act. However, the two goals are not mutually exclusive, as shown by the substantial amount of work on housing the City Council has performed over the years (and will continue to do in the future):

- [Housing Strategy Plan](#)
- [Missing Middle Housing](#)
- [Plymouth Affordable Housing Development](#)
- [RFP Issued for Affordable Housing Development at the City-owned Holt property](#)
- [Comprehensive Plan Update](#)

The City Council has also considered tree protections at the following public meetings:

- October 16, 2023: adoption of exceptional tree ordinance
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- October 9, 2023: public hearing on proposed exceptional tree ordinance

- September 25, 2023: public hearing on proposed exceptional tree ordinance
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- September 11, 2023: staff presentation on proposed exceptional tree ordinance
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- October 24, 2022: study session on amendments to the tree regulations, including a proposed exceptional tree ordinance
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- July 18, 2022: continued tree regulations discussion
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- May 16, 2022: tree regulations discussion
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- March 21, 2022: adoption of tree regulation ordinance, including definition of significant trees, nuisance species, and permitting process for tree removal
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- December 6, 2021: tree regulations discussion
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)
- September 20, 2021: report and discussion on exceptional trees and residential tree subsidy programs
Agenda link: [Kenmore - Document Center \(civicweb.net\)](#)

The City Council has prioritized both the need for housing and tree preservation, which is consistent with its top two priorities adopted in the 2023-2024 Kenmore City Council Priorities:

1. Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.
2. Increase and preserve the options for affordable housing stock.

Fiscal Consideration:

The proposed tree regulations will result in increased staff workloads, including fielding more questions and concerns from property owners, permit processing, plan review, and code enforcement. The code may result in the need for a new position, City Arborist.

City Council Priority or Budget Objective Being Addressed:

1. Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.

**CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 23-0597**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON,
AMENDING CHAPTERS 15.25, 18.20, 18.21, 18.35, AND 18.57 OF
THE KENMORE MUNICIPAL CODE TO INCREASE THE TREE
DENSITY REQUIREMENT FOR NEW DEVELOPMENT; DECREASE
YEARLY ALLOWANCES FOR SINGLE-FAMILY TREE REMOVAL;
ALWAYS REQUIRE REPLACEMENT FOR THE REMOVAL OF
SIGNIFICANT TREES; ESTABLISH REQUIREMENTS TO PRESERVE
ALL TREES WHOSE REMOVAL IS NOT REQUIRED FOR
CONSTRUCTION; ESTABLISH A TREE FUND; PROVIDING FOR
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City of Kenmore Comprehensive Plan ("Comprehensive Plan") Policy LU-2.2.3 states that Kenmore's regulation of land use should: a) protect public health, safety, and general welfare; b) protect environmentally sensitive areas, including wetlands, groundwater, streams, Lake Washington, the Sammamish River, and Puget Sound; and c) support tree preservation, whenever possible; and

WHEREAS, Comprehensive Plan Policy LU-1.5.2 identifies that development regulations should provide and address, among other things, tree retention standards; and

WHEREAS, consistent with the Comprehensive Plan, the City Council adopted Chapter 18.57 of the Kenmore Municipal Code ("KMC"), the "Tree Management and Protection Code" and declared that the purpose of the chapter was to establish a process and standards to:

1. Increase the livability of an area by helping to screen people and *buildings* from wind and inclement weather;
2. Create a special sense of identity, a sense of community and civic pride, and a memorable place to live and work;
3. Preserve and enhance the *City's* physical and aesthetic character by preventing untimely and indiscriminate removal or destruction of *trees*;
4. Promote *site* planning, construction practices, and horticultural practices that are consistent with the *reasonable* use of property;
5. Implement the goals and objectives of the *City's* comprehensive plan; and

6. Implement the goals and objectives of the *City's* parks and recreation master plan.

WHEREAS, the City Council finds that the purposes for tree protection regulations as articulated above remain valid today, and that protecting trees provides substantial value to the City and its residents by:

A. Reducing soil erosion and water pollution in the City's streams and creeks by providing wind breaks, slowing the surface movement of water, reducing the amount of stormwater runoff, and stabilizing soil with their roots and fallen leaves;

B. Improving air quality by removing pollutant gases and airborne particles;

C. Positively affecting energy and water conservation by providing shade, lowering temperatures, and reducing net evaporation rates;

D. Reducing noise pollution by absorbing and deadening excessive and/or unwanted noise and by screening the source of the noise from view; and

E. Providing a wide variety of habitats and ecosystems for birds, mammals, and other wildlife [KMC 18.57.015.A-E];

WHEREAS, in May of 2022, the City Council adopted the City of Kenmore Climate Action Plan ("CAP"), which acknowledges that cities like Kenmore have a critical role to play in addressing climate change impacts, including, but not limited to protecting, preserving, and restoring environmental and natural resources; and

WHEREAS, CAP priorities, goals, and strategies include the expansion of tree canopy and sequestration opportunities, protecting critical and natural areas, and protecting local water bodies; and

WHEREAS, the City Council and members of the public have voiced concerns with the scope of tree removal within the City, and the Council directed staff to bring forward proposed regulations to further preserve and protect Kenmore's urban forest canopy; and

WHEREAS, the City Council has considered tree protection regulations at its April 19, 2021, June 14, 2021, September 20, 2021, December 6, 2021, March 21, 2022, May 16, 2022, July 18, 2022, October 24, 2022, September 11, 2023, September 25, 2023, and October 9, 2023 meetings; and

WHEREAS, the adoption of land use and zoning regulations is a valid exercise of the City's police powers and is specifically authorized by RCW 35A.63.100, RCW 36.70A.040, and the Washington Constitution, Article XI, Section 11; and

WHEREAS the Proposed Amendments support Council priorities to implement the adopted Kenmore CAP and promote environmental stewardship, including water, air, forest, and habitat restoration; and

WHEREAS, the City sent notice of the Proposed Amendments to the Washington State Department of Commerce pursuant to RCW 36.70A.106; and

WHEREAS, on September 1, 2023, the City's Responsible Official issued a Determination of Non-Significance pursuant to the State Environmental Policy Act in relation to the Proposed Amendments; and

WHEREAS, the City Council held a public hearing on November 20, 2023, and December 11, 2023, and considered the comments and record relating to the Proposed Amendments; and

WHEREAS, the City Council desires to adopt the Proposed Amendments and finds that such amendments are consistent with the 2023-2024 Council Priorities, the goals, objectives, and policies of the Comprehensive Plan; and

WHEREAS, the City Council has been guided by the goals of the Growth Management Act (RCW 36.70A.020) when considering adoption of the Proposed Amendments; and

WHEREAS, the City Council finds that adoption of the Proposed Amendments is in the best interests of the residents of Kenmore and will promote the public health, safety, and welfare of the City;

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

Section 1. Findings. The City Council adopts the recitals set forth above as findings in support of this Ordinance, which are incorporated by reference as if set forth in full.

Section 2. Amendment. The City Council amends Chapter 15.25 of the Kenmore Municipal Code as set forth in Exhibit A, attached hereto and incorporated by reference as if set forth in full.

Section 3. Amendment. The City Council amends Chapter 18.20 of the Kenmore Municipal Code as set forth in Exhibit B, attached hereto and incorporated by reference as if set forth in full.

Section 4. Amendment. The City Council amends Chapter 18.21 of the Kenmore Municipal Code as set forth in Exhibit B, attached hereto and incorporated by reference as if set forth in full.

Section 5. Amendment. The City Council amends Chapter 18.35 of the Kenmore Municipal Code as set forth in Exhibit B, attached hereto and incorporated by reference

as if set forth in full.

Section 6. Amendment. The City Council amends Chapter 18.57 of the Kenmore Municipal Code as set forth in Exhibit C, attached hereto and incorporated by reference as if set forth in full.

Section 6. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of the ordinance, or the application of the provision to other persons or circumstances, shall not be affected or affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Ordinance.

Section 7. 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 publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
___ DAY OF _____ 2023.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Anastasiya Warhol, City Clerk

Approved as to form:

Dawn Reitan, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
ORDINANCE NO.:
DATE OF PUBLICATION: EFFECTIVE
DATE:

EXHIBIT A TO ORD. 23-0597

I. Chapter 15.25 of the Kenmore Municipal Code (KMC) is amended to read as follows:

A. KMC 15.25.030 is amended to read as follows:

15.25.030 Definitions.

Certain words and phrases used in this chapter, unless otherwise clearly indicated by their context, mean as follows:

A. "Applicant" means a person who files an application for a permit under this chapter and who is either the owner of the land on which that proposed activity would be conducted, a contract purchaser, or the authorized agent of such a person.

B. "Bench" means a relatively level step excavated or constructed on the face of a graded *slope* surface for drainage and maintenance purposes.

C. "City manager" means the City of Kenmore city manager or his or her designee(s).

D. "Clearing" means the cutting or *removal of vegetation* or other organic plant material by physical, mechanical, chemical or any other means.

E. "Department" means the *department* designated by the *city manager* to administer this chapter.

F. "Diameter at breast height" means a *tree's* diameter in inches at four and one-half feet above the ground. On multiple stemmed or trunked *trees*, the diameter shall be the sum of diameters of all individual stems or trunks.

G. "Director" means the director of the *department* designated by the *city manager* to administer this chapter.

H. "Earth material" means any rock, natural soil or any combination thereof.

I. "Erosion" means the wearing away of the ground surface as the result of the movement of wind, water and/or ice.

J. "Excavation" means the *removal of earth material*.

K. "Exceptional tree" means a tree which because of its unique combination of size, species, and age is worthy of long-term retention for the purposes and values set forth in KMC 18.57.015, and that has been determined to constitute an important community resource and may not be *removed* or damaged.

1. All healthy specimens of *tree* species in Table 1 are *exceptional trees* if they have a diameter at breast height (d.b.h.) equal to or greater than that listed for the respective species. For *trees* with multiple with multiple leaders at four and one-half feet above the ground, the d.b.h. shall be the combined cumulative total of branches greater than six inches diameter at four and one-half feet above the ground. For *trees* that have been removed and whereas only the stump remains, the size of the *tree* shall be measured from the diameter of the top of the stump.
2. Any healthy *tree* with a d.b.h. of 48 inches or greater is an *exceptional tree* except those in Table 2 that are never considered exceptional.

Table 1. Exceptional Tree Species and Required Diameters at Breast Height

Tree Species (Common Name)	Scientific Name	Threshold DBH (in inches)
Bigleaf Maple	<i>Acer macrophyllum</i>	42"
Douglas Fir	<i>Pseudotsuga menziesii</i>	30"
Grand Fir	<i>Abies grandis</i>	24"
Madrona	<i>Arbutus menziesii</i>	12"
Oregon Ash	<i>Fraxinus latifolia</i>	24"
Oregon White Oak	<i>Quercus garryana</i>	24"
Pacific Dogwood	<i>Cornus nuttallii</i>	24"
Pine (any species)	<i>Pinus</i> family	30"
Sitka Spruce	<i>Picea sitchensis</i>	24"
Western Hemlock	<i>Tsuga heterophylla</i>	24"
Western Red Cedar	<i>Thuja plicata</i>	30"
Willow (any species)	<i>Salix</i> family	24"

Table 2. Tree Species That Are Not Exceptional Trees

Tree Species (Common Name)	Scientific Name
Alder (any species)	<i>Alnus</i> family
Black Cottonwood	<i>Populus trichocarpa</i>
English Holly	<i>Ilex aquifolium</i>
Leyland Cypress	<i>Cupressus</i> × <i>leylandii</i>

L. "Fill" means a deposit of *earth material* placed by mechanical means.

M. "Grade" means the elevation of the ground surface.

1. "Existing grade" means the *grade* prior to *grading*.
2. "Rough grade" means the stage at which the *grade* approximately conforms to the approved plan.
3. "Finish grade" means the final *grade* of the *site* which conforms to the approved plan.

N. “Grading” means any excavating, filling, removing of the duff layer, or combination thereof.

O. “Hazard tree” means any *tree* that has a high probability of failure due to any structural defect, disease or damage or combination of defect, disease or damage. A “high probability of failure” means falling and causing damage to persons or property. A “hazard tree” includes, but is not limited to, any isolated *tree(s)* that have a high probability of failure due to low *wind-firmness* in post-construction conditions as determined by a *qualified tree protection professional*.

P. “Impervious surface” means a nonvegetated surface which either prevents or retards the entry of water into the soil mantle under natural conditions prior to development, and/or which causes water to run off the surface in greater quantities or at a rate of flow greater than the flow under natural conditions prior to development. Common *impervious surfaces* include, but are not limited to, roofs, walkways, patios, driveways, parking lots, storage areas, paved areas, gravel areas, areas of packed or oiled earthen materials or other surfaces which similarly impede the natural infiltration of surface and *stormwater*. Open uncovered flow control or water quality treatment facilities shall not be considered as *impervious surfaces* for the purposes of determining whether thresholds for the application of minimum requirements are exceeded, but shall be considered *impervious surfaces* for the purposes of runoff modeling.

Q. “Land alteration” means any alteration to the surface of the land or the surface drainage including improvements to a storm water tract. *Land alterations* include but are not limited to: *excavations, fills, clearing, grading, and tree removal* or any combination thereof; placing or removing *impervious surfaces*, including *structures* and *pavement*; compacting the earth surface; changing the existing *grade*; or changing the surface so that surface water leaves the *site* differently, including changes to flow path, flow rate, or flow volume.

R. “Native tree” means a tree species native to the Puget Sound lowlands.

RS. “Removal” with regard to *trees* means the act of removing a *tree* by digging up, cutting down, or causing a *tree* to die within a period of three years from such act.

SI. “Shorelines” means those lands defined as shorelines in the State Shorelines Management Act of 1971.

TU. “Significant tree” means an existing healthy *tree* that is not a *hazard tree* and that is at least six inches in *diameter at breast height* (d.b.h.) as measured at four and one-half feet (54 inches) above the ground. For *trees* with multiple leaders at four and one-half feet above the ground, the d.b.h. shall be the combined cumulative total of branches greater than six inches diameter at four and one-half feet above the ground. For *trees* that have been removed and whereas only the stump remains, the size of the *tree* shall be measured from the diameter of the top of the stump. Replacement trees required as mitigation for removed exceptional trees are considered significant trees, regardless of size.

UV. "Site" means any lot or parcel of land or contiguous combination thereof where projects covered by this chapter are performed or permitted.

VW. "Slope" means an inclined ground surface, the inclination of which is expressed as a ratio of vertical distance to horizontal distance.

WX. "Storm drain system" means a system of gutters, pipes, or ditches used to carry surface and *stormwater* from the surrounding lands to drainage facilities, critical areas, streams or lakes.

XY. "Stormwater" means water originating from rainfall and other precipitation that ultimately flows into drainage facilities, rivers, streams, lakes and wetlands. As applied in this chapter, *stormwater* is synonymous with the term "surface water."

YZ. "Structure" means anything permanently constructed in or on the ground, or over the water, and excluding fences eight feet or less in height, decks less than 18 inches above *grade*, paved areas, and structural or nonstructural *fill*.

ZAA. "Terrace" means a relatively level step excavated or constructed on the face of a graded *slope* surface for drainage and maintenance purposes.

AABB. "Tree" means a self-supporting woody perennial plant characterized by one main stem or trunk of at least six inches diameter at breast height, or a multiple stemmed or trunk system with a definite crown, maturing at a height of at least 12 feet above ground level. The *department* shall determine whether any specific woody plant shall be considered a *tree*.

BBCC. "Vegetation" means any and all organic plant life growing at, below, or above the soil surface. [Ord. 22-0547 § 2 (Exh. A); Ord. 16-0428 § 11 (Att. G); Ord. 12-0345 § 3 (Exh. A).]

B. KMC 15.25 is amended as follows:

15.25.070 Permit required — Exception.

~~No land alteration shall be performed without first having obtained a permit therefor from the City. Exemptions from permit requirements of this chapter shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this chapter or any other laws or ordinances of the City. Even if a permit is required, best management practices must be utilized to limit *erosion* and sedimentation. Permits shall not be required for the following:~~

A. Grading.

1. *Excavation* for construction of a *structure* authorized by a valid building permit;
2. *Excavations* for trenches for utilities not within critical areas, shorelines or associated buffer;
3. Exploratory *excavations* performed under the direction of a registered design professional; provided, that any disturbance of the area shall be the minimum necessary to carry out the work or studies and the disturbed area shall be immediately restored; and
4. *Excavation* or *fill* less than four feet in vertical depth not involving more than 100 cubic yards of earth or other material on a single *site* and not within critical areas, shorelines or associated buffers;

B. Clearing and Tree Removal.

1. *Clearing* and *removal* of *trees* for the construction of a *structure* authorized by a valid building permit;
2. *Removal* of *significant trees* requires a permit filed by the owner of real property within the City on forms provided by the department for review and approval prior to removing the *tree*. The city manager may approve, deny, or approve with conditions an application for *tree removal*. The decision shall be based on the following approval criteria:
 - a. The *tree(s)* proposed for *removal* is on a lot containing an existing single-family detached dwelling unit;
 - b. The *tree(s)* proposed for *removal* is not located within critical areas or associated buffers, shorelines or associated buffers, native growth protection areas, or wildlife protection zones;
 - c. The *tree(s)* proposed for *removal* has not been previously designated for protection (e.g., as part of a plat); and
 - d. The *tree(s)* proposed for *removal* complies with the yearly *tree removal* maximum allowances table shown below:

Lots up to 10,000 sq. ft.:	2 <i>trees</i> per year
Lots 10,001 sq. ft. to 20,000 sq. ft.:	4 <i>trees</i> per year
Lots 20,001 sq. ft. to 30,000 sq. ft.:	6 <i>trees</i> per year
Lots 30,000 sq. ft. and greater:	8 <i>trees</i> per year

3. *Clearing* by a public agency, franchise utility or public or private golf course for routine maintenance activities;

4. Minor stream restoration projects for fish habitat enhancement pursuant to a Washington State Joint Aquatic Resource Permit Application (JARPA);

5. Normal and routine maintenance of existing lawns and landscaping; and

6. *Removal* of noxious weeds. *Removal* of noxious weeds from critical areas, shorelines or associated buffers shall be subject to the requirements of KMC Title 16 and Chapter 18.55 KMC;

C. Engineering.

1. Less than 2,000 square feet of replaced *impervious surface* or new plus replaced *impervious surface* that is not within critical areas or associated buffers; and

2. *Land alterations* that are exempt from a *grading* permit and that do not alter the method by which the *stormwater* leaves the *site*. [Ord. 22-0547 § 2 (Exh. A); Ord. 16-0428 § 11 (Att. G); Ord. 12-0345 § 3 (Exh. A).]

15.25.070 Permit required – Tree Removal.

A. *Exceptional trees* may be *removed* only as described in KMC 18.57.065.B.

B. *Removal* of *significant trees* requires a permit filed by the owner of real property within the City on forms provided by the department for review and approval prior to removing the *tree*. The *city manager* may approve, deny, or approve with conditions an application for *tree removal*. As a standard condition of the permit, a minimum of one (1) *native tree* is required to replace each tree removed unless the *tree* is hazardous or the fee-in-lieu option described in KMC 18.57.080(D)(2) is approved by the *city manager*. Replacement trees shall not be Alder (any species), Black Cottonwood, English Holly, or Leyland Cypress.

1. The decision shall be based on the following approval criteria:

a. The *tree(s)* proposed for *removal* is on a lot containing an existing single-family detached dwelling unit;

b. The *tree(s)* proposed for *removal* is not located within critical areas or associated buffers, shorelines or associated buffers, native growth protection areas, or wildlife protection zones;

c. The *tree(s)* proposed for *removal* has not been previously designated for protection (e.g., as part of a plat);

d. The *tree(s)* proposed for *removal* complies with the yearly *tree removal* maximum: One (1) *significant tree* per year (applies to all lot sizes). Limited exceptions may be considered by the *city manager*. For example, if trees grow together (e.g., shared root system and/or canopy) and whereas the removal of one *tree* would cause the death of another, as determined by a *qualified tree protection professional*, an exception may be granted by the *city manager* to allow removal of more than one tree. In such a case, replacement would be required at a ratio of one-to-one (1:1). For example, if two trees are removed, two *native* replacement trees would be required.

15.25.075 Permit required – Exception.

No *land alteration* shall be performed without first having obtained a permit therefor from the City. Exemptions from permit requirements of this chapter shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this chapter or any other laws or ordinances of the City. Even if a permit is required, best management practices must be utilized to limit *erosion* and *sedimentation*.

A. Grading.

1. *Excavation* for construction of a *structure* authorized by a valid building permit;

2. *Excavations* for trenches for utilities not within critical areas, shorelines or associated buffers;

3. Exploratory *excavations* performed under the direction of a registered design professional; provided, that any disturbance of the area shall be the minimum necessary to carry out the work or studies and the disturbed area shall be immediately restored; and

4. *Excavation* or *fill* less than four feet in vertical depth not involving more than 100 cubic yards of earth or other material on a single *site* and not within critical areas, shorelines or associated buffers;

5. ~~*Clearing*~~ *Tree removal* by a public agency, franchise utility or public or private golf course for routine maintenance activities;

6. Minor stream restoration projects for fish habitat enhancement pursuant to a Washington State Joint Aquatic Resource Permit Application (JARPA);

7. Normal and routine maintenance of existing lawns and landscaping; and

8. *Removal of noxious weeds.* *Removal of noxious weeds from critical areas, shorelines or associated buffers shall be subject to the requirements of KMC Title 16 and Chapter 18.55 KMC; and*

9. *Removal of tree(s) necessary for the preservation and enjoyment of a substantial property right or use possessed by other similarly situated properties but which because of the presence of significant tree(s) is denied to the subject property. Exceptions under this subsection shall be construed narrowly. The applicant must apply for and meet the variance criteria of KMC 18.115.030 to qualify for this exemption. Exemptions under this subsection shall be processed as a Type 1 land use decision.*

C. Engineering.

1. *Less than 2,000 square feet of replaced impervious surface or new plus replaced impervious surface that is not within critical areas or associated buffers; and*

2. *Land alterations that are exempt from a grading permit and that do not alter the method by which the stormwater leaves the site. [Ord. 22-0547 § 2 (Exh. A); Ord. 16-0428 § 11 (Att. G); Ord. 12-0345 § 3 (Exh. A).]*

EXHIBIT B TO ORD. 23-0597

I. Chapter 18.20 of the Kenmore Municipal Code is amended to read as follows:

A. Chapter 18.20 KMC is amended by adding a new KMC 18.20.3086, “Tree, native” to read as follows:

18.20.3086 Tree, native.

“Tree, native” means a tree species native to the Puget Sound lowlands.

II. Chapter 18.21 of the Kenmore Municipal Code is amended to read as follows:

**Chapter 18.21
RESIDENTIAL ZONES**

Sections:

18.21.020 Residential zones R-1, R-4 and R-6 – Use allowances.

18.21.030 Residential zones R-1, R-4 and R-6 – Development standards.

18.21.040 Residential zones R-12, R-18 and R-24 – Use allowances.

18.21.045 Residential zone MHC – Use allowances.

18.21.050 Residential zones R-12, R-18, R-24, R-48, and MHC – Development standards.

18.21.055 MHC zoning exception.

18.21.060 Nonresidential land uses in residential zones.

18.21.070 Personal service, eating and drinking place and retail sales uses in R-4 through R-24 zones.

18.21.073 Accessory uses.

18.21.075 Drive-through service.

18.21.078 Outdoor storage.

18.21.080 Wireless communication facilities.

18.21.030 Residential zones R-1, R-4 and R-6 – Development standards.

The following zone-specific development standards in Table B apply in the R-1, R-4 and R-6 residential zones:

Table B. R-1, R-4 and R-6 Residential Zones Development Standards

STANDARDS	Z O N E S	R-1 ¹	R-4	R-6
Base Density: <i>Dwelling Unit/Acre</i> ²		1 du/ac	4 du/ac ³	6 du/ac
Maximum Density: <i>Dwelling Unit/Acre</i> ⁴			6 du/ac	9 du/ac
Minimum Density				
Minimum Lot Width ⁶		35 ft. ⁷	30 ft.	30 ft.
Minimum <i>Street Setback</i>		20 ft. ⁷	15 ft. ^{8,9}	15 ft. ^{8,9}
Minimum Side <i>Setback</i> ^{5,10}		5 ft. ⁷	15 ft. total ¹¹	15 ft. total ¹¹
Minimum Rear <i>Setback</i> ^{5,10}		5 ft. ⁷	20 ft.	20 ft.
Maximum Height ¹²		35 ft.	35 ft.	35 ft. 45 ft. ¹³
Base <i>Impervious Surface</i> : Percentage		30%	45%	60%
Maximum <i>Impervious Surface</i> : Percentage ¹⁴		30% ¹⁵	55%	70%
Minimum Lot Size		2,500 sq. ft.	7,200 sq. ft. ^{16,17}	5,400 sq. ft. ^{16,17}

¹ a. All subdivisions and short subdivisions in the R-1 zone shall be required to be *clustered* when the property is located within or contains:

(1) A *floodplain*;

(2) A regionally or locally significant resource area;

(3) Existing or planned public *parks* or *trails*, or connections to such facilities;

(4) A Category I or II *wetland* or Type S or F *stream*;

(5) A “greenbelt/urban separator” or “wildlife corridor” area designated by the comprehensive plan.

b. The *development* shall be *clustered* away from *critical areas* or corridors such as urban separators or the wildlife habitat network to the extent possible and the *open space* shall be placed in a separate tract that includes at least 50 percent of the *site*. *Open space* tracts shall be permanent and meet the provisions of KMC [17.20.130](#).

² Density applies only to *dwelling units* and not to sleeping units.

³ *Manufactured housing communities* shall be allowed a base density of six *dwelling units* per acre.

⁴ This maximum density may be achieved only through the application of residential density incentives pursuant to Chapter [18.80](#) KMC or *transfers of density credits*, or any combination of density incentive or density transfer. Maximum density may only be exceeded pursuant to KMC [18.80.040](#)(E)(1)(f).

⁵ These standards may be modified under the provisions for *zero-lot-line developments*.

⁶ The *building envelope* is determined through meeting minimum lot size and minimum lot width measurement requirements (KMC [18.30.110](#)).

⁷ The standards of the R-4 zone shall apply if a *lot* is less than 15,000 square feet in area.

⁸ If *development* provides *alleys* or consists of *townhouses*, then the *street setback* may equal 10 feet.

⁹ At least 20 linear feet of driveway shall be provided between any garage, carport or other fenced parking area and the *street* property line. The linear distance shall be measured along the centerline of the driveway from the access point to such garage, carport or fenced area to the *street* property line.

¹⁰ Vehicle access points from garages, carports or fenced parking areas shall be set back from the property line on which a *joint use driveway* is located to provide a straight line length of at least 26 feet as measured from the centerline of the garage, carport or fenced parking area, from the access point to the opposite side of the *joint use driveway*.

¹¹ Any side yard shall equal a minimum of five feet but the two side yards combined must equal a minimum of 15 feet.

¹² Reserved.

¹³ The maximum height of 45 feet to be used only for projects as follows:

a. In R-6 zones, a *building* with a footprint built on slopes exceeding a 15 percent finished grade.

¹⁴ Applies to each individual *lot*. *Impervious surface* area standards for:

- a. Regional *uses* shall be established at the time of permit review;
- b. Nonresidential *uses* in residential zones shall comply with KMC [18.21.060](#) and [18.30.170](#);
- c. Individual *lots* in the R-4 through R-6 zones which are less than 9,076 square feet in area shall be subject to the applicable provisions of the nearest comparable R-6 zone;
- d. *Lots* may be increased beyond the total amount permitted in this chapter subject to approval of a *conditional use permit*;
- e. The base *impervious surface* percentage may be exceeded, up to the maximum *impervious surface* percentage, provided low impact development strategies are implemented subject to approval by the *city manager*.

¹⁵ *Lots* smaller than one-half acre in area shall comply with standards of the nearest comparable R-4 through R-6 zone. For *lots* that are one-half acre in area or larger, the maximum *impervious surface* area allowed shall be at least 10,000 square feet. On any *lot* over one acre in area, an additional five percent of the lot area may be used for *buildings* related to agricultural or forestry practices. For *lots* smaller than two acres but larger than one-half acre, an additional 10 percent of the lot area may be used for *structures* which are determined to be medically necessary, provided the *applicant* submits with the permit application a notarized affidavit, conforming with the requirements of KMC [18.100.170](#)(A)(2).

¹⁶ For properties with *critical areas* or topographic constraints, **or where exceptional trees are retained**, up to 20 percent of the number of *lots* in a subdivision or a short subdivision of more than four *lots*, and one of the *lots* in a short plat of four *lots* or less, may contain an area less than the prescribed minimum for this zoning district. In no case shall any *lots* be created which contain an area more than 10 percent less than the prescribed minimum for this zoning district. These smaller *lots* shall be located so as to have the least impact on surrounding properties in terms of consistency of *street frontages* and privacy of abutting properties.

¹⁷ This excludes any area required for public or *private streets*, access easements, access tracts, and access panhandles.

III. Chapter 18.35 of the Kenmore Municipal Code is amended to read as follows:

Chapter 18.35 DEVELOPMENT STANDARDS - LANDSCAPING

Sections:

[18.35.010 Purpose.](#)

[18.35.020 Application.](#)

[18.35.030 Land use grouping.](#)

[18.35.040 Landscaping – Screen types and description.](#)

[18.35.045 Landscaping – General requirements.](#)

[18.35.050 Landscaping – Street trees for single-family subdivisions.](#)

[18.35.060 Repealed.](#)

[18.35.070 Landscaping – Surface parking areas.](#)

[18.35.080 Landscaping – General standards for all landscape areas.](#)

[18.35.090 Landscaping – Additional standards for required landscape areas.](#)

[18.35.100 Landscaping – Alternative options.](#)

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18.35.010 Purpose.

The purpose of this chapter is to preserve the aesthetic character of communities; to improve the aesthetic quality of the built environment; to promote retention and protection of existing *vegetation and trees*; to promote water efficiency; to promote native wildlife; to reduce the impacts of *development* on drainage systems and natural habitats; and to increase privacy for residential zones by:

- A. Providing visual relief from large expanses of parking areas and reduction of perceived *building* scale;
- B. Providing physical separation between residential and nonresidential areas;
- C. Providing visual screens and barriers as a transition between differing land *uses*;
- D. Retaining existing *vegetation* and *significant trees* by incorporating them into the site design;
- E. Providing increased areas of permeable surfaces to allow for:
 - 1. Infiltration of surface water into groundwater resources;
 - 2. Reduction in the quantity of stormwater discharge; and
 - 3. Improvement in the quality of stormwater discharge;

F. Encouraging the use of native plant species by their retention or use in the landscape design;

G. Encouraging the use of a diversity of plant species which promote native wildlife habitat.
[Ord. 11-0329 § 3 (Exh. 1).]

18.35.020 Application.

Except for *wireless communication facilities* regulated pursuant to Chapter [18.60](#) KMC, all new *development* shall be subject to the *landscaping* provisions of this chapter; provided, that specific *landscaping* and *tree* retention provisions for *uses* established through a *conditional use permit* or *special use permit* shall be determined during the applicable review process. [Ord. 16-0426 § 7 (Att. E); Ord. 11-0329 § 3 (Exh. 1).]

18.35.030 Land use grouping.

To facilitate the application of this chapter, land *uses* have been grouped in the following manner:

A. "Residential *development*" refers to *residential land uses*.

B. "Attached/group residences" refers to:

1. Multiple family dwellings, except as provided in subsection (C)(1) of this section;
2. Single detached dwelling units developed on common property at a density of 12 or more units per acre;
3. Supportive living facilities;
4. Temporary lodging;
5. Adult family homes; and
6. Manufactured housing communities.

C. "Single-family *development*" refers to:

1. Residential subdivisions and short subdivisions, including attached and detached dwelling units on individually platted or short platted lots;
2. Any detached dwelling units located on a lot;
3. Family child-care homes; and

4. Type I community residential facilities.

B. "Commercial development" refers to:

1. *Recreational/cultural land uses*, except library, museum, *park* and *trail*;
2. *General services land uses*, except recycling centers, *health care and social assistance*, *hospital*, *laboratory*, *educational service*, *day care* I, and *religious institution*; and
3. *Retail land uses*.

4. Regional land uses.

C. "Industrial development" refers to:

1. *Government/business services land uses*, except *public agency or utility office*; *public agency or utility yard*; *public agency archive*; *court*; *fire or police facility*; *utility facility*; *commuter parking lot*; *private stormwater management facility*; and *vactor waste receiving facility*;
2. *Manufacturing land uses*; and
3. Mineral extraction and processing.

D. "Institutional development" refers to:

1. *Library*, *museum* and *conference center*;
2. *Religious institution*, *hospital*, *health care and social assistance*, *ambulatory surgery center*, *laboratory*, and *educational service*; and
3. *Public agency or utility office*; *public agency or utility yard*; *public agency archive*; *court*; *fire or police facility*; *commuter parking lot*; *private stormwater management facility*; and *vactor waste receiving facility*.

E. "Utility development" refers to *utility facility*, except *private stormwater management facility* and *vactor waste receiving facility*.

F. *Uses* that are not listed in this section shall not be subject to *landscaping* requirements except as specified in any applicable review of a *conditional use*, **site plan review**, or *special use permit*. [Ord. 19-0481 § 2 (Exh. A); Ord. 17-0438 § 2 (Att. A); Ord. 14-0391 § 2 (Exh. 1); Ord. 11-0329 § 3 (Exh. 1).]

18.35.040 Landscaping – Screen types and description.

The three types of *landscaping* screens are described and applied as follows: below. For each of these types, retention of existing *significant trees* is required unless otherwise approved pursuant to KMC 18.35.040(C)(3).

A. Type I *Landscaping* Screen.

1. Type I *landscaping* is a “full screen” that functions as a visual barrier.
2. Type I *landscaping* shall minimally consist of:
 - a. A mix of primarily *evergreen trees* and shrubs generally interspersed throughout the landscape strip and spaced to form a continuous screen;
 - b. Between 70 and 90 percent *evergreen trees*;
 - c. *Trees* provided at the rate of one per 10 linear feet of landscape strip and spaced no more than 30 feet apart on center;
 - d. *Evergreen* shrubs provided at the rate of one per four linear feet of landscape strip and spaced no more than eight feet apart on center; and
 - e. Ground cover pursuant to KMC [18.35.090](#);
3. Landscape-based stormwater management facilities are permitted within Type I *landscaping* screen areas; provided, that the screening objectives in subsections (A)(1) and (2) of this section are achieved.

B. Type II *Landscaping* Screen.

1. Type II *landscaping* is a “filtered screen” that functions as a visual separator.
2. Type II *landscaping* shall minimally consist of:
 - a. A mix of *evergreen* and *deciduous trees* and shrubs generally interspersed throughout the landscape strip spaced to create a filtered screen;
 - b. At least 50 percent *deciduous trees* and at least 30 percent *evergreen trees*;
 - c. *Trees* provided at the rate of one per 20 linear feet of landscape strip and spaced no more than 30 feet apart on center;
 - d. Shrubs provided at the rate of one per four linear feet of landscape strip and spaced no more than eight feet apart on center; and

e. Ground cover pursuant to KMC [18.35.090](#);

3. Landscape-based stormwater management facilities are permitted within Type II *landscaping* screen areas; provided, that the screening objectives in subsections (B)(1) and (2) of this section are achieved.

C. Type III *Landscaping* Screen.

1. Type III *landscaping* is a “see-through screen” that functions as a partial visual separator to soften the appearance of parking areas and building elevations.

2. Type III *landscaping* shall minimally consist of:

a. A mix of *evergreen* and *deciduous trees* generally interspersed throughout the landscape strip and spaced to create a continuous canopy;

b. At least 70 percent *deciduous trees*;

c. *Trees* provided at the rate of one per 25 linear feet of landscape strip and spaced no more than 30 feet apart on center;

d. Shrubs provided at the rate of one per four linear feet of landscape strip and spaced no more than eight feet apart on center; and

e. Ground cover pursuant to KMC [18.35.090](#).

3. Removal of tree(s) may be permitted for the preservation and enjoyment of a substantial property right or use possessed by other similarly situated properties but which because of the presence of significant tree(s) is denied to the subject property. Exceptions under this subsection shall be construed narrowly. The applicant must apply for and meet the variance criteria of KMC 18.115.030 to qualify under this subsection. Exceptions under this subsection shall be processed as a Type 1 land use decision.

34. Landscape-based stormwater management facilities are permitted within Type III landscaping screen areas; provided, that the screening objectives in subsections (C)(1) and (2) of this section are achieved. [Ord. 16-0428 § 13 (Att. I); Ord. 11-0329 § 3 (Exh. 1).]

18.35.045 Landscaping – General requirements.

Use as described in KMC 18.35.030	Street frontage perimeter landscaping (average width)³⁹	Interior lot line perimeter landscaping (average width)⁷⁴⁴	Surface parking lots of 10 or more stalls
Residential development ⁴	10' Type III ⁸	5' Type II ⁸ 10' Type II <u>within the rear setback¹⁴</u>	20 sq. ft. per stall in common parking areas.
Commercial development ²	10' Type III	20' Type I ⁴¹⁰	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.
Industrial development ³	10' Type II	10' Type II ⁵¹² 20' Type I ⁴¹⁰	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.
Institutional development ⁴	20' Type II ¹⁶	10' Type II	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.
Utility development ⁵	10' Type II ²⁷	10' Type II ⁶¹²	20 sq. ft. per stall if 10 – 30 stalls provided; 25 sq. ft. per stall if 31 or more stalls provided.

⁴ ~~As described in KMC 18.35.030(A).~~

² ~~As described in KMC 18.35.030(D).~~

³ ~~As described in KMC 18.35.030(E).~~

⁴ ~~As described in KMC 18.35.030(F).~~

⁵ ~~As described in KMC 18.35.030(G).~~

¹⁶ Excluding playgrounds and playfields.

²⁷ For an above-ground *utility facilities development* only, excluding distribution and transmission corridors.

⁸ ~~Only for attached/group residence development as described in KMC 18.35.030(B).~~

39 For all zones except the DC and DR zones. In the CB zone, where *street frontage setbacks* are required, the area within the *setback* must contain Type II *landscaping*.

440 Along any portion adjacent to a single-family residential *development*. ~~as described in KMC 18.35.030(A).~~

441 ~~Along portions of an attached/group residence *development* as described in KMC 18.35.030(B) adjacent to property developed with single detached residences or vacant property that is zoned R-1 through R-6.~~

542 Along any portion adjacent to a commercial or institutional *development*. ~~as described in KMC 18.35.030(D) and (F).~~

643 Excluding distribution or transmission corridors.

744 In the DC zone, where interior *setbacks* are required and/or provided, *setbacks* shall be landscaped with Type II *landscaping*. In the CB zone, where interior *setbacks* are required and/or provided, *setbacks* shall be landscaped with Type II *landscaping*.

[Ord. 11-0329 § 3 (Exh. 1).]

18.35.050 Landscaping – Street trees for single-family subdivisions.

For short subdivisions and subdivisions Kenmore Road Standards (KRS) Section 8.12 shall apply to landscaping street trees.

A. Trees shall be planted at the rate of one tree for every 40 feet of frontage along a neighborhood collector *street* or arterial *street*. Native vegetation cultivars are preferred;

B. The trees shall be:

1. Located within the street right-of-way if permitted by the *City*;

2. No more than 20 feet from the street right-of-way line if located within a *lot*;

3. Maintained by the adjacent landowner unless part of a *City* maintenance program; and

4. A species approved by the *City* if located within the street right-of-way and compatible with overhead utility lines;

C. The trees may be spaced at irregular intervals to accommodate sight distance requirements for driveways and intersections. [Ord. 16-0428 § 13 (Att. I); Ord. 11-0329 § 3 (Exh. 1).]

18.35.060 Landscaping along the Burke-Gilman public trail.

Repealed by Ord. 14-0391. [Ord. 11-0329 § 3 (Exh. 1).]

18.35.070 Landscaping – Surface parking areas.

A. *Trees* shall be provided and distributed throughout the parking area at a rate of:

1. One *tree* for every three parking stalls for a commercial or industrial *development*; and
2. One *tree* for every five parking stalls for residential or institutional *development*;

B. The maximum distance between any parking stall and *landscaping* shall be no more than 100 feet;

C. Permanent curbs or structural barriers shall be provided to protect the plantings from vehicle overhang;

D. Landscaping around the perimeter of a *site* that is in addition to the perimeter *landscaping* required by KMC [18.35.045](#) may count toward 10 percent of the required surface parking area *landscaping* in all zones except the DC and DR zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street (see subsection F of this section), if it is adjacent to the parking area;

E. Parking area *landscaping* shall consist of:

1. Canopy-type *deciduous trees*, *evergreen trees*, *evergreen shrubs* and ground covers planted in islands or strips. Native vegetation cultivars are preferred;
2. Internal parking lot *landscaping* shall be configured as landscape-based stormwater management feature unless infeasible;
3. Shrubs that do not exceed a maintained height of 42 inches;
4. Plantings contained in planting islands or strips having an area of at least 100 square feet and with a minimum dimension of not less than five feet;
5. Ground cover in accordance with KMC [18.35.090](#); and
6. At least 70 percent of *trees* are deciduous;

F. Standards for perimeter *landscaping* and screening of surface parking lots for the DC and DR zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street, are defined in Chapter [18.52](#) KMC, Downtown Design Standards. All other landscape requirements for surface parking lot landscaping in this section apply to the DC and DR zones, and RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street. [Ord. 16-0428 § 13 (Att. I); Ord. 14-0391 § 2 (Exh. 1); Ord. 11-0329 § 3 (Exh. 1).]

18.35.080 Landscaping – General standards for all landscape areas.

All new landscape areas proposed for a *development* shall be subject to the following provisions:

A. *Berms* shall not exceed a slope of two horizontal feet to one vertical foot (2:1).

B. All new turf areas, except all-weather, sand-based athletic fields, shall:

1. Be augmented with a two-inch layer of organic material cultivated a minimum of six inches deep; or
2. Have an organic content of five percent or more to a depth of six inches.

C. Except as specifically outlined for turf areas in subsection B of this section, the organic content of soils in any landscape area shall be as necessary to provide adequate nutrient and moisture-retention levels for the establishment of plantings.

D. Landscape areas, except turf or areas of established *ground cover*, shall be covered with at least two inches of *mulch* to minimize evaporation.

E. Plants having similar water use characteristics shall be grouped together in distinct hydrozones.

F. Plant selection shall consider adaptability to climatic, geologic, and topographical conditions of the *site*. **Native trees and** preservation of existing *vegetation* is encouraged.

G. Landscape areas proposed as stormwater management facilities shall be designed in accordance with the Kenmore stormwater management standards. [Ord. 16-0428 § 13 (Att. I); Ord. 11-0329 § 3 (Exh. 1).]

18.35.090 Landscaping – Additional standards for required landscape areas.

In addition to the general standards of KMC [18.35.080](#), landscape areas required pursuant to KMC [18.35.045](#) through [18.35.070](#) shall conform to the following standards:

A. All plants shall conform to American Association of Nurserymen (AAN) grades and standards as published in the “American Standard for Nursery Stock” manual; provided, that existing healthy *vegetation* used to augment new plantings shall not be required to meet the standards of this manual;

B. Single-stemmed *trees* required pursuant to this chapter shall at the time of planting conform to the following standards:

1. In parking area *landscaping* and in *street rights-of-way*:

a. *Deciduous trees* shall have a minimum *caliper* of one and three-quarters inches and a height of 10 feet in all zones except the DC and DR zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street between 65th Avenue NE extended and 73rd Avenue NE, which shall have a minimum *caliper* of three inches, and

b. Coniferous and *broadleaf evergreen trees* shall be at least five feet in height;

2. In all other required landscape areas:

a. *Deciduous trees* shall have a minimum *caliper* of one and one-half inches and a height of 10 feet in all zones except the DC and DR zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th

Street between 65th Avenue NE extended and 73rd Avenue NE, which shall have a minimum *caliper* of three inches, and

b. Coniferous and *broadleaf evergreen trees* shall be at least five feet in height except in the DC and DR zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street between 65th Avenue NE extended and 73rd Avenue NE, where they shall be at least 10 feet in height;

C. Multiple-stemmed *trees* shall be permitted as an option to single-stemmed *trees* in all zones except the DC and DR zones, or RB-zoned properties that are not subject to P-suffix condition NS-P4, and which lie north of NE 175th Street between 65th Avenue NE extended and 73rd Avenue NE; provided, that such multiple-stemmed *trees* are:

1. At least six feet in height, and

2. Not allowed within *street rights-of-way*;

~~D. When the width of any landscape strip is 20 feet or greater, the required trees shall be staggered in two or more rows;~~

~~ED.~~ Shrubs shall be:

1. At least an AAN container class No. 2 (two-gallon) size at time of planting in Types II, III and parking area *landscaping*,
2. At least 24 inches in height at the time of planting for Type I *landscaping*, and
3. Maintained at a height not exceeding 42 inches when located in Type III or parking area *landscaping* except in the DC and DR zones where they shall not exceed a maximum height of 48 inches;

~~EE.~~ Ground covers shall be planted and spaced to result in total coverage of the majority of the required landscape area within three years;

~~G. All fences shall be placed on the inward side of any required perimeter landscaping along the street frontage;~~

~~H. Required street landscaping may be placed within City street rights-of-way subject to the City street design standards, provided adequate space is maintained along the street line to replant the required landscaping should subsequent street improvements require the removal of landscaping within the rights-of-way;~~

~~I. Required street landscaping may be placed within Washington State rights-of-way subject to permission of the Washington State Department of Transportation; and~~

~~JE.~~ New landscape material provided within areas of undisturbed *vegetation* or within the protected area of *significant trees* shall give preference to utilizing *indigenous native* plant species. [Ord. 11-0329 § 3 (Exh. 1).]

18.35.100 Landscaping – Alternative options.

The following alternative landscape options may be allowed, subject to *City* approval, only if they accomplish equal or better levels of screening, or when existing conditions on or adjacent to the *site*, such as significant topographic differences, *vegetation*, *structures* or utilities would render application of this chapter ineffective or result in scenic view obstruction:

A. The amount of required landscape area may be reduced to ensure that the total area for required *landscaping*, and/or the area remaining undisturbed for the purpose of wildlife habitat or corridors does not exceed 15 percent of the net developable area of the *site*. ~~For the purpose of this subsection, the net developable area of the site shall not include areas deemed unbuildable due to their location within critical areas and any associated buffers;~~

B. The average width of the perimeter landscape strip may be reduced up to 25 percent along any portion where:

1. *Berms* at least three feet in height or architectural barriers at least six feet in height are incorporated into the landscape design; or
2. The landscape materials are incorporated elsewhere on-site;

C. Where a local or subarea plan with design guidelines has been adopted, the *city manager* shall base the *landscaping* modifications on the policies and guidelines of such plan;

D. When an existing *structure* precludes installation of the total amount of required *site* perimeter *landscaping*, such *landscaping* material shall be incorporated on another portion of the *site*;

E. Single-stemmed *deciduous tree* species that cannot generally be planted and established in larger sizes may have a *caliper* of less than one and one-half inches;

F. The number of *trees* and shrubs to be provided in required perimeter and parking area *landscaping* may be reduced up to 25 percent when a *development* uses landscaping *native to the Puget Sound lowlands materials consisting of species typically associated with the Puget Sound Basin* in the following proportions:

1. Seventy-five percent of *native ground cover* and shrubs, and
2. Fifty percent of *native trees*;

G. In the DC and DR zones, alternative landscape requirements may be proposed in order to retain *significant or exceptional trees* (over 12 inches DBH if *deciduous* or eight inches DBH if *evergreen*, measured as average trunk diameter at chest height, measured four and one-half feet above grade). This alternative requirement applies only to *trees* which are beyond what is already required in Chapter 18.57 KMC. *the City's significant tree ordinance. Interior parking lot landscape requirements may be reduced at a 1:1 ratio equal to the land area within the drip line of the tree being retained.* [Ord. 11-0329 § 3 (Exh. 1).]

18.35.110 Landscaping – Plan design, design review, and installation.

A. The landscape plan submitted to the *department* shall be drawn on the same base map as the development plans and shall identify the following:

1. Total landscape area, and separate hydrozones;
2. Landscape materials botanical/common name and applicable size;

3. Property lines;
4. *Impervious surfaces*;
5. Natural or manmade water features or bodies;
6. Existing or proposed *structures, fences, and retaining walls*;
7. Natural features or *vegetation* left in natural state; and
8. Designated recreational open space areas.

9. Existing trees.

B. The proposed landscape plan shall be certified by a Washington State registered landscape architect, Washington State certified nurseryman, or Washington State certified landscaper.

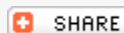
C. An affidavit signed by an individual specified in subsection B of this section, certifying that the *landscaping* has been installed consistent with the approved landscaping plan, shall be submitted to the *department* within 30 days of installation completion, unless the installed *landscaping* has been inspected and accepted by the *department*.

D. The required *landscaping* shall be installed prior to certificate of occupancy. ~~However, the time limit for compliance may be extended to allow installation of such required landscaping during the next appropriate planting season. A financial guarantee shall be required prior to issuance of the certificate of occupancy, if landscaping is not installed and inspected prior to occupancy. [Ord. 11-0329 § 3 (Exh. 1).]~~

18.35.120 Maintenance.

- A. All *landscaping* shall be maintained for the life of the project;
- B. All landscape materials shall be pruned and trimmed as necessary to maintain a healthy growing condition or to prevent primary limb failure;
- C. With the exception of dead, diseased or damaged *trees* specifically retained to provide wildlife habitat, other dead, diseased, damaged or stolen plantings shall be replaced within three months or during the next planting season if the loss does not occur in a planting season; and
- D. Landscape areas shall be kept free of trash. [Ord. 11-0329 § 3 (Exh. 1).]

18.35.130 Financial guarantees.



Financial guarantees shall be required consistent with the provisions of KMC Title [21](#). This time period may be extended ~~to one year~~ by the *city manager*, if necessary to cover a planting and growing season. [Ord. 11-0329 § 3 (Exh. 1).]

EXHIBIT C TO ORD. 23-0597

I. Chapter 18.57 of the Kenmore Municipal Code is amended to read as follows:

Chapter 18.57 TREE MANAGEMENT AND PROTECTION

Sections:

- [18.57.010 Title.](#)
- [18.57.015 Findings and purpose.](#)
- [18.57.030 Applicability.](#)
- [18.57.035 Exemptions.](#)
- [18.57.050 Tree protection plan required.](#)
- [18.57.060 Tree density requirement.](#)
- [18.57.065 Exceptional tree protections.](#)
- [18.57.070 Tree protection plan review procedure.](#)
- [18.57.080 Tree protection plan review standards.](#)
- [18.57.085 Tree windthrow evaluation and prevention.](#)
- [18.57.090 Tree protection during construction.](#)
- [18.57.100 Post-construction replacement, financial guarantee and maintenance requirements.](#)
- [18.57.110 Penalties, enforcement.](#)

18.57.010 Title. SHARE

This chapter shall be known and may be cited as the Kenmore tree management and protection code. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.015 Findings and purpose. SHARE

A. Reducing soil *erosion* and water pollution in the *City's streams* and creeks by providing wind breaks, slowing the surface movement of water, reducing the amount of stormwater runoff, and stabilizing soil with their roots and fallen leaves;

B. Improving air quality by removing pollutant gases and airborne particles;

C. Positively affecting energy and water conservation by providing shade, lowering temperatures, and reducing net evaporation rates;

D. Reducing noise pollution by absorbing and deadening excessive and/or unwanted noise and by screening the source of the noise from view;

E. Providing a wide variety of habitats and ecosystems for birds, mammals, and other wildlife; and

F. Accordingly, the purpose of this chapter is to establish a process and standards to:

1. Increase the livability of an area by helping to screen people and *buildings* from wind and inclement weather;
2. Create a special sense of identity, a sense of community and civic pride, and a memorable place to live and work;
3. Preserve and enhance the *City's* physical and aesthetic character by preventing untimely and indiscriminate removal or destruction of *trees*;
4. Promote *site* planning, construction practices, and horticultural practices that are consistent with the *reasonable use* of property;
5. Implement the goals and objectives of the *City's* comprehensive plan; and
6. Implement the goals and objectives of the *City's* parks and recreation master plan. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.030 Applicability. SHARE

A. No individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, shall directly or indirectly remove or destroy any *tree* as defined in this title within the *City*, without first obtaining a clearing permit as provided in KMC Title [15](#).

B. Unless otherwise exempted in KMC [18.57.035](#), any *site* subject to *development*, including the division of a parcel of land into two or more parcels, within the *City* shall comply with the requirements of this chapter.

C. Approval of a tree protection plan pursuant to the provisions of this chapter shall not discharge the obligation of the *applicant* to otherwise comply with the applicable provisions of this chapter.

D. When any provision of any other chapter of the Kenmore Municipal Code conflicts with this chapter or when the provisions of this chapter are in conflict, that provision which provides more protection for individual *trees* and *groves* of *trees* shall apply unless specifically provided otherwise in this chapter or unless such provision conflicts with federal or State laws or regulations. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.035 Exemptions. SHARE

A. The following land *uses* are exempt from the provisions of this chapter. However, compliance with other applicable provisions of the Kenmore Municipal Code including but not limited to then-current *critical area* regulations per Chapter [18.55](#) KMC and then-current clearing regulations per Chapter [15.25](#) KMC is still required:

1. Agriculture, meaning the use of the land for the primary purpose of deriving income from growing plants or *trees* on land including, but not limited to, land used principally for fruit or timber production, but not including land used principally for another *use* and only incidentally for growing *trees* or plants for income.
2. *Commercial nursery or tree farm*, but only those *trees* which are planted and growing on the premises of a licensed retailer or wholesaler for sale to the general public. Other *trees* on such premises shall remain subject to this chapter.

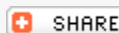
3. Residential Development.

a. All existing *lots* on which are to be situated new *single detached dwelling units* in residential zones based on tree removal limits established by clearing requirements.

b. 3. All existing *lots* on which are situated existing detached *dwelling units* in residential zones based on tree removal limits established by clearing requirements. by KMC 15.25.070.B.1.d. This exemption applies to *significant tree removal only*; the provisions described in KMC 18.57.065 for *exceptional trees* still apply.

4. Downtown Commercial and Downtown Residential Zones. All *development* occurring within core areas designated as downtown commercial and downtown residential zones. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.050 Tree protection plan required.



A. Requirement Established. Except for the exemptions enumerated in this chapter, no individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, shall remove, transplant, or destroy, or cause to be removed, transplanted, or destroyed, on any land in the *City*, any *tree* as defined in this chapter, without first obtaining the *city manager's* approval of a tree protection plan and receiving a clearing permit from the *City*. For *sites* proposed for land *development*, including the division of a parcel of land into two or more parcels, having *trees* below the minimum tree density, even though no *trees* are proposed to be removed, a tree protection plan is required to bring the *site* up to the minimum tree density standard herein established.

B. Submittal of Tree Protection Plan. Where the *site* proposed for *development* requires site or plat or short plat review, the tree protection plan shall be submitted concurrent with a site plan or plat or short plat application.

C. Tree Protection Plan Requirements. Attached to the *applicant* information and site plan information required for the clearing permit application, the *applicant* shall include the following tree protection plan information:

1. *Tree Survey*. For all *development proposals*, a *tree survey*, drawn to scale by a land surveyor licensed in Washington State, identifying the exact location and conditions of existing *trees* as defined in this title and containing the following information:

- a. Common and botanical name of each *tree*.
- b. *Trees* proposed to remain and to be removed.
- c. *Groves* with indication of predominant species, number of *trees* and size of *diameter at breast height* (d.b.h.).
- d. Any off-site *tree* with a root protection zone which could be adversely affected by the proposed activity.
- e. The location and dimensions of established and proposed perimeter *landscaping*, natural *vegetation* easements, and open space areas for public, *private*, or community use.
- f. *Net buildable areas*.
- g. *Critical areas* and their *buffers*.
- h. Stormwater tracts.
- i. Limits of construction line.
- j. North arrow, scale, and date of survey.

2. An assessment of *tree windthrow* potential as described in KMC [18.57.085](#), along with any proposed mitigation measures to minimize windthrow. These measures shall be incorporated into the proposed tree protection plan described in subsection (C)(5) of this section.

3. A statement describing how *trees* intended to remain will be identified, marked, and protected before the start of and during *development* as further described in KMC [18.57.090](#).

4. A statement that describes replacement tree quality as conforming to the American Standards for Nursery Stock (ANSI).

5. Proposed Tree Protection Plan. The permit *applicant* shall have a *qualified tree protection professional* prepare recommendations for the tree protection plan. The tree protection plan shall be drawn to scale using the *tree* survey as a base and containing the following information:

- a. The exact location, common name, botanical name, and condition of protected *trees*.
- b. The exact location, common name, botanical name, and *caliper* of each *tree* species to be planted.
- c. The *site* minimum tree density calculation indicating the total number, size, and species of existing *trees* to be preserved and the replacement *trees* to be planted as described in KMC [18.57.060](#).
- d. The *site* replacement tree calculation as described in KMC [18.57.060](#) with an explanation including the number, *caliper*, and species.
- e. The location, materials, dimensions, and layout of the protective barriers.

6. Submit a bond quantity worksheet on forms provided by the department.

7. Additional Information. Any additional or more detailed information required by the *city manager* to ensure compliance with the provisions of this chapter (i.e., aerial photograph). The *city manager* may waive the requirements for the scaled drawing and other submission data if he finds that the information presented is sufficient to determine the project's compliance with the provisions of this chapter. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 15-0409 § 1 (Att. A); Ord. 11-0329 § 3 (Exh. 1).]

18.57.060 Tree density requirement.

A. Minimum Tree Density Requirement Established. A minimum tree density is required on each *site*. The tree density may consist of existing *trees* (provided they are not cottonwood, alder, or holly trees), replacement *trees*, or a combination of existing and replacement *trees*. The *site* density of *trees* to be protected on each *site* shall be determined prior to approval of a tree protection plan or clearing permit, by the *city manager*.

B. Tree Density Calculation. The minimum tree density required for each *site* is **40** ~~30~~ tree units per acre of *net buildable area*

1. To calculate the density of *trees* to be protected:

- a. Obtain the d.b.h. measurement in inches for each protected *tree* within the *net buildable area*.

b. Go to Table 18.57.060A and select the tree unit value that corresponds to the d.b.h. for each protected *tree*.

c. Add up the tree unit values for all protected *trees* and divide by the total acreage of the *net buildable area*. This value must equal or exceed ~~40~~ 30-tree units per acre of *net buildable area*. If the total is less than ~~40~~ 30-tree units per acre, more *trees* must be protected.

d. ~~If replacement trees are planted as groves within designated tracts, then applicant may reduce total tree units required by 10 percent. If trees are retained within designated tracts, protective easements, or groves, then the applicant may reduce total tree units required by 20 percent.~~

Table 18.57.060A
Existing Trees to Remain.

(Conversion from diameter (d.b.h.) in inches
to tree units for
trees protected on-site.)

d.b.h.	Tree Units	d.b.h.	Tree Units
1 – 5	1.0	30	8.2
6 – 10	1.2	31	8.6
11	1.4	32	9.0
12	1.8	33	9.5
13	2.0	34	10.0
14	2.3	35	10.5
15	2.6	36	11.0
16	2.9	37	11.5
17	3.2	38	12.0
18	3.5	39	12.5
19	3.8	40	13.0
20	4.2	41	13.5
21	4.6	42	14.0
22	5.0	43	14.5
23	5.4	44	15.0
24	5.8	45	15.5
25	6.2	46	16.0

Table 18.57.060A
Existing Trees to Remain.

(Conversion from diameter (d.b.h.) in inches
to tree units for
trees protected on-site.)

d.b.h.	Tree Units	d.b.h.	Tree Units
26	6.6	47	17.0
27	7.0	48	18.0
28	7.4	49	19.0
29	7.8	50	20.0
For every one inch greater than 50 d.b.h., add an additional 2 tree units (i.e., 62 d.b.h. = 44 tree units).			

C. Replacement *Tree* Requirement. If the number of existing *trees* is not enough to meet the minimum of ~~40~~ 30 tree units per *net buildable acre*, a sufficient number of replacement *trees* shall be planted to meet the minimum requirement. Replacement *trees* shall not be allowed until the *applicant* shows that it is infeasible to retain existing trees. To determine the total number of replacement *trees* required:

1. Obtain the *caliper* measurement for each replacement *tree*. Replacement *trees* are measured differently than protected *trees*. Instead of measuring d.b.h. as in protected *trees*, replacement *trees* are measured by *caliper* in inches according to industry standards (ANSI). *Caliper* on replacement *trees* is measured six inches above the ground line for four-inch and smaller *trees*, and 12 inches above ground for larger replacement *trees*.
2. Go to Table 18.57.060B and select the tree unit value that corresponds to the *caliper* for each replacement *tree*.
3. Add the replacement tree unit values together to determine how many of that size *tree* will be required to achieve the minimum *site* density. See Table 18.57.060C for an example.
4. If replacement *trees* are planted within designated tracts, protective easements, or groves, then *applicant* may reduce total tree units required by 20 percent.

Table 18.57.060B Replacement Trees.

(Conversion from
caliper inches to tree units for replacement trees.)

Deciduous Tree Caliper in Inches	Tree Units for Deciduous Trees	Coniferous Tree Height in Feet	Tree Units for Conifers	Tree Units for Native Conifers
1.5"	0.4	4' – 6'	0.5	0.8
2"	0.5	6' – 8'	0.7	1.0
3"	0.6	8' – 10'	1.0	1.5
4"	0.7	11' – 12'	1.5	2.0
5"	0.8			
6"	1.0			
7"	1.2			
8" +	1.5			

Table 18.57.060C Sample Tree Density Calculation.

The required density factor is calculated below as follows for five net buildable acres: five acres x 40 30 units = 200 150 tree units required.

Existing Retained Trees: density (ED):

Size	Quantity	Total <u>Tree</u> Units
24"	3	17.4
18"	3	10.5
10"	4	4.8
30"	7	57.4
12"	5	9.0
8"	6	7.2
15"	8	20.8
4"	10	10.0
<u>50"</u>	<u>1</u>	<u>20.0</u>
<u>44"</u>	<u>2</u>	<u>30.0</u>
Total <u>ED</u>		187.1

Proposed Replacement Trees: density (RD):

Size	Units	Quantity	Total Units
2" <i>Deciduous</i>	0.5	12	6.0
4" <i>Deciduous</i>	0.7	6	4.2
4' – 6' Native Conifer	0.8	5	4.0
		Total RD	14.2

Existing Density + Replaced Density =	Site Total Tree Density	>	or	=	Minimum Density Required	
137.1-187.1 + 14.2 =	151.3-201.3	>			150 200	Density Satisfied

The sum of the **retained existing trees and replacement trees ED and RD** must be greater than or equal to the minimum density required. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.065 Exceptional Tree Protections.

A. Prohibited Activities.

The following activities are prohibited with regard to *exceptional trees*.

1. Removal, in whole or in part.
2. Harming, injuring, or damaging the tree, including cutting its bark or branches with a knife, axe, hatchet, saw, or any other similar device or object.
3. Pouring toxic material on the tree or on the ground near enough to the tree to affect its health.
4. Burning the tree or causing a fire near enough to the tree to affect its health.
5. Topping.
6. Pruning beyond the standards provided by the Tree Care Industry Association at ANSI300 Part 1.
7. Attaching any sign, poster, notice, or other object to the tree, or fastening any guy wire, cable, rope, nails, screws, or other device to the tree, with the following exceptions:
 - a. To support young or broken trees;
 - b. For residential uses, (e.g., treehouses, tire swings, etc.);
 - c. The City may tie temporary signs or banners associated with street improvement, parades, seasonal lighting, or other city activities.

B. Variance.

Exceptional trees may be removed only as allowed in this section.

1. Variances from the *exceptional tree* standards of this chapter may be authorized by the *city manager* in accordance with the approval criteria described in this section. A variance for removal of *exceptional trees* is a Type 2 land use decision, pursuant to KMC 19.25.020, except as described in Section 18.57.063(B)(2)(a)(3).
 - a. Prior to commencing with the *removal* the owner shall obtain a permit from the *City*.
 - b. No *variance* is allowed in order to create additional *lots*.
 - c. Decision Criteria.
 - i. Necessary for Rights or Use. Private *Development Proposals*: Such *variance* is necessary for the preservation and enjoyment of a substantial property right or use possessed by other similarly situated properties but which because of the presence of *exceptional tree(s)* is denied to the property in question. For a variance to be granted under this section, the applicant must demonstrate compliance with the reasonable use exception approval criteria established in KMC 18.55.180.A.1.a through 18.55.180.A.1.g. The phrase *exceptional tree* shall replace the phrase *critical area* when utilizing said criteria for a variance under this section;
 - ii. The granting of such *variance* will not be materially detrimental to the public welfare or injurious to the property or improvement;
 - iii. The granting of the *variance* is consistent with the general purpose and intent of the *City's* comprehensive plan and adopted development regulations.
 - d. *City Manager* Review. The *city manager* shall review the application. The *city manager* shall approve, approve with conditions, or deny the request based on the proposal's ability to comply with all of the *variance* criteria in this section.
 - e. Burden of Proof. The burden of proof shall be on the *applicant* to bring forth evidence in support of the application and to provide sufficient information on which any decision has to be made on the application.
 - f. Time Limit.
 - i. Establishment of any activity authorized pursuant to an *exceptional tree variance* shall occur within four years of the effective date of the decision for such *variance*. This period may be extended for one additional year by the *city manager* if the *applicant* has submitted the applications necessary to authorize the development activity and has provided written justification for the extension.
 - ii. For the purpose of this subsection, "establishment" shall occur upon the issuance of all local permit(s) needed to begin the development activity; provided, that the improvements authorized by such permits are completed within the time frames of said permits.
 - g. Mitigation Requirements.

- i. To the extent feasible, *exceptional trees removed* under a *variance* shall be replaced at a ratio of three (3) replacement trees for each *exceptional tree removed* (3:1).
- ii. If on-site replacement is not feasible, off-site replanting on public property with the *City's* written permission.
- iii. Whether planted on-site or off-site, replacement *trees* shall be of a species listed in Table 1 at KMC 18.20.3083 and must remain viable for a minimum of five (5) years after planting or themselves be replaced at a 1:1 ratio.
- iv. Notice on title.
 1. In order to inform subsequent purchasers of real property of the existence of replacement *trees* and their required viability period, the owner of any property containing replacement *trees* planted as mitigation for the removal of *exceptional trees* shall file a notice with county records and elections division according to the direction of the *City*. The notice shall state the presence of the replacement *trees* on the property and the date until which they must remain viable, of the application of this chapter to the property, and the fact that limitations on actions affecting the *trees* may exist. The notice shall run with the land.
 2. This notice on title shall not be required for:
 - a. A *development proposal* by a *public agency* or utility;
 - b. Within a recorded easement or right-of-way;
 - c. Where the agency or *utility* has been adjudicated the right to an easement or right-of-way; or
 - d. On the site of a public facility.
 3. The applicant shall submit proof that the notice has been filed with the county records and elections division (i.e., copy of document recorded on title).

2. Hazardous Trees.

- a. The *removal* of *hazard exceptional trees* shall comply with the following:
 - i. Prior to commencing with the *removal* the owner shall obtain a permit from the *City*.
 - ii. The burden of proving the hazardous nature of the *tree* lies with the property owner. The property owner shall provide the *City* with a report, prepared by an International Society of Arboriculture (ISA) certified arborist with a current Tree Risk Assessment Qualification (TRAQ), documenting that the *tree(s)* has a "high" or "extreme" risk and no other mitigation measure will reduce the risk below "high."
 - iii. Emergency tree removal. Where tree removal is necessary to prevent or correct an immediate threat to public health, safety, property, or welfare

is performed in an emergency situation, the permit application, evidence of the threat, and a tree risk rating of “high” or “extreme” prepared by a qualified tree protection professional shall be submitted within the next business working day to the City. Emergency tree removal, as described here within, is exempt from the Type 2 decision process.

b. Mitigation Requirements.

- i. The removal of hazardous, dying, or dead exceptional trees shall be mitigated by planting one (1) replacement tree, unless otherwise provided in KMC 18.55.150(E)(2).
- ii. Replacement trees must be of a species listed in Table 1 at KMC 18.20.3083 and must remain viable for a minimum of five (5) years after planting or themselves be replaced at a 1:1 ratio.

3. Private Access.

- a. Prior to commencing with the removal the owner shall obtain a permit from the City.
- b. Exceptional trees may be removed where necessary to provide for access to development sites, provided there are no feasible alternative alignments. Alternative access must be pursued to the maximum extent feasible.

4. Public Facilities.

- a. The City reserves the right to remove exceptional trees where necessary for roads, bridges, utilities, and facilities.
- b. Exceptional tree removal by private utilities require a tree removal permit and right-of-way use permit.
- c. Exceptional trees removed under this section are subject to the mitigation requirements described in KMC 18.57.063.B.1.g.i – 18.57.063.B.1.g.iv.

C. Modification to Standards to Protect Exceptional Trees

1. For single-family residential subdivisions and short subdivisions on sites in the R-4 zone that contain exceptional trees, the minimum lot size may be reduced to 5,400 square feet with no limitation on the percentage of smaller lots, regardless of KMC 18.21.030, Footnote 16. The lot area shall exclude access easements and access panhandles.
2. Unless it would be unreasonable to do so based on the use of neighboring properties, the city manager may reduce setbacks in residential zones regulated by Chapter 18.21 KMC to 10 feet, and setbacks in other zones to five feet, in order to maximize the protection of an exceptional tree and avoid exceptions or variances.

D. Penalties.

1. Civil Penalty. The penalty for *removal* of an *exceptional tree* or any other activity prohibited under subsection A shall be a civil penalty of up to \$2,500 per inch in d.b.h. of the *tree removed* with a maximum fine of \$150,000. For example, the monetary penalty for a 30-inch d.b.h. Douglas fir *removed* results in a maximum penalty of \$75,000. If the violation is found to have been willful or malicious, as determined by the *city manager*, the amount of the penalty may be doubled as punitive damages and the violator may be subject to criminal penalties under KMC 18.57.110.B.
2. In addition, any person found to be in violation of this Section shall plant three (3) replacement *trees* for each *exceptional tree* removed. Replacement *trees* shall be a species listed in Table 1 at KMC 18.20.3083 and must remain viable for a minimum of five (5) years after planting or themselves be replaced by the offender at a 1:1 ratio. In order to inform subsequent purchasers of real property of the existence of replacement *trees* and their required viability period, a notice will be filed on the title by the same procedure outlined under (B)(1)(g)(iv) of this Chapter.

18.57.070 Tree protection plan review procedure. SHARE

A. *Departmental Review.* The *city manager* shall review the tree protection plan and clearing permit application to determine whether the *applicant* has provided all required information. Completed applications shall be referred to appropriate *City departments* for review. Upon request of either the *applicant* or the *City*, the *City* may conduct field inspections or review meetings. *City departments* involved in the review and/or inspections shall submit their report(s) and recommendation(s) to the *city manager*.

B. *Evaluation for Compliance.* The *city manager* may require an evaluation by a *qualified tree protection professional*, a qualified engineer, landscape architect, soils engineer, testing lab, or other specialist at any time during the tree protection plan review process or tree removal inspection as necessary to ensure compliance with the provisions of this chapter and/or the terms of the clearing permit. Individual *applicants* will be responsible for payment to the *City* of the actual cost to the *City* of this evaluation. The actual costs of any such evaluation shall be paid to the *City* within 30 days of receipt of the *City's* invoice.

C. *Financial Guarantees.* For all projects required to have a tree protection plan, *financial guarantees* shall be required consistent with the provisions of KMC [21.20.070](#); provided, however, that to the extent that the *financial guarantee* requirements of KMC [18.57.100](#) are more protective of tree preservation, performance and maintenance, then the more protective requirements shall prevail. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.080 Tree protection plan review standards. SHARE

The following standards shall govern the approval of a tree protection plan and the granting or denial of an application for clearing permit:

A. Design. *Development* shall be designed, located, and conducted so as to minimize the loss of healthy *groves* and protected *trees* as identified by a *qualified tree protection professional*, degradation of wildlife habitat as identified through environmental review, and the potential for *erosion* and slope failure.

B. Tree Protection Priority. In designing a development project and in meeting the required minimum tree density, the *applicant* shall protect *trees* within the *net buildable area* as described in KMC [18.57.060](#)(B)(1), in the following order of priority. *Trees* to be preserved and protected must be healthy and vigorous, *wind-firm*, and not in conflict with utilities.

1. *Exceptional trees*.
2. *Groves*.
3. Individual *trees* which provide wildlife habitat as identified through environmental review.
4. Individual *trees* and *groves* which occur within required *setbacks*.
5. *Trees* that protect against windthrow, including *trees* sheltering interior *trees* or *trees* on adjacent property from strong winds that could otherwise cause them to blow down.
6. *Trees* which provide a buffer and separate incompatible *uses* or reduce sound and wind levels.

C. When the proposed *development* does not necessitate *tree* removal, said *trees* shall be retained and protected from potentially damaging activities such as grading.

1. Tree removal may be necessary in the following circumstances: when trees are in the footprint of proposed construction of buildings or roads, when their presence would make it infeasible to install utilities, sidewalks, or storm drainage improvements.

2. To be exempt, the applicant shall consider alternative designs (e.g., building orientation and size) and receive approval from the *city manager*. Exemptions under this subsection shall be processed as a Type 1 land use decision.

CD. Replacement *Tree* Planting Conditions. Replacement *trees* should be planted in areas with soil, climate, exposure, and moisture conditions appropriate to the replacement *tree* species' growing requirements as determined by a *qualified tree protection professional*, licensed landscape architect, or certified nurseryman.

DE. Replacement *Tree Planting Location Priority*. On *sites* where the number of existing *trees* falls below the minimum density requirements, then replacement *tree* planting shall be required. The *applicant's* proposed location of transplanted or replacement *trees* shall be subject to review by a *qualified tree protection professional*, licensed landscape architect, or certified nurseryman, and *City* approval as part of the tree protection plan. Replacement *trees* should be planted according to the following priority:

1. On-Site.

- a. Designated Tracts. *Trees* located in separate deeded *tree* tracts specifically set aside for the preservation and planting of *trees* and/or the required recreation open space area if *trees* do not interfere with recreation activities.
- b. Perimeter *Landscaping*. In which case, replacement *trees* shall not count toward and shall be in addition to perimeter landscape requirements.
- c. Landscaping. This may include entrance landscaping, traffic islands, and other common open space areas. *Trees* located in a public right-of-way may be credited as replacement *trees* only if *street trees* are not a requirement.

2. Off-Site. In cases where an *applicant* believes that lot size prevents installation of the required number of *trees*, the *applicant* may propose to the *City* payment of a fee in lieu for installation of *trees* in a public *park* or other *public space*. The *city manager* shall review and make the final decision on the *applicant's* proposal, based on a recommendation from a *qualified tree protection professional*.

2. It is the *City's* intent to preserve and plant replacement *trees* on site. Only in rare cases and as a last resort, when planting replacement trees on site is infeasible, shall a fee-in-lieu be approved by the *city manager*

3. The *tree* fee-in-lieu for replacement tree shall be required for all tree units required that are not planted on the application site.

a. The base fee shall be equivalent to the cost of purchasing one 8' to 10' coniferous tree, 1.0 tree unit on Table 18.57.060B, installation (labor and equipment), and maintenance (including watering, warranty, and monitoring) for three years, as adopted by resolution.

b. The amount of the fee shall be the base fee times the number of replacement tree units necessary to satisfy the tree replacement requirements of this section, less existing *trees* and replacement *trees*.

c. The fee shall be paid to the City prior to final site plan approval, final plat approval, or the issuance of a tree removal permit, whichever applies as determined by the department.

d. A separate account shall be established by the City for fees collected. Tree replacement fees shall be earmarked specifically for this account. Funds withdrawn from this account shall be expended only for the planting of new trees in City-owned parks, open spaces, or rights-of-way, and shall be expended within five years of collection consistent with RCW 82.02.020.

EF. Replacement ~~Conifer~~ Tree Types. Replacement *trees* shall be a species native to the Puget Sound lowlands. Replacement trees shall not be Alder (any species), Black Cottonwood, English Holly, or Leyland Cypress. ~~of a similar type of genus to the conifer trees that are removed; i.e., a western red cedar (*Thuja plicata*) may be replaced with a tree in the genus *Thuja*, such as an American arborvitae (*Thuja occidentalis*).~~ [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 15-0409 § 1 (Att. A); Ord. 11-0329 § 3 (Exh. 1).]

18.57.085 Tree windthrow evaluation and prevention. SHARE

A. Increased *tree windthrow* potential as a result of impacts to *trees* on a site shall be evaluated based on the following risk factors:

1. Root system disruption that will extend within an area one to two and one-half times the radius of the canopy;
2. Topography of the site;
3. Whether the *tree* is deciduous or evergreen;
4. Height of the *tree* relative to the neighboring *trees*;
5. Whether the tree is part of a *grove*.

B. The windthrow evaluation shall be conducted as part of the preparation of the tree protection plan (see KMC [18.57.050](#)) based on the aforementioned risk factors. The assessment shall be conducted by a *qualified tree protection professional*. This assessment also shall evaluate increased windthrow potential for *trees* on neighboring lots that are within 50 feet of the closest *trees* being removed on the site, including *trees* that share a root system with *tree(s)* on the site.

C. Tree Protection Plan.

1. When significant windthrow potential is identified for *trees* that could impact neighboring properties or are on neighboring properties, the *applicant* shall identify measures to minimize windthrow as part of the tree protection plan. Measures could include but are not limited to demonstrating that the *critical root zone (CRZ)* fencing is adequate to prevent root disruption or that the *CRZ* is expanded to provide root protection; saving *groves* when applicable; taking steps to preserve existing grades around *trees*; and/or tunneling rather than trenching for utilities. The City may deny a request to remove a *tree(s)* if mitigation measures are inadequate to minimize windthrow.
2. If potential windthrow damage is for the *site* itself, the *applicant* shall identify measures to reduce impacts to future *structures* on the *site*. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 15-0409 § 2 (Att. B).]

18.57.090 Tree protection during construction. SHARE

Prior to initiating tree removal and any *clearing* and *grading* on the *site*, *trees* to be protected and preserved shall be protected from potentially damaging activities as follows unless otherwise approved by the *City*.

A. *Critical Root Zone (CRZ)*. The *CRZ* of individual *trees*, *groves*, or otherwise designated protected tree areas shall include no less than the area of a circle with a radius that extends one foot out from the *tree* for every inch of trunk d.b.h., or the area of a circle with radius extending from a *tree's* trunk to a point no less than the end of a *tree's* longest branch, whichever is greater (see Figure 18.57.090A).

B. Tree Protection Fence (TPF). Before *development*, the *applicant*:

1. Shall place three inches of composted woodchips over the *CRZ* of all retained *trees* to retain moisture, increase organic matter, and visually establish the *CRZ*.
2. Shall erect and maintain readily visible protective tree fencing a minimum of three feet beyond the outer edge of the *CRZ* for all individual *trees*, *groves*, or other designated protected tree areas.
 - a. Fencing shall completely surround the required tree protection area. The *city manager* may allow adjustments to placement of the TPF based on an evaluation of the *tree*, soils, and proposed disturbance.
 - b. Fencing shall be a minimum of four feet high and may be higher if needed to ensure clear visual delineation. Chain-link *fence* or orange plastic *fence* fastened to steel stakes/posts driven securely into the ground shall be required in order to discourage easy movement.

c. Any deviation from the tree fencing methods listed above must be authorized in writing by the *city manager* in advance.

3. Shall keep the protective fencing in place until the *City* authorizes the removal or issues a final certificate of occupancy, whichever occurs first.

4. Shall ensure that any landscaping done within the root protection zone subsequent to the removal of the *fence* shall not disturb existing *trees* including roots within the *CRZ*.

C. Placing Materials Near *Tree*. During *development*, no individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, may conduct any activity within the TPF of any *tree* designated to remain, except as specified in this section.

D. Attachments to *Trees*. During *development*, no individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, shall attach any object to any *tree* designated for protection.

E. Grade.

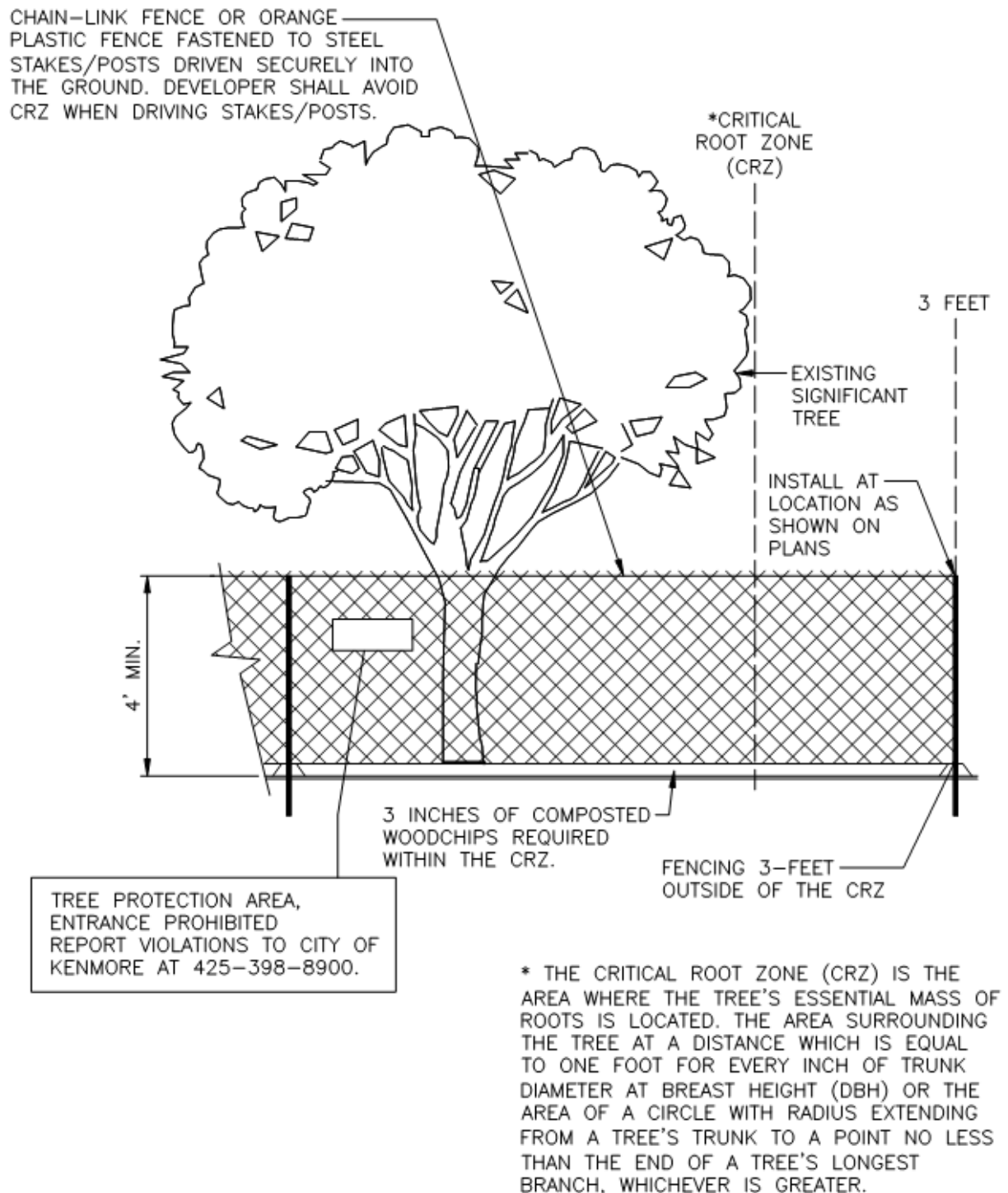
1. The grade shall not be filled or cut within the *CRZ* of any *tree* designated to remain without prior review by a *qualified tree protection professional* and advance, written approval from the *city manager*.

2. The *applicant* shall not install an *impervious surface* within the protective barrier of any *tree* designated to remain without the advance, written authorization of the *city manager*.

3. To the greatest extent practical, utility trenches shall be located outside of the root protection zone of *trees* to be retained. Boring or tunneling under the *CRZ* may be considered an alternative, but shall require the advance, written approval of the *city manager*.

4. *Trees* and other *vegetation* to be retained shall be protected from *erosion* and sedimentation.

F. Additional Requirements. The *city manager* may require additional tree protection measures which are consistent with accepted urban forestry practices.

Figure 18.57.090B Tree Protection Fencing

18.57.100 Post-construction replacement, financial guarantee and maintenance requirements. [SHARE](#)

A. Replace Damaged, Dead, or Dying *Trees*. Replacement *trees* or *groves* that are damaged or die within a period of three years after planting or transplanting must be replaced in kind at a ratio of one-to-one (1:1) within six months of the *tree's* death or the date of discovery of the damage. Existing *trees* that are damaged or die within a period of three years after completion of construction activities and as a cause of construction activities as determined by a *qualified tree protection professional* shall be replaced in kind at a ratio of ~~three two~~-to-one (3:1) or to restore the number of tree units lost, whichever is greater, within six months of the *tree's* death or date of discovery of the damage.

B. Replacement *Tree* Quality. Replacement *trees* shall conform to the American Standards for Nursery Stock, ANSI.

C. *Tree* Maintenance. All *trees* shall be maintained in accordance with International Society of Arboriculture guidelines and standards.

D. *Financial Guarantee* Required. A *financial guarantee* as defined and regulated under KMC Title 21 shall be required as a mechanism to cover any potential cost associated with replacing dead or dying replacement or existing *trees* required to satisfy tree unit requirements per this section.

1. A *financial guarantee* shall be required for all plans requiring 15 or more tree units.
2. Calculation of the amount of the *financial guarantee* shall be computed based upon equivalent tree replacement value for all replacement and existing *trees* on the property as determined by a *qualified tree protection professional* and approved by the *city manager*. using the most recent edition of the Guide for Plant Appraisal published by the International Society of Arboriculture, in collaboration with the Council of Tree and Landscape Appraisers. Fair market value shall be posted. Fair market value includes the value of the *tree(s)*, installation, and maintenance until establishment that would be required to compensate for the *trees* that could be lost.
3. The *financial guarantee* period for maintenance shall be three years, plus an additional 60 days.
4. *Financial guarantees* shall be required consistent with the provisions of KMC Title 21. This time period may be extended to one year by the *city manager*, if necessary to cover a planting and growing season.

4. Release of *Financial Guarantee*.

- a. Upon successful tree replacement and establishment as determined by the written approval of the *City* and consistent with Chapter 21.15 KMC, the *financial guarantee* required by this section shall be released.

b. The City, in its discretion, may release a *financial guarantee* under this section when fee simple title is transferred. The City may condition the release of the existing *financial guarantee* upon establishment of a new *financial guarantee* by the new owner in fee simple. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

18.57.110 Penalties, enforcement. SHARE

A. Civil Penalty. Any violation of any provision of this chapter constitutes a civil violation under Chapter 1.15 KMC, and is subject to the enforcement procedures of Chapter 1.20 KMC; provided, however, that an individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, who removes any *tree* in violation of this chapter shall be assessed the following civil penalty:

An individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, removing a *tree* in violation of this chapter shall be assessed a monetary penalty of up to \$2,000 per inch in *diameter at breast height* (d.b.h.) of the *tree* removed. For example, the monetary penalty for a 20-inch d.b.h. *tree* removed results in a maximum penalty of \$40,000. In no case shall the penalty be reduced to an amount less than \$500.00 for each violation found committed. The extent of the penalty shall be determined by the *city manager* in consideration of reasonable factors. Monetary penalties shall increase with each violation. The *city manager* is authorized to adopt *policies* setting forth the reasonable factors for consideration under this subsection. This section shall not apply to the removal of exceptional trees, which penalties are set forth in KMC 18.57.063.

B. Criminal Penalty. In addition to or as an alternative to incurring civil liability under this section, an individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, who violates any provisions of this chapter shall be guilty of a misdemeanor and subject to the criminal penalties set forth in Chapter 1.15 KMC, and shall be subject to the procedures of the City's criminal code, KMC Title 9.

C. Separate Offense. Every individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated, violating any provision of this chapter is guilty of a separate offense for each and every day during any portion of which the violation is committed, continued or permitted by any such individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of any governmental unit, however designated. [Ord. 22-0547 § 4 (Exh. B(II)); Ord. 11-0329 § 3 (Exh. 1).]

Local Food | Healthy Forests | Clean Water | Better Ground

Funded by King Conservation District, PlanIT Geo used high-resolution aerial imagery from the USDA's National Agriculture Imagery Program (NAIP) to map and measure current tree canopy and possible planting areas and to quantify changes in canopy in Kenmore. The results and metrics were then analyzed by watershed, zoning, and census block. This information will be used to aid the City's decision-making around land use planning, community development, and urban forest management.

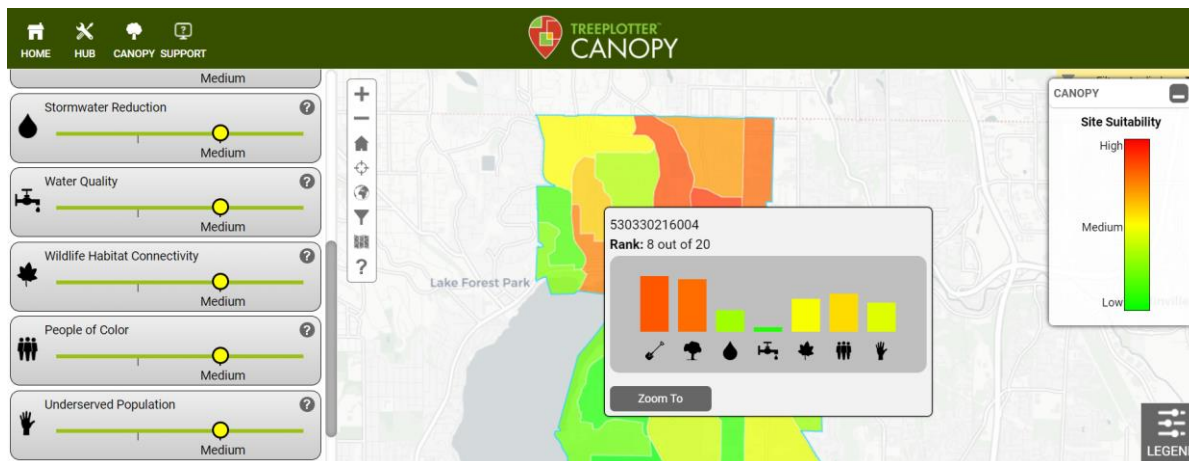
In particular, Kenmore wanted to explore how their tree canopy had changed since their first assessment was done in 2017. Results show that the City has gained 204 acres of tree canopy, representing a positive change of 5%.

UTC Change Metrics by City Boundary

Kenmore	Total Area (Acres)	Land Area (Acres)	UTC 2017 (Acres)	UTC 2017 (%)	UTC 2021 (Acres)	UTC 2021 (%)	UTC Change 2017-2021 (Acres)	Raw Change (%)	Relative Change (%)
	4,017	3,900	1,586	41%	1,790	46%	204	5%	13%

Increases were noted across all zoning categories – with the exception of neighborhood business. The analysis also revealed that there is still room to plant more trees in Kenmore. The study estimates that 22% of Kenmore is potential planting area – while 33% is unsuitable. Recommended zoning to concentrate on are R-1 residential, golf course, R-6 residential and R-4 residential.

With the data provided by PlanIT Geo, tree canopy and planting opportunities can also be analyzed by census block prioritized by factors such as income, habitat connectivity, or stormwater reduction. GIS layers were provided to the City of Kenmore but a visualization of Kenmore's tree canopy and possible planting areas is also available online at: <https://pg-cloud.com/KingCD-Cities/>



TIER 2 TREE REGULATIONS

CODE AMENDMENTS

Samantha Loyuk, Development Services Director
Garrett Oppenheim, Assistant to the City Manager

RECAP

- On May 16, 2022, potential Tier 2 tree code amendments were presented to City Council.
- There was a clear commitment to the environment and preservation of Kenmore's urban forest.
- October 16, 2023: City Council adopted the Exceptional Tree Ordinance, a Tier 2 item.

A person wearing yellow gloves is planting a small evergreen tree in a forest. The person is wearing a light-colored shirt and dark pants. The ground is covered with brown leaves and soil. The background is a blurred forest with trees and sunlight filtering through the leaves.

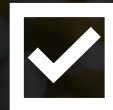
TIER 1 REGULATIONS ADOPTED MARCH 21, 2022

1. Change the definition of “significant tree” so it includes smaller diameter at breast height (d.b.h.) trees.
2. Revise tree retention requirements so certain “nuisance species” (i.e., cottonwood and alder) do not receive credit for retention. This will encourage retention of preferred species that are expected to thrive long term.
3. Codify the tree removal application process for existing single-family residences (code clean up item).
4. Update the removal penalty language for consistency (code clean up item).
5. Have tree removal permits valid for a shorter period of time so replacement trees get into the ground faster.

TIER 2 REGULATIONS PENDING

1. Increase the tree density requirement for new development.
2. Decrease yearly allowances for single-family tree removal.
3. Always require replacement.
4. Preserve all trees not required to be removed for construction. (Gig Harbor)
5. Establish a tree fund for instances where replacement is infeasible ("fee in lieu").
- ~~6. Establish an Exceptional Tree program.~~

Adopted October 16, 2023



WHAT ABOUT HOUSING?

- In 2017, City Council adopted a Housing Strategy Plan. Staff have been implementing strategies since. Some strategies include:
 - Density transfers
 - Manufactured housing community overlay
 - ADU regulations
 - Expanding density bonuses
 - Multifamily Tax Exemption (expanded to TOD)
- The City has also:
 - Adopted school impact fees with exceptions for low-income housing projects (2018)
 - Expedited permit reviews for affordable housing projects (2021)
 - Authorized spending for an affordable housing project on surplus City land (2022)
 - Adopted Comprehensive plan amendments for “Missing Middle” housing near transit corridors (2022)
 - Continued funding ARCH’s Housing Trust Fund for affordable housing projects (ongoing)

INCREASED TREE DENSITY REQUIREMENT FOR NEW DEVELOPMENT

- The minimum tree density is increased by 33.3% (from 30 tree units per net buildable acres to 40 tree units per NBA)
- Replacement trees are considered only after exhausting all options for retention of existing trees

REDUCED TREE REMOVAL FOR EXISTING SINGLE-FAMILY RESIDENTIAL LOTS

Current Code:

Lots up to 10,000 sq. ft.:	2 trees per year
Lots 10,001 sq. ft. to 20,000 sq. ft.	4 trees per year
Lots 20,001 sq. ft. to 30,000 sq. ft.	6 trees per year
Lots 30,000 sq. ft and greater	8 trees per year

Proposed Code:

All lots, regardless of size	1 tree per year
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KMC 15.25.070.B.1

ALWAYS REQUIRE REPLACEMENT

- When trees are removed, they're replaced with native trees
- Exceptions: 1) Hazardous trees do not require replacement, and 2) When necessary, a fee-in-lieu option may be approved by the city manager

RETAIN TREES NOT IMPACTED BY CONSTRUCTION

- Sites capable of exceeding the minimum tree density requirement by retaining existing trees shall do so unless doing so would prevent use of the property
- When proposed construction does not necessitate tree removal, trees shall be retained (example: retaining trees in the building setback)

KMC 18.57.060
KMC 18.57.080.C

ESTABLISH A TREE FUND + “FEE IN LIEU” OPTION

- When replacement is infeasible (e.g., small lots), a “fee in lieu” option is available, subject to approval
- Replacement is preferred over fee in lieu
- The fee is established by resolution
- The fee is based on the cost to plant (labor and equipment), maintain for 5 years, and administer the program

RECOMMENDATION:

- Adopt proposed Tier 2 tree regulations to preserve and expand Kenmore's tree canopy

THANK YOU





City Council Agenda Bill City of Kenmore, WA

Subject/Topic:

61st Ave NE Sidewalk Replacement Project –
Sidewalk Replacement Options

For Council Meeting Agenda of:

November 20, 2023

Department: Public Works Engineering

Prepared by: Kent Vaughan, Senior Civil Engineer

Initial & Date

Approved by Department Head: JFV 11/8/23

Approved by City Attorney: _____

Approved by Finance Director: _____

Approved by City Manager: RK 11/8/23

Proposed Council Action/Motion:

Give direction to staff on which design alternative (or combination of alternatives) should be used to replace the existing sidewalk for the 61st Ave NE Sidewalk Replacement Project.

Exhibits/Attachments:

Exhibit A: Public Involvement Survey Results

Summary:

On July 18, 2022, city staff presented 3 design alternatives to proceed with the 61st Ave NE Sidewalk Replacement project including: Alternative 1 - Remove Trees, Alternative 2 - Preserve Trees, and Alternative 3 - Relocate Sidewalk. Council requested that staff revisit these alternatives and look for other ways to potentially save the existing street trees. Over the past year, staff have refined the above design alternatives, and developed two additional options: Alternative 4 - Relocate sidewalk outside public right-of-way and Alternative 5 - Fill over tree roots and re-install sidewalk in place.

Staff recommend using a combination of Design Alternatives 1, 2 and 3 to design ADA compliant sidewalk, with the intent of retaining as many street trees as possible. Replacement street trees, as necessary, shall be species appropriate for the location (examples: Trident Maple, Bowhall Maple, Sugar Maple) with adequate room to flourish and root barrier to protect sidewalk from future root intrusion.

Information/Background:

The existing 61st Ave NE sidewalk is currently damaged / uplifted due to the root structure of adjacent trees. The purpose of the 61st Ave NE Sidewalk Replacement Project is to restore the sidewalk on both sides of the roadway and add bike lanes on 61st Avenue NE between approximately NE 190th ST and 62nd Ave NE, add curb extensions at NE 193rd ST and 60th Ave NE, add safe pedestrian access across 61st Avenue NE at NE 193rd ST and 60th Ave NE, channelization, signing and asphalt overlay.

The project is separated into 3 phases. Sidewalk repair on the east side of 61st Ave NE along with bike

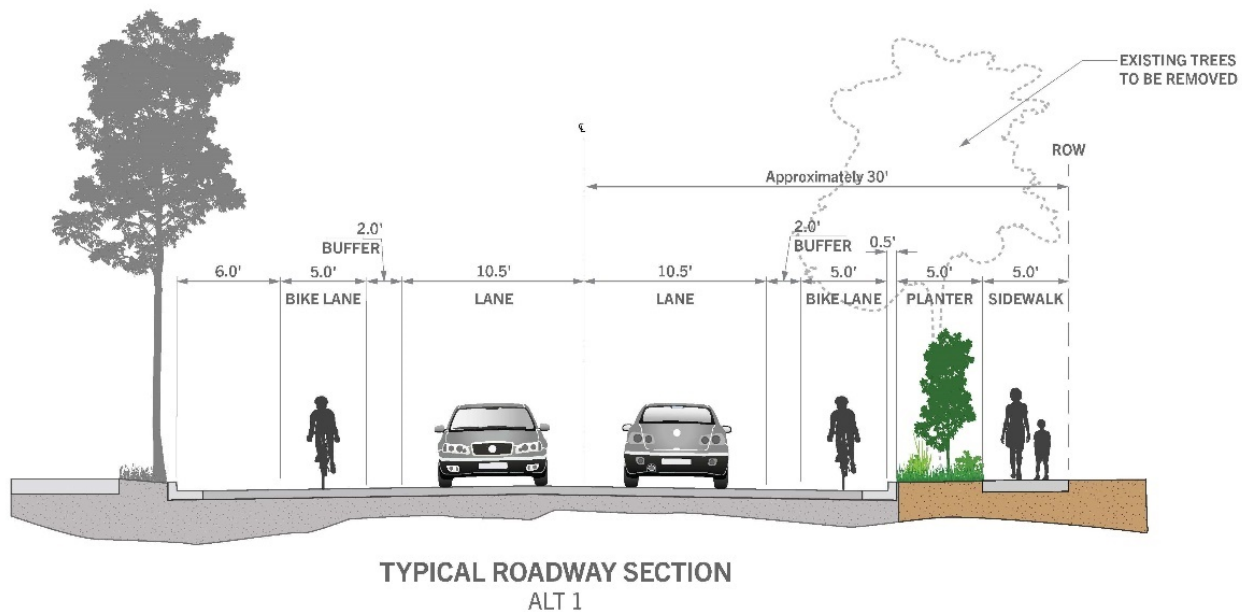
lanes and intersection improvements are included in Phase 1 while sidewalk repair on the west side of the street is included in Phase 2. Construction for Phase 1 is planned for 2025. Construction of Phase 2 is pending funding appropriations with the State.

There are a total of 67 existing street trees (mostly red maples) impacting sidewalks that were evaluated by a licensed arborist. The existing health of the red maples (65) were classified as dead (1), poor (6), fair (38), good (18) or excellent (2). Poor/fair trees are damaged, have reduced vigor, and/or are in a declining state, while good to excellent trees are healthy and show no signs of damage.

DESIGN ALTERNATIVES: The following design alternatives were developed for this project:

Alternative 1 – Remove and replace trees/sidewalk:

Alternative 1 involves removing the existing street trees along 61st Ave NE between NE 190th ST and NE 197th ST where tree roots have extensively uplifted the adjacent sidewalk. Trees will be replaced at the same location, if possible, along with installation of trees elsewhere within the corridor where space allows, to reduce the overall tree loss along the corridor. Tree replacement would consist of trees that are more appropriate for the space available with root barrier to protect the new sidewalk.

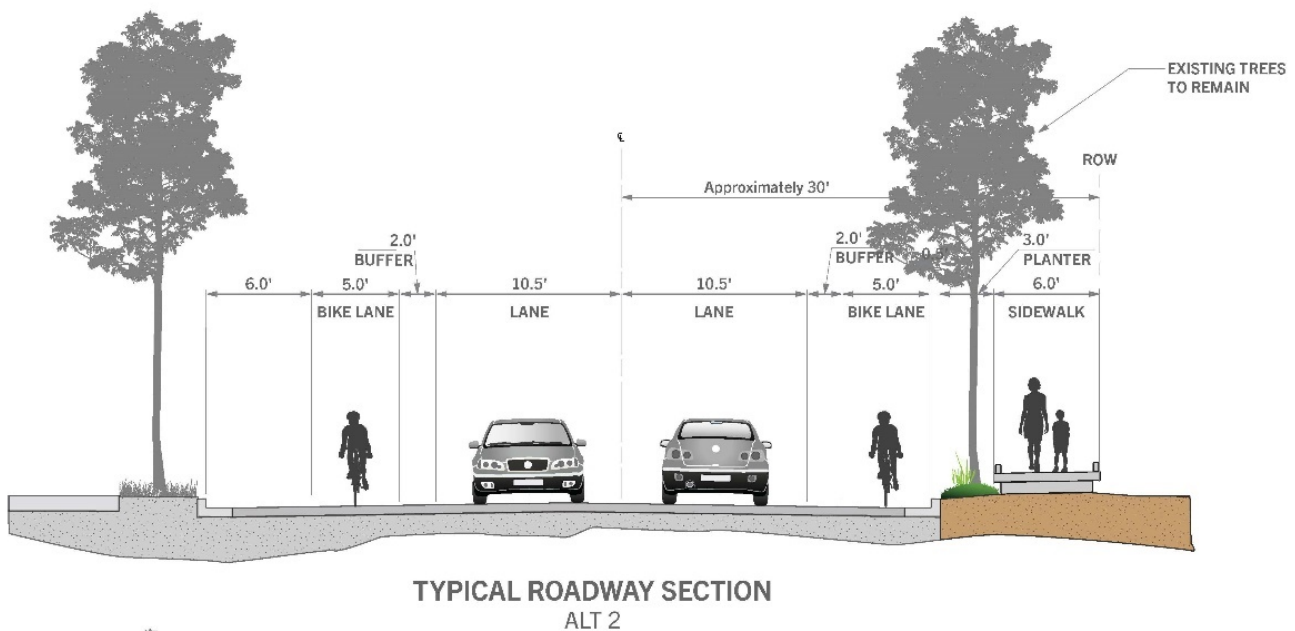


Pros	Cons	Total Estimated Cost (Phase 1 only)	Amount Over Budget
<p>Lower Cost Option</p> <p>Replaces street trees with more appropriate species with root barrier along new sidewalk</p>	<p>All fully grown street trees will be removed and replaced with small caliper trees that will take a decade to grow back</p> <p>Loss of environmental benefits that large trees provide until new trees grow</p>	\$1,950,000	\$381,000

Lowest maintenance requirement	Loss of street beautification in the short term		
High ADA accessibility			
Lowest impact to public during construction			
Long term solution			

Alternative 2 – Bridge sidewalk over tree roots:

Alternative 2 involves preserving existing street trees as much as possible by bridging over the tree roots. In some locations, tree removal will be required to maintain accessibility, provide access to private properties, and stay within available public right of way. This alternative is less desirable for wheelchair access due to the ramping up and down along the sidewalk path.



Pros	Cons	Total Estimated Cost (Phase 1 only)	Amount Over Budget
Retains as many existing street trees as possible	<p>Higher cost option</p> <p>Higher maintenance impact, especially maintaining ramps over roots</p> <p>Low ADA accessibility</p> <p>Uncertain if all street trees can be saved during construction</p>	\$3,458,000	\$1,889,000

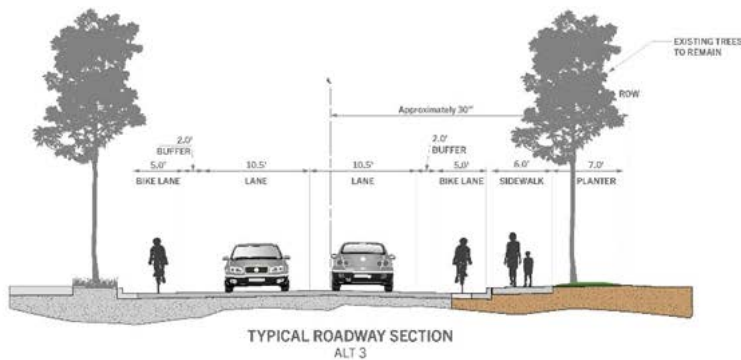
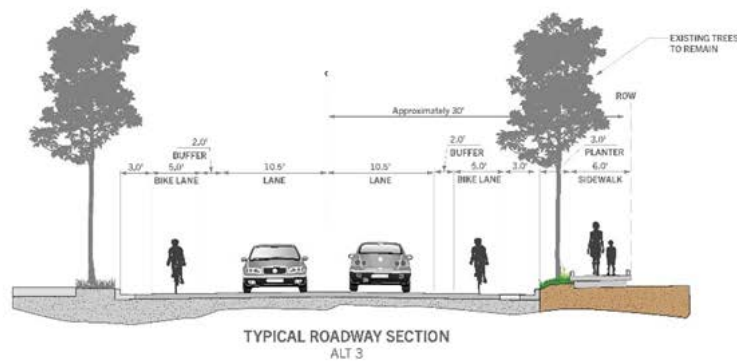
	Likely not a long-term solution and may require future tree removal or changes to the bridge system		
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A bridging system example from the city's 73rd Avenue NE Overlay project is pictured below. These systems can be difficult to design and install while maintaining ADA accessibility of the sidewalk due to uncertainties with the extents and depth of tree roots for foundation placement, clearances needed for the tree roots and tree base, and the steepness of ramps from elevated sidewalk down to the existing driveways.



Alternative 3 – Bridge sidewalk over tree roots AND relocate sidewalk into street, where possible:

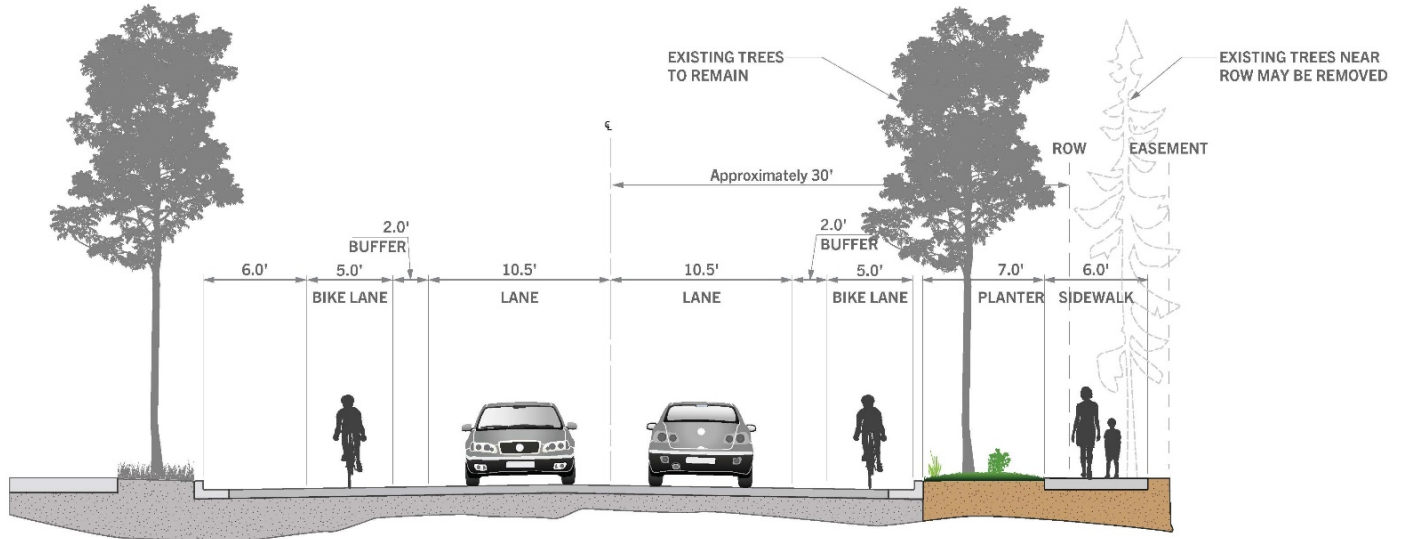
Alternative 3 involves relocating the sidewalk into the existing street paved area where possible. This alternative would require modification to the existing storm drainage infrastructure and curb alignment, potential utility relocation, and possibly tree removal if root structures in roadway cannot be avoided during construction.



Pros	Cons	Total Estimated Cost (Phase 1 only)	Amount Over Budget
Retains as many existing street trees as possible	Higher cost option	\$3,219,000	\$1,650,000
Lower maintenance impact	Less pedestrian comfort (pushes sidewalk closer to vehicles)		
	Lower ADA accessibility		
	Uncertain if all street trees can be saved during construction		

Alternative 4 – Relocate sidewalk outside public right-of-way:

Alternative 4 involves relocating the sidewalk further away from the roadway onto private properties where feasible. Relocating the sidewalk onto private property would require other tree and vegetated buffer loss along the private property frontages and require property owners to willingly sell a portion of their property to accommodate the new sidewalk. Given that this alternative includes a Right-of-Way Acquisition Phase, it will extend the delivery date by a minimum of 1 year.



TYPICAL ROADWAY SECTION
ALT 4

Pros	Cons	Total Estimated Cost	Amount Over Budget
Retains existing street trees High ADA accessibility Lowest maintenance impact	Higher cost option Requires willing sellers for city to acquire private property rights Delays project delivery one year minimum; without willing sellers, property condemnation would be required Requires tree and vegetation removal along property frontages, offsetting the benefit of retaining the street trees	\$2,924,000	\$1,355,000

Alternative 5 – Fill over tree roots and re-install sidewalk in place:

Alternative 5 involves importing fill to raise the grade over the tree roots and reinstall the sidewalk in its current alignment. This alternative is most likely a temporary fix as there is a high likelihood that the new sidewalk will heave over time as the roots continue to grow. Future sidewalk maintenance would be required through grinding the sidewalk depth down where future uplift occurs. This alternative is also less desirable for wheelchair access due to the ramping up and down along the sidewalk path.

Pros	Cons	Total Estimated Cost	Amount Over Budget
Lower Cost Option	Ongoing and likely frequent maintenance costs to sawcut sidewalk panel uplift in the future if tree roots continue to grow.	\$1,674,000	\$105,000
Retains Existing Street Trees	Results in ongoing ADA accessibility issues.		
	Uncertain if all retained street trees can be retained during construction		

An online open house was held by city staff to solicit public feedback on the above design alternatives to help the Council chart a path forward on this project. The online open house was published on July 27, 2023, and remained open for feedback through September 5, 2023. City staff advertised the online open house through its various social media accounts, the Kenmore Top 4 short format newsletter and the citywide Quarterly newsletter – Summer 2023 edition. The online open house received a total of 444 total visits and 119 survey responses. As part of the open house, a survey was developed to solicit public feedback on the proposed design alternatives. The following questions and responses from the survey were provided:

Q1. Do you live in the project limits along 61st Ave/61st Place NE between NE190th ST and north city limits?

**YES (44.5%),
NO (55.5%)**

Q2. Do you use the existing sidewalk on 61st Ave/61st Place NE frequently?

YES (69.7%),
NO (30.3%)

Q3. As a pedestrian, how important is having a vegetated buffer with street trees between you and the roadway?

VERY IMPORTANT (57.1%),
NOT IMPORTANT (11.8%),
I'M OK WITHOUT ONE SINCE THERE WILL BE A BIKE LANE NEXT TO THE CURB ANYWAY (31.1%)

Q4. How important is it to you to preserve the existing, fully-grown street trees along 61st Ave NE / 61st Place NE in project limits?

VERY IMPORTANT (42.9%) / WE MUST DO EVERYTHING WE CAN TO SAVE THESE ICONIC STREET TREES REGARDLESS OF COST (2.5%)
TOTAL = 45.4%

NOT IMPORTANT (11.8%) / IT'S SAD TO SEE THEM GO BUT IT'S MORE ECONOMICAL / FUNCTIONAL TO REMOVE AND REPLACE THEM (28.6%) / IT'S SAD TO SEE THEM GO BUT MOST ARE IN FAIR-POOR CONDITION AND WE SHOULD PLANT NEW ONES (14.2%)
TOTAL = 54.6%

Q5. If the city installs bridge systems to ramp over the tree roots to preserve the street trees, but in doing so makes the sidewalk slightly more difficult to traverse for wheelchair users (but the design is still ADA compliant), is that an acceptable solution?

YES (66.4%),
NO (33.6%)

Q6. Which sidewalk replacement design alternative do you favor?

ALTERNATIVE 1 – REMOVE AND REPLACE TREES / SIDEWALK (46.2%)

ALTERNATIVE 2 – BRIDGE OVER TREE ROOTS (22.7%)

ALTERNATIVE 3 – BRIDGE OVER TREE ROOTS AND RELOCATE SIDEWALK INTO STREET WHERE POSSIBLE (15.1%)

ALTERNATIVE 4 – RELOCATE SIDEWALK OUTSIDE PUBLIC RIGHT-OF-WAY (10.1%)

ALTERNATIVE 5 – FILL OVER ROOTS AND RE-INSTALL SIDEWALK IN PLACE (5.9%)

***Q7.** For those who live within the project limits: How important is it to you to preserve the existing, fully-grown street trees along 61st Ave NE / 61st Place NE in project limits?

VERY IMPORTANT (41.0%) / WE MUST DO EVERYTHING WE CAN TO SAVE THESE ICONIC STREET TREES REGARDLESS OF COST (6.4%)
TOTAL = 47.5%

NOT IMPORTANT (18.0%) / IT'S SAD TO SEE THEM GO BUT IT'S MORE ECONOMICAL / FUNCTIONAL TO REMOVE AND REPLACE THEM (27.9%) / IT'S SAD TO SEE THEM GO BUT MOST ARE IN FAIR-POORT CONDITION AND WE SHOULD PLANT NEW ONES (6.6%)
TOTAL = 52.5%

***Q8. For those who live within the project limits:** Would you support the city acquiring up to an 8-foot strip of your property frontage to move the new sidewalk alignment in order to preserve the existing street trees?

YES, I LIVE IN THE PROJECT LIMITS AND WOULD SUPPORT THIS (46.5%)

NO, I LIVE IN THE PROJECT LIMITS AND THE SIDEWALK SHOULD STAY IN PUBLIC RIGHT-OF-WAY (53.5%)

***Q9. For those who live within the project limits:** Which sidewalk replacement design alternative do you favor?

ALTERNATIVE 1 – REMOVE AND REPLACE TREES / SIDEWALK (41.6%)

ALTERNATIVE 2 – BRIDGE OVER TREE ROOTS (29.2%)

ALTERNATIVE 3 – BRIDGE OVER TREE ROOTS AND RELOCATE SIDEWALK INTO STREET WHERE POSSIBLE (16.7%)

ALTERNATIVE 4 – RELOCATE SIDEWALK OUTSIDE PUBLIC RIGHT-OF-WAY (12.5%)

ALTERNATIVE 5 – FILL OVER ROOTS AND RE-INSTALL SIDEWALK IN PLACE (0%)

*Note: the residents who responded to Q7 – Q9 with “I DON’T LIVE WITHIN THE PROJECT LIMITS SO THIS QUESTION DOESN’T APPLY TO ME” were omitted from the percentage calculations.

Fiscal Consideration:

In December 2021, the City was awarded \$1,364,265 in WSDOT Pedestrian/Bicycle program funds. An additional \$30K in Surface Water Funds and \$175k REET Funds are allocated to this project providing a total project budget (Phase 1) of \$1,569,265.

Additional local funds will need to be appropriated later to construct this project. The amount needed varies depending on the design alternative selected by Council. In the interim, staff have applied for and will continue to pursue grant opportunities to supplement funding and accelerate Phase 2 of the project (currently slated for construction in 2028, pending the legislature budget).

City Council Priority or Budget Objective Being Addressed:

Council Priority 3: Enhance multimodal transportation implementation, including pedestrian and bicycle safety.

61st Avenue NE Sidewalk Replacement Survey

SURVEY RESPONSE REPORT

06 August 2023 - 04 September 2023

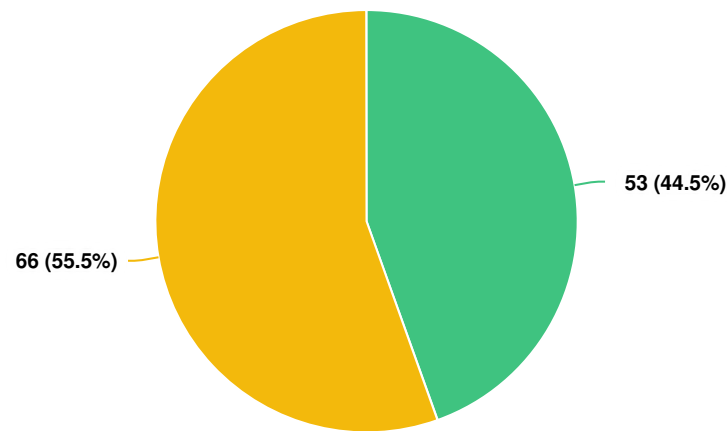
PROJECT NAME:

61st Avenue NE Sidewalks Replacement Project (Phase 1; NE 190th ST - North City Limits)



SURVEY QUESTIONS

Q1 Do you live in the project limits along 61st Ave/61st Place NE between NE190th ST and north city limits?



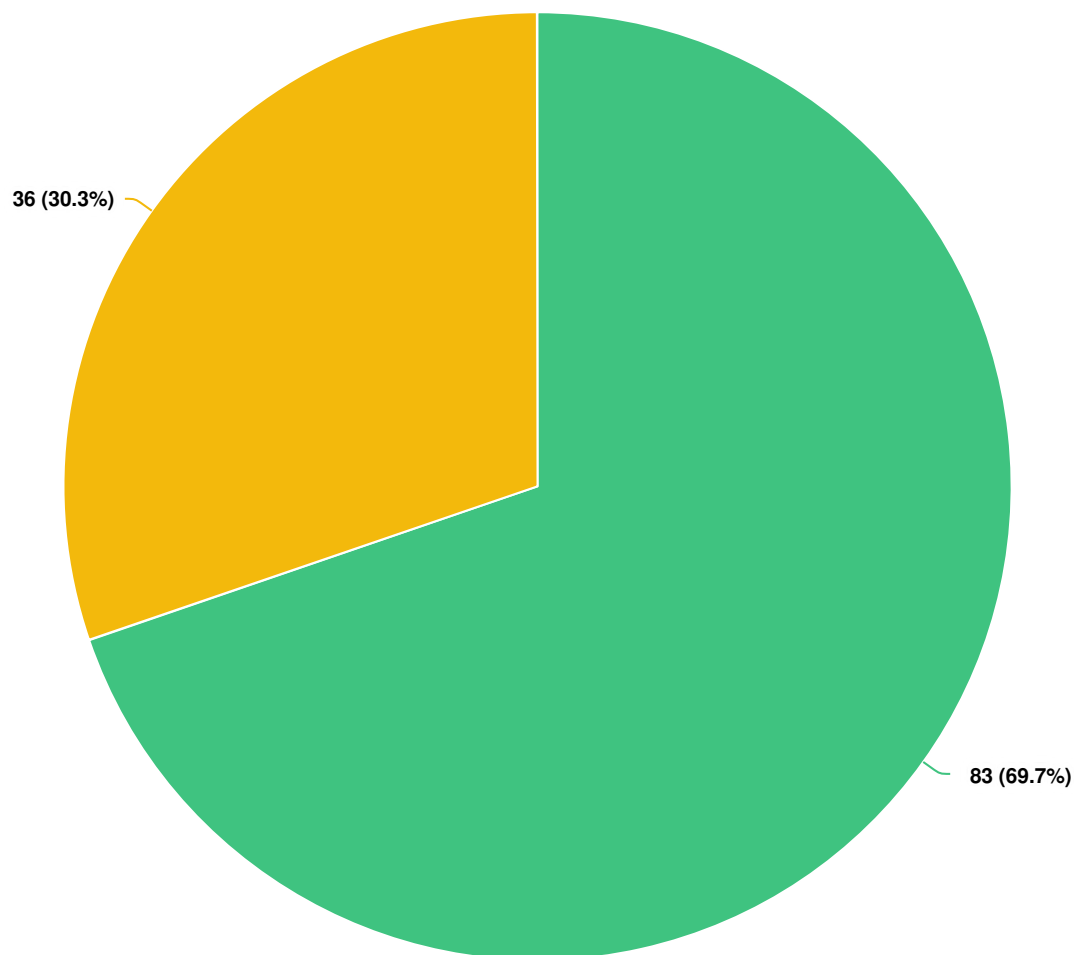
Question options

Yes No

Mandatory Question (119 response(s))

Question type: Dropdown Question

Q2 Do you use the existing sidewalk on 61st Ave/61st Place NE frequently?

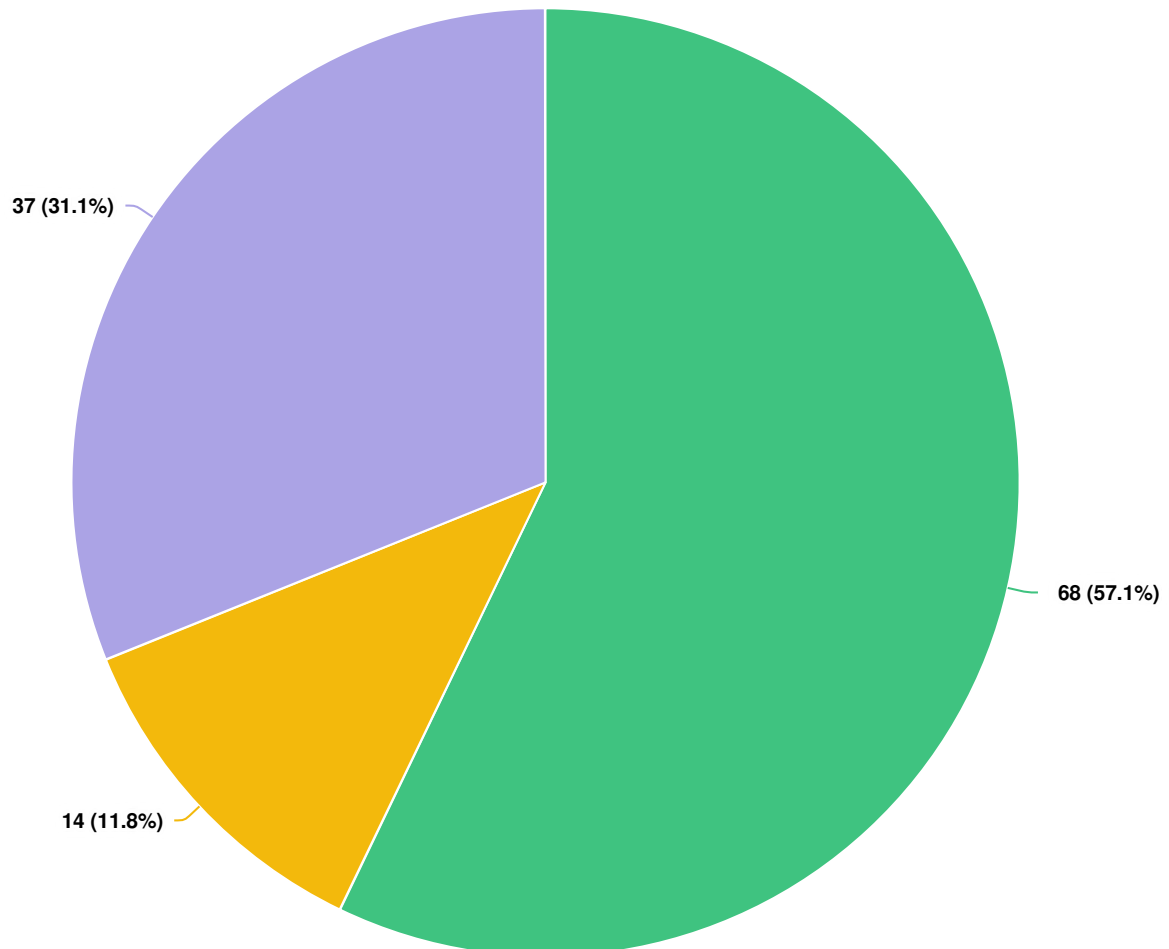


Question options

Yes No

Mandatory Question (119 response(s))
Question type: Dropdown Question

Q3 As a pedestrian, how important is having a vegetated buffer with street trees between you and the roadway?



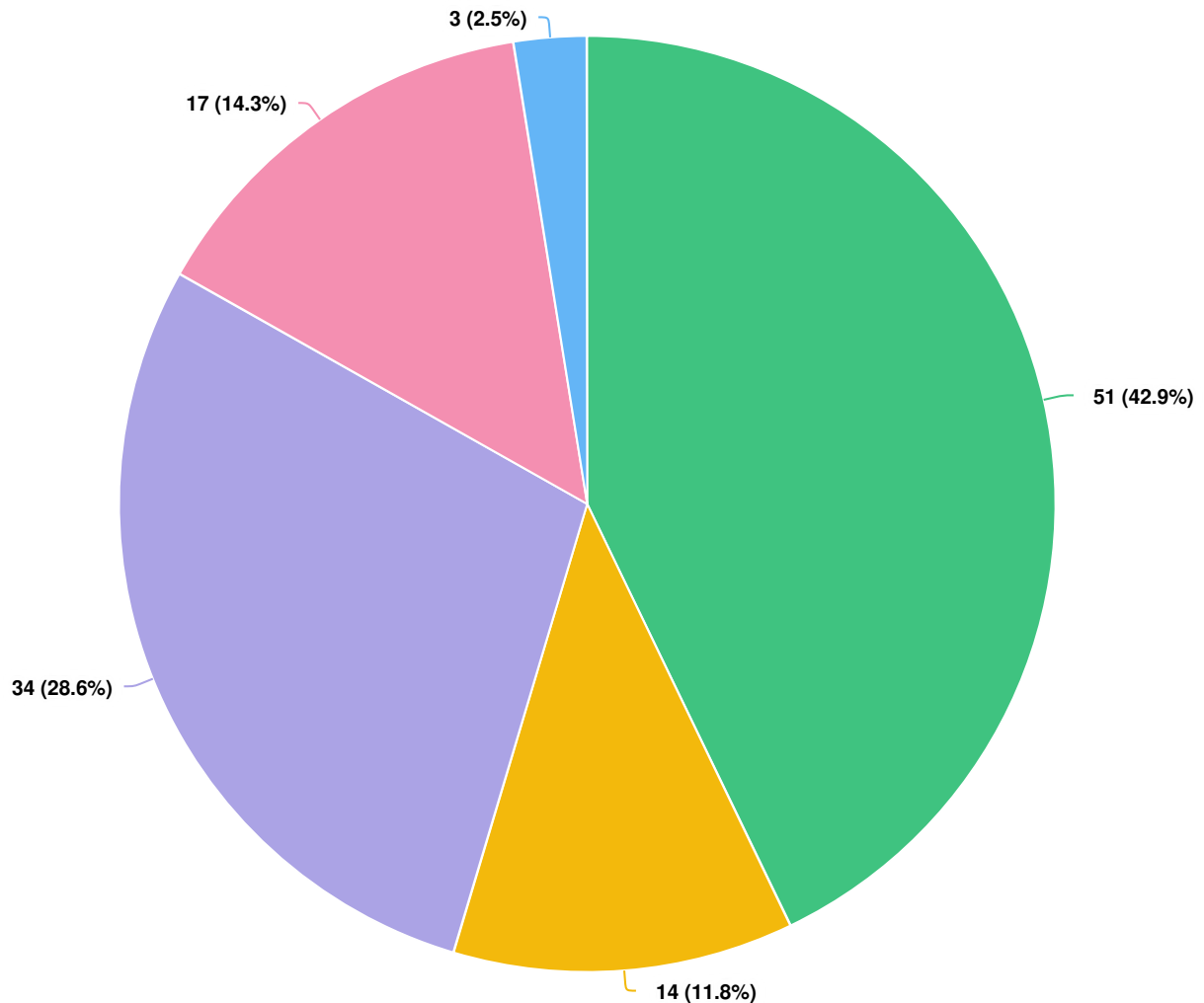
Question options

● Very Important ● Not Important ● I'm ok without one since there will be a bike lane next to the curb anyway

Mandatory Question (119 response(s))

Question type: Dropdown Question

Q4 | How important is it to you to preserve the existing, fully-grown street trees along 61st Ave NE / 61st Place NE in project limits?



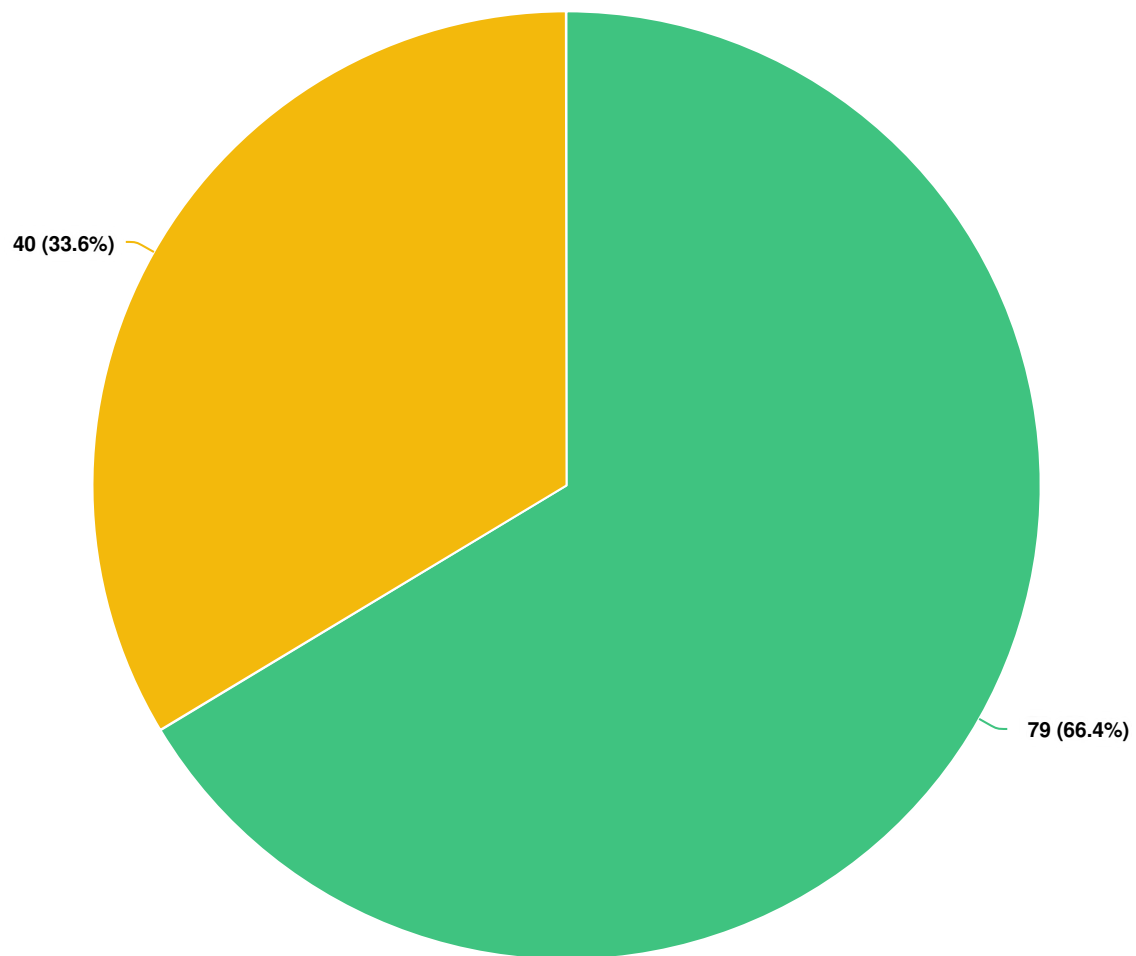
Question options

- Very Important
- Not Important
- It's sad to see them go but it's more economical / functional to remove and replace them
- It's sad to see them go but most are in fair-poor condition and we should plant new ones
- We must do everything we can to save these iconic street trees regardless of cost

Mandatory Question (119 response(s))

Question type: Dropdown Question

Q5 If the city installs bridge systems to ramp over the tree roots to preserve the street trees, but in doing so makes the sidewalk slightly more difficult to traverse for wheelchair users (but the design is still ADA compliant), is that an acceptable...



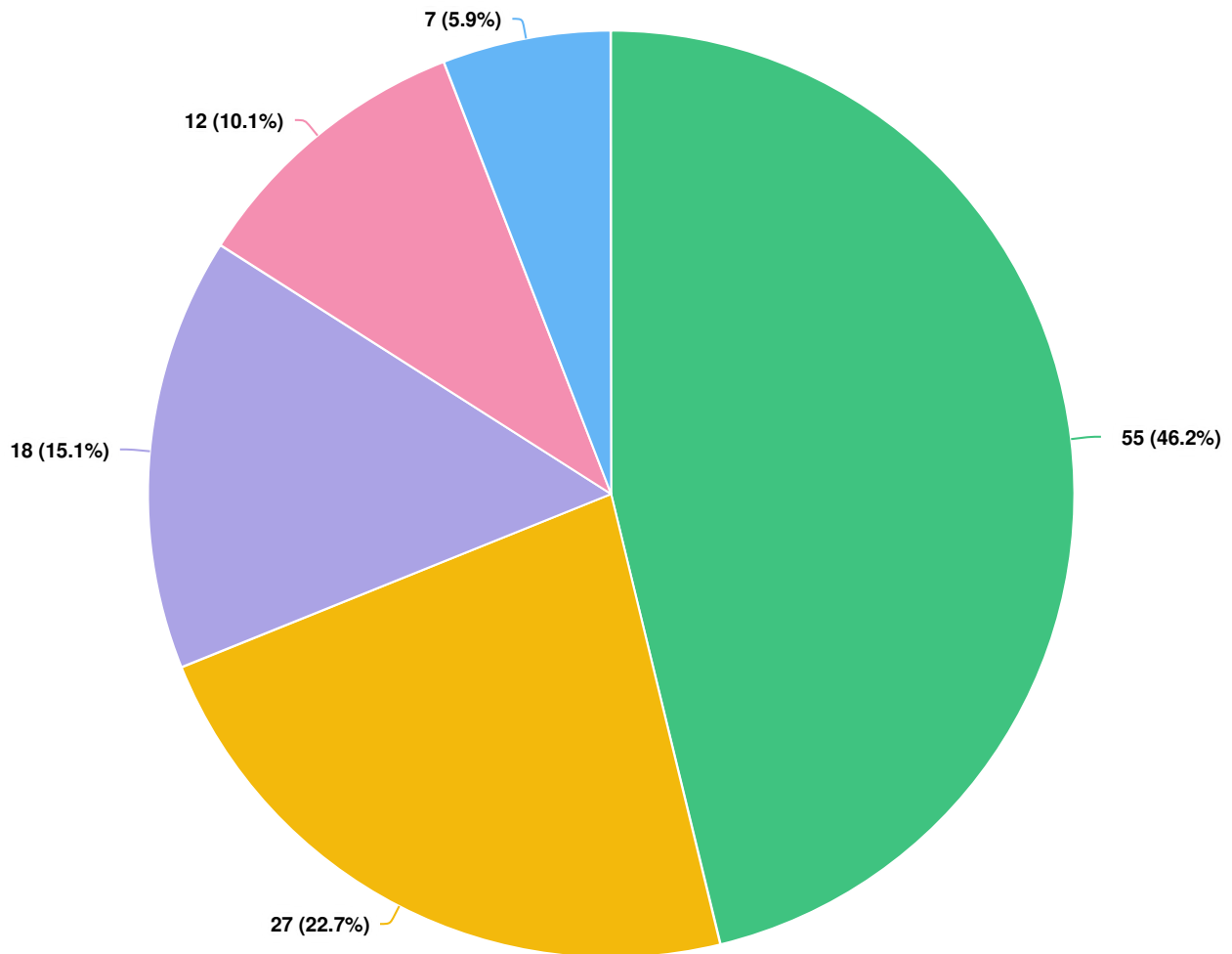
Question options

Yes No

Mandatory Question (119 response(s))

Question type: Dropdown Question

Q6 Which sidewalk replacement design alternative do you favor?

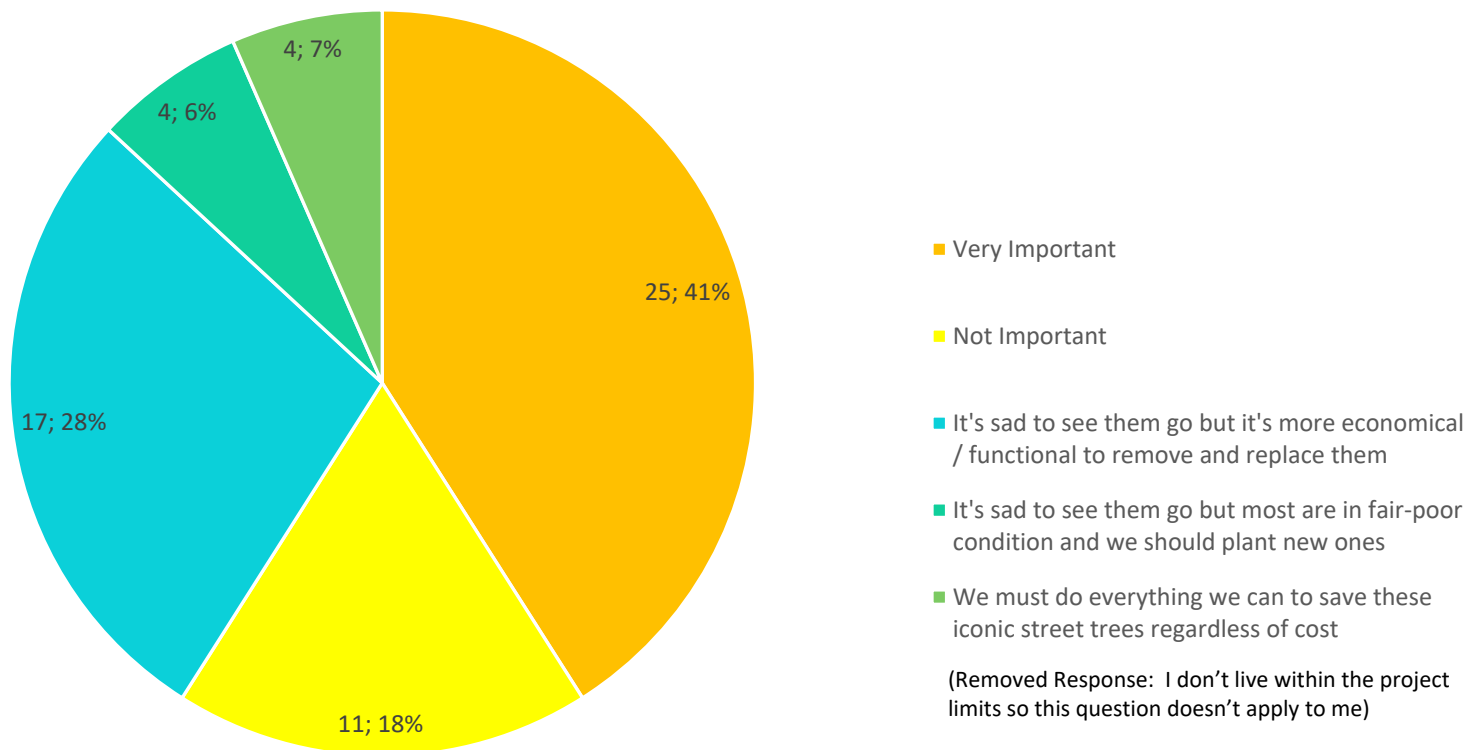


Question options

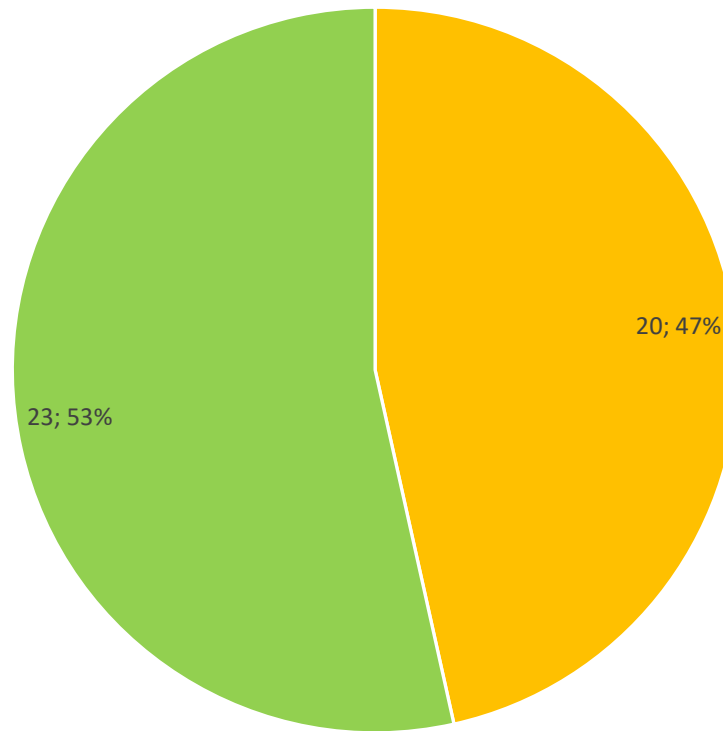
- Alternative 1 - Remove and replace trees / sidewalk
- Alternative 2 - Bridge over tree roots
- Alternative 3 - Bridge over tree roots AND relocate sidewalk into street, where possible
- Alternative 4 - Relocate sidewalk outside public right-of-way
- Alternative 5 - Fill over roots and re-install sidewalk in place.

Mandatory Question (119 response(s))
Question type: Dropdown Question

Q7 | For those who live within the project limits: How important is it to you to preserve the existing, fully-grown street trees along 61st Ave NE / 61st Place NE in project limits?

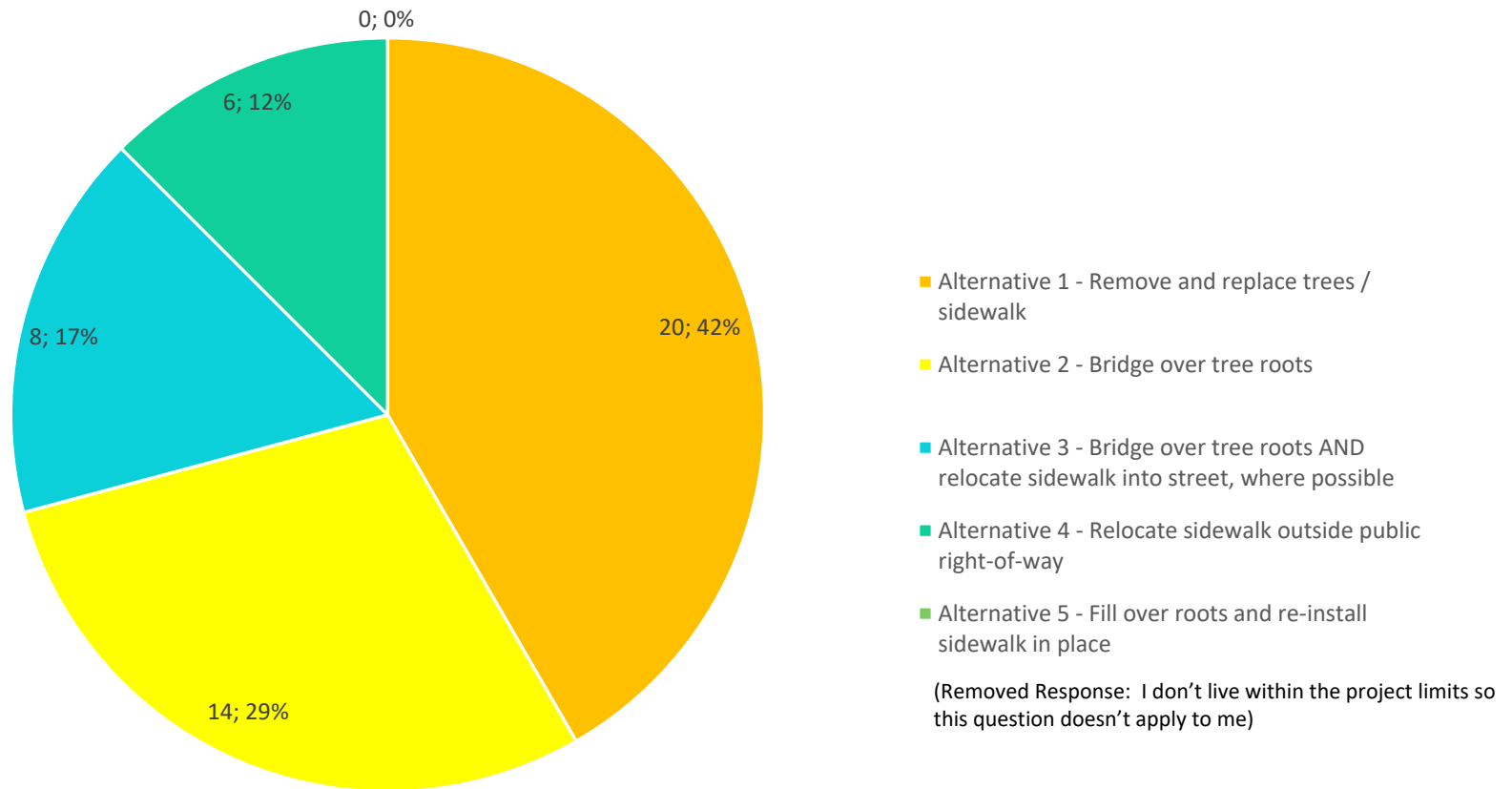


Q8 | For those who live within the project limits: Would you support the city acquiring up to an 8-foot strip of your property frontage to move the new sidewalk alignment in order to preserve the existing street trees?



■ Yes, I live in the project limits and would support this
 ■ No, I live in the project limits and the sidewalk should stay in public right-of-way
 (Removed Response: I don't live within the project limits so this question doesn't apply to me)

Q9 | For those who live within the project limits: Which sidewalk replacement design alternative fo you favor?



CITY OF KENMORE
Public Works Engineering

61st Ave NE Sidewalk Replacement Project

November 20, 2023

Kent Vaughan, PE Senior Civil Engineer
John Vicente, PE City Engineer



61st Ave NE Sidewalk Replacement

Phase 1 Project Scope

Phase 1 Project Limits: NE 190th Street to North City Limits

- Sidewalk & tree replacement, east side of 61st Avenue NE
- ADA (Americans with Disabilities Act) improvements as needed
- Bike lanes, with removal of right turn lanes and on-street parking
- Curb extensions at NE 193rd Street and 60th Ave NE intersections
- Rapid Rectangular Flashing Beacon (RRFB) pedestrian crosswalks across 61st Avenue NE at NE 193rd Street and 60th Ave NE intersections.
- Speed feedback signs
- Asphalt overlay

Estimated project delivery: 2026



61st Ave NE Sidewalk Replacement

Past Council Discussions

WSDOT Ped/Bike Grant Accepted (November 2021)

Presentation on Design Options (July 2022)

- Three Design Options Presented:
 - Remove (and Replace) Trees
 - Preserve Trees (with Bridging over Roots)
 - Relocate Sidewalk (to Back of Curb, Where Feasible)
- Council Requested:
 - Reassessment of Options / New Options
 - Public Input



61st Ave NE Sidewalk Replacement

Existing Street Trees

- 65 red maple trees impacting sidewalks.
- Evaluated by a licensed arborist.
- Existing health of trees:
 - Dead (1),
 - Poor (6),
 - Fair (38),
 - Good (18)
 - Excellent (2).

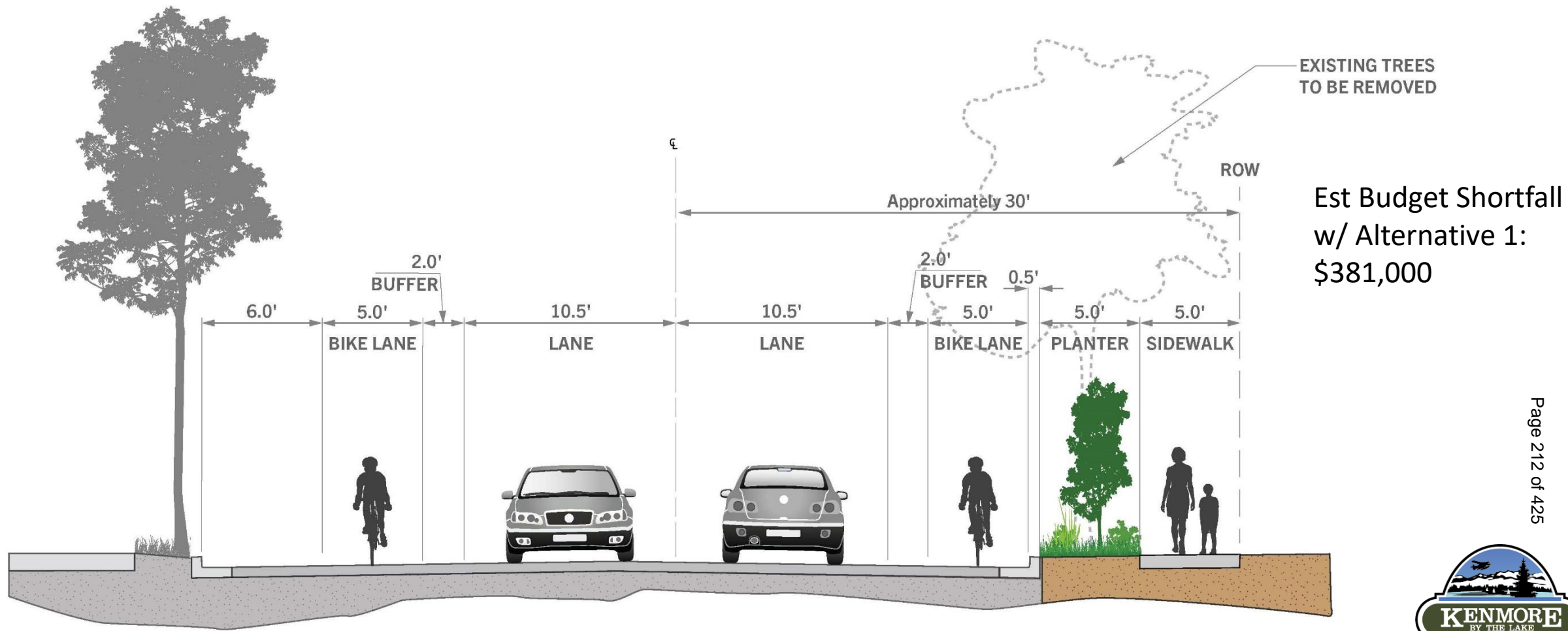
Poor/fair trees are damaged, have reduced vigor, and declining state.

Good to excellent trees are healthy and show no signs of damage.



61st Ave NE Sidewalk Replacement

Alternative 1 - Remove & Replace Trees

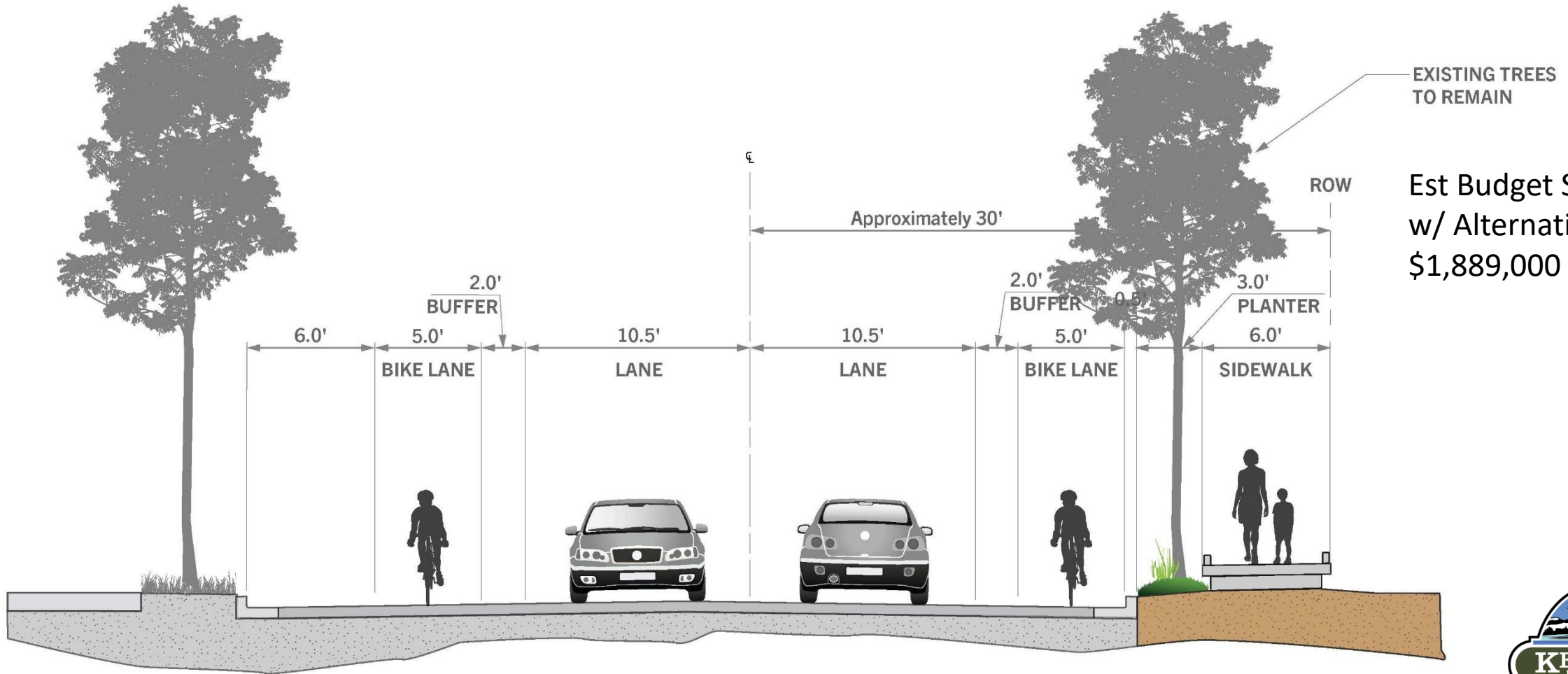


TYPICAL ROADWAY SECTION
ALT 1



61st Ave NE Sidewalk Replacement

Alternative 2 – Bridge over Roots



TYPICAL ROADWAY SECTION
ALT 2

61st Ave NE Sidewalk Replacement

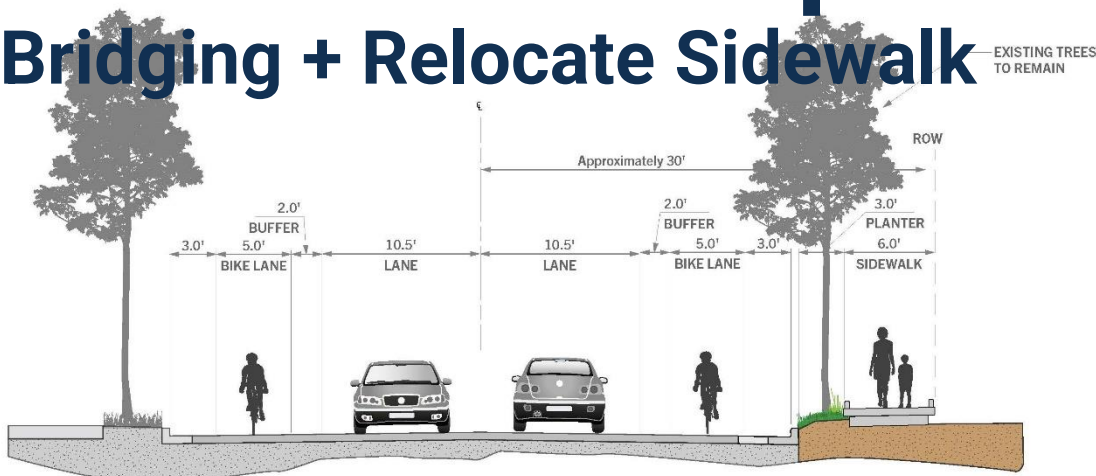
Alternative 2 – Bridge over Roots



Example: 73rd Ave NE, south of NE 182nd ST

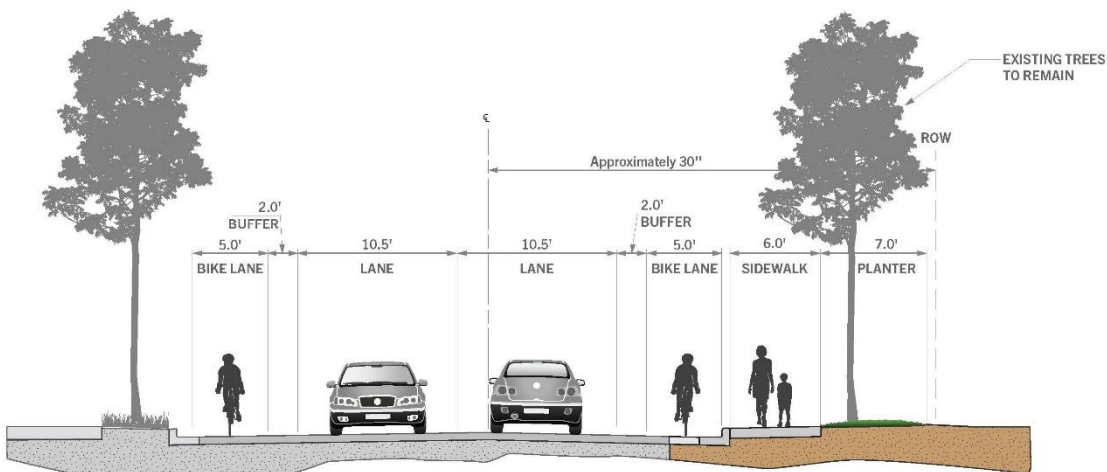
61st Ave NE Sidewalk Replacement

Alternative 3 – Bridging + Relocate Sidewalk



TYPICAL ROADWAY SECTION
ALT 3

Est Budget Shortfall
w/ Alternative 3:
\$1,650,000



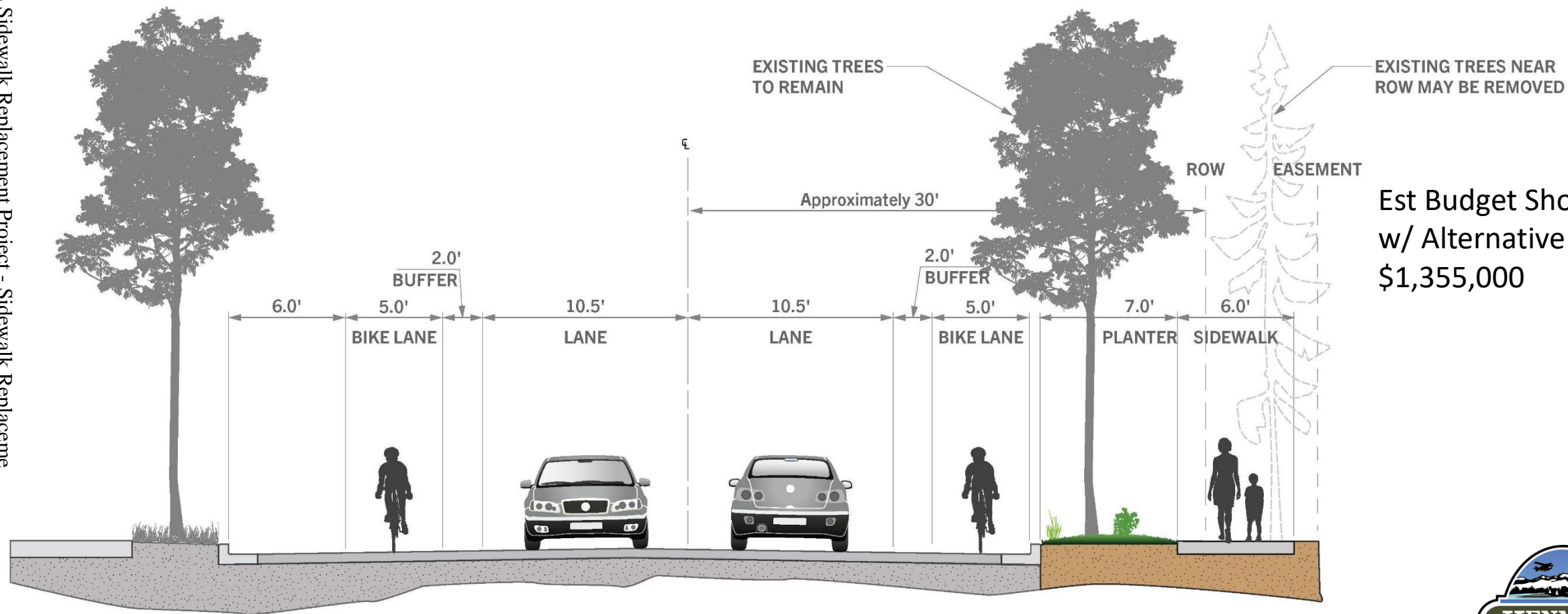
TYPICAL ROADWAY SECTION
ALT 3



STREET VIEW RENDERING:
NEW CURB AND SIDEWALK CONSTRUCTED
IN EXISTING PARKING AREA

61st Ave NE Sidewalk Replacement

Alternative 4 – Relocate Outside Public Right-of-Way

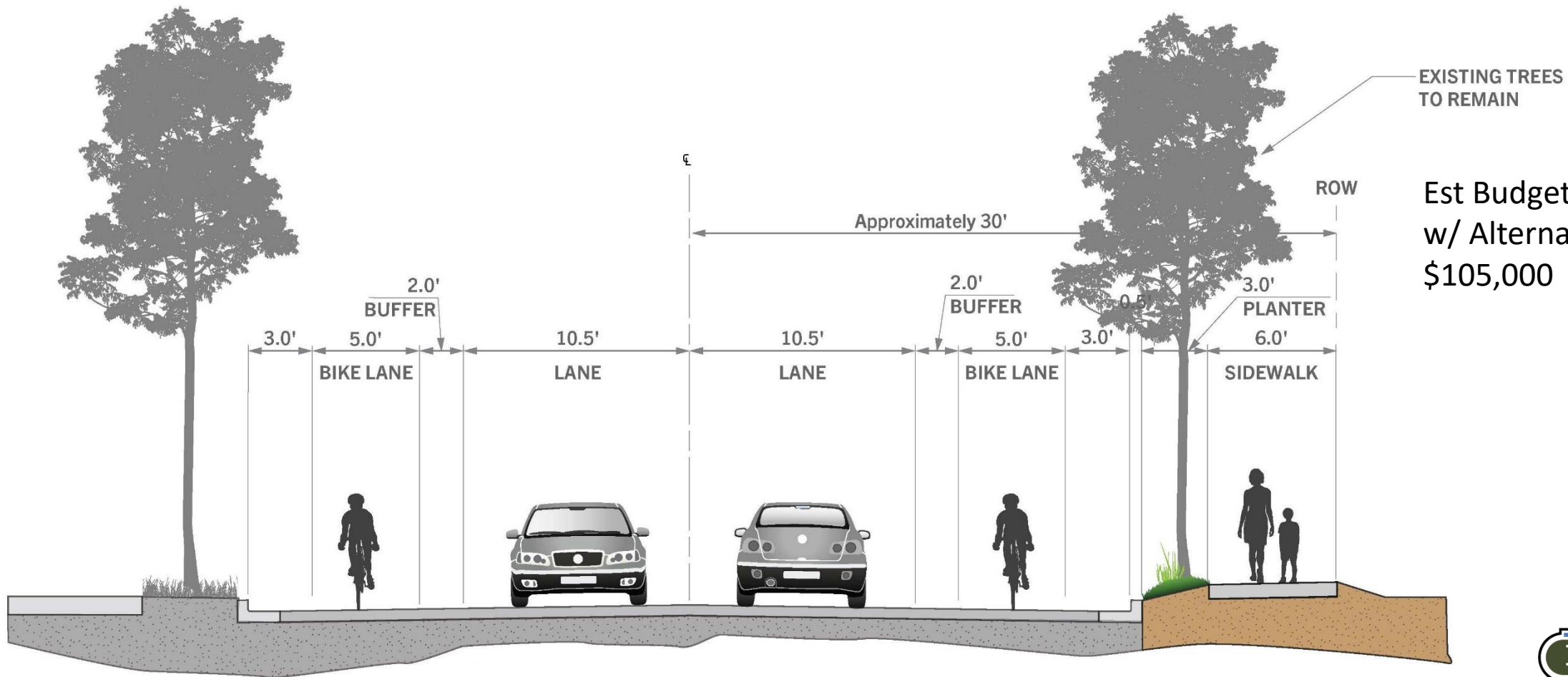


Est Budget Shortfall
w/ Alternative 4:
\$1,355,000

TYPICAL ROADWAY SECTION
ALT 4

61st Ave NE Sidewalk Replacement

Alternative 5 – Fill over Roots



Est Budget Shortfall
w/ Alternative 5:
\$105,000

TYPICAL ROADWAY SECTION
ALT 5

61st Ave NE Sidewalk Replacement

Public Outreach

- Social Media Channels
- Kenmore Top 4 Short Format Newsletter
- Kenmore Quarterly Newsletter Summer 2023
 - Mailed to all residents, city-wide distribution
- Online Open House (August 6 – September 5, 2023)
 - Total visits: 444
 - Online survey with 119 responses



61st Ave NE Sidewalk Replacement

Public Outreach Takeaways

- Mixed results:
 - Alternative 1 received the most votes of any alternative, but Alternatives 2 – 5 (which have a preserve the street trees component) made up over 50% of survey respondents;
 - Residents along corridor roughly split on importance of preserving the existing street trees (48% preserve trees; 52% remove and replace trees); Citywide 45% preserve trees, 55% remove and replace trees.
- Vegetated buffers between sidewalk and street were generally preferred.
- Over 50% of residents along corridor did not support right-of-way acquisition for sidewalk.



Staff Recommendation

Staff recommend using a combination of Design Alternatives 1, 2 and 3 to design ADA compliant sidewalk, with the intent of retaining as many street trees as feasible. Replacement street trees, shall be species appropriate for the location with root barrier to protect sidewalk.



Replacement Tree Options



Bowhall Maple



Replacement Tree Options



Sugar Maple



Trident Maple

Request for Council Direction

Which design alternative (or design alternatives) should be used to replace the existing sidewalk for the 61st Ave NE Sidewalk Replacement Project?





City Council Agenda Bill City of Kenmore, WA

Subject/Topic:

Surface Water Management (SWM)
Service Charges for 2024-2030 and the
Stormwater Capital Facilities Charge.

For Council Meeting Agenda of: Nov 20, 2023

Department: Environmental Services

Prepared by: Richard Sawyer, ES Director

Initial & Date

Approved by Department Head:

RS

Approved by City Attorney:

DR

Approved by Finance Director:

MM

Approved by City Manager:

RGK

Proposed Council Action/Motion:

Adopt Resolution 23-406, repealing
Resolution 18-315 and establishing
Surface Water Management Service
Charges for 2024 – 2030.

Exhibits/Attachments:

Attachment 1 – Resolution 23-406
Attachment 2 – Resolution 23-407
Attachment 3 – Rate Analysis Report

Adopt Resolution 23-407, repealing
Resolution 19-318 and establishing
Stormwater Capital Facilities Charges
beginning in 2024.

Summary:

This year, City staff hired and worked with Peninsula Financial Consulting (PFC) to conduct a Surface Water Management rate analysis to update 1) Surface Water Management Service Charges for 2024-2030 and 2) the Stormwater Capital Facilities Charge (a one-time fee for new construction). The analysis considered a range of program funding, which was grouped into four potential surface water rate increase options for the City Council to consider. The four rate options differed primarily on how much funding was dedicated to SWM capital projects that included removal and replacement of fish-blocking culverts, habitat conservation and restoration projects, and stormwater facility retrofit projects. The options were labeled as Stay the Course, Moderate Pace, Rapid Progress, and Rapid Progress+. The proposed Stormwater Capital Facilities Charge was the same for all options.

A full comparison of the four options was presented and discussed at the September 18, 2023 and October 16, 2023 City Council meetings. The City Council directed staff to bring resolutions to a City Council meeting to adopt the Surface Water Management Service Charges and Capital Facilities Charge represented in the Rapid+ option. Those charges are summarized in the tables below and are included in the attached resolutions.

City of Kenmore**Surface Water Management Program Annual Service Charges**

Class	Impervious Area	Annual Rates						
		2024	2025	2026	2027	2028	2029	2030
Residential ^A	NA	\$298.84	\$358.61	\$401.64	\$449.84	\$476.83	\$505.44	\$525.66
Very Light ^A	0 to ≤ 10%	\$298.84	\$358.61	\$401.64	\$449.84	\$476.83	\$505.44	\$525.66
Light	> 10% to ≤ 20%	\$896.51	\$1,075.81	\$1,204.91	\$1,349.50	\$1,430.47	\$1,516.30	\$1,576.95
Moderate	> 20% to ≤ 45%	\$1,942.43	\$2,330.92	\$2,610.63	\$2,923.91	\$3,099.34	\$3,285.30	\$3,416.71
Moderately Heavy	> 45% to ≤ 65%	\$3,287.20	\$3,944.64	\$4,418.00	\$4,948.16	\$5,245.05	\$5,559.75	\$5,782.14
Heavy	> 65% to ≤ 85%	\$4,482.54	\$5,379.05	\$6,024.54	\$6,747.48	\$7,152.33	\$7,581.47	\$7,884.73
Very Heavy	> 85% to ≤ 100%	\$5,528.46	\$6,634.15	\$7,430.25	\$8,321.88	\$8,821.19	\$9,350.46	\$9,724.48
City Roads	NA							
State Highways	NA							

Rates are subject to 6% utility tax per KMC 3.35.040.F

^A Rate is per parcel; all other rates are per acre

Stormwater Capital Facilities Charge

Single family residential development on a single parcel (includes townhouses, as defined in KMC 18.20.835, on a single parcel)	\$3,700
All other development	Square feet of impervious area of the parcel (rounded down to the nearest whole square foot), divided by 2,500 (quotient rounded to nearest tenth), and multiplied by \$3,700. The minimum ERU shall be 1.0.

The stormwater utility is subject to a utility tax of 6% like other utilities operating in the city, such as water, sewer, and garbage. This tax is applied to the base Service Water Management Service Charge rate. The table below shows annual rates with the 6% utility tax included.

City of Kenmore**Surface Water Management Program Annual Service Charges With 6% Utility Tax Applied**

Class	Impervious Area	Annual Rates						
		2024	2025	2026	2027	2028	2029	2030
Residential ^A	NA	\$316.77	\$380.13	\$425.74	\$476.83	\$505.44	\$535.77	\$557.20
Very Light ^A	0 to ≤ 10%	\$316.77	\$380.13	\$425.74	\$476.83	\$505.44	\$535.77	\$557.20
Light	> 10% to ≤ 20%	\$950.30	\$1,140.36	\$1,277.20	\$1,430.47	\$1,516.30	\$1,607.28	\$1,671.57
Moderate	> 20% to ≤ 45%	\$2,058.98	\$2,470.78	\$2,767.27	\$3,099.34	\$3,285.30	\$3,482.42	\$3,621.71
Moderately Heavy	> 45% to ≤ 65%	\$3,484.43	\$4,181.32	\$4,683.08	\$5,245.05	\$5,559.75	\$5,893.34	\$6,129.07
Heavy	> 65% to ≤ 85%	\$4,751.49	\$5,701.79	\$6,386.01	\$7,152.33	\$7,581.47	\$8,036.36	\$8,357.81
Very Heavy	> 85% to ≤ 100%	\$5,860.17	\$7,032.20	\$7,876.07	\$8,821.19	\$9,350.46	\$9,911.49	\$10,307.95
City Roads	NA							
State Highways	NA							

Rates are subject to utility tax per KMC 3.35.040.F

^A Rate is per parcel; all other rates are per acre

All single-family residences will see an increase from \$20.75 per month (\$22.00 with the utility tax) in 2023 to \$24.90 per month (\$26.40 with the utility tax) in 2024. The percentage change of the proposed rate increases is shown as follows:

2024	2025	2026	2027	2028	2029	2030
20%	20%	12%	12%	6%	6%	4%

The PFC's rate analysis report (attached to this agenda bill) provides further detail on assumptions and financial information for the Rapid Progress+ option and the other three options. Taken from page 14 of the report, this table summarizes the sources and uses of Rapid Progress+:

Scenario -Rapid Progress+								
Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.90	\$29.88	\$33.47	\$37.49	\$39.74	\$42.12	\$43.80
% Rate Increase	4.0%	20.0%	20.0%	12.0%	12.0%	6.0%	6.0%	4.0%
Accounts	2023	2024	2025	2026	2027	2028	2029	2030
OPERATIONAL SUMMARY								
(+) Total Operating Revenues	3,168,600	3,817,600	4,599,400	5,171,900	5,815,700	6,189,300	6,586,900	6,877,800
(-) Total Operation & Maintenance	2,783,300	2,885,100	3,047,400	3,212,000	3,506,600	3,631,500	3,958,500	4,309,100
(-) Total Debt	288,800	288,800	521,200	1,143,200	1,592,500	1,786,100	1,786,100	1,786,100
NET REVENUE	96,500	643,700	1,030,800	816,700	716,600	771,700	842,300	782,600
CAPITAL SUMMARY								
Start of Year Cash	4,502,000	1,728,900	1,147,000	1,415,400	1,994,200	1,888,500	2,417,800	2,405,400
(+) Connection Charges & Interest Inc.	221,700	210,300	218,100	234,700	248,400	261,800	270,200	274,000
(+) Transfer from Operations	96,500	643,700	1,030,800	816,700	716,600	771,700	842,300	782,600
(+) Total Loan Funds	0	2,858,600	7,690,100	5,369,400	2,315,000	0	0	0
(+) Total CIAC Funds	0	1,043,100	371,000	5,202,400	2,720,200	415,300	425,700	436,300
(-) Total Capital Expenses	3,091,300	5,337,600	9,041,600	11,044,400	6,105,900	919,500	1,550,600	966,100
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	581,900	268,400	578,800	105,700	529,300	12,400	526,800
End of Year Cash	1,728,900	1,147,000	1,415,400	1,994,200	1,888,500	2,417,800	2,405,400	2,932,200

Public Notification and Involvement

The City has provided information regarding the SWM rate analysis and proposed rate changes to the public on several occasions, including:

- City Summer Newsletter on 8/18
- City Council meeting on 9/18,
- Online survey from 9/22 through 10/1 (80 of the 147 respondents favored Rapid Progress and Rapid Progress+),
- Kenmore Top 4 on 9/22, 10/6 and 11/3,
- social media posts on 9/25 and 9/28,
- City E-News on 9/29,
- Citywide postcard on 10/9 (an additional 21 people emailed the City and some provided a preference, including 7 for *Stay the Course*, 2 for *Moderate Pace*, and 8 for *Rapid Progress+*),
- City Council meeting on 10/16
- Another article will be included in the Fall City Newsletter hitting mailboxes on 11/18.

Next Steps

The increased Surface Water Management Service Charges and Stormwater Capital Facilities Charges as proposed will be effective on January 1, 2024, pending approval of Resolutions 23-406 and 23-407.

Fiscal Consideration:

Surface Water Management Services Charge revenue supports both SWM operating and capital budgets. Stormwater Capital Facilities Charge revenue is used for SWM capital projects only.

City Council Priority or Budget Objective Being Addressed:

Council Priority 1: Implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.

**CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 23- 406**

A RESOLUTION OF THE CITY COUNCIL OF KENMORE,
WASHINGTON, REVISING THE CITY SURFACE WATER
MANAGEMENT PROGRAM ANNUAL SERVICE CHARGES, AND
REPEALING RESOLUTION NO. 18-315.

WHEREAS, KMC 13.30.010 establishes the City of Kenmore's surface water utility; and

WHEREAS, KMC 13.40.010 establishes the City's surface water management program;
and

WHEREAS, by Resolution No. 18-315, adopted on November 26, 2018, the City Council
established annual service charges for the surface water management program; and

WHEREAS, the City has updated the surface water management program to respond to
drainage capital needs, to address flooding and water quality problems, and to consider
the 2000 Puget Sound Water Quality Management Plan, the 2007, 2012, 2013, 2019 and
2024 NPDES Phase 2 Municipal Stormwater Permits, the 2006 Swamp Creek Fecal
Coliform Bacteria Total Maximum Daily Load Water Quality Improvement Report and
Implementation Plan, the Underground Injection Control Rule, the Endangered Species
Act and associated Watershed and Salmon Recovery Plans, and the City of Kenmore 2022
Climate Action Plan; and

WHEREAS, current surface water management program annual service charges are
insufficient to generate the annual income needed to develop and implement the updated
surface water management program, requiring an increase in the annual service charges
as set forth in this resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES
HEREBY RESOLVE AS FOLLOWS:

Section 1. Adoption. The City Council adopts the City of Kenmore Surface
Water Management Program Annual Service Charges attached as Exhibit "A" and
incorporated herein by reference.

Section 2. Repealer. The City Council repeals Resolution No. 18-315 in its entirety.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON AT A REGULAR MEETING THEREOF THIS 20TH DAY OF NOVEMBER, 2023.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Anastasiya Warhol, City Clerk

APPROVED AS TO FORM:

Dawn Reitan, City Attorney

Exhibit A

City of Kenmore								
Surface Water Management Program Annual Service Charges								
Class	Impervious Area	Annual Rates						
		2024	2025	2026	2027	2028	2029	2030
Residential ^A	NA	\$298.84	\$358.61	\$401.64	\$449.84	\$476.83	\$505.44	\$525.66
Very Light ^A	0 to ≤ 10%	\$298.84	\$358.61	\$401.64	\$449.84	\$476.83	\$505.44	\$525.66
Light	> 10% to ≤ 20%	\$896.51	\$1,075.81	\$1,204.91	\$1,349.50	\$1,430.47	\$1,516.30	\$1,576.95
Moderate	> 20% to ≤ 45%	\$1,942.43	\$2,330.92	\$2,610.63	\$2,923.91	\$3,099.34	\$3,285.30	\$3,416.71
Moderately Heavy	> 45% to ≤ 65%	\$3,287.20	\$3,944.64	\$4,418.00	\$4,948.16	\$5,245.05	\$5,559.75	\$5,782.14
Heavy	> 65% to ≤ 85%	\$4,482.54	\$5,379.05	\$6,024.54	\$6,747.48	\$7,152.33	\$7,581.47	\$7,884.73
Very Heavy	> 85% to ≤ 100%	\$5,528.46	\$6,634.15	\$7,430.25	\$8,321.88	\$8,821.19	\$9,350.46	\$9,724.48
City Roads	NA							
State Highways	NA							

Rates are subject to 6% utility tax per KMC 3.35.040.F

^A Rate is per parcel; all other rates are per acre

**CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 23- 407**

**A RESOLUTION OF THE CITY COUNCIL OF KENMORE,
WASHINGTON, REVISING THE STORMWATER CAPITAL FACILITIES
CHARGE, AND REPEALING RESOLUTION NO. 19-318.**

WHEREAS, KMC 13.40.085 establishes the City of Kenmore's stormwater capital facilities charge for all development in the City; and

WHEREAS, KMC 13.40.085.A provides that the City Council shall establish the amount of the stormwater capital facilities charge by resolution; and

WHEREAS, by Resolution No. 19-318, adopted on February 25, 2019, the City Council established the stormwater capital facilities charge amount, and the City Council desires to update the stormwater capital facilities charge and repeal Resolution No. 19-318;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Adoption. The City Council adopts the City of Kenmore stormwater capital facilities charge attached as Exhibit "A" and incorporated herein by reference.

Section 2. Repealer. The City Council repeals Resolution No. 19-318 in its entirety.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON AT A REGULAR MEETING THEREOF THIS 20TH DAY OF NOVEMBER, 2023.

CITY OF KENMORE

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Anastasiya Warhol, City Clerk

APPROVED AS TO FORM:

Dawn Reitan, City Attorney

Exhibit A

Stormwater Capital Facilities Charge	
Single family residential development on a single parcel (includes townhouses, as defined in KMC 18.20.835, on a single parcel)	\$3,700
All other development	Square feet of impervious area of the parcel (rounded down to the nearest whole square foot), divided by 2,500 (quotient rounded to nearest tenth), and multiplied by \$3,700. The minimum ERU shall be 1.0.



CITY OF KENMORE

SURFACE WATER UTILITY RATE STUDY 2023

EXECUTIVE SUMMARY

The City of Kenmore operates a surface water utility. This utility is primarily funded by rates charged to property owners. Kenmore's surface water utility is responsible for managing all functions related to surface water and stormwater, including:

- flood prevention and management
- water quality improvement
- fish and wildlife habitat restoration and maintenance in and along wetlands, streams, rivers, and the lake
- management and control of surface runoff into wetlands, streams, rivers, and the lake, and regulating water quality laws on private and public property (including the public right-of-way on streets and roads).

Due to changes in state-mandated stormwater requirements, inflation, capital projects, and other factors, the City's stormwater utility rates should be reviewed and increased from time to time. The last time a rate study for this utility was completed was in 2018. This year, the City hired Ashley Emery of Peninsula Financial Consulting to conduct a utility rate study in light of increasing state regulatory requirements, rising costs, and capital project needs. This report presents the findings of the study as well as several different rate scenarios.

Kenmore, due to its geography, including its topography, its prevalence of wetlands, streams and rivers, and its unique location on the Sammamish River, Swamp Creek, and Lake Washington, is on the front lines of surface water management. In other words, Kenmore has particularly high needs and demands when it comes to surface water.

In setting the surface water utility rates, the City Council should consider and give direction on how much investment should go into fish and habitat restoration in and along its bodies of water. For example, numerous culverts block fish passage and disrupt riparian habitat throughout the City. The City can either continue to take a slow approach with less impacts to ratepayers, or the City can move more quickly by raising rates to address these problems.

While both options have their pros and cons, the go-slow approach can end up being more costly over time, both in dollars and impact to the natural environment. Many of the

culvert projects in this rate study are complex and costly, and if we do not start building our rate revenues, we will be much less able to fund the high value projects that will make significant improvements to our water quality and fish and wildlife habitat.

In funding our stormwater utility, we must also recognize that growth from large development projects is less frequent than it used to be, and therefore revenues from general facility charges (aka “stormwater connection fees”) will be limited to mainly infill. As a result, we cannot assume in our revenue projections that general facility charges will provide a significant source of revenues for surface water capital projects. Therefore, the City is limited to financing new projects mainly from a combination of cash funding, grants, and issuing new debt.

It is also likely that the City’s capital improvement schedule will continue to revolve around several very large \$5M to \$15M projects. When combined with the time it takes to amass enough cash reserves to cash fund these projects, it makes it highly likely that the City will continue to require debt funding combined with grant funds to facilitate constructing these capital improvements.

This rate study creates four possible rate revenue scenarios for the City Council to evaluate and consider. All four scenarios provide for the necessary operational revenue to comply with the NPDES regulations, pay for operational costs, and meet other previously committed obligations, such as debt service on the Public Works Operations Center and the culvert replacement project at the intersection of 61st Avenue and 190th Street.

Where the four scenarios differ is how quickly and aggressively fish and wildlife habitat are restored, including removing fish-blocking culverts and acquiring open space for wetland and riparian habitat restoration. The four scenarios are as follows:

Stay the Course – Go Slow.

This scenario continues what the city has been doing over the last decade or more, which is occasionally replacing a fish-blocking culvert once every few years as cash and grants become available.

More specifically, this scenario includes restoration of the recently-acquired Muck Creek property on 73rd Avenue and the removal (not replacement) of an old unused culvert on Blueberry Creek. Both of these projects are lower cost projects at \$500,000 and \$250,000, respectively. This approach also includes the removal and replacement of a culvert on a tributary under 192nd Street (east of 73rd Avenue), all of which is assumed to

be funded via future grants (including a potential congressionally-directed Community Project grant which is proposed but not yet secured).

In this scenario, no other culvert replacements or open space land acquisitions are planned between now and 2030.

Moderate Pace

Proceed with as planned with the projects in Stay the Course. In addition, start increasing rates just enough to pay for design only of several culvert replacement and stream restoration projects, including the high-value Stream 0057 culverts, the Sammamish River Tributary culvert, and the Little Swamp Creek relocation (from a ditch on the side of the road to a natural, meandering stream) and culvert replacements. Assume grants will pay for construction.

Construction on these projects would, if grant funded, move forward one at a time spread out over a number of years, starting with Little Swamp Creek in 2027 to the fourth Stream 0057 Culvert in 2030.

Rapid Progress

In this scenario, increase rates to pay for design of the projects in the Moderate Pace scenario, plus 50% of the construction costs. This scenario would finance the projects to allow the high value Stream 0057 and Sammamish Tributary culvert replacements to be grouped together and completed simultaneously much sooner (construction as soon as 2026). Little Swamp Creek relocation and culverts would stay on the 2027 construction schedule but would have a greater chance of being fully funded and staying on schedule.

In addition, this rapid progress scenario includes annual funding for open space land acquisitions and accompanying riparian and wetland habitat restoration.

Rapid Progress+

This scenario is the same as the Rapid Progress scenario, but rates are increased even higher to build up cash for replacement of large and expensive Stream 0056 culverts adjacent to and on both sides of SR 522. These 0056 culverts would be replaced in the early 2030s.

All four scenarios attempt to leave the stormwater fund with both net revenues and available cash reserves to cash fund designs and actively seek grant funds where available. As shown in the four scenarios, at the end of the next six-year rate schedule, the City's debt load will be approximately 25% of annual rate revenues. For any utility



this debt ratio is considered low and reflects positively on the management of the system and therefore will leave the stormwater utility in a financially advantageous position to meet both the recommendations of the next comprehensive plan as well as any new NPDES standards.

The following provides a snapshot summary of the four scenarios:

Comparison of Surface Water Rate Scenarios

	Stay the Course	Moderate Pace	Rapid Progress	Rapid Progress +
Culvert Replacements	One every few years; none planned after 19nd Street Tributary	Fund design only of several high value culverts; Hope for grants to pay for 100% construction; Spread over 2027-2030	Fund design and 50% of construction of high value culverts; group these culverts together and move construction up to 2026.	Same as Rapid Progress
Open Space Acquisitions	None Planned	None Planned	Annual Acquisitions	Same as Rapid Progress
Clean Water Facility Retrofits	Only one in 2025	One every other year	One every other year	Same as Rapid Progress
Small Works Projects	\$70k - \$90k Annually	\$70k - \$90k Annually	\$70k - \$90k Annually	Same as Rapid Progress
Muck Creek Property Restoration	2024	2024	2024	Same as Rapid Progress
Removal of old culvert on Blueberry Creek	2024	2024	2024	Same as Rapid Progress
192nd St. Tributary Culvert Replacement	2024 - 2025	2024 - 2025	2024 - 2025	Same as Rapid Progress
Stream 0057 Culverts (four)	Not included	2027 - 2030	2026	Same as Rapid Progress
Little Swamp Creek Relocation and Culverts	Not included	2027	2027	Same as Rapid Progress
Stream 0056 Large Culverts	Not included	Not included	Not included	2031

The following table provides a comparison of the projected rate increases by percentage and the corresponding monthly rates for a single-family residence with each scenario:

Projected Rate Increases of the Four Scenarios

	2024	2025	2026	2027	2028	2029	2030
Stay the Course/Slow Progress	14%	14%	5%	5%	5%	5%	5%
Moderate Pace	19%	19%	5%	5%	5%	3%	3%
Rapid Progress	20%	20%	7.5%	7.5%	7.5%	7.5%	3%
Rapid Progress+	20%	20%	12%	12%	6%	6%	4%

Please note that the rates shown in the table above does not include the City's 6% utility tax that are directed into the General Fund and are not included in the stormwater management fund.



The following table shows what the single-family home monthly surface water utility rates will be for each scenario:

Projected Monthly Rates for Each of the Four Scenarios

	2024	2025	2026	2027	2028	2029	2030
Stay the Course/Slow Progress	\$23.66	\$26.97	\$28.32	\$29.74	\$31.23	\$32.79	\$34.43
Moderate Pace	\$24.69	\$29.38	\$30.85	\$32.39	\$34.01	\$35.03	\$36.08
Rapid Progress	\$24.90	\$29.88	\$32.12	\$34.53	\$37.12	\$39.90	\$41.10
Rapid Progress+	\$24.90	\$29.88	\$33.47	\$37.49	\$39.74	\$42.12	\$43.80

The following is a comparison of surface water utility rates for single-family homes in neighboring cities as well as cities with similar surface water needs and demands:

	2023 Monthly Rate
Sammamish	\$35.06
Seattle	\$29.74
Lynnwood	\$14.95
Mountlake Terrace	\$27.96
Bothell	\$17.70
King County	\$26.92
Snoqualmie	\$26.64
Shoreline	\$25.86
Bellevue	\$13.33
Edmonds	\$23.45
Lake Stevens	\$21.42
Kenmore	\$20.75
Lake Forest Park	\$20.52
Kirkland	\$19.75
Issaquah	\$18.88
Woodinville	\$17.17
Mill Creek	\$17.68
Average Rate	\$22.22

* Note that Kenmore has a \$0.0 Rate for low income



CITY OF KENMORE

STORMWATER UTILITY SCENARIOS

This study provides Kenmore with four scenarios for funding planned capital improvements through the year 2030. Using an interactive model, staff have looked at such factors as the timing of projects, the ability to get grant funds, and issuing debt to enable the utility to pay for levels of capital improvements while maintaining adequate cash reserve balances. Increases to monthly rates were only considered as a last resort.

All four scenarios start with a major financial obligation, the construction of the new public works operation building. When combined with other debt newly issued to construct SW8 190th/61st Culvert replacement, by the year 2025 the utility's annual debt service will have increased from zero to almost \$1M. Considering that annual revenues from the utility are just over \$3M, the utility will have to quickly enact increases totaling about 25% in addition to the 4% increase in 2023 and 2024 that have already been adopted in order to pay for the new debt.

Therefore, due to the new debt, all four scenarios assume two double-digit rate increases in 2024 and 2025 to counteract the new annual debt payments; however, the 2024 rate increase also includes the 4% increase already approved.

Most operation and maintenance expenses remain consistent through the four scenarios but do reflect increases associated with the following:

Operation and Maintenance expense increases that are common to all scenarios:

- Previously passed 4% rate increases in 2023 and 2024
- To keep pace with ever-increasing NPDES surface water regulations and population growth, operating costs are increased for additional personnel as follows:
 - 1 FTE (Full time equivalent) in 2027
 - 1 FTE in 2029
 - 1 FTE in 2030
- Beginning the year after construction, an annual increase of \$50k/year for costs associated with the new public works operations center (e.g., insurance, electricity, maintenance and repair, etc.)
- Annual cost increase factors used to forecast operation and maintenance expenses:

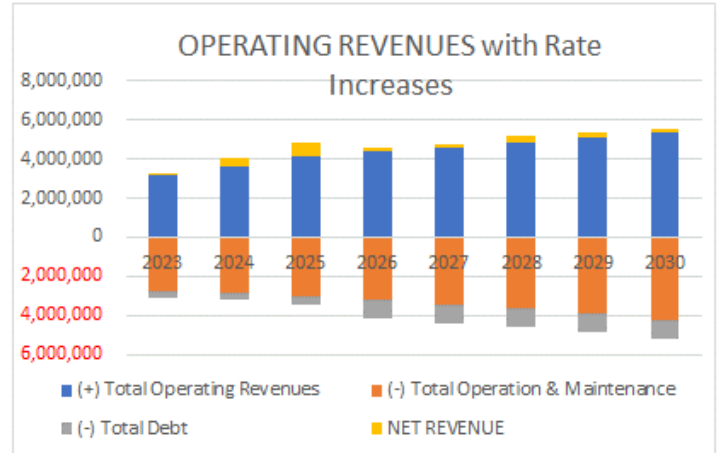
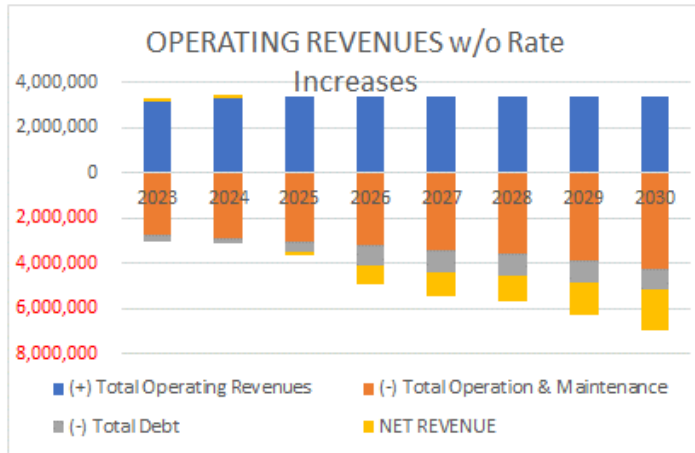
Annual Inflationary Factors	2024	2025	2026	2027	2028 - 2042
COLA	5.20%	4.50%	4.00%	3.50%	3.00%
Inflation	5.50%	4.50%	3.50%	2.50%	2.50%
Customer growth in single-family equivalents	50	50	50	50	50
Capital cost increases	6%	5%	4%	2.50%	2.50%

Scenario 1: Stay the Course – Go Slow

This scenario includes all operating costs and cost increase factors as outlined above plus the capital projects as listed in the color-coded CIP table on the last page of this report. With only the 4% rate increases in 2023 and 2024, revenues are insufficient to offset increased operating costs and new debt payments that increase from about \$300k to \$1M per year as a result of the new Public Works Operations Center. Similarly, as positive net revenues are replaced with net losses, the continuing drain on capital reserves continues into 2025 and beyond.

Of note in the CIP:

- In addition to the surface water utility share of the annual debt service on Public Works Operations land acquisition in 2021, the utility's share of the new PW Operation building (\$8,250,000) is being financed with a 20-year LTGO bond at 5% annual interest
- 75% of the 61st Avenue property acquisition is grant funded
- There is a \$1M grant for the FPCL 12 192nd Swamp Creek Tributary Culvert
- SW 8 190th Street Culvert Replacement has partial funding of an existing \$1.5M Public Works Trust Fund low interest loan from the State
- The remaining capital projects are funded from existing cash reserves currently at \$4.5M



The above left chart shows that the additional debt payments cannot be funded from existing rates and the planned 4% increase in 2023 and 2024 are not enough--net revenues are negative beginning in 2025 and grow to over a \$1M a year in losses. The chart on the right above shows the resulting cash flows in the operating fund if the rate increases listed below are enacted.

In order to correct the cash projection, the Baseline scenario requires additional rate increases. If the city adopts the following schedule of rate increases, the cash flows are in balance and the fund will run smoothly. Note that the two large increases in 2024 and 2025 are necessary to offset the new debt from the Public Works Operations Center (also note that the 14% in 2024 includes the planned 4%).

Note also that the utility is growing its cash reserves to over \$3M and as shown in the table below and that annual operating revenue is positive in each year and stable.

Scenario - Stay the Course/Slow Progress								
Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$23.66	\$26.97	\$28.32	\$29.74	\$31.23	\$32.79	\$34.43
% Rate Increase	4.0%	14.0%	14.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Accounts	2023	2024	2025	2026	2027	2028	2029	2030
OPERATIONAL SUMMARY								
(+) Total Operating Revenues	3,168,600	3,626,700	4,150,900	4,375,900	4,613,100	4,863,100	5,126,700	5,404,600
(-) Total Operation & Maintenance	2,783,300	2,881,300	3,038,400	3,196,100	3,482,600	3,605,000	3,929,300	4,279,600
(-) Total Debt	288,800	288,800	449,300	950,800	950,800	950,800	950,800	950,800
NET REVENUE	96,500	456,600	663,200	229,000	179,700	307,300	246,600	174,200
CAPITAL SUMMARY								
Start of Year Cash	4,502,000	1,728,900	958,500	1,227,500	1,603,300	1,942,100	2,422,600	2,851,600
(+) Connection Charges & Interest Inc.	221,700	208,900	215,300	230,300	245,900	262,200	273,600	279,500
(+) Transfer from Operations	96,500	456,600	663,200	229,000	179,700	307,300	246,600	174,200
(+) Total Loan Funds	0	2,000,000	6,250,000	0	0	0	0	0
(+) Total CIAC Funds	0	1,043,100	0	0	0	0	0	0
(-) Total Capital Expenses	3,091,300	4,479,000	6,859,500	83,500	86,800	89,000	91,200	93,500
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	770,400	269,000	375,800	338,800	480,500	429,000	360,200
End of Year Cash	1,728,900	958,500	1,227,500	1,603,300	1,942,100	2,422,600	2,851,600	3,211,800



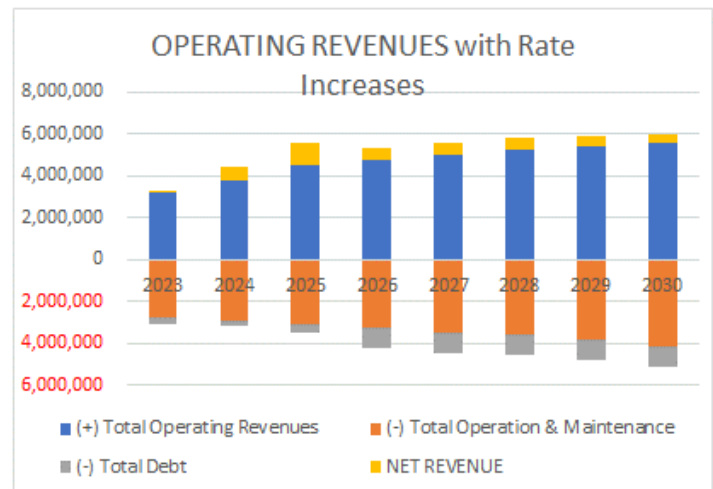
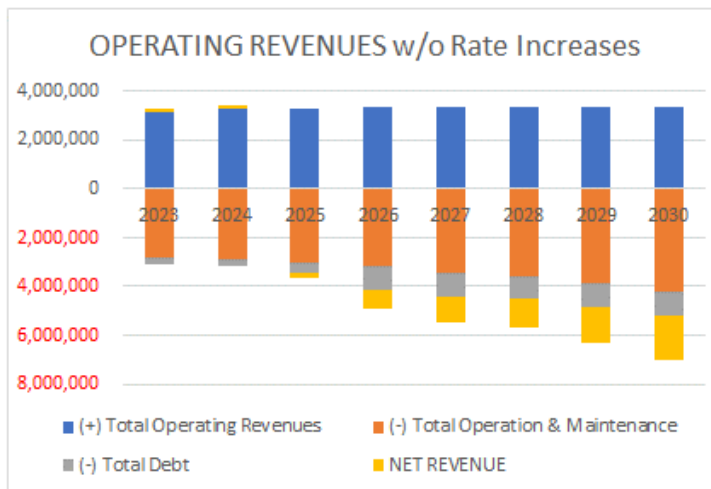
MODERATE PACE

This scenario includes all operating costs and cost increase factors as outlined earlier plus all of the capital costs and financing (new debt and grant funds) associated with the Stay the Course scenario.

In addition, this Moderate Pace scenario also includes:

- \$500k in every other year (in today's dollars) for ongoing small stormwater facility retrofits for improved water quality for fish habitat in our lake, streams, and rivers
- Phases I & II for Little Swamp Creek Relocation (about \$5.7M) with designs paid by cash to better our ability to get grants and with both construction costs 100% paid by grants
- The four Stream 0057 Culverts and the Sammamish River Tributary culvert (projects FPCL 1, 2, 3, 4 & 11) have been staggered over 5 years with the design costs for each project paid for by cash to facilitate getting grant funds and the construction costs (shown as the cost in the last year) are 100% paid for by grants

The major difference between this scenario and the Stay the Course scenario is that design for five high value culvert and stream projects are funded, producing an additional \$4M in capital costs. These costs are paid for by cash which results in rates needing to be increased to maintain cash reserves at a reasonable level. Since these costs are design costs, we need to fund them from cash in order to better our chances in getting grant funds. We don't want to issue debt to pay for these design costs in case the grant funds are not awarded.



The above left chart shows that the additional cash needed for the new projects as well as the existing debt payments cannot be funded from existing rates and the planned 4% increase in 2023 and 2024, in fact net revenues are negative beginning in 2025 and grow to over a \$1M a year in losses. The chart on the right above shows the resulting cash flows in the operating fund if the rate increases listed below are enacted.

In order to correct the cash projection, the Moderate Pace scenario requires additional rate increases. If the city adopts the following schedule of rate increases, the cash flows will be in balance and the fund will run smoothly. Note that the two large increases in 2024 and 2025 are necessary to offset the new debt from the Public Works Operations Center (also note that the 19% in 2024 includes the planned 4%).

Scenario -Moderate Pace								
Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.69	\$29.38	\$30.85	\$32.39	\$34.01	\$35.03	\$36.08
% Rate Increase	4.0%	19.0%	19.0%	5.0%	5.0%	5.0%	3.0%	3.0%
Accounts	2023	2024	2025	2026	2027	2028	2029	2030
OPERATIONAL SUMMARY								
(+) Total Operating Revenues	3,168,600	3,785,700	4,523,000	4,768,200	5,026,600	5,198,100	5,375,500	5,558,900
(-) Total Operation & Maintenance	2,761,300	2,888,500	3,063,100	3,217,200	3,473,900	3,566,100	3,841,300	4,131,200
(-) Total Debt	288,800	288,800	458,900	990,700	990,700	990,700	990,700	990,700
NET REVENUE	118,500	608,400	1,001,000	560,300	562,000	641,300	543,500	437,000
CAPITAL SUMMARY								
Start of Year Cash	4,502,000	1,728,900	1,115,500	1,220,300	1,072,500	665,700	904,500	585,800
(+) Connection Charges & Interest Inc.	221,700	210,000	216,400	226,300	232,300	241,300	245,200	247,200
(+) Transfer from Operations	96,500	612,500	1,027,900	613,500	585,000	734,600	592,700	431,200
(+) Total Loan Funds	0	2,000,000	6,250,000	0	0	0	0	0
(+) Total CIAC Funds	0	1,043,100	0	0	4,630,000	4,402,300	2,346,500	3,749,500
(-) Total Capital Expenses	3,091,300	4,479,000	7,389,500	987,600	5,854,100	5,139,400	3,503,100	3,843,000
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	613,400	104,800	147,800	406,800	238,800	318,700	584,900
End of Year Cash	1,728,900	1,115,500	1,220,300	1,072,500	665,700	904,500	585,800	1,170,700

RAPID PROGRESS

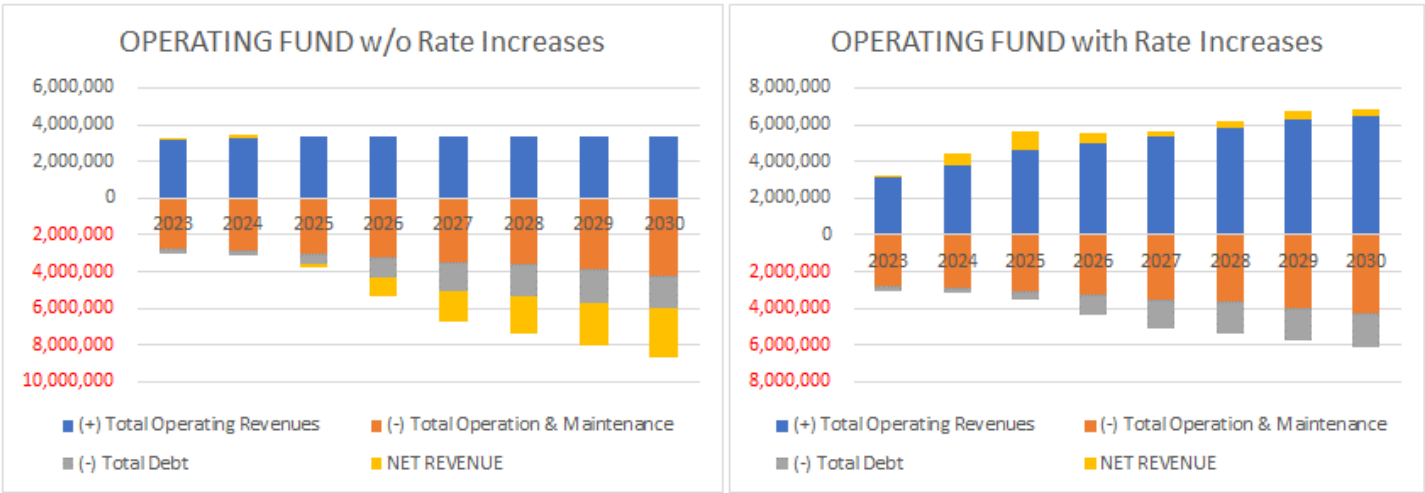
This scenario includes all operating costs and cost increase factors as outlined earlier plus all of the capital costs and financing (new debt and grant funds) associated with the Stay the Course scenario.

In addition, this Rapid Progress scenario also includes:

- \$500k in every other year (in today's dollars) for ongoing small stormwater facility retrofits

- Phases I & II for Little Swamp Creek Relocation (about \$5.7M) with designs paid by new debt and construction costs paid by 50% grants and 50% new debt
- The four Stream 0057 Culverts and the Sammamish River Tributary culvert Projects (FPCL 1, 2, 3, 4 & 11) are grouped together and brought up much sooner in the schedule with the design costs for each project paid for by new debt and construction costs (shown as the cost in the last year) paid for by 50% grants and 50% new debt
- Open space acquisitions (projects RP1, RP2, RP3, RP4, RP5, & RP6) are added—one each year—and are included as being 50% grant and 50% cash funded
- All new debts are assumed to be 20-year bonds with an annual interest rate of 5.5%

The major difference between this scenario and the Moderate Pace scenario is that all five of the FCPL (Stream 0057 and Sammamish Tributary) culvert projects have been grouped together and moved up to start design in 2024. Also, the funding for the FPCL and Little Swamp Creek Relocation projects have changed from the designs being cash funded to being debt funded and the construction costs being 100% grant funded to 50% grant and 50% debt funded. This approach speeds up the projects in order to apply for grants that might not last as long as we planned in the Moderate Pace scenario. Paying for all of design and 50% of construction also increases the City's chances of obtaining grants by having "skin in the game". Another benefit of this approach is the ability to combine multiple projects into one large project, which may result in better grant scoring and lower interest costs.



The above left chart shows that the additional debt payments cannot be funded from existing rates and the planned 4% increase in 2023 and 2024; in fact, net revenues are

negative beginning in 2025 and grow to over almost \$2M a year in losses. The chart on the right above shows the resulting cash flows in the operating fund if the rate increases listed below are enacted.

In order to correct the cash projection, the Rapid Progress scenario requires additional rate increases. If the city adopts the following schedule of rate increases, the cash flows are in balance and the fund will run smoothly. Note that the two large increases in 2024 and 2025 are necessary to offset the new debt from the Public Works Bldg. (also note that the 20% in 2024 includes the planned 4%)

In this scenario we have increased the total costs of projects by about \$2.5M (the 6 RP projects) but saved a million dollars in inflation costs by moving the 5 FPCL projects up by several years. Of more consequence, we have reduced the expected total in grants by about \$6M and increased new debt by \$10M.

Scenario -Rapid Progress								
Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.90	\$29.88	\$32.12	\$34.53	\$37.12	\$39.90	\$41.10
% Rate Increase	4.0%	20.0%	20.0%	7.5%	7.5%	7.5%	7.5%	3.0%
Accounts	2023	2024	2025	2026	2027	2028	2029	2030
OPERATIONAL SUMMARY								
(+) Total Operating Revenues	3,168,600	3,817,600	4,599,400	4,964,100	5,357,700	5,782,600	6,241,200	6,454,100
(-) Total Operation & Maintenance	2,783,300	2,885,100	3,047,400	3,207,800	3,497,400	3,623,400	3,951,600	4,300,600
(-) Total Debt	288,800	288,800	521,200	1,143,200	1,592,500	1,786,100	1,786,100	1,786,100
NET REVENUE	96,500	643,700	1,030,800	613,100	267,800	373,100	503,500	367,400
CAPITAL SUMMARY								
Start of Year Cash	4,502,000	1,728,900	1,147,000	1,415,400	1,789,000	1,228,000	1,345,700	975,700
(+) Connection Charges & Interest Inc.	221,700	210,300	218,100	233,100	241,900	248,800	251,400	249,300
(+) Transfer from Operations	96,500	643,700	1,030,800	613,100	267,800	373,100	503,500	367,400
(+) Total Loan Funds	0	2,858,600	7,690,100	5,369,400	2,315,000	0	0	0
(+) Total CIAC Funds	0	1,043,100	371,000	5,202,400	2,720,200	415,300	425,700	436,300
(-) Total Capital Expenses	3,091,300	5,337,600	9,041,600	11,044,400	6,105,900	919,500	1,550,600	966,100
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	581,900	268,400	373,600	561,000	117,700	370,000	86,900
End of Year Cash	1,728,900	1,147,000	1,415,400	1,789,000	1,228,000	1,345,700	975,700	1,062,600

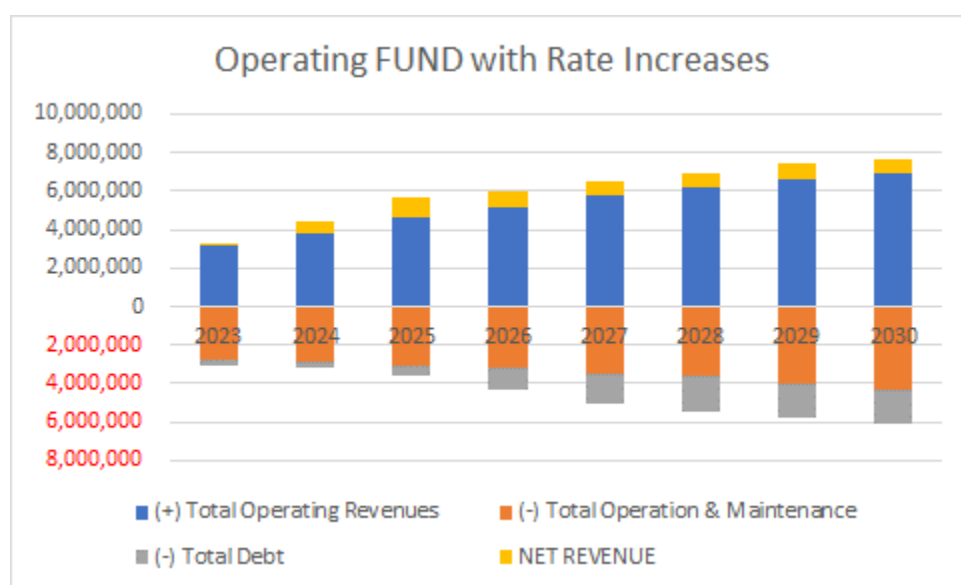
RAPID PROGRESS+

The Rapid Progress+ scenario is the exact same as the Rapid Progress scenario except that rates have been increased in the years 2025 through 2029 in order to increase both net operating revenues as well as build cash reserves to leave the utility with more capability to continue to fund projects important to the environment like the Stream 0056 culverts on either side of SR 522 or the Swamp Creek channel restoration in the 2030s.



With the additional monthly rate increases by the year 2030, the utility has grown net operating revenues from 400K to 900K and increased cash reserves from \$1M to \$3M.

This scenario is intended to build sufficient capacity and flexibility into the fund in order to meet the new challenges that will be determined by the next comprehensive plan update which is planned to occur around 2030. These rates will allow the utility to cash fund the design of a major project (\$10M to \$15M) such as the Stream 0056 culverts or the Swamp Creek channel restoration and then pay for the construction of the project from a mixture of cash reserves and new debt. Without these additional rate increases the utility will require substantial future increases before work on any new projects can begin after the year 2030.



The chart above shows the cash flows in the operating fund if the rate increases listed in the table below are enacted.

The table below shows a summary of the stormwater utility finances with the indicated rate increases. As can be seen in the table below by the **end of year cash** in 2030 the fund is just short of \$3M and the **transfer from operations** (e.g., net revenue from operations) is almost \$800K in the year 2030.

Scenario -Rapid Progress+								
Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.90	\$29.88	\$33.47	\$37.49	\$39.74	\$42.12	\$43.80
% Rate Increase	4.0%	20.0%	20.0%	12.0%	12.0%	6.0%	6.0%	4.0%
Accounts	2023	2024	2025	2026	2027	2028	2029	2030
OPERATIONAL SUMMARY								
(+) Total Operating Revenues	3,168,600	3,817,600	4,599,400	5,171,900	5,815,700	6,189,300	6,586,900	6,877,800
(-) Total Operation & Maintenance	2,783,300	2,885,100	3,047,400	3,212,000	3,506,600	3,631,500	3,958,500	4,309,100
(-) Total Debt	288,800	288,800	521,200	1,143,200	1,592,500	1,786,100	1,786,100	1,786,100
NET REVENUE	96,500	643,700	1,030,800	816,700	716,600	771,700	842,300	782,600
CAPITAL SUMMARY								
Start of Year Cash	4,502,000	1,728,900	1,147,000	1,415,400	1,994,200	1,888,500	2,417,800	2,405,400
(+) Connection Charges & Interest Inc.	221,700	210,300	218,100	234,700	248,400	261,800	270,200	274,000
(+) Transfer from Operations	96,500	643,700	1,030,800	816,700	716,600	771,700	842,300	782,600
(+) Total Loan Funds	0	2,858,600	7,690,100	5,369,400	2,315,000	0	0	0
(+) Total CIAC Funds	0	1,043,100	371,000	5,202,400	2,720,200	415,300	425,700	436,300
(-) Total Capital Expenses	3,091,300	5,337,600	9,041,600	11,044,400	6,105,900	919,500	1,550,600	966,100
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	581,900	268,400	578,800	105,700	529,300	12,400	526,800
End of Year Cash	1,728,900	1,147,000	1,415,400	1,994,200	1,888,500	2,417,800	2,405,400	2,932,200



Color Code

100% Cash Funded (No fill)		100% Debt Funded		100% Grant Funded	
Mix of Grant & Cash Funding				Mix of 50/50 Debt & Grant Funding	

CAPITAL EXPENSES	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Debt Funding	Total Cash Funding	Total Grant Funding	
Stay the Course Scenario													
CITY FACILITIES F1 - Public Works Operations Center		2,000,000	6,250,000							8,250,000			
SW 8 - 190TH/61ST Culvert Replacement (Construction)	2,866,300	20,000									2,886,300		
SW 20 - Small Works	75,000	75,000	79,500	83,500	86,800	89,000	91,200	93,500			673,500		
SW 29 - Stormwater Facility Retrofits			530,000								530,000		
61ST Property Acquisition and Restoration		49,000									12,200	36,800	
SW 34 - Blueberry Creek Culvert Mitigation	50,000	200,000									250,000		
SW 35 - Muck Creek Restoration	100,000	400,000									500,000		
FPCL 012 - 192ND SC Trib Culvert		1,735,000									728,700	1,006,300	
										8,250,000	5,580,700	1,043,100	SUBTOTAL
Moderate Scenario													
<i>All CIP projects listed under the Baseline Scenario plus the following</i>													
SW 29 - Stormwater Facility Retrofits					578,800		608,100				1,186,900		
SW 17 - Little Swamp Creek Relocation Phase 1			265,000	278,300	2,315,000						543,300	2,315,000	
SW 17 - Little Swamp Creek Relocation Phase 2			265,000	278,300	2,315,000						543,300	2,315,000	
FPCL 001 - 163RD Trib 0057 Culvert						234,300	240,200	1,969,500			474,500	1,969,500	
FPCL 002 - 76TH Trib 0057 Culvert						211,800	217,100	1,780,000			428,900	1,780,000	
FPCL 004 - 74TH Trib 0057 Culvert					197,100	202,000	2,346,500				399,100	2,346,500	
FPCL 011 - 74TH Trib 0057 Culvert				117,700	122,400	2,442,300					240,100	2,442,300	
FPCL 003 - 169TH Samm Trib 01 Culvert				229,800	239,000	1,960,000					468,800	1,960,000	
										0	4,284,900	15,128,300	SUBTOTAL
Rapid Scenario													
<i>All CIP projects listed under the Baseline Scenario plus the following</i>													
SW 29 - Stormwater Facility Retrofits					578,800		608,100				1,186,900		
SW 17 - Little Swamp Creek Relocation Phase 1			265,000	278,300	2,315,000					1,700,800		1,157,500	
SW 17 - Little Swamp Creek Relocation Phase 2			265,000	278,300	2,315,000					1,700,800		1,157,500	
FPCL 001 - 163RD Trib 0057 Culvert		197,500	209,400	1,758,500						1,286,100		879,300	
FPCL 002 - 76TH Trib 0057 Culvert		178,500	189,200	1,589,400						1,162,400		794,700	
FPCL 004 - 74TH Trib 0057 Culvert		170,300	180,500	2,147,500						1,424,500		1,073,800	
FPCL 011 - 74TH Trib 0057 Culvert		105,800	112,100	2,291,100						1,363,400		1,145,600	
FPCL 003 - 169TH Samm Trib 01 Culvert		206,500	218,900	1,838,700						1,344,700		919,400	
RP 001 - Restoration (Land Acquisition, Demo, Restoration)			742,000								371,000	371,000	
RP 002 - Restoration (Land Acquisition, Demo, Restoration)				779,100							389,500	389,600	
RP 003 - Restoration (Land Acquisition, Demo, Restoration)					810,300						405,100	405,200	
RP 004 - Restoration (Land Acquisition, Demo, Restoration)						830,500					415,200	415,300	
RP 005 - Restoration (Land Acquisition, Demo, Restoration)							851,300				425,600	425,700	
RP 006 - Restoration (Land Acquisition, Demo, Restoration)								872,600			436,300	436,300	
										9,982,700	3,629,600	9,570,900	SUBTOTAL
Rapid+ Scenario													
<i>All CIP projects listed under the Baseline Scenario plus the following</i>													
<i>All CIP projects as listed under the CIPMid Scenario plus the following</i>													
FPCL 006 - 175TH Trib 0056 Culvert									9,576,000				
FPCL Swamp Creek Channel Restoration									TBD				

2024-2030 Stormwater Rates & CFC

Adoption 11/20/2023



CITY OF KENMORE

ENVIRONMENTAL SERVICES



Consulting Services:

Ashley Emery, Peninsula Financial Consulting

Staff:

Melinda Merrell, Finance Director

Richard Sawyer, Environmental Services Director

Rob Karlinsey, City Manager



CITY OF KENMORE

ENVIRONMENTAL SERVICES



Funding Scenarios



2023 SWM Funding Analysis

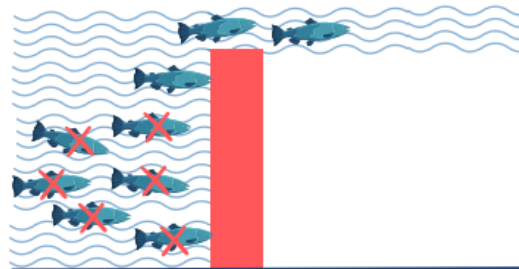
Staff worked with Peninsula Financial Consulting to analyze the City's SWM funding needs for 2024-2030 and developed 4 funding options for Council's consideration ranging from *Stay the Course* (PWOC funding and existing CIP) to *Rapid Progress+* (several additional culverts & restoration projects).

CITY OF KENMORE

Surface Water Management (SWM) Fee Rates to Remove Fish Blocking Culverts

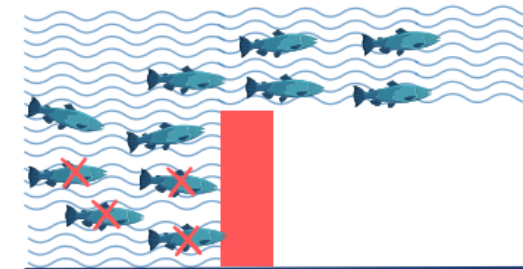
The current (2023) monthly SWM rate for single family residential property owners is \$20.75.

Stay the Course/Go Slow



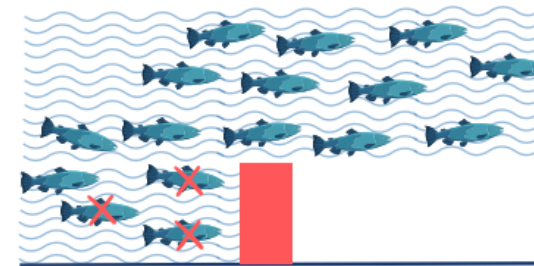
Fish Blocking Culverts

Moderate Pace



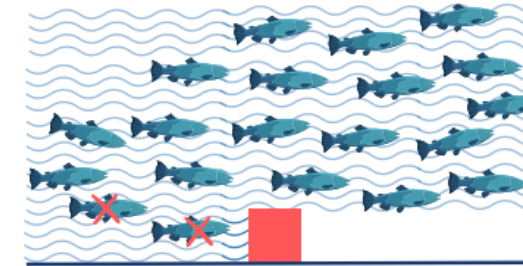
Fish Blocking Culverts

Rapid Progress



Fish Blocking Culverts

Rapid Progress +



Fish Blocking Culverts

Stay the Course/Go Slow

- Fund existing programs and maintain compliance with regulatory requirements.
- Complete capital projects currently planned including the Public Works Operations Center, removing/replacing 3 fish blocking culverts, retrofitting stormwater facilities, and Muck Creek restoration.
- **\$23.66 to \$34.43** (2024 - 2030) proposed monthly SWM rate increase.

Moderate Pace:

- Includes everything listed in previous option and more capital project funding, including:
 - Design costs for replacement of 6 additional high priority fish passage culverts.*
 - Design costs for Little Swamp Creek Replacement project, including replacement/removal of 4 culverts.*
 - Implements actions identified in the Climate Action Plan Natural Systems & Water Resources section.
- **\$24.69 to \$36.08** (2024 - 2030) proposed monthly SWM rate increase.

*Construction costs not included. Construction funds will rely on receiving grants.

Rapid Progress:

- Includes everything listed in previous option and more capital project funding, including:
 - 50% of the estimated construction costs for the high priority fish passage culvert replacements.
 - Annual funding for open space land acquisition and habitat restoration projects.
 - Guarantees construction of some projects regardless of grant status.
- **\$24.90 to \$41.10** (2024 - 2030) proposed monthly SWM rate increase.

Rapid Progress+:

- Includes everything listed previously and begins building up funding for important projects in the 2030s, such as:
 - Riparian habitat restoration of the Swamp Creek Channel.
 - Replacement of large fish-blocking culverts on Chet Chatl (0056) Creek adjacent to SR 522.
- **\$24.90 to \$43.80** (2024 - 2030) proposed monthly SWM rate increase.

Rapid Progress+



Rapid Progress +

Tonight, City Council will vote to approve adoption of funding option “Rapid Progress+”, which included:

- **Public Works Operations Center (PWOC)** At the July 24, 2023 City Council Meeting, the PWOC project and funding plan were presented, including the PWOC’s impact on SWM rates. At the September 11 meeting, the City Council approved the 2023-2028 City Facilities Capital Improvement Program (CIP), including an estimated annual SWM fund payment of \$900,000 to the City Facilities CIP to pay a portion of the PWOC cost. The presentation on September 11 also presented the PWOC’s impact on SWM rates. The PWOC supports SWM projects, operations, staff and equipment.
- **Existing SWM Programs** Current SWM operations, maintain compliance with current and upcoming NPDES regulations, and complete existing capital projects.
- **Climate Action** Implements environmental actions identified in the City’s CAP.
- **SWM facility retrofits** Adds more retrofits of SWM facilities.
- **Fish passage barrier culvert replacements** Adds more projects and completes them sooner.
- **Restoration projects** Adds more projects and includes land acquisition.
- **Guarantees construction** Provides full funding for several projects with less reliance on grants (grants still high priority).

SWM Funding



CITY OF KENMORE

ENVIRONMENTAL SERVICES

Timeline

8/18 – Introduce in Summer Newsletter

9/18 – **City Council Meeting**

9/22 → 10/1 Online Survey

9/22 – Kenmore Top 4

9/25 – Social media posts

9/28 – Social media posts

9/29 – September E-News

10/6 – Kenmore Top 4

10/9 – Postcards mailed citywide & hit mailboxes on 10/12

10/16 – **City Council Meeting (Direction to bring resolutions for Rapid Progress+)**

11/3 – Kenmore Top 4

11/15 – Fall Newsletter (hit mailboxes 11/18)

11/20 – **City Council Meeting *Adoption***



Resolution 23-406



Resolution 23-406 Updates 2024-2030 Surface Water Service Charge Rates

City of Kenmore Surface Water Management Program Annual Service Charges								
Class	Impervious Area	Annual Rates						
		2024	2025	2026	2027	2028	2029	2030
Residential ^A	NA	\$298.84	\$358.61	\$401.64	\$449.84	\$476.83	\$505.44	\$525.66
Very Light ^A	0 to ≤ 10%	\$298.84	\$358.61	\$401.64	\$449.84	\$476.83	\$505.44	\$525.66
Light	> 10% to ≤ 20%	\$896.51	\$1,075.81	\$1,204.91	\$1,349.50	\$1,430.47	\$1,516.30	\$1,576.95
Moderate	> 20% to ≤ 45%	\$1,942.43	\$2,330.92	\$2,610.63	\$2,923.91	\$3,099.34	\$3,285.30	\$3,416.71
Moderately Heavy	> 45% to ≤ 65%	\$3,287.20	\$3,944.64	\$4,418.00	\$4,948.16	\$5,245.05	\$5,559.75	\$5,782.14
Heavy	> 65% to ≤ 85%	\$4,482.54	\$5,379.05	\$6,024.54	\$6,747.48	\$7,152.33	\$7,581.47	\$7,884.73
Very Heavy	> 85% to ≤ 100%	\$5,528.46	\$6,634.15	\$7,430.25	\$8,321.88	\$8,821.19	\$9,350.46	\$9,724.48
City Roads	NA							
State Highways	NA							

Rates are subject to 6% utility tax per KMC 3.35.040.F

^A Rate is per parcel; all other rates are per acre

Percentage Change	2024	2025	2026	2027	2028	2029	2030
	20%	20%	12%	12%	6%	6%	4%

Resolution 23-406



Council Action

Motion to adopt Resolution 23-406, repealing Resolution 18-315 and establishing Surface Water Management Service Charges for 2024 – 2030.

Resolution 23-407



Resolution 23-407 Updates Stormwater Utility Capital Facilities Charge

Stormwater Capital Facilities Charge	
Single family residential development on a single parcel (includes townhouses, as defined in KMC 18.20.835, on a single parcel)	\$3,700
All other development	Square feet of impervious area of the parcel (rounded down to the nearest whole square foot), divided by 2,500 (quotient rounded to nearest tenth), and multiplied by \$3,700. The minimum ERU shall be 1.0.

Resolution 23-407



Council Action

Motion to adopt Resolution 23-407, repealing Resolution 19-318 and establishing Stormwater Capital Facilities Charges beginning in 2024.



Questions & Comments





BACKUP SLIDES IF NEEDED

SWM Funding



CITY OF KENMORE

ENVIRONMENTAL SERVICES



SWM Funding



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SWM Service Charge Exemption Clarification

A full exemption from the SWM fees are provided if property owners meet King County's property tax relief program eligibility requirements, which include:

- Own and occupy the property and have a combined disposable income of \$58,423 (2023) or \$84,000 (starting 2024)
- Meet one of the following requirements:
 - 61 years of age by December 31st of prior year, or
 - Disabled, or
 - Veteran with at least 80% total disability rating
- Property owner must apply with King County



2023 Rate Comparisons



CITY OF KENMORE

ENVIRONMENTAL SERVICES

2023 monthly rates for a single-family home property in surrounding cities

	2023 Monthly Rate
Sammamish	\$35.06
Seattle	\$29.74
Lynnwood	\$29.54
Mountlake Terrace	\$27.96
Bothell	\$26.92
King County	\$26.92
Snoqualmie	\$26.64
Shoreline	\$25.86
Bellevue	\$24.47
Edmonds	\$23.45
Lake Stevens	\$21.42
Kenmore	\$20.75
Lake Forest Park	\$20.52
Kirkland	\$19.75
Issaquah	\$18.88
Woodinville	\$17.17
Mill Creek	\$17.17
Average Rate	\$24.25
* Note that Kenmore has a \$0.00 rate for senior low income property owners	



Funding Scenario Summary



Projected Rate Increases of the Four Scenarios

	2024	2025	2026	2027	2028	2029	2030
Stay the Course/Slow Progress	14%	14%	5%	5%	5%	5%	5%
Moderate Pace	19%	19%	5%	5%	5%	3%	3%
Rapid Progress	20%	20%	7.5%	7.5%	7.5%	7.5%	3%
Rapid Progress+	20%	20%	12%	12%	6%	6%	4%

Projected Monthly Household Rates of the Four Scenarios

	2024	2025	2026	2027	2028	2029	2030
Stay the Course/Slow Progress	\$23.66	\$26.97	\$28.32	\$29.74	\$31.23	\$32.79	\$34.43
Moderate Pace	\$24.69	\$29.38	\$30.85	\$32.39	\$34.01	\$35.03	\$36.08
Rapid Progress	\$24.90	\$29.88	\$32.12	\$34.53	\$37.12	\$39.90	\$41.10
Rapid Progress+	\$24.90	\$29.88	\$33.47	\$37.49	\$39.74	\$42.12	\$43.80

*2023 Monthly Household Rate: \$20.75

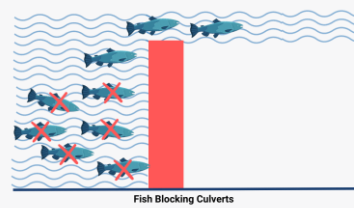
Funding Scenarios



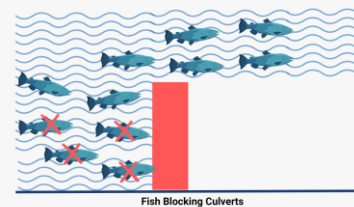
The four funding scenarios are:

- Stay the Course – Go Slow
- Moderate Pace
- Rapid Progress
- Rapid Progress+

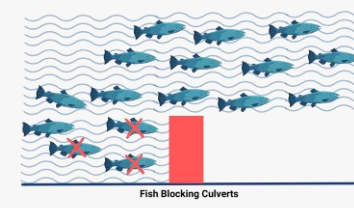
Stay the Course/Go Slow



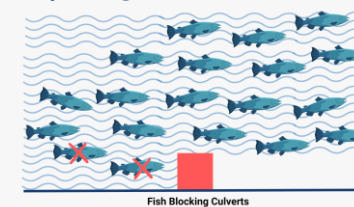
Moderate Pace



Rapid Progress



Rapid Progress +



Funding Scenarios



CITY OF KENMORE

ENVIRONMENTAL SERVICES

The primary difference between the first three scenarios is the costs associated with:

- Culvert projects ranging from \$1.5M to \$2.5M
 - Little Swamp Creek Phase I & II (Relocation & Culverts)
 - Four culvert projects on Tributary 0057
 - One culvert project on Sammamish Tributary 01
- Restoration projects

Our focus is on maximizing grants and low-cost loans from State and Federal programs

The two most effective strategies to win grant or low-cost loan funding assistance from State or Federal programs are:

- Be as close to shovel ready as possible
- Have significant skin in the game (cities share in cost thus leveraging government dollars)



XIV. B. Proposed Resolution No. 23-406, repealing Resolution No. 19-008, and Resolution No. 18-025

Funding Scenarios

Here is a summary comparison of the four scenarios:

Comparison of Surface Water Rate Scenarios

	Stay the Course	Moderate Pace	Rapid Progress	Rapid Progress +
Culvert Replacements	One every few years; none planned after 192nd Street Tributary	Fund design only of several high value culverts; Hope for grants to pay for 100% construction; Spread over 2027-2030	Fund design and 50% of construction of high value culverts; group these culverts together and move construction up to 2026.	Same as Rapid Progress
Open Space Acquisitions	None Planned	None Planned	Annual Acquisitions	Same as Rapid Progress
Clean Water Facility Retrofits	Only one in 2025	One every other year	One every other year	Same as Rapid Progress
Small Works Projects	\$70k - \$90k Annually	\$70k - \$90k Annually	\$70k - \$90k Annually	Same as Rapid Progress
Muck Creek Property Restoration	2024	2024	2024	Same as Rapid Progress
Removal of old culvert on Blueberry Creek	2024	2024	2024	Same as Rapid Progress
192nd St. Tributary Culvert Replacement	2024 - 2025	2024 - 2025	2024 - 2025	Same as Rapid Progress
Stream 0057 Culverts (four)	Not included	2027 - 2030	2026	Same as Rapid Progress
Little Swamp Creek Relocation and Culverts	Not included	2027	2027	Same as Rapid Progress
Swamp Creek Channel Restoration and/or Stream 0056 Large Culverts	Not included	Not included	Not included	2030s

Funding Scenarios



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Moderate Pace and Rapid Progress look the same. What's the difference?

- Funding
 - Moderate Pace: Design Only
 - Rapid Progress: Design and 50% of Construction, increasing likelihood of grants and speedier timeline
- Likelihood of Obtaining Grants:
 - Moderate Pace: Moderate
 - Rapid Progress: High
- Construction Timeline for the Stream 0057 Culverts:
 - Moderate Pace: 2027 – 2030
 - Rapid Progress: 2026
- Land Acquisitions for Habitat Restoration:
 - Moderate Pace: None planned
 - Rapid Progress: One every other year

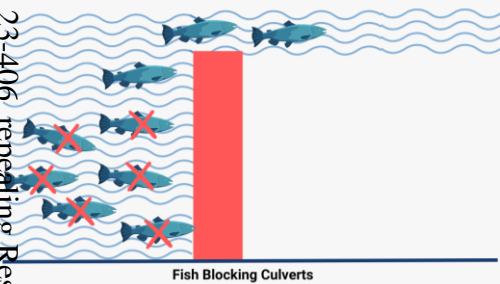


Funding Scenarios



1. Stay the Course – Go Slow

Stay the Course/Go Slow



Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$23.66	\$26.97	\$28.32	\$29.74	\$31.23	\$32.79	\$34.43
% Rate Increase	4.0%	14.0%	14.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Start of Year Cash	4,502,000	1,728,900	958,500	1,227,500	1,603,300	1,942,100	2,422,600	2,851,600
(+) Connection Charges & Interest	221,700	208,900	215,300	230,300	245,900	262,200	273,600	279,500
(+) Transfer from Operations	96,500	456,600	663,200	229,000	179,700	307,300	246,600	174,200
(+) Total Loan Funds	0	2,000,000	6,250,000	0	0	0	0	0
(+) Total CIAC Funds	0	1,043,100	0	0	0	0	0	0
(-) Total Capital Expenses	3,091,300	4,479,000	6,859,500	83,500	86,800	89,000	91,200	93,500
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	770,400	269,000	375,800	338,800	480,500	429,000	360,200
End of Year Cash	1,728,900	958,500	1,227,500	1,603,300	1,942,100	2,422,600	2,851,600	3,211,800

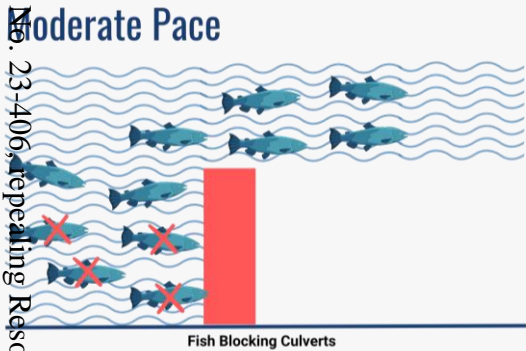
Highlights of Stay the Course:

- Previously approved capital projects already scheduled to occur within two years are funded (total forecasted CIP costs of \$15M)
- Net revenues from operations (shown as Transfer from Operations) are increased enough to pay for the new debt and remain positive through 2030
- Cash reserves have been used to pay for critical projects but are slowly built back by the year 2030

Funding Scenarios



2. Moderate Pace



Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.69	\$29.38	\$30.85	\$32.39	\$34.01	\$35.03	\$36.08
% Rate Increase	4.0%	19.0%	19.0%	5.0%	5.0%	5.0%	3.0%	3.0%
Start of Year Cash	4,502,000	1,728,900	1,115,500	1,220,300	1,072,500	665,700	904,500	585,800
(+) Connection Charges & Interest	221,700	210,000	216,400	226,300	232,300	241,300	245,200	247,200
(+) Transfer from Operations	96,500	612,500	1,027,900	613,500	585,000	734,600	592,700	431,200
(+) Total Loan Funds	0	2,000,000	6,250,000	0	0	0	0	0
(+) Total CIAC Funds	0	1,043,100	0	0	4,630,000	4,402,300	2,346,500	3,749,500
(-) Total Capital Expenses	3,091,300	4,479,000	7,389,500	987,600	5,854,100	5,139,400	3,503,100	3,843,000
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	613,400	104,800	147,800	406,800	238,800	318,700	584,900
End of Year Cash	1,728,900	1,115,500	1,220,300	1,072,500	665,700	904,500	585,800	1,170,700

Highlights:

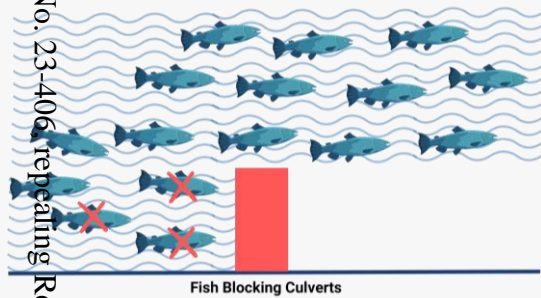
- High priority capital projects already scheduled to occur within two years are funded (total forecasted CIP costs of \$34M) with no new debt issued but reliant on \$16M in grants
- Net revenues from operations (shown as Transfer from Operations) are increased enough to pay for the new debt and remain positive through 2030
- Cash reserves have been used to pay for critical projects but are slowly built back by the year 2030

Funding Scenarios



Rapid Progress

Rapid Progress



Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.90	\$29.88	\$32.12	\$34.53	\$37.12	\$39.90	\$41.10
% Rate Increase	4.0%	20.0%	20.0%	7.5%	7.5%	7.5%	7.5%	3.0%

CAPITAL SUMMARY

Start of Year Cash	4,502,000	1,728,900	1,147,000	1,415,400	1,789,000	1,228,000	1,345,700	975,700
(+) Connection Charges & Interest	221,700	210,300	218,100	233,100	241,900	248,800	251,400	249,300
(+) Transfer from Operations	96,500	643,700	1,030,800	613,100	267,800	373,100	503,500	367,400
(+) Total Loan Funds	0	2,858,600	7,690,100	5,369,400	2,315,000	0	0	0
(+) Total CIAC Funds	0	1,043,100	371,000	5,202,400	2,720,200	415,300	425,700	436,300
(-) Total Capital Expenses	3,091,300	5,337,600	9,041,600	11,044,400	6,105,900	919,500	1,550,600	966,100
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	581,900	268,400	373,600	561,000	117,700	370,000	86,900
End of Year Cash	1,728,900	1,147,000	1,415,400	1,789,000	1,228,000	1,345,700	975,700	1,062,600

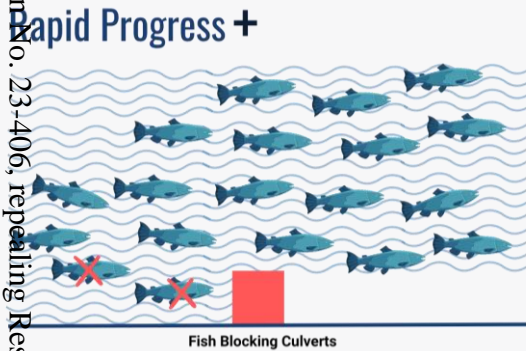
Highlights:

- High priority capital projects already scheduled to occur within two years are funded (total forecasted CIP costs of \$38M) with \$10M in new debt issued and reliant on \$10M in grants
- Net revenues from operations (shown as Transfer from Operations) are increased enough to pay for the new debt and remain positive through 2030
- Cash reserves have been used to pay for critical projects but are just sufficient to support operations but are inadequate to fund any future capital costs

Funding Scenarios



4. Rapid Progress+



Year	2023	2024	2025	2026	2027	2028	2029	2030
Residential Storm Monthly Bill	\$20.75	\$24.90	\$29.88	\$33.47	\$37.49	\$39.74	\$42.12	\$43.80
% Rate Increase	4.0%	20.0%	20.0%	12.0%	12.0%	6.0%	6.0%	4.0%
CAPITAL SUMMARY								
Start of Year Cash	<u>4,502,000</u>	<u>1,728,900</u>	<u>1,147,000</u>	<u>1,415,400</u>	<u>1,994,200</u>	<u>1,888,500</u>	<u>2,417,800</u>	<u>2,405,400</u>
(+) Connection Charges & Interest	221,700	210,300	218,100	234,700	248,400	261,800	270,200	274,000
(+) Transfer from Operations	96,500	643,700	1,030,800	816,700	716,600	771,700	842,300	782,600
(+) Total Loan Funds	0	2,858,600	7,690,100	5,369,400	2,315,000	0	0	0
(+) Total CIAC Funds	0	1,043,100	371,000	5,202,400	2,720,200	415,300	425,700	436,300
(-) Total Capital Expenses	3,091,300	5,337,600	9,041,600	11,044,400	6,105,900	919,500	1,550,600	966,100
(-) Transfer to Operations	0	0	0	0	0	0	0	0
NET CAPITAL REVENUE	2,773,100	581,900	268,400	578,800	105,700	529,300	12,400	526,800
End of Year Cash	1,728,900	1,147,000	1,415,400	1,994,200	1,888,500	2,417,800	2,405,400	2,932,200

Highlights:

- High priority capital projects already scheduled to occur within two years are funded (total forecasted CIP costs of \$38M) with \$10M in new debt issued and reliant on \$10M in grants
- Net revenues from operations (shown as Transfer from Operations) are increased enough to enable the utility to debt fund future capital projects (i.e. Stream 0056 Culverts and or Swamp Creek channel restoration) after 2030
- Cash reserves have been used to pay for critical projects but have been built back to a point where some of the reserves can be used to fund future capital projects

Public Works Shop Fund, Surface Water Management Fund, Surface Water Management Capital Fund are being recommended to Council as detailed in Attachment 1.

Also included for Council consideration is an update to the Salary Plan pay ranges. The Seattle-Tacoma-Bellevue CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) as of June 2023 was 4.5%. This is the index typically used by the city for wage adjustments. The pay ranges in the attached Salary Plan have been updated and increased by 4.5% which would allow for a 4.5% wage adjustment for all employees on January 1, 2024. The budget for 2024 included a 4.0% increase for salaries and the difference is not material to the overall budget.

The 2024 budget amendments also include the three positions and associated funds that were approved by Council on February 13, 2023 which occurred after the 2023-2024 budget was adopted. Those positions were a Climate Action Plan Manager, a Housing & Human Services Manager and an Administrative/Financial Services Manager. The amendments also include a new full-time Engineer (Transportation) and a new Project Manager (Surface Water Management) which were part of the funding request in the updates to the CIP over the past few months.

Following Council's direction on the proposed budget amendments, an Ordinance to formally amend the budget will be presented for approval on December 4, 2023.

Fiscal Consideration:

Details of the proposed revenue and expenditure adjustments accompany the agenda bill and will be presented to the City Council on November 20, 2023.

City Council Priority or 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.

Account No.	Account Name	Current 2023-2024 Budget	Recommended Budget Amendment Increase (decrease)	2023-2024 Amended Budget
Fund 001 General Fund				
REVENUES				
001.000.31110000	Real Property Tax	11,403,392	90,449	11,493,841
001.000.31311000	Local Sales & Use Tax	7,543,271	(311,477)	7,231,794
001.000.31371000	Criminal Justice 1/10 sales tax	1,631,308	(24,108)	1,607,200
001.000.31641000	Electric Utility Tax	1,098,732	430,000	1,528,732
001.000.31643000	Gas Utility Tax	497,375	245,200	742,575
001.000.31647000	Telephone Utility Tax	157,706	(11,456)	146,250
001.000.31649050	Cable Utility Tax	766,000	(166,000)	600,000
001.000.31649070	Solid Waste Utility Tax	-	781,000	781,000
001.000.31649060	Surface Water Utility Tax	253,750	165,422	419,172
001.000.31811000	Admissions Tax	200,000	(135,000)	65,000
001.000.31681000	Gambling Tax	132,092	50,000	182,092
001.000.32191002	Water/Sewer Franchise	1,118,585	100,000	1,218,585
001.000.33606410	Cannibas Excise Tax	78,000	20,000	98,000
001.059.34581000	Land Use	355,434	(100,000)	255,434
001.059.34583001	Plan Review and Other	835,269	275,000	1,110,269
001.059.34800001	Credit Card Processing Fees	33,207	20,000	53,207
001.014.36110000	Investment Earnings	66,903	233,097	300,000
	All changes above to adjust revenue projections			
EXPENDITURES				
New Dept in 2023	054 - Environmental Services	-	572,820	572,820
	Salaries & Benefits - \$316,750			
	Goods & Services - \$256,070			
New Dept in 2023	057 - Housing & Human Services	-	550,700	550,700
	Salaries & Benefits - \$316,750			
	Goods & Services - \$233,950			
001.014.XXXXX.XXXX	014 - Finance & Administration	2,527,861	613,776	3,141,637
	Salaries & Benefits, new F&A Mgr - \$316,750			
	Goods & Services - \$137,026			
	Increase in WCIA premiums - \$160,000			
001.019.59700.9001	Transfers	1,950,513	(480,000)	1,470,513
	Reduce transfer to street fund in relation to increase			
	in Vehicle Fee from \$20 to \$40			
001.XXX.XXXXXXXX	Transfer to Public Works Ops Center	92,200	(63,420)	28,780
	To reduce transfer from GF to PWOC			
001.021.52120.5302	Public Safety	9,666,950	290,000	9,956,950
	Increase to cover Police Services contract			

Fund 101 Street Fund				
REVENUES				
101.000.39700001	Transfer from General Fund	1,858,313	-	1,858,313
	Reduce transfer from GF due to Increase in Vehicle Tab Fee			
101.000.39700115	Transfer from TBD Fund	700,000	480,000	1,180,000
	Increase transfer from TBD Fund due to Increase in Vehicle Tab Fee			
EXPENDITURES				
101.000.XXXXXXXX	Salary and Benefits	1,575,300	100,000	1,675,300
	Moving from KAPE to Street			
101.000.XXXXXXXX	Transfer to Public Works Operations Center	175,880	(121,198)	54,682
	reduce transfer to PWOC			
Fund 105- Kenmore Automated Photo Enforcement Fund				
REVENUES				
105.000.35310002	Photo enforcement revenue	800,000	(250,000)	550,000
	Adjust revenue forecast based on YTD actuals			
EXPENDITURES				
105.000.XXXXXXXX	Salary and Benefits	361,200	(100,000)	261,200
	Adjust expenses to account for lower revenues			
Fund 115 - Transportation Benefit District				
REVENUES				
115.000.31760000	Vehicle Fees	723,600	480,000	1,203,600
	Add in 2023 increase in Vehicle tab fees from \$20 to \$40			
EXPENDITURES				
115.000.59700.0101	Transfer to Street Fund	700,000	480,000	1,180,000
	Increase transfer to Street Fund due to Increase in Vehicle Tab Fee			
Fund 300 Transportation Capital Fund				
REVENUES				
300.000.XXXXXXXX	Connecting WA	200,000	389,045	589,045
300.000.XXXXXXXX	Real Estate Excise Taxes	3,616,379	(491,230)	3,125,149
300.000.XXXXXXXX	Real Estate Excise Taxes-Sammamish Bridge	280,000	975,043	1,255,043
300.000.XXXXXXXX	Connecting WA	500,000	514,458	1,014,458
300.000.XXXXXXXX	Move Ahead WA	187,500	(187,500)	-
300.000.XXXXXXXX	WSDOT ped/bike	322,500	259,042	581,542
300.000.XXXXXXXX	Sound Transit (pending)	-	339,514	339,514
300.000.XXXXXXXX	BRAC Grant (pending)	-	526,553	526,553
300.000.XXXXXXXX	Juanita Funding Carryover	-	606,025	606,025
300.000.XXXXXXXX	68th Ave Ped/Bike Funding Carryover	-	230,773	230,773
300.000.XXXXXXXX	WSDOT Safe Routes to Schools	-	486,832	486,832
300.000.XXXXXXXX	WSDOT Ped/Bike Funds	250,004	84,996	335,000
300.000.XXXXXXXX	Department of Ecology	-	121,388	121,388
300.000.XXXXXXXX	Puget Sound Energy	-	154,089	154,089
300.000.XXXXXXXX	TIB (overlay)	-	920,000	920,000
300.000.XXXXXXXX	T-xx NE 170th Sidewalk Project	-	200,000	200,000
	To update budget amounts to approved CIP			

EXPENDITURES				
300.000.XXXXXXXX	T 8 SR 522 West B 57th to 61st	500,000	(50,581)	449,419
300.000.XXXXXXXX	T 27 Pedestrian Facilities Program	630,000	(630,000)	-
300.000.XXXXXXXX	T 35 Pavement Preservation	1,960,000	89,901	2,049,901
300.000.XXXXXXXX	T 37 West Sammamish River Bridge Replacement		2,320,082	2,320,082
300.000.XXXXXXXX	T 41 Juanita Pedestrian & Bicycle Safety	687,925	1,527,800	2,215,725
300.000.XXXXXXXX	T 42 68th Ave Pedestrian & Bicycle Safety	205,745	230,773	436,518
300.000.XXXXXXXX	T 44 61st Ave Sidewalk Replacement (Phase 1)	525,000	(122,982)	402,018
300.000.XXXXXXXX	T 207 SR 522 Mid block crossing	42,500	(42,500)	-
300.000.XXXXXXXX	T 244 Burke-Gilman Trail/NE 175th St. Wayfinding	255,213	96,189	351,402
300.000.XXXXXXXX	T 252 ADA Transition Program	500,000	15,000	515,000
300.000.XXXXXXXX	T 253 NE 181st St Sidewalk Project	-	380,514	380,514
300.000.XXXXXXXX	T 255 68th/Simonds Restriping Project	-	450,000	450,000
300.000.XXXXXXXX	T 260 80th Ave NE Sidewalk Project	-	376,000	376,000
300.000.XXXXXXXX	T 261 NE 192nd St Sidewalk Project	-	241,000	241,000
300.000.XXXXXXXX	T 262 Arrowhead Project	-	327,832	327,832
300.000.XXXXXXXX	T-xx NE 170th Sidewalk Project	-	200,000	200,000
	To update budget amounts to approved CIP			
Fund 301 REET				
REVENUES				
				-
EXPENDITURES				
				-
301.000.59700.0307	Transfer to Public Works Shop Fund	809,051	342,488	1,151,539
	to record transfer for debt service			
301.000.59700.XXXX	Transfer to Transportation Capital Fund	3,896,379	483,813	4,380,192
	Increase transfer from REET to Transportation			
301.000.59700.XXXX	Transfer to Parks Capital Fund	258,000	(20,000)	238,000
	Reduce transfer from REET to Parks			
Fund 303 Park Capital Fund				
REVENUES				
303.000.XXXXXXXX	2022 Carryover Funds	-	1,160,000	1,160,000
	To utilize P27 funds that moved to reserves at YE 2022			-
303.000.XXXXXXXX	King County Park Levy	300,000	(173,600)	126,400
303.000.XXXXXXXX	RE Excise Tax (parks)	258,000	(20,000)	238,000
	To reduce revenue sources to align with needs			
303.000.39700304	Transfer from Park Impact Fund	-	157,500	157,500
	To cover misc park project expenditures			
EXPENDITURES				
303.000.59476.XXXX	P1 Twin Springs Park Phase I	111,300	137,500	248,800
	To reflect increase in expenditure from budget amount			-
303.000.59476.XXXX	P 27 'a' Park Waterfront	290,000	1,160,000	1,450,000
	To utilize carryover balance			

Fund 304 Park Impact Fee Fund				
REVENUES				
EXPENDITURES				
304.000.59700.0303	Transfer to Park Capital Fund	-	157,500	157,500
	To cover misc park projects			
Fund 307 Public Works Shop Fund				
REVENUES				
307.000.39700XXX	F1 Bond proceeds for PWOC	14,100,000	2,400,000	16,500,000
307.000.39700301	Transfer from REET Fund	809,051	342,488	1,151,539
307.000.39700101	Transfer from Street Fund	175,880	(121,198)	54,682
307.000.39700XXX	Transfer from Surface Water Utility Funds	773,875	366,728	1,140,603
307.000.39700001	Transfer from General Fund	92,200	(63,420)	28,780
	To reflect transfer for debt service			
EXPENDITURES				
307.000.XXXXX.XXXX	F1 Bond issuance for PWOC	14,100,000	2,400,000	16,500,000
307.000.XXXXX.XXXX	Debt service	1,851,006	524,598	2,375,604
	to reflect new debt and debt service payments			
Fund 401 Surface Water Management Fund (SWM fund)				
REVENUES				
401.000.XXXXXXXX	Surface Water Charges	6,270,040	837,050	7,107,090
	To adjust for new SWM rates			
EXPENDITURES				
401.000.XXXXX.XXXX	Transfer to SWM Capital	2,128,550	837,050	2,965,600
	To adjust budget to match approved CIP			
401.000.59700.0307	Transfer to Public Works Shop Fund	773,875	366,728	1,140,603
	to increase transfer for debt service public works shop debt			
Fund 402 Surface Water Management Capital Fund				
REVENUES				
402.000.XXXXXXXX	Surface Water Utility Funds	2,128,550	837,050	2,965,600
402.000.XXXXXXXX	Surface Water General Utility Charges	535,946	(103,946)	432,000
402.000.XXXXXXXX	Public Works Trust Fund Loan: 190th Culvert	890,000	(26,362)	863,638
402.000.XXXXXXXX	Bond proceeds for Fish Passage Culvert projects	-	858,600	858,600
402.000.XXXXXXXX	Conservation Grant	365,000	181,750	546,750
402.000.XXXXXXXX	Other grants - unsecured	-	1,043,100	1,043,100
402.000.XXXXXXXX	To adjust budget to match approved CIP			
EXPENDITURES				
402.000.XXXXXXXX	SW 36 Restoration Projects (Land Acq, Demo, Restore)	-	49,000	49,000
402.000.XXXXXXXX	SW 37 192ND SC Trib Fish Passage Culvert Repl	-	1,735,000	1,735,000
402.000.XXXXXXXX	SW 38 163RD Trib 0057 Fish Passage Culvert Rep	-	197,500	197,500
402.000.XXXXXXXX	SW 39 76TH Trib 0057 Fish Passage Culvert Repl	-	178,500	178,500
402.000.XXXXXXXX	SW 40 74TH Trib 0057 Fish Passage Culvert Repl	-	170,300	170,300
402.000.XXXXXXXX	SW 41 74TH Trib 0057 Fish Passage Culvert Repl	-	105,800	105,800
402.000.XXXXXXXX	SW 42 169TH Samm Trib Fish Passage Culvert Repl	-	206,500	206,500
402.000.XXXXXXXX	Fish Passage Culvert Projects Debt Payments	-	850,000	850,000
	To adjust budget to match approved CIP			

REVENUE					
FUND NO.	FUND	2023-2024 Adopted Revenue Budget	2023 Mid-Biennium Amendments	2024 Mid-Biennium Amendments	2023-2024 Amended Revenue Budget
001	General Fund	31,305,131	1,662,127		32,967,258
045	Strategic Reserve Fund	27,356	-	-	27,356
046	Strategic Opportunities Fund	135,018	-	-	135,018
101	Street Fund	3,850,380	-	-	3,850,380
105	KAPE Fund	800,000	(250,000)		550,000
110	Public Art Fund	1,400	-	-	1,400
115	Transportation Benefit District	726,305	480,000	-	1,206,305
130	ARPA Fiscal Recovery Fund	-	-	-	-
200	2016 & 2021 UTGO DS Fund	2,116,750	-		2,116,750
300	Transportation Capital Fund	5,636,383	5,129,028		10,765,411
301	Real Estate Excise Tax Fund (REET)	4,896,168	-	-	4,896,168
302	W&W Bond Project Fund	22,700	-		22,700
303	Park Capital Fund	749,300	1,123,900		1,873,200
304	Park Impact Fee Fund	505,670			505,670
305	Transportation Impact Fee Fund	1,043,334		-	1,043,334
306	Sammamish Bridge Replacement	1,381,785		-	1,381,785
307	Public Works Shop Fund	15,951,006	2,924,598		18,875,604
401	Surface Water Management Fund	6,318,615	837,050	-	7,155,665
402	SWM Capital Fund	4,215,496	2,790,192	-	7,005,688
403	Swamp Creek Basin	10,000		-	10,000
501	Equipment Replacement Fund	196,740		-	196,740
	TOTAL	\$ 79,889,537	\$ 14,696,895	\$ -	\$ 94,586,432

EXPENDITURES					
Page 279 of 425					
FUND NO.	FUND	2023-2024 Adopted Expenditure Budget	2023 Mid-Biennium Amendments	2024 Mid-Biennium Amendments	2023-2024 Amended Expenditure Budget
001	General Fund	31,252,425	1,483,876		32,736,301
045	Strategic Reserve Fund	-	-		-
046	Strategic Opportunities Fund	576,000	-		576,000
101	Street Fund	3,804,980	(21,198)		3,783,782
105	KAPE Fund	641,200	(100,000)		541,200
110	Public Art Fund	-	-		-
115	Transportation Benefit District	700,000	480,000		1,180,000
130	ARPA Fiscal Recovery Fund	4,932,411			4,932,411
200	2016 & 2021 UTGO DS Fund	2,116,750			2,116,750
300	Transportation Capital Fund	5,636,383	5,409,028		11,045,411
301	Real Estate Excise Tax Fund (REET)	5,848,900	806,301		6,655,201
302	W&W Bond Project Fund	-			-
303	Park Capital Fund	775,700	1,297,500		2,073,200
304	Park Impact Fee Fund	-	157,500		157,500
305	Transportation Impact Fee Fund	700,000			700,000
306	Sammamish Bridge Replacement	1,381,785			1,381,785
307	Public Works Shop Fund	15,951,006	2,924,598		18,875,604
401	Surface Water Management Fund	8,467,779	1,203,778		9,671,557
402	SWM Capital Fund	3,949,550	3,492,600		7,442,150
403	Swamp Creek Basin	80,000			80,000
501	Equipment Replacement Fund	470,000			470,000
	TOTAL	\$ 87,284,869	\$ 17,133,983	\$ -	\$ 104,418,852

FUND NO.	FUND	2022 Actual Ending Fund Balance	Budget Revenues	Budget Expenditures	Amendments Revenues	Amendments Expenditures	2024 Projected Ending Fund Balance
001	General Fund	3,533,762	31,305,131	31,252,425	1,662,127	1,483,876	3,764,719
045	Strategic Reserve fund	1,365,196	27,356	-	-	-	1,392,552
046	Strategic Opportunities Fund	799,756	135,018	576,000	-	-	358,774
101	Street fund	2,270,571	3,850,380	3,804,980	-	(21,198)	2,337,169
105	KAPE Fund	-	800,000	641,200	(250,000)	(100,000)	8,800
110	Public Art Fund	119,725	1,400	-	-	-	121,125
115	Transportation Benefit District	151,522	726,305	700,000	480,000	480,000	177,827
130	ARPA Fiscal Recovery Fund	5,135,514	-	4,932,411	-	-	203,103
200	2016 UTGO Debt Service Fund	176,713	2,116,750	2,116,750	-	-	176,713
300	Transportation Capital Fund	2,443,877	5,636,383	5,636,383	5,129,028	5,409,028	2,163,877
301	Real Estate Excise Tax Fund (REET)	2,951,067	4,896,168	5,848,900	-	806,301	1,192,034
302	W&W Bond Project fund	59,961	22,700	-	-	-	82,661
303	Park Capital Fund	1,604,872	749,300	775,700	1,123,900	1,297,500	1,404,872
304	Park Impact Fee Fund	94,931	505,670	-	-	157,500	443,101
305	Transportation Impact fee Fund	360,027	1,043,334	700,000	-	-	703,361
306	Sammamish Bridge Replacement	617,654	1,381,785	1,381,785	-	-	617,654
307	Public Works Shop fund	429,799	15,951,006	15,951,006	2,924,598	2,924,598	429,799
401	Surface Water Management Fund	4,323,250	6,318,615	8,467,779	837,050	1,203,778	1,807,358
402	SWM Capital Fund	1,768,341	4,215,496	3,949,550	2,790,192	3,492,600	1,331,879
403	Swamp Creek Basin	450,390	10,000	80,000	-	-	380,390
501	Equipment Replacement Fund	690,533	196,740	470,000	-	-	417,273
	TOTAL	\$ 29,347,461	\$ 79,889,537	\$ 87,284,869	\$ 14,696,895	\$ 17,133,983	\$ 19,515,041

City of Kenmore**2023 Adopted Salary Plan / 2024 Proposed Salary Plan**

Position	2023 Monthly Pay Ranges		Proposed 2024 Monthly Pay Ranges with 4.5% increase	
	Low	High	Low	High
Deputy City Manager	12,746	16,187	13,320	16,916
Finance & Administration Director	11,853	15,053	12,386	15,730
Public Works Director	11,853	15,053	12,386	15,730
Community Development Director	11,693	14,851	12,219	15,519
Development Services Director	11,693	14,851	12,219	15,519
City Engineer	11,375	14,447	11,887	15,097
Public Works Operations Director	9,736	12,365	10,174	12,921
Environmental Services Director	9,736	12,365	10,174	12,921
HHS Mgr./CAP Mgr./Admin. & Fin. Mgr.	8,882	11,281	9,282	11,789
Project Manager (Transportation, Parks, etc.)	8,540	10,846	8,924	11,334
Principal Planner	8,540	10,846	8,924	11,334
Senior Engineer	8,540	10,846	8,924	11,334
Traffic Engineer	8,540	10,846	8,924	11,334
Senior Development Review Engineer	8,540	10,846	8,924	11,334
Civil Engineer	7,971	10,123	8,330	10,579
Development Review Engineer	7,971	10,123	8,330	10,579
Building Official	7,971	10,123	8,330	10,579
City Clerk	7,803	9,910	8,154	10,356
Senior Planner	7,709	9,790	8,056	10,231
Maint. Supervisor (Parks & Streetscape, Streets & SWM, Facilities & Fleet, etc.)	7,484	9,505	7,821	9,933
Communications Specialist	7,365	9,353	7,696	9,774
Assist. to the City Mgr./DEIA Coordinator	7,365	9,353	7,696	9,774
Building Inspector/Plans Examiner	7,273	9,237	7,600	9,653
Senior Environmental Services Technician	7,273	9,237	7,600	9,653
Planner	6,970	8,852	7,284	9,250
Management Analyst/ARPA	6,970	8,852	7,284	9,250
GIS Analyst	6,970	8,852	7,284	9,250
Accountant	6,628	8,417	6,926	8,796
Building Inspector/Code Compliance Officer	6,628	8,417	6,926	8,796
Executive Assistant	6,469	8,215	6,760	8,585
Deputy City Clerk	6,469	8,215	6,760	8,585
ROW Inspector	6,355	8,071	6,641	8,434
Senior Maintenance Worker	6,194	7,866	6,473	8,220
Environmental Services Technician	5,972	7,584	6,241	7,926
Senior Permit Coordinator	5,972	7,584	6,241	7,926
Assistant Planner	5,868	7,453	6,132	7,788
Recreation Program Supervisor	5,868	7,453	6,132	7,788
Volunteer & Events Supervisor	5,868	7,453	6,132	7,788
Payroll & Accounting Coordinator	5,618	7,135	5,871	7,456
Permit Coordinator	5,618	7,135	5,871	7,456
Senior Facility Maintenance Technician	5,618	7,135	5,871	7,456
Specialist (Administrative, Permit, Events, Records)	5,318	6,753	5,557	7,057
Maintenance Worker	5,275	6,699	5,512	7,000
Administrative Assistant	5,027	6,384	5,253	6,672
Facility Maintenance Technician	4,728	6,005	4,941	6,275
Receptionist	4,419	5,611	4,618	5,864
Intern or Temp Office Aide	20.00	31.00	20.90	32.40
Seasonal Maintenance Worker	20.00	31.00	20.90	32.40

CITY OF KENMORE
Finance Department

2023-2024 Mid-Biennium Budget Amendments

November 20, 2023



Why Mid Biennium Review and Adjustment

- Mid Biennium Review required for a biennial budget, RCW 35A.34.130
 - Amend due to changing economic conditions
 - Amend due to changes in work programs and priorities
- Adjust for previously approved Council actions and/or direction during year
 - CIP Update, September 11, 2023
 - CAP and HHS funding package, February 13, 2023
- Ensure legally adopted expenditures for various funds not exceeded



General Fund Adjustments, 2023-2024

Revenues

General Fund overall

- All adjustments based on 6 year financial forecast for both years of biennium
- Net impact to General Fund, \$118K increase

Recommended revenue increases, \$1.7M net

Large increases include:

- \$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

General Fund Adjustments, 2023-2024

Revenues, continued

**Recommended revenue
decreases, \$1.7M net**

Large decreases include:

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



General Fund Adjustments, 2023-2024 Expenditures

Recommended expenditure adjustments*, \$1.5M net

Large increases (decreases) include:

- \$573K new Climate Action Plan Program
- \$550K new Housing & Human Svcs Prgm
- \$454K new Finance Mgr & Admin Costs
- \$160K WCIA Premiums
- \$(480K) Street Fund Transfer
- \$290K Police Services

*Expenditure increases and decreases cover both years of the biennium



General Fund Adjustments, 2023-2024

Summary

Summary 2023-2024 Amended General Fund Budget

Total Amended Revenues	\$32,967,258
Total Amended Expenditures	\$32,796,301

Net Impact to Ending Fund Balance

GF Ending Fund Balance	\$3,586,468
Add: Revenue Adjustments	\$1,662,127
Less: Expenditure Adjustments	<u>\$(1,543,876)</u>
Amended GF Ending Fund Balance	\$3,704,719



Other Fund Adjustments:

Street Fund

- Revenues:
 - \$(480,000) Reduce transfer from GF
 - \$480,000 Incr transfer from TBD fund due to increase in Vehicle Tab Fee
- Expenses:
 - \$100,000 from KAPE to cover Salaries & Benefits
 - \$(121,198) reduce transfer to PWOC

KAPE Fund

- Revenues:
 - \$(250,000) Reduction due to delayed start to program
- Expenses:
 - \$(100,000) Partial Salaries and benefits moved to Street Fund due to lower revenues

Transportation Benefit District Fund

- Revenues:
 - \$480,000 Increase in Vehicle Tab Fees
- Expenses:
 - \$480,000 Increase transfer to Street Fund for increase in Vehicle Tab Fees

Other Fund Adjustments:

Transportation Capital Fund

- Revenues:
 - \$5.1M Increase per adopted CIP, multiple funding changes
- Expenses:
 - \$5.4M Increase per adopted CIP, multiple project changes

REET Fund

- Expenses:
 - \$342,488 Transfer to PW Shop Fund for debt service
 - \$483,813 Increase transfer to Transportation
 - \$(20,000) Reduce transfer from REET to Parks

Park Capital Fund

- Revenues:
 - \$1.1M Increase per adopted CIP, multiple funding changes
- Expenses:
 - \$1.3M Increase to complete P1 and P2 as per adopted CIP (\$1.2M from carryover)

Other Fund Adjustments:

Park Impact Fee Fund

- Expenses:
 - \$157,500 Transfer to Park Capital Fund

Public Works Shop Fund

- Revenues:
 - \$2.4M Bond proceeds
 - \$524,598 Net increase in Transfers from REET, Street, Surface Water Utility and General Fund
- Expenses:
 - \$2.4M Bond issuance
 - \$524,598 Debt service payment

Other Fund Adjustments:

Surface Water Management Fund

- Revenues:
 - \$837,050 To adjust for new SWM rates
- Expenses:
 - \$837,050 Transfer to SWM Capital Fund per approved CIP
 - \$366,728 Transfer to PW Shop for debt service

Surface Water Management Capital Fund

- Revenues:
 - \$2.8M Increase per adopted CIP, multiple funding changes
- Expenses:
 - \$3.5M Increase per adopted CIP, multiple project changes

Update to 2024 Salary Plan

- June CPI–W Seattle-Tacoma-Bellevue Index
 - (Consumer Price Index Urban Wage Earners & Clerical Workers)
 - Index typically used by City for wage adjustments
- Increased 4.5%
- Recommend 4.5% adjustment to salary ranges
 - Adjustment effective as of January 1, 2024



New Positions added to budget

- General Fund
 - Climate Action Plan Manager
 - Housing and Human Services Manager
 - Finance Manager
- Surface Water Management Fund
 - FT Project Manager to assist with increased work plan (per 11/13/23 adopted SWM CIP)
- Transportation Capital
 - FT Engineer to assist with increased work plan (per 9/11/23 adopted CIP)



Next Steps

December 4, 2023 Council Meeting

- Public Hearing
- Amendment Ordinance including amended salary plan for adoption

Any Questions or Comments?



For comments and questions:

Melinda Merrell

Finance & Administration Director, Finance Department

mmerrell@kenmorewa.gov

425 398 8900 (x6190)





City Council Business Agenda Item City of Kenmore, WA

<p>Subject/Topic: Public Works Operations Center Bond Issue, discussion</p> <p>Proposed Council Action/Motion: Discussion of proposed Public Works Operations Center Bond Issue</p>	<p>For Council Meeting Agenda of: November 20, 2023</p> <p>Department: Finance & Administration</p> <p>Prepared by: Melinda Merrell, Finance Director</p> <table border="0" style="width: 100%;"> <tr> <td></td><td style="text-align: right;"><u>Initial & Date</u></td></tr> <tr> <td>Approved by Department Head:</td><td style="text-align: right;">____ MM</td></tr> <tr> <td>Approved by City Attorney:</td><td style="text-align: right;">____ N/A</td></tr> <tr> <td>Approved by Finance Director:</td><td style="text-align: right;">____ MM</td></tr> <tr> <td>Approved by City Manager:</td><td style="text-align: right;">____ RK</td></tr> </table> <p>Exhibits/Attachments: Attachment 1: Draft Bond Ordinance Attachment 2: 7/24/2023 Public Works Operations Center agenda bill and slide deck presentation</p>		<u>Initial & Date</u>	Approved by Department Head:	____ MM	Approved by City Attorney:	____ N/A	Approved by Finance Director:	____ MM	Approved by City Manager:	____ RK
	<u>Initial & Date</u>										
Approved by Department Head:	____ MM										
Approved by City Attorney:	____ N/A										
Approved by Finance Director:	____ MM										
Approved by City Manager:	____ RK										
<p>Summary:</p> <ul style="list-style-type: none"> At the July 24, 2023 City Council meeting, the City Council gave direction to move forward with the Public Works Operations Center (PWOC) project and funding plan as proposed by staff. At the September 11, 2023 City Council meeting, the City Council adopted the Facilities Capital Improvement Plan (CIP), which included the Public Works Operations Center project and funding plan. This funding plan included a bond issue to be repaid with surface water utility revenue and REET revenue. The bond issue proposal being reviewed this evening implements the approved CIP and PWOC funding plan. <p>No formal City Council action is requested this evening. City Council approval of the bond ordinance is scheduled for the December 4, 2023 City Council meeting.</p>											
<p>Information/Background:</p> <p>Since last year, the City has been in the preliminary design stage for a new Public Works Operations Center (PWOC) on the recently acquired property on 202nd Street next to Kenmore Middle School. In July 2023, staff brought forward a revised plan and a reduced cost estimate which proposed a reduced approach by constructing only the Public Works office and turnout building and deleting shop buildings,</p>											

storage facilities, and the decant facility. Funding will be provided by a 20-year Councilmanic bond issue that will be paid back with annual payments from two main funding sources: Real Estate Excise Tax (REET) and Surface Water Utility revenues. On July 24, 2023, the City Council gave direction to move forward with the reduced project and funding plan.

Ordinance 23-0594, amending the 2023-2028 Capital Improvement Program for the City Facilities, which included the issuance of debt and use of REET and surface water utility revenue to service the debt on the PWOC, was adopted by the City Council on September 11, 2023. The proposed Surface Water rate changes include funding the PWOC. These proposed rate changes have been discussed multiple times and are anticipated to be adopted at the November 20, 2023 meeting.

Fiscal Consideration:

At the December 4, 2023 meeting, staff will bring forward an Ordinance providing for the delegation of authority to issue bonds. The Ordinance will have the following parameters.

- **The Ordinance will authorize the City Manager and/or Finance Director to proceed with finalizing the bond issuance within certain parameters set out in the Ordinance.** Finance expects to close the financing for the project in 2024. The delegation expires after one year.
- **The bonds will be “limited tax general obligation” bonds.** This means that they are issued within the City’s non-voted debt limitation and will be backed by the City’s full faith and credit. As brought to Council earlier this year, the City will use REET and Surface Water Utility revenues to repay the bonds, which will be reflected in annual budget appropriations for debt service.
- **The maximum amount that may be issued is not more than \$12,800,000.** Finance expects that the final par amount of the bonds will be less than this, but the higher amount allows for adjustments for pricing the bonds based on market conditions. It targets a deposit of money to the project fund of approximately \$12.57 million, plus an estimated cushion sufficient to pay costs of issuing the bonds, such as payment to the underwriter, bond counsel, and rating agency, as well as costs of printing and posting disclosure documents and other related administrative expenses.
- **The Ordinance limits the borrowing cost.** Interest rates will be determined on the “pricing” date, based on bond market conditions on that date. If the true interest cost available on that date exceeds 6.5%, the finance department may not proceed without seeking additional authorization from the City Council. Based on today’s market conditions, finance would expect an interest rate just under 5.0%. However, the actual rates and true interest cost will be determined based on market conditions on the pricing date.
- **The maximum term of the financing will be 20 years.** The finance team expects to reserve the City’s right to refinance at lower rates after 10 years.

The total \$22.5 million total cost of the Public Works Operations Center is being financed by three debt instruments, two of which have already been approved and issued. The \$12,575,000 LTGO being discussed this evening is the third and final debt instrument for the City Council to approve. The three loans for the Public Works Operations Center are summarized in the following table:

Public Works Operations Center Sources and Uses of Funds are as follows:**PWOC Debt Sources and Uses**

	Loan Amount/ Proceeds	Interest Rate	Initial Term	1st payment	Annual Debt Service Payment
State Low Interest Loan	3,325,048	2.42%	20 yrs	6/1/2022	210,000
Banner Bank Loan	6,600,000	3.45%	20 yrs	12/1/2022	460,000
Councilmanic LTGO*	12,575,000	5.00%	20 yrs	TBD, 2024	1,130,000
Total					\$ 1,800,000

**LTGO interest rate and annual payment are estimates*

Annual Payment Funding Sources

REET	900,000
SWM	900,000
Total	\$ 1,800,000

City Council Priority or Budget Objective Being Addressed:

Public Works Operations provides services and support to the entire Kenmore community and supports and advances all of the following:

- 20 Year Vision Statement
- All City Council Priorities
- City of Kenmore Service Vision

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 23-0599

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,800,000 TO FINANCE COSTS RELATED TO ACQUIRING, DESIGNING, CONSTRUCTING, DEVELOPING, IMPROVING, EQUIPPING AND FURNISHING A NEW PUBLIC WORKS OPERATIONS CENTER, TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY, AND TO PAY COSTS OF ISSUING THE BONDS; DELEGATING AUTHORITY TO APPROVE THE SALE AND FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

PASSED DECEMBER __, 2023

PREPARED BY:

**PACIFICA LAW GROUP LLP
Seattle, Washington**

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 23-0599

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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. 23-0599

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,800,000 TO FINANCE COSTS RELATED TO ACQUIRING, DESIGNING, CONSTRUCTING, DEVELOPING, IMPROVING, EQUIPPING AND FURNISHING A NEW PUBLIC WORKS OPERATIONS CENTER, TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY, AND TO PAY COSTS OF ISSUING THE BONDS; DELEGATING AUTHORITY TO APPROVE THE SALE AND FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, the City Council (the “Council”) of the City of Kenmore, Washington (the “City”) has deemed it is in the best interest of the City to acquire, design, construct, develop, improve, equip and furnish a new Public Works Operations Center (the “Project”); and

WHEREAS, after due consideration the Council has determined that it is in the best interest of the City to authorize the issuance and sale of one or more series of limited tax general obligation bonds to pay, refinance and/or reimburse the City for all or a portion of the costs of the Project; and

WHEREAS, the City previously issued its Limited Tax General Obligation Bond, 2022 in the original principal amount of \$2,582,727.89 (the “2022 Bond”), to finance and/or reimburse the City for a portion of the costs related to the acquisition of land for the Project; and

WHEREAS, the City may prepay the 2022 Bond prior to its stated maturity at the option of the City on any date on or after May 24, 2024; and

WHEREAS, it appears to this Council that it is in the best interest of the City to prepay the 2022 Bond prior to its maturity by the issuance and sale of limited tax general obligation bonds; and

WHEREAS, for the foregoing reasons, the Council now desires to authorize the issuance and sale of one or more series of limited tax general obligation bonds of the City (as further described herein, the “Bonds”), to finance the Project, to prepay the 2022 Bond, and to pay certain costs of the issuance of the Bonds; and

WHEREAS, this Council wishes to delegate authority to the Mayor, the City Manager and the Finance & Administrative 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 each series of Bonds, under such terms and conditions as set forth in 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 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 any Bonds between the Underwriter and the City, authorized to be 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 limited tax general obligation bonds, 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 Attorney means the duly appointed City Attorney, or the successor of such office.

City Manager means the duly appointed City Manager, or the successor of such office.

City Clerk means the duly appointed and acting City Clerk of the City 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.

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 Mayor, the City Manager, and the Finance & Administration 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.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means one or more certificates executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on any series of Tax-Exempt Bonds, and attachments thereto.

Finance & Administration Director means the duly appointed Finance & Administration Director of the City, or the successor of such office.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, as such 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 or 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 Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with this ordinance.

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 U.S. Securities and Exchange 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.

Taxable Bonds means any Bonds determined to be issued on a taxable basis pursuant to Section 12.

Tax-Exempt Bonds means any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 12.

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

2022 Bond means the City's Limited Tax General Obligation Bond, 2022, issued in the aggregate principal amount of \$[2,562,727.89], pursuant to the 2022 Bond Ordinance.

2022 Bond Ordinance means Ordinance No. 22-0548 passed by the Council on May 16, 2002.

Section 2. Findings; Authorization of the Project. The Council hereby finds as follows:

(a) The City is classified as a noncharter code city operating under the mayor-council plan of government as set forth in chapter 35A.21 RCW, endowed with all the applicable rights, powers, privileges, duties and obligations of noncharter code cities as set forth in Title 35A RCW as the same now exists and including any and all supplements, amendments or other modifications of such title hereafter at any time enacted.

(b) The current location of the City's Public Works Operations is inefficient and inadequate to serve the growing needs of the City.

(c) In 2022, the City purchased property on 202nd Street next to Kenmore Middle School [with a portion of the proceeds from the 2022 Bond,] that will be used to construct the new Public Works Operations facility, that will also allow for the expansion of City facilities to support the functions of the entire City.

(d) The City now desires to acquire, design, construct, develop, improve, equip and furnish a new Public Works Operations facility on the selected site and prepay the 2022 Bond (the "Project"). The Project is to be more fully described in the plans and specifications prepared by and filed with the City. The City does not have sufficient funds available to pay all of the cost of the Project.

(e) The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of the Project. Such Project shall be complete with all necessary equipment and appurtenances. The City will determine the exact specifications for the Project, and the components thereof, as well as the timing, order and manner of completing the components of the Project.

Section 3. Authorization of Bonds and Bond Details. For the purpose of paying and/or reimbursing the City for all or a portion of the costs of the Project and paying costs of issuance, the City is hereby authorized to issue and sell one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed \$12,800,000 (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 of each series shall be general obligations of the City and shall be designated "City of Kenmore, Washington, Limited Tax General Obligation Bonds," with the year and any 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 the Bond Register to be maintained by the Bond Registrar. So long as any Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of such Bonds at its designated office. The Bond Registrar may be removed at any time at the option of a Designated Representative upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by a Designated Representative. 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 on 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 of a series as the absolute owner thereof for all purposes (except as provided in a 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 in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the 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 of each series 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 a Designated Representative 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 a Designated Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), a Designated Representative 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 a Designated Representative, 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 a Designated Representative.

(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) a Designated Representative 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. A Designated Representative 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 of a series together with a written request on behalf of a Designated Representative 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, series, 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, series, 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 interest payment, 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 or Prepayment Prior to Maturity; Purchase of Bonds.

(a) *Redemption or Prepayment of Bonds.* The Bonds of each series shall be subject to mandatory redemption to the extent, if any, as set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 13. The Bonds of each series shall be subject to optional redemption and/or prepayment 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 13.

(b) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by a Designated Representative.

(c) *Selection of Bonds for Redemption.* If the Bonds of a series are held in book-entry only form, the selection of particular Bonds within a series and 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).

Except as otherwise set forth in the Bond Purchase Contract, if the City redeems at any one time fewer than all of the Tax-Exempt Bonds of a series having the same maturity date, the particular Tax-Exempt Bonds or portions of Tax-Exempt 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, and if the City redeems at any one time fewer than all of the Taxable Bonds of a series having the same maturity date, the particular Taxable Bonds or portions of Taxable Bonds of such maturity to be redeemed shall be selected on a pro rata pass through distribution of principal basis (or in such manner determined by the Bond Registrar or DTC, as applicable) 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 series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption of Bonds.* For so long as the Bonds of a series are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption 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: (1) the redemption date; (2) the redemption price; (3) if fewer than all outstanding Bonds of such series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (4) any conditions to redemption; (5) that (unless such notice is conditional) on the redemption date the redemption price will 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 (6) 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 any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, 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.

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, if the Bond Registrar then holds sufficient funds to pay such Bonds at the redemption price, then 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.

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 (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) 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 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.

The foregoing notice provisions of this Section 5(d), 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 of each series 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 of each series 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; Project Fund; Plan of Refunding.

(a) *Project Fund.* The Finance & Administration 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. Proceeds of the Bonds, net of any Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Project and, unless otherwise provided by the City, to pay costs of issuance of the Bonds.

The Finance & Administration Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State 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 and disposed of at Fair Market Value. Any remaining Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City or shall be transferred to the Debt Service Fund for the applicable series of Bonds.

(b) *Plan of Refunding.* The amount necessary to prepay the outstanding balance on the 2022 Bond shall be deposited, together with other available funds of the City as necessary, into the Bond Fund or into another fund or account specified by the purchaser of the 2022 Bond, and used by the City, within 30 days of Closing of the Bonds, to prepay the 2022 Bond in full.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any Tax-Exempt Bonds from the gross income of the owners of such Tax-Exempt 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 such Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt 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 Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds would have caused the Tax-Exempt 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 Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt 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 Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt 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 Tax-Exempt Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to a series of Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein.

(i) *Bank Qualification.* A Designated Representative may 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 2024 calendar year.

The covenants of this section will survive payment in full or defeasance of the Tax-Exempt Bonds.

Section 10. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of one or more funds, and accounts held therein which may be one or more segregated accounts held within another fund, to be used for the payment of debt service on each series of Bonds, designated as the “General Obligation 2024 Bond Debt Service Fund” or other such designation selected by the City (the “Debt Service Fund”). No later than the date each payment of principal or 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, but only to the extent that the same are acquired and disposed of

at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the regular property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for 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 said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become 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 any Bonds of a series in accordance with the applicable Continuing Disclosure Certificate.

Section 12. Sale of Bonds.

(a) *Bond Sale.* The Bonds of each series shall be sold by negotiated public sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The City Council has determined that it would be in the best interest of the City to delegate to each Designated Representative for a limited time the authority (1) to authorize the Bonds to be issued in one or more series, (2) to approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds, and (3) to designate the Bonds (or the Bonds of a series) as Tax-Exempt or Taxable Bonds. Bonds may be issued pursuant to this ordinance at one time or from time to time as provided herein.

(b) *Sale Parameters.* Each Designated Representative is hereby authorized to approve the issuance of the Bonds in one or more series, to approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds, and to designate the Bonds (or

the Bonds of a series) as Tax-Exempt or Taxable Bonds in the manner provided hereafter so long as:

- (1) the aggregate principal amount (face amount) of all Bonds issued pursuant to this ordinance does not exceed \$12,800,000;
- (2) the final maturity date for each series of Bonds is no later than December 1, 2043;
- (3) the true interest cost for each series of Bonds does not exceed 6.50%;
- (4) the Bonds of each series are sold (in the aggregate) at a price not less than 98% and not more than 140%;
- (5) the coupon rate for each maturity of the Bonds of each series does not exceed 7.00%; and
- (6) the Bonds conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute one or more Bond Purchase Contracts for the Bonds. Following the execution of a Bond Purchase Contract, a Designated Representative shall provide a report to the City Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to each Designated Representative by this Section 12 shall expire one year after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds of a series has not been executed by such date, the authorization for the issuance of such series of Bonds shall be rescinded, and such Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the City 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 (only with respect to the Bonds not issued) or may be in the form of an amendatory ordinance approving a purchase contract or establishing terms and conditions for the authority delegated under this section.

(c) *Delivery of Bonds; Documentation.* The proper officials of the City, including the City Clerk and each Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the purchaser thereof 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(s) relating to any 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 final Official Statement(s) relating to the issuance and sale of any Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 14. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing of the Bonds 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 Designated Representative deems 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 series, amount, date and tenor to the Registered Owner thereof if the Registered 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 such individual's 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 a Designated Representative, the City Attorney or 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 take effect and be in force five days from and after its passage, approval, and publication, as required by law.

PASSED BY MAJORITY VOTE BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A REGULAR MEETING THEREOF THIS _____ DAY OF DECEMBER, 2023.

CITY OF KENMORE:

APPROVED AS TO FORM:

Nigel Herbig, Mayor

Pacifica Law Group LLP, Bond Counsel

ATTEST/AUTHENTICATED:

Published: _____

Anastasiya Warhol, City Clerk

Effective: _____

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF KENMORE

LIMITED TAX GENERAL OBLIGATION BONDS, 2024 [(TAXABLE)]

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.____ duly passed by the City Council on November __, 2023 (the “Bond Ordinance”). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

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 \$_____ and is issued pursuant to the Bond Ordinance to provide all or a part of the funds necessary to pay the cost of (a) acquiring, designing, constructing, developing, improving, equipping and furnishing a Public Works Operations facility, (b) prepaying outstanding obligations of the City, and (c) paying costs of issuance.

The bonds of this issue [are/are not] subject to redemption prior to their stated maturities as provided in the Bond Purchase Contract.

The bonds of this issue are not “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The City has [not] designated the bonds of this issue as “qualified tax-exempt obligations” under Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby 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.

Owners of the bonds of this issue do not have a security interest in particular revenues or assets of the City. This bond is not a debt or indebtedness of the State of Washington, or any political subdivision thereof other than the City.

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 issued pursuant to the Constitution and laws of the State of Washington, and duly adopted ordinances of the City. This bond is transferable upon compliance with the 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 Limited Tax General Obligation Bonds, 2024 [(Taxable)], of the City of Kenmore, Washington, dated _____, 2024.

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. 23-0599 (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 on December __, 2023 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;

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 the Ordinance; and that all other requirements and proceedings incident to the proper passage of the Ordinance have been fully fulfilled, carried out and otherwise observed; and

3. That the Ordinance 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 ____ day of December, 2023.

Anastasiya Warhol, City Clerk

In keeping with City Council direction, staff are bringing forward a revised plan and a reduced cost estimate; this proposal foregoes or delays project elements and suggests a phased approach, building the project in phases over the next 10-15 years.

Funding is proposed to be provided by a 20-year Councilmanic bond issue that would be paid back with annual payments from two main funding sources: Real Estate Excise Tax (REET) and Surface Water Utility revenues.

No formal City Council action is requested this evening. Staff requests Council discussion, questions, and general direction on the project.

Project Proposal Justification and Details

The City's Public Works operations continue to grow due to the completion of capital improvement projects that add new or replace infrastructure including the newly completed Walkways and Waterways projects. Additional sidewalks, roadways, landscaping, surface water facilities, and street signs are continually being added by private development. The ever-increasing state-mandated stormwater permit regulations also add to workload demands.

The maintenance crew currently operates out of the woefully inadequate back side of the City-owned post office building and the gravel lot at the northwest corner of Bothell Way and 67th Avenue. Constructing a new operations center has never been more important.

2025 and 2035 projected Public Works staffing for Operations and Environmental Services (including staffing for the Surface Water Utility) is shown in the third attachment to this agenda bill. Not only have our public works operations staffing grown and is expected to grow, but our overall City operations have grown by expanding existing services and the addition of new programs, all requiring additional employees in departments across the organization.

As a result, the City Hall building is at maximum capacity. The Public Works Operations Center (PWOC) will not only serve the need to provide space for the public works operations and maintenance staff; it will also allow for the expansion of city facilities to support the functions of the entire organization.

The PWOC will be a home for the maintenance and operations staff for Parks, Streets & Surface Water, Facilities, Fleet, Recreation, and Events & Volunteers, along with Environmental Services that includes the Climate Action Program, GIS, and Surface Water Operations.

Phased Project Development Approach and Funding

Given the City Council's direction to reduce costs, this proposal foregoes or delays project elements and employs a phased approach. Based on current cost estimates, staff recommends developing the PWOC in several phases over the next 10-15 years.

Phase 1. The first phase includes constructing the 10,000 square foot operations building which will include offices, lunchroom, kitchen, showers, lockers, restrooms, meeting space, storage, and turnout space for the maintenance workers. Everything would be built to be EV- and solar-ready (some EV charging stations and solar will be required and installed when the new energy code is adopted this fall). Water conservation cisterns and low impact development features are included. This phase also includes parking and material storage bins, and it leaves about 1/3 of the property undeveloped.

Phase 2. The second phase includes constructing the shop/garage buildings to store vehicles and equipment. About 1/3 of the property would still be undeveloped in this second phase.

Phase 3. The third phase builds the decant station and fully develops the site.

Design, permitting, and construction of Phase 1 will cost about \$16.4 million, including contingency. Staff recommends moving forward with Phase 1. This phase, combined with the property acquisition cost of \$6 million (which already happened in 2021), will cost a total of \$22.5 million.

Proposed Funding Plan

Funding for this Phase 1 is proposed to come from issuing debt (the City has already issued debt for the \$6 million land acquisition). Assuming a 20-year loan repayment and today's interest rates, the annual debt service payment would be about \$1.8 million total for both land acquisition and construction.

The proposed funding sources for the \$1.8 million annual debt service are as follows:

- \$900,000 per year from REET. The City conservatively collects about \$2.2 million per year in REET, so there would still be REET left over for asphalt overlays on city streets as well as supplementing other capital projects.
- \$900,000 per year from the Surface Water Management Utility. A combination of SWM fees and SWM "hook up" fees would generate this amount. A SWM fee rate increase would be necessary, resulting in about a \$75 per year rate increase per household, or \$6.25 per month. The 2023 SWM rate per household is currently \$249.03 per year. (Note there is a SWM fee exemption for low-income seniors and disabled homeowners.)

If the City Council agrees with staff recommendations, we will come back in the second half of November for the City Council's approval to issue the debt (20-year bonds) for the project.

The bid package will include an "additive bid alternate" to build a portion of Phase 2 that would include an enclosed shop space. If the low bid for Phase 1 comes in below budget, we may be able to include the additive bid alternate in the construction contract.

We plan a pay-as-you-go approach as funding becomes available to build out phases two and three. We do not have a funding source identified for these next phases.

We will seek out grant opportunities to supplement the main funding sources. We will also apply for grants to pay for the Climate Action Plan elements of the project, including additional EV charging capacity and solar panel installation.

Kenmore Public Works Operations Center Cost Estimates

Phase One:

Phase One Development Costs

Site Acquisition (2021)	\$ 6,100,000
Design, Permitting, Art, & Other Costs	\$ 3,356,849
Construction	\$ 11,869,008
10% Contingency	\$ 1,186,901
Total	\$ 22,512,758

Current Adopted Budget	\$ 20,000,000
Additional Budget Proposed	\$ 2,500,000
Total Proposed Revised Budget	\$ 22,500,000

Proposed Additive Bid Alternate if Low Bid is Below Budget:

Add Shops Building	\$ 1,728,452
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Full Buildout:**Full Buildout Development Costs**

Site Acquisition (2021)	\$ 6,100,000
Design, Permitting, Art, & Other Costs	\$ 5,423,659
Construction	\$ 21,939,752
10% Contingency	\$ 2,193,975
Total	\$ 35,657,386

Additional Information and Background:

For nearly twenty years, Kenmore (the City) executed an Interlocal Agreement (ILA) with Lake Forest Park to provide public works maintenance services for both cities from their existing facility located in Lake Forest Park. The two cities parted ways after Lake Forest Park gave notice to end the ILA in 2018. In January of 2019, the City began operating its own in-house public works operations department and based its operations in two temporary locations: the backside of the US Post Office building (approximately 1400sqft. located at 6700 NE 181st ST, Kenmore, WA 98028) and the half acre vacant lot at the northwest corner of 67th Avenue NE and NE Bothell Way (SR 522). It was known that these locations were too small and did not adequately serve to meet the needs of the City and its residents; however, the two sites were better than nothing as interim locations while the City searched for a permanent location.

After two unsuccessful attempts to acquire property in 2019 and 2020, the City found a group of three adjacent properties (the site) that met the criteria established by City Council to support a Public Works Facility in March 2021. The properties were zoned R-6 residential and would require rezoning to Public/Semi-Public to construct a maintenance facility on the site. The rezoning to Public/Semi-Public was completed as part of the Comprehensive Plan update within the Capital Facilities Element in 2022.

Staff has continued to work with the design team on other elements of the project during and after the rezoning. Here is a list of the current action items:

- **Boundary Line Adjustment** (consolidate individual parcels into one)
- **Conditional Use Permit** (a requirement to operate a public works maintenance facility on the property)
 - Survey

- Site Plan
- Conceptual Civil Plan
- Drainage Analysis/Technical Information Report
- Tree Management, Protection Plan, & Arborist Report
- Landscape Plan
- Traffic Impact Analysis
- Critical Areas Report
- **Demolition of Existing Facilities**
 - Demolition Permits for three structures; and
 - Partnered and coordinated with Shoreline Fire for firefighter training onsite.

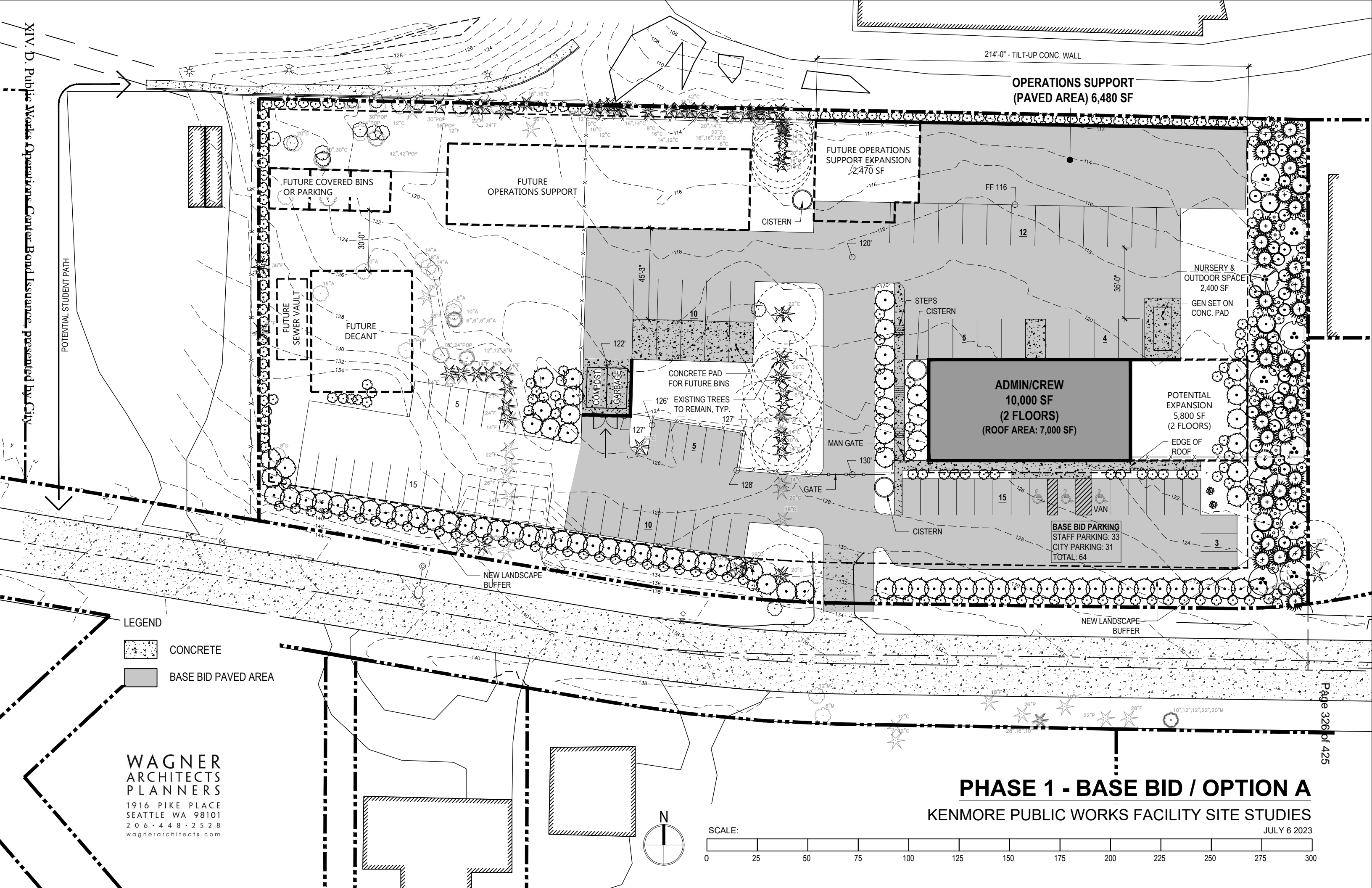
Staff plans to have the Boundary Line Adjustment and Demolition completed this summer and have the Conditional Use Permit Application submitted for review.

Given the timeline of the Plymouth affordable housing project, staff will need to develop a relocation and moving plan for the temporary yard portion (corner of 67th Ave and NE Bothell Way) of the public works operation site this fall. We anticipate the Plymouth project to be ready to break ground at the beginning of 2024.

City Council Priorities Being Addressed:

Public Works Operations provides services and support to the entire Kenmore community and supports and advances all of the following:

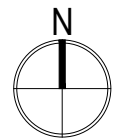
- 20 Year Vision Statement
- All City Council Priorities
- City of Kenmore Service Vision



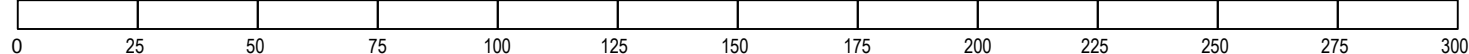
LEGEND

- CONCRETE
- BASE BID PAVED AREA

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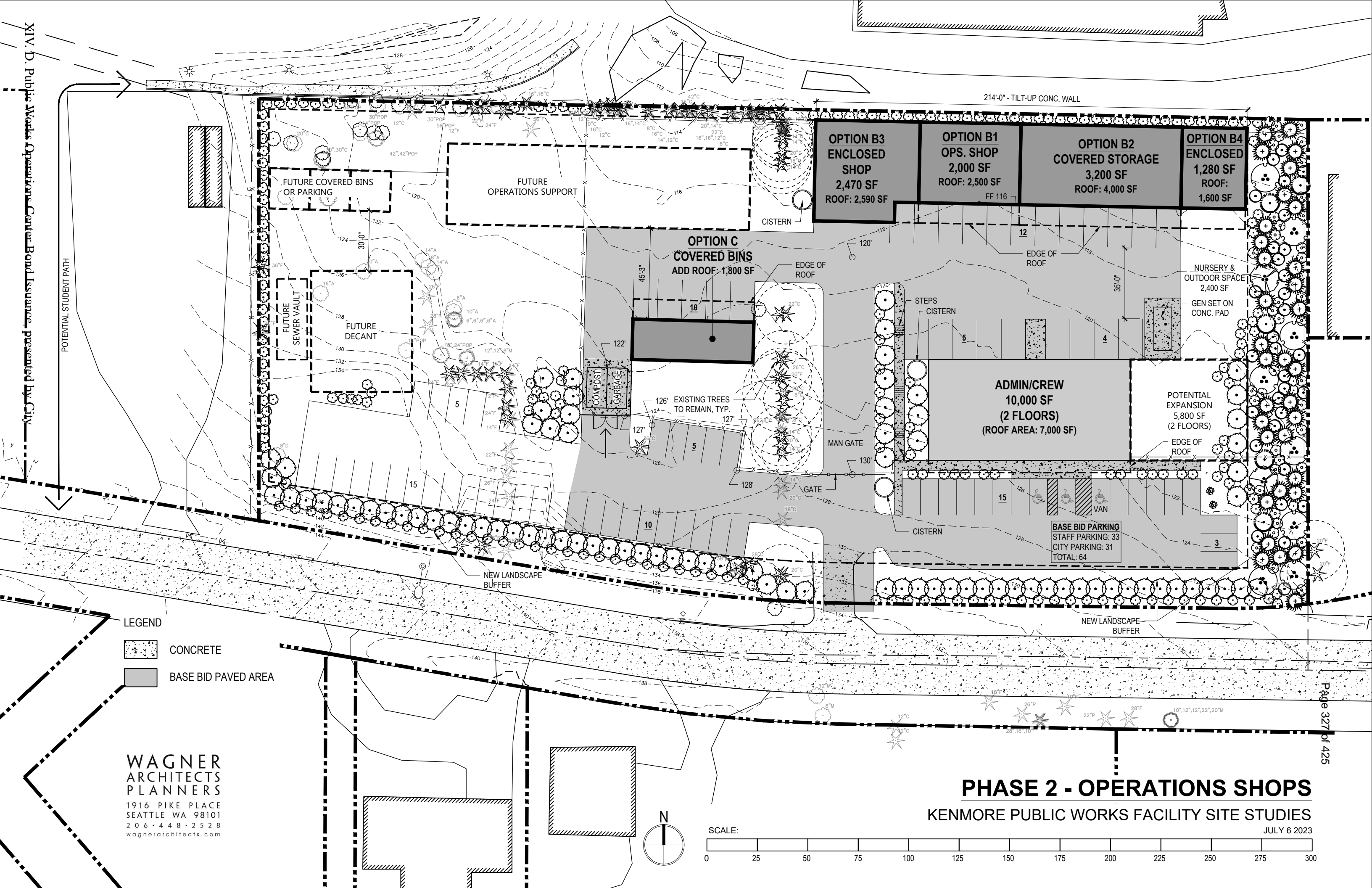


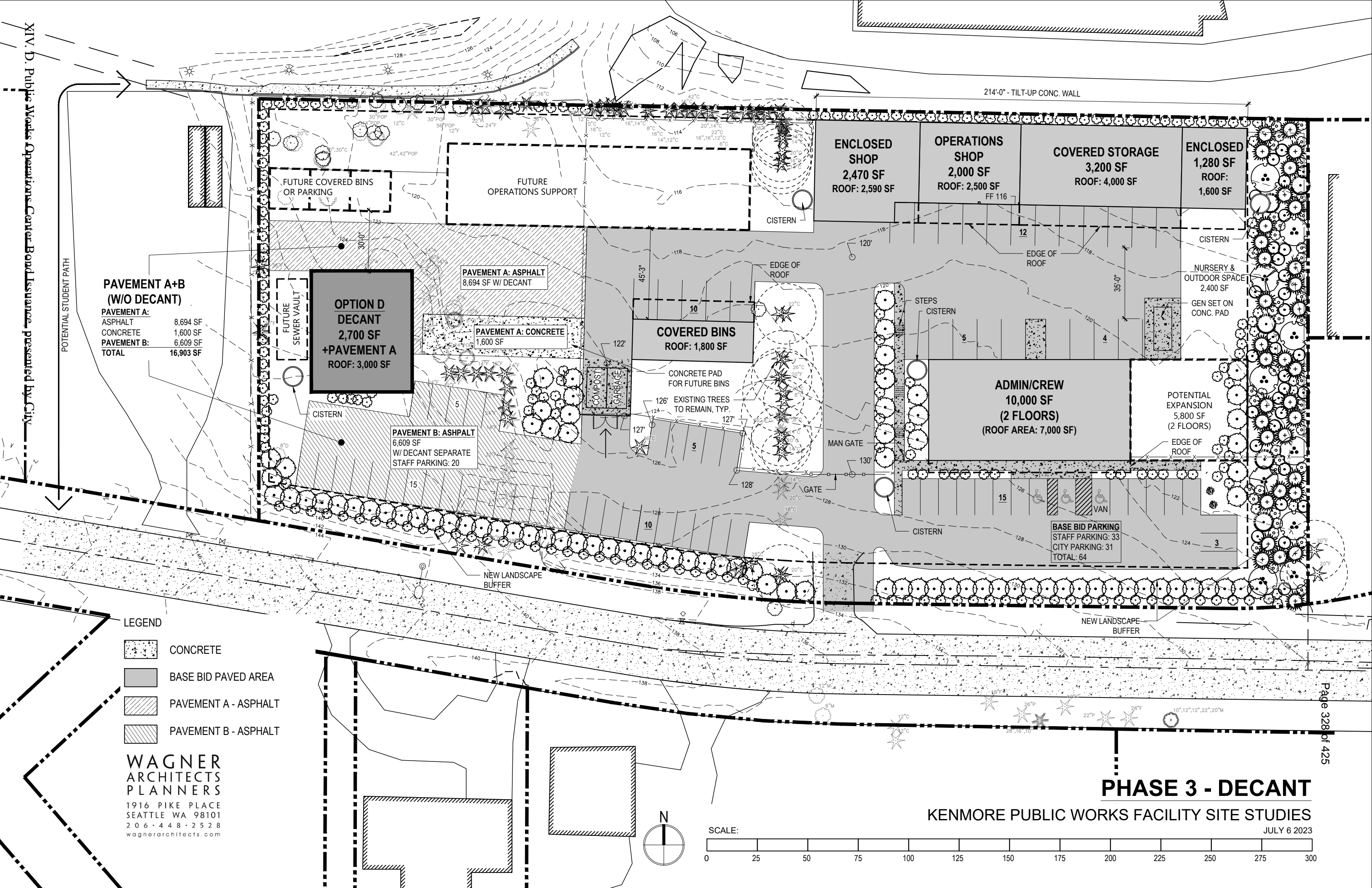
SCALE:



PHASE 1 - BASE BID / OPTION A
KENMORE PUBLIC WORKS FACILITY SITE STUDIES

JULY 6 2023





**PAVEMENT A+B
(W/O DECANT)**

PAVEMENT A: ASPHALT	8,694 SF
CONCRETE	1,600 SF
PAVEMENT B: ASPHALT	6,609 SF
TOTAL	16,903 SF

**OPTION D
DECANT
2,700 SF
+PAVEMENT A
ROOF: 3,000 SF**

PAVEMENT A: ASPHALT
8,694 SF W/ DECANT

PAVEMENT A: CONCRETE
1,600 SF

PAVEMENT B: ASPHALT
6,609 SF
W/ DECANT SEPARATE
STAFF PARKING: 20

**ENCLOSED
SHOP
2,470 SF
ROOF: 2,590 SF**

**OPERATIONS
SHOP
2,000 SF
ROOF: 2,500 SF**

**COVERED STORAGE
3,200 SF
ROOF: 4,000 SF**

**ENCLOSED
1,280 SF
ROOF:
1,600 SF**

**COVERED BINS
ROOF: 1,800 SF**

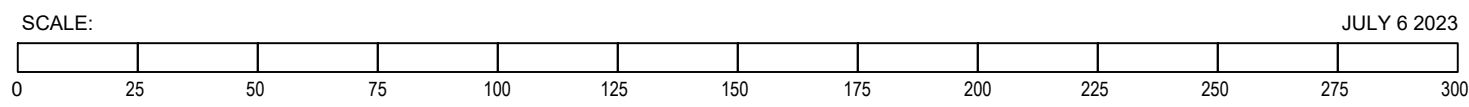
**ADMIN/CREW
10,000 SF
(2 FLOORS)
(ROOF AREA: 7,000 SF)**

**POTENTIAL
EXPANSION
5,800 SF
(2 FLOORS)**

BASE BID PARKING
STAFF PARKING: 33
CITY PARKING: 31
TOTAL: 64

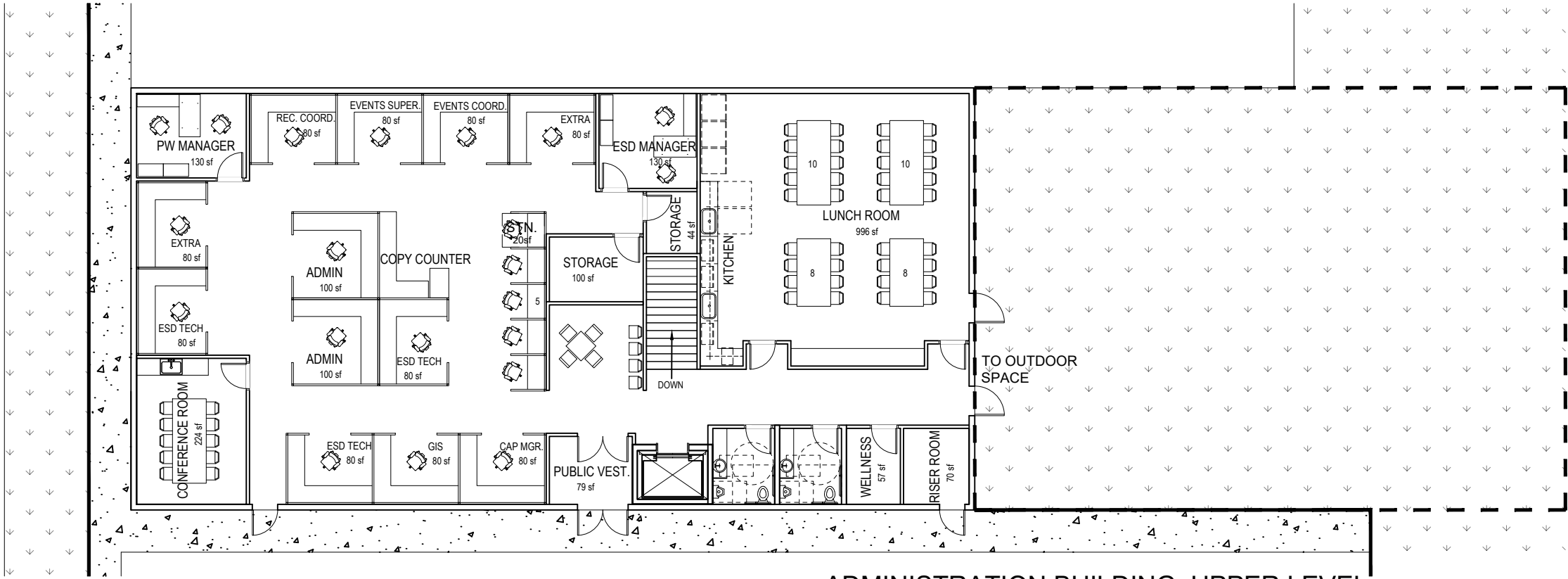
- LEGEND**
- CONCRETE
 - BASE BID PAVED AREA
 - PAVEMENT A - ASPHALT
 - PAVEMENT B - ASPHALT

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PHASE 3 - DECANT
KENMORE PUBLIC WORKS FACILITY SITE STUDIES
JULY 6 2023

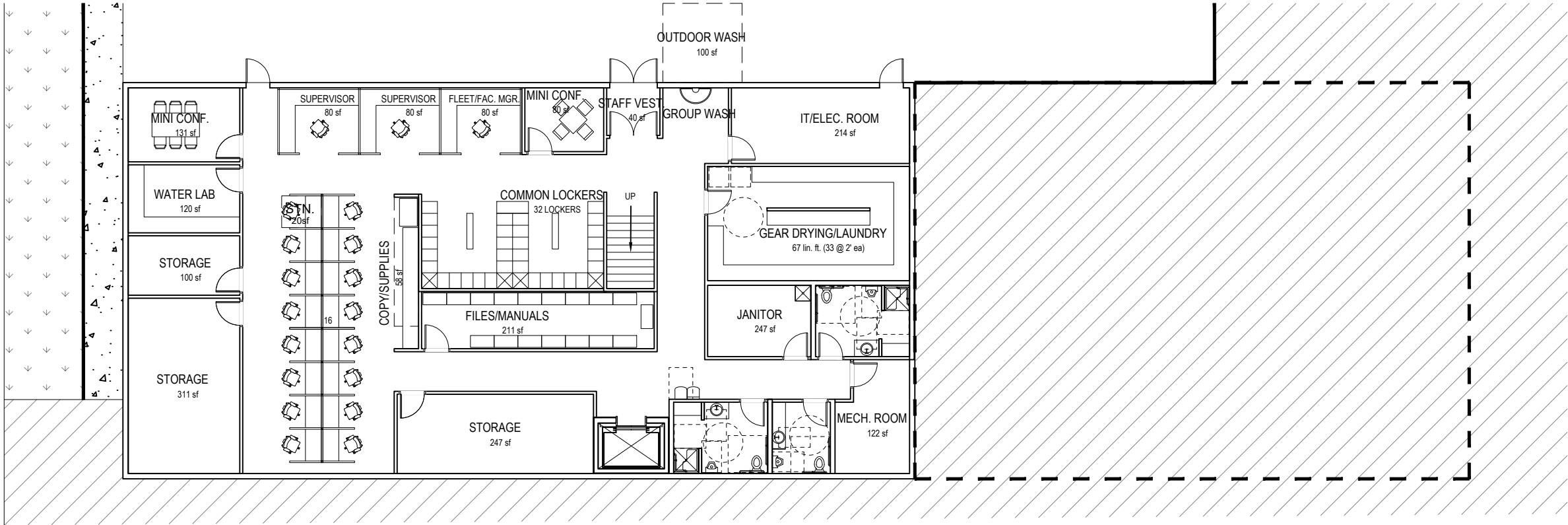
DRIVEWAY



ADMINISTRATION BUILDING: UPPER LEVEL

FLOOR AREA: 5,000 SF

DRIVEWAY



ADMINISTRATION BUILDING: LOWER LEVEL

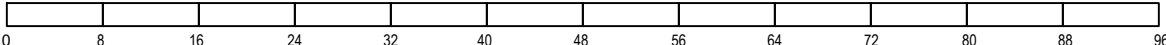
FLOOR AREA: 5,000 SF

TOTAL FLOOR AREA:

10,000 SF



SCALE: 1/16" = 1'-0"



DEPT	POSITION	2025			2035			SPACE PROVIDED
		Full Time	Part Time	Seasonal	Full Time	Part Time	Seasonal	
PW	Public Works Operations Director	1			1			Office
PW	Administrative Specialist	1			1			Large Station
PW/Streets & SWM	Streets & SWM Maintenance Supervisor	1			1			Office
PW/Streets & SWM	Streets & SWM Maintenance Worker	7			9			Small Station
PW/Parks	Parks & Streetscapes Supervisor	1			1			Office
PW/Parks	Part-Time Parks Maintenance Worker		1			1		Small Station
PW/Parks	Parks Maintenance Worker	3			5			Small Station
PW	Seasonal Maintenance Worker			4			6	Small Station (Shared)
PW/Facilities	Fleet & Facility Manager	1			1			Office
PW/Facilities	Senior Building Tech	1			1			Standard Station
PW/Facilities	Part Time Building Tech		1			1		Small Station
PW/Rec & Events	Recreation Coordinator	1			1			Office
PW/Rec & Events	Events & Volunteer Supervisor	1			1			Standard Station
PW/Rec & Events	Events Coordinator	1			1			Standard Station
PW/Rec & Events	Farmers Market Lead			0			0	Small Station
PW/Rec & Events	Farmers Market Cashier			0			0	Small Station
PW/Rec & Events	Events Intern			1			1	Small Station
PW/ES	Environmental Services Director	1			1			Office
PW/ES	Administrative Specialist	1			1			Large Station
PW/ES	Senior Environmental Services Technician	1			1			Office or Standard Station
PW/ES	Environmental Services Technician	2			4			Standard Station
PW/ES	Climate Action Program Manager	1			1			Office or Standard Station
PW/ES	Climate Support Staff	2			2			Standard Station
PW/ES	GIS Analyst	1			1			Standard Station
PW/ES	Env Services Office Interns			2			2	Standard Station
PW/ES	Seasonal Env Services Inspector (Intern)			2			4	Small Station
PW/ES	Seasonal Env Services Maintenance Worker			2			2	Small Station (Shared)
	Subtotal	28	2	11	34	2	15	

	2025	2035
FULL TIME STAFF	28	34
PART TIME STAFF	2	2
SEASONAL STAFF	11	15
TOTAL STAFF ON SITE	41	51



Public Works Operations Center

July 24, 2023

Background

- From incorporation through 2018: Contract with Lake Forest Park for Public Works maintenance services
- Over time, the arrangement became unworkable and untenable:
 - Cost vs Value
 - Lack of local control; lack of ability to deploy resources to best serve our residents
 - Growth in both cities resulted in inability to meet both cities' needs

Background, continued

- In May of 2018, the City of Lake Forest Park gave notice to terminate the interlocal agreement
- On January 1, 2019, we went “in-house”: Immediate and dramatic change—a huge jump in quality, value, and level of service
- Temporary maintenance yard: The old Shell property
- Temporary operations: The backside of the Post Office building
- The search for a permanent site

Permanent Site Search & Acquisition

- Comprehensive search
- Among the search criteria: size, location, cost, and “willing seller”
- Final selection: Acreage on 202nd next to Kenmore Middle School--\$6.1 million
- Rezone and Conditional Use Permit

Why do we need a Public Works Operations Center Now?

- Termination of the agreement with Lake Forest Park and the need to go in-house—*inevitable and long overdue*
- Inadequacy of the temporary location
- Accumulation of new infrastructure to maintain (both from City and private development projects)
- Increases in population served and customer service requests
- New programs to operate and support
- More state-mandated stormwater permit (NPDES) requirements

What's in a Public Works Operations Building?

- Turnout space for the maintenance workers to receive daily work orders, coordinate work, and produce daily logs and reports
- Water quality testing lab and equipment
- Lunch room and kitchen
- Locker rooms, restrooms, and showers
- Meeting space
- Storage
- Offices for Environmental Services, Parks & Recreation, and administrative support staff

What else happens on the site?

Equipment/Vehicle Parking and Storage

- Maintenance Vehicles – small and large trucks
- Specialized Vehicles and Equipment
 - Street sweeper
 - Dump Truck
 - Loader/Backhoe & accessories (buckets, forks, etc.)
 - Snowplows & sanders
 - Trailers – utility, dump, and enclosed trailers
 - Mow/trim Equipment – lawn mowers, small engine equipment & fuel storage (blowers, line trimmers, chainsaws, hedge trimmers, etc.)
 - Tools & Specialized hardware (variety of tools for maintenance and repair for indoor/outdoor work)
 - Ladders, message boards, arrow boards, etc.
 - Safety Equipment (PPE, fall protection, confined spaces equipment, etc.)
 - Temporary Lay Down Areas Open area for delivery of project specific materials (surface water facility cartridges, specialized mulch, gravel, pipe, catch basins, etc.)
 - Space for rental equipment delivery and storage – Internal operations and events

Materials & Supplies Storage

- **Temporary Traffic Control** – Cones, barricades, construction fencing, and signage (road closed, detour, lane closure, water over roadways, events, no parking, etc.)
- **Snow & Ice Response** – sand, salt, and liquid de-icer
- **Streets Maintenance** – sand, gravel, concrete forms, roadway features (guardrail, fencing, handrails, street signs, regulatory signs, tree grates, et.)
- **Surface Water Maintenance** – gravel, compost, pvc pipe, couplers, catch basins, and grates
- **Park & Landscape Maintenance** - compost, sand, mulch, playground surfacing, fertilizer, paint and hardware & repair parts for parks amenities (furniture, picnic shelters, BBQs, and trash receptacles, etc.) restroom supplies (cleaning supplies, toilet paper, soap, etc.)
- **Irrigation Maintenance** – pvc pipe, valves, valve boxes, heads, nozzles, etc.
- **Facilities Maintenance** – surplus supplies and replacement parts repair area, office furniture (parts, surfaces, shelving, file cabinets, plumbing, electrical, light fixtures and bulbs, carpet tiles, paint, cleaning supplies, and hardware, etc.
- **Garbage, Recycling & Green Waste Storage**
- **Events Storage**

Where are we in the process?

- Currently in design and permitting phase
- Tonight: Seeking City Council feedback and direction on updated budget and funding strategy. Formal approval of the project budget and funding in the fall.
- Finalize design and obtain permits in the first half of 2024
- Go out to bid and begin construction in the second half of 2024
- Project completion: second half of 2025

The Proposed Plan: A Phased Approach

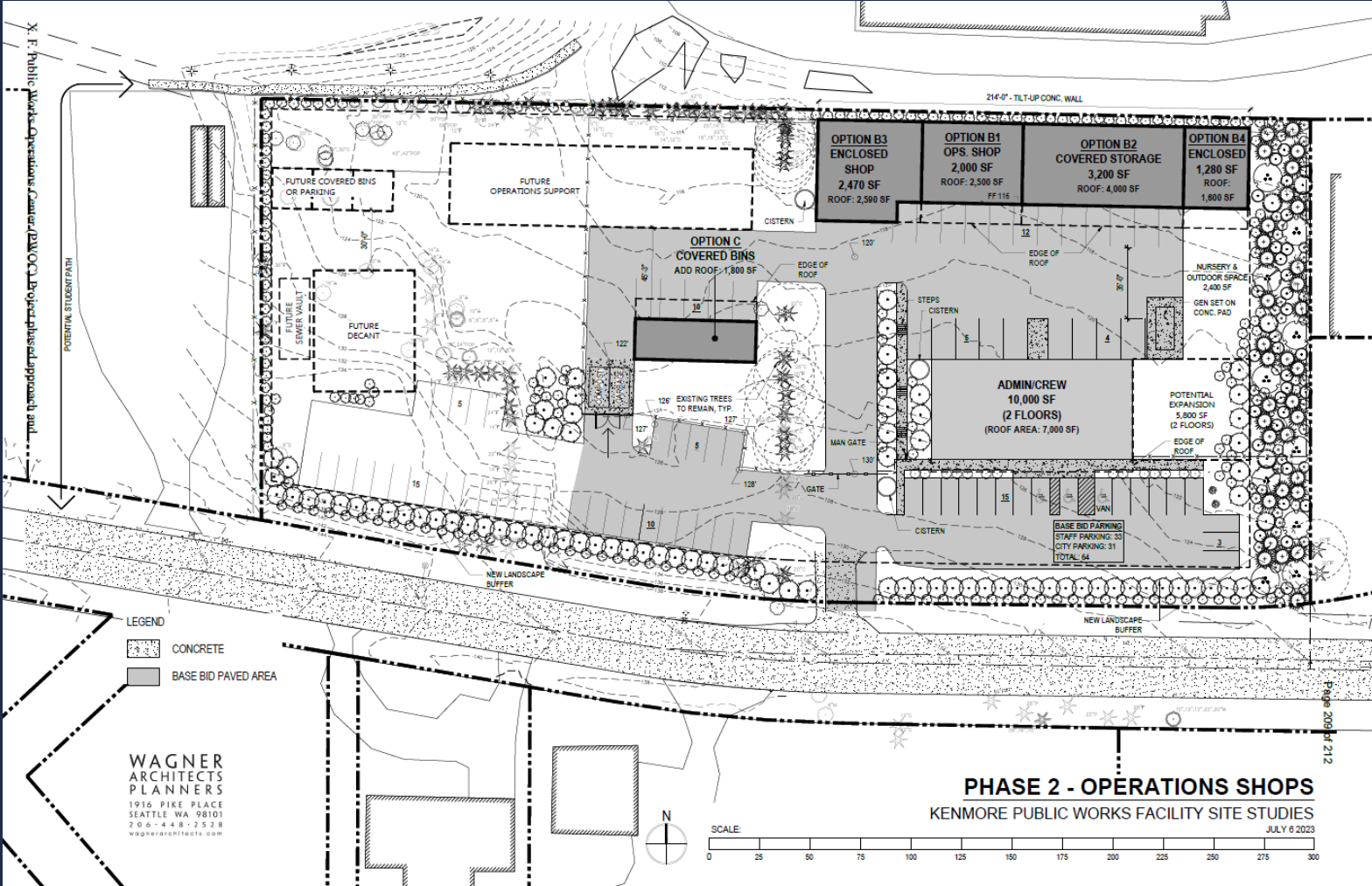
- Responsive to Council's direction last year to reduce costs
- Instead of full build out now, construct the site in phases as we can afford it
- This first phase:
 - Develop about two-thirds of the site
 - Construct the operations building only
 - Include environmental elements, including cisterns, solar/solar-ready, EV charging, and low impact development methods and materials

The Proposed Plan: What are we Sacrificing or Delaying?

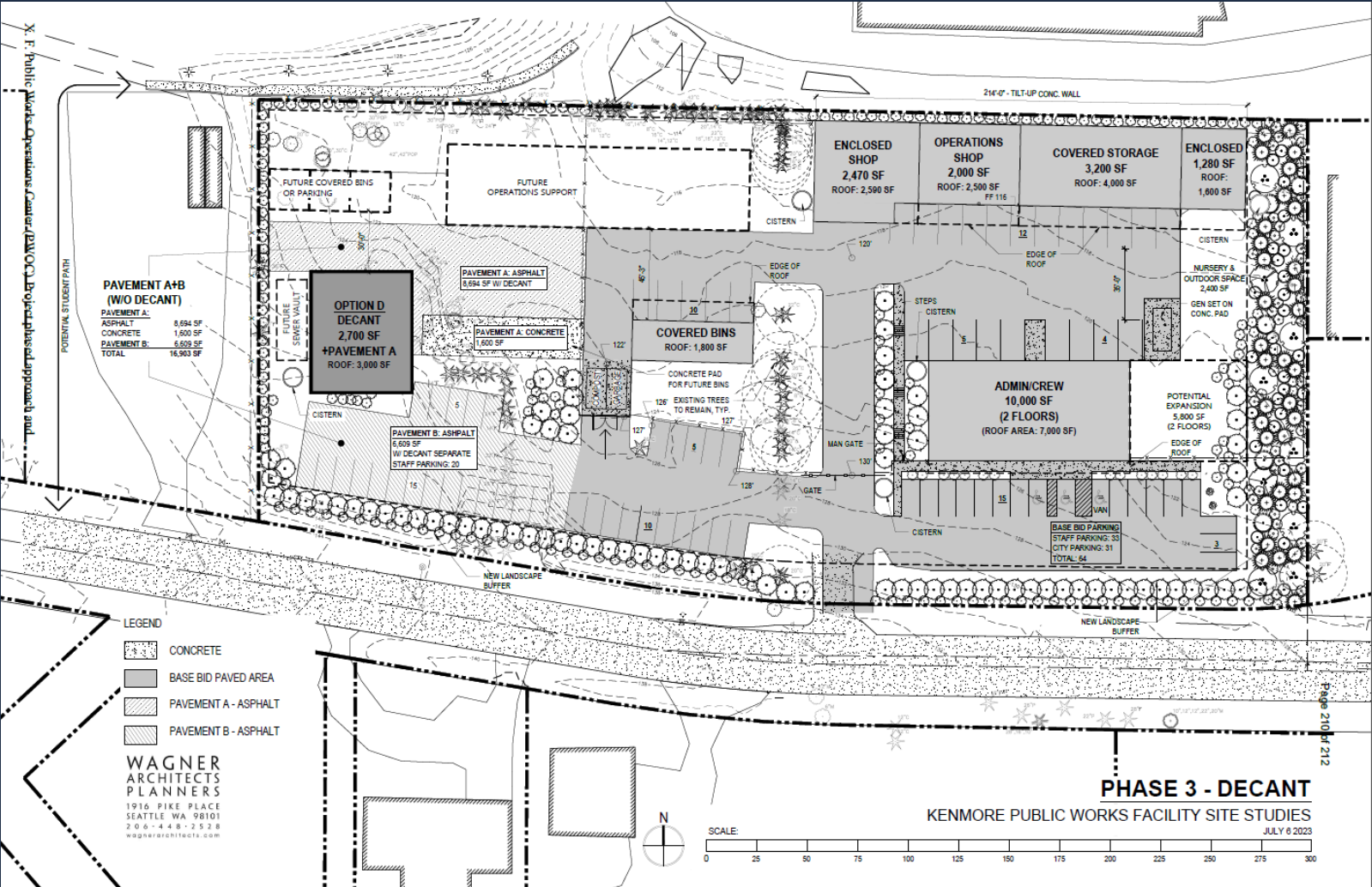
- Shops buildings and vehicle storage bays. Will use containers and awnings for now
- Full build out of solar panels dependent on additional funding (grants)
- Covered material storage. Will use tarps instead
- Geothermal heating and cooling. Will install above-ground, energy efficient heat pumps instead
- Smaller operations building—room for future expansion
- Decant facility for filtering of street sweeping and vector waste—will continue to dispose of it in Cathcart.



Future Phase 2: Operations Shops

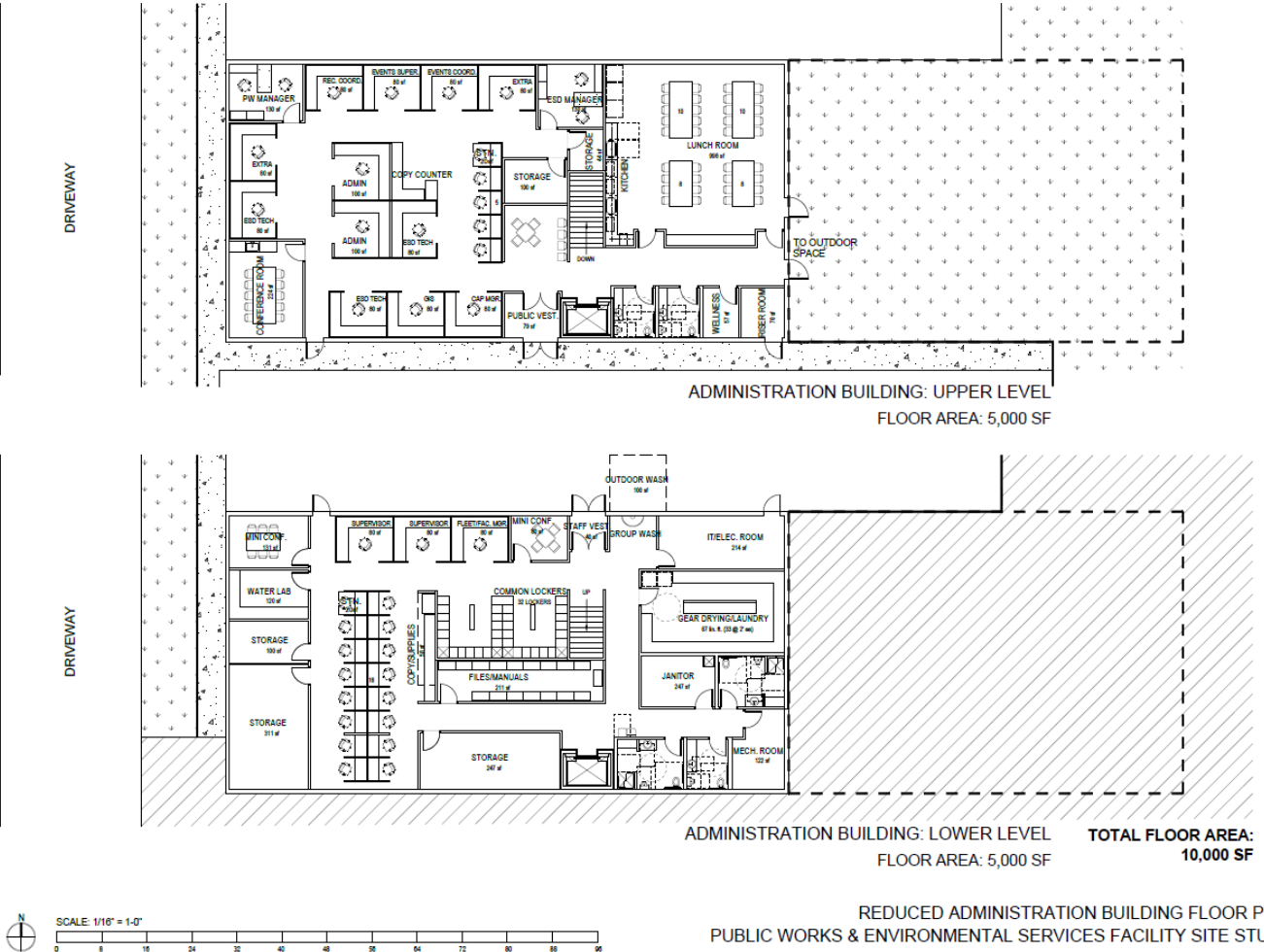


Future Phase 3 Decant



Operations Building Layout

X. F. Public Works Operations Center (PWOC) Project phased approach and ...



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Conceptual Site View – Full Buildout



Conceptual Site View—Full Buildout

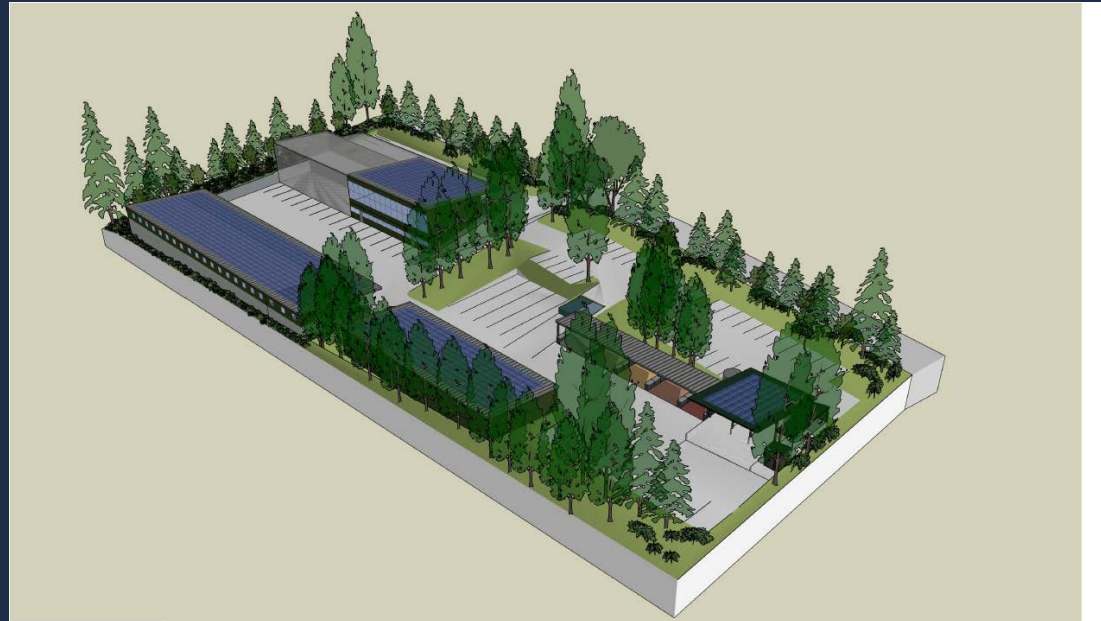


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MASSING STUDY LOOKING SOUTHEAST - WITHOUT VEGETATION

PUBLIC WORKS & ENVIRONMENTAL SERVICES FACILITY SITE STUDIES

9



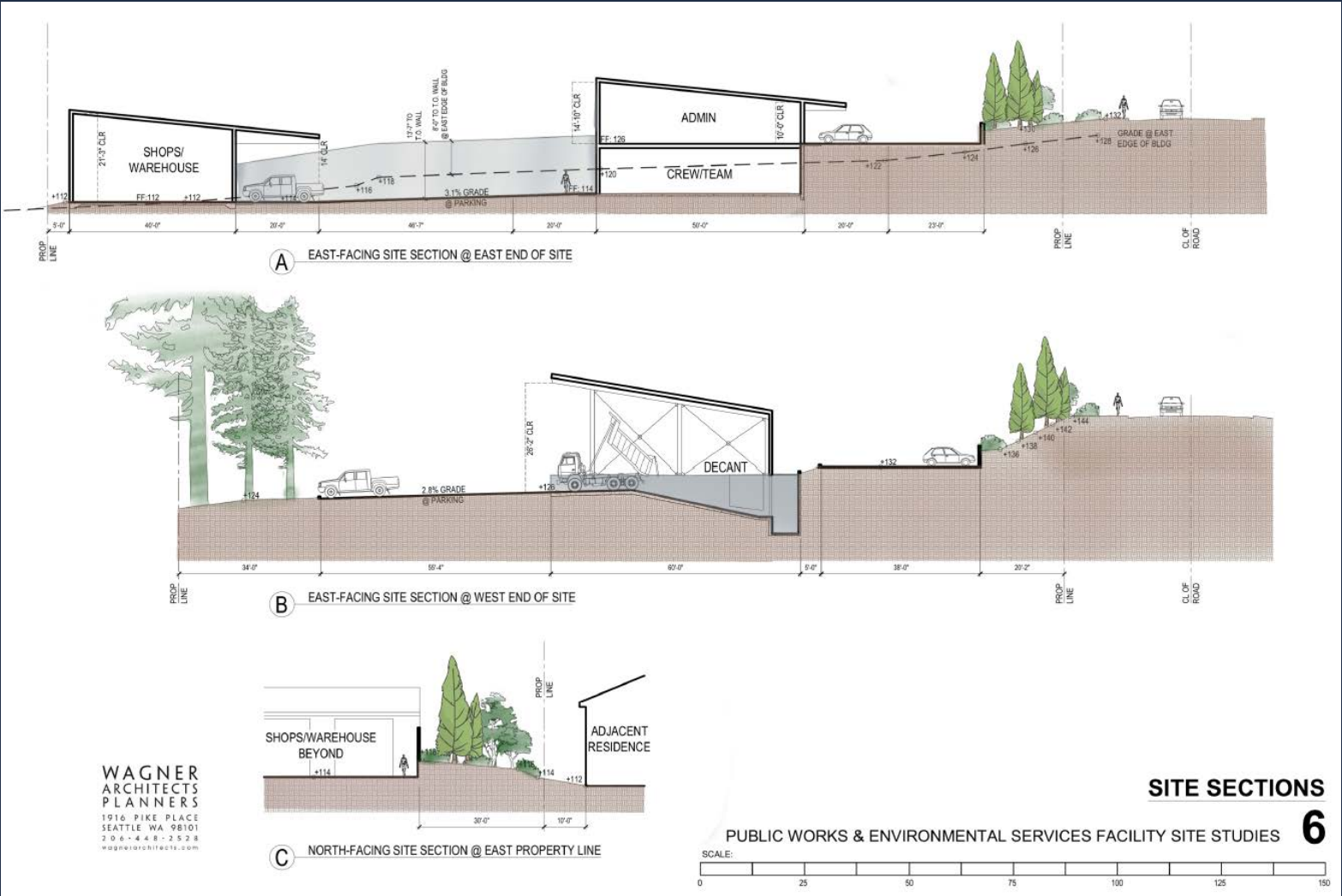
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MASSING STUDY LOOKING SOUTHEAST - WITH VEGETATION

PUBLIC WORKS & ENVIRONMENTAL SERVICES FACILITY SITE STUDIES

10

Conceptual Views at Elevation (full buildout)



Proposed Budget Update and Funding Strategy

Phase One Development Costs

Site Acquisition (2021)	\$ 6,100,000
Design, Permitting, Art, & Other Costs	\$ 3,356,849
Construction	\$11,869,008
10% Contingency	\$ 1,186,901
Total	\$22,512,758

Current Adopted Budget	\$20,000,000
Additional Budget Proposed	\$ 2,500,000
Total Proposed Revised Budget	\$22,500,000

Proposed Additive Bid Alternate if Low Bid is Below Budget:	
Add Shops Building	\$ 1,728,452

- Current approved project budget (total cost to complete, including land acquisition): \$20 million
- Proposed budget for Phase one, including land acquisition: \$22.5 million
- Full buildout total cost to complete: \$35.6 million

Proposed Budget Update and Funding Strategy, continued

Proposed Funding Strategy:

- \$22.5 million bond to be paid back over 20 years.
- Estimated annual bond payment: \$1.8 million
- Proposed revenue sources for annual bond payment:
 - Current (not new) Real Estate Excise Tax: \$900,00
 - Surface Water Utility Fee Revenue: \$900,000

Proposed Budget Update and Funding Strategy, continued

Real Estate Excise Tax (REET):

- \$2.2 million in annual revenue (conservative)
- Capital restricted: REET cannot be spent on operations—only on one-time capital
- After \$900k share of annual debt service payment, approximately \$1.3 million will still be available for other capital projects

Proposed Budget Update and Funding Strategy, continued

Surface Water Utility Fees:

- Surface water utility rate study is currently in progress—report due in September
- \$900k share of annual debt service will result in a surface water utility fee increase of about \$75 per year per household (\$6.25 per month). The current household fee is \$249.03 per year.
- Exemption for low-income seniors and disabled residents

Public Works Operations Center: Conclusion

- Going in-house was long overdue and inevitable
- Dramatic jump in quality and level of service resulted from going in-house
- A Public Works Operations Center is essential for serving our residents and maintaining our infrastructure
- Current temporary site is woefully inadequate
- Increases in new infrastructure, population, service requests, programs, and NPDES requirements further reinforce the need for a Public Works Operations Center

Public Works Operations Center: Conclusion

This proposal:

- Complies with the City Council's direction last year to cut project costs
- Takes a prudent approach to build only the first phase now
- Sacrifices significant project elements, including the shops buildings and storage bays
- Includes climate- and earth-friendly components
- Takes the long view and allows for future expansion for future generations



Public Works Operations Center (PWOC)

Bond Issuance Presentation
November 20, 2023

Background

- From incorporation through 2018: Contract with Lake Forest Park for Public Works maintenance services
- Over time, the arrangement became unworkable and untenable:
 - Cost vs Value
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 - Growth in both cities resulted in inability to meet both cities' needs

Background, continued

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- Temporary operations: The backside of the Post Office building
- The search for a permanent site

Permanent Sight Search & Acquisition

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Why do we need a Public Works Operations Center Now?

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- Water quality testing lab and equipment
- Lunch room and kitchen
- Locker rooms, restrooms, and showers
- Meeting space
- Equipment Storage
- Offices for Environmental Services, Parks & Recreation, and administrative support staff

Where are we in the process?

- Currently in design and permitting phase
- Finalize design and obtain permits in 2024
- Project out to bid in the second half of 2024
- Begin construction in 2025
- Completion: 2026

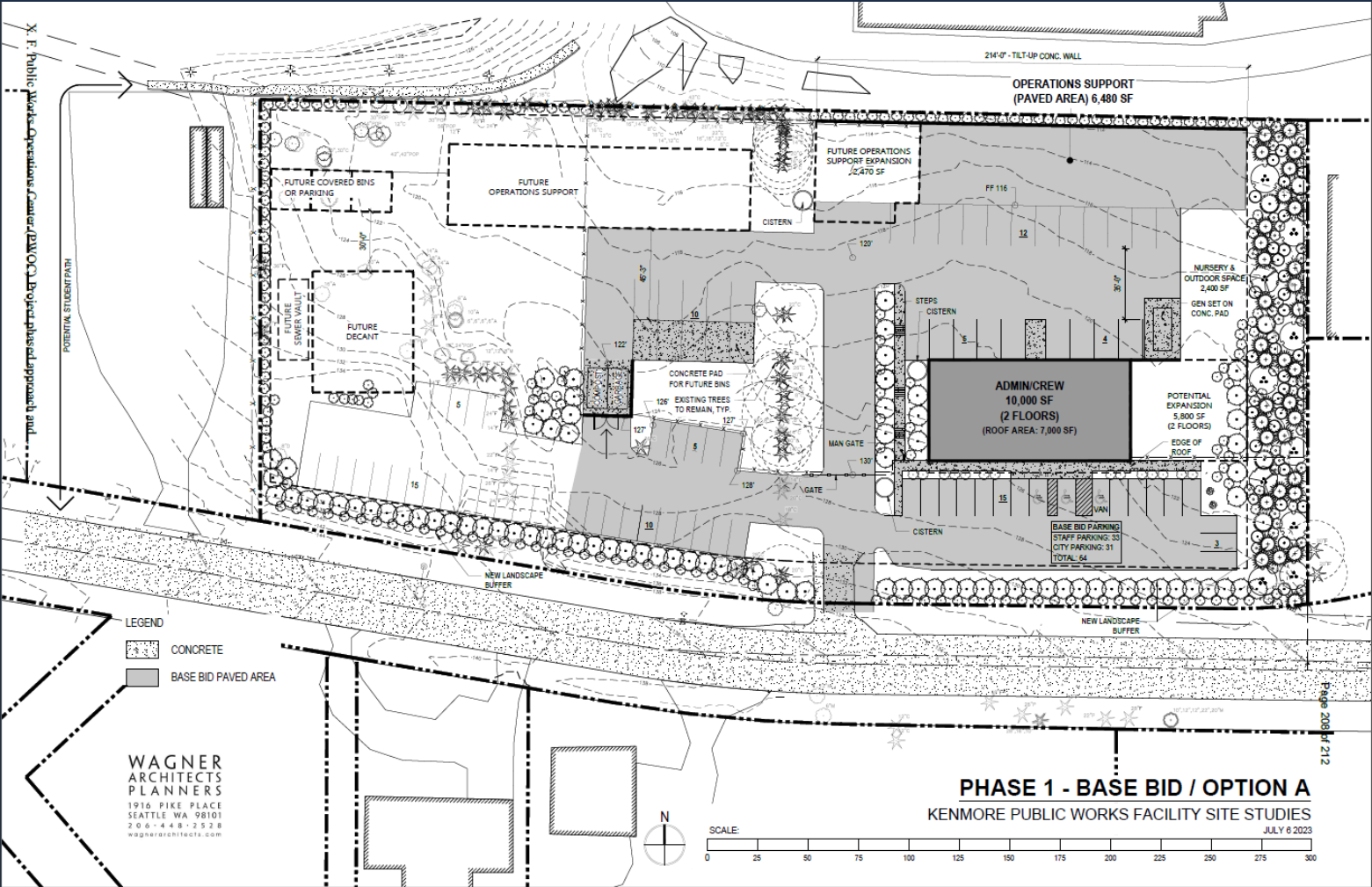
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The Proposed Plan: What are we Sacrificing or Delaying?

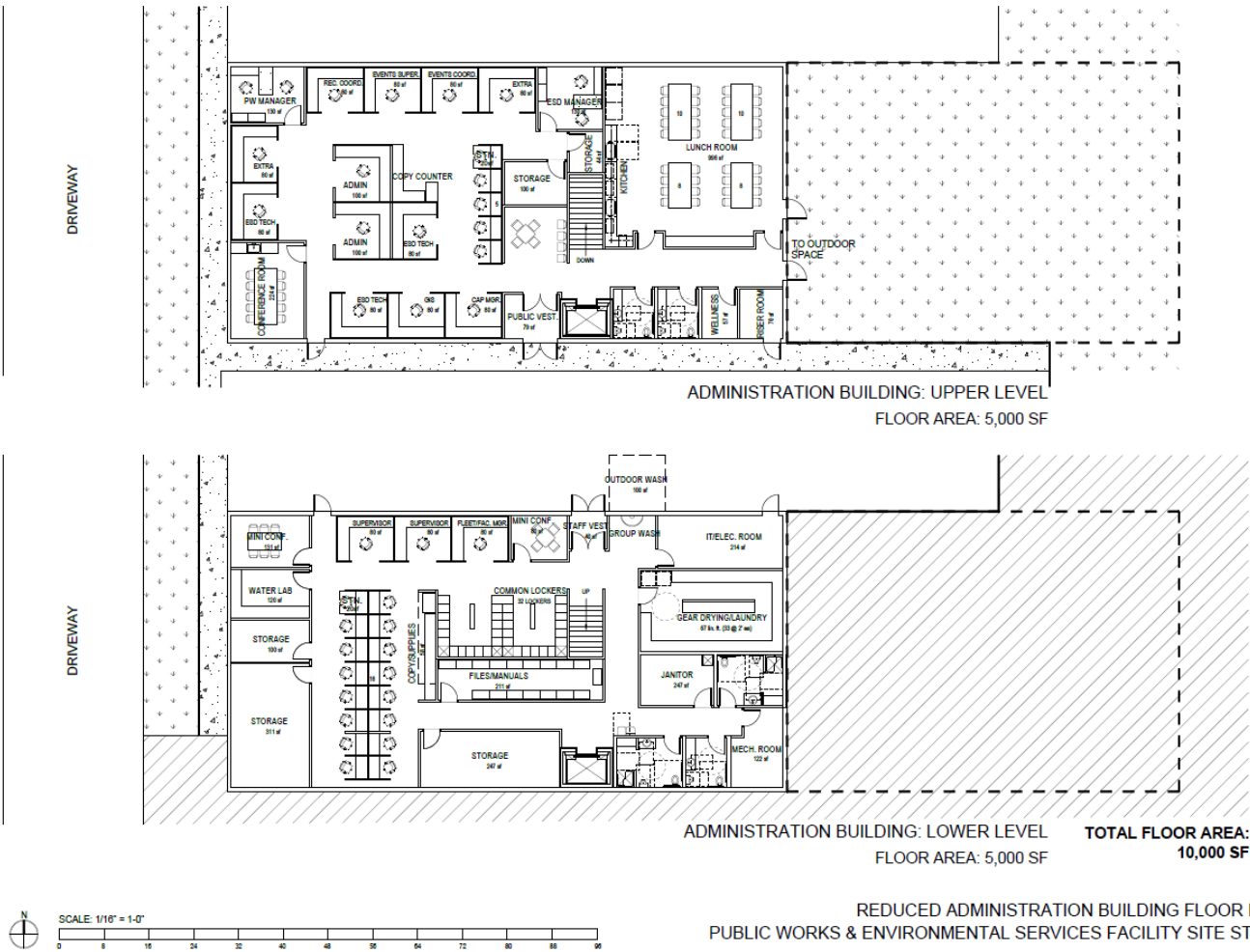
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- Smaller operations building—room for future expansion
- Decant facility for filtering of street sweeping and vector waste—will continue to dispose of it in Cathcart.

Proposed Phase 1 Site Plan – Gray Shaded Area



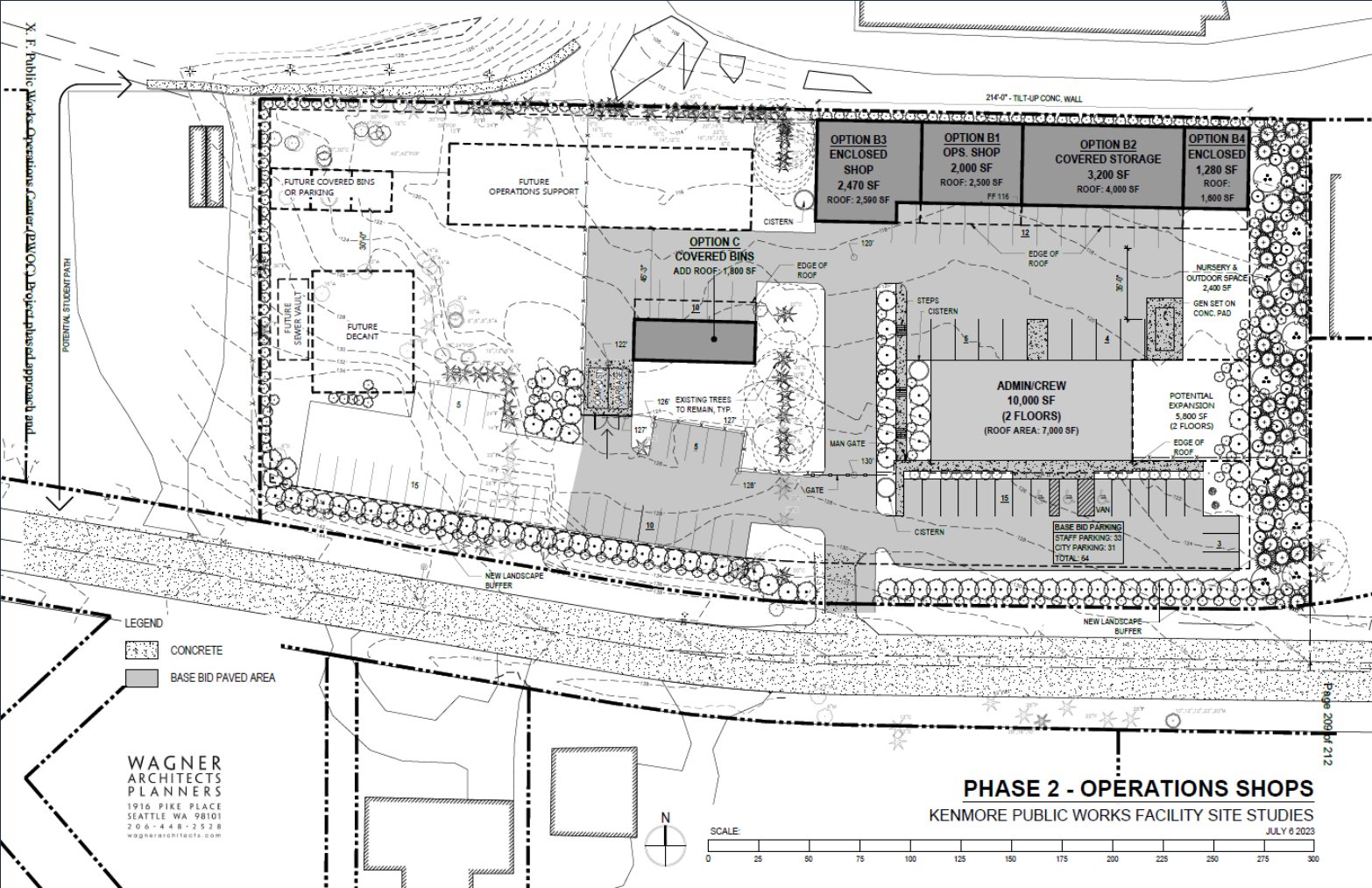
Operations Building Layout

X. F. Public Works Operations Center (PWOC) Project phased approach and ...

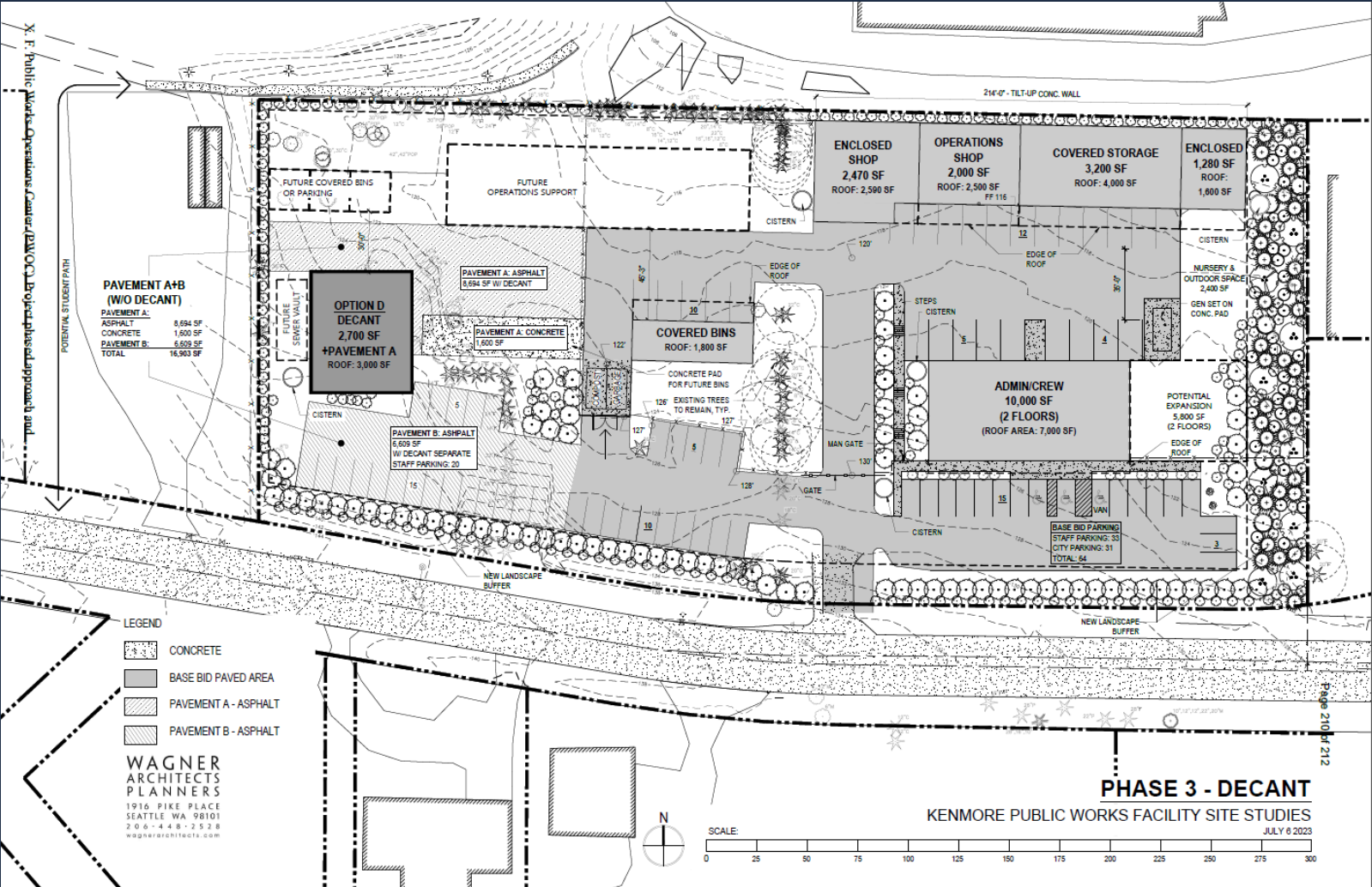


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Future Phase 2: Operations Shops



Future Phase 3 Decant



Conceptual Site View – Full Buildout



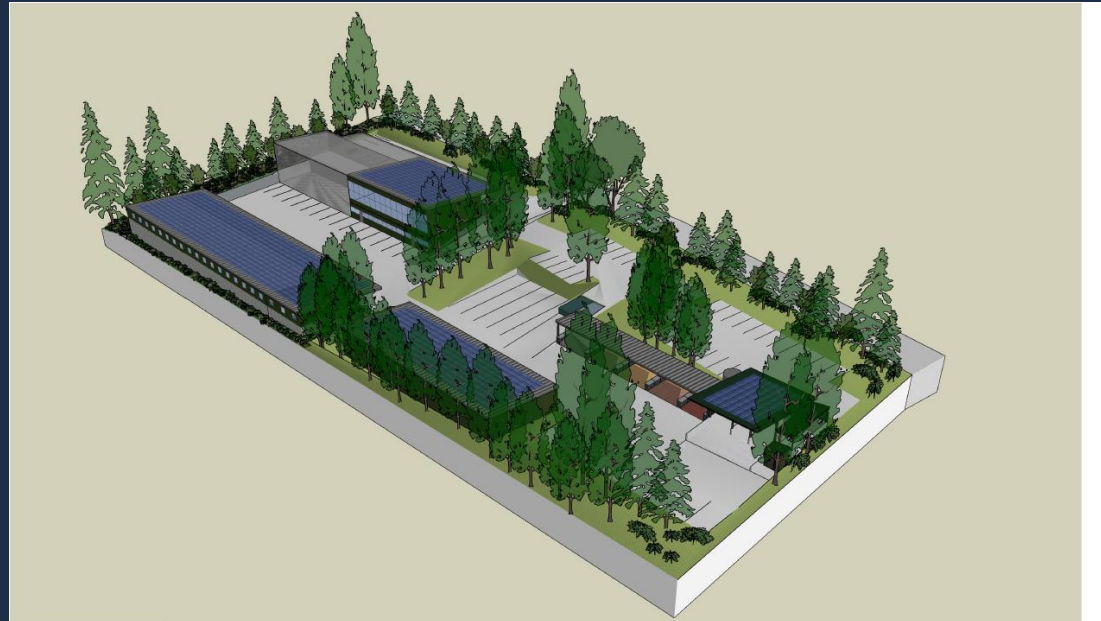
Conceptual Site View—Full Buildout



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MASSING STUDY LOOKING SOUTHEAST - WITHOUT VEGETATION

PUBLIC WORKS & ENVIRONMENTAL SERVICES FACILITY SITE STUDIES **9**

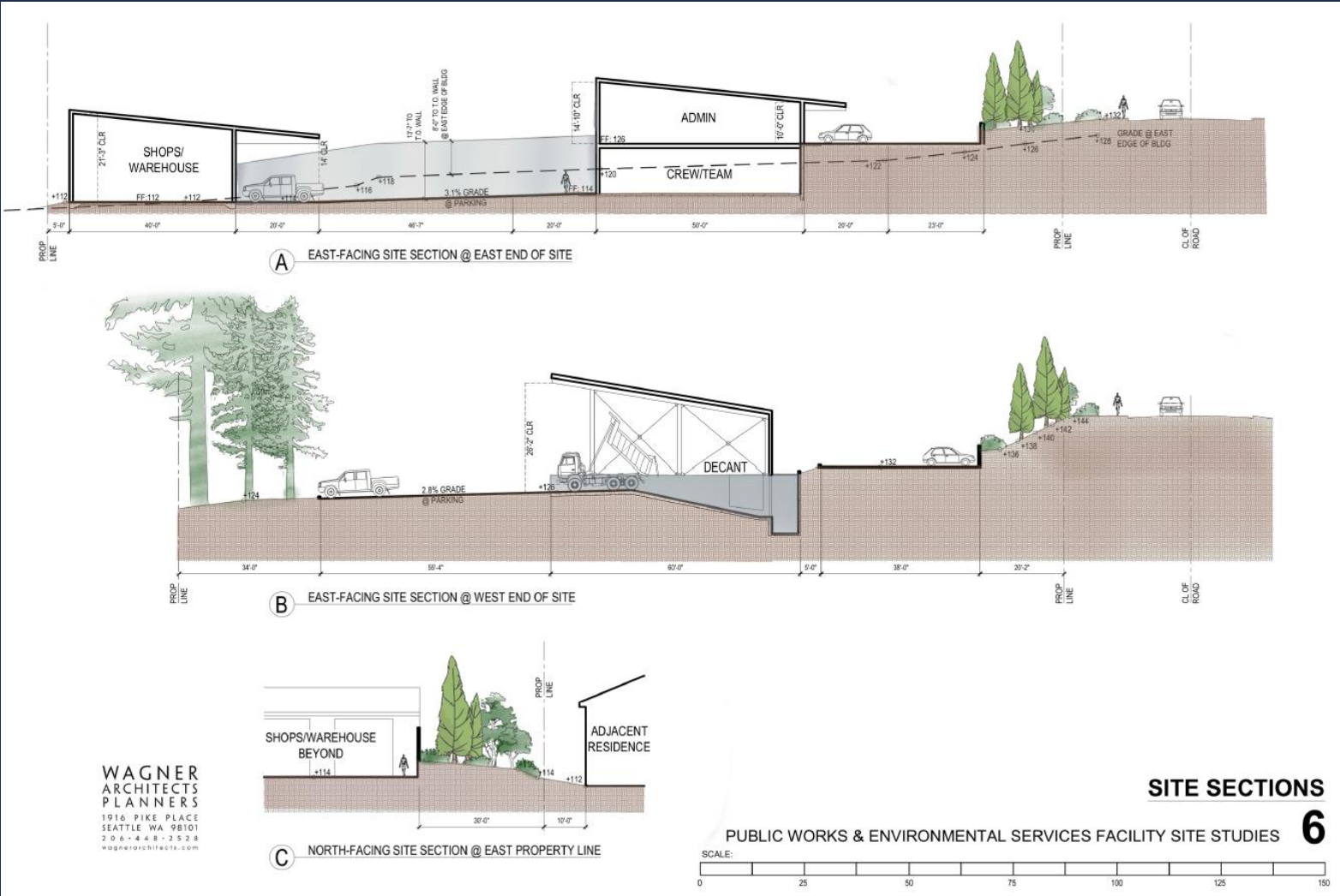


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MASSING STUDY LOOKING SOUTHEAST - WITH VEGETATION

PUBLIC WORKS & ENVIRONMENTAL SERVICES FACILITY SITE STUDIES **10**

Conceptual Views at Elevation (full buildout)



Council Action Timeline

July 24th

- Staff presented a reduced, phased approach to developing the PWOC site and a proposed budget update and funding strategy.
- To cut costs, the proposal deleted shop and storage buildings as well as the decant facility.
- The City Council supported the proposed phased approach and gave staff direction to move forward with Phase 1 with the funding plan as proposed.

Council Action Timeline

September 11th

- City Council adopted the Facilities Capital Improvement Plan; this included the PWOC project and funding plan which included a bond issue to be repaid with surface water utility revenue and REET revenue.

Council Action Timeline

☐ November 20th

- Proposed Surface Water Utility Rate changes presented for adoption. Includes PWOC funding.
- PWOC Bond Issuance Presentation, for discussion

☐ December 4th

- PWOC Bond Issue Presentation, for adoption

Public Works Operations Center: In Summary

- Going in-house was long overdue and inevitable
- Dramatic jump in quality and level of service resulted from going in-house
- A Public Works Operations Center is essential for serving our residents and maintaining our infrastructure
- Current temporary site is woefully inadequate
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Public Works Operations Center: In Summary

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- Takes a prudent approach to build only the first phase now
- Sacrifices significant project elements, including the shops buildings and storage bays
- Includes climate- and earth-friendly components
- Takes the long view and allows for future expansion for future generations

Public Works Operations Center: In Summary

Public Works Operations and Maintenance is one of the City's core functions and is a critical component to the host of essential services the City provides our diverse community. Our day-to-day operations often fly under the radar, but we are always there, 24 hours a day around the clock, 7 days a week – yes, even on holidays. Everything we do supports the Council's mission, vision, and priorities – no matter what they are or how often they change.

The services provided by Public Works Operations **touches every single person** within Kenmore's boundaries including, but not limited to:

- Those that call Kenmore home; as a resident or a business owner
- Individuals who are employed by a Kenmore business
- Kenmore's homeless population
- Children who attend Kenmore schools
- Patrons of Kenmore businesses
- Non-Kenmore businesses doing work in Kenmore
- People who come to enjoy our amazing parks or other public facilities like the Hangar or the Burke Gilman Trail
- Commuters simply passing through

Budget and Funding Strategy

Phase One Development Costs

Site Acquisition (2021)	\$ 6,100,000
Design, Permitting, Art, & Other Costs	\$ 3,356,849
Construction	\$11,869,008
10% Contingency	\$ 1,186,901
Total	\$22,512,758
Adopted Budget in the CIP	\$22,500,000
Additive Bid Alternates if Low Bid is Below Budget:	
Add Shops Building	\$ 1,728,452
Add Geothermal Heating	\$ 450,000

- Budget for Phase 1, including land acquisition: \$22.5 million
- Full buildout total cost to complete: \$35.6 million

Budget and Funding Strategy, continued

Funding Strategy in the Adopted CIP:

- \$22.5 million bond to be paid back over 20 years
- Estimated annual bond payment: \$1.8 million
- Revenue sources for annual bond payment:
 - Current (not new) Real Estate Excise Tax: \$900,00
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Budget and Funding Strategy, continued

Real Estate Excise Tax (REET):

- \$2.2 million in annual revenue (conservative)
- Capital restricted: REET cannot be spent on operations—only on one-time capital
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Budget and Funding Strategy, continued

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- Proposed surface water utility rate changes presented for adoption Nov 20, includes PWOC funding
- \$900k share of annual debt service will result in a surface water utility fee increase of about \$75 per year per household (\$6.25 per month). The current household fee is \$249.03 per year.
- Exemption for low-income seniors and disabled residents

PWOC Debt Sources and Annual Payment

	Loan Amount/ Proceeds	Interest Rate	Initial Term	1st payment	Annual Debt Service Payment
State Low Interest Loan	3,325,048	2.42%	20 yrs	6/1/2022	210,000
Banner Bank Loan	6,600,000	3.45%	20 yrs	12/1/2022	460,000
Councilmanic LTGO*	12,575,000	5.00%	20 yrs	TBD, 2024	1,130,000
Total					\$ 1,800,000

**LTGO interest rate and annual payment are estimates*

Annual Payment Funding Sources

REET	900,000
SWM	900,000
Total	\$ 1,800,000

Limited Tax General Obligation (LTGO) Bonds for Public Works Operations Center

Parameters for issuance of LTGO Bonds

- Close and delivery of bond proceeds to occur by December 2024
- Bonds will be "limited tax general obligation" bonds which are backed by the City's full faith and credit and are issued within the City's non-voted debt limitation
- Maximum amount to be issued is not more than \$12,800,00
- Borrowing cost (true interest cost) may not exceed 6.5% without seeking additional authorization from Council



**Public Works Operating Facility Financing
Limited Tax General Obligation Bonds, 2024
*November 20, 2023***

Dave Trageser
Managing Director
Phone: (206) 903-8699
Cell: (206) 518-0675
Email: dtrageser@dadco.com



BOND MARKET INTEREST RATE TREND

**Bond Buyer Index
20-Year General Obligation Bonds
20 Year History**



- Municipal borrowing rates reached historic lows with the onset of the pandemic and Federal Reserve Action. Inflation (supply chain and labor issues) and recent Federal Reserve action have all contributed to the 2023 interest rate pressure.
- The Bond Buyer 20 index tracks the average yields of 20 general obligation municipal bonds. The average rating of the 20 bonds that make up the index are grade Aa2 (Moody's rating) or grade AA (S&P Global rating).

Source: The Bond Buyer

LIMITED TAX GENERAL OBLIGATION BOND

SOURCES AND USES OF FUNDS

City of Kenmore
LTGO Bonds, 2024
AAA, NBQ, Current Rates

Dated Date 06/01/2024
Delivery Date 06/01/2024

Sources:

Bond Proceeds:	
Par Amount	11,835,000.00
Premium	913,488.75
	12,748,488.75

Uses:

Project Fund Deposits:	
Project Fund	12,574,952.00
Cost of Issuance:	
Other Cost of Issuance	90,000.00
Delivery Date Expenses:	
Underwriter's Discount	82,845.00
Other Uses of Funds:	
Additional Proceeds	691.75
	12,748,488.75

LIMITED TAX GENERAL OBLIGATION BOND

Bond Debt Service			
City of Kenmore			
LTGO Bonds, 2024			
AAA, NBQ, Current Rates			
<i>Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Debt Service</i>
12/1/2024	185,000	295,875	480,875
12/1/2025	380,000	582,500	962,500
12/1/2026	400,000	563,500	963,500
12/1/2027	420,000	543,500	963,500
12/1/2028	440,000	522,500	962,500
12/1/2029	465,000	500,500	965,500
12/1/2030	485,000	477,250	962,250
12/1/2031	510,000	453,000	963,000
12/1/2032	535,000	427,500	962,500
12/1/2033	565,000	400,750	965,750
12/1/2034	590,000	372,500	962,500
12/1/2035	620,000	343,000	963,000
12/1/2036	655,000	312,000	967,000
12/1/2037	685,000	279,250	964,250
12/1/2038	720,000	245,000	965,000
12/1/2039	755,000	209,000	964,000
12/1/2040	795,000	171,250	966,250
12/1/2041	835,000	131,500	966,500
12/1/2042	875,000	89,750	964,750
12/1/2043	920,000	46,000	966,000
	11,835,000	6,966,125	18,801,125

HYPOTHETICAL SCHEDULE OF EVENTS

City of Kenmore, Washington
Limited Tax General Obligation Bonds, 2024
General Schedule of Events
(As of November 20, 2023)

Target Dates	Action
November 20	Council considers 1 st reading of Delegation Bond Ordinance
December 4	Council considers 2 nd reading/passage of Delegation Bond Ordinance
March 5	Bond/Disclosure Counsel coordinates with financing team on compiling disclosure information
March 17	Bond/Disclosure Counsel circulates draft Preliminary Official Statement (the "POS" for Review and comments
April 4	City and Underwriter provide comments to the draft POS
April 15	Due Diligence and S & P practice Teams call, and S & P rating presentation (via Teams)
April 30	Receive S & P rating
May 9	Release the POS, and begin marketing the Bonds to the prospective investors
May 18	Set the final interest rates for the Bonds, (based on comparable bond sales, spread to the MMD index, market conditions), approve Bond Purchase Contract
June 4	Closing and Delivery of Bond Proceeds. Dollar available for Project

* Subject to change.

Neither this material nor any of its contents may be disclosed, sold, or redistributed, electronically or otherwise, without prior written consent of Davidson Companies. The information presented herein is based on public information we believe to be reliable, prevailing market conditions, as well as our views at this point in time. We make no representation or warranty with respect to the accuracy or completeness of this material. Past performance is not necessarily indicative of future results. Davidson Companies does not assume any liability for any loss which may result from the reliance by any person upon such material. We make no representations regarding the legal, tax, regulatory, or accounting implications of entering into a Transaction.

Required Disclosure Pursuant to MSRB Rule G-23: An underwriter's primary role will be to purchase as principal, or arrange for the placement of the securities in a commercial arm's length transaction with the issuer, and may have financial and other interests that differ from those of the issuer. In its capacity as underwriter and not as financial advisor, an underwriter may provide incidental financial advisory services at the issuer's request, including advice regarding the structure, timing, terms and other similar matters concerning the issuance. However, an underwriter does not assume any financial advisory or fiduciary responsibilities with respect to the issuer.

Next Steps

- Dec 4 Council Meeting
 - Staff will present for adoption the final ordinance providing for delegation of authority to issue the LTGO bonds
- Staff will work with Dave Trageser, Managing Partner, D.A. Davidson & Co., as our Bond Underwriter (Investment Banker) and Deanna Gregory, Partner, Pacifica Law Group, as our Bond Counsel through delivery of the bonds

For comments and questions:

- Melinda Merrell
- Finance & Administration Director, Finance Department
 - mmerrell@kenmorewa.gov
 - 425 398 8900 (x6190)

Property taxes, the major revenue source for the City, are cyclical with due dates in April and October each year. \$55,261 was received in September bringing the total for the year to \$3.1 million or 27.2% of the amount budgeted. Property taxes are expected to bring in \$11.4 million in revenue for the biennium.

Utility taxes, development fees and permits, and franchise fees are all ahead of the biennial target of 37.5% at 46.6%, 67.1%, and 40.9%, respectively.

With the uptick in the interest rates, our investment interest is ahead of target coming in at \$16,858 for the month and \$133,212 for the biennium. This is 199% of the budgeted biennium amount of \$66,903.

City Clerk expenses are up due to the addition of the Deputy City Clerk (we created this position in lieu of filling the Human Resources Manager position) as well as paying \$83,000 to the County for Kenmore's share of 2022 voter registration costs in March. The higher personnel costs in the City Clerk's Office are offset by the savings from not filling the HR Manager position in our Human Resources cost center.

City Manager's Office expenses are slightly ahead of target due to the addition of the Health and Human Services Manager position and an increase in consulting services. Last February, the City Council approved corresponding new revenue to go with the Human Services Manager position and program, and both the added expenditures and the new revenue will be appropriated during the mid-biennium budget amendment this month.

General Fund ending fund balance as of September 30, 2023, was \$5.8 million.

City Council Priority or Budget Objective Being Addressed:

Kenmore budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.

Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.



City of Kenmore, Washington

Memorandum

Date: October 12, 2023

To: Rob Karlinsey, City Manager

From: Melinda Merrell, Finance Director

Regarding: September 2023 Financial Reports for the City of Kenmore, Washington

September 2023 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

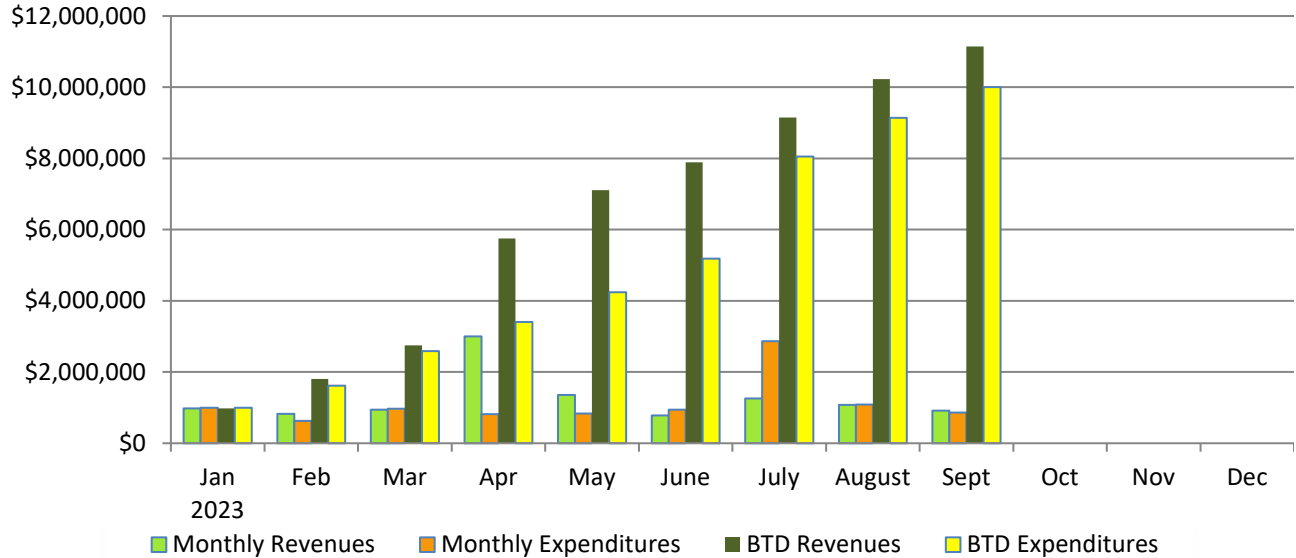
- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Cash and Investment Report
- Investment Schedule and Portfolio Analysis
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution

If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

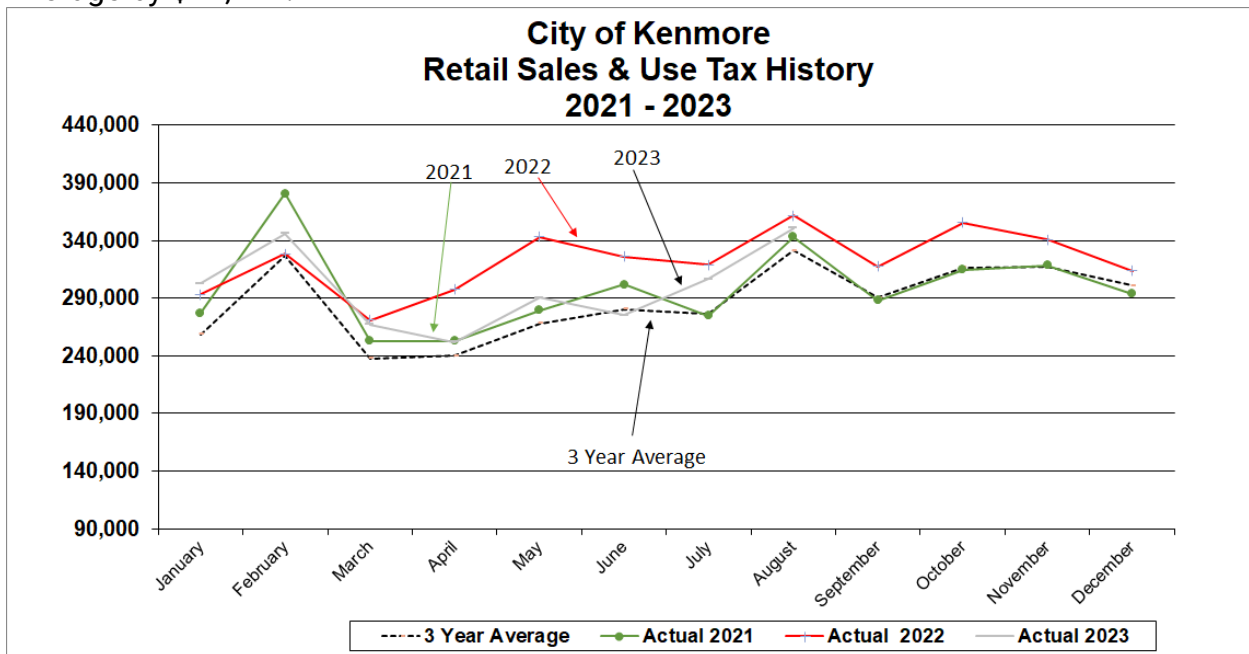
The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, September is the ninth month (38%) of the 2023-2024 biennial budget period. For the month of September, revenues exceeded expenditures in the General Fund by \$57,254. Biennium to date, revenues exceed expenditures by \$1,145,050.

The following chart illustrates the monthly revenue and expenditure activity in the General Fund through September 2023.

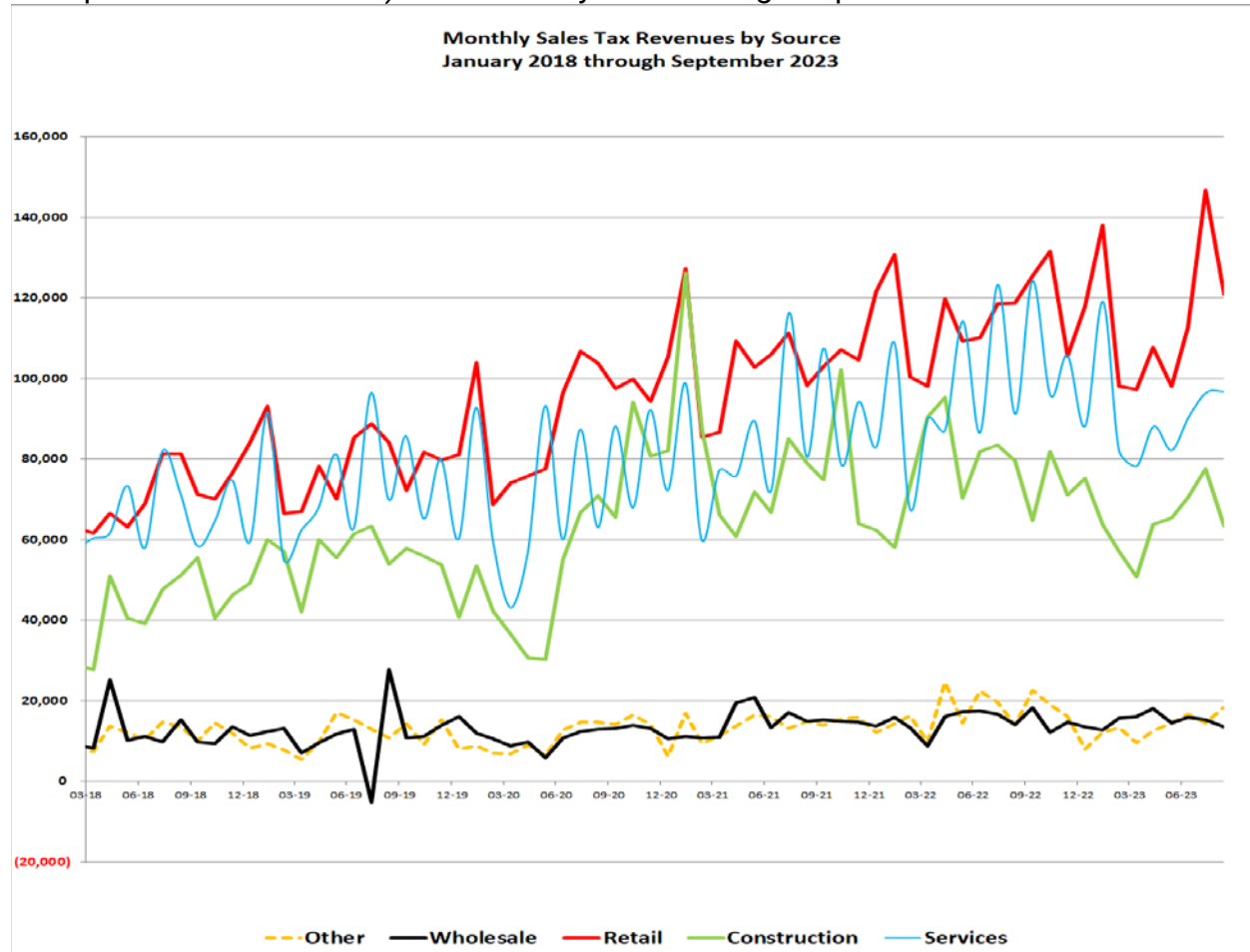


Total **revenues** for the month were **\$918,564**. Biennium to date revenues were \$11,146,645 which is 35.6% of the budgeted revenues of \$31,305,131. Primary sources of revenue for the month included \$55,261 in property taxes, \$184,642 in development fees & permits, \$313,336 in retail sales and use taxes, \$154,642 in intergovernmental & grants, and \$172,402 in utility taxes.

A summary of sales tax revenues received in **September** is attached. These receipts are based on **July** sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted 3 Year Average line is a monthly average of actual receipts during 2020, 2021, and 2022. The gray line represents 2023 actual receipts by month, which are \$4,327 below 2022 and ahead of the 3 Year Average by \$22,927.



The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2018 through September 2023.

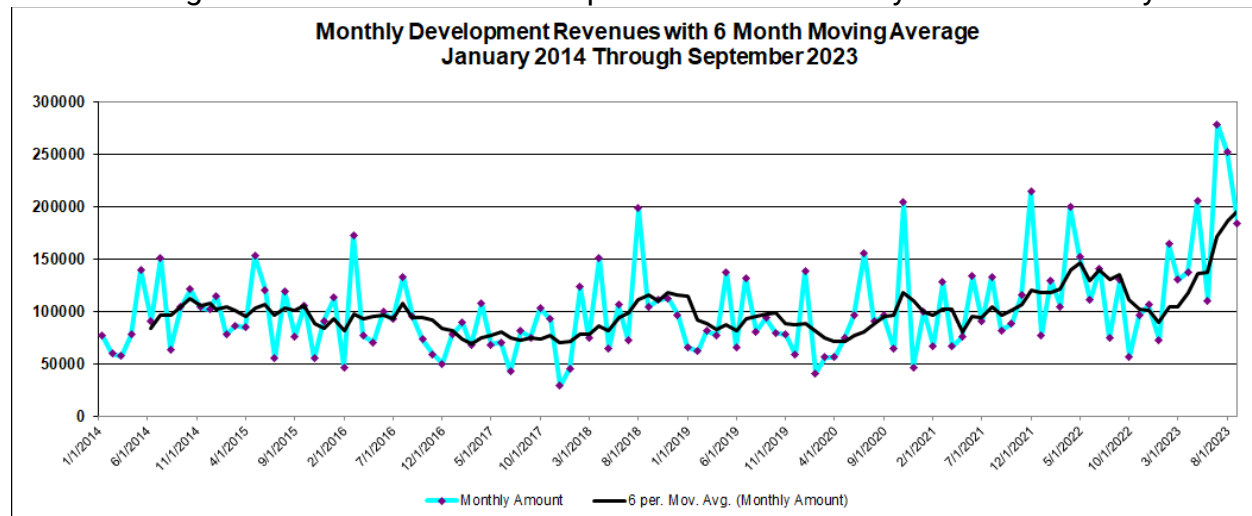


In September, the top 506 sales tax remitters, accounting for 87% or \$274,076 of total remittances, were reviewed for internet sales activity.

Of the \$274,076 of sales tax remitted by these companies in September, \$72,017 (26% of the total) was generated from internet-based companies. Below is a chart that illustrates the amount of internet-based sales tax in the major segments that include it:

	Top Sales Tax Remitters in September	Internet Based Companies	% of Total Internet Sales Tax Collected
Retail Trade	\$99,756	\$47,545	48%
Information	8,313	2,846	34%
Services	77,974	20,767	27%
Wholesale	9,743	859	9%
Other	78,290	0	0%
	\$274,076	\$72,017	

The following chart illustrates the development revenue activity over the last 10 years.



September 2023 expenditures were **\$861,310**. Biennium to date expenditures were \$10,001,595 which is 32% of the biennial budget expenditures of \$31,252,425.

City cash, \$20,625,213, and long-term investments, \$8,000,247, at the end of September, totaled \$28,625,460. Proposition 1 levy funds and ARPA Recovery Funds are included in this cash balance.

OTHER FUNDS

Total non-General Fund revenues for the month were \$726,073 and total non-General Fund expenditures were \$1,981,471.

In the **Street Fund**, expenses are outpacing revenues year to date as transfers from the General Fund and Transportation Benefit District have not yet been recorded. Overall, expenses are slightly lower than expected at 30.2% for the biennium vs the 38% target. Estimating annualized transfers in both revenues and expenses puts revenues at 40% for the biennium and expenses at 32%. Combined, revenues exceed expenses by \$331K.

In September, the **Transportation Capital Fund** had expenditures in the amount of \$358,912 on pedestrian safety projects & street maintenance. The fund collected \$171,169 in grant reimbursements during the month.

The **Real Estate Excise Tax Fund** received \$205,402 of real estate excise taxes (REET) in September from sales activity that occurred in August. Forty-seven (47) transactions were reported.

The **Park Impact Fee Fund** received \$8,652 in revenues during the month.

In September, \$22,525 in revenues was recorded for the **Transportation Impact Fee Fund**.

The **Park Capital Fund** had \$14,348 in Park improvement expenditures during September.

In September, the **Walkways & Waterways Debt Service Fund** collected \$10,341 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$577,554.

The **Transportation Benefit District Fund** received \$51,163 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **September 30, 2023**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

**City of Kenmore, Washington
General Fund Summary Report
September 30, 2023**



	CURRENT PERIOD 2023-2024				PREVIOUS PERIOD 2021-2022				
	MONTH <u>September 2023</u>	BIENNIUM TO DATE <u>2023-2024</u>	% of <u>BUDGET</u>	BIENNIUM BUDGET <u>2023-2024</u>	MONTH <u>September 2021</u>	MONTH <u>September 2022</u>	BIENNIUM TO DATE <u>2021-2022</u>	% of <u>BUDGET</u>	AMENDED BIENNIUM BUDGET <u>2021-2022</u>
REVENUES									
Beginning Fund Balance		4,634,521		4,634,521			4,934,368		4,934,368
Property Taxes	55,261	3,103,698	27.2%	11,403,392	92,650	69,197	3,008,022	27.7%	10,865,654
Sales and Use Taxes	313,336	2,704,938	35.9%	7,543,271	287,846	317,663	2,650,110	39.2%	6,754,280
Utility Taxes	172,402	1,377,910	46.6%	2,956,579	61,445	73,794	784,938	32.7%	2,399,290
Other Taxes	5,354	95,609	28.5%	335,010	0	2,818	68,824	37.8%	182,200
Development Fees & Permits	184,642	1,532,058	67.1%	2,283,416	81,918	130,787	878,665	51.1%	1,720,003
Franchise Fees	0	698,353	40.9%	1,707,003	0	0	641,561	36.7%	1,746,569
Intergovernmental and Grants	154,642	1,369,024	44.2%	3,099,112	135,249	136,148	1,078,467	37.2%	2,902,594
Investment Interest	16,858	133,212	199.1%	66,903	332	3,792	81,611	123.7%	66,000
Fines and Forfeitures	2	19,128	0.0%	0	0	0	2,341	0.0%	0
Transfers and Other Revenues	16,067	112,716	5.9%	1,910,445	1,202	10,897	47,001	0.9%	5,203,180
Total Revenues	918,564	11,146,645	35.6%	31,305,131	660,642	745,096	9,241,539	29.0%	31,839,770

City of Kenmore, Washington
General Fund Summary Report
September 30, 2023



XIV. E. Third Quarter Financial Report of the City of Kenmore, Washington

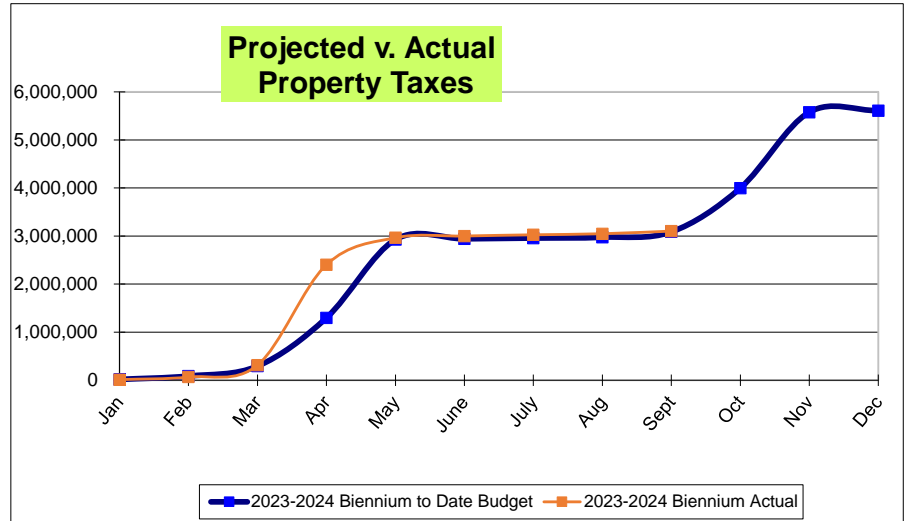
	CURRENT PERIOD 2023-2024				PREVIOUS PERIOD 2021-2022				
	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET	MONTH	MONTH	BIENNIUM TO DATE	% of	AMENDED BIENNIUM BUDGET
	<u>September 2023</u>	<u>2023-2024</u>	<u>BUDGET</u>	<u>2023-2024</u>	<u>September 2021</u>	<u>September 2022</u>	<u>2021-2022</u>	<u>BUDGET</u>	<u>2021-2022</u>
EXPENDITURES									
Cost Center									
City Council	15,788	164,143	40.5%	405,013	6,830	27,741	107,136	32.2%	332,711
City Manager	194,739	1,682,051	46.2%	3,640,924	173,495	243,942	1,032,310	33.1%	3,121,846
City Clerk	37,769	461,363	47.1%	978,750	24,799	29,433	277,527	29.6%	937,052
Finance	71,622	1,045,809	41.4%	2,527,861	45,721	68,210	808,721	36.5%	2,212,820
Human Resources	3,110	109,332	21.4%	510,304	11,958	17,669	72,171	22.6%	319,432
Legal	58,655	240,590	34.4%	700,000	30,030	49,096	302,388	53.5%	565,000
Interfund Transfers/Non Department	0	0	0.0%	1,950,513	0	2,155,685	0	0.0%	6,830,617
Public Safety	43,716	2,686,804	27.8%	9,666,950	330,741	423,000	2,548,824	27.8%	9,152,371
Engineering & Environmental Service	83,653	630,976	36.2%	1,745,035	56,626	100,940	487,559	28.9%	1,689,574
Community Development	94,259	715,298	35.1%	2,038,723	110,428	70,351	626,116	36.9%	1,695,828
Developmental Services	94,308	1,070,945	31.8%	3,371,076	91,558	117,697	949,839	33.4%	2,845,428
Parks & Facility Maintenance	163,690	1,194,284	32.1%	3,717,276	78,274	155,646	924,187	34.5%	2,676,904
Total Expenditures	861,310	10,001,595	32.0%	31,252,425	960,460	3,459,409	8,136,778	25.1%	32,379,582
Revenues over Expenditures	57,254	1,145,050		52,706	(299,818)	(2,714,312)	1,104,762		(539,812)
Ending Fund Balance		5,779,571		4,687,227	-299,818	-2,714,312	6,039,130		4,394,556

City of Kenmore, Washington
General Fund Revenue Graphs
September 30, 2023

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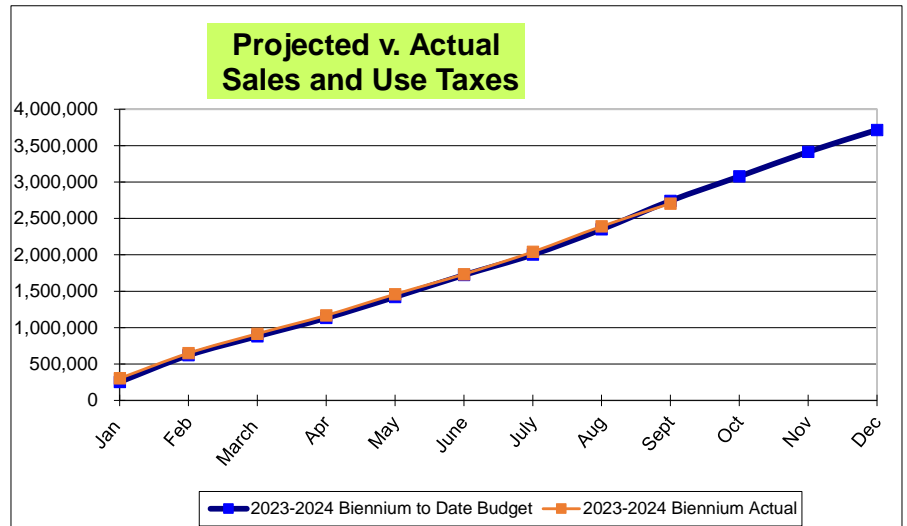
PROPERTY TAXES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	18,023	13,440
Feb	87,435	67,043
Mar	293,557	314,577
Apr	1,298,526	2,404,592
May	2,927,195	2,965,248
June	2,942,875	3,001,241
July	2,958,422	3,026,634
Aug	2,974,945	3,048,437
Sept	3,087,795	3,103,698
Oct	3,998,387	
Nov	5,577,742	
Dec	5,609,623	
2023-24	11,403,392	
Year To Date		
Actual v. Projected		101%



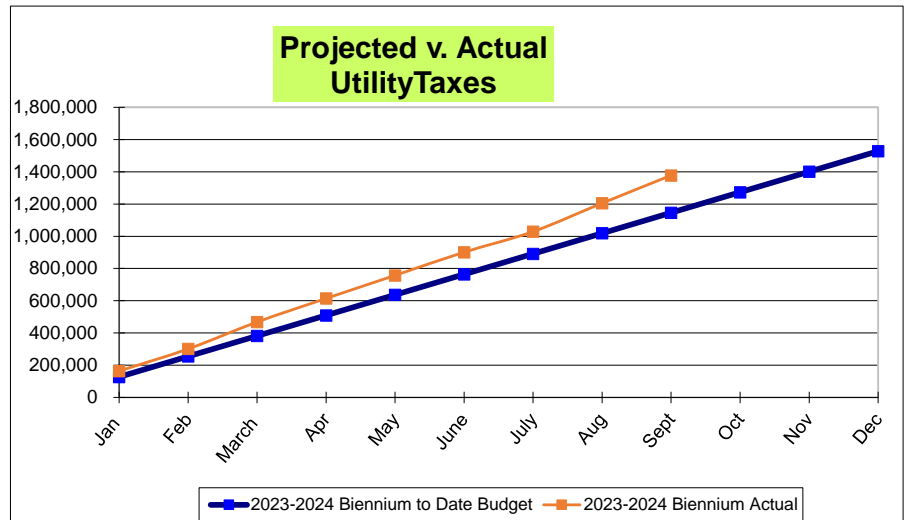
SALES & USE TAXES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	254,083	303,019
Feb	620,044	649,273
March	880,509	916,214
Apr	1,131,954	1,168,408
May	1,421,084	1,458,944
June	1,722,281	1,733,997
July	2,002,774	2,040,625
Aug	2,350,069	2,391,602
Sept	2,742,149	2,704,938
Oct	3,076,757	
Nov	3,415,256	
Dec	3,715,897	
2023-24	7,543,271	
Year To Date		
Actual v. Projected		99%



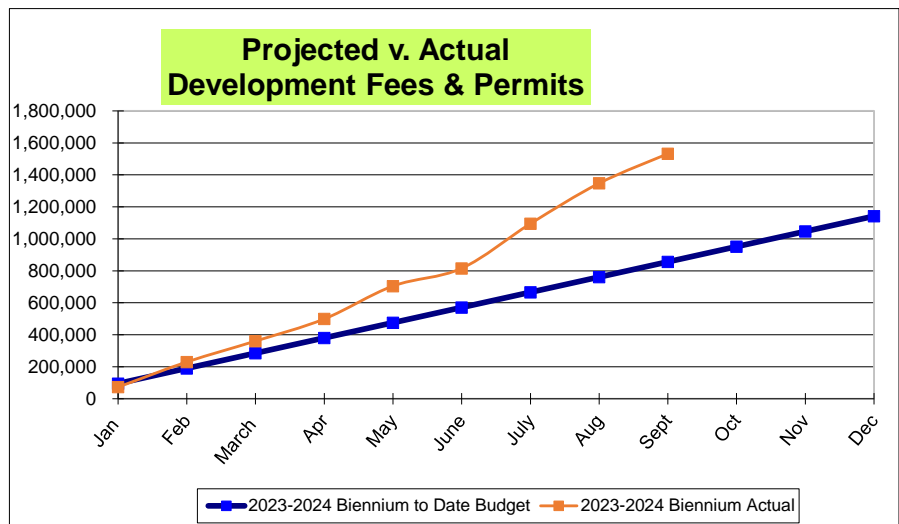
UTILITY TAXES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	127,357	163,946
Feb	254,714	301,045
March	382,071	468,055
Apr	509,428	614,374
May	636,785	757,546
June	764,142	901,249
July	891,499	1,029,176
Aug	1,018,856	1,205,508
Sept	1,146,213	1,377,910
Oct	1,273,570	
Nov	1,400,927	
Dec	1,528,284	
2023-24	2,956,579	
Year To Date		
Actual v. Projected		120%



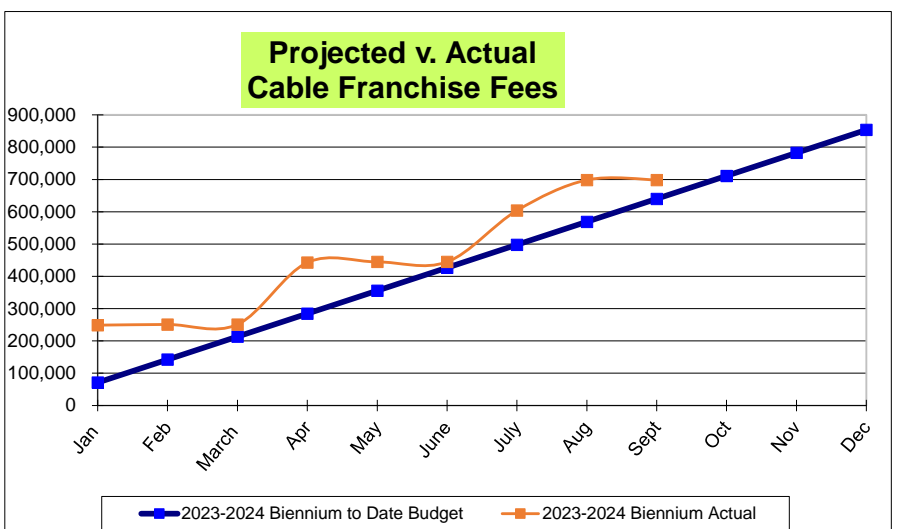
DEVELOPMENT FEES & PERMITS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	95,142	73,064
Feb	190,284	230,047
March	285,426	360,853
Apr	380,568	499,064
May	475,710	704,968
June	570,852	815,680
July	665,994	1,094,696
Aug	761,136	1,347,416
Sept	856,278	1,532,058
Oct	951,420	
Nov	1,046,562	
Dec	1,141,704	
'2023-24	2,283,416	
Year To Date		
Actual v. Projected		179%



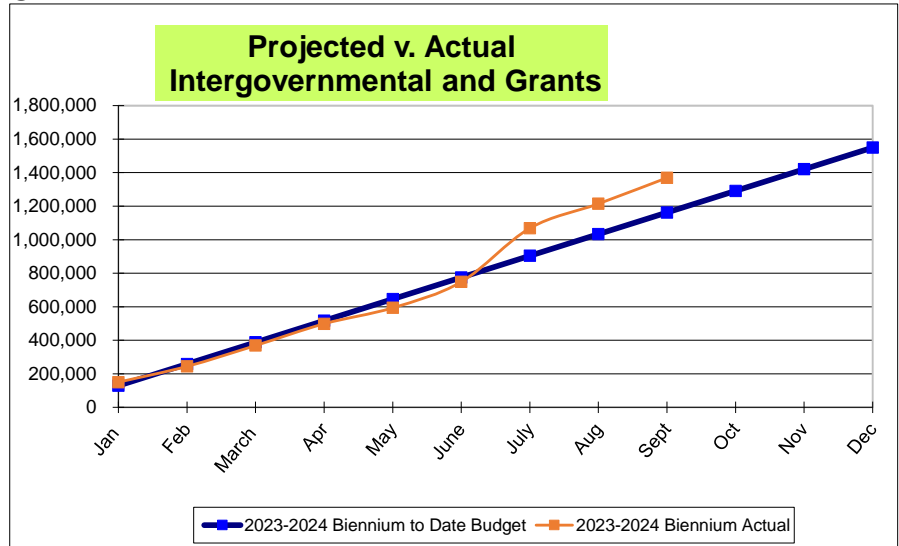
CABLE/WATER/SEWER FRANCHISE FEES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	71,125	248,923
Feb	142,250	251,037
March	213,375	251,037
Apr	284,500	442,714
May	355,625	444,721
June	426,750	444,721
July	497,875	603,867
Aug	569,000	698,353
Sept	640,125	698,353
Oct	711,250	
Nov	782,375	
Dec	853,500	
'2023-24	1,707,003	
Year To Date		
Actual v. Projected		109%



INTERGOVERNMENTAL & GRANTS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	129,130	150,000
Feb	258,260	244,116
March	387,390	368,477
Apr	516,520	498,320
May	645,650	593,467
June	774,780	748,139
July	903,910	1,068,300
Aug	1,033,040	1,214,382
Sept	1,162,170	1,369,024
Oct	1,291,300	
Nov	1,420,430	
Dec	1,549,560	
'2023-24	3,099,112	
Year To Date		
Actual v. Projected		118%



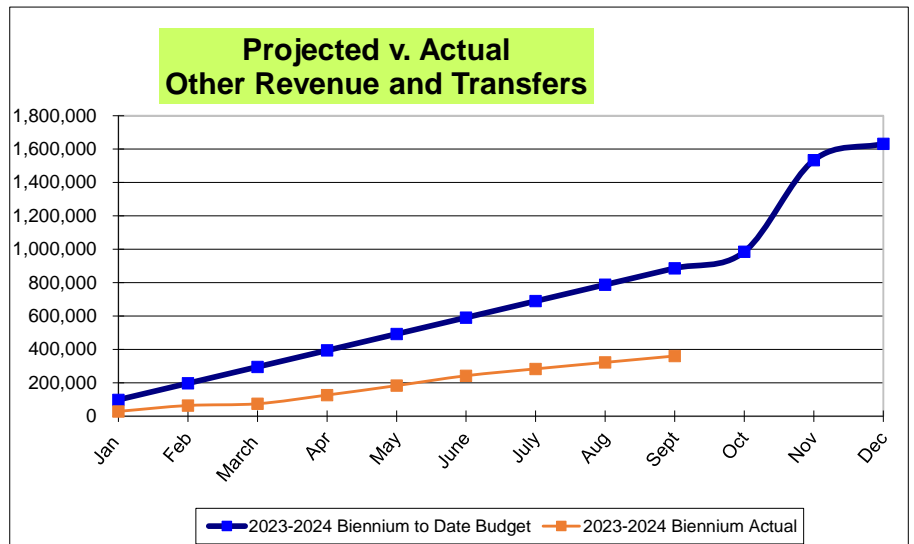
OTHER REVENUES AND TRANSFERS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
--	---	---------------------------------

Jan	98,495	28,926
Feb	196,990	64,066
March	295,485	74,632
Apr	393,979	126,650
May	492,474	183,298
June	590,969	242,511
July	689,464	283,587
Aug	787,959	322,383
Sept	886,454	360,665
Oct	984,948	
Nov	1,533,443	
Dec	1,631,938	
'2023-24	2,312,358	

Year To Date

Actual v. Projected 41%



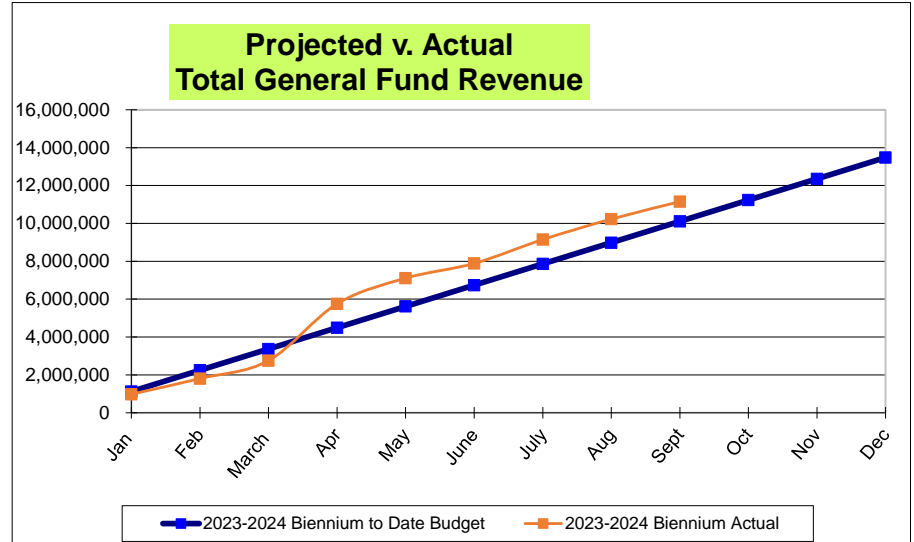
TOTAL GENERAL FUND REVENUE

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
--	---	---------------------------------

Jan	1,123,141	981,317
Feb	2,246,282	1,806,626
March	3,369,424	2,753,843
Apr	4,492,565	5,754,122
May	5,615,706	7,108,192
June	6,738,847	7,887,537
July	7,861,988	9,146,885
Aug	8,985,129	10,228,081
Sept	10,108,271	11,146,645
Oct	11,231,412	
Nov	12,354,553	
Dec	13,477,694	
'2023-24	31,305,131	

Year To Date

Actual v. Projected 110%

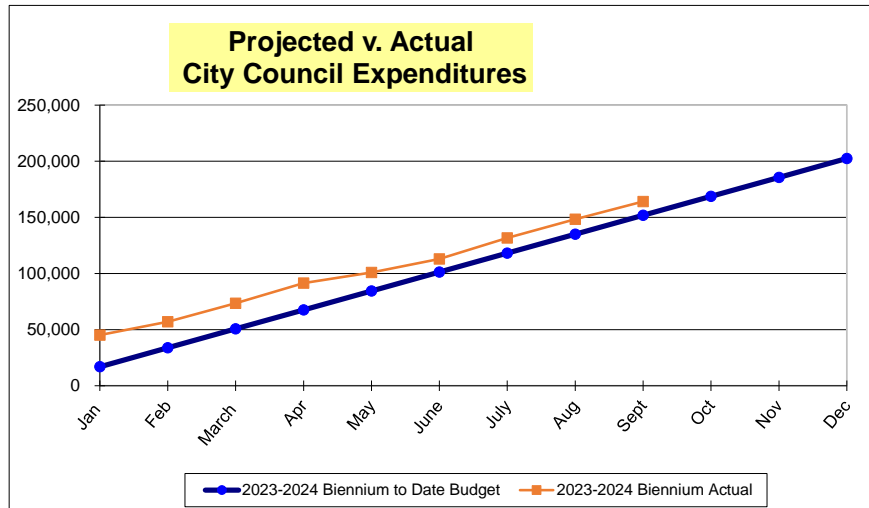


City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2023

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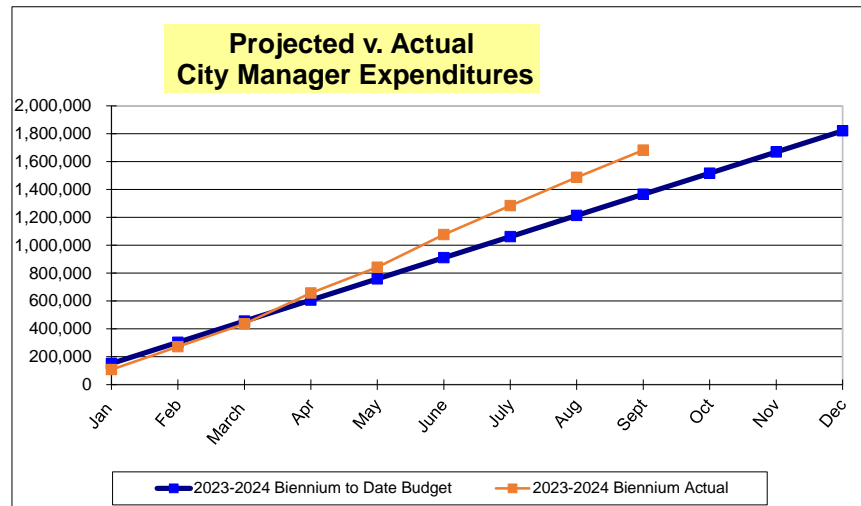
CITY COUNCIL

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	16,876	45,175
Feb	33,752	56,928
March	50,628	73,410
Apr	67,504	91,500
May	84,380	100,969
June	101,256	113,002
July	118,132	131,752
Aug	135,008	148,354
Sept	151,884	164,143
Oct	168,760	
Nov	185,636	
Dec	202,512	
2023-24	405,013	
Year To Date		
Actual v. Projected		108%



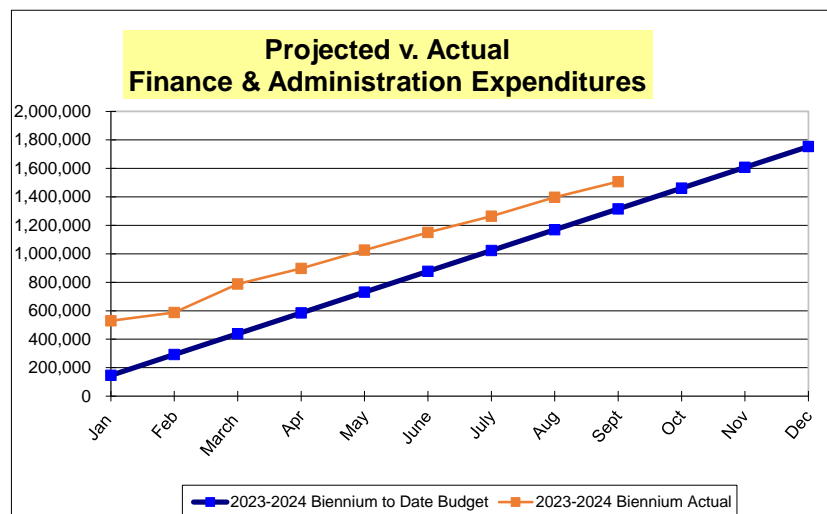
CITY MANAGER

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	151,705	107,862
Feb	303,410	272,756
March	455,115	435,641
Apr	606,820	657,696
May	758,525	842,864
June	910,230	1,076,794
July	1,061,935	1,284,261
Aug	1,213,640	1,487,312
Sept	1,365,345	1,682,051
Oct	1,517,050	
Nov	1,668,755	
Dec	1,820,460	
2023-24	3,640,924	
Year To Date		
Actual v. Projected		123%



FINANCE & ADMINISTRATION

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	146,109	529,618
Feb	292,218	587,043
March	438,327	788,114
Apr	584,436	896,954
May	730,545	1,026,300
June	876,654	1,150,238
July	1,022,763	1,263,486
Aug	1,168,872	1,397,780
Sept	1,314,981	1,507,172
Oct	1,461,090	
Nov	1,607,199	
Dec	1,753,308	
2023-24	3,506,611	
Year To Date		
Actual v. Projected		115%

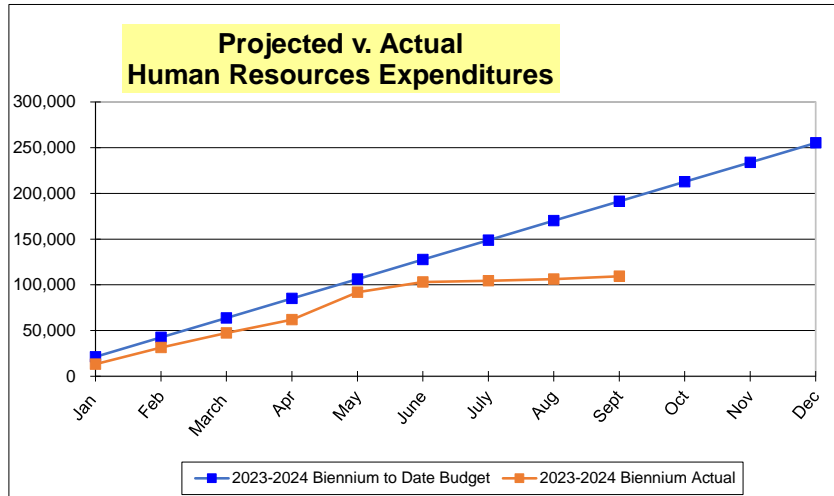


City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2023

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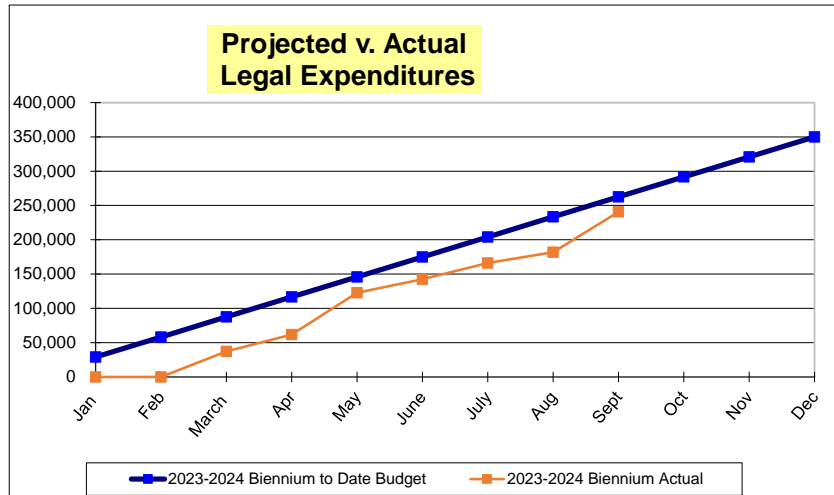
HUMAN RESOURCES

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	21,263	13,247
Feb	42,526	31,434
March	63,789	47,411
Apr	85,052	61,763
May	106,315	91,918
June	127,578	102,980
July	148,841	104,466
Aug	170,104	106,221
Sept	191,367	109,332
Oct	212,630	
Nov	233,893	
Dec	255,156	
2023-24	510,304	
Year To Date		
Actual v. Projected		57%



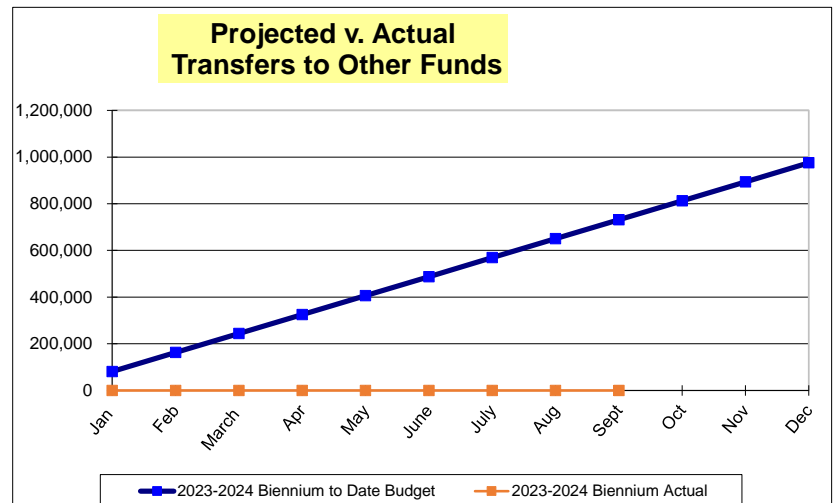
LEGAL

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	29,167	0
Feb	58,334	0
March	87,501	37,307
Apr	116,668	61,903
May	145,835	122,786
June	175,002	142,390
July	204,169	166,270
Aug	233,336	181,935
Sept	262,503	240,590
Oct	291,670	
Nov	320,837	
Dec	350,004	
2023-24	700,000	
Year To Date		
Actual v. Projected		92%



TRANSFERS TO OTHER FUNDS

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	81,271	0
Feb	162,542	0
March	243,813	0
Apr	325,084	0
May	406,355	0
June	487,626	0
July	568,897	0
Aug	650,168	0
Sept	731,439	0
Oct	812,710	0
Nov	893,981	0
Dec	975,252	0
2023-24	1,950,513	
Year To Date		
Actual v. Projected		0%

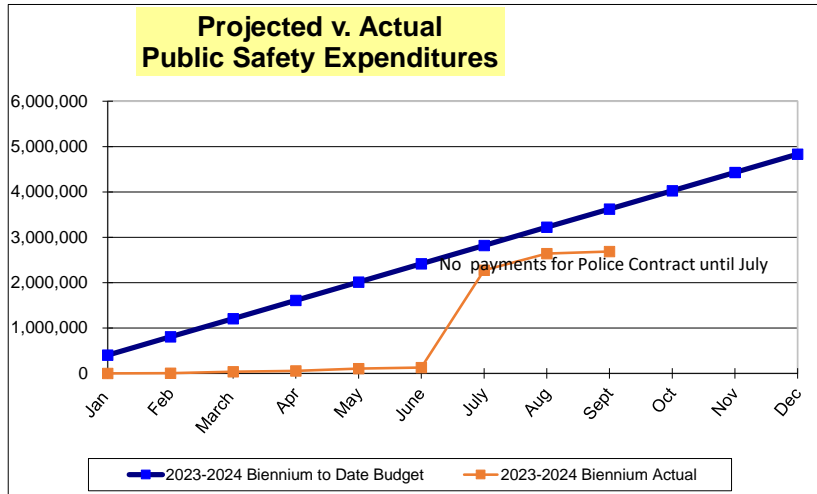


**City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2023**

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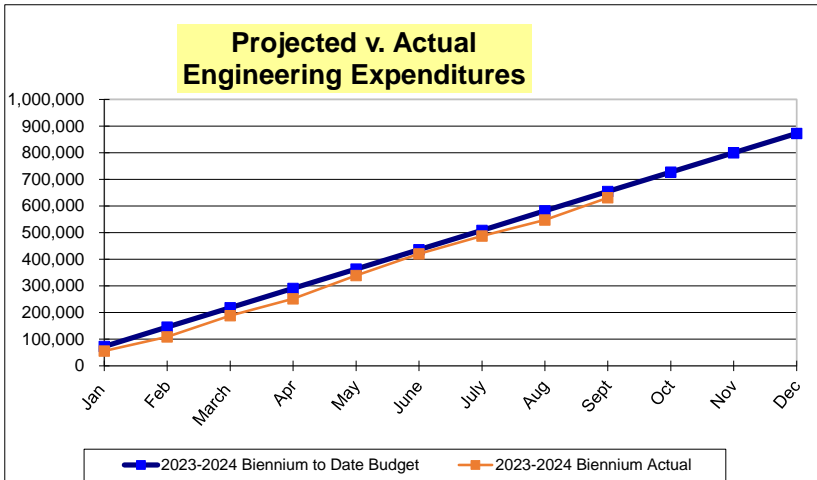
PUBLIC SAFETY

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	402,790	50
Feb	805,580	6,353
March	1,208,370	38,897
Apr	1,611,160	55,596
May	2,013,950	108,072
June	2,416,740	129,815
July	2,819,530	2,275,500
Aug	3,222,320	2,643,088
Sept	3,625,110	2,686,804
Oct	4,027,900	
Nov	4,430,690	
Dec	4,833,480	
2023-24	9,666,950	
Year To Date		
Actual v. Projected		74%



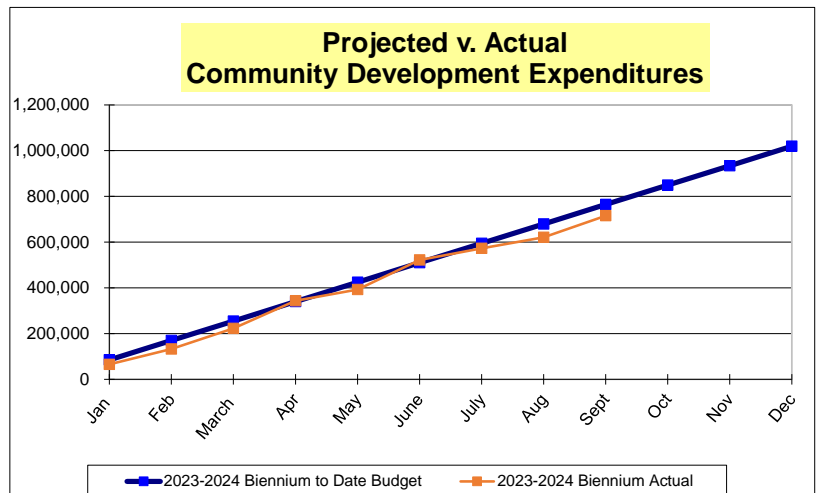
ENGINEERING

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	72,710	55,943
Feb	145,420	108,968
March	218,130	188,243
Apr	290,840	252,150
May	363,550	339,021
June	436,260	420,370
July	508,970	487,692
Aug	581,680	547,324
Sept	654,390	630,976
Oct	727,100	
Nov	799,810	
Dec	872,520	
2023-24	1,745,035	
Year To Date		
Actual v. Projected		96%



COMMUNITY DEVELOPMENT

	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
Jan	84,947	65,630
Feb	169,894	132,886
March	254,841	222,832
Apr	339,788	343,240
May	424,735	392,589
June	509,682	521,912
July	594,629	572,583
Aug	679,576	621,039
Sept	764,523	715,298
Oct	849,470	
Nov	934,417	
Dec	1,019,364	
2023-24	2,038,723	
Year To Date		
Actual v. Projected		94%



**City of Kenmore, Washington
General Fund Expenditure Graphs
September 30, 2023**

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DEVELOPMENT SERVICES

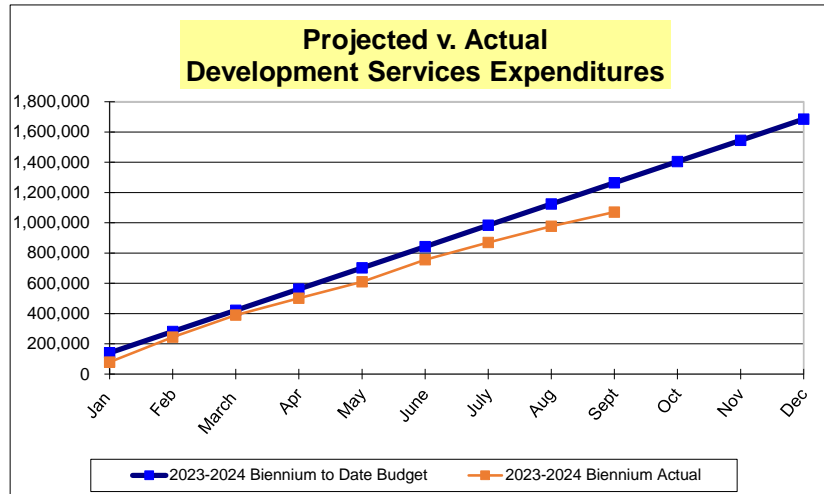
	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
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Jan	140,462	79,459
Feb	280,924	244,251
March	421,386	390,292
Apr	561,848	501,784
May	702,310	609,994
June	842,772	756,108
July	983,234	869,981
Aug	1,123,696	976,637
Sept	1,264,158	1,070,945
Oct	1,404,620	
Nov	1,545,082	
Dec	1,685,544	
2023-24	3,371,076	

Year To Date

Actual v. Projected

85%



PARKS & FACILITY MAINTENANCE

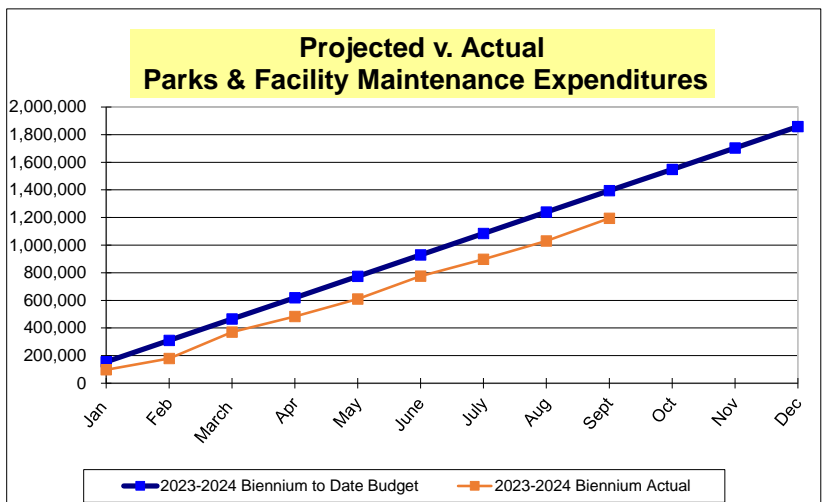
	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
--	---	---------------------------------

Jan	154,887	97,307
Feb	309,774	179,636
March	464,661	370,226
Apr	619,548	483,257
May	774,435	609,443
June	929,322	774,953
July	1,084,209	897,425
Aug	1,239,096	1,030,595
Sept	1,393,983	1,194,284
Oct	1,548,870	
Nov	1,703,757	
Dec	1,858,644	
2023-24	3,717,276	

Year To Date

Actual v. Projected

86%



TOTAL GENERAL FUND EXPENDITURES

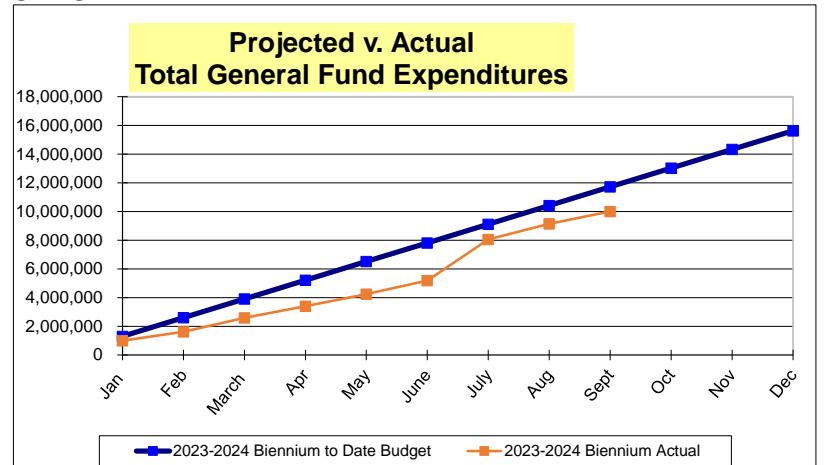
	2023-2024 Biennium to Date Budget	2023-2024 Biennium Actual
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Jan	1,302,184	994,291
Feb	2,604,368	1,620,254
March	3,906,552	2,592,374
Apr	5,208,736	3,405,842
May	6,510,920	4,243,954
June	7,813,104	5,188,563
July	9,115,288	8,053,416
Aug	10,417,472	9,140,285
Sept	11,719,656	10,001,595
Oct	13,021,840	
Nov	14,324,024	
Dec	15,626,208	
2023-24	31,252,425	

Year To Date

Actual v. Projected

85%



City of Kenmore, Washington
Street Fund Summary Report
September 30, 2023

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CURRENT PERIOD 2023 - 2024				
	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>September 2023</u>	<u>2023-2024</u>	<u>BUDGET</u>	<u>2023-2024</u>
REVENUES				
Beginning Fund Balance		2,270,562		2,270,562
Fuel Tax	37,752	311,210	33.9%	917,905
Investment Interest	5,999	48,005	240.0%	20,000
Miscellaneous	0	9,042	19.4%	46,602
ROW Permit Fees/Inspections	52,696	170,500	70.0%	243,612
Multimodal Transportation	7,821	23,460	36.7%	63,948
MVA Transpo City	6,843	20,528	0.0%	0
Transfer from General Fund	0	0	0.0%	1,858,313
Transfer from TBD	0	0	0.0%	700,000
Total Revenues	111,111	582,744	15.1%	3,850,380

CURRENT PERIOD 2023 - 2024				
	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>September 2023</u>	<u>2023-2024</u>	<u>BUDGET</u>	<u>2023-2024</u>
EXPENDITURES				
Salary and Benefits	59,595	548,799	34.8%	1,575,300
Maintenance & Operations	91,904	580,756	29.0%	2,001,300
Capital	0	18,881	36.0%	52,500
Transfer to PW Shop Fund	0	0	0.0%	175,880
Total Expenditures	151,499	1,148,436	30.2%	3,804,980
Revenues over Expenditures	(40,388)	(565,692)		45,400
Ending Fund Balance		1,704,870		2,315,962

**City of Kenmore, Washington
Other Funds Monthly Activity**

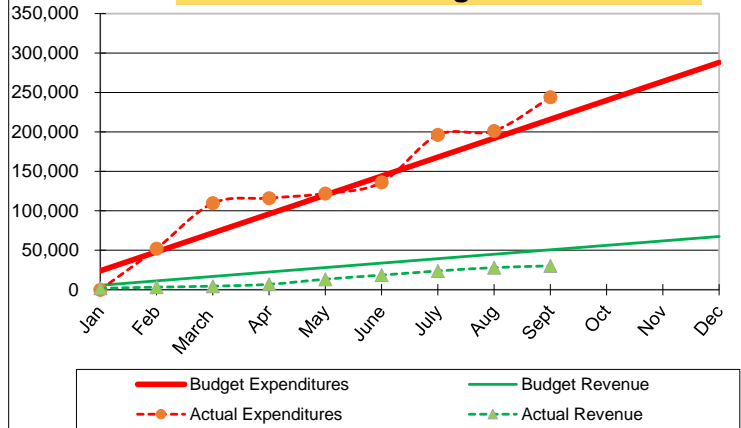
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September 30, 2023

STRATEGIC OPPORTUNITIES FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	24,000	0	5,626	1,809
Feb	48,000	52,075	11,252	3,330
March	72,000	109,645	16,878	4,536
Apr	96,000	116,112	22,504	6,887
May	120,000	122,005	28,130	13,356
June	144,000	136,059	33,756	18,580
July	168,000	196,207	39,382	23,754
Aug	192,000	201,241	45,008	28,094
Sept	216,000	243,977	50,634	30,221
Oct	240,000		56,260	
Nov	264,000		61,886	
Dec	288,000		67,512	
2023-24	576,000		135,018	
Total Actual to Date vs Total Budget		42%		22%

**STRATEGIC OPPORTUNITIES FUND
Actual v. Budget Results**

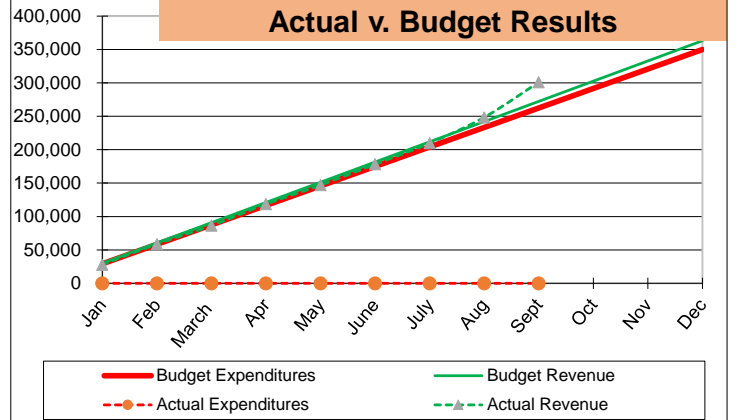


The purpose of the Strategic Opportunities Fund is to have funds available for the City to make key investments or take advantage of strategic opportunities as they present themselves.

TRANSPORTATION BENEFIT DISTRICT FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	29,167	0	30,263	27,898
Feb	58,334	0	60,526	58,709
March	87,501	0	90,789	86,440
Apr	116,668	0	121,052	118,485
May	145,835	0	151,315	146,980
June	175,002	0	181,578	178,187
July	204,169	0	211,841	209,849
Aug	233,336	0	242,104	248,513
Sept	262,503	0	272,367	301,140
Oct	291,670		302,630	
Nov	320,837		332,893	
Dec	349,996		363,156	
2023-24	700,000		726,305	
Total Actual to Date vs Total Budget		0%		41%

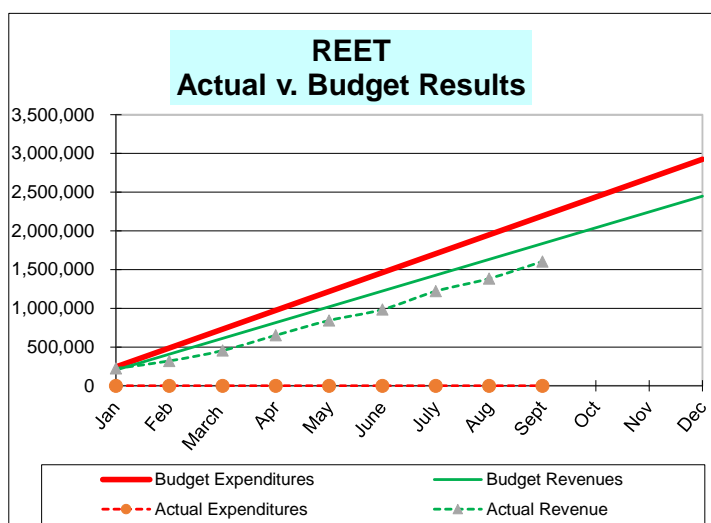
**TRANSPORTATION BENEFIT DISTRICT FUND
Actual v. Budget Results**



The Transportation Benefit District fund accounts for the \$20 vehicle license tab fees levied on vehicles located in the Kenmore city limits. The revenue generated will be used in maintaining the City's transportation system.

REAL ESTATE EXCISE TAX FUND

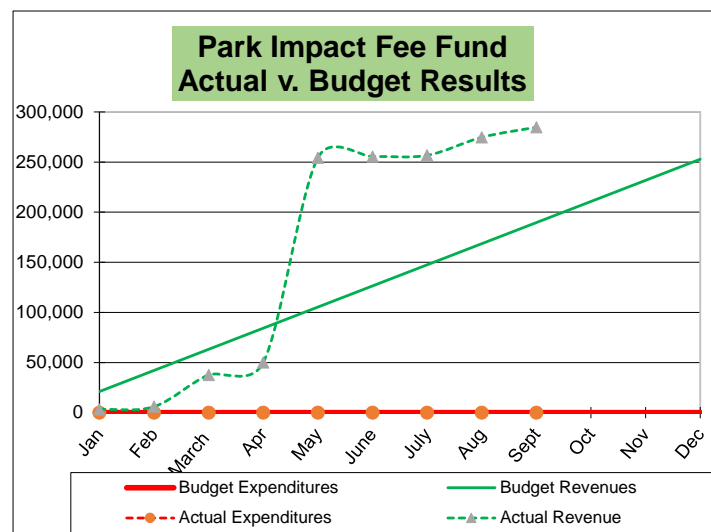
	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	243,704	0	204,007	223,695
Feb	487,408	0	408,014	320,826
March	731,112	0	612,021	454,752
Apr	974,816	0	816,028	651,898
May	1,218,520	0	1,020,035	843,314
June	1,462,224	0	1,224,042	984,966
July	1,705,928	0	1,428,049	1,220,776
Aug	1,949,632	0	1,632,056	1,384,080
Sept	2,193,336	0	1,836,063	1,605,295
Oct	2,437,040		2,040,070	
Nov	2,680,744		2,244,077	
Dec	2,924,448		2,448,084	
2023-24	5,848,900		4,896,168	
Total Actual to Date vs Total Budget		0%		33%



The Real Estate Excise Tax Fund accounts for the 1/2% real estate excise taxes levied by the City which are restricted to capital projects and improvements. Expenditures include transfers to the Park Capital Fund for park improvements and Transportation Capital Fund for transportation improvements. include transfers to the Park Capital Fund for park improvements and and Transportation Capital Fund for transportation improvements.

PARK IMPACT FEE FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	0	0	21,070	3,147
Feb	0	0	42,140	6,018
March	0	0	63,210	37,652
Apr	0	0	84,280	50,046
May	0	0	105,350	254,340
June	0	0	126,420	255,545
July	0	0	147,490	256,743
Aug	0	0	168,560	274,688
Sept	0	0	189,630	284,717
Oct	0		210,700	
Nov	0		231,770	
Dec	0		252,840	
2023-24	0		505,670	
Total Actual to Date vs Total Budget		0%		56%



This fund accounts for City imposed park impact fees on new development. Expenditures are for public park acquisitions and improvements.

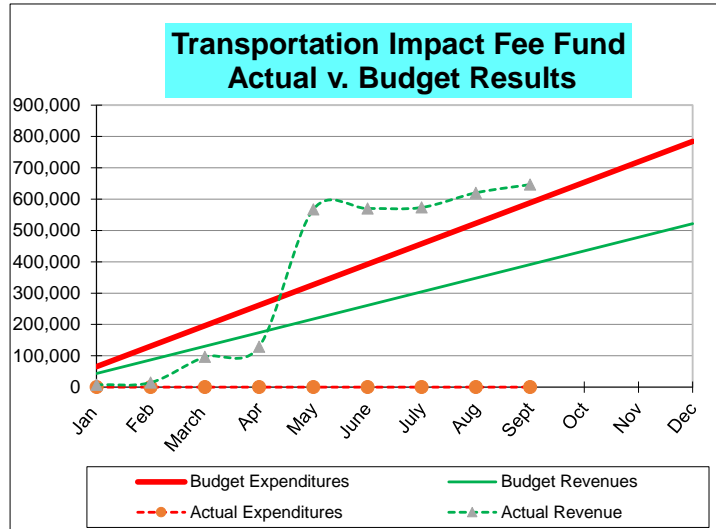
**City of Kenmore, Washington
Other Funds Monthly Activity**

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September 30, 2023

TRANSPORTATION IMPACT FEE FUND

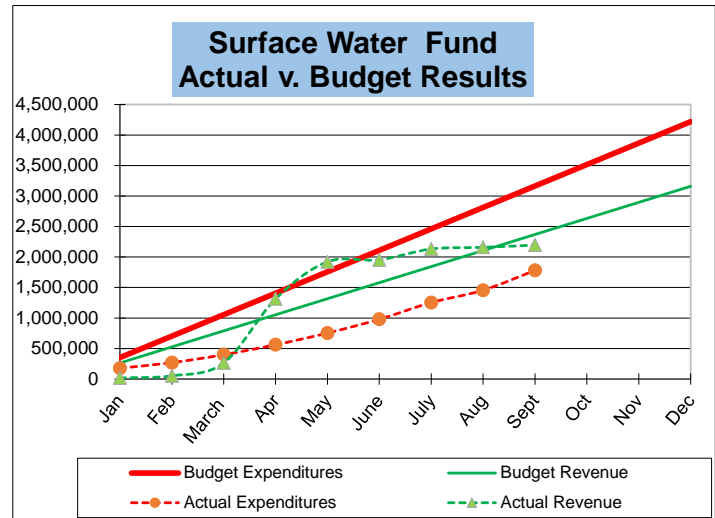
	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	65,358	0	43,472	7,562
Feb	130,716	0	86,944	14,461
March	196,074	0	130,416	96,287
Apr	261,432	0	173,888	128,935
May	326,790	0	217,360	566,969
June	392,148	0	260,832	570,166
July	457,506	0	304,304	573,348
Aug	522,864	0	347,776	620,141
Sept	588,222	0	391,248	646,323
Oct	653,580		434,720	
Nov	718,938		478,192	
Dec	784,296		521,664	
2023-24	1,568,596		1,043,334	
Total Actual to Date vs Total Budget		0%		62%



This fund accounts for City imposed transportation impact fees on new development. Expenditures are for public transportation improvements

SURFACE WATER MANAGEMENT FUND

	2023-2024 Budget Expenditures	2023-2024 Actual Expenditures	2023-2024 Budget Revenue	2023-2024 Actual Revenue
Jan	351,574	177,516	263,276	17,517
Feb	703,148	268,361	526,552	52,102
March	1,054,722	398,377	789,828	263,203
Apr	1,406,296	561,906	1,053,104	1,314,101
May	1,757,870	753,038	1,316,380	1,921,920
June	2,109,444	979,153	1,579,656	1,953,992
July	2,461,018	1,253,483	1,842,932	2,131,717
Aug	2,812,592	1,455,579	2,106,208	2,158,464
Sept	3,164,166	1,782,051	2,369,484	2,196,149
Oct	3,515,740		2,632,760	
Nov	3,867,314		2,896,036	
Dec	4,218,888		3,159,312	
2023-24	8,467,779		6,318,615	
Total Actual to Date vs Total Budget		21%		35%



This fund accounts for receipts from surface water assessments. The assessments are collected through the property tax billings; the majority of the receipts are collected in May and November. Expenditures are for surface water maintenance activities such as sweeping and drainage as well as capital improvements. collected in May and November.

City of Kenmore, Washington
Cash and Investment Report
September 30, 2023

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<u>Fund</u>	<u>Beg. Cash & Inv.</u> <u>from Prev. Mo.</u>	<u>Monthly</u> <u>Revenues</u>	<u>Monthly</u> <u>Expenditures</u>	<u>End. Cash & Inv.</u> <u>Current Month</u>
General	\$4,920,909	\$920,864	\$876,460	4,965,313
Street	1,744,946	111,111	151,499	1,704,558
Transportation Capital	820,075	171,170	358,912	632,333
KAPE Fund	-56,197	0	14,082	(70,279)
Public Art	115,600	287	71,749	44,138
Park Impact Fee	369,619	10,029	0	379,648
Transportation Impact Fee	980,168	26,182	0	1,006,350
Swamp Creek Basin	464,253	1,690	0	465,943
Transportation Benefit District	400,036	52,627	0	452,663
ARPA Fiscal Recovery Fund	4,758,319	0	26,946	4,731,373
Sammamish Bridge Replacement	882,798	0	5,593	877,205
Walkways & Waterways Debt Service	501,676	10,341	0	512,017
Real Estate Excise Tax	4,335,147	221,215	0	4,556,362
Park Capital	1,028,876	1,016	14,348	1,015,544
Walkways & Waterways Bond	270,788	28,954	0	299,742
Surface Water Management	2,546,327	37,686	326,472	2,257,540
Surface Water Capital	1,601,166	7,000	873,177	734,989
Public Works Shop Fund	215,660	0	95,035	120,625
Strategic Reserve	1,399,653	5,095	0	1,404,748
Strategic Opportunities	626,609	2,127	42,736	585,999
Equipment Replacement	674,586	2,455	22	677,019
Trust & Agency	1,203,741	37,089	902	1,239,928
Totals	\$29,804,755	\$1,646,938	\$2,857,931	\$28,593,761

<u>Fund</u>	<u>Cash, Savings,</u> <u>Local Govt Investment Pool</u>	<u>(> One Year)</u> <u>Fixed</u> <u>Investments</u>	<u>Total</u>
General	\$2,097,216	\$2,865,247	4,962,464
Street	854,073	850,000	1,704,073
Transportation Capital	632,333	0	632,333
KAPE Fund	-70,292	0	(70,292)
Public Art	64,138	15,000	79,138
Park Impact Fee	-550,352	930,000	379,648
Transportation Impact Fee	976,350	30,000	1,006,350
Swamp Creek Basin	-934,057	1,400,000	465,943
Transportation Benefit District	452,663	0	452,663
ARPA Fiscal Recovery Fund	4,731,199	0	4,731,199
Sammamish Bridge Replacement	877,205	0	877,205
Walkways & Waterways Debt Service	512,017	0	512,017
Real Estate Excise Tax	4,556,362	0	4,556,362
Park Capital	1,015,544	0	1,015,544
Walkways & Waterways Bond	299,742	0	299,742
Surface Water Management	1,747,762	510,000	2,257,762
Surface Water Capital	734,989	0	734,989
Public Works Shop Fund	120,625	0	120,625
Strategic Reserve	554,749	850,000	1,404,749
Strategic Opportunities	585,999	0	585,999
Equipment Replacement	227,019	450,000	677,019
Trust & Agency	1,139,928	100,000	1,239,928
Totals	\$20,625,212	\$8,000,247	\$28,625,460

City of Kenmore, Washington
Investment Schedule
September 30, 2023



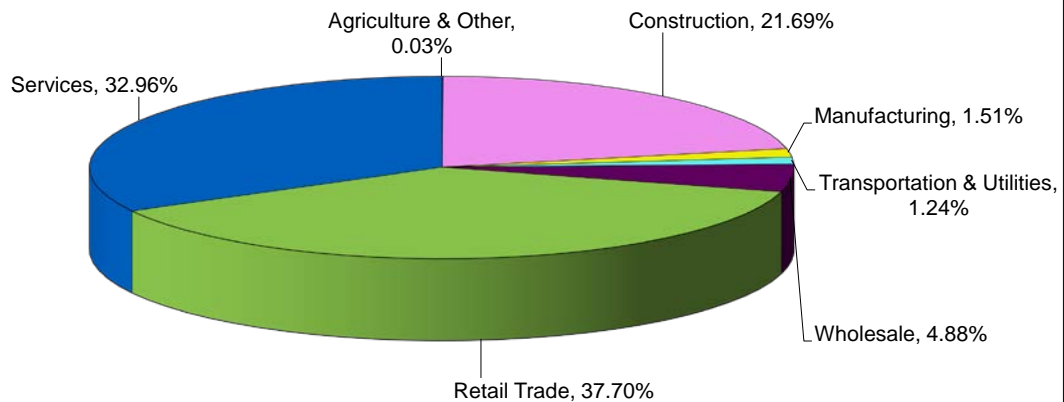
Average Yield to Maturity-Securities										Overall	2.26%
										Average Yield	4.46%
										Principal or	Yield
										Balance	Equivalents
Investment #	Type	Purchase Date	Maturity Date	Rate	Yield						
Time Value Investments											
3133EMHL9	FFCB	11/24/2020	11/30/2023	0.30%	0.30%					1,501,500.00	4,504.50
3133EMMN9	FFCB	1/25/2021	1/11/2024	0.19%	0.19%					1,000,000.00	1,900.00
9128286Z8	US TREAS	1/25/2021	6/30/2024	0.18%	0.18%					1,065,261.38	1,917.47
91282CCX7	US TREAS	7/14/2023	9/15/2024	5.00%	5.00%					1,445,711.91	72,285.60
91282CDN8	US TREAS	8/7/2023	12/15/2024	5.02%	5.02%					1,493,005.50	74,948.88
3130AQTTO	FHLB	3/2/2022	2/28/2025	1.67%	1.67%					1,494,768.00	24,962.63
Total TVI Purchases										8,000,246.79	180,519.07
CD's											
											-
Total CD's										0.00	0.00
TOTAL ALL SECURITIES										\$ 8,000,246.79	\$ 180,519.07
Banner Checking and Savings					0.02%					268,266.74	53.65
Pacific Premier Savings					5.36%					3,317,535.49	177,740.28
LGIP - Primary Account					5.39%					10,469,187.52	563,807.62
LGIP - Bond Proceeds Account					5.39%					6,570,222.86	353,832.78
Total Accounts										\$ 28,625,459.40	1,275,953.41

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
September 30, 2023



Industry	Prior 12 Months ending September 2022	Current 12 Months ending September 2023	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$984	\$978	-0.58%	0.03%
Construction	936,173	805,692	-13.94%	21.69%
Manufacturing (Printing, Publishing, Other Manuf.)	79,107	55,961	-29.26%	1.51%
Transp/Comm/Utilities (Telecomm., Air Transport.)	35,296	45,901	30.04%	1.24%
Wholesale (Lumber, Other Wholesale)	179,192	181,232	1.14%	4.88%
Retail Trade (Eating, Merchandise, Food Stores)	1,342,466	1,400,683	4.34%	37.70%
Services (Auction, Recreation, Auto Repair, Financial)	<u>1,211,868</u>	<u>1,224,545</u>	1.05%	32.96%
Totals	<u>\$3,785,086</u>	<u>\$3,714,993</u>	<u>-1.85%</u>	100%
Increase/(Decrease)		<u>(\$70,094)</u>	<u>-1.85%</u>	

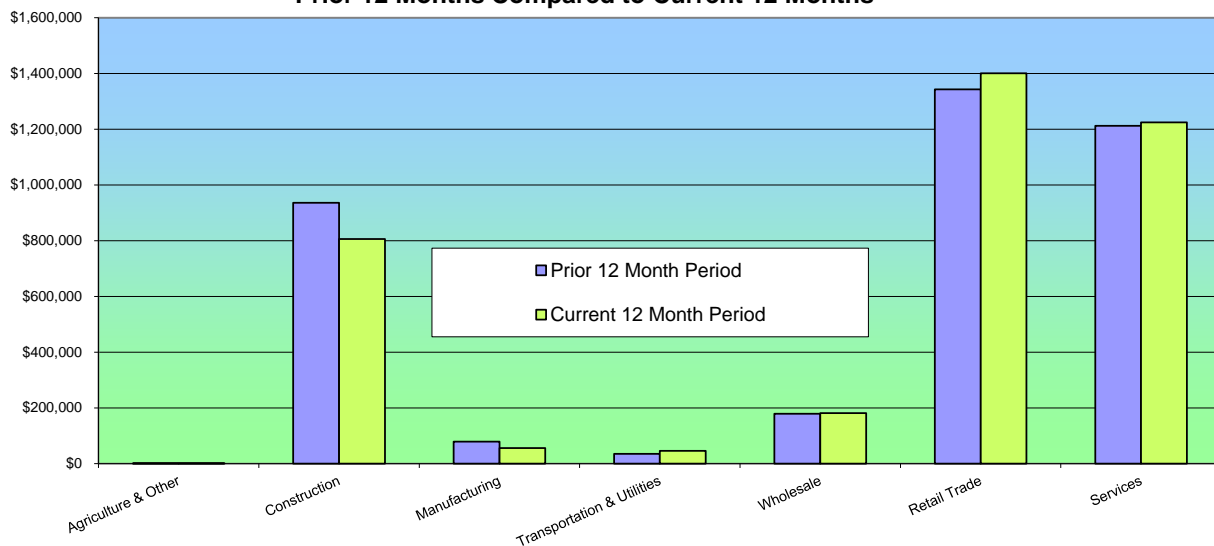
Retail Sales and Use Taxes by Industry
Current 12 Months Ending September 2023



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City

Retail Sales and Use Taxes by Industry
Prior 12 Months Compared to Current 12 Months



CITY OF KENMORE

Finance

GENERAL & OTHER REVENUE FUNDS

Year To Date as of 9/30/2023
37.5% of Biennium Elapsed

November 20, 2023



REVENUES– General Fund, 9/30/2023

<u>REVENUES</u>	<u>YTD 9/30/23</u>	<u>23-24 BUDGET</u>	<u>%</u>
Property Taxes	3,103,698	11,403,392	27.2%
Sales and Use Taxes	2,704,938	7,543,271	35.9%
Utility Taxes	1,377,910	2,956,579	46.6%
Other Taxes	95,609	335,010	28.5%
Development Fees & Permits	1,532,058	2,283,416	67.1%
Franchise Fees	698,353	1,707,003	40.9%
Intergovernmental and Grants	1,369,024	3,099,112	44.2%
Investment Interest	133,212	66,903	199.1%
Fines and Forfeitures	19,128	0	0.0%
Transfers and Other Revenues	112,716	1,910,445	5.9%
Total Revenues	11,146,645	31,305,131	35.6%



EXPENDITURES – General Fund, 9/30/2023

<u>EXPENDITURES</u>	<u>YTD 6/30/23</u>	<u>23-24 BUDGET</u>	<u>%</u>
City Council	164,143	405,013	40.5%
City Manager	1,682,051	3,640,924	46.2%
City Clerk	461,363	978,750	47.1%
Finance	1,045,809	2,527,861	41.4%
Human Resources	109,332	510,304	21.4%
Legal	240,590	700,000	34.4%
Interfund Transfers/Non Departmental	0	1,950,513	0.0%
Public Safety	2,686,804	9,666,950	27.8%
Engineering & Environmental Services	630,976	1,745,035	36.2%
Community Development	715,298	2,038,723	35.1%
Developmental Services	1,070,945	3,371,076	31.8%
Parks & Facility Maintenance	1,194,284	3,717,276	32.1%
Total Expenditures	10,001,595	31,252,425	32.0%
+ Estimated Transfers	750,000		38.5%
New Total Expenditures	10,751,595	31,252,425	34.4%



General Fund Reserves

20% Fund Balance Requirement - 2023	\$3.6 million
Actual Fund Balance - 9/30/2023	\$5.8 million
Estimated Fund Balance 12/31/2024	\$4.7 million

Reserve Policy

City shall maintain reserves of not less than 20% of annual operating expenditures

- To offset revenue shortfalls
- For unanticipated emergencies



INVESTMENT SCHEDULE

								Overall	2.26%
		Average Yield to Maturity-Securities						Average Yield	4.46%
	Investment #	Type	Purchase Date	Maturity Date	Rate	Yield		Principal or Balance	Yield Equivalents
Time Value Investments									
	3133EMHL9	FFCB	11/24/2020	11/30/2023	0.30%	0.30%		1,501,500	4,505
	3133EMMN9	FFCB	1/25/2021	1/11/2024	0.19%	0.19%		1,000,000	1,900
	9128286Z8	US TREAS	1/25/2021	6/30/2024	0.18%	0.18%		1,065,261	1,917
	91282CCX7	US TREAS	7/14/2023	9/15/2024	5.00%	5.00%		1,445,712	72,286
	91282CDN8	US TREAS	8/7/2023	12/15/2024	5.02%	5.02%		1,493,006	74,949
	3130AQTT0	FHLB	3/2/2022	2/28/2025	1.67%	1.67%		1,494,768	24,963
TOTAL SECURITIES								\$ 8,000,247	180,519
			Banner Checking and Savings			0.02%		268,267	54
			Pacific Premier Savings			5.36%		3,317,535	177,740
			LGIP - Primary Account			5.39%		10,469,188	563,808
			LGIP - Bond Proceeds Account			5.39%		6,570,223	353,833
				Total Accounts				\$ 28,625,459	1,275,953



STREET FUND REVENUES, 9/30/2023

<u>REVENUES</u>	<u>YTD 9/30/23</u>	<u>23-24 BUDGET</u>	<u>%</u>
Fuel Tax	311,210	917,905	33.9%
Investment Interest	48,005	20,000	240.0%
Miscellaneous	9,042	46,602	19.4%
ROW Permit Fees/Inspections	170,500	243,612	70.0%
Multimodal Transportation	23,460	63,948	36.7%
MVA Transpo City	20,528	0	0.0%
Transfer from General Fund	0	1,858,313	0.0%
Transfer from TBD	0	700,000	0.0%
Total Revenues	\$ 582,744	\$ 3,850,380	15.1%
+ Estimated transfers	\$ 960,000		37.5%
New Total Revenues	\$ 1,542,744	\$ 3,850,380	40.1%



STREET FUND EXPENDITURES, 9/30/2023

<u>EXPENDITURES</u>	<u>YTD 9/30/23</u>	<u>23-24 BUDGET</u>	<u>%</u>
Salary and Benefits	548,799	1,575,300	34.8%
Maintenance & Operations	580,756	2,001,300	29.0%
Capital	18,881	52,500	36.0%
Transfer to PW Shop Fund	0	175,880	0.0%
Total Expenditures	\$ 1,148,436	\$ 3,804,980	30.2%
+Estimated Transfers	65,000		37.0%
New Total Expenditures	\$ 1,213,436	\$ 3,804,980	31.9%
Net Revenues (Expenditures)	329,308	45,400	
<i>(with revised numbers)</i>			



SURFACE WATER MANAGEMENT

Fund	Budget 2023-2024	YTD 9/30/23	%
Storm Drain Fees	6,270,040	2,196,149	35%
Expenses	8,467,779	1,782,051	21%

- SWM has a cash balance of \$2.5M as of 9/30/2023
- Factoring in approx. \$1.3M in annualized transfers out, brings YTD expenditures to 36% or \$3.07M



IMPACT FEE REVENUE FUNDS

Fund	Budget 2023-2024	YTD 9/30/23	%	Cash Balance
Park Impact Fees	\$ 505,670	\$ 284,717	56%	\$ 379,648
Transportation Impact Fees	\$ 1,043,334	\$ 646,323	62%	\$ 1,006,350



REET / TBD FEE REVENUE FUNDS

Fund	Budget 2023-2024	YTD 9/30/23	%	Cash Balance
REET Fees Used for Trans Cap	\$ 2,448,000	\$ 802,648	33%	\$ 4,556,362
TBD Vehicle Fees to Street Fund	\$ 726,305	\$ 301,140	41%	\$ 452,663



SUMMARY

- Overall, General Fund revenues on pace for the biennium at 35.6%
- General Fund expenditures slightly below budget at 32.0%
- Interest revenue very high at 199% of budget
- All other funds tracking as expected



For comments and questions:

Melinda Merrell
Finance & Administration Director
mmerrell@kenmorewa.gov
425 398 8900 (x6190)

