

CITY OF

KENMORE

WASHINGTON

PRELIMINARY

2025 – 2026

**BIENNIAL
BUDGET**





CITY OF KENMORE

PRELIMINARY

2025 – 2026 BIENNIAL BUDGET

City Council

Nigel Herbig, Mayor
Melanie O'Cain, Deputy Mayor
Joe Marshall, Councilmember
Valerie Sasson, Councilmember
Jon Culver, Councilmember
Debra Srebnik, Councilmember
Nathan Loutsis, Councilmember

Rob Karlinsey, City Manager
Melinda Merrell, Finance and Administration Director

For the Period January 1, 2025 - December 31, 2026

Copies of the 2025-2026 Preliminary Biennial Budget are available for viewing on the City's website www.kenmorewa.gov, and at City Hall.



CITY OF KENMORE, WASHINGTON

2025 - 2026 PRELIMINARY BUDGET

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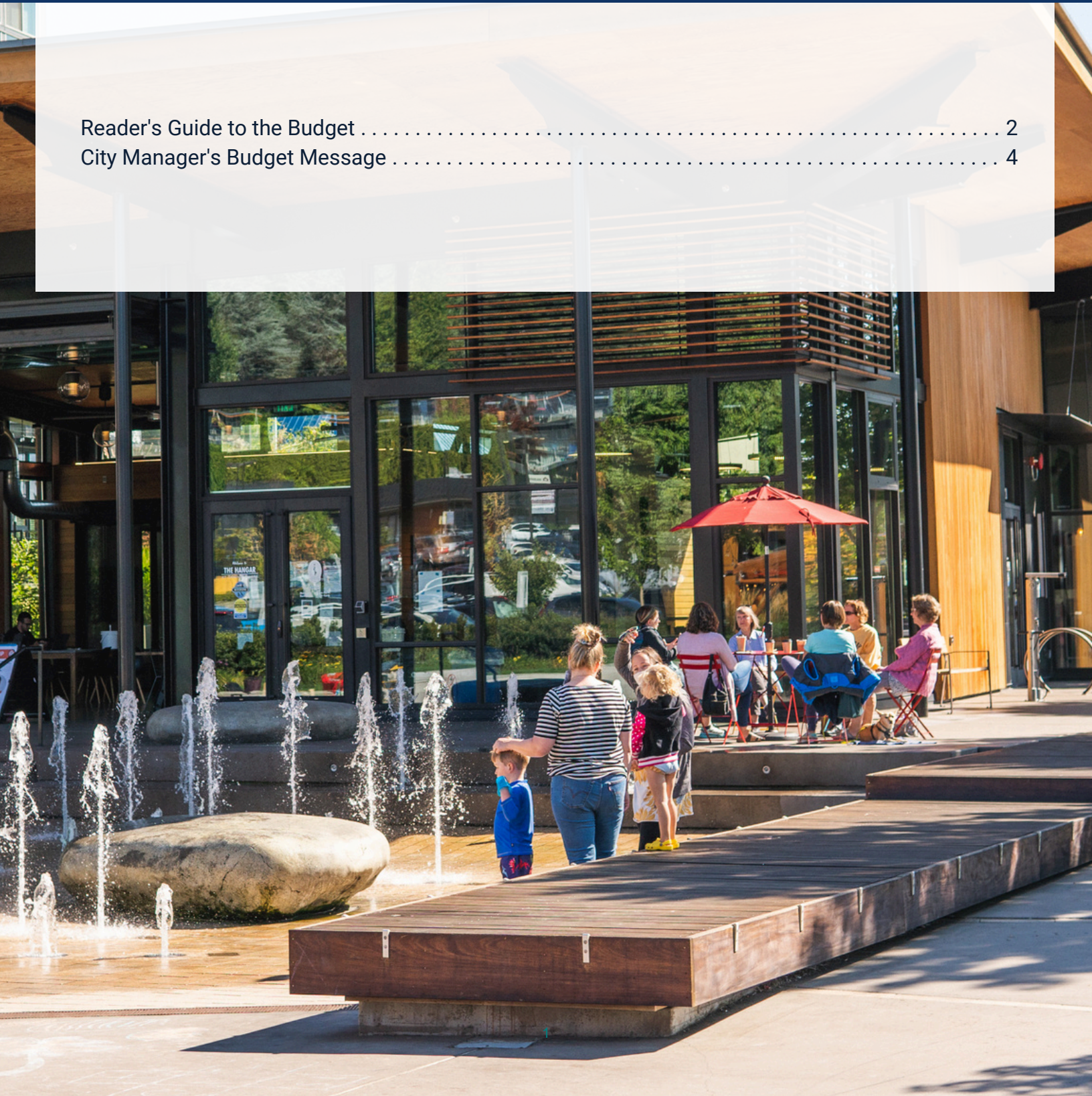
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READER'S GUIDE TO THE BUDGET

The City of Kenmore is required by State law to adopt a balanced budget each year. Understanding a governmental budget and its specialized terminology and organization can be a challenge. This Readers' Guide is being provided to highlight the kinds of information contained in this document and to make the City's budget more understandable and useable for the reader.

Organization of the Budget

This budget document contains legally required budget information, description background information and various graphs and tables that will be helpful to the readers' understanding. It is organized into eight major sections to help the reader more easily find information about the city and its budget. These sections are which follow the Table of Contents are:

- Introduction
- City Profile
- Budget Guide
- Executive Summary
- Operating Budget
- Other Funds' Budgets
- Capital Program
- Appendix

Introduction

This section introduces the reader to the contents of the budget document along with the transmittal letter prepared by the City Manager which provides an overview of the process and policies that guided the preparation of the current City budget. It includes the following:

- Reader's Guide to the Budget
- The City Manager's Budget Message

City Profile

This section tells the reader more about the City of Kenmore, the organization of the City, and the goals, and work plans that accomplish the work of the City. It includes an organizational function chart, a history and community profile of the City, the adopted 2025-2026 City Council Priorities, Kenmore's 20-Year Vision Statement, the City's service vision, a City zoning map, and an aerial photo.

Budget Guide

This section provides information about how the budget is developed and describes the City's financial policies. It includes the steps in the budget preparation process, policies, accounting and budgeting information and details about debt.

Executive Summary

This section provides a broad review of revenues and expenditures for all of the City's funds in a variety of tables and graphs to help the reader further understand the budget as a whole. It includes information about personnel, assumptions used in the development of the revenues and expenditures, and summary information and charts showing City-wide sources and uses of funds and cash.

Operating Budget

In this section, summary information about the General Fund budget is presented. The General Fund budget is the main operating budget of the City. It includes summary information and charts showing sources and uses of funds and the individual department, or cost center, budgets.

Other Funds' Budgets

Information about the budgets for the other funds of the City is included here and describes the purpose of each fund, 2023-2024 achievements, 2025-2026 personnel chart, 2025-2026 objectives, budget highlights, and detailed revenue and expenditure budgets.

Capital Program

This section describes the adopted six-year plan for capital improvements within the City and includes a description of the Capital Improvement Program, summary tables of park, transportation, and surface water capital improvements, and descriptions of the projects included in the program.

Appendix

This section provides a supplementary reference for the reader and includes:

- Ordinance No. 24-0619, adopting the 2025-2026 biennial budget (to be included in the adopted budget book)
- Resolution No. 23-402, adopting the 2024 Fee Schedule
- Resolution No. 23-407, revising the Stormwater Capital Facilities Charge
- The Investment Policy
- Glossary and Acronyms

City of Kenmore, Washington

October 7, 2024

Honorable Members of the Kenmore City Council
18120 68th Avenue NE
Kenmore, WA 98028



Dear City Councilmembers:

It is a thrill and an honor to submit to you another biennial budget. Kenmore is such a special city with its incredible residents and businesses, its stunning natural environment, its ideal location in the region, and our team of passionate and caring city employees. And yet Kenmore's upside potential is so great, with much good still to do for the climate and natural environment, parks, recreation, housing, human services, economic development, transportation choices, public safety, and much more.

Our service vision for the City is to propel Kenmore upward and create a thriving community where all people love where they live. We see our people thriving in many places and ways, from the dozens of wildlife habitat restoration volunteer work parties every year to the many Love Note Projects produced by our cocreators, to the ways our local businesses come together to build community, such as the Oktoberfest celebration this fall.

What a city can do for its residents and businesses is wonderful and marvelous. Just think of the things we are privileged to do for our community, or what I call "what we are in the business of:"

- We are in the business of creating a sense of community and a sense of place.
- We are in the business of saving lives and preventing human suffering.
- We are in the business of beautifying our city.
- We are in the business of planning for a better future.
- We are in the business of protecting the natural environment.
- We are in the business of facilitating democracy.
- We are in the business of asking "Where's the fun?"
- And so much more.

Who wouldn't want to work for an organization that does just one of those things? And yet we get to do them all. How cool is that?

This last biennium was remarkable in propelling Kenmore upward for a number of reasons, not the least of which was the final completion of the last three of the five Walkways & Waterways projects. The Kenmore City Council cut the ribbons on the Juanita Drive and 68th Avenue walking, biking, and beautification projects as well as the new environmental restoration and recreational features at ŁaŁwadis (Ti' awh-ah-dees) Park. Kenmore is a different and better city thanks to the Walkways & Waterways projects, and we have our residents to thank for giving us and trusting us with the resources to deliver these key projects.

The City Council also took decisive steps toward its top priorities, including funding a new Climate Action Program Manager, a Housing and Human Services Manager, and key initiatives performed by those positions. For a city our size, these are bold and proactive moves, and they show how our City Council, in partnership with the community, is willing to take on some of the most pressing and urgent issues of our time and put their values and aspirations into action.

Our work around Diversity, Equity, and Inclusion is also worth noting. In this last biennium, the City Council adopted a Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan and Five-Year Roadmap. We began implementing this plan and reported on its progress earlier this year. We are very grateful to our coworkers who worked hard to produce this plan. We are also thankful for the many hours that our volunteers on the DEIA Advisory Committee gave to this effort, and for the continued counsel and service they provide. And let me point that our DEIA Strategic Plan is not done—we still have a lot to do!

In 2024 the City Council adopted a “preamble” to its priorities document. This preamble reads as follows:

The City’s top priority will always be fulfilling its core mission, which includes City governance, ensuring public safety, maintaining the City’s infrastructure, complying with state and federal mandates, and safeguarding the City’s finances. In addition, achieving the City’s 20-year vision as described in the Comprehensive Plan is of high importance. With this context, the City Council can emphasize certain initiatives or address specific problems through its priority-setting process each year

This preamble keeps our core city responsibilities and the Comprehensive Plan’s 20-year vision front and center while at the same time allowing for certain issues to receive special emphasis.

There is no shortage of good things for a city to do—in fact, we could do so much more in many areas, including infrastructure, parks, recreation, police services, traffic safety, beautification, community engagement, the climate and environment, economic and community development, and supplementing State and County services such as human services and subsidized affordable housing. But there *is* a limit on our financial resources, and we have to allocate those limited resources wisely, prudently, and in keeping with the preamble to the City Council’s priorities.

That said, over the years we have expanded or created many new city services. Examples include:

- New sidewalks, bicycle lanes, and street landscaping; and the added maintenance and operating costs that go with this new infrastructure
- The Target Zero initiative, including an increase in the level of service in traffic safety programs and engineering
- Kenmore Automated Photo Enforcement Program
- New parks and improved parks; and the added operations and maintenance costs
- Other new infrastructure and programs such as the Hangar, Town Square, and Boathouse
- Added recreation programs provided by nonprofits at City parks and the increased staff time needed to coordinate those programs
- New City-imposed regulations such as tenant protections and tree regulations that require more staff time to administer and more legal services to defend
- New Federal- and State-imposed regulations such as new building and energy codes that create substantial additional work, including longer more plan review and added inspections. Another

example is Senate Bill 5290 which reduces the amount of time allowed for the review and processing of local permits, requiring more staff resources to meet those timelines

- The Climate Action Plan
- Human Services
- The Diversity, Equity, Inclusion, and Accessibility Strategic Plan and programming
- Affordable housing, including increased contributions to the ARCH trust fund and being directly involved in developing affordable housing on city-owned properties
- Regional Crisis Response alternative response program with police
- Partnership with North King County cities that led to the opening of Connections Health Kirkland, a 24/7 crisis care center to meet our community's behavioral health needs
- Economic development efforts including an expanded business registration program, new business directory, new Hank Heron mascot program, and new business award as part of the McMaster Award celebration
- Aquatic weeds management
- Ambitious new Rapid Progress Plus fish-blocking culverts replacement initiative
- Added surface water programs and regulations to comply with ever-increasing State and Federal requirements

The above are examples of how we have increased services and infrastructure to help propel Kenmore upward. By increasing revenues and staff, as well as tactically leveraging our existing resources, we have tried to make room in the budget for all of these things.

But there is a limit to what new programs we can make room for under our existing organizational structure. In fact, we are already straining under the weight of all of the new programs and services that have been added over the last 10 to 15 years. We are currently organized with a lean structure that harkens back to and continues from our start-up days as a new city back in the late 90s and early 2000s. For example, we have department heads and staff bearing multiple functions that would normally be distributed among a larger base of department heads and managers in a larger, more mature city organization.

As a residential contract city with a comparatively small tax base, this leaner structure worked well for us for the first 10 or 15 years of the City's existence. But this lean structure has been increasingly strained as we have: 1) moved from contracting for services to bringing more services in house, and 2) added new programs, infrastructure, and services.

As a result, we are due for a broadening of the base of our organizational chart. Quality of work in many parts of our organization is already suffering under current workload demands—the list of tasks and programs is too big to do everything well. Additional workload from new programs or initiatives would result in “thinning the soup” even more; quality and morale would suffer as the same resources would be distributed over more competing priorities.

If there is a desire to add even more programs, services, and infrastructure, we will need to expand and change the leadership structure (i.e., the base) as well as the staffing structure of our organizational chart to be more like the organizational charts of more traditional, mature cities with larger tax bases and greater ability to provide more services.

Despite the strain we are already under, I am not proposing any such structural changes to our organizational chart in this proposed 2025-2026 biennial budget given our financial limits. But broadening and right-sizing our organizational structure is a conversation we will need to have soon if the vision is to continue to add more parks, recreation, human services, City-imposed regulations, infrastructure, and other services and programs.

What would such an organization look like? One only needs to look to our older neighboring cities such as Kirkland and Bothell to answer this question. These cities have more department head positions to carry the load of managing city services. Examples of such director positions that Kenmore does not have include Public Works Director, Parks and Recreation Director, Human Resources Director, and Information Technology Director. In addition, these director positions have administrative support positions to go with them, and in many cases, assistant director and/or midlevel manager positions.

In lieu of these directors and supporting positions in Kenmore, functions are distributed and absorbed among a smaller number of our management team members. Examples include the following:

- Our Finance & Administration Director handles not only finance, but also information technology, risk management, and human resources.
- Our Public Works Operations Director manages parks and recreation in addition to streets, parks, fleet, and building facilities operations, with no assistant director or manager to help manage the work.
- In the absence of a Public Works Director, the City's three Public Works divisions report directly to the City Manager.

As shown in the examples above, we ask a lot of our team, and they work very hard and effectively to deliver despite the multiple hats we ask them to wear. But I believe that we have reached maximum capacity (and in some cases beyond maximum capacity) within a good portion of our organization, including at the leadership level. Adding new programs and initiatives will require not only more staff and resources (which we have at times provided), but also a change in structure which will include the addition of new departments similar to what we see in our more mature neighboring cities.

However, given our financial constraints, we cannot simply expand our organizational chart. Cities like Bothell and Kirkland have stronger tax bases than Kenmore due to their business parks and larger retail areas including big box stores and car dealerships. Kenmore is a primarily residential city (aka bedroom community), and it does not have the same opportunities (or tolerance?) for large business parks and big box retail. (Lakepointe is one potential exception that I will discuss later in this letter.)

Given the limits on Kenmore's tax base, increasing revenues is a path forward to afford a broader organizational structure that can support existing let alone more services. Options include voter-approved levy lid lifts and the formation of a voter-approved Metropolitan Park District. Again, I am not proposing this broader organizational structure in this current biennium, but it will be a conversation to have in the next biennium.

THE BUDGET PICTURE FOR THE 2025-2026 BIENNIUM

This proposed two-year budget maintains existing services and utilizes one-time "Special Projects" funding (indirectly made possible by the American Rescue Plan Act) to add new one-time or pilot initiatives for climate, human services, and economic development. This budget also proposes a capital transfer to the Lakepointe Fund in 2025 (see Lakepointe discussion later in this letter).

We are also implementing the 2024 Financial Sustainability Plan Task Force recommendations in this budget. At the beginning of this year, we brought together a task force of Kenmore residents to help us tackle our long-term budget challenges. This amazing group of people rolled up their sleeves, learned about the inner workings of our finances, meaningfully and thoroughly sought input from the public, and produced an incredible plan. We cannot thank them enough for their work!

Not including the one-time special projects expenses and the transfer to the Lakepointe Fund, our operating revenues and expenditures for the General Fund and Street Fund are as follows:

Summary of Operating Revenues and Expenditures (not including one-time Special Projects and a capital contribution to Lakepointe)

	General Fund			Street Fund			GF and Street
	2025	2026	Totals	2025	2026	Totals	Totals
Revenue	17,215,097	17,860,266	35,075,363	1,340,091	1,333,142	2,673,233	37,748,596
Expense	17,302,183	17,733,429	35,035,612	1,523,918	1,554,806	3,078,724	38,114,336
Net	(87,086)	126,837	39,751	(183,827)	(221,664)	(405,491)	(365,740)

While the above summary of our two main operating funds shows a net combined biennium deficit of \$365,740, this deficit is less than what was predicted during the Financial Sustainability Plan process. Using a multi-biennium strategy, the FSP Task Force was willing to tolerate a temporary deficit in the 2025-2026 biennium given the City's strong fund balance reserves. As recommended measures in the FSP get phased in, the deficits would disappear in future years and fund balances would be replenished.

The following table shows the FSP's General Fund and Street Fund picture for 2025 and 2026:

FSP Prediction of 2025-2026 Operating Revenues and Expenditures for the General Fund and Street Fund

	General Fund			Street Fund			GF and Street
	2025	2026	Totals	2025	2026	Totals	Totals
FSP Revenue	17,306,651	17,815,678	35,122,330	1,378,476	1,393,512	2,771,988	37,894,318
FSP Expense	17,087,919	18,032,565	35,120,484	1,903,937	1,984,043	3,887,980	39,008,464
Net	218,732	(216,887)	1,846	(525,461)	(590,532)	(1,115,992)	(1,114,147)

The improvement in our budget proposal compared to the FSP prediction comes from two main sources:

- \$2 million in the one-time Special Projects funding is bearing the cost of new initiatives in climate, environment, human services, and economic development. These initiatives are briefly discussed later in this letter and proposed in more detail in the Special Projects cost center of this budget.
- The increased revenues in the Kenmore Automated Photo Enforcement (KAPE) fund are taking on additional operational costs from the General Fund and Street Fund, including a small portion of the police budget to account for police officer time spent on photo enforcement and other traffic safety activities.

Now, if we add in the one-time Special Projects expenses and the Lakepointe transfer in 2025, the 2025-2026 budget picture looks as follows:

	General Fund			Street Fund			GF and Street Totals
	2025	2026	Totals	2025	2026	Totals	
Operating Revenue	17,215,097	17,860,266	35,075,363	1,340,091	1,333,142	2,673,233	37,748,596
Operating Expenses	17,302,183	17,733,429	35,035,612	1,523,918	1,554,806	3,078,724	38,114,336
Lakepointe	650,000	-	650,000	-	-	-	650,000
Special Projects	1,015,939	1,010,125	2,026,064	-	-	-	2,026,064
Total Expenses	18,968,122	18,743,554	37,711,676	1,523,918	1,554,806	3,078,724	40,790,400
Net	(1,753,025)	(883,288)	(2,636,313)	(183,827)	(221,664)	(405,491)	(3,041,804)

The following table shows the proposed budget's effect on ending fund balances in the General Fund and Street Fund, assuming the \$2 million for Special Projects is fully spent and the \$650,000 transfer to Lakepointe in 2025 is included:

	General Fund		Street Fund		GF and Street Combined
	2025	2026	2025	2026	
Beginning Fund Balance	9,082,274	7,329,249	2,294,467	2,110,640	11,376,741
Ending Fund Balance	7,329,249	6,445,961	2,110,640	1,888,976	8,334,937
20% of Annual Operating Expenses Fund Balance Requirement	3,460,437	3,546,686	304,784	310,961	3,857,647

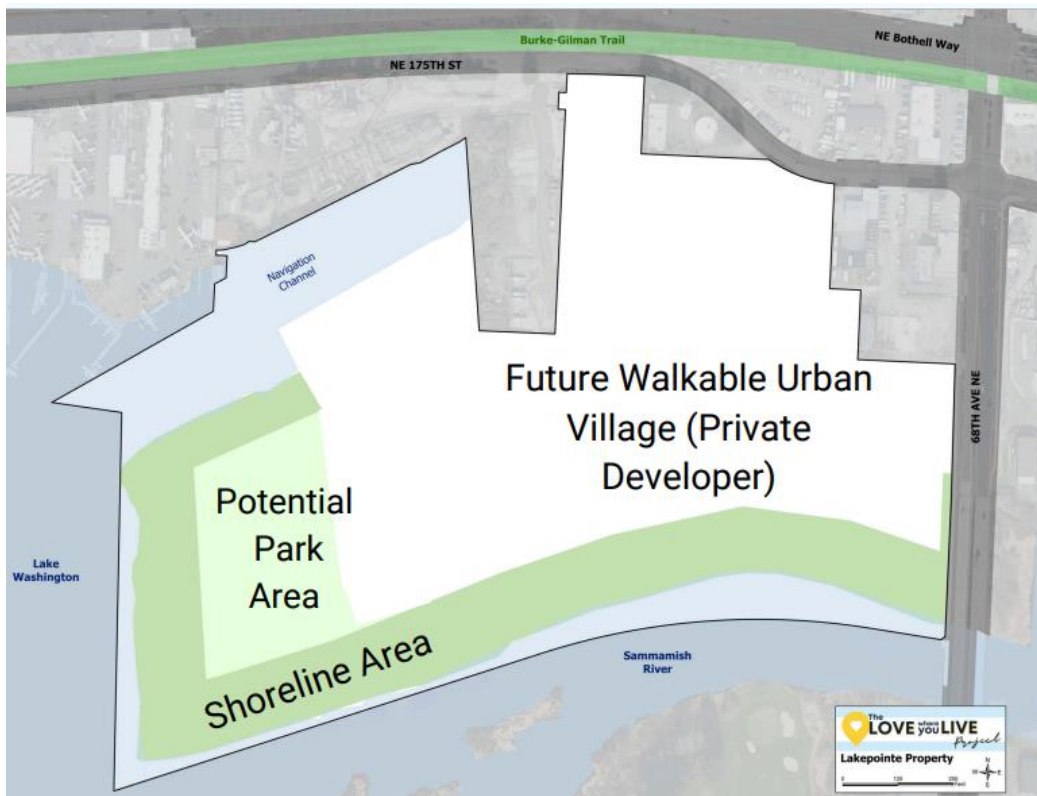
As you can see in the table above, Kenmore's combined ending fund balance for the General and Street Funds, even with Special Projects fully spent and the transfer made to the Lakepointe Fund, is higher than the City Council's established policy of having operating fund balances of at least 20% of operating expenses.

However, even with this relatively high ending fund balance, we need to continue to be financially prudent and follow the recommendations of the FSP Task Force. If we don't, the fund balances will deplete below the minimum levels in the not-too-distant future.

Lakepointe

Lakepointe has the potential to transform Kenmore, especially its downtown and waterfront, more than any effort so far. The Lakepointe property is the last of its kind and size on Lake Washington, and it can advance several top City Council priorities, including environmental sustainability through the restoration of the shoreline, economic development, and increasing our housing supply. We are pursuing the following course of action to make the Lakepointe vision a reality:

1. Acquire approximately 15 acres of the 40-acre Lakepointe property. This includes acquisition of a 150-foot-wide swath of most of the Lakepointe shoreline (over 3,000 lineal feet) and about 4 acres for a future "central park" near the west end of Lakepointe, as shown here:



The goal is to restore the shoreline to its natural state, thereby creating an improved riparian zone for salmon and other wildlife; but in addition, the public will be able to access along the shoreline via a trail and several lookout points over the water. The central park will be what we call a “drop-dead-gorgeous park” that will raise the bar for the region and that our residents will be proud to have their friends and family come visit.

2. In cooperation with the property owner, solicit proposals and select a developer (or developers) to acquire and develop the rest of Lakepointe into a walkable urban village with residential units, retail, office, restaurants, a hotel, and more.

For the City to acquire the 15 acres, restore the shoreline, and develop the park will require funding from both grants and a voter-approved tax measure. The timing and financing methods of acquisition and development is currently unknown, so this proposed budget does not include full acquisition and development costs of Lakepointe. This budget does, however, propose a financial plan to enter into a purchase and sale agreement with the property owner and a due diligence and preliminary design budget. This budget includes, among other resources, a transfer of \$650,000 from the General Fund in 2025. For more details, see the Lakepointe Fund section of this budget.

Lakepointe, if it gets fully underway as a major project, will impact just about every department in the City. Workloads throughout the organization will need to be assessed and adjusted, including possible delays or reductions in other projects and priorities, accordingly.

Special Projects (indirectly made possible by ARPA)

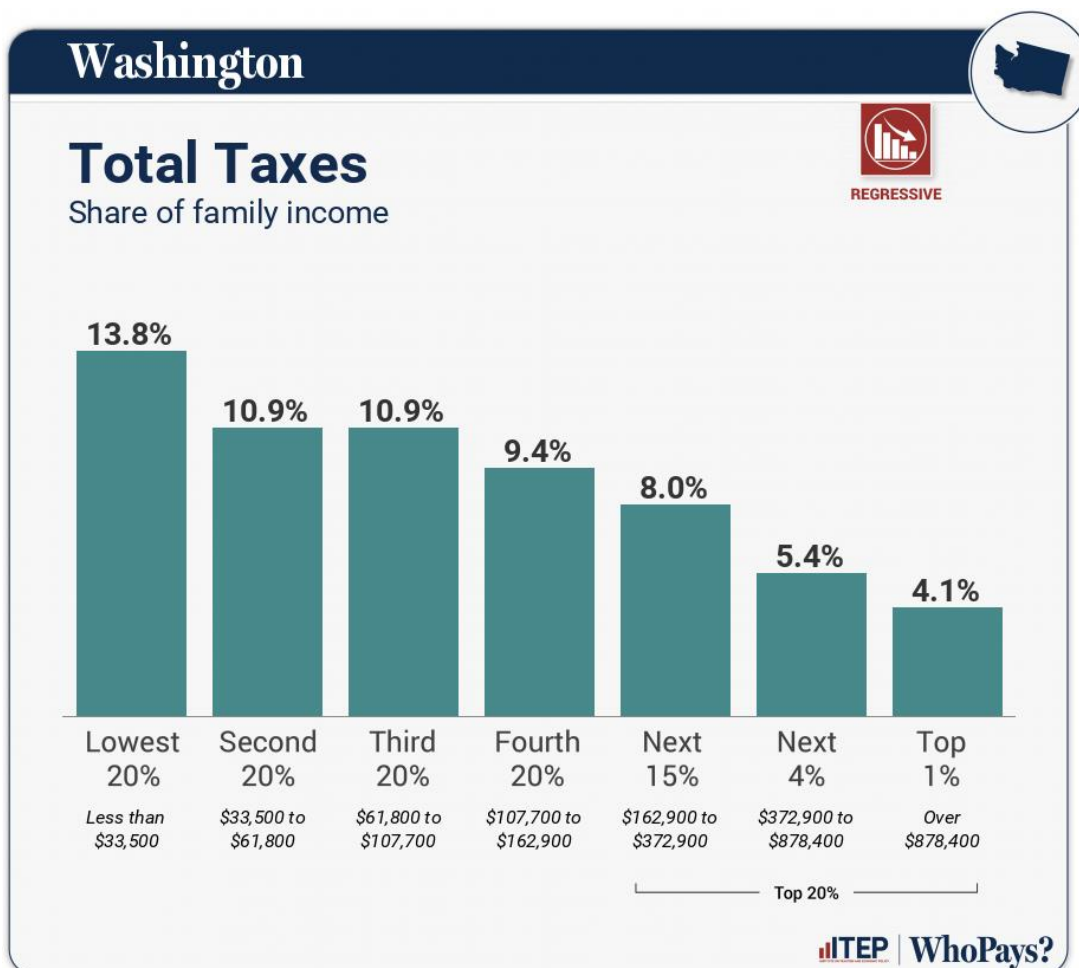
In 2021, in response to the pandemic, Congress passed the American Rescue Plan Act (ARPA) which distributed \$1.9 trillion in relief funds across the country. Kenmore received \$6.4 million, half which was deposited into the City's bank account in 2021, and the other half came in 2022. We quickly put this

funding to good work, including direct cash assistance to low-income households, several human services and business assistance programs, and partially reimbursing the City for the Holt property purchase which is planned for lower income workforce housing.

The remaining ARPA funds were used to pay for police services in 2023, which freed up just over \$2 million in General Fund dollars to be used for what we are now calling “Special Projects.” This one-time amount of \$2 million will be available in this 2025-2026 biennium.

The proposed spending list is shown on the Special Projects cost center in the General Fund of this budget. In creating the proposed list, we considered the ARPA outreach conducted in 2021 and 2022, Love Where You Live community engagement results, and City Council priorities.

One of the Special Projects proposals is to provide utility tax assistance for low-income households in Kenmore. The details and exact method of this assistance is to be determined, but the underlying premise of this proposal stems from our regressive tax system in Washington State, including utility taxes. The following graph by the Institute on Taxation and Economic Policy illustrates the regressive tax burden here in Washington State¹:



By providing some utility tax relief to our lower income households, we can, at least in a small way, help alleviate the impacts of our state’s regressive taxes.

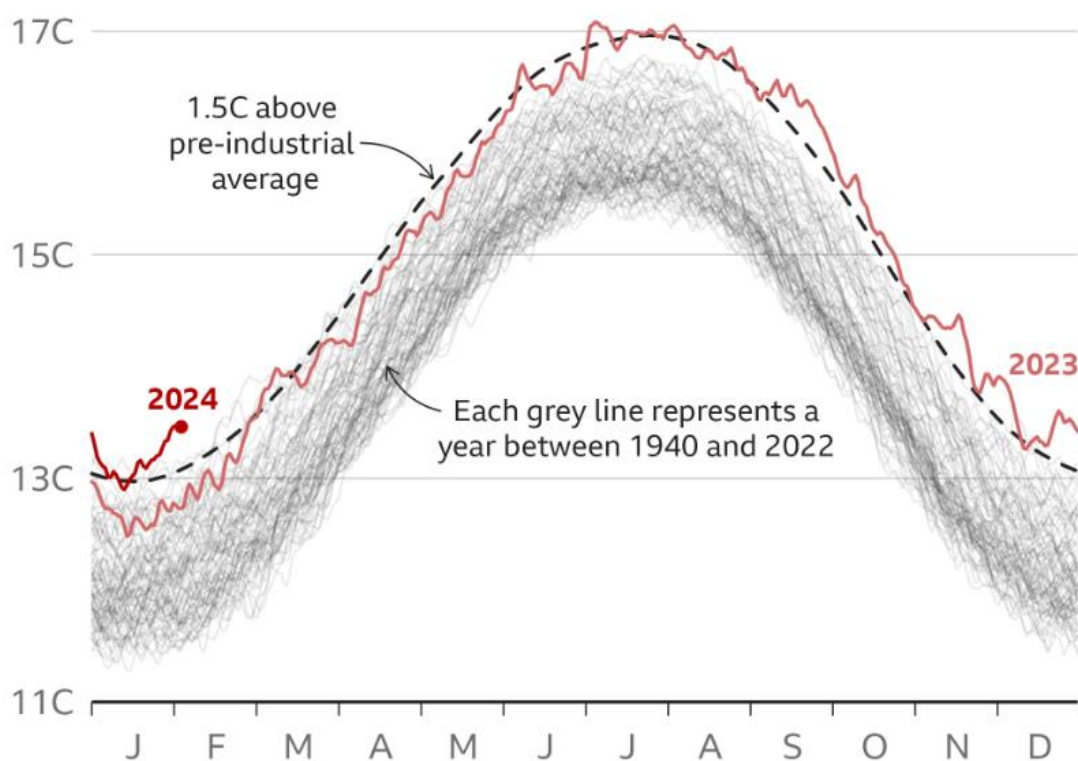
¹ Source: Institute on Taxation and Economic Policy. “Who Pays?” 7th Edition. Published January 2024. Accessed 9/19/24 at <https://itep.org/whopays/washington-who-pays-7th-edition/>.

Other proposed items on the Special Projects list include efforts to further reduce greenhouse gas emissions and reach our Climate Action Plan goals. These efforts include financial incentives for our residents and businesses, as well as grant match funds to implement an electric vehicle charging plan and an urban forestry plan. These efforts, combined with all of the efforts in the Climate Action Plan, are sorely needed given the urgent problem of global warming.

2023 was the first year that the average global temperature exceeded the 1.5-degree Celsius threshold above pre-industrial average temperatures, as reported by the BBC in February 2024 in this graph:²

Global temperatures remain at record levels

Daily global average air temperature, 1940-2024



Note: Temperature data for 3 February 2024 is preliminary

Source: ERA5, C3S/ECMWF

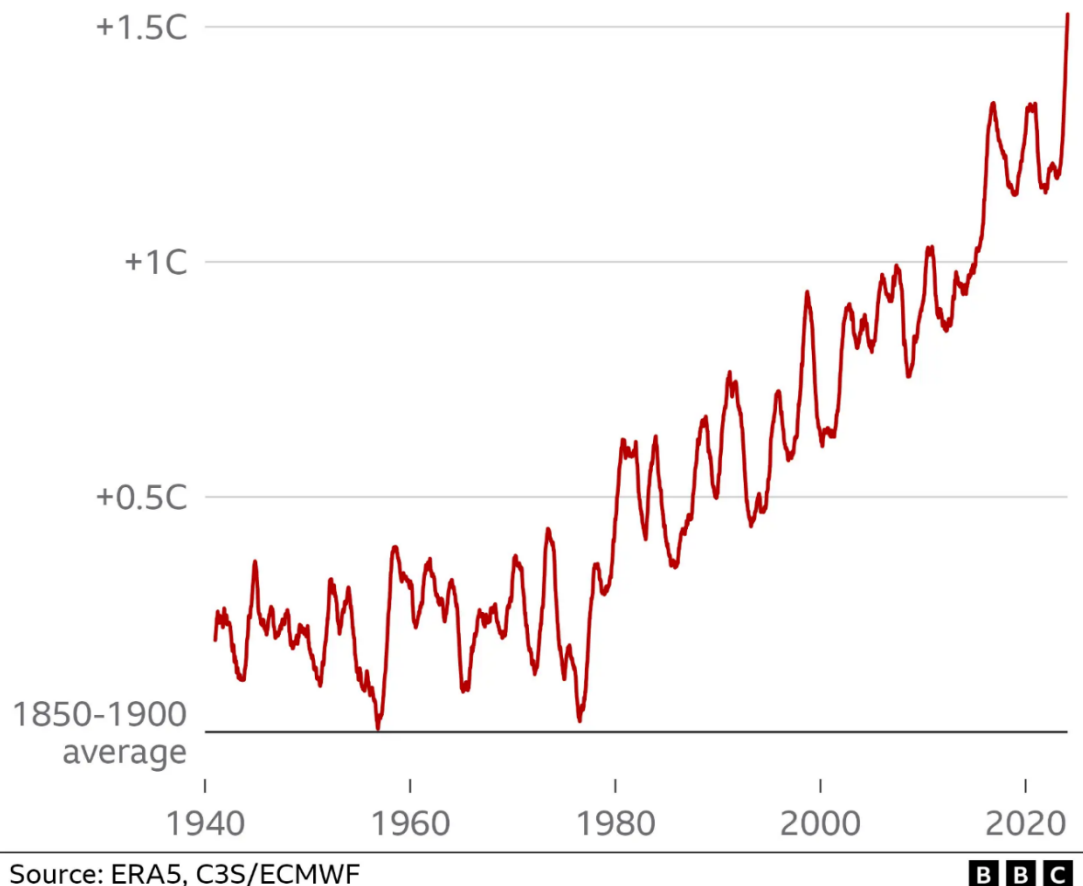
BBC

² Source: "World's first year-long breach of key 1.5C warming limit," BBC, February 8, 2024. Link as of September 26, 2024: <https://www.bbc.com/news/science-environment-68110310>

2023's El Niño contributed to the warmer temperatures, but the fact that we crossed over 1.5 degrees should still be alarming. Scientists say that only one year at 1.5 degrees is not enough to say the planet has crossed the threshold, but there is no doubt we are heading there fast. Here is another depiction of our current trajectory toward 1.5 degrees³:

Temperature rises pass 1.5C for full year

Average global air temperature compared with pre-industrial levels, running average of 365 days



What is this 1.5 degrees Celsius threshold, and why does it matter? The Natural Resources Defense Council provides the following background:

Since climate change emerged as a global concern in the 1970s, scientists have been trying to predict the impacts of varying amounts of temperature rise. By 1990, when the United Nations' [International Panel on Climate Change \(IPCC\)](#) published its first assessment, the authors defined the increase of global average temperatures by 2 degrees Celsius (compared to that between 1850 and 1900) as "an upper limit beyond which the risks of grave damage to ecosystems, and of nonlinear responses, are expected to increase rapidly."

³ Source: "World's first year-long breach of key 1.5C warming limit," BBC, February 8, 2024. Link as of September 26, 2024: <https://www.bbc.com/news/science-environment-68110310>

Those “nonlinear responses” refer to the triggering of irreversible [tipping points](#)—such as rapid glacier melt, collapsing coral reefs, and thawing permafrost. Once past a certain threshold, such events build upon themselves, exponentially exacerbating the effects of climate change. In short, hitting a tipping point should be avoided at all costs, as it would bring devastating losses to ecosystems, societies, and human lives⁴.

While the IPCC’s prediction is grim and not very pleasant to contemplate, we should not ignore it or passively hope it won’t happen. And we don’t have to wait to cross the 1.5-degree threshold before we can see devastating effects of climate change. Our planet has already been experiencing the effects, as explained in a recent United Nations article:

Even at current levels of global warming, we are already seeing devastating climate impacts, including intensifying extreme weather events, alarming reductions in ice sheets, sea ice, and glaciers, and several mass coral bleaching events, with widespread harms to people, economies, and nature ([IPCC](#)).⁵

Even here in the mild oasis of the Pacific Northwest, we are not immune. We are experiencing more extreme hot days, smoke from wildfires, and flooding. Glaciers are shrinking and snowpack is declining.

Instead of feeling overwhelmed and hopeless as a result of all this news, we can grab on to some hope. Carbon neutral goals and the actions to realize those goals can and are making a difference. Implementation of collective international agreements such as the 2015 Paris Agreement is improving projected global warming models.⁶ Scientists are telling us to act now and that everyone can do their part—including here in Kenmore.

This proposed biennial budget allocates resources to continue implementing the City’s Climate Action Plan. The proposed use of one-time Special Projects funding to provide even more financial incentives and resources for implementing our plans should give us an extra boost toward achieving our greenhouse gas reduction targets.

Staffing Needs

As discussed earlier, we continue to see increases in workload coming from both internal and external forces. While financial constraints prevent us from expanding the organizational chart to truly meet demands, as a modest alternative I am proposing increases in several positions.

Increase the Building Official position from ¾ PTE to 1.0 FTE. The Building Official position helps ensure structures are built safely and in compliance with adopted codes, including the new building and energy codes handed down by the state that were recently adopted in March 2024. As regulatory requirements become increasingly complex, the time it takes to review and inspect projects has increased. At the same

⁴ Source: “1.5 Degrees of Global Warming—Are We There Yet?” NRDC explainer, July 18 2024. Link as of September 26, 2024: <https://www.nrdc.org/stories/15-degrees-global-warming-are-we-there-yet#:~:text=Earth%20hit%20a%20grim%20milestone,then%2C%20the%20streak%20has%20continued>

⁵ Source: “1.5°C: what it means and why it matters,” United Nations. Link as of September 26, 2024: <https://www.un.org/en/climatechange/science/climate-issues/degrees-matter>

⁶ “1.5°C: what it means and why it matters,” United Nations. From the article: “Countries’ commitments to reduce greenhouse gas emissions under the Paris Agreement have contributed to reducing the projected global warming by the end of the 21st century from 3.7–4.8°C to 2.4–2.6°C or possibly even lower. While this is far from sufficient, it shows that collective commitments under the Paris Agreement have made a difference ([UNFCCC](#)).” See link to this article in the footnote above.

time, Senate Bill 5290 (“SB 5290”) is another new state mandate that has reduced the amount of time jurisdictions are allowed to review and process permits. Implementing SB 5290 presents a significant challenge for the department. Additionally, large projects are coming that require the expertise of a Building Official (e.g., Inglemoor High School, Public Works Operations Center, Larus Apartments, and others). A full-time Building Official will help the department manage a timely and predictable permit process.

Increase the Permit Coordinator position from 0.625 PTE to 1.0 FTE. The Permit Coordinator position helps process permits and assists customers, while the Senior Permit Coordinator (a full-time budgeted existing position) takes on more complex projects, fee calculations, and management of the permit software systems (TRAKiT and Mybuildingpermit.com or “MBP”). MBP has partnered with other ECitygov Alliance members to update their front-end customer-facing system and create a new back-end permitting software that will (eventually) replace TRAKiT. This project requires coordination between MBP that the Senior Permit Coordinator (Senior PC) currently has no time for because he’s busy processing permits. Increasing the Permit Coordinator position to full-time will free up time for the Senior PC to work on the MBP project. The Senior PC is also an essential team member in implementation of SB 5290. Increasing the Permit Coordinator to full-time will help the department manage a timely and predictable permit process.

Civil Engineer (75% from KAPE/capital, 25% impact to the GF). It is proposed that that this new position design pavement management projects (e.g., slurry seals) as an annual project, right-of-way asset management (ADA improvements, bike lanes, sidewalks, etc.), traffic service requests, and 30% design for transportation capital projects. Traffic related services requests are a significant impact to the Engineering department currently managed by the City Traffic Engineer. It would be a better use of the traffic engineer’s time pulling these from his primary duties so that that position can better manage traffic safety issues and planning for the City. Significant capital cost is expended identifying the exact plan we want for a capital project. It would be more efficient and a cost savings to do 30% design in-house versus using consultants. Not enough resources to effectively implement the pavement management program or to update assets has resulted in combining pavement overlay into existing capital projects and a back log on pavement seals and asset inventory.

Right of Way Construction Inspector (75% to KAPE/capital; 25% impact to the GF). This position will inspect selected capital improvement projects and provide a backup for the right-of-way inspector (permit review/inspection and service requests). Overall cost to hire consultants to do construction inspection for one sidewalk project is approximately equal to two times the annual salary of an inspector. In addition, the quality of consultant services for inspection has dropped over the last few years.

Limited Term Senior Planner – Two-year full-time position. This position will help with peak workloads coming in the next biennium and will help backfill the Community Development Director’s time spent directing and supporting the Lakepointe project. Also note that the Parks Projects Manager position became vacant and will not be filled; this proposed new position will assume some work of the former Parks Projects Manager position, including the update of the parks planning documents, as required by state law. This limited term position will assist with the annual docket work program including the following potential docket items: Update of the Park Recreation and Open Space (PROS) Plan due by March 2026 to remain eligible for RCO grant funding; Update the PROS Element (last updated 2019); Update the Parks Capital Facilities Element; Update the Park Impact Fee Study; Update of the affordable housing strategy; Draft amendments to permanent supportive housing regulations; Create new zoning

regulations for the parcels adjacent to Swamp Creek currently under interim regulations; Develop a downtown business strategy; and Monitor reports for housing units.

Lakepointe Project Manager. Assuming we reach an agreement with the property owner, we should be underway soon with Lakepointe site due diligence, testing, shoreline restoration and park design, more community engagement, and solicitations for developers for the rest of the property. Grant funding will also be a large part of this effort, including applying for State and Federal grants that may be able to assist with due diligence as well as acquisition, environmental restoration, and park design and development. There are a number of possible grants that may be able to fund these activities, and we need a position to not only apply for and manage these grants, but also to manage all of the other aspects just mentioned. This position will be paid for in the Lakepointe Fund.

Community & Business Engagement Coordinator (full-time, but ½ net FTE increase). The recent Executive Assistant position in the City Manager's Office became vacant, and we are proposing to use a portion of that resource to create a Community & Business Engagement Coordinator. We also plan to increase one of the half-time receptionist positions to full time and reclassify that position to Executive Assistant. The net result is a 0.5 full time employee increase. The Community & Business Engagement Coordinator will report to and assist the Communications and Tourism Manager with the ever-growing citywide communication and community engagement expectations. Duties will include citywide communications, community engagement and marketing support, social media messaging, business directory management, tourism programming and marketing campaigns, business relations, grant administration, website development and management, management of the Hank Heron mascot program, database management, and research. Additionally, this position would help run economic development-related Special Projects such as the small business expo. This position would support the City Council's #4 priority to promote Economic Development Strategies that enhance downtown and attract residents, small businesses, and visitors, and the #7 priority to broaden community engagement and foster fun.

Capital Program

Our capital program for the next biennium will have a big impact on Kenmore. When it comes to transportation capital, while we completed several large projects in the last few years, we have smaller projects coming up but more of them, including Arrowhead Drive sidewalks and 80th Avenue sidewalks, just to name two. Our Engineering Department has been very successful in applying for sidewalk grants, which translates into a very busy sidewalk capital program for the next few years. Kenmore will be even more safe and walkable as a result.

As for parks, there are not many parks capital projects coming up, mainly because we are shifting resources over to Lakepointe, which has the potential to contain the most major parks capital project in the City's history.

The Public Works Operations Center will be under construction next year, and full completion and move-in is scheduled for 2026. I can't underscore enough the importance of this project for the City's ability to provide quality and efficient maintenance services for generations to come.

Last but not least, we are very much looking forward to the surface water capital program because of its potential to open up fish habitat and improve the water quality of our streams and rivers. We are moving full steam ahead with the "Rapid Progress Plus" culvert replacement program. Many thousands of feet of streams will be opened up for salmon and other wildlife habitat over the next ten years.

Conclusion

The proposed 2025-2026 biennial budget, like budgets in the past, is ambitious and full of meaningful and important work. One of our organization's core values is action—we make stuff happen, even when it's hard. Make no mistake—many of the challenges we are taking on in this budget are not easy. Some may seem bigger than Kenmore and perhaps even too complex to wrap our heads around. Examples include affordable housing, climate change, pedestrian and bicycle safety, racial and social justice, and human services.

Yet we do not shrink from these challenges. Thanks to our taxpaying residents and businesses, we have resources to do our part to make this small corner of the world a better place. And who knows, perhaps we're helping to make the world a better place too. We know that we are.

We're more than excited about what's planned in this budget, and we're grateful for the resources provided by our residents and businesses that make this budget and everything in it possible.

We also want to reiterate our gratitude for the residents who volunteered to serve on the Financial Sustainability Task Force earlier this year. If we follow their recommendations, our City will be financially sustainable with strong fund balances for years to come.

Gratitude is also due to my incredible team of coworkers who produced this budget. It has been an all-hands-on-deck effort, but I want to thank in particular our Finance & Administration Director, Melinda Merrell, and her team, including Carla Schnee, Julie Yinger, and Brenda Chamness. The biennial budget is a large document with a lot of complexity and interconnected pieces, and they did a great job bringing it together. Michelle Kang and Lauren Chomiak offered to help with design, formatting, and editing. They were quintessential and have brought the look and feel of the budget to the next level. Last but not least, the department directors and their teams worked hard to produce the numbers and the content for their department budgets. It truly takes a team!

We are grateful and inspired by the City Council's vision for the City. Kenmore is truly on an "upward trajectory of becoming," and the resources provided in this budget combined with the collective efforts of the City Council, our hardworking city employees, our cocreators, businesses, and the community as a whole, we can achieve what this budget sets out to do, which is to make our service vision a reality:

Propelling Kenmore Upward: We create a thriving community where all people love where they live [and do business, play, work, and learn].

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Karlinsey". The signature is stylized with a large, sweeping "R" and a long, horizontal stroke at the end.

Rob Karlinsey
City Manager

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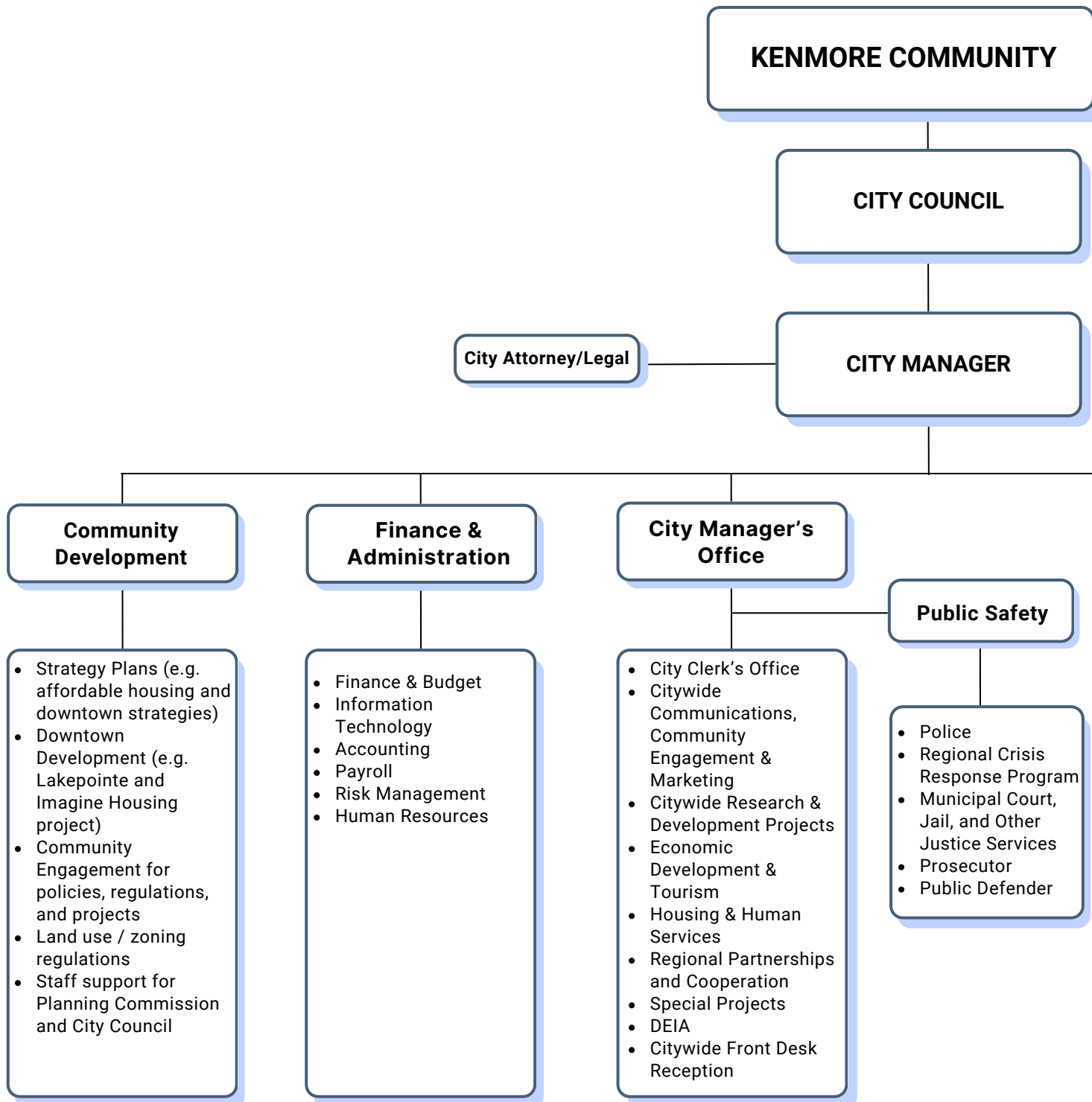
CITY PROFILE

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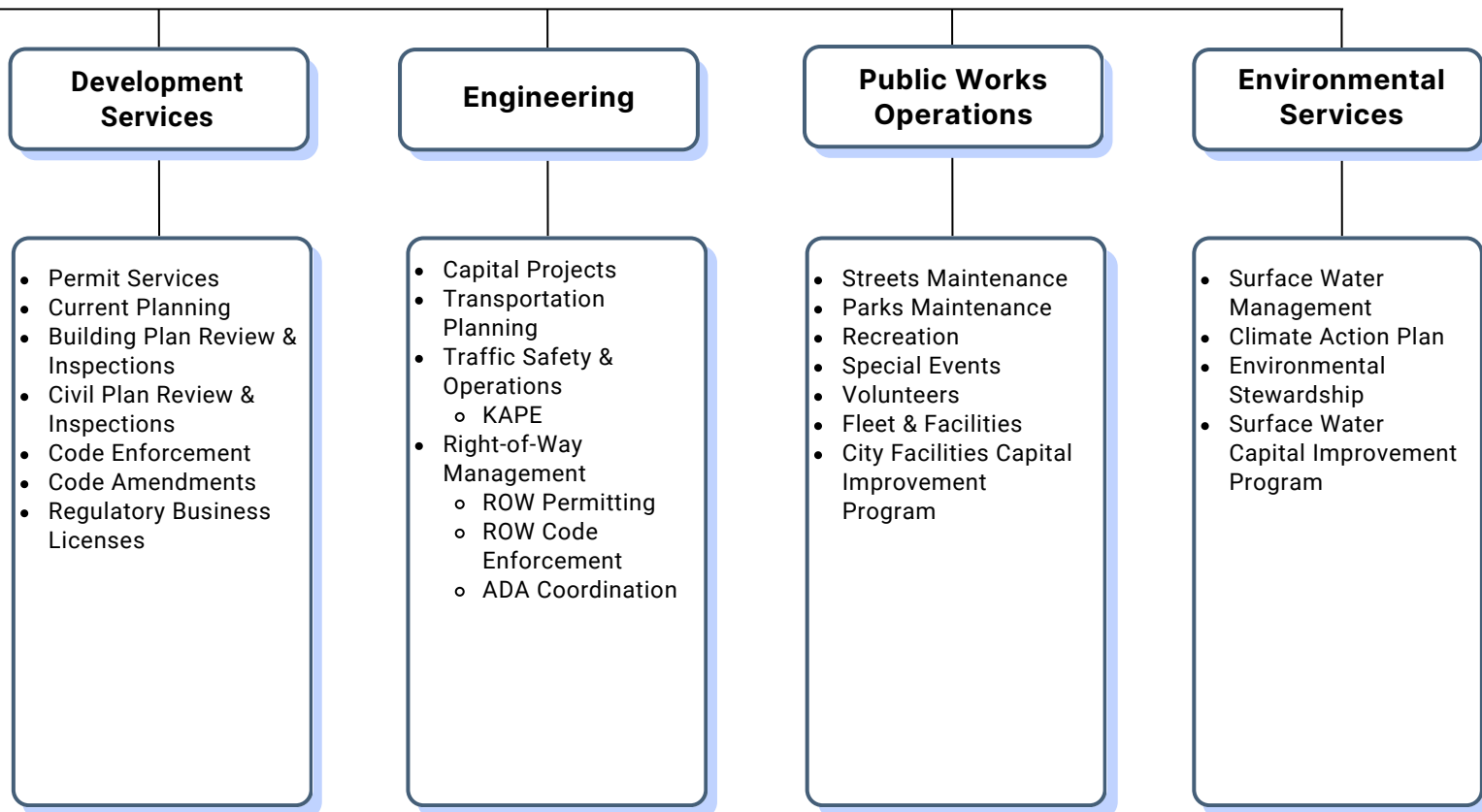


CITY OF KENMORE, WASHINGTON

ORGANIZATIONAL



FUNCTION CHART





CITY OF KENMORE, WASHINGTON

ELECTED OFFICIALS



**Mayor
Nigel Herbig**
Position No. 4



**Deputy Mayor
Melanie O'Cain**
Position No. 1



**Councilmember
Joe Marshall**
Position No. 2



**Councilmember
Valerie Sasson**
Position No. 3



**Councilmember
Jon Culver**
Position No. 5



**Councilmember
Debra Srebnik**
Position No. 6



**Councilmember
Nathan Loutsis**
Position No. 7

PLANNING COMMISSION

Dwight Thompson, Chair
Mike Vanderlinde, Vice Chair
Tracy Banaszynski
Derek Wyckoff
Saad Qadri
David Dorrian
Chris Olson

CITY MANAGEMENT TEAM

Rob Karlinsey, City Manager
Stephanie Lucash, Deputy City Manager
Melinda Merrell, Finance and Administration Director
Debbie Bent, Community Development Director
Samantha Loyuk, Development Services Director
John Vicente, Engineering Director
Jennifer Gordon, Operations Director
Richard Sawyer, Environmental Services Director
Brandon Moen, Chief of Police
Dawn Reitan, City Attorney



HISTORY OF KENMORE

Founded in 1901, Kenmore was primarily a dense forest, mostly owned by investors, for many years. One of these investors, Philo Remington (inventor of Remington guns) sold some of the investment property to Watson C. Squire (his son-in-law). Squire was the last territorial governor of Washington State and one of the State's first United States Senators. He erected a water tower and the availability of water attracted water squatters. Shirl Squire, his sister, a landscape architect in Massachusetts, planned to make it into a residential waterfront park complete with lagoons, but Squire died in 1926 before he was able to build it.

Kenmore was named by John McMasters. He and his wife, Annie, were originally from the small town of Kenmore, Canada, located 40 miles south of Ottawa. They arrived in Puget Sound in 1889, leased land at Kenmore from Squire, and named the area after their old hometown. He took control of a mill started by Fir Lumber in 1903. At first, he was partnered with Chris Kruse, but assumed full ownership in 1905. Kenmore was only the mill, the cookhouse, the manager's house, a bunkhouse, and a few worker shacks.

The mill was at the edge of Lake Washington, where logs were floated to be made into shingles for roofs and the sides of houses. The mill, located east of the present Premix plant on the flat land beside the river, employed 35 - 40 men. The mill burned down in 1923.

Sportsmen enjoyed hunting in the marsh at the mouth of the Sammamish and a boathouse and resort house accommodated them at Peterson's Landing, near the present highway bridge. There was a houseboat hotel with a saloon and floats for mooring. In fact, there were duck clubs up the river, usually small cabins owned by small groups of well-to-do citizens from Kirkland. Weekends were known to be rowdy and busy. Places with names such as the 'Bucket of Blood' existed as late as 1940 at the location of the present Rite Aid parking lot. 'The Blind Pig' was only accessible to boats and was named because, during Prohibition, it was easy to dump evidence in the lake during a raid.



The Red Brick Highway, first called Squire Boulevard, became Bothell Brick Road, which opened in 1913 and stimulated growth in Kenmore. After the end of World War I, the Puget Mill Company (Pope & Talbot) offered small tracts of land. Homes were built north of the highway and between the main intersection and Swamp Creek. The Moorlands also grew after a bridge was constructed across the river in about 1918. The Mitchell family built a store in 1919 at the Kenmore crossroads, and the first service station was completed the following year.

Kenmore maintained its own school district for many years and constructed its first school building in 1914. In 1916 the district consolidated with Bothell. The children were picked up in a milk truck, with benches placed in the truck every morning and again in the afternoon. It was not until 1920 that the school obtained an actual school bus. The original school faced what is now NE 181st Street. From 1925 until 1930, the building was used by the Kenmore Community Club.

During the second half of the 20th century, the population grew quickly and had reached 16,874 at the time Kenmore incorporated on August 31, 1998. Today, Kenmore, also known as Kenmore by the Lake, has a population of 24,090 and enjoys an ideal location on the northernmost shore of Lake Washington. Kenmore features spectacular local and State parks, a regional 18-mile paved trail, beautiful neighborhoods, award-winning businesses, and a highly recognized school district. In 2009, Kenmore was ranked #1 by Seattle Magazine for "Best Metropolitan Neighborhoods to Live" and named by Family Circle Magazine as "One of the 10 Best Towns for Families."



CITY OF KENMORE, WASHINGTON

COMMUNITY PROFILE



Located at the northern tip of Lake Washington, Kenmore is an economically healthy city in the north end of King County where community thrives and businesses soar. Celebrating its 25th year of cityhood in 2023, Kenmore has many unique attributes and benefits including family-friendly neighborhoods; abundant parks, natural spaces and shoreline; a variety of cultural activities; an award-winning public school system; access to higher education; and the finest close-in medical care. The city's central location and ease of access by highway, regional trail, seaplane, or boat, make it an accessible and connected place to live and work.

GOVERNMENT

- **Incorporated in 1998**
- Form of Government: **Council-Manager**
- Elected Body:
 - Seven city councilmembers, each with four-year terms
 - One councilmember serves as the Mayor
 - One councilmember serves as the Deputy Mayor

LEGISLATIVE REPRESENTATION

King County District 1

Councilmember Rod Dembowski

State Legislative District 1

Senator Derek Stanford
Representative Shelley Kloba
Representative Davina Duerr

US Congress

Senator Patty Murray
Senator Maria Cantwell
Representative Suzan DelBene (Dist. 1)

PUBLIC SAFETY AND UTILITY SERVICES

Fire Protection

- Part of Shoreline Fire: **Kenmore Station #51**
- Number of Fire Station Personnel: **28**

Police Protection and Judicial Services

- Contract with **King County Sheriff's Office**
- Municipal Court: **King County District Court in Shoreline**

Utility Services

- Water and sewer services are provided by **Northshore Utility District**
- Electricity and natural gas are provided by **Puget Sound Energy**
- **Republic Services** for garbage/recycling services, regulated by State Utilities and Transportation Commission





LOCATION

- North of Seattle in King County, Washington. Adjacent to the cities of Lake Forest Park, Bothell, Kirkland, and Brier
- 6.1 Total Square Miles
- 7.8-miles of shoreline along Sammamish River, Swamp Creek and the north tip of Lake Washington
- Centrally located along SR 522 between I-5 and I-405



PARKS, RECREATION, AND CULTURE

- City Owned Parks: **14**
- Acres of City Maintained Parks & Open Space: **93**
- Rentable Picnic Shelters & Indoor Facilities: **5**
- Multipurpose Sportfields: **1**
- Playgrounds: **5**
- Trail Systems: **4**
- State Parks: **1 (314 Acres)**
- County Facilities: **1 (Burke Gilman Trail)**
- Boat Launches: **1 (WA State Dept of Fish & Wildlife Kenmore Boat Launch)**
- Annual City Hosted Special Events: **21**
- Art Installations: **35**



BUSINESS

- Total Registered Kenmore Businesses: **1,309**
- **67%** of registered businesses are home-based
- Largest Employers: **Bastyr University, Kenmore Air**
- Farmers Market Every Wednesday in the Summer
- **Top Ten Retail Sales Businesses:**
 - Kenmore Camera
 - Safeway
 - The Lodge at St Edward Park
 - Inglewood Country Club
 - Les Schwab Tire Center
 - McDonalds Restaurant
 - Theorem Cannabis
 - Pagliacci Pizza
 - Starbucks
 - O'Reilly Auto Enterprises

DEMOGRAPHICS

- Population: **24,350 (2024)**
- Occupied Housing Units: **9,589 (2020)**
- Median age: **39.1** years
- Median income: **\$105,007**
- College degree: **57% of residents**

HOUSEHOLD DATA (2022)

- Number of Households: **9,220**
- Median Household Income: **\$132,191**
- Median Home Assessed Value: **\$631,000 (KC 2021)**
- Median Rental Monthly: **\$2,845 (Zillow)**

COMMUNITY DIVERSITY

- **30.2%** of residents identify as people of color
- **25.8%** of residents speak a language other than English

EDUCATION

- Northshore School District Enrollment: **23,067 (2021)**
- Number of Public School Facilities: **5**
 - Arrowhead Elementary
 - Kenmore Elementary
 - Moorlands Elementary
 - Kenmore Middle School
 - Inglemoor High
- Bastyr University Enrollment: **742**



2025-2026 KENMORE CITY COUNCIL PRIORITIES

The City's top priority will always be fulfilling its core mission, which includes City governance, ensuring public safety, maintaining the City's infrastructure, complying with state and federal mandates, and safeguarding the City's finances. In addition, achieving the City's 20-year vision as described in the Comprehensive Plan is of high importance. With this context, the City Council can emphasize certain initiatives or address specific problems through its priority-setting process each year. These priorities are described as follows:

1. Continue to implement the adopted Climate Action Plan and promote environmental stewardship, including water, air, forest, and habitat restoration and preservation.
2. Preserve and increase availability of all types of housing at all income levels, including the needs of people experiencing homelessness.
3. Finalize, adopt, and implement the Human Services Strategic Plan.
4. Promote sustainable Economic Development Strategies that enhance downtown and attract residents, small businesses, and visitors.
5. Enhance multimodal transportation, including pedestrian and bicycle safety.
6. Continue to seek opportunities to activate the Lakepointe property.
7. Broaden community engagement and foster fun.
8. Continue to implement the Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan, including social justice reform.
9. Explore opportunities to expand Parks and Recreation.

KENMORE 20-YEAR VISION

As we look into the future, we see Kenmore as a place that residents, businesses and visitors find welcoming, with courteous people, offer a high quality of life to live, raise children, shop, work, recreate, and socialize. In 2044, we see Kenmore as a fun, vibrant community centered on the waterfront but including a variety of unique neighborhoods that

- encourages a diversity of well-maintained, complementary housing types to provide living accommodations affordable to all residents
- protects natural and environmentally sensitive areas, significant open space, trees, air and water quality, and healthy wildlife habitat, knowing that a healthy environment is critical to human health
- leads and actively participates in regional efforts to promote environmental stewardship, sustainability, restoration, and conservation while continuing to act boldly and wisely to slow climate change and address its impacts
- is friendly and inclusive, welcoming all types of families, supporting diversity, and fostering a sense of belonging and pride in all residents
- is connected both visually and physically to its waterfront, recognizing it as a significant local and regional asset
- supports recreation and health through well-maintained parks, community centers, trails, and open spaces
- is a walkable and bikeable community that provides a safe, reliable and effective system of streets, sidewalks, bike ways, and trails, linking significant local and regional destinations
- embraces its role as a high-capacity transit community, supporting bus rapid transit and other transit options as part of the regional network
- provides convenient access to goods and services essential to residents' daily needs
- seeks to enhance the quality of life in its residential neighborhoods
- has its own sense of place and pedestrian-friendly downtown offering commercial, civic, cultural and park spaces, integrated with housing
- has an economic base that provides a range of goods and services, offers quality employment opportunities, and supports local businesses
- has clear design standards creating attractive, functional, and enduring buildings and places
- encourages volunteerism and public involvement and works as a good partner with residents and governments throughout the region
- supports the safety, physical and mental health, and welfare of all of its residents
- supports and encourages education and quality schools
- supports local arts, culture and history

To achieve this vision, responsible and financially sustainable commitments in planning and resources will be made. We share and support this vision for Kenmore.



Service Vision



Propelling Kenmore Upward:

**We create a
thriving community
where all people
love where they live.**





- This map is intended for planning purposes only and is not guaranteed to show accurate measurements.



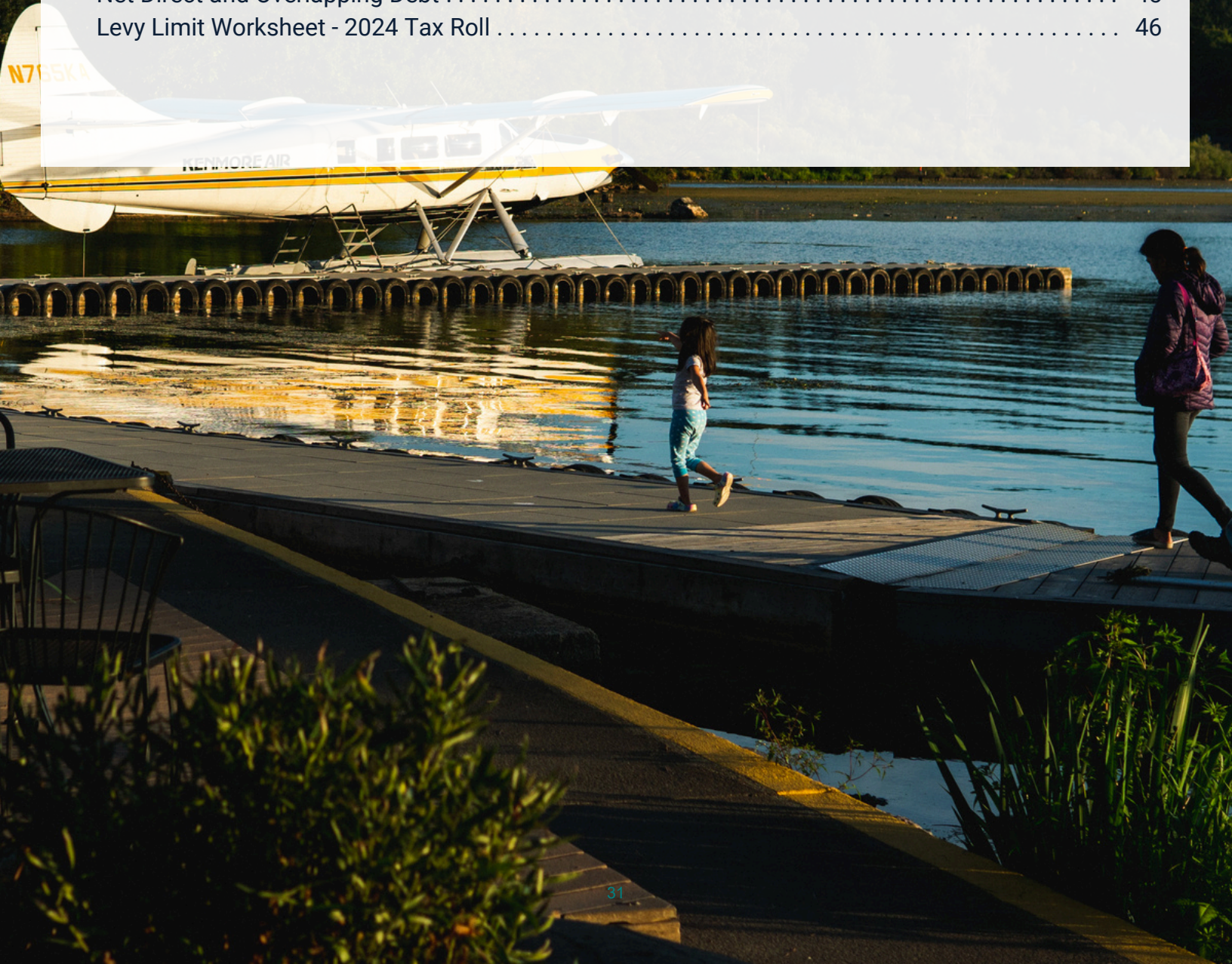
CITY OF KENMORE, WA





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2025 - 2026 BIENNIAL BUDGET BUDGET PREPARATION CALENDAR

2025 - 2026 BIENNIAL BUDGET

May 2024	Update Service Level Budgeting model
May/June 2024	Departments update 25-26 workplans based on City Council priorities
June 2024	Budget kick-off
June 2024	Departments begin preparing budgets
July 26, 2024	Budget requests due back to Finance
August 2024	Budget meetings with City Manager, other departments, and Finance
September 30, 2024	Presentation to City Council: Review estimates for revenues/expenditures for 2025-26
October 7, 2024	City Manager's Budget Message and 2025-2026 Preliminary Budget delivered to City Council
October 14, 2024	Department presentations to City Council
October 21, 2024	Department presentations to City Council
October 28, 2024	Department presentations to City Council
November 12, 2024	Public Hearing 2025-2026 Preliminary Budget
November 18, 2024	Public Hearing Final 2025-2026 Biennial Budget
November 25, 2024	Public Hearing Final 2025-2026 Biennial Budget
November 25, 2024	Ordinance to Adopt 2025-2026 Biennial Budget

6-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) UPDATE

August 2024, 2025, 2026	CIP review with departments
September 30, 2024	City Council review/update
October 7, 2024	Public hearing, 2025 – 2026 CIP
October 14, 2024	Ordinance to adopt 2025 – 2030 CIP

2023-2024 BIENNIUM BUDGET AMENDMENTS

October 28, 2024	Presentation to Council
November 12, 2024	Public Hearing & Adoption of Ordinance

2025 PROPERTY TAX LEVY

November 18, 2024	Review, Public Hearing & Adoption of Ordinance
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THE BUDGET AND THE BUDGET PROCESS

The budget includes the financial planning and legal authority to obligate public funds. The budget is the policy direction by the City Council to the administrative organization. The City Council, the Administration, and the public are all involved in establishing the budget for the City of Kenmore.

The budget provides four functions:

1. A Policy Document

The budget functions as a policy document. The decisions made as a result of the budget will reflect the principles or plans that guide future actions. As a policy document, the budget links goals and policy to the actual day-to-day activities of the organization.

2. An Operational Guide

The budget of the City finances day-to-day operations and capital projects. Activities and costs of each City function are described in the following sections. The budget also addresses debt management, current and budgeted personnel levels, long-range planning, capital spending plans, and the tax base and its relationship to the provision of services.

3. A Communication Device

The budget is an opportunity to encourage public review of City operations. The budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

4. A Legally Required Financial Planning Tool

The budget is a financial planning tool, its most traditional use. Preparing and adopting a budget is a State law requirement of all cities, Title 35A of the Revised Code of Washington (RCW). A balanced budget must be adopted prior to the expenditure of any City funds. The budget is the legal authority to expend public moneys and controls those expenditures by setting the amount of the appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to indicate funds available. The budget also takes into account unforeseen contingencies and provides for the need for periodic adjustments. As stated in RCW 35A.33.075 "Appropriations shall be limited to the total estimated revenues contained therein, including the amount to be raised by ad valorem taxes and the unencumbered fund balances estimated to be available at the close of the current fiscal year."

The budget process for the City of Kenmore is an ongoing activity. The formal budget planning for 2025-2026 began in April 2024 during the Council retreat. The City Manager, Director of Finance and Department Directors prepared the preliminary proposed biennial budget during July, August and September. The City Council reviews the budget during October and November and adopts the budget in late November.

The City of Kenmore budget procedures are mandated by RCW 35A.33.135. The first requirement is for the City Manager to submit estimated revenues and expenditures to the City Council on or before the first Monday in October. Although State law requires that the City Manager present the balanced preliminary budget to the City Council in November, the City Manager presents the balanced proposed preliminary budget along with estimated revenues and expenditures in October. Public hearings are held to obtain public comments. Revisions, as applicable, are made during Council discussion. The Council makes its adjustments to the budget and adopts by ordinance a balanced budget no later than

December 31. The operating budget as adopted is published, distributed, and made available to the public during the first three months of the following year.

The City established a two-year biennial budget by Ordinance in 2008, in accordance with RCW 35A.34.040 and its first biennial budget period was 2009-2010. About 37 Washington cities currently use biennial budgets.

As provided for in the RCW, the City must conduct a mid-biennium review and modification of the biennial budget no sooner than eight months after the start, nor later than the conclusion of the first year, of the fiscal biennium. The budget modification shall be approved by ordinance in the same manner as are other ordinances of the City. At other times, when the City Council determines it is in the best interest of the City to increase or decrease the appropriation for a particular fund, the Council may only do so by ordinance approved by a majority of the Council after holding a public hearing. This is usually performed after the mid-biennium review, prior to close of the two-year budget period.

The City Manager is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, or monetary benefits must be approved by the City Council.

FINANCIAL POLICIES

1. Operating Budget – Overall

- a) The budget should be a performance, financing, and spending plan, agreed to by a majority of the City Council. It should contain information and data regarding expected revenues, expected expenditures and expected performance.
- b) The City Manager will prepare and refine written policies and goals to guide the preparation of performance, financing, and spending plans for the City budget. Adopted budgets will comply with the adopted budget policies and City Council priorities.
- c) As a comprehensive business plan, the budget should provide the following critical elements recommended by the Government Finance Officers Association: public policies, financial plan, operations guide and communications device.
- d) The City's budget presentation should display the City's service/delivery performance plan in a Council constituent-friendly format. Therefore, the City will use a program budgeting format to convey the policies for and purposes of City operations. In 2014 the City began a priority-based budgeting (PBB) method that has been recently replaced by Service Level Budgeting.
- e) Decision making for capital improvements will be coordinated with the operating budget to make effective use of the City's limited resources for operating and maintaining facilities.
- f) The City Manager has primary responsibility for: a) formulating budget proposals in line with City Council priority directions; and b) implementing those proposals once they are approved.

2. Fiscal Integrity

- a) Ongoing operating costs will not exceed the amount of ongoing revenue to finance these costs. New program costs will have identified ongoing revenues.
- b) Any available carryover balance will only be used to offset one-time or nonrecurring costs. Cash balances more than the amount required to maintain strategic reserves will be used to fund one-time or nonrecurring costs.
- c) The City will maintain the fiscal integrity of its operating, debt service and capital improvement budgets, which provide services and maintain certain public facilities, streets and utilities. It is the City's intent to maximize the level of public goods and services while minimizing the level of debt.
- d) Mitigation fees shall be used only for the project or purpose for which they are intended.
- e) The City will maintain a balanced budget, which is defined as planned funds available equal planned expenditures and ending fund balance.

3. Contingent Accounts

- a) It has long been the policy of the City to maintain General Fund balance reserves at a level at least equal to twenty percent (20%) of the total General Fund budgeted revenue, excluding fund balance, building permits, land use & mitigation fees, and any significant one-time revenue (i.e. State or Federal grants). These operating reserves shall be maintained to offset revenue shortfalls; provide payment of approved expenditures due to cash flow shortages; and provide funding for unanticipated emergencies. During the 2020 Financial Sustainability Plan process it was recommended and agreed that the City should maintain undesignated General Fund reserves at not less than 20% of annual budgeted operating expenditures.

<u>General Fund</u>	-
2025 Budgeted Operating Expenditures	\$18,968,122
Multiplied by 20% = Policy Reserve	\$3,793,624

<u>General Fund</u>	-
2026 Budgeted Operating Expenditures	\$18,743,554
Multiplied by 20% = Policy Reserve	\$3,748,711

- b) The City will maintain a twenty percent (20%) operating expense reserve for the Surface Water Management Fund. This operating reserve shall be created and maintained to provide sufficient cash flow to meet daily financial needs and will be based on total operating expenses. For budget purposes, operating expenses will be calculated on the fund's total budgeted expenses, excluding capital purchases.

<u>Surface Water Management Fund</u>	-
2025 Operating Expenses	\$4,160,346
Multiplied by 20% = Policy Reserve	\$832,069

<u>Surface Water Management Fund</u>	-
2026 Operating Expenses	\$5,075,023
Multiplied by 20% = Policy Reserve	\$1,015,005

- c) The City shall maintain the Equipment Replacement Fund for the replacement of equipment, furniture, computers, vehicles, and buildings. The equipment reserve funds will be maintained at a level sufficient to meet scheduled equipment replacement to sustain an acceptable level of municipal services and prevent physical deterioration of City assets.

4. Revenues

- a) Revenue estimates shall not assume any growth rates in excess of inflation. Real growth that occurs will be recognized through budgetary adjustments only after it takes place. This minimizes the likelihood of either a reduction in force or service level in the event revenues would be less than anticipated.
- b) Investment income earned through the City's investment pool shall be budgeted on the allocation methodology, i.e., the projected average balance of each participating fund.

5. Internal Governmental Service (Interfund) Charges

Depreciation of equipment, furnishings and computer software will be included in the service charges paid by City departments to the Equipment Replacement Funds. This will permit the accumulation of cash to cost effectively replace these assets and smooth out budgetary impacts.

6. Contractual Services

The City will thoroughly investigate the feasibility of contracting certain public services, recognizing that the City Council's policy is to contract services versus conducting those services in-house.

7. Minimization of Administrative Costs

An appropriate balance will be maintained between resources allocated for direct services to the public and resources allocated to ensure sound management, internal controls and legal compliance.

8. Retirement

The budget shall provide for funding of the City's share of the employee Social Security Substitute Plan and Public Employees Retirement System (PERS).

9. Monthly Report

- a) 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.
- b) All budget amendments will be noted in the monthly report.

10. Multi-Year Forecast

- a) Each year, the City will update revenue and expenditure projections for the next six years. Projections will include estimated operating costs for future capital improvements that are included in the capital budget.
- b) This budget data will be presented to the City Council in a form that will facilitate annual budget decisions, based on a multi-year strategic planning perspective.

11. Quarterly Report

- a) The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely quarterly report.
- b) All budget amendments will be noted in the quarterly report.

12. Resident Involvement

- a) Resident involvement during the budget process shall be encouraged through public hearings and public workshops.
- b) Involvement shall also be facilitated through any Council appointed boards, task forces and commissions which shall serve in advisory capacity to the Council and staff. Residents can also be involved by attending community meetings and public forums.

13. Fees

- a) Fees shall be phased toward covering 100% of the cost-of-service delivery, unless such amount prevents an individual from obtaining essential services. Fees or service charges should not be established to generate money more than the cost of providing service.
- b) Fees may be less than 100% if other factors, e.g., market forces, competitive position, etc., need to be recognized.

14. Capital Budget – Fiscal Policies

- a) Capital project proposals should include as complete, reliable, and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. Project cost estimates for a six-year plan should be as reliable as possible, recognizing that earlier project cost estimates will be more reliable than cost estimates in the later years.
- b) Capital projects should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources necessary to complete any given phase of the project, e.g., design, rights-of-way acquisition, construction, project management, etc.
- c) All proposals for capital projects will be presented to Council within the framework of a Capital Budget. No consideration will be given to the commitment of capital funds outside the presentation of the entire Capital Budget, except that emergency capital projects may be committed outside the normal review procedure.
- d) Major changes in project cost estimates should be presented to Council for review and approval. Major changes are defined as fifteen percent (15%) for capital projects up to \$999,999, two percent (2%) for projects over \$1,000,000.
- e) Capital project proposals shall include operating and maintenance costs necessary for the project over the estimated project life.
- f) At the time of project award, each project shall have reasonable contingencies also budgeted:
 - i) The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%), or a percentage of the contract as otherwise determined by Council.
 - ii) Project contingencies may, unless otherwise determined by Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.
 - iii) For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project cost will be replaced with an appropriation that includes the contingency as developed above.
- g) Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
- h) The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period. The detail sheet for each project shall contain a project schedule with milestones indicated.
- i) Capital projects that are neither expensed nor encumbered during budget period will be re-budgeted or carried over to the next fiscal period except as reported to Council for its approval. Multi-year projects with unencumbered or unexpended funds will be carried over to the next fiscal period.
- j) If a proposed capital project will have a direct negative effect on other publicly owned facilities and/or property, mitigation of the negative impact will become part of the proposed capital projects cost.
- k) A capital project will not be budgeted unless there is a reasonable expectation that a funding source(s) is available to finance the project.

15. Debt Policies

- a) Debt will not be used to finance operating costs.

- b) Whenever possible, the City shall identify alternative sources of funding and shall examine the availability of these sources to minimize the use of debt financing.
- c) Whenever possible, the City shall use special assessment, revenue, or other self-supporting debt instead of general obligation debt.
- d) Tax Anticipation Notes (TANS) will be issued only when the City's ability to implement approved programs and projects is seriously hampered by temporary cash flow shortages.
- e) Long-term general obligation debt will be issued when necessary to acquire land and/or fixed assets, based upon the City's ability to pay. Long-term general obligation debt will be limited to those capital projects that cannot be financed from existing revenues and only when there is an existing or near-term need for the acquisition or project. The acquisition or project should also be integrated with the City's long-term financial plan and the Capital Project Plan.
- f) The maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.
- g) Fifty percent (50%) of the principal of any long-term debt should be retired within the first ten (10) years of maturity.
- h) Current revenues shall be set aside to pay for the subsequent year's debt service payments. This is intended to immunize the City's bondholders from any short-term volatility in revenues.
- i) The City shall establish affordability guidelines to preserve credit quality. One such guideline, which may be suspended for emergency purposes or unusual circumstances, is as follows: debt service as a percent of the City's operating budget should not exceed eight percent (8%).

16. Capital Facilities Plan (CFP) Policies

- a) Citizen participation in the CFP is a priority for Council and staff. Among the activities which shall be conducted to address this priority are:
 - i) The CFP shall be provided to Council in a timely manner to provide Councilmembers the opportunity to review the proposed CFP with their constituents before it is considered for adoption. The City Council will play an active role in the process of developing the CFP.
 - ii) The CFP will be scheduled for Council review, and the Council meeting(s) shall be advertised and public input at the meeting(s) encouraged.
 - iii) Prior to adoption of the CFP, the Council shall conduct a public hearing(s) to provide the public with the opportunity to offer their opinions on the proposed plan.
- b) All projects included in the CFP shall be consistent with the City's Comprehensive Plan. The goals and policies for levels of service, facilities and transportation should be followed in the development of the CFP.
- c) Capital projects shall be financed to the greatest extent possible by user fees and/or benefit districts when direct benefit to users results from construction of the project.
- d) Projects that involve intergovernmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.
- e) The Council will annually review and establish criteria against which capital proposals should be measured. Included among, but not limited to, those factors which should be considered for priority ranking of CFP are:
 - i) Projects which have a positive impact on the operating budget through reduced expenditures, or increased revenues.
 - ii) Projects which are programmed in the six-year Operating Budget estimate and,
 - iii) Projects which can be completed or significantly advanced during the year they are scheduled.

17. Strategic Opportunities Fund Policy

The Strategic Opportunities Fund was first established in 2013 due to the strong fund balances in the City's tax-supported operating funds, especially the General Fund. At the beginning of 2013, approximately \$2.5 million was transferred from the General Fund to the Strategic Opportunities Fund. The two main reasons for transferring this amount from the General Fund to the Strategic Opportunities Fund were to 1) Allow investment earnings from the fund balance to accrue separately rather than being absorbed into the General Fund to support ongoing operations; and 2) Create the opportunity for the community to benefit from the City's past and present fiscal discipline by allocating a portion of the strong General Fund balance to a separate "savings account" or reserve that can position the City to respond to strategic opportunities or support City services or initiatives on a start-up or temporary basis.

Use of the Fund's resources for strategic opportunities should be used for projects and initiatives that are one-time, temporary, or start-up in nature and will not require indefinite operational funding from the Strategic Opportunities Fund. Eligible expenditures from this Fund include the following:

- 1) Real Estate purchases for future public benefit.
- 2) Capital construction projects that create high value for the community and physically construct tangible public improvements. As stated in the City's Financial Policies, consideration for any capital project should include how to pay for ongoing operation and maintenance (O&M) costs beyond project completion. The Strategic Opportunities Fund is not intended to be a funding source for funding a completed capital project's ongoing operations and maintenance.
- 3) Grant matches for capital projects.
- 4) Funding for the development of new strategic community initiatives. These initiatives may be on a pilot or trial period as determined by the City.
- 5) Temporary support of City services in economic downturns that result in declining operating revenues.

Replenishment of the Fund should consider the following:

- 1) New net revenues generated by the enterprises/activities funded through the Strategic Opportunities Fund should go back into the fund.
- 2) Surplus reserves from unrestricted operating funds (General Fund, for example), defined as the excess of actual ending fund balance over the budgeted ending fund balance, if not otherwise designated, may be used to replenish the fund.
- 3) The City may also use General Fund operating revenues, undesignated fund balances from unrestricted funds, and grant reimbursements to build up the Strategic Opportunities Fund.
- 4) When Strategic Opportunities Fund resources are used for capital project purposes, this Fund may be "paid back" with funds from special revenue funds such as the Real Estate Excise Tax Fund, subject to conditions set forth in State Law.

Each biennial budget cycle, the City Council will establish a target amount for this fund, with the goal of building back up to or maintaining the Fund's original balance at \$2.5 million or higher. If drawn down, the Strategic Opportunities Fund should be replenished back to the targeted amount within three years, although extended economic downturns may lengthen that time frame. The City should use periods of revenue growth and economic upturns to replenish and build the Strategic Opportunities Fund.

BASIS OF ACCOUNTING AND BUDGETING

Accounting

Accounting records for the City are maintained in accordance with methods prescribed by the State Auditor using the revenue and expenditure classifications contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Basis of Presentation – Fund Accounting

The accounts of the City of Kenmore are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of double-entry accounts that comprise its cash, investments, revenues and expenditures, as appropriate. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of Kenmore:

Governmental Fund Types

Governmental funds are used to account for activities typically associated with state and local government operations. All governmental fund types are accounted for on a spending or "financial flows" measurement focus, which means that typically only current assets and current liabilities are included on related balance sheets. The operating statements of governmental funds measure changes in financial position, rather than net income. They present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. There are four governmental fund types used by the City of Kenmore:

General Fund

This fund is the primary fund of the City of Kenmore. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for revenues that are legally restricted or designated to finance particular activities of the City of Kenmore (Street Fund, Public Art Fund, KAPE Fund, Park Impact Fee Fund, Transportation Impact Fee Fund, Affordable Housing Fund, Strategic Reserve Fund, Strategic Opportunities Fund, Transportation Benefit District Fund).

Debt Service Fund

This fund accounts for resources which are designated for the annual principal and interest debt service on the unlimited tax general obligation bonds of 2016 and 2021 (the 2016 & 2021 UTGO Debt Service Fund).

Capital Project Funds

These funds account for financial resources, which are designated for the acquisition or construction of general government capital projects (Real Estate Excise Tax Fund, Walkways & Waterways, Parks Capital Fund, the Sammamish River Bridge Fund, Public Works Operations Center Fund, Lakepoint Fund and the Transportation Capital Fund).

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector where the intent of the governing body is to finance the full cost of providing services primarily through user charges.

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily by user charges (Surface Water Management Fund, the Surface Water Capital Fund, and the Swamp Creek Basin Fund).

Internal Service Fund

This fund accounts for operations that provide goods or services to other departments or funds of the City (Equipment Replacement Fund).

Fiduciary Fund Types

Fiduciary funds account for assets held by the City of Kenmore in a trustee capacity or as an agent on behalf of others.

Agency Fund

These funds are used to account for assets that the City holds for others in an agency capacity. The City has one trust/agency fund which accounts for refundable deposits, animal license fees that will be remitted to the County, and rental security deposits. This fund is not budgeted.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The City of Kenmore uses double-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP). Under this accounting basis, revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law (See Budget Glossary section for definition).

Purchases of fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds except the Agency Fund. These funds are budgeted on the cash basis of accounting which matches the City's accounting basis. The financial statements include budgetary comparisons for applicable funds.

Budgets are adopted at the fund level that constitutes the legal authority for expenditures. Annual appropriations for all funds lapse at the fiscal period end.

DEBT OBLIGATIONS AND DEBT CALCULATIONS

Walkways & Waterways, Proposition 1, to authorize the issuance of general obligation bonds in the amount of \$19,750,000, was approved by the voters in November, 2016. The bonds are Unlimited Tax General Obligation Bonds (UTGO).

- A series of 20-year bonds in the amount of \$9,220,000, with a true interest cost of 2.96%, were issued in December 2016 and assigned a Standard & Poor's AAA rating. Debt service over the term of the bonds will be approximately \$530,000 annually and the bonds will mature in 2036.
- A second series was issued on September 2021 in the amount of \$8,920,000, with a true interest cost of 1.88% and was assigned a Standard & Poor's AAA rating. Debt service over the term of the bonds will be approximately \$634,000 annually and the bonds will mature December 2040.

The City executed a Public Works Board Construction Loan contract in May 2018 in the amount of \$1,500,000. The loan will be used for the 61st/190th Culvert Replacement and Embankment Repair Project. The term of the loan is 20 years with an interest rate of 1.66%. Draws on the construction loan began in 2020.

In 2021, the City Council authorized State of Washington Certificates of Participation (COP'S) through the Washington Office of State Treasurer. The COP'S were in the amount of \$2.6 million. The all-inclusive cost of financing was 2.42% for a twenty-year term and approximate annual debt service of \$210,000. The proceeds were for acquisition cost of property for a future public works facility.

In 2022, City Council authorized \$6.6 million of limited tax general obligation bonds for additional property acquisition costs, design, and initial construction costs of a public works shop facility. This debt carries an interest rate of 3.45% over 22 years and estimated annual debt service payments of \$462,000.

According to the Revised Code of Washington (RCW) 39.36.020, there are four categories of general obligation (debt which is secured by the full faith and credit of the city) debt available to the City to finance large projects. One category (#1) requires a City Council super-majority vote (majority plus one) and three categories require a 60% vote of the City electorate. The City's 2024 preliminary assessed valuation of \$7,783,237,643 was used for the calculations below.

The four categories of debt are described below.

1. General Purpose Non-Voted Debt

This requires only a vote of the City Council and debt must be paid from operational revenue sources. The Council can levy up to 1.5% of the City's assessed value or \$116,748,545 for 2025.

2. General Purpose Voted Debt

This requires a 60% vote of the City electorate. Debt would be paid from an increase to the City's property tax levy. An amount up to 2.5% of the City's assessed value can be levied or \$194,580,941 for 2025. The total General-Purpose Councilmanic Debt and General Purpose Voted Debt cannot exceed 2.5% of the City's assessed value.

3. Parks and Open Space Debt

This requires a 60% vote of the City electorate. Debt would be paid from an increase to the City's property tax levy for acquiring or developing open space and park facilities. An amount up to 2.5% of the City's assessed value can be levied or \$194,580,941 for 2025.

4. Utility Purpose Debt

This requires a 60% vote of the City electorate. Debt would be paid from an increase to the City's property tax levy for utility purposed of a utility is owned and controlled by the City. An amount up to 2.5% of the City's assessed value can be levied or \$194,580,941 for 2025.

A total of 7.5% of the City's assessed valuation may be issued in bonds. The calculation for the City's Debt Capacity as of September 23, 2024, is as follows:

2024 Preliminary Assessed Value for 2025 taxes	\$7,783,237,643
Debt limit – 7.5% of total assessed value	\$583,742,823
Less: Total Outstanding Debt	(22,915,604)
Total Remaining Debt Capacity	\$560,827,219

These limits do not apply to revenue bonds that are not general obligations (RCW 39.46.150) and are secured on the basis of dedicated revenues rather than taxes, or to special assessment (RCW 35.45.070) bonds created by the formation of local improvement districts and are secured by assessments against property benefited by the proceeds of such bonds.



The Net Direct & Overlapping Debt will be available in the Adopted 2025-2026 Biennial Budget.



The Levy Limit Worksheet - 2024 Tax Roll will be available in the Adopted 2025-2026 Biennial Budget.



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City of Kenmore, Washington
Summary of All Revenues and Expenditures By Fund
2023-2026

REVENUES BY FUND	2023-2024 Amended Revenue Budget	2023 Actual	2024 Projected	2023-2024 Biennial Total	2025 Proposed	2026 Proposed	2025-2026 Proposed Revenue Budget
General Fund	\$ 31,305,131	\$ 17,299,087	\$ 17,420,994	\$ 34,720,081	\$ 17,215,097	\$ 17,860,266	\$ 35,075,363
Strategic Reserve Fund	27,356	52,839	50,000	102,839	45,000	40,000	85,000
Strategic Opportunities Fund	135,018	36,638	23,000	59,638	2,000	2,000	4,000
Street Fund	3,850,380	1,625,318	2,344,696	3,970,014	1,340,091	1,333,142	2,673,233
KAPE (Kenmore Automated Photo Enf. Fund)	550,000	218,443	750,000	968,443	2,320,000	3,170,000	5,490,000
Public Art Fund	1,400	3,983	2,500	6,483	2,250	2,000	4,250
Transportation Benefit District	1,206,305	470,520	716,000	1,186,520	723,600	730,736	1,454,336
ARPA Fiscal Recovery Fund	0	0	0	0	0	0	0
2016 & 2021 UTGO Debt Service Fund	2,116,750	1,059,500	1,057,250	2,116,750	1,054,550	1,055,350	2,109,900
Transportation Capital Fund	9,928,613	4,592,086	3,151,609	7,743,695	6,758,247	9,489,982	16,248,229
Real Estate Excise Tax Fund	4,896,168	2,021,864	1,850,000	3,871,864	1,940,000	1,938,000	3,878,000
Walkways & Waterways Bonds	22,700	330,974	300,000	630,974	150,000	100,000	250,000
Park Capital Fund	713,200	532,331	466,739	999,070	280,000	280,000	560,000
Park Impact Fee Fund	505,670	314,420	390,000	704,420	302,500	302,500	605,000
Transportation Impact Fee Fund	1,043,334	723,824	900,000	1,623,824	430,000	425,000	855,000
Sammamish River Bridge Fund	1,381,785	1,112,912	250,000	1,362,912	150,000	0	150,000
Public Works Operations Center Fund	18,875,604	514,709	18,374,705	18,889,414	1,800,000	1,800,000	3,600,000
Affordable Housing Fund	0	0	453,527	453,527	0	0	0
Lakepointe Fund	0	0	2,240,000	2,240,000	1,685,000	0	1,685,000
Surface Water Management Fund	7,155,655	3,452,860	4,250,000	7,702,860	4,755,364	5,163,063	9,918,427
Surface Water Capital Fund	6,255,688	2,438,944	1,634,206	4,073,150	1,664,250	2,863,640	4,527,890
Swamp Creek Basin Fund	10,000	19,960	15,000	34,960	10,000	8,000	18,000
Equipment Replacement Fund	196,740	121,599	120,870	242,469	235,870	230,870	466,740
TOTAL REVENUES	\$ 90,177,497	\$ 36,942,811	\$ 56,761,096	\$ 93,703,907	\$ 42,863,819	\$ 46,794,549	\$ 89,658,368

EXPENDITURES BY FUND	2023-2024 Amended Expenditure Budget	2023 Actual	2024 Projected	2023-2024 Biennial Total	2025 Proposed	2026 Proposed	2025-2026 Proposed Expenditure Budget
General Fund	\$ 31,252,425	\$ 11,100,573	\$ 16,124,174	\$ 27,224,747	\$ 18,968,122	\$ 19,393,554	\$ 38,361,676
Strategic Reserve Fund	0	0	0	0	0	0	0
Strategic Opportunities Fund	576,000	395,763	306,000	701,763	0	0	0
Street Fund	3,783,782	1,601,422	2,209,470	3,810,892	1,523,918	1,554,806	3,078,724
KAPE (Kenmore Automated Photo Enf. Fund)	541,200	197,207	693,550	890,757	2,335,000	3,022,651	5,357,651
Public Art Fund	0	43,821	0	43,821	62,095	19,895	81,990
Transportation Benefit District	1,180,000	450,000	730,000	1,180,000	725,000	725,000	1,450,000
ARPA Fiscal Recovery Fund	4,932,411	5,135,254	0	5,135,254	0	0	0
2016 & 2021 UTGO Debt Service Fund	2,116,750	1,059,500	1,057,250	2,116,750	1,054,550	1,055,350	2,109,900
Transportation Capital Fund	8,725,329	4,551,000	1,831,648	6,382,648	6,758,247	9,489,982	16,248,229
Real Estate Excise Tax Fund	6,655,201	2,163,622	3,368,109	5,531,731	1,726,133	1,729,840	3,455,973
Walkways & Waterways Bonds	0	1,919	2,000	3,919	2,025	2,050	4,075
Park Capital Fund	2,073,200	1,251,941	430,000	1,681,941	268,200	268,200	536,400
Park Impact Fee Fund	157,500	201,725	200,000	401,725	500,000	50,000	550,000
Transportation Impact Fee Fund	700,000	200,000	250,000	450,000	525,000	350,000	875,000
Sammamish River Bridge Fund	1,381,785	1,094,318	50,000	1,144,318	574,913	74,915	649,828
Public Works Operations Center Fund	18,875,604	514,709	1,023,374	1,538,083	9,800,000	9,875,000	19,675,000
Affordable Housing Fund	0	0	0	0	0	0	0
Lakepointe Fund	0	0	2,148,789	2,148,789	1,745,500	0	1,745,500
Surface Water Management Fund	8,921,557	5,136,882	3,979,997	9,116,879	4,160,346	5,075,023	9,235,369
Surface Water Capital Fund	7,442,150	2,622,458	480,512	3,102,970	4,338,540	2,863,640	7,202,180
Swamp Creek Basin Fund	80,000	0	80,000	80,000	40,000	40,000	80,000
Equipment Replacement Fund	470,000	32,889	50,000	82,889	300,000	225,000	525,000
TOTAL EXPENDITURES	\$ 99,864,894	\$ 37,755,003	\$ 35,014,873	\$ 72,769,876	\$ 55,407,589	\$ 55,814,906	\$ 111,222,495

MAJOR OPERATIONAL REVENUE ASSUMPTIONS 2025-2026

GENERAL FUND

The City of Kenmore relies on property taxes (36% of revenues) and sales taxes (21% of revenues) to fund many of its General Fund operations. The following assumptions were used to prepare the City's major revenue estimates for 2025 and 2026.

The 2024 population figure used in the 2025 Budget is 24,350 as determined by the Office of Financial Management for Washington State. This figure is important when determining distribution of State shared revenues on a per capita basis. This represents an increase of 260 (1.1%) from the City's 2023 population figure of 24,090.

The 2025 property tax levy is estimated to be over \$6.1 million. This includes a 1% increase in the base levy and ½% increase from new construction and state assessed properties plus approximately \$130,000 from banked capacity. In 2026, the projected property tax levy is estimated to be over \$6.3 million which assumes a 1% increase in the base levy and ½% increase from new construction and approximately \$130,000 from banked capacity.

Sales tax receipts in 2025 are budgeted to increase 3% over the estimated 2024 revenue. A 1.5% increase is forecast for 2026.

Criminal justice sales taxes are challenging to predict, so we have budgeted conservatively with 2025 forecast to be about the same as the estimated amount for 2024. A 1.5% increase is forecast for 2026. An increase from 4% to 6% in our gas utility taxes in 2023 is forecast to bring in over \$400,000 each year of the biennium or an increase of around \$150K per year. Our electric utility tax has a 3% increase budgeted each year from the prior biennium. Meanwhile, telephone and cable utility taxes are decreasing between 3 – 5% each year due to declining land line and cable usage. Cellphone utility taxes are remaining flat.

A new surface water utility tax of 6% was implemented in 2023. The forecast for this revenue source is \$275,000 in 2025 and \$310,000 in 2026. A new solid waste utility tax of 10% was also implemented in 2023. It is forecast to bring in revenues of \$590,000 in 2025 and \$595,900 in 2026.

The franchise fee revenue on water and sewer is expected to increase 3% in 2025 and 2026.

Development revenues are largely derived from building permit, plan review, inspections, and land use fees. The biennial development related revenues are projected to remain stagnant from prior biennium. The local economy, development activity, and the housing industry have been strong since 2013 and there were several significant new construction projects in 2021-2022 but the industry has since slowed. Due to higher than anticipated inflation levels in 2023 and 2024, investment interest grew sharply for the biennium. For 2025, as interest rates begin to fall, we are anticipating a decrease in investment interest of approximately 16.7% and then another 20% decrease for 2026.

Overall, the budgeted revenues for the General Fund in 2025-2026 are 1.4% more than projected in the 2023-2024 biennium. This is primarily due to the anticipated increases in property and sales tax revenues.

STREET FUND

A 1% decrease from 2023-2024 is expected in fuel tax revenues in the Street Fund, based on historical trends. The Municipal Research Services Center (MSRC) predicts a per capital rate of \$17.07 for 2025; however, the City is budgeting more conservatively as noted previously.

In 2023, the City increased license tab fees from \$20 to \$40 per tab. This money is collected in the Transportation Benefit District Fund and is transferred to the Street fund annually. With the increase in the tab fees, over \$700,000 per year has been forecast and will be transferred to this fund.

The City implemented a traffic photo enforcement program in 2022 and began generating revenues in late 2023. Close to \$1 million was earned in 2023-2024. Additional cameras and an extension of the enforcement period starting in late 2024 and early 2025 will bring in much more revenue in 2025-2026. The City has budgeted revenues of \$2.3 million in 2025 and \$3.15 million in 2026, which assumes a proposed additional photo enforcement location in 2026. These revenues will fund traffic safety and pavement preservation improvements.

MAJOR OPERATIONAL EXPENDITURE ASSUMPTIONS 2025-2026

GENERAL FUND

The City of Kenmore has developed a proposed budget for the 2025-2026 biennium that relies on carryover reserves to fund certain activities including a capital transfer to the Lakepointe fund in 2025 and one-time or pilot Special Project initiatives in 2025 and 2026. With the addition of these activities, the City will utilize over \$2.6 million in reserves. (See below and the City Manager Budget message for additional details.) Although this budget proposes utilizing reserves for general fund activities, the general fund has a fund balance of over \$9 million and is anticipated to have and a 2026 ending fund balance of over \$6.4 million. This more than exceeds the City Council's established policy of having operating fund balances of at least 20% of operating expenses (\$3.57 million in 2026).

The following is a list of expenditure assumptions and measures used to create the 2025-2026 biennium General Fund budget.

Salary costs reflect a 3.6% increase for 2025 and a 5% increase for 2026. Medical and dental insurance premiums were budgeted to increase 5% for both 2025 for 2026.

The following staffing changes are proposed for the 2025-2026 biennium:

- Permit Specialist, Development Services, increased from 25 hours per week to 40 hours per week (1.0 FTE)
- Building Official, Development Services, increased from 30 hours per week to 40 hours per week (1.0 FTE)
- Business & Community Engagement Coordinator, City Manager's Office, full time (1.0 FTE) permanent
- Senior Planner, Lakepointe Fund, 2 year term-limited position (1.0 FTE)
- Capital Project Manager, Lakepointe Fund, permanent (1.0 FTE)
- Civil Engineer, 0.25 FTE in Engineering (General Fund), 0.75 FTE in other funds (KAPE and Transportation Capital)
- Right-of-way Inspector, 0.25 FTE in Engineering (General Fund), 0.75 FTE in other funds (KAPE and Transportation Capital)
- Assistant to the City Manager, City Manager's Office. This is not a new position—funding is shifting from 1.0 FTE in the ARPA Fund to 1.0 FTE General Fund, and the position's limited term is proposed to be extended two years through 2026. Two thirds of the position will be funded in the one-time Special Projects account; the other third of the position will be charged to the City Manager's Office.
- Executive Assistant, City Manager's Office, reduced from 1.0 FTE to 0.5 FTE

Human Services contracts are proposed to be funded at \$194,800 in both 2025 and 2026. This amount is based on a proposed increase in the per capita contribution from \$7.53 to \$8.00 and the OFM 2024 population estimate of 24,350. The total increase is \$18,600 from 2023-2024.

The King County Sheriff contract for police services in 2025 has been budgeted with a 5.5% (\$242,000) increase over 2024 and a 5.5% (\$255,000) increase in 2026. The increase is due to a combination of body worn cameras, increase in risk insurance and labor costs.

The 2023-2024 approved budget included \$342,000 to support the Regional Crisis Response (RCR) Agency which Kenmore is a member of along with several other north King County cities. The RCR Agency (previously known as RADAR) provides mental health professionals to respond to calls with police officers and provide the necessary follow up. In the 2023-2024 biennium, RCR was charged to the Strategic Opportunities Fund, and this budget proposes to move this expenditure to the General Fund. The 2025-2026 recommended budget includes an allocation for RCR out of the Public Safety cost center at \$200,000 in 2025 and \$250,000 in 2026.

The 2025-2026 biennial budget includes a transfer of \$650,000 from the General Fund to the Lakepointe fund to help pay for property due diligence and acquisition costs as well as park and shoreline restoration conceptual design.

Because of an annual increase from the Transportation Benefit District Fund to the Street Fund (see Street Fund below) and because of other factors, starting in 2025 there will be no General Fund transfer to the Street Fund.

Just over \$2.0 million is budgeted for one-time or pilot projects in the Special Projects fund. This \$2.0 million has been indirectly made possible by the American Rescue Plan Act (ARPA) and is one-time, non-recurring funding. These funds are proposed to be used in a variety of ways to assist with the climate action plan, human services, and local business assistance.

Overall, the proposed 2025-2026 General Fund expenditure budget is 11.8% higher than actual and what is projected for 2023-2024.

STREET FUND

Staffing costs in the Street Fund were shifted between other funds in the 2025-2026 proposed budget. The Public Works Operations Manager was previously funded 100% out of the Street Fund but is proposed to be funded 25% in the Street Fund and 75% in the Parks Maintenance General Fund cost center. Other staffing movements include existing Right-of-Way Inspector 100% to the Engineering cost center and reduction of the Administrative Specialist's time from 50% to 25%; three (3) maintenance workers' time increased from 25% to 37.5%; two (2) maintenance workers' time decreased from 50% to 25%; and the addition of 25% of a supervisor's time. Overall, these changes resulted in a proposed reduction of over \$500K in salary and benefit costs from 2023-2024 to 2025-2026.

The City pays directly for neighborhood streetlights from City revenues. There are no utility fees or other special fees to cover this cost and is approximately \$275,000 per year. The City has directed Puget Sound Energy to replace cobra head pole streetlights with more efficient LED lights which will result in an annual energy savings to the City of at least \$60,000 per year.

Street Fund expenses are supported by revenue transfers from the Transportation Benefit District (TBD) Fund. The TBD generates revenues from the vehicle fee imposed on vehicles licensed in the City of Kenmore. In 2023, the \$20 fee per vehicle tab was increased to \$40 per vehicle tab which allowed the City to increase the proposed transfer from a projected \$1.1 million in the 2023-2024 biennium to \$1.43 million in the 2025-2026 biennium.

City of Kenmore

Personnel Summary 2021 - 2026

<u>Cost Center/Fund</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2026 Budget</u>
City Clerk	1.00	1.00	2.00	2.00	2.00	2.00
City Manager	7.34	7.34	6.13	6.13	6.95	6.95
Finance and Administration	3.00	3.00	4.00	4.00	4.00	4.00
Human Resources	1.00	1.00	0.00	0.00	0.00	0.00
ARPA/Special Projects	1.00	2.00	2.00	0.67	0.67	0.67
Engineering	4.00	4.00	4.00	5.00	3.50	3.50
Environmental Services	0.00	0.00	1.00	1.00	1.05	1.05
Housing and Human Services	0.00	0.00	1.00	1.00	1.00	1.00
Community Development	5.00	5.00	3.63	2.63	2.63	2.63
Development Services	7.50	7.50	9.13	9.38	10.00	10.00
Events/Volunteers/Recreation	0.00	0.00	0.00	0.00	2.50	2.50
Facility Maintenance	0.00	0.00	0.00	0.00	2.90	2.90
Parks Maintenance	4.55	4.55	9.55	9.55	3.60	3.60
Strategic Opportunities Fund	0.00	0.00	1.00	1.00	0.00	0.00
Street Fund	4.75	4.75	4.58	4.58	3.33	3.33
KAPE Fund	0.00	0.00	1.00	1.00	1.75	1.75
Transportation Capital Fund	0.00	0.00	0.00	0.00	3.75	3.75
Public Works Operations Center Fund	0.00	0.00	0.00	1.00	1.00	1.00
Lakepointe Fund	0.00	0.00	0.00	0.00	2.00	2.00
Surface Water Management Fund	6.50	6.50	8.67	9.67	8.47	8.47
Surface Water Capital Fund	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.15</u>	<u>1.15</u>
TOTALS	45.64	46.64	57.68	58.61	62.25	62.25

2025 Personnel Changes

City Manager

- New Business and Community Engagement Coordinator - reallocating vacant Executive Assistant funds
- Assistant to the City Manager/DEIA Coordinator Ltd. Term (2-yr.) - this is an existing position (not new) that will continue to be funded 67% by one-time special projects money
- Half-time Receptionist to Full-Time Executive Assistant/Receptionist

Community Development

- Lakepointe Limited Term Senior Planner (2-yr.)
- Lakepointe Special Project Manager

Development Services

- Permit Specialist and Building Official increased from 62.5% and 75% to full time employees, respectively

Engineering

- Addition of Civil Engineer and Right-of-Way Inspector (split between Engineering/Transportation Capital/KAPE)
- Right-of-Way Inspector moved from Streets to Engineering
- Three Engineering positions moved to Transportation Capital

Parks & Facility Maintenance

- Cost center divided into Parks Maintenance, Facilities & Fleet Maintenance, and Events/Volunteers/Recreation

Surface Water Management

- Capital Project Manager moved to Capital Fund
- 10% of Climate Action Program Manager moved to Surface Water Management
- 15% of Administrative Specialist moved to Environmental Services
- 15% of Environmental Services Director moved to Surface Water Capital Fund



Service Level Budgeting Results to be included in this budget after it is presented to the City Council. The Kenmore City Council is scheduled to discuss Service Level Budgeting Results at a Council Meeting in October.

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OPERATING BUDGET

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City of Kenmore, Washington
Summary of General Fund Revenues
2023-2024 to 2025-2026

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
REVENUES							
Beginning Fund Balance	\$ 3,533,759	\$ 3,533,759	\$ 9,732,274	\$ 3,533,759	\$ 9,396,325	\$ 7,643,300	\$ 9,396,325
Real Property Tax	11,493,841	5,658,275	5,884,218	11,542,493	6,126,018	6,372,412	12,498,431
Sales Tax	7,231,794	3,640,973	3,577,053	7,218,026	3,697,700	3,753,166	7,450,866
Criminal Justice 1/10 Sales Tax	1,607,200	882,870	827,708	1,710,578	827,708	840,124	1,667,832
Business & Occupation Tax	58,151	27,027	43,500	70,527	30,000	30,500	60,500
Affordable Housing Tax	49,301	21,569	15,125	36,694	17,000	17,205	34,205
Electric Utility Tax	1,528,732	801,615	552,099	1,353,714	721,000	742,630	1,463,630
Gas Utility Tax	742,575	364,759	415,000	779,759	414,100	418,241	832,341
Telephone Utility Tax	146,250	78,047	76,000	154,047	70,000	66,500	136,500
Cellphone Utility Tax	183,016	94,892	88,000	182,892	91,958	92,878	184,836
Cable Utility Tax	600,000	329,481	304,206	633,687	295,000	289,100	584,100
Solid Waste Utility Tax	781,000	297,243	595,000	892,243	590,000	595,900	1,185,900
Surface Water Utility Tax	419,172	203,647	236,000	439,647	275,964	310,314	586,278
Admissions Tax	65,000	-	-	-	-	-	-
Gambling Tax	182,092	96,165	114,000	210,165	120,000	126,000	246,000
Other Tax	2,918	3,676	1,466	5,142	4,000	4,120	8,120
Total Taxes	25,091,042	12,500,239	12,729,375	25,229,614	13,280,448	13,659,089	26,939,537
Business Licenses	11,860	4,430	4,500	8,930	4,500	4,635	9,135
Cable Franchise	588,418	270,531	269,000	539,531	265,000	259,700	524,700
Water/Sewer Franchise	1,218,585	609,186	640,000	1,249,186	663,000	682,890	1,345,890
Business Registration	16,160	8,400	10,000	18,400	10,000	10,300	20,300
Building Permits	1,054,509	605,922	650,000	1,255,922	600,000	618,000	1,218,000
Special Event Permits	1,920	1,600	1,400	3,000	-	-	-
Total Licenses & Permits	2,891,452	1,500,069	1,574,900	3,074,969	1,542,500	1,575,525	3,118,025
Local, State and Federal Grants	402,830	318,777	178,370	497,147	200,000	200,000	400,000
Marijuana Excise Tax	98,000	52,034	54,762	106,796	55,000	56,650	111,650
DUI/Other State Assistance	7,437	1,667	27,000	28,667	-	-	-
Liquor Board Excise Tax	330,719	168,906	166,182	335,088	171,167	176,302	347,470
Liquor Board Profits	372,363	184,189	187,108	371,297	188,979	190,869	379,848
Criminal Justice Distributions	169,003	(108,392)	84,922	(23,470)	88,000	90,640	178,640
Total Intergovernmental	1,380,352	617,181	698,344	1,315,525	703,147	714,461	1,417,608
Inspection & Investigation	30,365	150,753	97,450	248,203	50,000	50,000	100,000
Land Use	255,434	111,507	200,000	311,507	132,459	136,433	268,892
Plan Review and Other Fees	1,110,269	584,614	568,000	1,152,614	549,000	565,470	1,114,470
Affordable housing in lieu of fee	-	253,527	200,000	453,527	-	-	-
Event Fees	41,000	23,642	5,000	28,642	5,000	5,150	10,150
Credit Card Processing Fees	53,207	33,767	16,686	50,453	27,487	28,311	55,798
Total Charges for Services	1,490,275	1,157,810	1,087,136	2,244,946	763,946	785,364	1,549,310
Fines & Forfeitures	-	39,092	-	39,092	-	-	-
Code Enforcement	7,839	27,903	5,100	33,003	4,057	4,179	8,236
Total Fines and Penalties	7,839	66,995	5,100	72,095	4,057	4,179	8,236
Investment Earnings	300,000	192,510	300,000	492,510	250,000	200,000	450,000
Rent and Leases	146,502	16,608	73,317	89,925	74,400	74,400	148,800
Sponsorships	42,210	53,605	26,600	80,205	21,000	21,630	42,630
Overhead Reimbursements	1,490,000	763,098	735,000	1,498,098	360,000	360,000	720,000
Northshore School District Reimb	74,370	39,800	37,370	77,170	40,000	40,000	80,000
Interfund Transfers	50,000	390,624	25,000	415,624	175,000	425,000	600,000
Miscellaneous Revenue	3,216	549	1,616	2,165	600	618	1,218
Total Miscellaneous	2,106,298	1,456,794	1,198,903	2,655,697	921,000	1,121,648	2,042,648
Total General Fund Revenues	32,967,258	17,299,088	17,293,758	34,592,846	17,215,097	17,860,266	35,075,364
Total Revenues and Beginning Fund Balance	\$ 36,501,017	\$ 20,832,847	\$ 27,026,032	\$ 38,126,605	\$ 26,611,422	\$ 25,503,567	\$ 44,471,689

City of Kenmore, Washington
Summary of General Fund Expenditures
2023-2024 to 2025-2026

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
EXPENDITURES							
<u>Cost Center</u>							
City Council	\$ 405,013	\$ 241,711	\$ 175,000	\$ 416,711	\$ 211,759	\$ 215,734	\$427,493
City Clerk	978,750	438,462	550,000	988,462	492,859	523,033	1,015,892
City Manager	3,640,924	2,070,728	1,837,346	3,908,074	1,710,206	1,756,747	3,466,953
Finance and Administration	3,141,637	1,304,096	1,600,000	2,904,096	1,816,345	1,868,819	3,685,164
Legal	700,000	412,024	350,000	762,024	450,000	450,000	900,000
Human Resources	510,304	134,669	110,000	244,669	78,500	93,500	172,000
Non Dept: Transfers to Other Funds	1,407,093	428,000	1,630,000	2,058,000	650,000	-	650,000
Non Dept: Transfers to Equip Fund	-	-	-	-	120,000	120,000	240,000
Special Projects	-	-	350,000	350,000	1,015,939	1,010,125	2,026,064
Public Safety	9,956,950	448,749	4,956,350	5,405,099	5,366,483	5,640,798	11,007,281
Public Works Engineering	1,745,035	910,034	872,700	1,782,734	627,960	651,218	1,279,178
Community Development	2,038,723	907,597	1,039,345	1,946,942	922,927	696,278	1,619,205
Development Services	3,371,076	1,524,905	1,715,328	3,240,233	1,848,071	1,980,549	3,828,620
Environmental Services	572,820	219,837	225,000	444,837	308,572	319,337	627,909
Events, Volunteers, Recreation	-	-	-	-	551,631	568,813	1,120,444
Housing & Human Services	550,700	319,625	375,000	694,625	685,858	695,496	1,381,354
Public Works Facility Maintenance	-	-	-	-	971,439	991,714	1,963,153
Public Works Parks Maintenance	3,717,276	1,740,136	1,843,638	3,583,774	1,139,573	1,161,393	2,300,966
Total Expenditures	32,736,301	11,100,573	17,629,707	28,730,280	18,968,122	18,743,554	37,711,676
Ending Fund Balance	3,764,716	9,732,274	9,396,325	9,396,325	7,643,300	6,760,013	6,760,013
Total Expenditures and Ending Fund Balance	\$ 36,501,017	\$ 20,832,847	\$ 27,026,032	\$ 38,126,605	\$ 26,611,422	\$ 25,503,567	\$ 44,471,689

GENERAL FUND: CITY COUNCIL

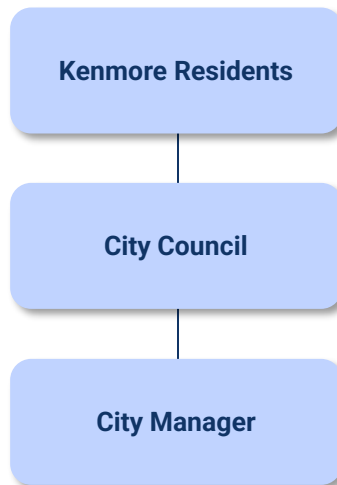
The City Council is the legislative branch of City government and serves as the policy making body. The Council sets the vision and priorities for the City, adopts the budget, enacts ordinances and resolutions, adopts policies and regulations, approves contracts, and sets rates and fees for services provided to the citizens. The Council consists of seven Councilmembers who, in turn, select the mayor for a two-year term to serve as their chairperson. The City Council also selects the deputy mayor for a two-year term.

2023-2024 ACHIEVEMENTS

- To implement the climate action plan and support growing human services needs, the City Council adopted a funding package to bring on a new Climate Action Plan Program Manager and Human Services Manager and their related activities and programs.
- In support of environmental stewardship, the City Council passed an exceptional tree ordinance, creating added tree protection regulations.
- To support a safe traffic environment for all road users, and vulnerable road users most of all, Council directed the implementation and expansion of the Kenmore Automated Photo Enforcement (KAPE) program, which reduced the frequency of school zone speeding violations by more than 90% and reduced the risk of fatal and injury school zone crashes. This program provides a dedicated funding source for traffic safety improvements citywide.
- Council oversaw the completion of more than 10 miles of new, high-quality bicycle lanes, tripling the miles of bicycle lanes in the City, and the completion of more than 3 miles of new sidewalk, as well as safety improvements to many more miles of existing bicycle and pedestrian facilities and other improvements fostering the safety and accessibility of multimodal travel in Kenmore.
- In support of Affordable Housing, the Council approved the selection of Imagine Housing and Habitat for Humanity for an affordable housing development on the "Holt Property."
- In the 2023-24 biennium, City Council approved contracts funded by the American Rescue Plan Act with Cascadia College, Center for Human Services, and Lake City Partners Ending Homelessness, to bring to life the programming Council approved in the previous biennium.
- In support of Human Services, the City Council adopted the City's first Human Services Needs Assessment and continued funding to human services nonprofit organizations.
- City Council adopted the City's first ever Diversity, Equity, Inclusion, and Accountability (DEIA) Strategic Plan and 5-Year Roadmap.
- In progressing the environmental stewardship, the Council initiated a surface water rate increase to leverage funding for the "Rapid Progress Plus" fish-friendly culverts initiative.
- The City Council, in partnership with the Planning Commission, updated the Comprehensive Plan, creating a long-term blueprint guiding a community's growth, development, and decision-making in areas like land use, housing, transportation, and environmental protection. In particular, the City Council adopted a new Climate Element in the Comprehensive Plan and updated other key elements of the Comprehensive Plan.
- The City Council approved the plan, budget, and financing to build the new Public Works Operations Center, to be located next to Kenmore Middle School on 202nd Street. This overdue and much-needed facility is crucial to maintaining the City's infrastructure, including our parks, roads, bridges, and surface water pipes and structures.

- The City Council reviewed the work of the City Manager's 2024 Financial Sustainability Task Force. The task force brought forward a set of recommendations aimed at keeping the City's General and Street Funds balances healthy through this decade.
- The City Council held ribbon cuttings for three remaining Walkways & Waterways projects in this biennium: Juanita Drive, 68th Avenue, and Łaǎ'wadis (Tl' awh-ah-dees) Park.

2025-2026 PERSONNEL CHART



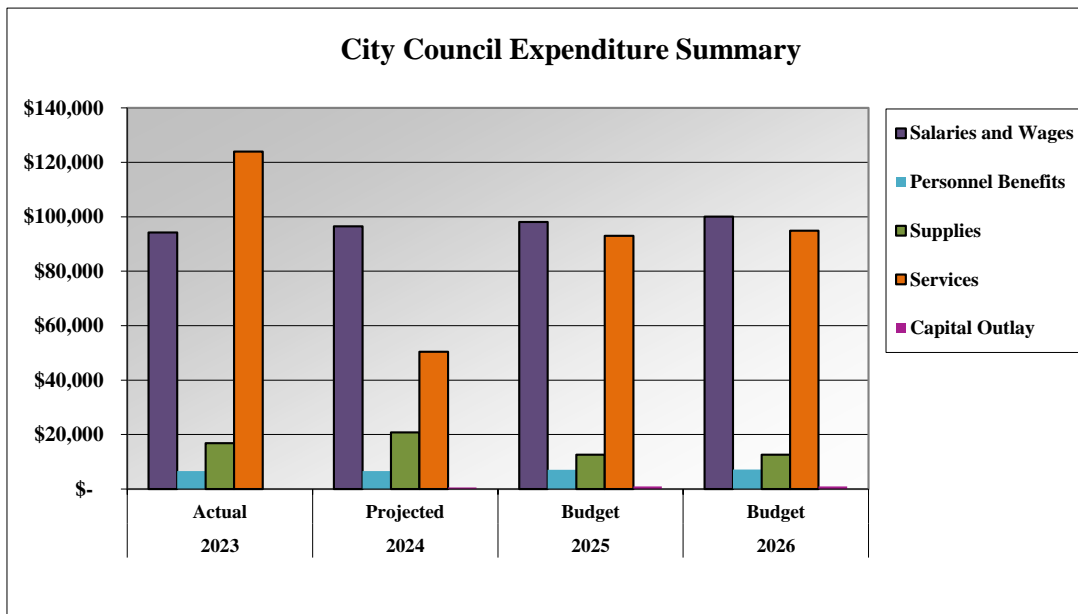
2025-2026 OBJECTIVES

- See adopted 2025-2026 City Council Priorities.

General Fund

City Council

Expenditure Summary City Council	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 186,800	\$ 94,266	\$ 96,534	\$ 190,800	\$ 98,077	\$ 100,039	\$ 198,116
Personnel Benefits	13,320	6,588	6,632	13,220	7,052	7,187	14,239
Supplies	19,728	16,876	20,778	37,654	12,575	12,652	25,227
Services	184,165	123,981	50,450	174,431	93,055	94,856	187,911
Capital Outlay	1,000	-	606	606	1,000	1,000	2,000
Total Program Costs	\$ 405,013	\$ 241,711	\$ 175,000	\$ 416,711	\$ 211,759	\$ 215,734	\$ 427,493



Employee Summary City Council Positions	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Mayor	1	1	1	1	1	1	1
Deputy Mayor	1	1	1	1	1	1	1
Councilmembers	5	5	5	5	5	5	5
Total Positions	7	7	7	7	7	7	7

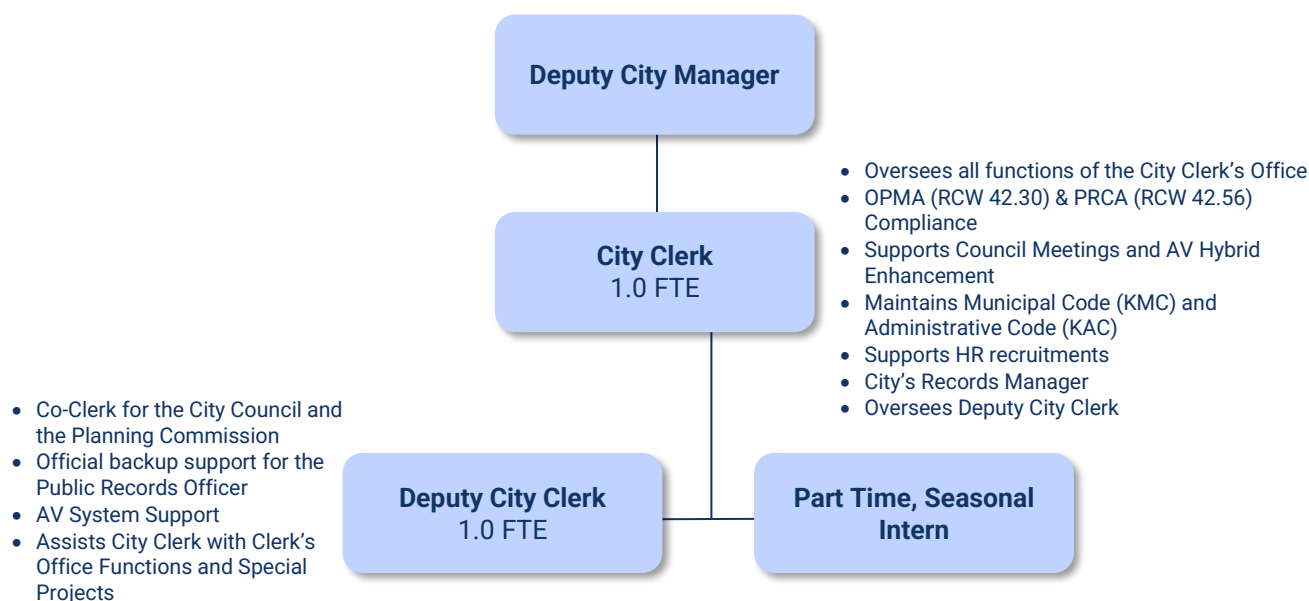
GENERAL FUND: CITY CLERK'S OFFICE

The City Clerk's Office resides within the City Manager's department. The office is integral to maintaining the City Code, including its codification, and safeguarding compliance with the Open Public Meetings Act and the Public Records Act. The Clerk's Office provides City Council meeting support by preparing agendas, attending meetings, accurately recording proceedings, and producing meeting minutes. The City Clerk oversees updates to the Kenmore Municipal Code (KMC) and the Kenmore Administrative Code (KAC). The City Clerk also processes and is the custodian of official City documents, including ordinances, resolutions, proclamations, and contracts. The City Clerk ensures accurate documentation of City government activities, including City Council operations, and supports various committees and commissions.

2023-2024 ACHIEVEMENTS

- Facilitated enhanced hybrid OPMA meetings for both the City Council and Planning Commission.
- Continued vigilant monitoring to ensure compliance with PRA and OPMA regulations.
- Successfully onboarded a permanent Deputy City Clerk.
- Launched the Kenmore Administrative Code (KAC).
- Maintained and improved records management processes, including electronic imaging, storage, retrieval, and destruction, with the assistance of a grant-funded part-time Records Clerk.
- Introduced a biennial training program for City staff, covering anti-bias, anti-discrimination, DEIA, and internal policy training.
- Provided HR support for recruitments and onboarding, beginning mid-2023.
- Provided backup support to the Public Records Officer during absences and high volume of records requests.
- Continued to support the bids, RFPs, and RFQs citywide. Implemented DEIA strategic plan objectives 1.3.1 and 1.3.4 related to RFP, RFQ, and bid advertisements to promote equity and encourage minority and women owned businesses in competing for contracts and doing business with the City.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue City Clerk core functions of ensuring compliance with the OPMA and PRA while supporting Council Meetings and Planning Commission Meetings.
- Complete the Kenmore Administrative Code Codification project, which involves the inventory, collection, and codification of Kenmore's policy suite, to be hosted alongside the Municipal Code, with expected completion by summer 2025.
- Support the Diversity, Equity, Inclusion, and Accessibility (DEIA) Program Objective 3.2: Develop and implement equitable hiring practices, including exploring and laying the groundwork for a potential Work-Study program, with a tentative launch in 2025.
- Implement technology enhancements to streamline the preparation and processing of City Council agendas and agenda bills.

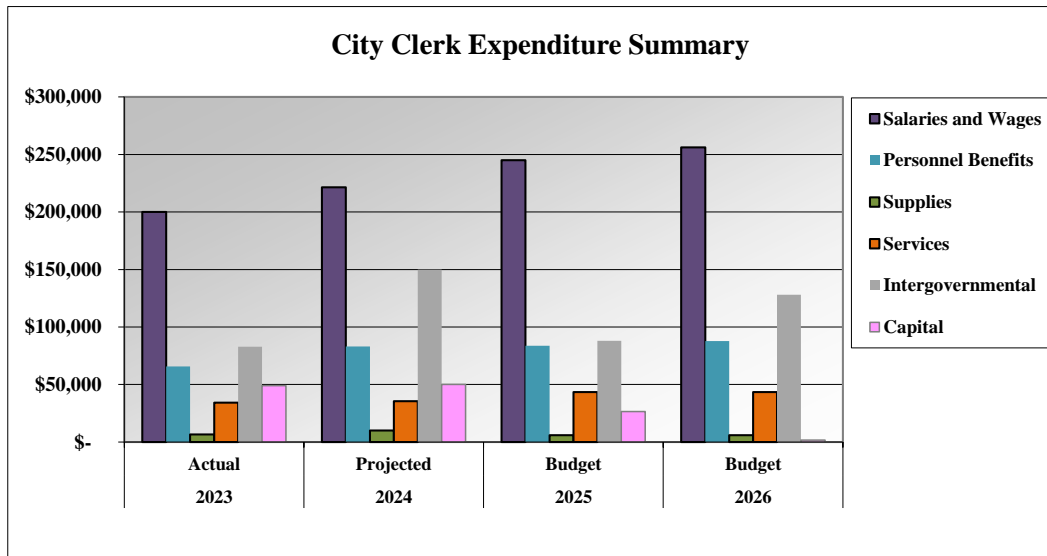
2025-2026 BUDGET HIGHLIGHTS

- The 2025-2026 biennium will be the first biennium where the City Clerk's Office will be fully staffed with both a City Clerk and Deputy City Clerk.

General Fund

City Clerk

<u>Expenditure Summary</u> <u>City Clerk</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 262,500	\$ 200,077	\$ 221,500	\$ 421,577	\$ 245,086	\$ 256,215	\$ 501,301
Personnel Benefits	\$86,050	65,633	83,000	148,633	83,759	87,804	171,563
Supplies	\$11,700	6,547	10,000	16,547	6,050	6,050	12,100
Services	\$57,500	34,241	35,500	69,741	43,360	43,360	86,720
Intergovernmental	\$561,000	82,916	150,000	232,916	88,000	128,000	216,000
Capital	-	49,048	50,000	99,048	26,604	1,604	28,208
Total Program Costs	\$ 978,750	\$ 438,462	\$ 550,000	\$ 988,462	\$ 492,859	\$ 523,033	\$ 1,015,892



<u>Employee Summary</u> <u>City Clerk Positions</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
City Clerk	1	1	1	1	1	1	1
Deputy Clerk	1	1	1	1	1	1	1
Total Positions	2	2	2	2	2	2	2

GENERAL FUND: CITY MANAGER'S OFFICE

The City Manager is appointed by and reports to the City Council. The City Manager's Office provides management direction of all City departments and activities in accordance with City Council priorities and direction and administratively supports the City Council. The City Manager's Office also oversees economic development and tourism, Diversity, Equity, Inclusion and Accessibility, the City Clerk's Office, public safety and the judicial branch, citywide communications, community engagement and marketing, citywide front desk reception, housing and human services, citywide research and development projects, regional partnerships and cooperation, citywide public records, and special projects.

2023-2024 ACHIEVEMENTS

Leadership of the Organization and Public Records

- Coordinated annual City Council retreats to establish annual priorities to guide the City's work. Communicated those priorities to the organization and the community. Led efforts to advance the City Council priorities.
- The COVID-19 pandemic caused a permanent shift, and many City services are now provided hybrid or virtually and many staff telework, all while ensuring continued access to services.
- Anticipated the timely processing of nearly 800 public records requests in 2023-2024

Diversity, Equity, Inclusion and Accessibility (DEIA)

- Obtained City Council adoption of the new Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan. Provided on an annual report on implementation in July 2024.
- Led DEIA Advisory Committee, ten volunteers with expertise and experience in DEIA who live or work in Kenmore. The group met quarterly, attended City events, and served as a resource.
- Provided Implicit Bias training and DEIA background and Equity Toolkit training to staff and the City Council.
- Hosted Juneteenth celebrations, Pride Flag raisings, and walked in Seattle Pride Parade.

Special Projects (formerly known as ARPA)

- In 2022, the City Council authorized staff to carry out four programs - selected using the Council ARPA guidance shown here - with a portion of the City's \$6.4M ARPA funds.
 - Homelessness Outreach: Contracted with Lake City Partners Ending Homelessness to provide outreach services to Kenmore's unhoused.
 - Human Services Funding: Contracted with Center for Human Services to provide ongoing mental and behavioral health counseling at a school in Kenmore.
 - Business Assistance: A second round of assistance granted \$185,000 to 25 businesses in allotments ranging from \$2,500 to \$10,000, depending on their pandemic losses.

Council ARPA Guidance

High Level Strategy

- Provide immediate relief to residents in need
- Provide immediate relief to businesses in need
- Position the City, community, and businesses to transition into a post-COVID era (i.e., long-term recovery)
- Consider enduring, legacy project(s) that will be bold investments in Kenmore's future

Guiding Principles

- 1) Center Equity
- 2) Provide Immediate Relief and Fund Legacy Work
- 3) Tie Funding Decisions to Pandemic Impacts
- 4) Consider Early Wins and Something for Everyone
- 5) Assess Long-Term Sustainability
- 6) Factor in Community Feedback
- 7) Leverage Other Funding Sources
- 8) Maximize Partnerships

- Catch-up Learning: Contracted with Cascadia College to provide tutoring and academic coaching during the 2024-25 school year and a Summer Academy in 2024 and 2025.

Citywide Communications and Community Engagement

- The City embarked on an ambitious, year-long community engagement effort known as “The Love Where You Live Project” (LWYL), to learn what community members want for the future of Kenmore. Staff collected over 2,000 ideas and reflections at community events, workshops, and through two statistically valid community surveys and two online surveys.
- Launched a new “Engagement HQ” platform for two-way engagement with community members on projects and initiatives such as Climate Action and 61st Avenue Sidewalks.
- Produced, in-house, all editions of the Kenmore Quarterly Newsletter (print and digital), which is mailed to all 11,000+ mailboxes in Kenmore.
- Sent over 85 monthly e-newsletters, press releases, and weekly Top Four newsletters to 10,000 digital news subscribers. Monthly E-news subscribers increased by 25% in 2024, crossing over 8,000 city news subscribers.
- Increased use of social media to inform the public on City issues and events. Facebook followers increased in 2024 by 7.5% and Instagram followers increased in 2024 by 33%.
- Included Spanish translations for communications, Spanish interpreters at events, and new accessibility tools for our website in support of the City’s DEIA Strategic Plan.
- Worked with University of Washington Bothell’s Center for Engaged Learning to partner with classes and individual students on projects. This included a project management team and two UW Bothell digital cohort interns that worked on projects at no cost to the City.

Economic Development and Tourism

- Rolled out a new three-part economic development approach.
- Continued to partner with the Bothell Kenmore Chamber of Commerce and the Kenmore Business Alliance to support, attract, and retain local businesses.
- Expanded business registration program to require all businesses to register and pay \$10 annual fee (those with annual gross revenue below \$12,000 exempted from fee). By the end of 2024, the City will have a first-ever count of how many businesses operate in Kenmore.
- Rolled out a new and enhanced city business directory. The next directory phase will be tourism pages to promote Kenmore businesses and encourage more tourism.
- Pursued a Lodging Tax but the state determined Kenmore’s eligibility ended in 2000.
- Hosted the second winter Pop Shops, a series of craft markets for over 50 local home-based businesses across seven days leading to two more markets in winter and at Oktoberfest.
- Managed Port of Seattle grant funds for small business training, advertising special event and shop local campaigns such as the Farmers Market and Oktoberfest, designing the new business directory with tourism elements, and building the City’s professional photo library.
- With donations from local businesses, the City purchased a Hank Heron mascot costume that brings fun and flair to City events and engages with businesses and the community.



- Met regularly with key business owners to coordinate efforts, learn more about the challenges business face, and partner on a variety of initiatives.
- Played a lead role on the Lakepointe project including meetings with developers, the property owner, consultants, and experts to examine pathways to move the site forward.
- Launched a new electronic newsletter for businesses.

Housing and Human Services

- (see Housing and Human Services Cost Center)

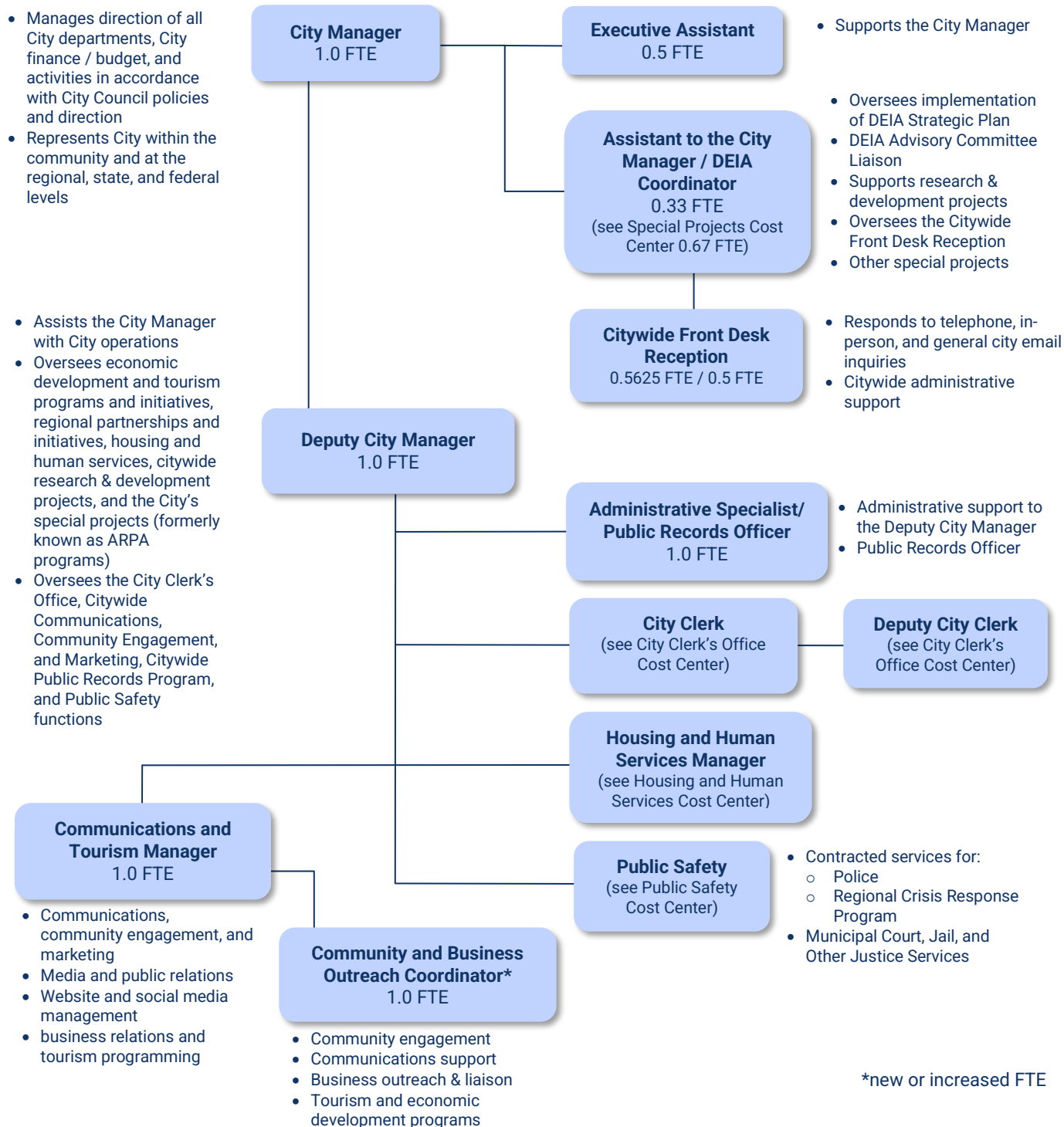
Public Safety and Judicial Branch Support

- Continued to meet regularly with the other King County Sheriff's Office contract cities to discuss our police contract, raise issues and concerns and track ongoing work.
- Began a Community Court partnership with the King County District Court; this is a voluntary alternative to regular court that offers wraparound services to help participants break patterns and achieve success. The program includes a weekly Resource Center, open to any resident in need, where community providers connect people to services.
- Entered a contract to provide Electronic Home Monitoring (EHM) for indigent defendants. Previously, EHM was only available to clients who could afford it, which meant all others had to serve jail time and were prevented from working and otherwise contributing to society.
- Continued to meet regularly with our judicial branch partners to share information and coordinate efforts. This work included two annual Public Safety Study Sessions to share information and participation at Kenmore's National Night Out.

Regional Partnerships, Citywide Research and Development, and Special Projects

- Partnered with the North King County cities to build a 24/7 crisis center in North King County. Selected provider Connections Health and supported application for state and county funds and selection of Kirkland site. The crisis care center opened to the public on August 10, 2024.
- Partnered with the cities of Bothell, Kirkland, Lake Forest Park and Shoreline to establish the Regional Crisis Response (RCR) Agency in June 2023
- Represented the City's interests in regional partnerships including A Regional Coalition for Housing, the E-City Gov Alliance, and the King County Regional Homelessness Authority.
- Supported efforts to keep the Sound Transit Bus Rapid Transit S3 line on track.
- Continued to advocate at the state and federal levels for City priorities and projects.
- Participated in key regional and state policy discussions to represent Kenmore's interests.
- Worked with University of Washington Bothell on student-led projects including collating Love Where You Live feedback, a human services resource flyer, and social media work.
- Staff represented Kenmore on boards of the Association of Washington Cities, Northwest Women's Leadership Academy, and Washington City/County Management Association.
- Led work to hire a consultant to perform a feasibility study for a regional aquatic center; the consultant recommended a location in Shoreline, but funding and other challenges remain.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

Leadership of the Organization and Public Records

- The City Manager will assist the Council in establishing annual priorities including supporting a City Council priority setting retreat. The City Manager and the leadership team will communicate City Council priorities to the organization and the community and will coordinate efforts to advance those priorities.

- Process Public Records Requests within required timelines and give annual Citywide Public Records program presentation to the City Council.

Citywide Communications and Community Engagement

- Promote City activities, important project and construction updates through multiple communications channels, including website, social media, and digital and print publications. Continue outreach to increase followers and exposure.
- Implement the communications policy and plan.
- Further develop the community engagement strategy and employ more effective and accessible engagement tools. Finalize a community engagement plan.
- Develop a citywide social media strategy for handling misinformation and disinformation.
- Support planning and communications needs for future Lakepointe and Downtown Plan discussions, Climate Action Plan implementation, and DEIA Road Map directives.

Diversity, Equity, Inclusion and Accessibility (DEIA)

- Continue to implement and oversee the DEIA Strategic Plan. Maintain quarterly meetings with departments and the DEIA Advisory Committee. Provide annual reports to the City Council. Plan and administer training for staff and City Council. Update the plan as needed.

Economic Development and Tourism

- Continue to promote the three-pronged economic development approach.
- Continue economic development and tourism work through partnership with key businesses, the Bothell Kenmore Chamber of Commerce, and Kenmore Business Alliance.
- Manage new tourism related projects, including exploring new ways to promote overnight stays and the new tourism pages on the FindKenmore.org Business Directory.
- Implement a revenue-backed, sustainable Hank Heron Mascot Sponsorship Program.
- Initiate a restaurant and retail study, based on feedback from the Love Where You Live Project and community surveys, to help us analyze Kenmore's market conditions, assess the viability of attracting more restaurants and local retail to Kenmore, and recommend next steps.
- Plan and implement projects for 2025-2026 Port of Seattle Economic Development grant funds.
- Explore opportunities for additional outreach and support to businesses, include a possible business survey, pitch competition, home-based business expo, and other ways to boost our local businesses. Continue producing the new electronic business newsletter.
- Promote events such as Oktoberfest led by the Chamber and business community.
- Continue to play a lead role in the Lakepointe project, including communications and outreach.
- Support Bastyr University as a world class natural health institution, including Bastyr's efforts to realize its masterplan. Assist with the extension of the City's athletic field lease with Bastyr.

Housing and Human Services

- (see Housing and Human Services Cost Center)

Public Safety and Judicial Branch Support

- Continue to meet regularly with the other King County Sheriff's Office contract cities to discuss our police contract, raise issues and concerns and stay informed.

- Continue to partner with the King County District Court on Community Court, the Resource Center, and related efforts including support of a new Life Skills class and possible grants.
- Continue contract to provide Electronic Home Monitoring to indigent clients.
- Continue to meet regularly with judicial branch partners to collaborate and support their efforts. This will include planning annual study sessions and National Night Out events.

Regional Partnerships, Citywide Research and Development, and Special Projects

- Continue to support Connections Health 24/7 Crisis Care Center in Kirkland and participate in regional work on siting the five new centers funded by the 2023 Crisis Care levy.
- Continue to support the Regional Crisis Response (RCR) Agency. Kenmore will continue to be represented on the RCR Executive Board and also in the Principals Assembly.
- Continue work with University of Washington Bothell to identify project opportunities.
- Continue work with Sound Transit, other cities, elected officials, and the community to ensure investments and services of ST3 Bus Rapid Transit meet Kenmore's transit needs.
- Continue to advocate at the state and federal levels for City priorities and projects.
- Support participation in key regional and state policy discussions to represent Kenmore.
- Continue to support research and development projects for every City department and in support of the City Council's requests for information and research on various topics.
- Propose and, upon receiving approval from City Council, implement new programming to utilize remaining resources in the one-time Special Projects funding in the General Fund.

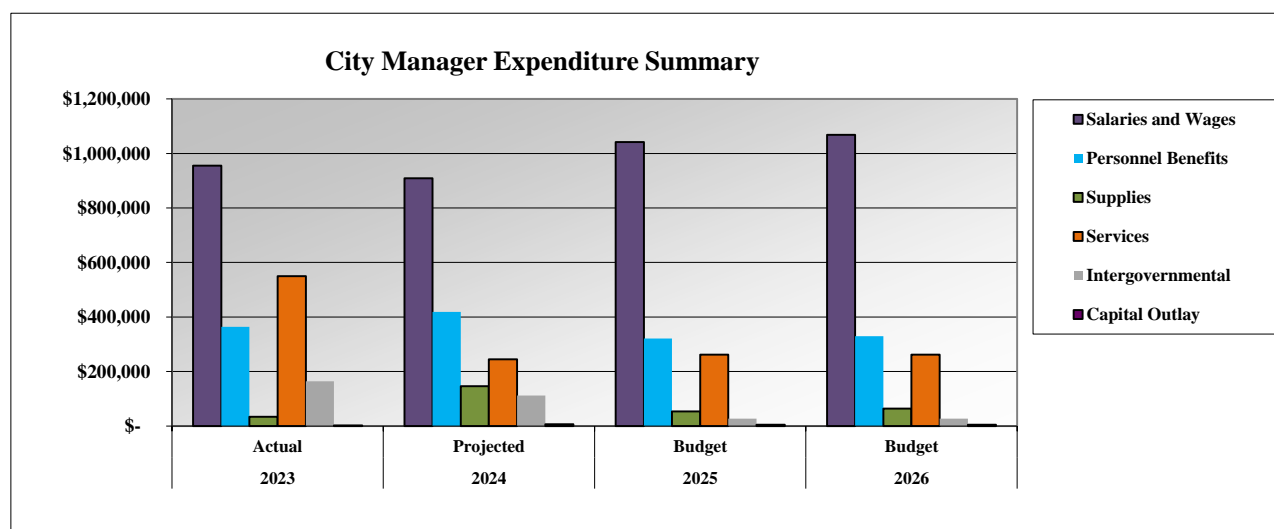
2025-2026 BUDGET HIGHLIGHTS

- New community engagement and social media management tools to combat misinformation and disinformation and streamline communications efforts.
- Continue DEIA Strategic Plan implementation and DEIA Advisory Committee work.
- New Hank Heron sponsorship program, Port of Seattle grants, and a restaurant and retail study.
- Holt property development (see Housing & Human Services cost center).
- Implement Human Services strategic plan recommendations and Advisory Group (see Housing & Human Services cost center).
- Continue to partner on the Regional Crisis Response Agency and the Crisis Care Center.
- Expanded use of Community Court and the associated Resource Center.
- Implementation of the next set of project(s) funded by one-time Special Projects funds.
- Continued work and support of Lakepointe development, including communications and outreach.
- Create a new Community & Business Engagement Coordinator position to assist with the ever-growing communications and outreach expectations of the community.

General Fund

City Manager

<u>Expenditure Summary</u> City Manager	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 1,783,335	\$ 955,297	\$ 908,801	\$ 1,864,098	\$ 1,041,457	\$ 1,068,530	\$ 2,109,987
Personnel Benefits	808,800	364,227	418,400	782,627	321,264	329,872	651,136
Supplies	63,440	34,127	146,720	180,847	53,426	64,286	117,712
Services	694,449	549,635	245,075	794,710	261,609	261,609	523,218
Intergovernmental	278,200	164,721	112,000	276,721	27,100	27,100	54,200
Capital Outlay	12,700	2,721	6,350	9,071	5,350	5,350	10,700
Total Program Costs	\$ 3,640,924	\$ 2,070,728	\$ 1,837,346	\$ 3,908,074	\$ 1,710,206	\$ 1,756,747	\$ 3,466,953



<u>Employee Summary</u> City Manager Positions	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
City Manager	1	1	1	1	1	1	1
Deputy City Manager	1	1	1	1	1	1	1
Communications & Tourism Manager	1	1	1	1	1	1	1
Community & Business Outreach Coordinator	0	0	0	0	1	1	1
Executive Assistant	1	1	1	1	0.5	0.5	0.5
Public Record Officer/Admin Assistant	1	1	1	1	1	1	1
Receptionist	1.125	1.125	1.125	1.125	1.125	1.125	1.125
ARPA Asst. to City Manager (limited duration)	0	0	0	0	0.33	0.33	0.33
Total Positions	6.125	6.125	6.125	6.125	6.955	6.955	6.955

GENERAL FUND: FINANCE & ADMINISTRATION

The Finance and Administration department provides the following services:

Finance and Accounting Services

Budget preparation and oversight, financial reporting and audit support, accounts payable and accounts receivable, payroll and benefits administration, fixed asset tracking, cash depositing and collections, cash and investment management, grant management, debt management, evaluation and implementation of internal controls.

Risk Management Services

Processing of claims and incidents, maintenance of property and liability insurance, ensure compliance with COMPACT, and timely processing of invoices.

Information Technology and Networking Administration

Oversight of City computer network, telecommunications, internet, software and hardware.

Human Resources

Employee onboarding/offboarding, benefits administration, workers' compensation, employee pay administration, and employee discipline, complaints, investigations.

2023-2024 ACHIEVEMENTS

Finance and Budget

- Managed the City's biennial budget with minimal mid biennium adjustments.
- The City received an "unqualified" (clean) audit report for 2022 from the State Auditor's Office.
- Managed the Service Level Budgeting process for consideration in development of the 2025-2026 Biennial Budget.
- Managed the development of a six-year Financial Sustainability Plan scheduled to be approved by City Council in October 2024.
- Onboarded new Finance Director in early 2023.

Information Technology

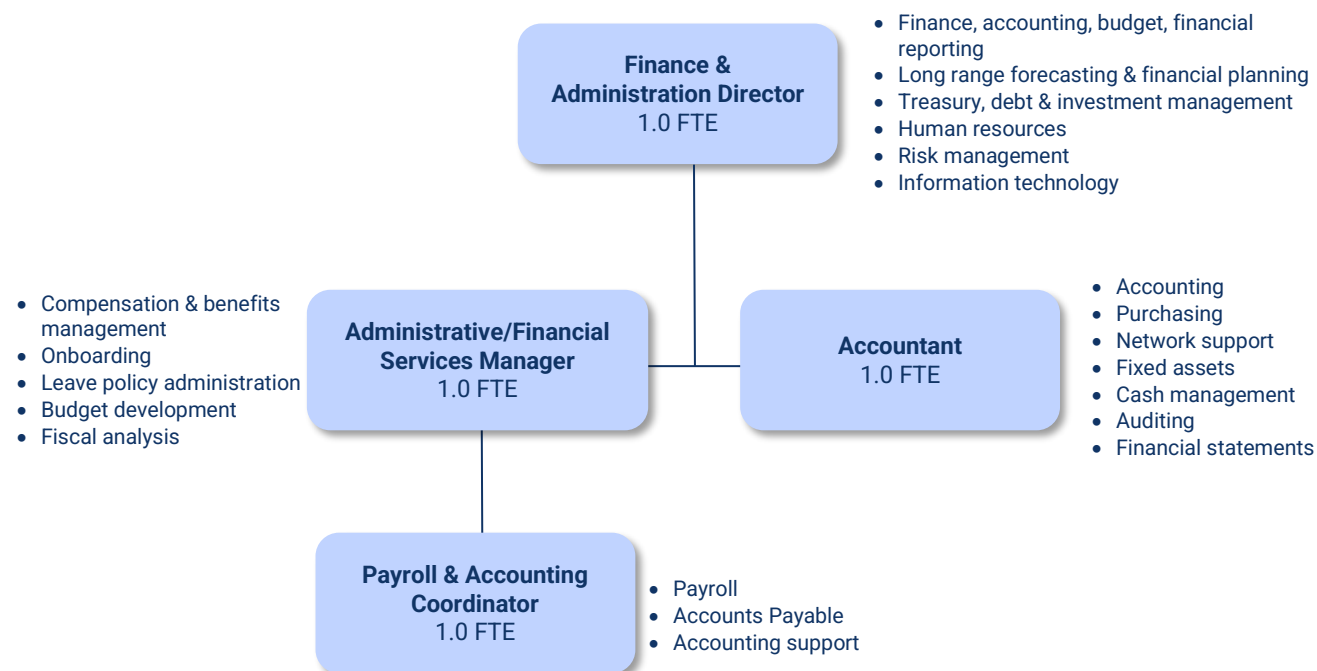
- Reconvened the IT Committee and began developing a work plan for 2025-26. Committee identified all existing City software applications and created a process improvements list.
- Updated and purchased new network equipment to improve network security and protection of data.
- Began converting staff computers to Windows 11.

Human Resources

- Implemented a new HR recruitment form to streamline the recruitment process and ensure all approvals are in place before the recruitment process begins.
- Maintained the City's status as a Well City which resulted in a 2% medical insurance premium reduction for 2023 and 2024.

- Managed an independent salary study in 2024 which is anticipated to be complete by the end of the year.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue to achieve an unqualified audit opinion with no findings.
- Continue and improve long term Financial Sustainability forecast efforts.
- Implement and monitor long-term financing plan for the construction costs related to the public works facility.
- Develop long-term financing plan for the development of the Lakepointe property.

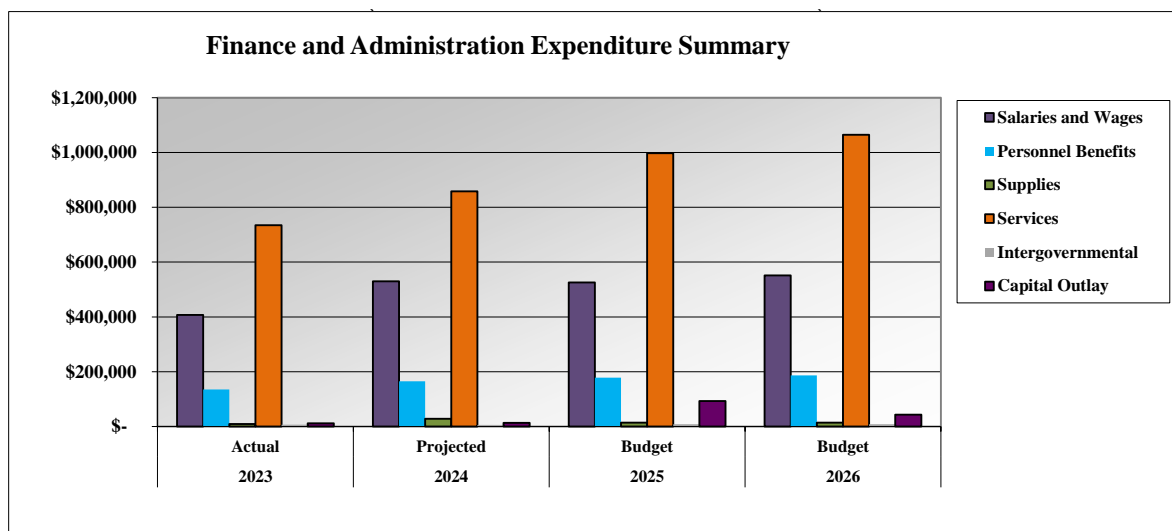
2025-2026 BUDGET HIGHLIGHTS

- Key budget items include salary and benefits, training costs, supplies, computer technology, WCIA liability and property insurance, computer and software maintenance, and audit costs.

General Fund

Finance and Administration

Expenditure Summary Finance and Administration	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 955,188	\$ 407,004	\$ 530,000	\$ 937,004	\$ 525,321	\$ 551,337	\$ 1,076,658
Personnel Benefits	358,162	135,322	165,000	300,322	178,422	186,995	365,417
Supplies	37,034	9,022	28,000	37,022	14,287	14,411	28,698
Services	1,745,753	734,415	858,000	1,592,415	997,215	1,064,976	2,062,191
Intergovernmental	18,000	7,073	5,500	12,573	8,000	8,000	16,000
Capital Outlay	27,500	11,260	13,500	24,760	93,100	43,100	136,200
Total Program Costs	\$ 3,141,637	\$ 1,304,096	\$ 1,600,000	\$ 2,904,096	\$ 1,816,345	\$ 1,868,819	\$ 3,685,164



Employee Summary Finance and Administration	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Finance & Administration							
Director	1	1	1	1	1	1	1
Administrative/Financial Services Manager	0	1	1	1	1	1	1
Accountant	1	1	1	1	1	1	1
Payroll & Accounting Coordinator	1	1	1	1	1	1	1
Total Positions	3	4	4	4	4	4	4

GENERAL FUND: LEGAL SERVICES

This cost center accounts for civil legal services to the City Council and City administration. Prosecution and public defense are included in the Public Safety cost center. The civil legal services (also known as City Attorney services) are provided by contract through Inslee, Best, Doezie & Ryder, P.S. Specialized legal counsel from other firms is used as needed.

The City Attorney is the City's chief legal advisor. Dedicated to a philosophy of proactive and early intervention, the City Attorney provides legal guidance and support for elected City officials, City Manager, City departments, and Planning Commission; and represents the City before judicial and administrative bodies in civil proceedings.

2023-2024 ACHIEVEMENTS

The City Attorney continued to support the City Council and administration on land use, contracts and intergovernmental agreements, defending lawsuits against new city regulations, affordable housing projects (e.g. Holt property and old Shell property), and other subjects. The City Attorney also assisted the City in drafting ordinances and resolutions for City Council consideration. Special Counsel assisted with property acquisition, asphalt plant emissions, environmental issues and a small number of other matters.

2025-2026 OBJECTIVES

The City Attorney's office will provide the following programs identified during the Service Level Budgeting process:

- Internal Legal Support and Advisement
 - Advise and Support City Staff and Council in legal matters
- Policy and Procedural Development
 - Aid in the development of policy and procedure
- Council Meeting Support
 - Provide advice and support for the City in council meetings
- Executive Session Support
 - Provide advice and support for the City in executive sessions
- Public Records Requests
 - Provide legal support for public records requests
- Contracts and Agreements
 - Draft and review contracts and agreements

Special Counsel

- Provide advice on specialized and technical legal issues, such as environmental or real estate matters.

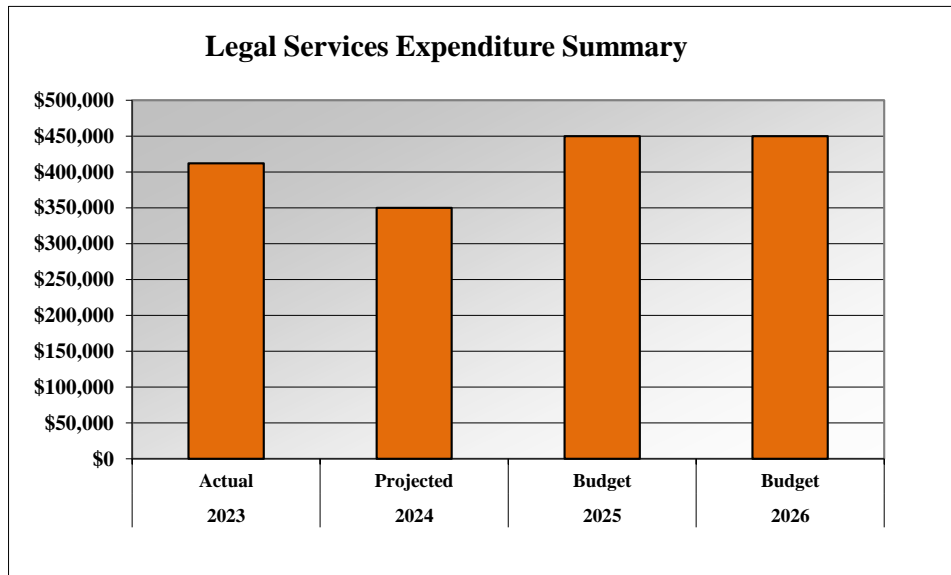
2025-2026 BUDGET HIGHLIGHTS

- The 2025-2026 expenditures are not expected to increase significantly barring any unusual or unanticipated litigation or code enforcement issues.

General Fund

Legal Services

<u>Expenditure Summary</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Services	\$ 700,000	\$ 412,025	\$ 350,000	\$ 762,025	\$ 450,000	\$ 450,000	\$ 900,000
Capital Outlay		-	-	-	-	-	-
Total Program Costs	\$ 700,000	\$ 412,025	\$ 350,000	\$ 762,025	\$ 450,000	\$ 450,000	\$ 900,000



Legal Services are provided by contract; there are no full time equivalent positions.

GENERAL FUND: HUMAN RESOURCES

Human Resources includes framing, recruitments, and Human Resources consulting services. Starting in 2025, Diversity, Equity, Inclusion, and Accessibility (DEIA) will be moved to the City Manager's Office. This division has no personnel assigned to it because HR functions are distributed across several other departments.

2023-2024 ACHIEVEMENTS

- Adoption of City's first ever Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan and 5-Year Roadmap
- Addition of DEIA Coordinator duties to Assistant to the City Manager role
- Held DEIA Advisory Committee meetings quarterly
- Created Microsoft Planner Board and began implementation of the DEIA Strategic Plan
- Provided Implicit Bias training to staff in March 2024 as part of mandatory training series
- Provided DEIA background and Equity Toolkit training to staff in April 2024 as part of mandatory training series
- Updated City Council as to DEIA Strategic Plan implementation in July 2024
- Provided Anti-Bias and Equity Toolkit trainings to City Council in July 2024
- Hosted Juneteenth celebrations in 2023 and 2024 in coordination with the Kenmore Farmers Market
- Hosted Pride Flag-raising events in 2023 and 2024
- City of Kenmore participated in the Seattle Pride Parade in 2023 and 2024
- Continuing Annual Wellness Floating Holiday with updated requirements by the Wellness Committee.
- Updated Teleworking Policy with discontinuation of 6 month in office requirement upon hire.
- Successfully Recruited and hired:
 - Environmental Services Technician
 - Surface Water Capital Projects Manager
 - Public Works Facility Capital Project Manager
 - Recreation Program Supervisor
 - Two Public Works Maintenance Workers
 - Part Time Public Works Maintenance Worker
 - Accountant
 - Senior Permit Coordinator
 - Part-Time Receptionist
 - Finance & Administration Director
 - Payroll & Accounting Coordinator
 - Building Inspector
 - GIS Program Manager
 - Climate Action Plan Manager
 - Housing & Human Services Program Manager
 - Facilities and Fleet Maintenance Supervisor
 - Principal Planner
 - Part-Time Permit Coordinator
 - interns and other seasonal/limited term employees
- Successfully recruited and transferred from within:
 - Administrative/Financial Services Manager
 - Deputy City Clerk
 - Recreation Program Supervisor
 - Two Senior Maintenance Workers
 - Senior Environmental Services Technician
 - Environmental Services Technician
 - Communications and Tourism Manager
 - Part-time Receptionist

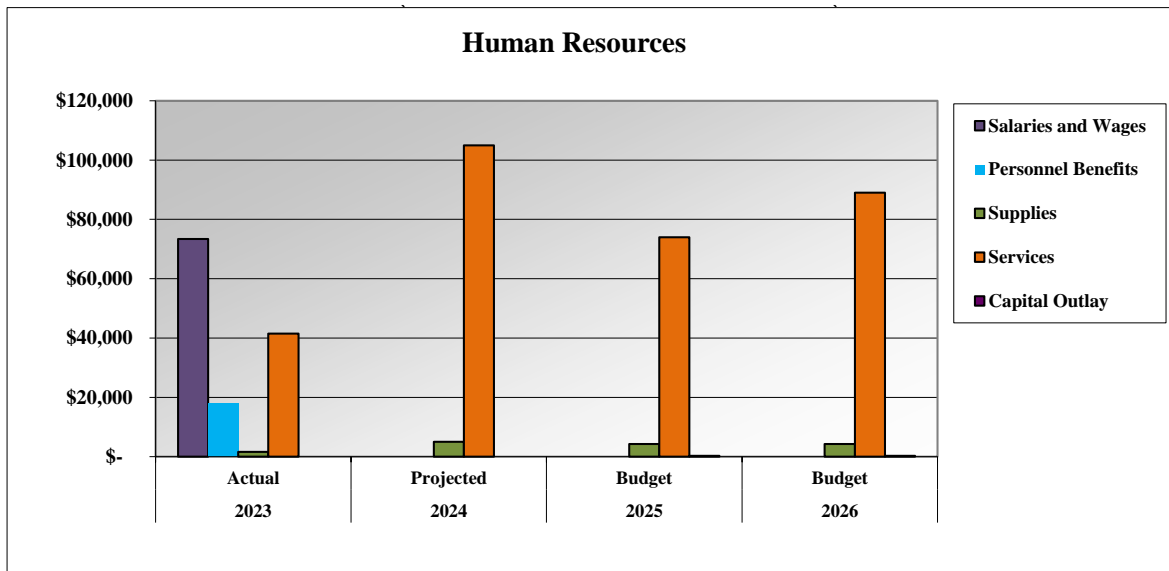
2025-2026 OBJECTIVES

- DEIA moves to the City Manager's Office
- Finalize and Implement Onboarding process improvement
- Conduct employee engagement survey
- Via the City Clerk's Office, conduct various and regular seasonal recruitments
- Via the City Clerk's Office, produce various all-staff trainings, including anti-harassment, diversity, organizational health, policies and procedures, and more

General Fund

Human Resources

	2023-2024			2023-2024			2025-2026
<u>Expenditure Summary</u>	Final	2023	2024	Total	2025	2026	Proposed
<u>Human Resources</u>	Budget	Actual	Projected	Biennium	Budget	Budget	Budget
Salaries and Wages	\$ 276,400	\$ 73,399	\$ -	\$ 73,399	\$ -	\$ -	\$ -
Personnel Benefits	76,800	18,136	-	18,136	-	-	-
Supplies	10,544	1,640	5,000	6,640	4,250	4,250	8,500
Services	146,060	41,493	105,000	146,493	74,000	89,000	163,000
Capital Outlay	500	-	-	-	250	250	500
Total Program Costs	\$ 510,304	\$ 134,668	\$ 110,000	\$ 244,668	\$ 78,500	\$ 93,500	\$ 172,000



	2023-2024			2023-2024			2025-2026
<u>Employee Summary</u>	Final	2023	2024	Total	2025	2026	Proposed
<u>Human Resources</u>	Budget	Actual	Projected	Biennium	Budget	Budget	Budget
Human Resources Manager*	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Positions	1.0	0.0	0.0	0.0	0.0	0.0	0.0

*When position became vacant in early 2023, staff absorbed the duties and the city chose not to hire a new manager.

GENERAL FUND: NON-DEPARTMENTAL

Only transfers from the General Fund to other funds are accounted for in this Non-Department cost center.

2023-2024 BUDGET HIGHLIGHTS

- \$400,000 was transferred to the Street Fund in 2023 to help cover street maintenance costs
- \$28,000 was transferred to the PW Operations Center in 2023 for (partial) debt service payment
- \$980,000 anticipated to be transferred to the Street Fund in 2024
- \$650,000 anticipated to be transferred to the Lakepointe Fund in 2024 to cover various consulting services

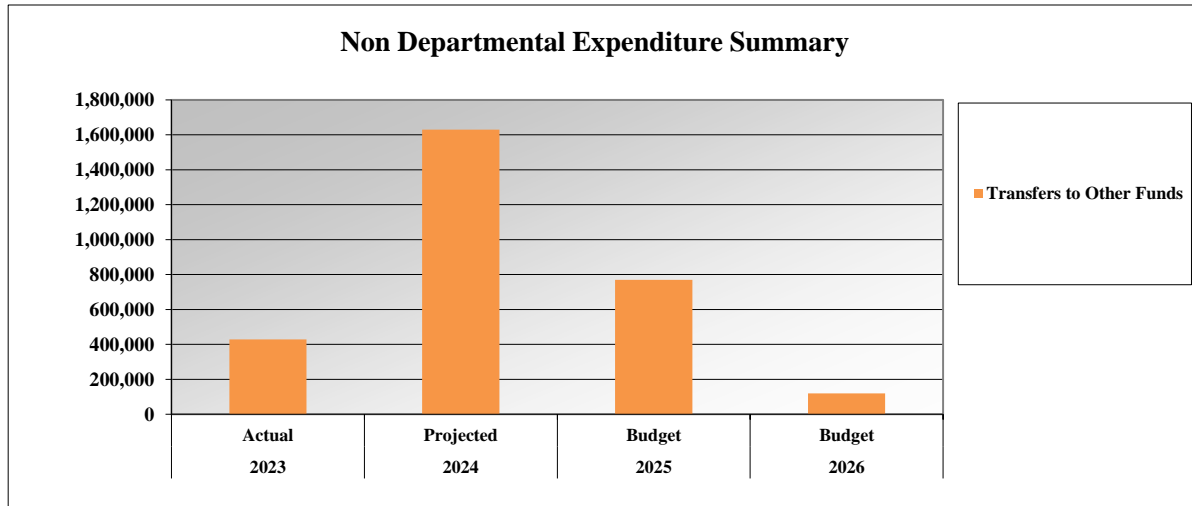
2025-2026 BUDGET HIGHLIGHTS

- \$650,000 to be transferred to the Lakepointe Fund in 2025 for Lakepointe activities
- \$120,000 to be transferred to the Equipment Fund in 2025 and 2026 to begin building up reserves for future building preservation

General Fund

Non Departmental

<u>Expenditure Summary</u> <u>Non Departmental</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Transfers to Other Funds	\$ 1,407,093	\$ 428,000	\$ 1,630,000	\$ 2,058,000	\$ 770,000	\$ 120,000	\$ 890,000
Total Program Costs	\$ 1,407,093	\$ 428,000	\$ 1,630,000	\$ 2,058,000	\$ 770,000	\$ 120,000	\$ 890,000



2023 Transfers to Other Funds: 428,000 Street Fund - \$400,000/PW Ops Center Fund \$28,000
 2024 Transfers to Other Funds: 1,630,000 Street Fund - \$980,000 / Lakepointe Fund - \$650,000
 2025 Transfers to Other Funds: 770,000 Lakepointe Fund \$650,000 / Equipment Fund \$120,000 (bldg preservation)
 2026 Transfers to Other Funds: 120,000 Equipment Fund \$120,000 (bldg preservation)

There are no full time equivalent positions budgeted in the Non Departmental Cost Center.

GENERAL FUND: PUBLIC SAFETY

The Public Safety cost center contains the expenditures for police, jail, court, prosecution, and public defense services. Police services are provided through a contract with the King County Sheriff's Office (KCSO), and misdemeanor jail services are provided through a contract with South Correctional Entity Regional Jail (SCORE). The Kenmore Police Department is responsible for the enforcement of State and local laws. The Department's goals are to provide high-quality, cost-effective law enforcement services and to develop an active partnership with residents, embracing the philosophy of community-oriented policing and problem-solving to reduce crime and the fear of crime.

2023-2024 ACHIEVEMENTS

King County Sheriff's Office – Police Services

- The Public Safety contract with King County provides for 14 deputy sheriffs (twelve patrol officers, a burglary/larceny detective, and a sergeant). For the majority of the past biennium, at least two patrol vacancies were maintained due to staffing shortages in the Sheriff's Office and throughout law enforcement. A KCSO sergeant serves as Kenmore's police chief.
- The contract also provided the following additional specialty services such as 911 call receiving and dispatch, K9, SWAT, marine patrol, Major Accident Response and Reconstruction (MARR) investigations, major crimes investigations, special assault investigations, fire/arson investigations, public disclosure, internal investigations, and the advanced training unit.
- Kenmore was ranked the 5th safest city in the State of Washington in 2024 and 7th safest in 2023. These rankings are done by Safewise, a private organization that analyzes crime statistics nationwide.
- The Kenmore Police Department performed the review of all violations for the engineering department's new Kenmore Automated Enforcement Program (KAPE), consisting of two current school zone cameras near Arrowhead Elementary and Kenmore Elementary.
- In 2024, all Kenmore Officers were equipped with body-worn cameras (BWC) as part of KCSO's camera program. The cameras capture high-quality video and audio during interactions with the public and act as a tool for transparency and accountability. KCSO handles public disclosure requests for the camera footage. In-vehicle cameras will be added as vehicles are replaced.
- Kenmore Police continued utilizing the trespass authorization program, which allows a business or property owner to have officers trespass loitering individuals, particularly after hours, on their behalf. Several businesses have signed trespass authorization forms as part of this program, which has led to fewer nuisance or trespass complaints at these properties.



Community Programs

- The RCR (Regional Crisis Response) program expanded from its roots as RADAR (Response Awareness De-escalation and Referral). This partnership between Kenmore, Shoreline, Lake Forest Park, Bothell, and Kirkland utilizes Crisis Responders/Mental Health Professionals to conduct outreach with community members in need of additional assistance, and referrals to mental health

programs and resources. The program is now utilizing full-time Crisis Responders, who also regularly respond with Officers to calls where a mental health issue is present. The program has grown in staffing and hours of availability, increasing the utilization significantly from prior years.

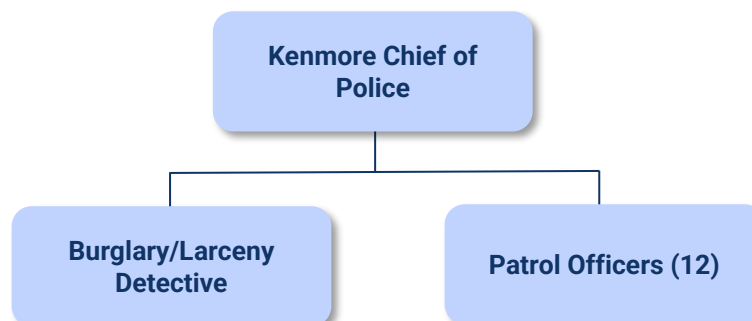
- The Kenmore Police Department continued its efforts with the Safe Place program, which is a partnership with area businesses that provides for the victims of crimes, particularly hate crimes, to stay at that business until police arrive. The department also made available a number of free items for residents to pick up at City Hall, including locking prescription drug bags and gun cable locks. The department also provides free disposal of prescription drugs at a secure drop box at City Hall.
- The department continued providing vacation house check services to residents. Officers check on homes while residents are gone, giving them peace of mind while on vacation.
- Kenmore Police co-hosted a *Gift Cards for Guns* event in 2023 at Shoreline Community College along with Shoreline Police and KCSO. 319 firearms and 6,000 rounds of ammunition were collected at the event.
- The City began participating in the community court program, providing rehabilitative services in lieu of jail time.
- The City began providing home monitoring services for low-income defendants.

Community Engagement

- The Kenmore Police participated in a number of community events, several community group presentations, and multiple classroom presentations at area schools on a variety of safety topics.
- Kenmore Police hosted the annual “National Night Out,” in both 2023 and 2024 which is an annual event that brings neighborhoods together to take a stand against crime, and to interact with Officers. The NNO event was held in conjunction with the Farmer’s Market and included a number of specialty units from KCSO and community partners.
- Kenmore Police, in conjunction with the Northshore School District, sponsored and hosted *Nurturing Trust* workshops at Inglemoor High School. The workshops are geared toward Spanish speaking families, and include a number of topics, including gangs, drug activity, bullying, and positive parenting.
- In an effort to continue our community engagement efforts, social media accounts were used regularly for Facebook, X, and NextDoor, allowing for the consistent dissemination of information on notable police events, crime trends, hazards, or scams that are being seen in the community, and community events.



2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- 2025-26 Public Safety services will continue to be provided through contract with the King County Sheriff's Office at the staffing level provided in the previous biennium.
- Kenmore Police Officers will continue their regular use of the RCR program and increase number of calls that the Crisis Responders are responding with Officers. RCR will continue to evolve with increased availability hours and outreach capabilities.
- Kenmore Officers will continue to support Kenmore's Engineering Department's automated enforcement program, as it is slated to be expanded to an additional location with expanded hours. Officers will continue reviewing each potential violation for validity before being processed.

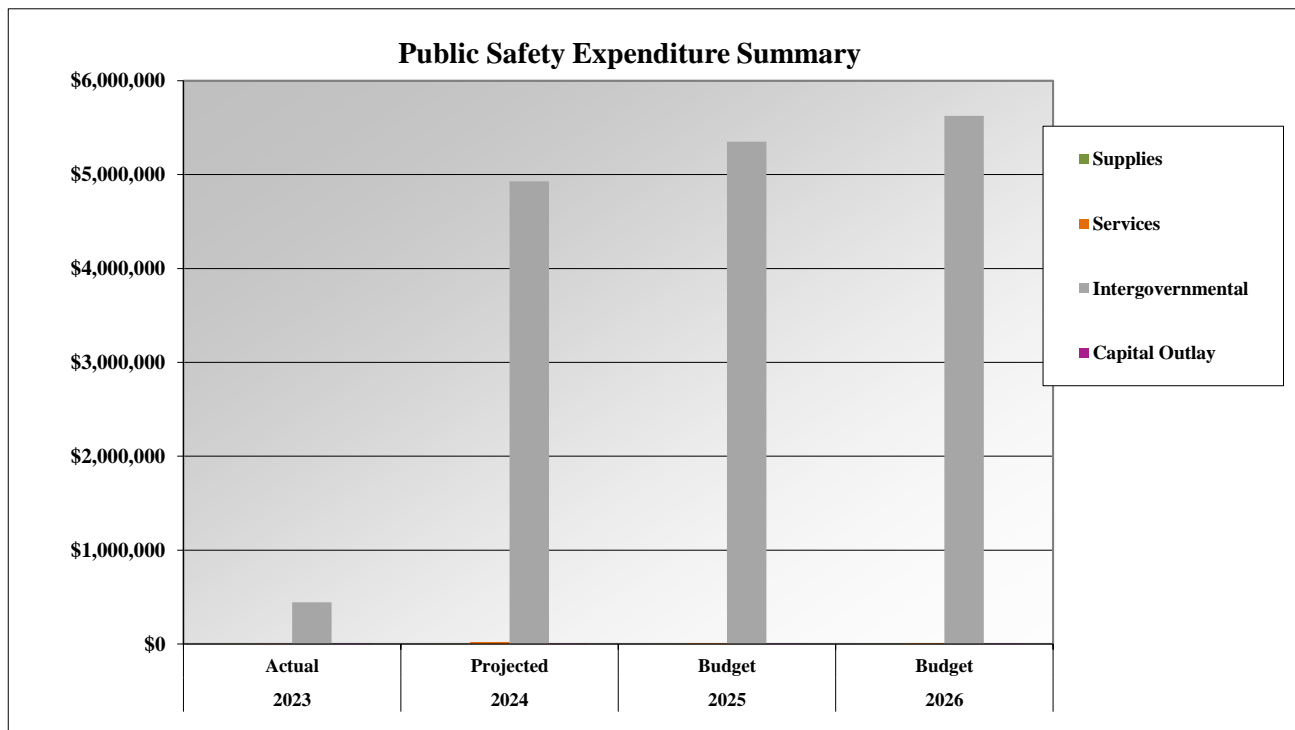
2025-2026 BUDGET HIGHLIGHTS

- The Biennial Budget reflects cost increases for the police services contract associated with labor, risk pool insurance costs, and the body worn camera program.
- The 2025-2026 Biennial Budget has no new programs or personnel. Funding for the RCR program is budgeted outside of the police portion of the budget.
- Existing funding for community outreach and programs, including the *Nurturing Trust* workshops, is maintained.

General Fund

Public Safety

Expenditure Summary	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Public Safety							
Supplies	\$ 3,800	\$ 1,486	\$ 5,300	\$ 6,786	\$ 1,850	\$ 1,850	\$ 3,700
Services	21,000	927	20,000	20,927	9,000	9,000	18,000
Intergovernmental	9,927,150	445,334	4,928,550	5,373,884	5,352,133	5,626,448	10,978,581
Capital Outlay	5,000	1,002	2,500	3,502	3,500	3,500	7,000
Total Program Costs	\$ 9,956,950	\$ 448,749	\$ 4,956,350	\$ 5,405,099	\$ 5,366,483	\$ 5,640,798	\$ 11,007,281



Public Safety Services are provided by contract with the King County Sheriff's Office. The Contract provides for one Chief, one Detective and 12 Officers to provide service to the City of Kenmore. In 2023, \$4.6M of ARPA funds were used to cover Police contract costs.

GENERAL FUND: SPECIAL PROJECTS

This one-time source of funds is indirectly made possible by the former American Rescue Plan Act (ARPA) funding. A portion of the ARPA funds were used to pay for police services in 2023, which freed up just over \$2 million in General Fund dollars to be used for Special Projects. For 2025 and 2026, these one-time Special Projects funds are proposed to be used in a variety of ways to assist with the climate action plan, human services, and local business assistance.

2023-2024 ACHIEVEMENTS

In 2022, the City Council authorized staff to carry out four programs - selected using the Council ARPA guidance shown here - with a portion of the City's ARPA funds.

- **Homelessness Outreach:** Contracted with Lake City Partners Ending Homelessness to provide outreach services to Kenmore's unhoused.
- **Human Services Funding:** Contracted with Center for Human Services to provide ongoing mental and behavioral health counseling at a school in Kenmore.
- **Business Assistance:** A second round of assistance granted \$185,000 to 25 businesses in allotments ranging from \$2,500 to \$10,000, depending on their pandemic losses.
- **Catch-up Learning:** Contracted with Cascadia College to provide tutoring and academic coaching during the 2024-25 school year and a Summer Academy in 2024 and 2025.

Council ARPA Guidance

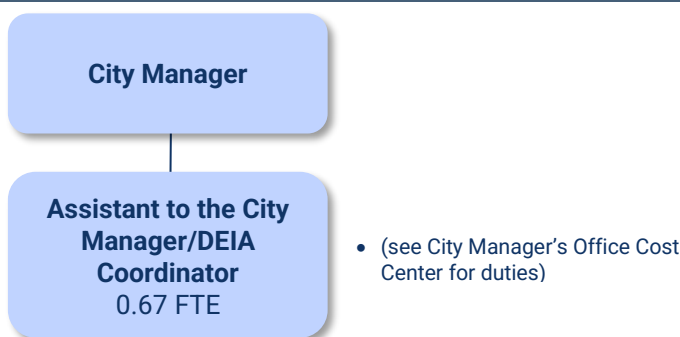
High Level Strategy

- Provide immediate relief to residents in need
- Provide immediate relief to businesses in need
- Position the City, community, and businesses to transition into a post-COVID era (i.e., long-term recovery)
- Consider enduring, legacy project(s) that will be bold investments in Kenmore's future

Guiding Principles

- 1) Center Equity
- 2) Provide Immediate Relief and Fund Legacy Work
- 3) Tie Funding Decisions to Pandemic Impacts
- 4) Consider Early Wins and Something for Everyone
- 5) Assess Long-Term Sustainability
- 6) Factor in Community Feedback
- 7) Leverage Other Funding Sources
- 8) Maximize Partnerships

2025-2026 PERSONNEL CHART



2025-2026 BUDGET OBJECTIVES

Proposed Special Projects are described as follows:

Climate and Environment

- **EV Infrastructure Plan Implementation.** The City is working with a consultant to develop an Electric Vehicle (EV) Infrastructure Plan, which will be complete by June 2025. This plan will identify actions to strategically install EV infrastructure throughout the City, both for the public and for the City's fleet.

Staff anticipate that these actions will include the planning/design/installation of EV infrastructure and equipment, either directly or through partnerships with community members, businesses and multifamily property managers.

- **Urban Forestry Management Plan Implementation.** The City is working with Facet (formerly DCG/Watershed Company) to develop an Urban Forestry Management Plan, which will be complete by June 2025. This plan will identify actions to manage the city's existing urban forest, increase the city's tree canopy, sequester carbon and address heat island effects. Staff anticipate that actions will include managing existing trees/canopy, planting new trees (which may include use of city owned properties, acquisition of easements or purchase of property), and ongoing maintenance/management of planting areas until established. Actions may also include working with property owners to plant or retain trees through incentives and volunteer programs.

Human Services

- **Human Services Navigator Program.** The 2024 Human Services Needs Assessment highlights that many Kenmore residents struggle to access available services and require navigation support. This need was identified as a top funding priority, emphasizing the challenges vulnerable residents face in finding and accessing services tailored to their specific needs. To address this issue, we propose allocating funds to contract with a local non-profit human services provider to create a dedicated Kenmore Human Services Navigator position.
- **Human Services Utility Assistance Program.** Affordability was also identified as a key finding in the Human Services Needs Assessment, and our state's regressive tax system is particularly burdensome for lower-income residents. To address this issue, we propose a utility assistance program similar to those in neighboring cities. This program would help alleviate the tax burden imposed by regressive local taxes, such as the utility tax. In Kenmore, a typical single-family home pays about \$200 per year in utility taxes to the City, depending on energy sources and other factors. Our previous ARPA direct cash assistance program showed that nearly 1,000 households in Kenmore, earning 50% or less of the area median income, could benefit from annual utility assistance of \$200.
- **Cascadia College Catch-Up Learning.** This program is designed to help high school students whose learning experience was impacted by the Covid-19 pandemic to catch back up and prepare for college. The program is broken up into two main parts, the first of which, Wednesdays at Inglemoor, is open to current Juniors and Seniors who are Kenmore residents and is meant to improve academic skills at the high school level and teach additional skills that will lead to success at college. The second part is the Summer Academy, a two-week learning experience focused on preparing students to improve critical gateway skills through a two-three credit course that students can take for credit or audit. The course can serve up to 100 Juniors, Seniors, and recent graduates and will focus on strengthening skills in Math and English while teaching strategies to find success at college.
- **Mental Health Counseling for Students.** The City has contracted with Center for Human Services (CHS) to provide mental and behavioral health counseling at Kenmore Middle School (KMS) for the 2024-25 and 2025-26 school years. A CHS therapist is at KMS 2.5 days per week to provide ongoing counseling services to students in need, a complement to the SBIRT therapist Northshore School District provides the other half of the week for crisis situations. The mental health services CHS provides include behavioral health assessments, individual and family counseling, and case management.
- **Homeless Outreach.** Lake City Partners Ending Homelessness has provided outreach to Kenmore's unhoused community since March 2023. In that time, they have engaged with over 40 unhoused members of the community and referred a formerly homeless Kenmore resident into permanent housing. The current contract expires at the end of 2024 with an expectation that the King County Regional Homelessness Authority will continue to have these services provided into 2025 under the

north King County interlocal agreement. A small portion of Special Project funds may overlap into 2025 to assist with the transition.

- **YMCA Swim Lessons.** Bring back swim lessons for Kenmore youth, with a special emphasis on youth in low-income households, in partnership with the local YMCA. This time, we hope to better track demographics of participants.

Economic Development

- **In-House Pitch Competition.** This series will teach small businesses how to identify a primary target audience, narrow marketing strategy to this identified audience, and create a concise overview of their business to convey to their audience. It will also give them an opportunity to attend workshops and compete against each other in pitching their business ideas to industry experts and mentors for the chance to win cash prizes to grow their businesses.
- **Small Business Expo for Home-Based Businesses.** This event will provide free small business consultation with community advisors and lenders regarding women and minority business certification; growth planning; government licenses and permits; job posting and employer resources; bookkeeping, insurance, and commercial real estate; and business research and workforce and professional development.
- **Restaurant and Retail Study.** During the Love Where You Live community engagement initiative, respondents frequently expressed a desire for more local restaurants and retail opportunities. This restaurant and retail study will be conducted by a consultant to assess the City's capacity for additional restaurants and retail stores and advise as to how to attract such businesses to the City. This study will help us what our market can sustain and where might be suitable locations for restaurants and retail.
- **Other Economic Development Effort.** The City may pursue one more one-time economic development effort to boost local businesses if remaining Special Projects funds are available.

Special Projects Management

- **Assistant to the City Manager (2/3).** This position was funded by Special Projects funding in the last biennium will continue to be funded by Special Projects at two-thirds in the 2025-2026 biennium. The Assistant to the City Manager will also continue to administer Diversity, Equity, Inclusion, and Accessibility (DEIA) for the organization. Therefore, the remaining third of this position will be funded from the DEIA budget in the City Manager's Office.

2025-2026 BUDGET HIGHLIGHTS

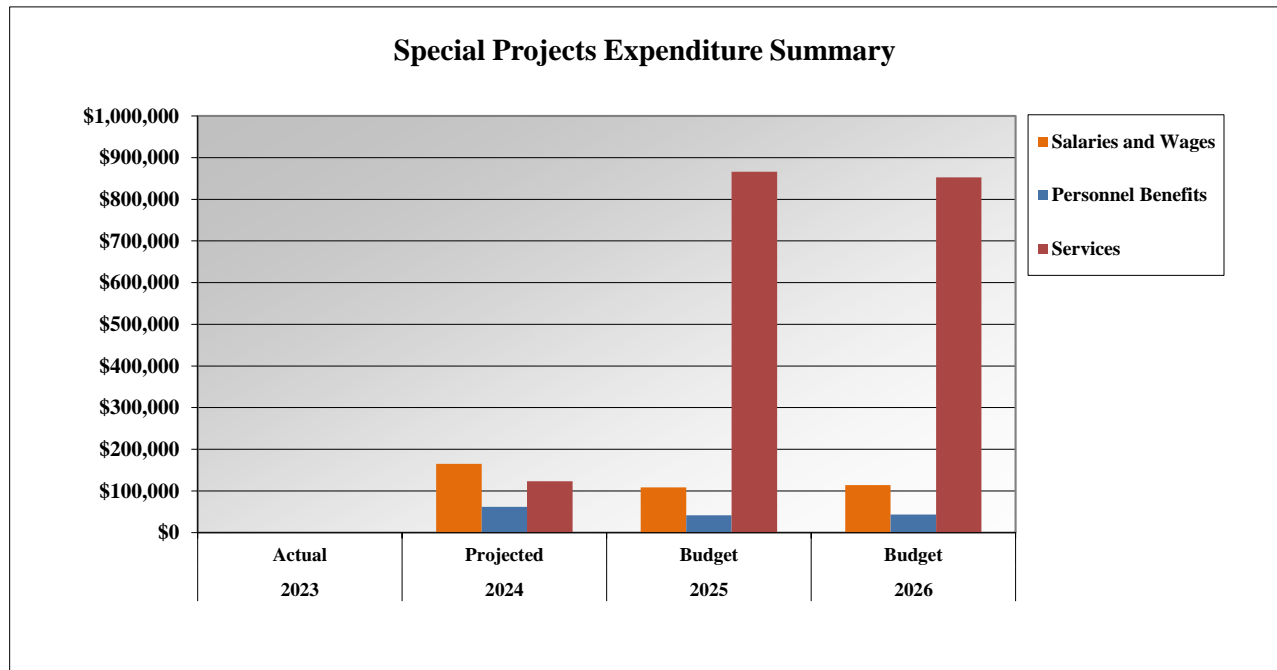
Proposed Special Projects for 2025-2026

	2025	2026	Totals
CAP & Environment			
CAP Incentive Programs	100,000	150,000	250,000
EVIP Implementation	50,000	100,000	150,000
UFMP Implementation	150,000	150,000	300,000
Subtotal	300,000	400,000	700,000
Human Services			
HHS Navigator Program	155,000	155,000	310,000
HHS Utility Assistance Program	200,000	200,000	400,000
Cascadia College Catch Up Learning	50,000	0	50,000
Center for Human Services - Student Mental Health	56,439	37,625	94,064
Lake City Partners - Homeless Assistance	4,500	0	4,500
YMCA Swimming Lessons for Low Income Youth	15,000	15,000	30,000
Subtotal	480,939	407,625	888,564
Economic Development			
In House Pitch Competition	0	30,000	30,000
Small Business Expo - for home based businesses	20,000	0	20,000
Restaurant and Retail Study	50,000	0	50,000
Other E.D. Effort (TBD) to Boost Local Businesses	15,000	15,000	30,000
Subtotal	85,000	45,000	130,000
Special Projects Management			
ATCM Position (2/3)	150,000	157,500	307,500
Totals	1,015,939	1,010,125	2,026,064

General Fund

Special Projects*

<u>Expenditure Summary</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ 108,544	\$ 114,286	\$ 222,830
Personnel Benefits	-	-	62,000	62,000	41,402	43,404	\$ 84,806
Services			123,000	123,000	865,993	852,435	1,718,428
Total Program Costs	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ 1,015,939	\$ 1,010,125	\$ 2,026,064



<u>Employee Summary</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Asst to the City Manager	0	0	0.67	0.67	0.67	0.67	0.67
Total Positions	0	0	0.67	0.67	0.67	0.67	0.67

*This cost center was created in 2024 to track one-time special project activities made possible from excess general fund monies. See Special Projects narrative for more information.

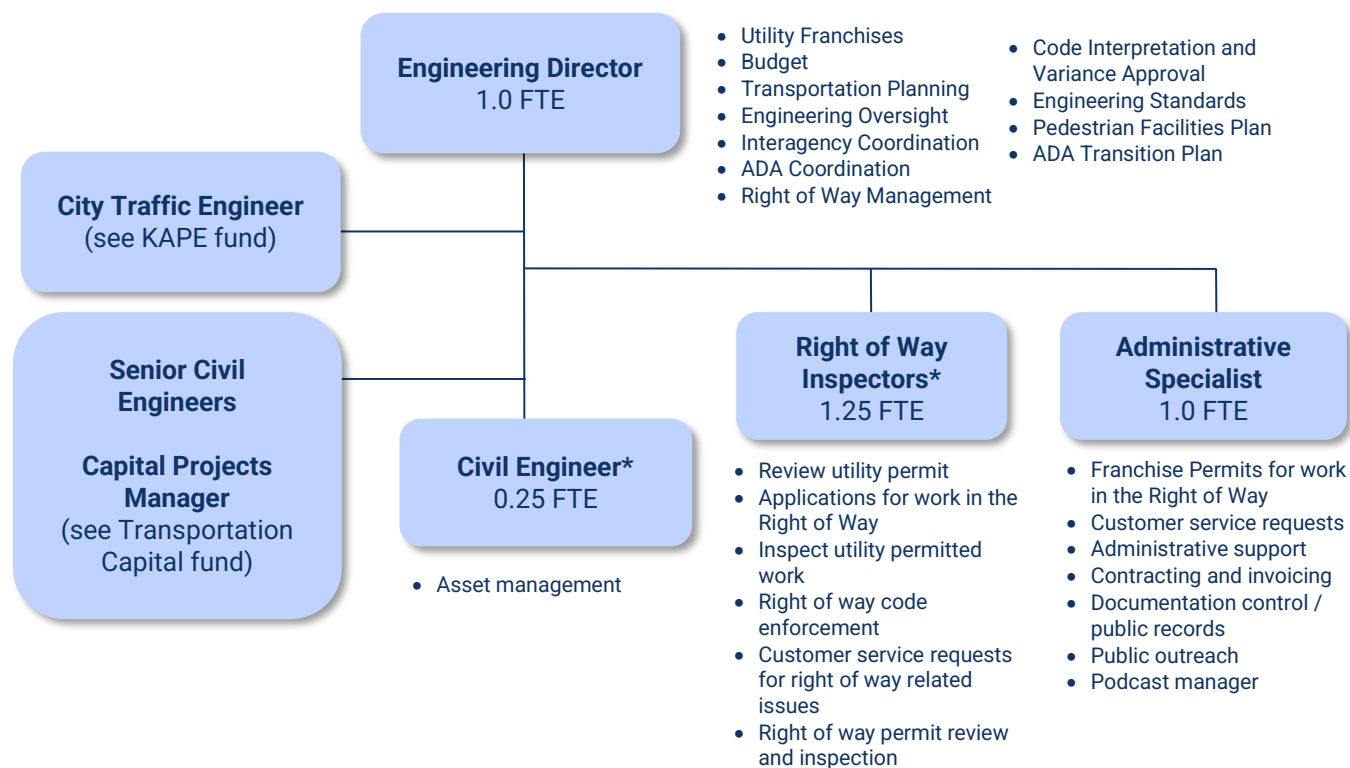
GENERAL FUND: ENGINEERING

The Engineering Department is responsible for project management of Capital Improvement Program (CIP) transportation projects, traffic engineering, multimodal traffic monitoring and improvements, managing the six-year transportation improvement program, Target Zero implementation, City Road Standards, pedestrian facilities and Right of Way accessibility, pavement management, Right of Way permitting and inspection, and assisting other City staff on issues related to engineering and management of the CIP.

2023-2024 ACHIEVEMENTS

- Participated in regional technical committees and planning including the Lynnwood Link Project, King County Project Evaluation Committee (KPEC), Sound Transit 3 (ST3) Interagency Group, KC Park and Right TOD Planning coordination, and Bicycle Pedestrian Advisory Committee.
- Coordinated with other agencies on transportation related issues within Kenmore.
- Completed the Transportation Element of the Comprehensive Plan
- Received 198 utility permits in 2023 and 157 (as of 8/6/2024) in 2024
- Responded to 251 non-traffic related service requests in 2023 and over 180 (as of 8/6/2024) in 2024
- Addressed 34 right of way code compliance issues in 2023 and 33 (as of 8/6/2024) in 2024
- Completed update on the Road Standards, Construction contract standards, Road Standards
- Supported the City's DEI and Climate Action Plan initiatives
- Launched the Kenmore Podcast Program
- Completed new department policies and procedures for Capital Project Management, Utility Permitting, ROW code compliance
- Implemented the Transportation Capital Improvement Program (see Transportation Capital Fund Cost Center), including final completion of the West Sammamish River bridge and the Walkways and Waterways projects
- Activated the new KAPE program and reduced speeding on selected roads (see the KAPE Fund Cost Center)
- Conducted and responded to traffic related safety and operational concerns (See the KAPE Fund Center)
- Updated and renewed the Ziply and Comcast utility franchises
- Updated Title 12 and 13 (Division I) of the Kenmore Municipal Code
- Updated the City's purchasing policies, bringing them in line with State bidding and purchasing regulations

2025-2026 PERSONNEL CHART



*new or increased FTE

2025-2026 OBJECTIVES

- Begin and continue design and construction of Transportation capital projects (See Transportation Capital Fund Cost Center)
- Continue with pavement preservation through crack sealing, micro/slurry sealing, and pavement rating updates (See KAPE Fund Cost Center)
- Continue to address Service Requests on Right of Way related issues
- Complete an update of the Pedestrian Facilities Plan
- Continue with Traffic Safety and Operational issues (see KAPE Fund Cost Center)
 - Continue to collect and update traffic volume information on City streets to assist in monitoring potential problems and prioritizing improvements
 - Continue to maintain City's crash record system to identify potential problems and assist with prioritizing improvements (See KAPE Fund Cost Center)
 - Continue implementing and supporting the City's Complete Streets and Target Zero programs
 - Continue implementing the Kenmore Automated Photo Enforcement (KAPE) program
- Perform design review and assistance of new private development proposals
- Continue coordination with other agencies on transportation related issues within Kenmore
- Continue implementing the Pedestrian Facilities Plan and the ADA Transition Plan
- Update Title 10 of the Kenmore Municipal Code, Vehicles and Traffic
- Begin phase 2 of the ADA Transition Plan (public spaces)

2025-2026 BUDGET HIGHLIGHTS

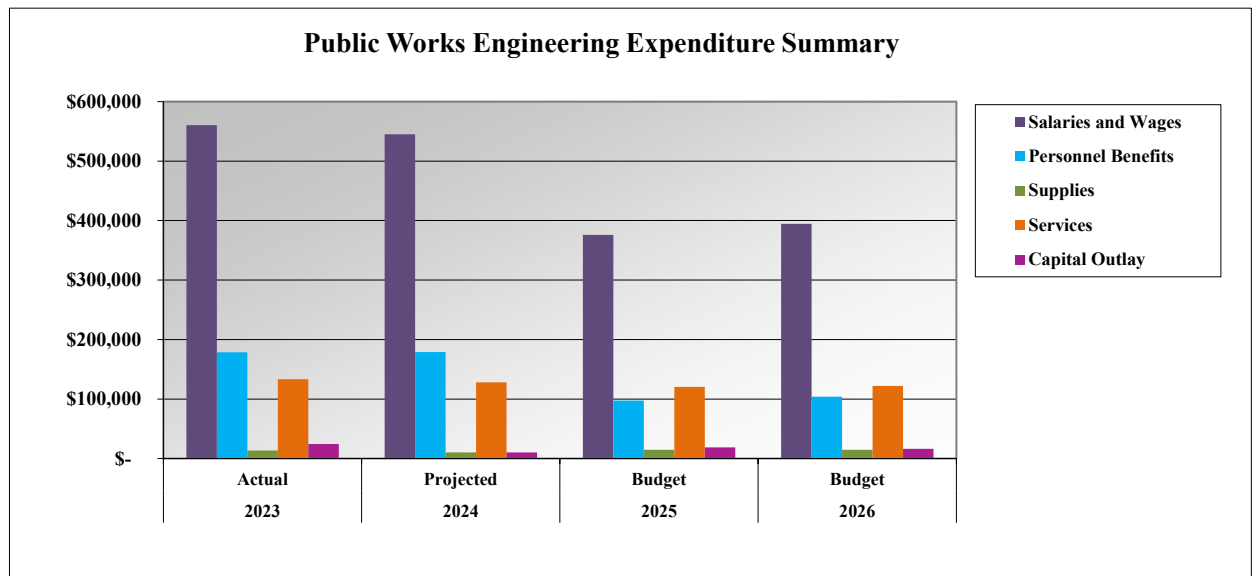
- 2 new FTE positions added to the Engineering Department – a second ROW Inspector and a Civil Engineer. Both partially funded in the Engineering cost center and partially funded in the KAPE and Transportation Capital Fund, as well as the General Fund. The intent of these two positions is to realize substantial savings in less consulting services, including project design consulting and construction management consulting.
- The Right of Way Inspector position has previously been budgeted under the Streets Fund; it is now included in the Engineering Fund.
- Capital project managers (3 FTE) are now fully funded under the Transportation Capital Fund.

General Fund

Public Works

Engineering

<u>Expenditure Summary</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Public Works Engineering							
Salaries and Wages	\$ 1,070,400	\$ 560,336	\$ 545,200	\$ 1,105,536	\$ 376,131	\$ 394,320	\$ 770,451
Personnel Benefits	346,750	178,678	178,850	357,528	97,584	103,711	201,295
Supplies	30,065	13,482	10,308	23,790	14,820	14,820	29,640
Services	273,720	133,281	128,042	261,323	120,570	122,012	242,582
Capital Outlay	24,100	24,257	10,300	34,557	18,855	16,355	35,210
Total Program Costs	\$ 1,745,035	\$ 910,034	\$ 872,700	\$ 1,782,734	\$ 627,960	\$ 651,218	\$ 1,279,178



<u>Employee Summary</u>	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Public Works/Eng Positions							
Director of Public Works	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Engineering Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Senior Engineer	1.0	1.0	2.0	2.0	0.0	0.0	0.0
Civil Engineer/Capital PM	1.0	1.0	1.0	1.0	0.25	0.25	0.25
Right of Way Inspectors	0.0	0.0	0.0	0.0	1.25	1.25	1.25
Administrative Specialist	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Positions	4.0	4.0	5.0	5.0	3.5	3.5	3.5

GENERAL FUND: ENVIRONMENTAL SERVICES

The Environmental Services Department implements the City's Climate Action Plan to reduce greenhouse gas emissions in the city 50% by 2030, 75% by 2040, achieve net zero by 2050, and increase resiliency of both the city's natural environment and community to the impacts of climate change. Implementation of the Climate Action Plan requires long-term, sustainable funding to support the staff and resources needed to implement the necessary programs and projects to meet climate action goals.

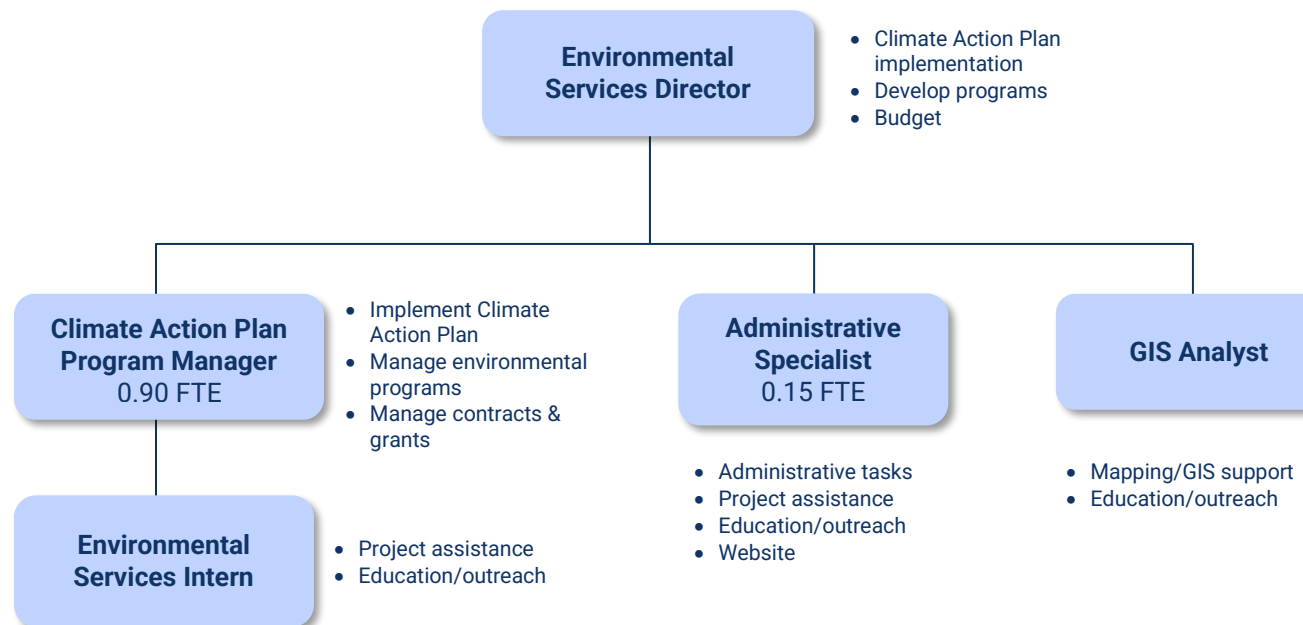
2023-2024 ACHIEVEMENTS

The City adopted a Climate Action Plan in May 2022, which identified goals and actions to reduce greenhouse gas emissions 50% by 2030, 75% by 2040 and achieve net zero emissions by 2050. Staff and budget were needed to begin implementation of the plan. In March 2023, the City Council approved several tax increases to fund the program. A Climate Action Plan Program Manager was hired in May 2023.

Highlights

- Developed and adopted a new Climate Action Element in the Comprehensive Plan update. The element was paid for with an \$80,000 grant awarded to the City from Washington State Department of Commerce.
- The City contracted with Olympia Community Solar to implement a home solarization program in Kenmore titled Solarize Kenmore to promote and increase the installation of solar panels. The City selected three solar installations companies to participate in the program and as of August 2024 had 22 homes signed up.
- Developed and implemented a new Climate Action Advisory Committee consisting of nine members of the Kenmore community. The committee meets regularly and provides recommendations to the City on the implementation of the Climate Action Plan.
- City staff held several public outreach & education events to engage the community on topics outlined in the Climate Action Plan.
- The City was awarded a grant of \$110,000 from the Washington State Department of Commerce to develop an Electric Vehicle (EV) Infrastructure Plan. The City hired a consultant and began development of the plan.
- The City was awarded a grant of \$105,200 from the Washington State Department of Natural Resources to develop an Urban Forestry Management Plan. The City hired a consultant and began development of the plan.
- The City, in partnership with King County, had electric vehicle chargers installed at public locations and City Hall. City staff also assisted multi-family property owners in applying for this program for private installations. The installations were funded through a grant provided by the Washington State Department of Commerce.
- The City completed 2021 and 2023 greenhouse gas inventories to estimate the amount of greenhouse emissions emitted by both city operations and the community.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

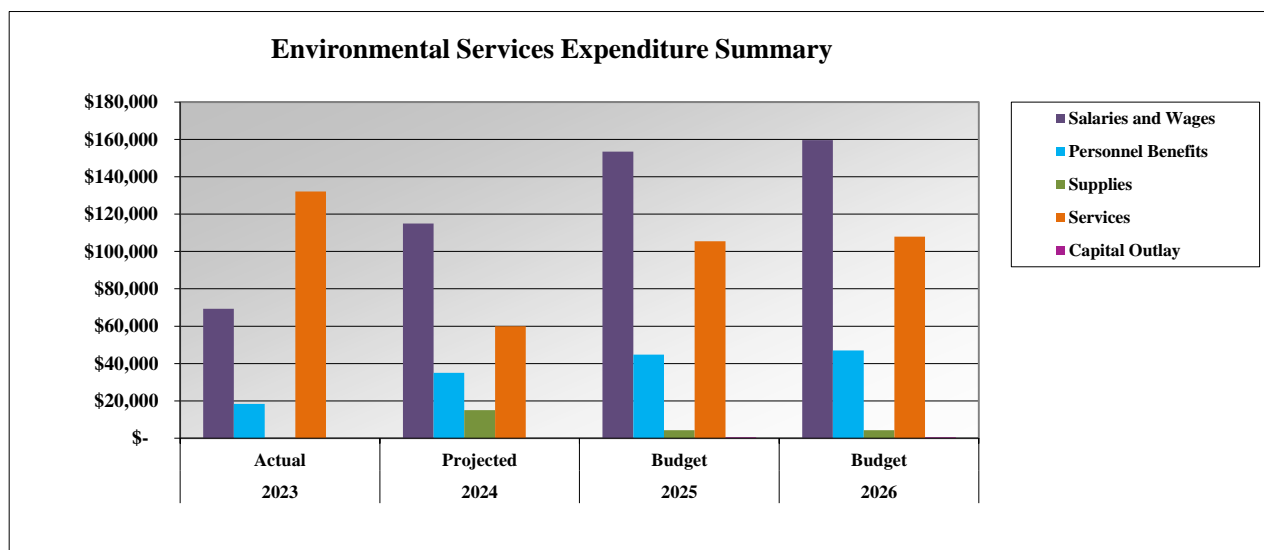
Highlights

- Develop and implement incentive programs that promote and increase utilization of City electrification and weatherization programs, such as providing rebates or subsidies.
- Replace existing sodium vapor and metal halide streetlights (approximately 1,032) with LED streetlights. City will utilize Puget Sound Energy (PSE) incentives to minimize costs.
- Complete development of the Urban Forestry Management Plan (2025) and begin implementation of recommendations provided in the adopted plan.
- Complete development of the Electric Vehicle Infrastructure Plan (2025) and begin implementation of recommendations provided in the adopted plan.
- Implement recommendations of the Climate Action Advisory Committee.
- Continue growing education and outreach programs, especially to youth and businesses. Utilize climate action internships to expand in-person event capacity.
- Continue applying for grants, particularly those that support implementation of actions identified in the Climate Action Plan that reduce emissions associated with buildings & energy and transportation, the Urban Forestry Management Plan, and the Electric Vehicle Infrastructure Plan.
- Conduct another greenhouse gas inventory to measure progress toward greenhouse gas emission reduction goals. Report on those findings to the City Council and the public.

General Fund

Environmental Services

Expenditure Summary Environmental Services	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 239,640	\$ 69,300	\$ 115,000	\$ 184,300	\$ 153,451	\$ 159,599	\$ 313,050
Personnel Benefits	77,110	18,345	35,000	53,345	44,821	46,938	91,759
Supplies	12,350	-	15,000	15,000	4,300	4,300	8,600
Services	243,720	132,192	60,000	192,192	105,500	108,000	213,500
Capital Outlay	-	-	-	-	500	500	1,000
Total Program Costs	\$ 572,820	\$ 219,837	\$ 225,000	\$ 444,837	\$ 308,572	\$ 319,337	\$ 627,909



Employee Summary Environmental Services Positions	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Climate Action Plan Manager	0.0	1.0	1.0	1.0	0.90	0.90	0.90
Administrative Specialist	0.0	0.0	0.0	0.0	0.15	0.15	0.15
Total Positions	0.0	1.0	1.0	1.0	1.05	1.05	1.05

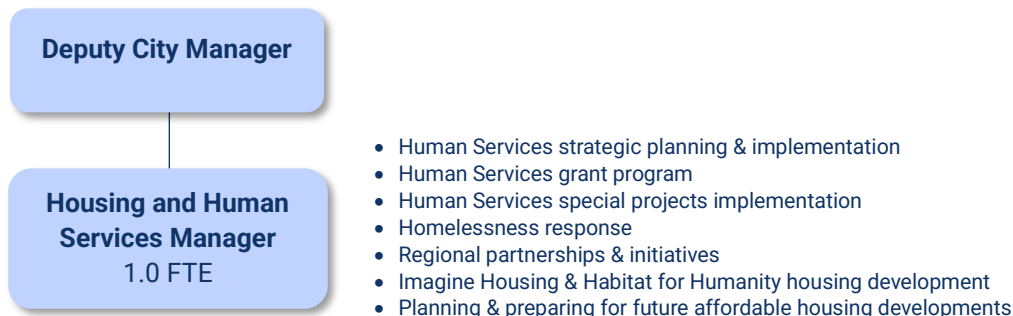
GENERAL FUND: HOUSING AND HUMAN SERVICES

The Housing and Human Services cost center reflects the City Council's commitment to fostering a stable and supportive City where all community members have the opportunity to thrive and love where they live. Based on the City Council priorities, the funding allocations prioritize affordable housing initiatives, human services strategic planning, and investment in regional human services providers.

2023-2024 ACHIEVEMENTS

- In February 2023, the Kenmore City Council approved a plan to address growing Housing and Human Services needs in Kenmore, which was funded through several tax increases. In May 2023, the City hired the first Housing & Human Services Manager.
- The City Council adopted Kenmore's first Human Services Needs Assessment, establishing Guiding Principles, Key Findings, and Funding Priorities to guide strategic planning and workplan development for future biennia.
- Continued active participation in the North King County ILA with King County Regional Homelessness Authority (KCHRA), including the first KCHRA-facilitated Severe Weather Winter Shelter in North King County.
- Partnered with A Regional Coalition for Housing (ARCH), Enterprise Community Partners, and Plymouth Housing Group to develop and to secure more than \$40 million in outside funding for a proposal to build 100 new affordable housing units on city-owned property in the heart of Kenmore's downtown. In January 2024, the City Council voted to end the project; the project and its funding subsequently moved to the City of Redmond.
- Selected the proposal submitted by Imagine Housing and Habitat for Humanity for an Affordable Housing Development on the City-owned property at 7010 NE 181 Street that will create over 100 units of rental housing and at least 15 units of homeownership units.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue implementation of the recommendations in the Human Services Needs Assessment by facilitating the term-limited Human Services Advisory Group and formalizing a six-year strategic plan and 2025-2026 human services workplan.
- Continue to implement the Special Projects (formerly known as ARPA) programs, including the three ongoing projects in the work program approved by the City Council in May 2022 and any new projects

approved by the Council. Continuing projects include Catch Up Learning, Homelessness Response, and Student and Family Mental Health Counseling.

- Continue work with Imagine Housing and partners to develop a project timeline with deliverables, including purchase and sale agreement and application to housing trust fund.
- Lead an internal work group to assess and plan for affordable housing opportunities in Kenmore.

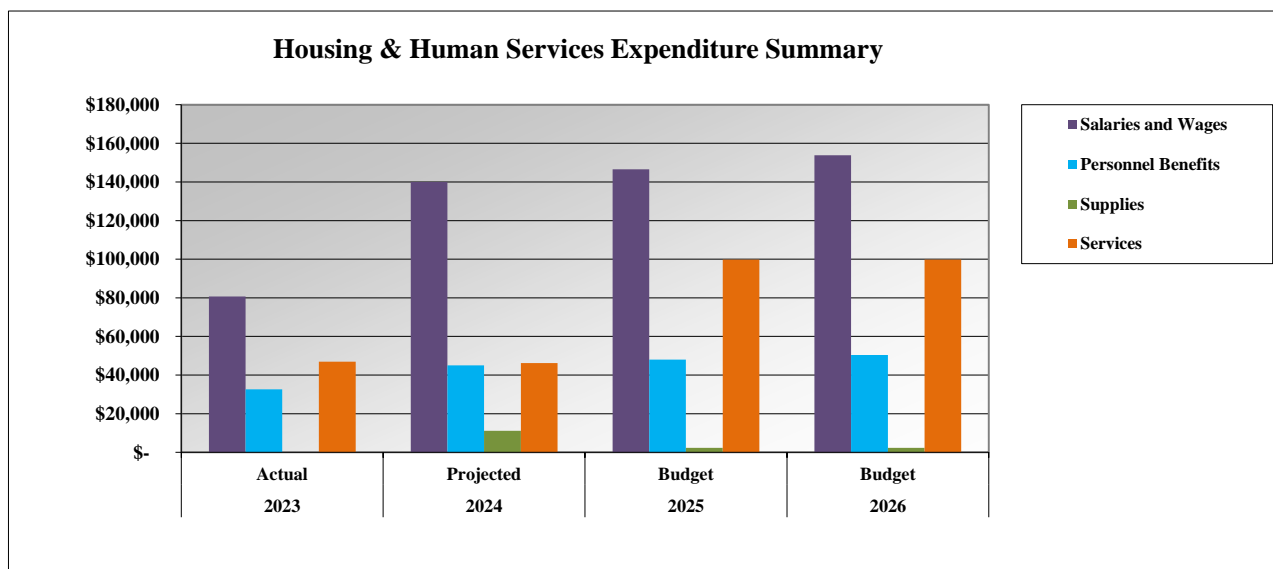
2025-2026 BUDGET HIGHLIGHTS

- Implement Human Services strategic plan recommendations and Advisory Group.

General Fund

Housing & Human Services

Expenditure Summary Housing & Human Services	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 285,000	\$ 80,703	\$ 140,000	\$ 220,703	\$ 146,557	\$ 153,885	\$ 300,442
Personnel Benefits	31,750	32,591	45,000	77,591	48,051	50,361	98,412
Supplies	7,350	-	11,069	11,069	2,300	2,300	4,600
Services	176,600	46,867	46,199	93,066	99,780	99,780	199,560
Intergovernmental	50,000	159,464	132,732	292,196	389,170	389,170	778,340
Total Program Costs	\$ 550,700	\$ 319,625	\$ 375,000	\$ 694,625	\$ 685,858	\$ 695,496	\$ 1,381,354



Employee Summary Housing & Human Services Positions	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Housing & Human Services Manager	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0	1.0

GENERAL FUND: COMMUNITY DEVELOPMENT

The department is responsible for development and implementation of policies, programs, services, and funding strategies that realize the community-generated vision for Kenmore including: The Comprehensive Plan; Development regulations; Downtown Plan; Parks, Recreation, and Open Space Plan; Shoreline Master Program; Park capital improvement program; Housing projects and affordable housing policies; Strategies supporting downtown development; And special policy projects and major initiatives (e.g., Lakepointe). The Department ensures public participation and involvement, compliance with State, regional and other agency mandates, and representing Kenmore's interest in regional partnerships.

2023-2024 ACHIEVEMENTS

Comprehensive Plan Implementation, Development Regulation Amendments

- **Comprehensive Plan Amendments:** Ordinance 23-0591 adopted transportation, climate action, public services, utilities and capital facilities elements. In 2024 amendments to the housing, land use, natural environment, surface water, downtown, community design, capital facilities, and economic development elements are scheduled for adoption by year end.
- **Middle Housing Policies and Regulations:** State legislation passed in 2023 (HB1110) mandates implementation of new middle housing policies and regulations by June 2025.
- **Accessory Dwelling Unit (ADU) Regulations:** State legislation passed in 2023 (HB 1337) mandates amendments to ADU regulations by June 2025.
- **Transit Oriented Development (TOD) Regulations:** Ordinance 23-0574 included new and amended regulations for TOD. Ordinance 23-0575 establishing interim regulations retaining existing zoning including the TOD overlay for certain properties near Swamp Creek pending completion of a Swamp Creek corridor study which will be presented to Council 9/16/24. Results from the corridor study will inform future code amendments for this area.
- **Residential Tenant Protection Regulations:** August 2023 the Washington Business Properties Association (WBPA) filed a Complaint for Declaratory Relief, Superior Court Case No. 23-2-15123-2 SEA, alleging that the City's tenant protections adopted under Ordinance Nos. 22-0545 and 22-0554 were preempted and violated First Amendment rights, among other things. Resolution through a settlement agreement and ordinance amendment was approved September 2024.
- **Manufactured Housing/Mobile Home Park Regulations:** 2019 the City Council adopted zoning and regulations applicable to the six mobile home parks (Ordinance 19-0481). In June 2019 the ordinance was appealed to the Growth Management Hearings Board (GMHB) by owners of three of the mobile home parks. Procedural issues with that appeal resulted in court consideration. The court remanded the appeal back to the GMHB for consideration. On 4/2/24 the GMHB issued a final decision denying the appeal and upholding the ordinance. On 5/1/24 the GMHB decision was appealed to the Washington Superior Court of Thurston County. Ordinance 19-0481 remains in effect and will continue to apply to all six of the mobile home parks in the city. In the meantime, the City will be delaying work on the future up-zoning outlined in Resolution 19-319 for the four parks north of SR-522.

Policy and Strategy Development/Implementation

- **Aquatic Center Feasibility Study:** Staff partnered with the cities of Shoreline, Lake Forest Park, and Kirkland working with NAC (consultant) on a feasibility study for a regional aquatic center. The study was funded by King County grants and results presented to the City Council 1/8/24. The City Council

direction was a preference to pursue options for a regional aquatic facility within the Northshore Parks and Recreation Service Area (NPRSA).

- **Funding Strategy for Potential November 2024 Ballot Measure:** Staff worked with other staff members to develop options for funding strategies for City Council consideration for a November 2024 ballot measure. At the 5/20/24 Council meeting, the City Council direction was to not move forward with placing formation of a Metropolitan Park District (MPD) or a public safety levy lid lift measure.
- **Designating Arts of Kenmore as Kenmore's Local Art Agency:** At the 10/16/23 Council meeting the City Council passed Resolution 23-403 designating Arts of Kenmore as Kenmore's local art agency.
- **Art Policy:** Worked with Arts of Kenmore to develop an art policy. The policy will include, for example, criteria around artwork acquisition, artwork and/or artist selection. City Council consideration of this proposal expected in 2025.

Downtown Development/Economic Development

- **Lakepointe:** The Community Development Director and City Manager are co-leads on the Lakepointe project. Negotiations with the property owner have been ongoing. In early 2024, the Environmental Services Department Director submitted three grant applications for potential acquisition of the shoreline area on the Lakepointe site. On 3/7/24 the City issued a Request for Qualifications from a Team with expertise in design and development of signature waterfront parks and shoreline habitat restoration. Staff preliminarily selected Anchor QEA but moving forward is contingent on reaching agreement with the property owner and the City Council direction on funding and whether to pursue acquisition.
- **Imagine Housing Proposal:** The Community Development Director has been working with the Housing and Human Services Manager on negotiations related to a Purchase & Sale Agreement for sale of city owned property (7010 NE 181st Street) to Imagine Housing for an affordable housing development project. At the 12/4/23 Council meeting, the City Council approved selection of the affordable housing proposal by Imagine Housing and Habitat for Humanity and directed staff to continue working on the proposal. Updates were provided to the City Council on 3/25/24 and 6/17/24. A Letter of Intent regarding initial terms is expected to be brought forward for City Council consideration in the fall of 2024 with a Potential Purchase & Sale Agreement for Council consideration and authorization in 2025.
- **Urban Land Institute (ULI) Technical Advisory Panel:** The City used grant funds to fund a two-day workshop of real estate and development experts in March 2024. At the 7/15/24 City Council meeting, a briefing was given on the final report from ULI. The findings from ULI are suggested actions, tools, and partnerships the City could consider to further the next phase of downtown planning. An implementation measure of the "draft" updated Comprehensive Plan Downtown Element is to create a strategy for the next phase of downtown development.
- **Bench Properties, Bothell Way:** The City acquired the Cozy Inn property in June 2022. Building demolition was completed in 2023. At the 11/27/23 Council meeting, City Council selected the mid-term strategy to choose to sell the property in 3-5 years if the property has appreciated in value.
- **Bastyr University Master Plan:** In 2023 and 2024 staff met with Bastyr University leadership to discuss plans for the campus as the Bastyr Master Plan expires 12/31/25. Staff outlined permit requirements and options for consideration. Discussions are ongoing.

Working with Outside Agencies

- **State Legislature and Lobbyists:** Reviewed many legislative drafts including significant review on bills related to land use and housing.

- **King County:** Staff reviews amendments to King County Countywide Planning Policies and brings those forward for City Council ratification.
- **A Regional Coalition of Housing (ARCH):** City staff worked closely with ARCH staff on determining feasibility of affordable housing for the Transit Oriented District amendments. Staff is also part of a staff team with other ARCH jurisdictions on housing and code development. The Community Development Director represents the City on the ARCH executive board and brings forward recommendations on the ARCH work program and Housing Trust Fund Recommendations for City Council consideration.

Park Capital Improvement Projects

- **ḴaḴwadis (Tl' awh-ah-dees) Park) Waterfront Improvement Project (Walkways & Waterways Project):** On 5/6/23 the City hosted a ribbon cutting ceremony to commemorate the completion of the project, recognize the park's official name change and celebrate native American artwork. The construction contract was closed in May 2024. A ten-year monitoring/maintenance/stewardship period is underway for required mitigation areas to comply with permit requirements. Consultant contracts for monitoring and habitat establishment were executed in 2024.
- **Log Boom Park Waterfront Improvement Project (Walkways & Waterways Project):** Construction completed July 2022. Five years of maintenance/monitoring/stewardship is required for mitigation plantings to comply with permit requirements. Consultant contracts for monitoring and habitat establishment were executed in 2024.
- **Twin Springs Park Opening Project:** At the 7/15/24 Council meeting, the City Council direction was to stop work on the project due to increasing costs and challenges with permitting and obtaining permissions from King County. The project scope was reduced to a maintenance/operations project for minor improvements to the southern parking lot and limited park amenities that would allow the park to officially open. Staff will be working with the Department of Commerce to see if the project scope can be amended, and if the State appropriation can be reduced to fund the project. Improvements are estimated to be complete in spring 2025.

Other Park/Recreation Related Projects

- **Dog Park Partnerships:** Staff update at the 2/27/23 City Council meeting. King County had not yet conducted an assessment for potential dog park locations on their property so the potential for a partnership for Big Finn Hill Park is on hold. The potential for a partnership with the City of Bothell for a dog park location close to Kenmore's boundary is also on hold pending Bothell's study of potential locations.
- **Bastyr University Ballfield Lease:** Meetings with Bastyr leadership on potential options for extending the ballfield lease which expires 12/31/25. Discussions ongoing.
- **Interlocal Agreement with the Northshore School District for Use of the Kenmore Public Boathouse:** On 6/24/24 the City Council authorized execution of Contract 24-C3068, an Interlocal Agreement for the use of the boathouse for the District's high school rowing program during the fall 2024 and spring 2025 rowing seasons (through June 2025). A non-profit is expected to run the high school rowing program thereafter.
- **Kenmore Community Rowing Club (KCRC) Contract for Recreation Programming at the Kenmore Public Boathouse:** On 7/24/24 the City Council authorized execution of Contract 24-C3071, an agreement between the City and KCRC (through December 2028) outlining the terms for use of the boathouse to provide public recreation rowing programs.
- **City Hall Art Gallery:** Provided oversight of the contract with Arts of Kenmore for providing five annual art exhibits in the city hall gallery. Effective summer 2024, the Community Development Department

Administrative Specialist coordinates the City Hall art gallery and provides limited support to the Arts of Kenmore.

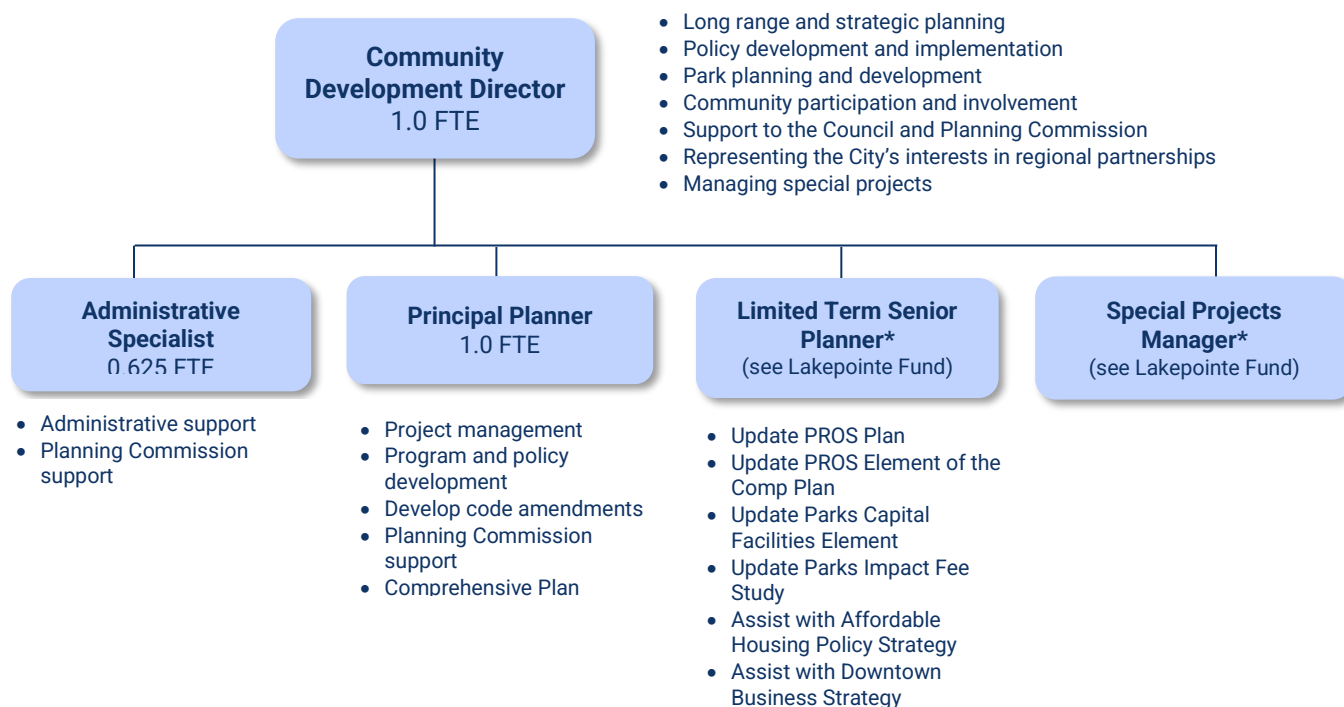
Emergency Management

- **Comprehensive Emergency Management Plan:** On 3/4/24 the City Council adopted Resolution 24-412 that adopted the City's 2022-2026 Comprehensive Emergency Management Plan.
- **Northshore Emergency Management Coalition (NEMCo) Interlocal Agreement:** A new agreement to replace the 2017 agreement will be brought forward for Council consideration fall of 2024 with expiration 12/31/25.
- **Training:** 2024 City staff quarterly training was provided by the NEMCo Emergency Manager, as well as a tabletop exercise in August 2024. City Council training for role in an emergency first quarter 2024. CPR training opportunities provided in January and October 2024. All staff taking required National Incident Management System (NIMS) training based on roles in emergency operations.

Grant Awards

- 2023 \$125,000 Department of Commerce Grant for mandated update of the Comprehensive Plan
- 2024 \$40,000 Department of Commerce Grant for developing Middle Housing regulations.

2025-2026 PERSONNEL CHART



Note: The Parks Project Manager position is vacant and is not planned to be filled.

* new or increased FTE

2025-2026 OBJECTIVES

Comprehensive Plan Implementation and Development Regulation Amendments

- **Park, Recreation and Open Space (PROS) Comprehensive Plan Element:** The PROS element was last updated in 2019.

- **PROS Plan:** To be eligible to apply for State grant funding the PROS plan must be updated by March 2026.
- **Capital Facilities Comprehensive Plan Element:** The update of the PROS plan will include a new list of potential parks, open space and recreation projects that would then be included in the Parks Capital Facility Plan in the Comprehensive Plan.
- **Middle Housing Regulations:** Middle Housing regulations must be adopted prior to the June 2025 State mandated deadline.
- **Accessory Dwelling Unit (ADU) Regulations:** ADU regulations must be adopted prior to the June 2025 State mandated deadline.
- **Manufactured Housing/Mobile Home Park Regulations:** Ongoing appeal of the 2019 zoning and regulations applicable to the six mobile home parks.
- **Transit Oriented Development (TOD) Regulations:** Results from the Swamp Creek corridor study will inform future code amendments for certain parcels adjacent to Swamp Creek where interim regulations have been applied.
- **Shelters, Transitional Housing, Emergency Housing and Permanent Supportive Housing (STEP Housing) Regulations:** While City regulations allow STEP housing, updating regulations is a potential docket item.

Policy and Strategy Development/Implementation

- **Affordable Housing Strategy:** Updating the affordable housing strategy (adopted 2017).
- **Downtown/Business Strategy:** Creating a strategy for the next phase of downtown development. The scope/framework to guide the strategy is to be determined.
- **Downtown Development/Economic Development:** Support downtown redevelopment and prioritize downtown revitalization including the area around the downtown bullseye.
- **Lakepointe:** If a Purchase & Sale Agreement can be reached for sale of property for shoreline restoration and park development and if the City Council wishes to pursue acquisition then approval of a funding strategy, completion of site due diligence, development of conceptual shoreline restoration plans and park plans are the next steps.
- **Imagine Housing Proposal:** Negotiations related to a Purchase & Sale Agreement for sale of city owned property (7010 NE 181st Street) to Imagine Housing for an affordable housing development project.
- **Bastyr University Master Plan:** Depending on what the university leadership direction is for the university campus will then dictate the City's review and permitting process for the next biennium.

Park Capital Improvement Projects (CIP)

Projects anticipated in the six-year CIP (2025-2030) include the following:

- **ᑭᐱᑭᐱᑭᐱᑭ (Tl' awh-ah-dees) Park:** Ongoing maintenance/monitoring/stewardship to meet permit requirements.
- **Log Boom Park:** Ongoing maintenance/monitoring/stewardship to meet permit requirements.
- **Rhododendron Park:** Replacing entrance monument signs.
- **Moorlands Park:** Assessing the feasibility of replacing grass with artificial turf that can be accommodated with the current drainage system.
- **City Hall Park:** Assessing the feasibility of an accessible playground.

Other Potential Park Related Projects

- **Bastyr University Ballfield Lease:** Meetings with Bastyr on options for extending the lease.
- **City Hall Art Gallery:** Oversight of the Arts of Kenmore contract for the city hall gallery.

Emergency Management

- **Training:** Quarterly trainings, annual tabletop exercise and CPR class. Staff take the required National Incident Management System (NIMS) training.
- **Comprehensive Emergency Management Plan:** The current plan expires in 2026 so developing a new plan will be a work program item in the next biennium.
- **Emergency Management Planning:** In 2025 the City will develop a strategy for emergency management.

Grant Opportunities

- Identifying, assessing, and applying for grant opportunities.

Working with Outside Agencies

- Partnering with outside agencies on topics relevant to the City and City priorities.

Presentations and Education Opportunities

- Continuing to look for opportunities to provide presentations and education opportunities.

2025-2026 BUDGET HIGHLIGHTS

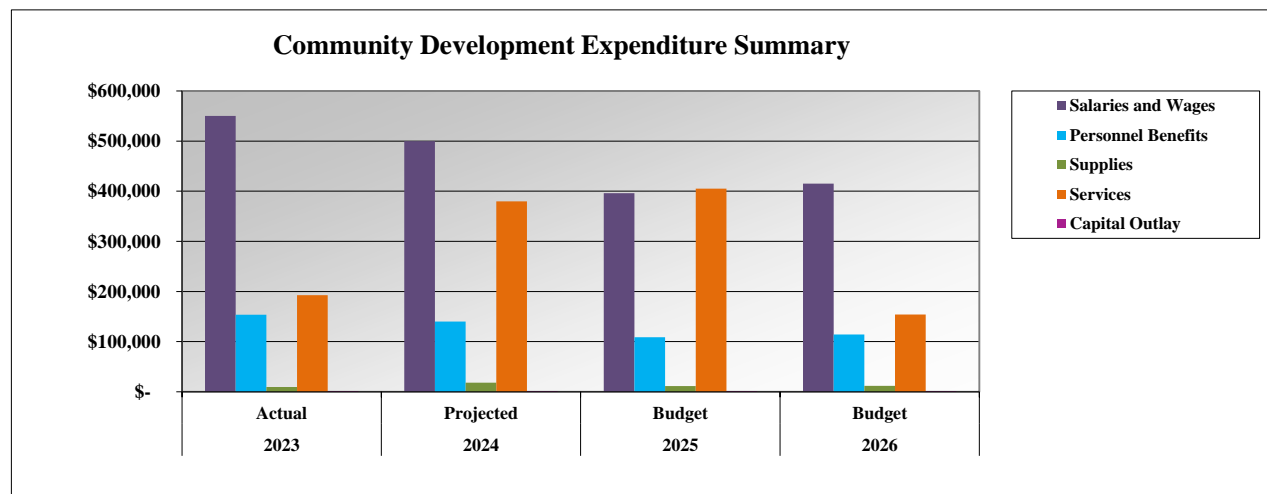
Staffing

- The Parks Project Manager position has been vacant since 5/17/24 with no plans to fill the position for the 2025-2026 budget.
- A temporary new (two year 2025-2026) Senior Planner position is proposed to assist with the annual docket including: updating the Park, Recreation and Open Space (PROS) plan; updating the PROS element of the Comprehensive Plan; updating the Parks Capital Facilities plan; updating the Park Impact Fee study. Other potential docket items include assisting with updating the Affordable Housing Strategy and implementing regulations and assisting with development of a Downtown Business Strategy.
- A new Special Projects Manager (Lakepointe) is proposed to assist with tasks related to the City purchase of a portion of the Lakepointe site for shoreline restoration and park development and potentially working with a consultant on developing a Request for Proposals (RFP) for selecting a developer to acquire and develop the remainder of the site into a walkable urban village. Tasks may include: managing consultant contracts responsible for completing site due diligence, testing and developing conceptual shoreline restoration plans and park plans; applying for and managing grants that support due diligence, acquisition and development; Coordination with agencies; Coordinating community engagement; and managing a consultant contract for developing a Request for Proposals for selecting a developer to acquire and develop the remainder of the Lakepointe site.
- The Community Development Director and Principal Planner are responsible for amendments established by the annual docket. Consultant assistance is proposed to assist with docket items in the 2025-2026 budget.
- Annual summer internships proposed to provide research and data collection assistance to support the annual docket work program.

General Fund

Community Development

Expenditure Summary Community Development	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 1,268,647	\$ 550,303	\$ 500,000	\$ 1,050,303	\$ 396,125	\$ 415,182	\$ 811,307
Personnel Benefits	414,650	153,730	140,000	293,730	108,985	114,196	223,181
Supplies	28,346	9,508	18,000	27,508	11,606	11,656	23,262
Services	326,120	192,801	379,802	572,603	404,990	153,990	558,980
Capital Outlay	960	1,255	1,543	2,798	1,221	1,254	2,475
Total Program Costs	\$ 2,038,723	\$ 907,597	\$ 1,039,345	\$ 1,946,942	\$ 922,927	\$ 696,278	\$ 1,619,205



Employee Summary Community Development Positions	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Community Development Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Park Project Manager*	1.00	1.00	0.00	1.00	0.00	0.00	0.00
Administrative Specialist	0.625	0.625	0.625	0.625	0.625	0.625	0.625
Total Positions	3.625	3.625	2.625	3.625	2.625	2.625	2.625

* One Limited-Term Position

GENERAL FUND: DEVELOPMENT SERVICES

The Development Services Department is responsible for oversight of land and building development throughout the city. The Department is also responsible for code enforcement, which includes resolution and abatement of code violations. Land use applications and building permits for development proposals are reviewed by the department for compliance with adopted codes, regulations, and standards such as: the Kenmore Municipal Code (KMC), Kenmore Comprehensive Plan, International Building Code, International Residential Code, Washington State Energy Code, Kenmore Road Standards, King County Surface Water Design Manual, State Environmental Policy Act, and others. Together these codes and dedicated staff members help create and maintain a safe, well-planned, environmentally responsible community where residents love where they live.

Development Services staff are reliable and responsive, and the department is committed to providing permit services that are consistent, equitable, code-compliant, and efficient. The department's mission is to implement the City Council's vision and facilitate council priorities by:

- Supporting diversity and fostering a sense of belonging by having staff members who are friendly, welcoming, and inclusive.
- Protecting the natural environment, slowing climate change, and promoting environmental stewardship by upholding critical areas regulations, stormwater regulations, the Shoreline Management Act (SMA), and the State Environmental Policy Act (SEPA).
- Increasing affordable housing stock by expediting permits and helping customers navigate permit requirements.
- Enhancing the quality of life in Kenmore through resolution and abatement of code violations.
- Implementing zoning and design standards for attractive, functional, and enduring buildings and places.
- Helping to build safe buildings, structures, and roads through quality inspections and permit review.
- Connecting residents to the waterfront by facilitating capital projects and park projects.
- Embracing high-capacity transit by supporting transit projects as part of a regional effort.

Development Services plays an essential role in putting comprehensive plan goals into action. By implementing code requirements and providing efficient and reliable permitting services, Kenmore's built environment incrementally transforms as the city achieves the goals set forth in the comprehensive plan. At the center of the department is a genuine and firm commitment to providing excellent customer service to the community. This includes the current community (residents, developers, business owners, etc.) as well as future community members. Development Services staff are welcoming, inclusive, kind, fair, and efficient. While the department has many functions, seven key functions are:

1. **Pre-application Meetings** that prepare the applicant prior to permit submittal and help to set expectations for a predictable permit process.
2. **Permit Intake and Management** that is accessible, consistent, predictable, equitable, efficient, and timely.
3. **Permit Review** that analyzes projects for compliance with the codes, regulations, safety standards, and best management practices.
4. **Construction Inspections** to help ensure safety and quality.
5. **Monitoring and Reporting** to maintain improvements.
6. **Code Compliance** to keep the community safe and beautiful by resolving code violations.

7. **Code Development** to help ensure that the built environment remains safe, efficient, sustainable, and resilient to the effects of climate change.

Development Services represents the City of Kenmore as a key regulatory agency by reviewing and issuing a variety of permits, including:

- Land Use Applications (e.g., subdivisions, conditional use permits, rezones)
- Building Permits
- Engineering Permits (e.g., site development, clearing, grading, etc.)
- Temporary Use Permits
- Right-of-Way Use Permits
- Temporary Use Permits
- Mechanical Permits
- Plumbing Permits

Because there are various regulatory agencies that each play a specific role in development, the department coordinates with these agencies while they process their own permits. Permits issued by other agencies include:

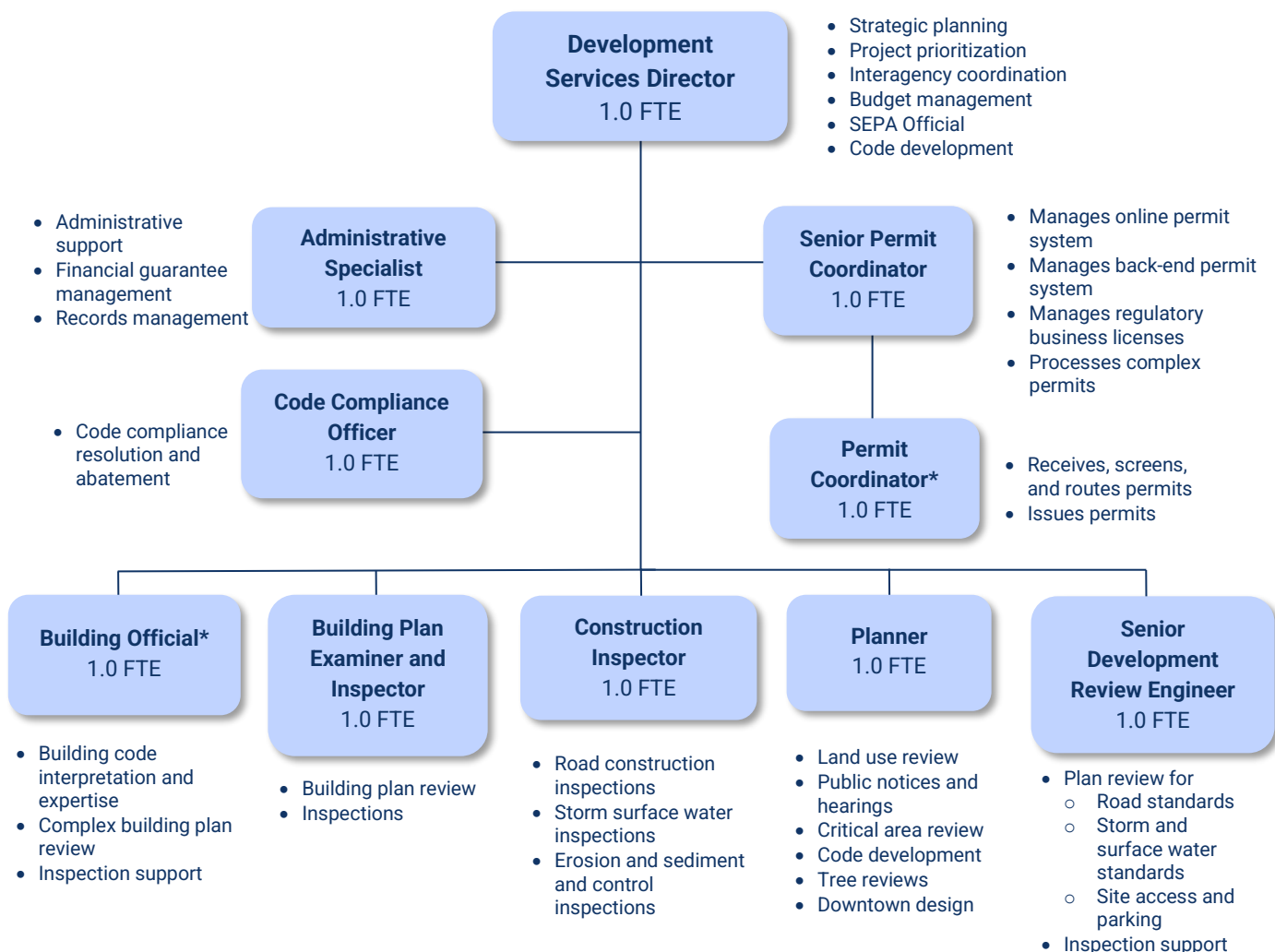
- Electrical Permits (Labor & Industries)
- Department of Health Permits
- Shoreline Fire Permits
- Dept of Fish & Wildlife Permits
- Northshore Utility District Permits
- Puget Sound Clean Air Agency Permits
- Army Corps of Engineers Permits
- Department of Ecology Permits

2023-2024 ACHIEVEMENTS

- Processed 911 permit applications in 2023 and projected to process 855 permit applications in 2024.
- Processed 44 land use applications in 2023 and projected to process 34 land use applications in 2024.
- Processed 22 pre-applications in 2023 and projected to process 36 pre-applications in 2024.
- Completed 2,461 inspections in 2023 and projected to complete 2,002 in 2024.
- Investigated 309 code cases (e.g., service requests, complaints, violations, etc.) in 2023 and projected to investigate 340 in 2024.
- Obtained a court order and abated a code compliance nuisance violation that had been open for years.
- Brought forth the 2021 Building Code amendments to City Council for adoption. The adoption included mandatory updates required by the State of Washington as well as optional amendments to support the Climate Action Plan.
- Brought forth a burn ban ordinance to City Council for adoption.
- Continued to develop and improve the tree code by increasing public engagement to gain feedback from stakeholders within the community.
- Brought forth various code clean up items to the City Council for adoption.
- Updated the fee resolution annually, including a mid-year update to waive permit fees for accessory dwelling units (ADUs).
- Filled four vacant positions: Senior Permit Coordinator, Permit Coordinator, Building Official, and Senior Development Review Engineer.
- Expedited permits for affordable housing projects.

- Expedited permits resulting in greenhouse gas emission reductions and/or that support the implementation of the Climate Action Plan.
- Updated the TRAKiT Central Square mobile app to increase inspection efficiencies.
- Launched Green Halo online system to track compliance with demolition, deconstruction, salvage, and recycling requirements for construction materials.
- Participated in the Mybuildingpermit.com backend software procurement study.
- Coordinated with the Northshore School District to review plans, issue permits, and complete construction inspections for the Kenmore Elementary Modernization project.
- Coordinated with the Northshore School District on the upcoming Inglemoor High School project.
- Prepared for Second Substitute Senate Bill 5290 ("SB 5290") by implementing internal process improvement strategies to streamline permit processing and plan review.
- Partnered with Mybuildingpermit.com (MBP) to develop project scope, key performance indicators, and goals; as a member of the steering committee, reviewed Request for Proposals (RFPs) for the new backend permitting system.

2025-2026 PERSONNEL CHART



*new or increased FTE

2025-2026 OBJECTIVES

- Increase efficiencies for permit processing and plan review to better serve our community.
- Actively participate in the implementation of the Climate Action Plan.
- Promote affordable housing by prioritizing and expediting permit services for qualifying projects (e.g., Holt, Larus)
- Continue to provide excellent customer service to accomplish council priorities.
- Continue to improve the Department's services, processes and procedures.
- Continue providing accurate and efficient plan review and inspection services.
- Continue to promote public participation and transparency by processing records requests and providing public notice on development proposals.
- Continue to pursue preservation and expansion of Kenmore's tree canopy by implementing new code requirements.
- Continue to promote economic development in the downtown core.
- Update department forms (applications and checklists) to improve access to permitting services, provide clear direction on the permit process, and reflect DEIA values.
- Increase department efficiency and reduce permit processing and plan review times to comply with SB 5290.
- Work with the ECity Alliance and Mybuildingpermit.com (MBP) on a new backend system to replace the current permit tracking software.

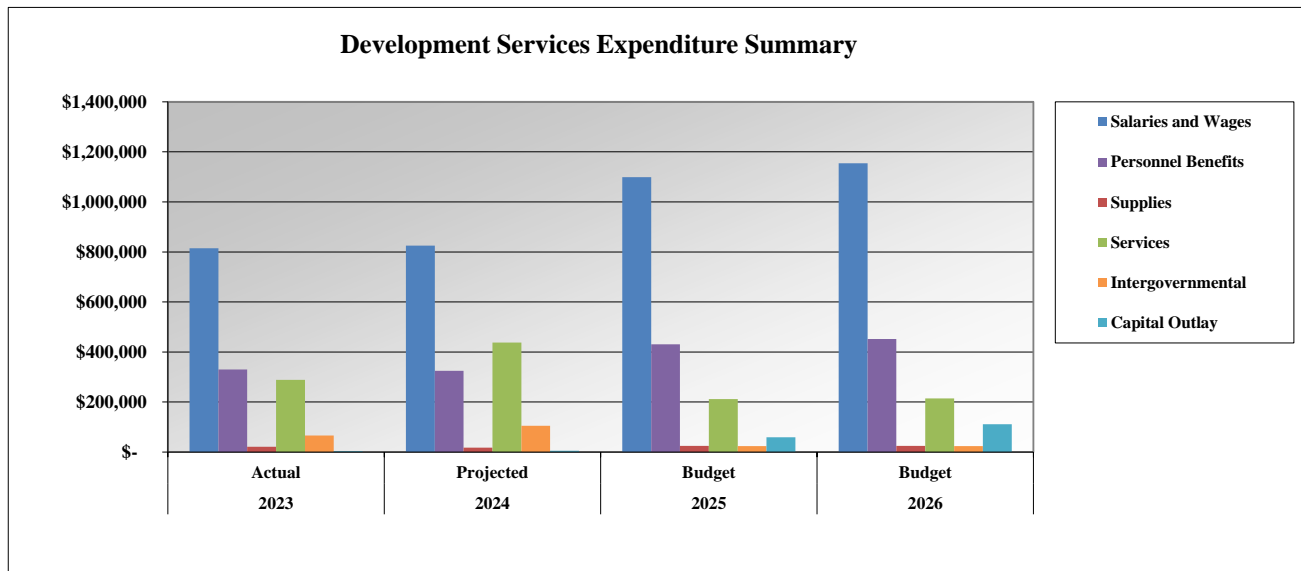
2025-2026 BUDGET HIGHLIGHTS

- **Increase the Building Official position from ¾ PTE to 1.0 FTE.** The Building Official position helps ensure structures are built safely and in compliance with adopted codes, like the 2021 building and energy codes recently adopted in March 2024. As regulatory requirements become increasingly complex, the time it takes to review and inspect projects has increased. At the same time, Senate Bill 5290 ("SB 5290") has reduced the amount of time jurisdictions are allowed to review and process permits. Implementing SB 5290 presents a significant challenge for the department. Additionally, large projects are coming that require the expertise of a Building Official (e.g., Inglemoor High School, Public Works Operations Center, Larus Apartments, and others). A full-time Building Official will help the department manage a timely and predictable permit process.
- **Increase the Permit Coordinator position from 0.625 PTE to 1.0 FTE.** The Permit Coordinator position helps process permits and assists customers while the Senior Permit Coordinator (a full-time budgeted existing position) takes on more complex projects, fee calculations, and management of the permit software systems (TRAKiT and Mybuildingpermit.com or "MBP"). MBP has partnered with other ECitygov Alliance members to update their front-end customer-facing system and create a new back-end permitting software that will (eventually) replace TRAKiT. This project requires coordination between MBP that the Senior Permit Coordinator (Senior PC) currently has no time for because he's busy processing permits. Increasing the Permit Coordinator position to full-time will free up time for the Senior PC to work on the MBP project. The Senior PC is also an essential team member in the implementation of SB 5290. Increasing the Permit Coordinator to full-time will help the department manage a timely and predictable permit process.
- **SB 5290 compliance and the MBP backend system will be significant workload items.**

General Fund

Development Services

Expenditure Summary Development Services	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Salaries and Wages	\$ 1,983,480	\$ 814,654	\$ 825,000	\$ 1,639,654	\$ 1,099,075	\$ 1,154,028	\$ 2,253,103
Personnel Benefits	878,990	330,499	325,000	655,499	430,403	451,753	882,156
Supplies	43,800	21,089	18,000	39,089	25,000	25,000	50,000
Services	285,806	288,801	437,328	726,129	211,500	214,100	425,600
Intergovernmental	169,000	66,363	105,000	171,363	23,380	24,242	47,622
Capital Outlay	10,000	3,500	5,000	8,500	58,713	111,426	170,139
Total Program Costs	\$ 3,371,076	\$ 1,524,906	\$ 1,715,328	\$ 3,240,234	\$ 1,848,071	\$ 1,980,549	\$ 3,828,620



Employee Summary Development Services Positions	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Development Services Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sr Development Review Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Insp/Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Official	0.50	0.50	0.75	0.75	1.00	1.00	1.00
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Permit Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Construction Inspector	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Permit Coordinator	0.625	0.625	0.625	0.625	1.00	1.00	1.00
Total Positions	9.125	9.125	9.375	9.375	10.00	10.00	10.00

GENERAL FUND: EVENTS, VOLUNTEERS & RECREATION

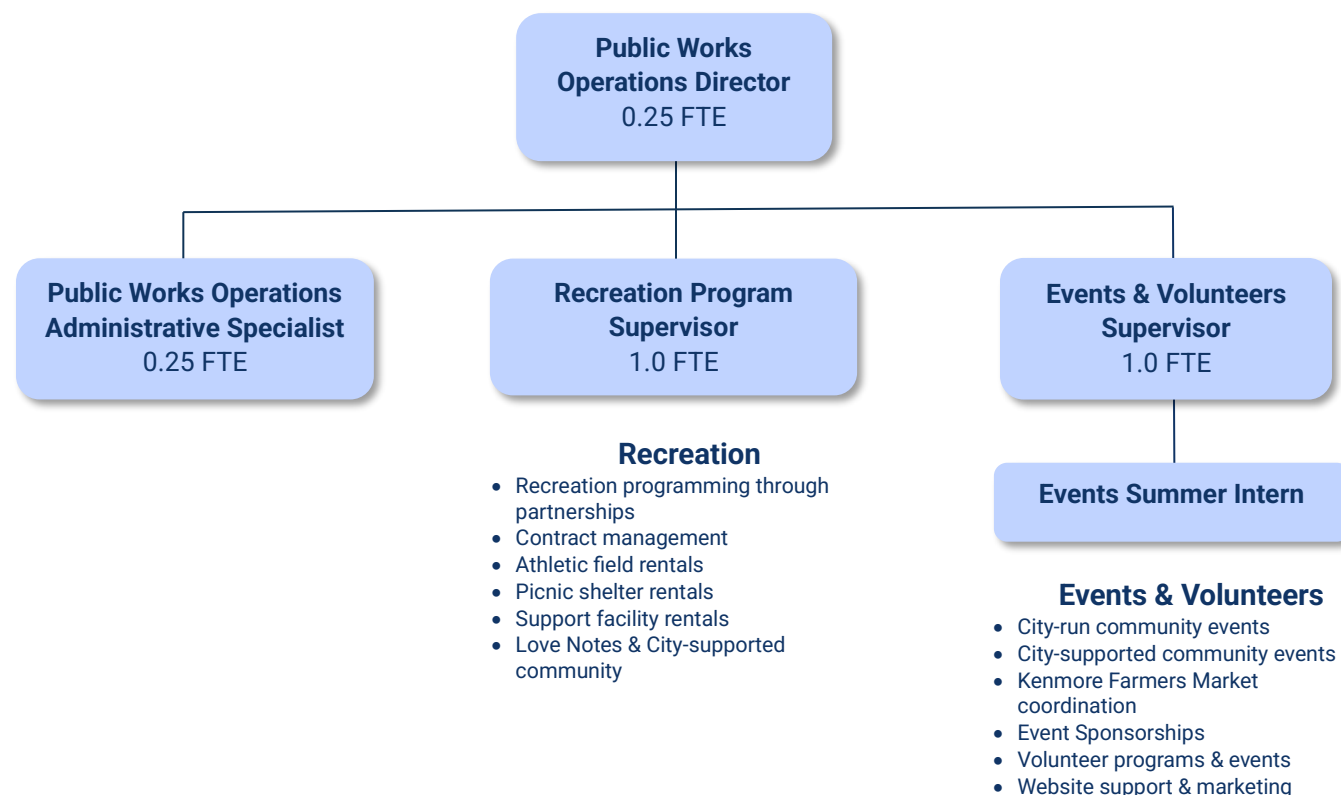
The Events, Volunteers & Recreation (aka Where's the Fun?) Cost Center is new for the 2025-2026 Biennial Budget. Prior to this biennium, these functions were accounted for in other division budgets. City events play a crucial role in bringing our community together and fostering a sense of place and belonging. They are essential for building a vibrant community where all people love where they live. As part of the General Fund, this cost center accounts for all City-run, free community events including Juneteenth, Summer Concert Series, 4th of July Celebration, Movies in the Square, National Night Out, Play Day, Jack Crawford Day, For the Love of Kenmore, and many more. It also includes funds that support the Kenmore Farmers Market, now run by the Northshore Farmers Market non-profit group. The City also offers a range of volunteer opportunities for both individuals and groups. Although the City has limited resources (both people and money), volunteers provide support, energy, enthusiasm, valuable skills, and unique perspectives. Their commitment and service aid staff in achieving organizational goals and priorities. Some of our volunteer opportunities include environmental stewardship, large-scale park clean-up events, adopt-a-programs, community court, emergency management, event volunteers, and much more. Kenmore's location and landscape offer a lot of opportunities for recreation. Recreation programming promotes physical, mental, and social well-being among community members of all ages. Recreation programs are offered through partnerships with a host of private and public organizations as well as local community groups.

2023-2024 ACHIEVEMENTS

- Successful City-run Community Events:
 - 8 Summer Concerts
 - 26 Kenmore Farmers Markets
 - 3 Movies in the Square
 - 2023 - Kenmore's 25th Anniversary Celebration
 - 2 - 4th of July Celebration
 - 2 Pride Month Kick-off
 - 2 Juneteenth
 - 2 Playday
 - For the Love of Kenmore
 - 2 National Night Out
 - Winter Porchlight Parade
 - 2023 Luminary Walk
 - 2024 Winter Concert
 - 2025 Winter Holiday Market
- Successful volunteer park clean-up events: Jack Crawford Day and Earth Day.
- Volunteer Programs: Adopt a Park, Wallace Swamp Creek Park Stewardship, Adopt a Street, Eagle Scout Projects, Adult Transitioning to Independence (ATI) Volunteers, and Community Court.
- Over \$60,000 in event sponsorships.
- Recreation program partnerships: Kenmore Senior Center, Kenmore Community Rowing Club (KCRC) at The Kenmore Boathouse, Kenmore Waterfront Activities Club (KWAC), Łaǎwadis (TI' awh-ah-dees) Park, WhatsUp at Log Boom Park, Skyhawks Sports Academy, Skate Like a Girl, Nature Walks at Wallace Swamp Creek Park.
- Moorlands Athletic Field rentals and Bastyr field use agreement for community youth recreation programming.
- Installation of life jacket stations at Łaǎwadis (TI' awh-ah-dees) Park and Log Boom Park.
- Life jacket giveaway at Kenmore Playday.
- Development and adoption of Picnic Shelter Rental Policies.
- Updated City Hall and Hangar Facility Rental Policies.

- Website & social media updates.
- Rhododendron Park picnic shelter rental transition from the Kenmore Senior Center to the City.
- Civic Rec Implementation – Reservation scheduling software for picnic shelters, athletic fields, and facility rentals at City Hall and the Hangar.
- Special Event Application Review.
- Support the City's Climate Action Plan.
- Support the City's DEIA Plan Initiatives by actively incorporating them into programs.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue with a successful annual City Event lineup, similar to what was offered in 2023-2024.
 - Summer Concert Series (4 concerts each year), Movies in the Square (2 movies each year), 4th of July, Juneteenth, National Night Out, Playday, For the Love of Kenmore, Winter Holiday Event and other small miscellaneous events.
- Support the new Kenmore Farmers Market as part of the Northshore Farmers Markets.
- Annual Spring & Fall Residential Recycling Events.
- Continue to grow volunteer programs.
- Continue to grow recreation programs through partnerships.
- Manage Civic Rec online reservation software for facility and park reservations.

2025-2026 BUDGET HIGHLIGHTS

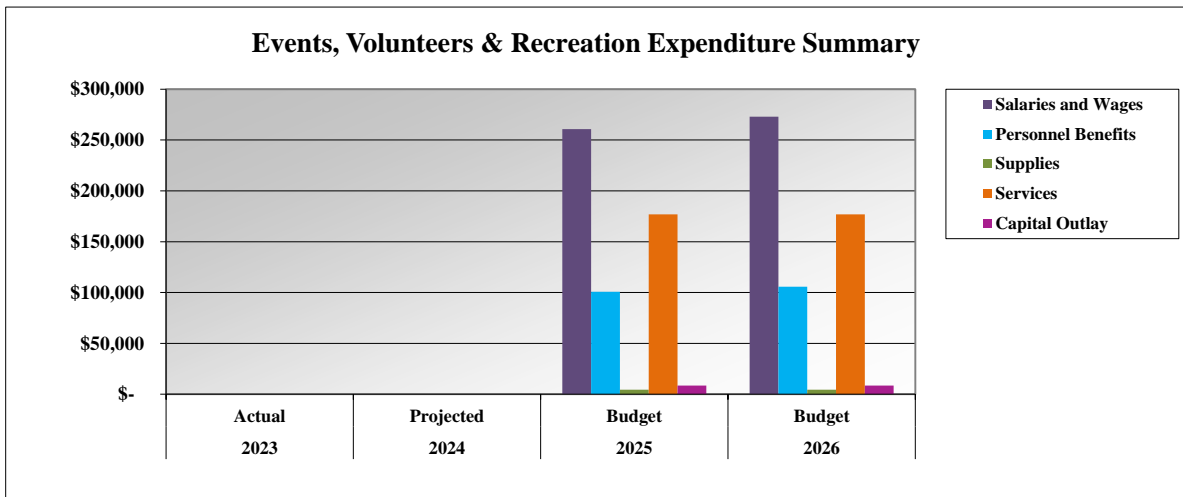
- This is a new cost center within the General Fund; however, it includes existing programs that were previously budgeted within other general fund department budgets to bring all Events, Volunteer & Recreation programs under one cost center.
- Kenmore Farmers Market operations and management will transition to the Northshore Farmers Market starting in 2025 but will remain the Kenmore Farmers Market (KFM). Public Works Operations staff will continue to be responsible for traffic control for the KFM.

General Fund

Public Works Operations

Events, Volunteers & Recreation*

Expenditure Summary	2023-2024		2023-2024		2025-2026	
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget
Events, Volunteers & Recreation*						
Salaries and Wages		\$ -	\$ -	\$ -	\$ 260,856	\$ 273,024
Personnel Benefits		-	-	-	100,775	105,789
Supplies		-	-	-	4,500	4,500
Services		-	-	-	177,000	177,000
Capital Outlay		-	-	-	8,500	8,500
Total Program Costs		\$ -	\$ -	\$ -	\$ 551,631	\$ 568,813
						\$ 1,120,444



Employee Summary	2023-2024		2023-2024		2025-2026	
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget
Events, Volunteers & Rec Positions*						
PW Operations Director	0	0	0	0	0.25	0.25
Events & Volunteer Supervisor	0	0	0	0	1.00	1.00
Recreation Program Supervisor	0	0	0	0	1.00	1.00
Administrative Specialist	0	0	0	0	0.25	0.25
Total Positions	0	0	0	0	2.50	2.50

*This new cost center was created for 2025 based on the reorganization of the PW Facilities cost center into three separate cost centers: Facility Maintenance, Parks Maintenance, and Events, Volunteers & Recreation.

GENERAL FUND: FACILITIES & FLEET MAINTENANCE

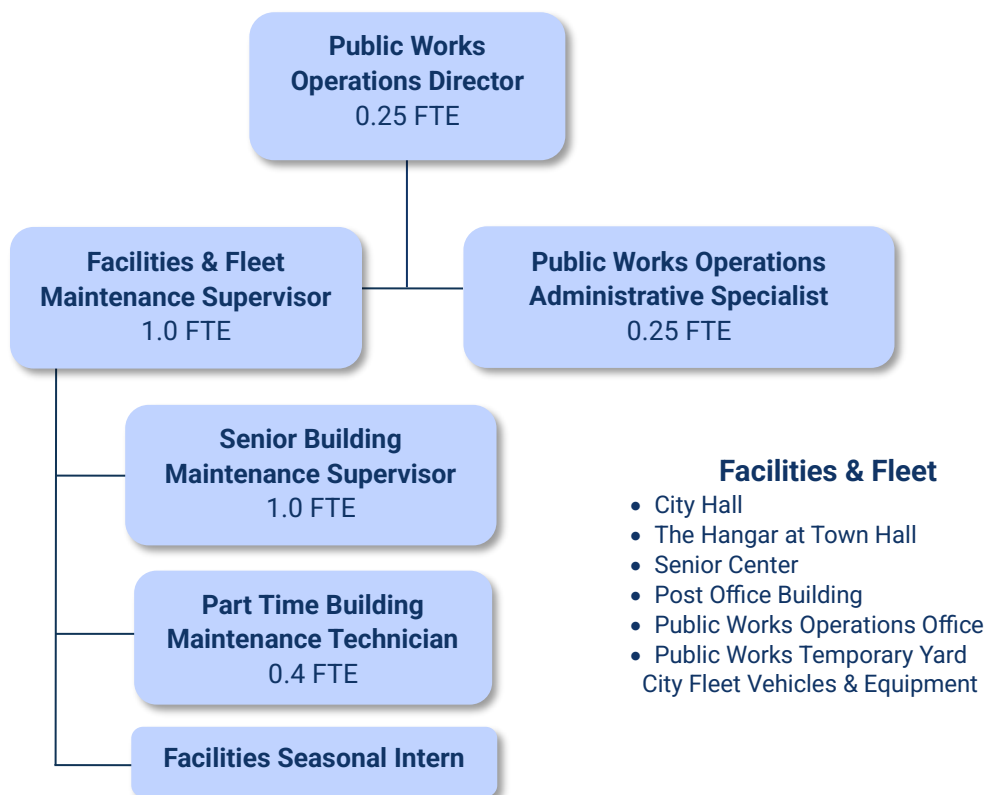
The Facilities and Fleet Maintenance Cost Center accounts for the operation and maintenance of the City's facilities and motor pool vehicles. Regular maintenance activities play an important role in preventing costly repairs, extending the lifespan of assets, reinforcing our commitment to sustainability, and fostering a sense community pride. The cost center funds all labor and materials to maintain city owned buildings including City Hall, the Hangar at Town Square, the Senior Center, and the Public Works Operations Office located in the Post Office Building. Routine maintenance and repairs are executed using a combination of city employees and private contractors to perform an array of services including, but not limited to janitorial services, building systems maintenance (HVAC/Mechanical Equipment, Access Control, Building Security, Fire Suppression Systems, Plumbing, Electrical, Elevator, and Emergency Generator), fleet maintenance/repair, facility rental support, internal staff support, building envelope maintenance, exterior site maintenance of hardscapes and landscapes, furniture repair/replacement, and sign maintenance just to name a few. The Facilities staff provides support to everyone in the organization, to all of our internal and external customers.

2023-2024 ACHIEVEMENTS

- Routine and emergency interior, exterior, and all building systems maintenance and repair performed at all City facilities.
- Manage workload and the level of service using a combination of in-house staff and contracted services.
- Provide support and coordination for after-hours business meetings and public facility reservations at City Hall and the Hangar.
- Provide support and coordination with all employees working in City facilities.
- Installed a new security camera system for the Hangar building and upgraded the camera system at City Hall.
- New multi-year janitorial services contract for City Hall, Hangar, & Public Works Office executed in fall of 2024.
- Coordination and management of annual electronic device recycling pickup for City owned equipment.
- Assisted with City Hall and Hangar facility rental policy updates.
- Assisted with CivicRec software implementation for facility rentals.
- Managed the routine maintenance and repair of the City's fleet and heavy equipment.
- Procured (3) new department vehicles with upfits as budgeted (Parks, Streets, & SW).
- Pride stairs art installation at City Hall.
- Procured new round tables for City Hall for internal and external users.
- Completed major repairs to heating/cooling equipment at City Hall.
- City Hall Office expansion/reorganization in 2023 and 2024 – included space planning, procurement and installation of new furniture, and employee relocation.
- Complete inventory, organization and storage of City Hall furniture.
- Installed replacement appliances at City Hall and Public Works Office.

- Provide onsite support and coordination for City and Community Events, Farmers Markets, and Love Notes.
- Coordination and installation of the Veterans Memorial at City Hall.
- Expanded and improved Events storage room.
- Provide 7 day a week service and 24/7 Emergency Response.
- Support citywide initiatives and priorities
 - DEIA Plan implementation
 - Climate Action Plan implementation

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue with ongoing operation, maintenance and repair of City owned facilities.
- Continue to provide support and coordination to all internal and external customers.
- Upgrade Hangar & City Hall access control software and hardware.

2025-2026 BUDGET HIGHLIGHTS

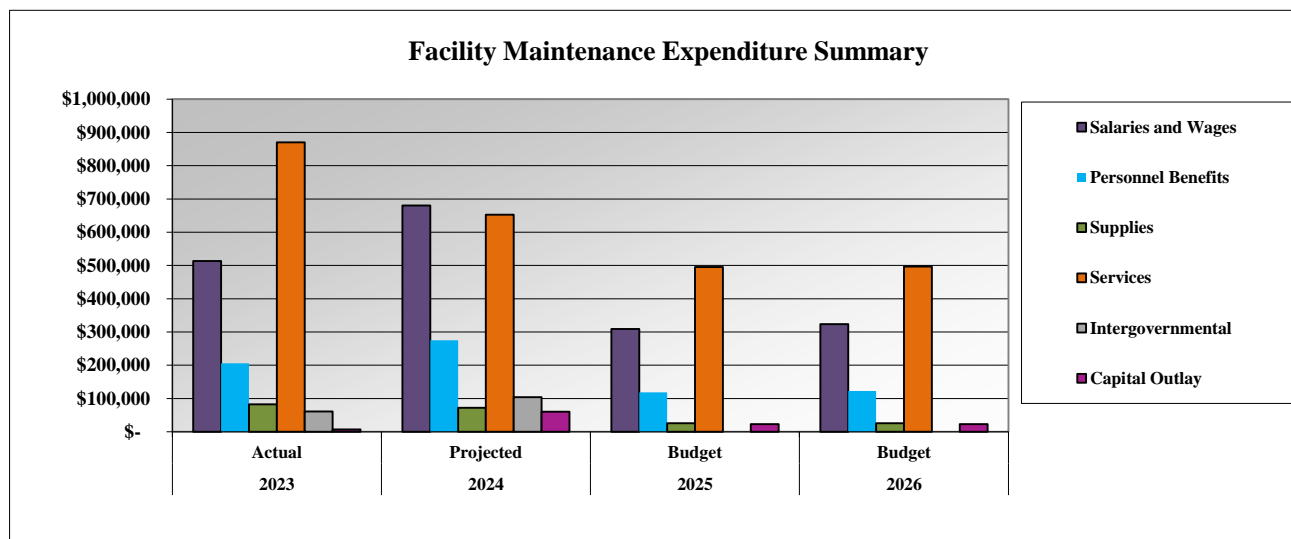
- The Facilities & Fleet Maintenance Cost Center is new to the General Fund as part of the Public Works Operations Department. The cost center was previously combined with Parks Maintenance.

General Fund

Public Works Operations

Facilities & Fleet Maintenance*

Expenditure Summary	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Facility Maintenance							
Salaries and Wages	\$ 1,285,500	\$ 513,412	\$ 680,000	\$ 1,193,412	\$ 309,143	\$ 323,850	\$ 632,993
Personnel Benefits	510,000	205,709	275,000	480,709	118,196	122,764	240,960
Supplies	161,750	82,407	72,367	154,774	25,600	25,600	51,200
Services	1,591,526	870,392	652,618	1,523,010	495,500	496,500	992,000
Intergovernmental	93,500	61,228	103,653	164,881	-	-	-
Capital Outlay	75,000	6,988	60,000	66,988	23,000	23,000	46,000
Total Program Costs	\$ 3,717,276	\$ 1,740,136	\$ 1,843,638	\$ 3,583,774	\$ 971,439	\$ 991,714	\$ 1,963,153



Employee Summary	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Facility Maintenance Positions*							
PW Operations Director	0.00	0.00	0.00	0.00	0.25	0.25	0.25
Facilities & Fleet Maint Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Facilities Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PT Facilities Technician	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Administrative Specialist	0.50	0.50	0.50	0.50	0.25	0.25	0.25
Lead Parks Maintenance Worker (1)	1.00	1.00	1.00	1.00	0	0	0
PT Maintenance Worker (1)	0.40	0.40	0.40	0.40	0	0	0
Maintenance Supervisor (1)	0.25	0.25	0.25	0.25	0	0	0
Maintenance Workers (1)	2.00	2.00	2.00	2.00	0	0	0
Events Specialist (2)	1.00	1.00	1.00	1.00	0	0	0
Events & Volunteer Supervisor (2)	1.00	1.00	1.00	1.00	0	0	0
Recreation Program Supervisor (2)	1.00	1.00	1.00	1.00	0	0	0
Total Positions	9.55	9.55	9.55	9.55	2.90	2.90	2.90

*This cost center was split into three cost centers for the 2025-2026 biennium. The three separate cost centers are:
Facility Maintenance, Parks Maintenance, and Events, Volunteers & Recreation.

(1) These staff moved to the Parks Maintenance cost center.

(2) These staff moved to the Events cost center.

GENERAL FUND: PARK MAINTENANCE

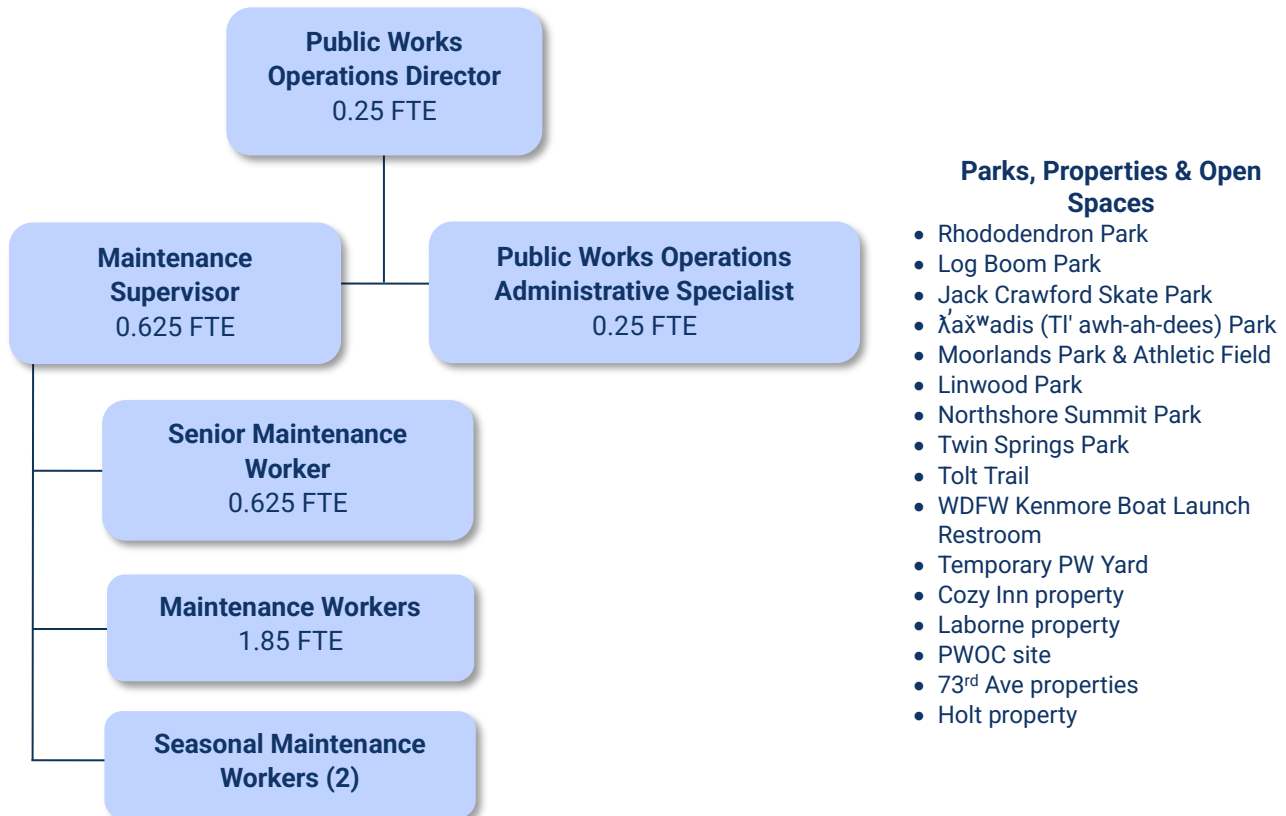
The Park Maintenance Cost Center accounts for the operation, maintenance, and repair of city parks and green spaces. Maintaining and preserving our parks and open spaces is essential to the long-term success of capital improvements, the significant investments that improve the quality of life in our community. Providing adequate resources to care for our parks demonstrates our commitment to the community and creates a welcoming environment for all to relax, play, and connect with nature. Routine maintenance and repairs are executed using a combination of city employees and private contractors to perform an array of maintenance services including, but not limited to landscape maintenance including plant & tree care, turf management, mulching, fertilizing, weed control, irrigation systems – scheduling, operations, inspection, & maintenance; hardscape, boardwalk, & trail maintenance (gravel, asphalt, & concrete), fencing & barrier maintenance, waterfront access & beach maintenance, vegetation control & noxious weed removal, dock & pier maintenance, playground structure & surface material maintenance & inspection programs (weekly & annual), debris management (annual leaf fall and storm clean-up response), litter control & waste removal, monument & wayfinding signage, regulatory sign installation & maintenance, dog waste stations, athletic field & sport court maintenance, daily park openings & janitorial service at all park restrooms, building maintenance & access control at park restroom, concession & storage buildings, vandalism/graffiti response, park amenities including picnic shelters, benches, picnic tables, bollards, and waste receptacles; parking lot maintenance – painting & channelization, snow & ice control, response for requests for service, private property encroachments, pest control & animal management, interdepartmental coordination and support for special events, volunteer activities, recreation programs & providers, and onsite tenants; parks capital project support, 7-day a week service, and 24/7 emergency response.

2023-2024 ACHIEVEMENTS

- Routine and emergency maintenance performed in city parks and green spaces.
- Weekly inspections and annual audits of multi-component playgrounds within 5 park locations; equipment repair & replacement and playground surfacing maintenance & replacement.
- Log Boom Park summer seasonal float spring installation and fall removal/storage.
- Responded to over 500 requests for service.
- Maintained staff trainings and certifications:
 - First Aid, CPR & Bloodborne Pathogens
 - Certified Playground Safety Inspectors
 - WSDA Pesticide Applicator Licenses
 - Traffic Control Flagger
 - AWC Drug & Alcohol Consortium Supervisors Training
 - Commercial Drivers Licenses
 - Certified Erosion & Sediment Control Lead
- Parks and Transportation Capital Project support from planning through construction and transition to maintenance at Log Boom and ʔaḥʔadis (TI' awh-ah-dees) Parks. New assets & areas of increased level of service:
 - Log Boom Park – Shoreline clearing at expansive sandy beach, boat rental concession building, monument, wayfinding and regulatory signage, trails, fencing, bollards, picnic shelter, site amenities: picnic tables, bike rack, benches, and waste receptacles; landscape and irrigation expansion, and permit required large project mitigation planting and long-term maintenance.

- Łaŋwadis (Tl' awh-ah-dees) Park – Substantial site development and improvements include onsite and offsite permit required mitigation planting and long-term maintenance encompassing almost the entire project site, paved parking lot, improved shoreline, irrigation system, restroom building, sidewalks, hardscaped walls, trails, fencing, railing, bollards, site lighting, artwork, boardwalks, pedestrian bridges & outlook platforms, expanded waterfront access with two additional docks and ramps, concrete plaza, picnic shelter, picnic tables, benches, trash receptacles, bike racks, monument, wayfinding, and regulatory signage.
- Managed routine maintenance contracts and small works projects:
 - Landscape Maintenance
 - Tree Management Services
 - Fence Installation & Repair
 - Plumbing & Electrical Projects
 - Access Control/Door Software & Hardware
 - Rodent Control
 - Field Aeration & Fertilizer Applications
- Request for Proposals and Contract Execution:
 - CIP Mitigation Site Maintenance (includes 5 separate sites).
- Provided regular and overtime support to other departments and special events, assisting with planning, developing scopes of work, coordination, traffic control, and event execution.
 - City Special Events – Juneteenth, Summer Concerts, 4th of July Celebration, Movies at the Square, National Night Out, Kenmore's 25th Anniversary Celebration, and Luminary Walk.
 - Volunteer activities and events – Earth Day, Jack Crawford Day, Adopt-a-Park clean-ups, Life Jacket Loaner Stations, Eagle Scout projects, Wallace Swamp Creek Park Stewardship events.
 - EarthCorps - Swamp Creek Watershed clean-up project.
 - City-supported love notes, community events and projects – Hydroplane Cup, KWAC Waterfront Activities Fair, Kenmore Quad, Streamfest, Fly Away 5K, and Octoberfest.
 - 26 Kenmore Farmers Markets.
 - Recreation programs and activities – KWAC, KCRC, Northshore School District, Kenmore Senior Center, WhatsUp, Skyhawks, and Skate Like a Girl.
- Provide 7 day a week service and 24/7 Emergency Response.
- Support citywide initiatives and priorities
 - DEIA Plan implementation
 - Climate Action Plan implementation

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue to manage the day-to-day operations and maintenance within 15+ park and open spaces using a combination of in-house public works staff and outside contractors.
- Provide support and coordination with other departments as needed.
- Provide ongoing review, input, and support of projects within the Parks Capital Improvement Program.
- Manage the ongoing mitigation maintenance per permit requirements of the park walkways and waterways projects at ʔaḥʔadis (TI' awh-ah-dees) Park, Log Boom Park, and Rhododendron Park as part of the West Samm Bridge project.
- Collect and input GIS data for park and streetscape assets in Cityworks to improve workflow and efficiencies.
- Provide support for City Special Events, Kenmore Farmers Markets, community events, volunteer activities, and recreation programs.
- Respond to service requests.
- Provide 7 day a week service and 24/7 Emergency Response.
- Continue to support citywide initiatives and council priorities.

2025-2026 BUDGET HIGHLIGHTS

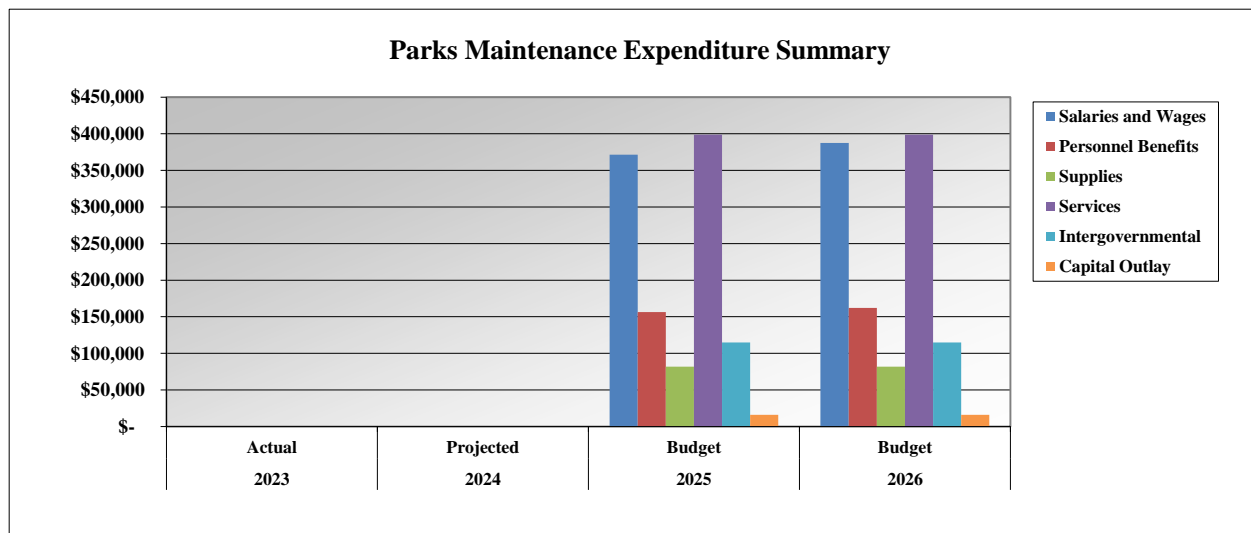
- The Park Maintenance Cost Center is new within the General Fund but is not new to the budget. Park Maintenance was previously combined with Facilities Maintenance in the 2023-2024 Biennial Budget.
- Public Works Operations staffing and programming reorganization, title and duty changes of existing positions.
 - Created the Park & Streetscapes Supervisor position (previously, Parks Lead) performing work in both city parks and rights-of-ways (irrigated and manicured landscapes).
 - Promoted an existing Maintenance Worker to Senior Maintenance Worker, Parks & Streetscapes to create more oversight and support for additional permanent and seasonal maintenance workers added in the 2023-2024 budget who perform maintenance in parks and in city rights-of-ways.
- Kenmore Farmers Market will be run by the Northshore Farmers Markets non-profit organization. Public works operations staff will continue to provide traffic control services and onsite support during each market.

General Fund

Public Works Operations

Parks Maintenance*

Expenditure Summary	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Parks Maintenance*							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 371,320	\$ 387,636	\$ 758,956
Personnel Benefits	-	-	-	-	156,503	162,007	318,510
Supplies	-	-	-	-	81,750	81,750	163,500
Services	-	-	-	-	399,000	399,000	798,000
Intergovernmental	-	-	-	-	115,000	115,000	230,000
Capital Outlay	-	-	-	-	16,000	16,000	32,000
Total Program Costs	\$ -	\$ -	\$ -	\$ -	\$ 1,139,573	\$ 1,161,393	\$ 2,300,966



Employee Summary	2023-2024			2023-2024			2025-2026
	Final Budget	2023 Actual	2024 Projected	Total Biennium	2025 Budget	2026 Budget	Proposed Budget
Parks Maintenance Positions*							
PW Operations Director	0	0	0	0	0.250	0.250	0.250
Parks Maintenance Supervisor	0	0	0	0	0.625	0.625	0.625
Senior Maintenance Worker**	0	0	0	0	0.625	0.625	0.625
Maintenance Workers **	0	0	0	0	1.250	1.250	1.250
PT Maintenance Worker	0	0	0	0	0.600	0.600	0.600
Administrative Specialist	0	0	0	0	0.250	0.250	0.250
Total Positions	0	0	0	0	3.600	3.600	3.600

*This new cost center was created for 2025 based on the reorganization of the PW Facilities cost center into three separate cost centers: Facility Maintenance, Parks Maintenance, and Events, Volunteers & Recreation.

** Maintenance Workers
 3 FTE funded
 62.5% General Fund
 37.5% Street Fund
 1 PT (0.6) FTE funded 100% in Parks

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OTHER FUNDS' BUDGETS

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Equipment Replacement Fund	185

OTHER FUND: STRATEGIC RESERVE

This fund was created to serve as the City's emergency reserve fund. Per State Statute, RCW 35A.33.145, the Fund cannot exceed \$.375 per \$1,000 assessed value. Based on a 2024 preliminary assessed value of \$7,022,607,024, the fund could be increased from its current balance of approximately \$1.4 million to \$2.63 million, its statutory limit.

2023-2024 ACHIEVEMENTS

- No expenditures or transfers were made from this fund.

2025-2026 OBJECTIVES

- Maintain the reserve at no less than its current balance and the addition of interest earned on investments.
- No expenditures or transfers are proposed from this fund.

STRATEGIC RESERVE FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	1,365,197	\$1,365,197	\$1,418,036	\$1,365,197	\$1,468,036	\$1,513,036	\$1,468,036
Investment Interest	27,356	52,839	50,000	102,839	45,000	40,000	85,000
Total Revenues	27,356	52,839	50,000	102,839	45,000	40,000	85,000
Total Strategic Reserve Fund	\$1,392,553	\$1,418,036	\$1,468,036	\$1,468,036	\$1,513,036	\$1,553,036	\$1,553,036

STRATEGIC RESERVE FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	\$1,392,553	\$1,418,036	\$1,468,036	\$1,468,036	\$1,513,036	\$1,553,036	\$1,553,036
Total Strategic Reserve Fund	\$1,392,553	\$1,418,036	\$1,468,036	\$1,468,036	\$1,513,036	\$1,553,036	\$1,553,036

OTHER FUND: STRATEGIC OPPORTUNITES

The Strategic Opportunities Fund was first established in 2013 due to the strong fund balances in the City's tax-supported operating funds, especially the General Fund. At the beginning of 2013, approximately \$2.5 million was transferred from the General Fund to the Strategic Opportunities Fund. The two main reasons for transferring this amount from the General Fund to the Strategic Opportunities Fund were to 1) Allow investment earnings from the fund balance to accrue separately rather than being absorbed into the General Fund to support ongoing operations; and 2) Create the opportunity for the community to benefit from the City's past and present fiscal discipline by allocating a portion of the strong General Fund balance to a separate "savings account" or reserve that can position the City to respond to strategic opportunities or support City services or initiatives on a start-up or temporary basis.

Use of the Fund's resources for strategic opportunities should be used for projects and initiatives that are one-time, temporary, or start-up in nature and will not require indefinite operational funding from the Strategic Opportunities Fund. Eligible expenditures from this Fund include the following:

- 1) Real Estate purchases for future public benefit.
- 2) Capital construction projects that create high value for the community and physically construct tangible public improvements. As stated in the City's Financial Policies, consideration for any capital project should include how to pay for ongoing operation and maintenance (O&M) costs beyond project completion. The Strategic Opportunities Fund is not intended to be a funding source for funding a completed capital project's ongoing operations and maintenance.
- 3) Grant matches for capital projects.
- 4) Funding for the development of new strategic community initiatives. These initiatives may be on a pilot or trial period as determined by the City.
- 5) Temporary support of City services in economic downturns that result in declining operating revenues.

Replenishment of the Fund should consider the following:

- 1) New net revenues generated by the enterprises/activities funded through the Strategic Opportunities Fund should go back into the fund.
- 2) Surplus reserves from unrestricted operating funds (General Fund, for example), defined as the excess of actual ending fund balance over the budgeted ending fund balance, if not otherwise designated, may be used to replenish the fund.
- 3) The City may also use General Fund operating revenues, undesignated fund balances from unrestricted funds, and grant reimbursements to build up the Strategic Opportunities Fund.
- 4) When Strategic Opportunities Fund resources are used for capital project purposes, this Fund may be "paid back" with funds from special revenue funds such as the Real Estate Excise Tax Fund, subject to conditions set forth in State Law.

Each biennial budget cycle, the City Council will establish a target amount for this fund, with the goal of building back up to or maintaining the Fund's original balance at \$2.5 million or higher. If drawn down, the Strategic Opportunities Fund should be replenished back to the targeted amount within three years, although extended economic downturns may lengthen that time frame. The City should use periods of revenue growth and economic upturns to replenish and build the Strategic Opportunities Fund.

2023-2024 ACHIEVEMENTS

The Strategic Opportunities Fund provided resources for the following:

- Air quality and emissions consulting and legal expertise
- Farmer's Market startup support (starting in 2025, the Farmer's Market will be operated by another entity and a lower subsidy to the Market will be paid for out of the General Fund)
- Regional Crisis Response co-responder mental health program (starting in 2025, this program will be funded via the General Fund)

2025-2026 OBJECTIVES

Given this fund's low fund balance, no expenditures are proposed from this fund in the 2025-2026 biennium. If the City-owned Holt property is sold in this biennium, the sale proceeds will be deposited in this fund.

STRATEGIC OPPORTUNITIES FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	799,756	\$799,756	\$440,631	\$799,756	\$157,631	\$159,631	\$157,631
Investment Interest	7,018	23,502	10,000	33,502	2,000	2,000	4,000
Farmer's Market Revenue	28,000	13,136	13,000	26,136	-	-	-
Transfer from Park Capital Fund	100,000	-	-	-	-	-	-
Total Revenues	135,018	36,638	23,000	59,638	2,000	2,000	4,000
Total Strategic Opportunities Fund	\$934,774	\$836,394	\$463,631	\$859,394	\$159,631	\$161,631	\$161,631

STRATEGIC OPPORTUNITIES FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Salaries and Benefits	-	124,672	120,000	244,672	-	-	-
Farmer's Market	164,000	10,950	10,000	20,950	-	-	-
Air Quality/Emissions Consulting	60,000	42,922	10,000	52,922	-	-	-
DEI Plan and Implementation	-	53,020	1,000	54,020	-	-	-
Bastyr Clinic	10,000	-	-	-	-	-	-
Regional Crisis Response (RCR)	342,000	164,199	165,000	329,199	-	-	-
Total Expenditures	576,000	395,763	306,000	701,763	-	-	-
Ending Fund Balance	\$358,774	\$440,631	\$157,631	\$157,631	\$159,631	\$161,631	\$161,631
Total Strategic Opportunities Fund	\$934,774	\$836,394	\$463,631	\$859,394	\$159,631	\$161,631	\$161,631

OTHER FUND: STREET

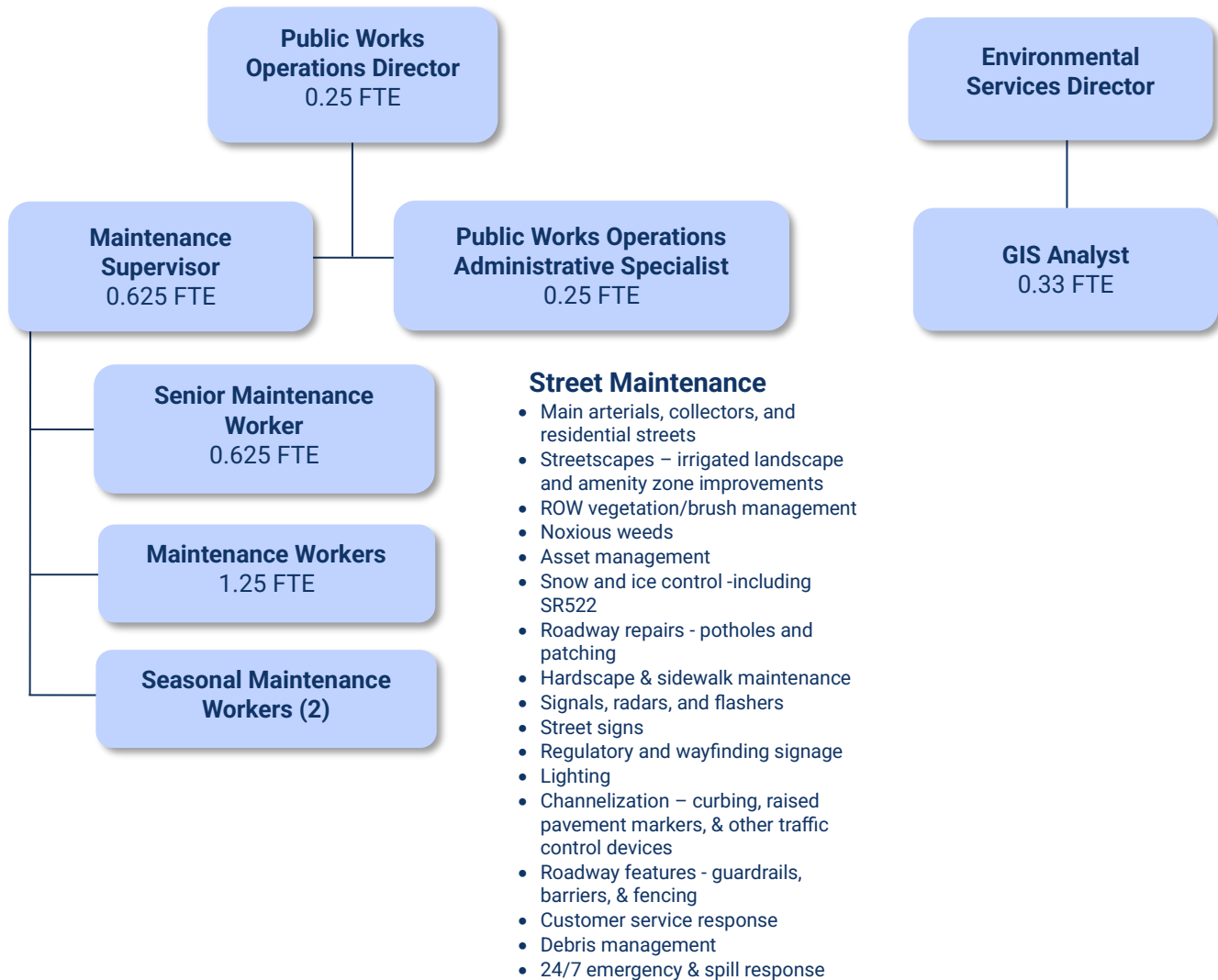
The Street Fund accounts for the day-to-day maintenance and operation of city streets and rights-of-ways, including labor and materials. Routine maintenance and repair of our infrastructure is extremely important to ensure safe and efficient roadway operations for all who live, work, play and even passthrough Kenmore. Well maintained streets and rights-of-ways contribute to the aesthetics of the community and extend the lifespan of infrastructure, saving money in the long run by reducing the need for costly repair or replacement. The Street Fund includes expenditures for road surfaces, sidewalks, curbing, traffic control devices, channelization, signs, school zone flashers, radar feedback signs, crosswalk flashers, and signals, guardrails, barriers, fencing, irrigated and non-irrigated landscapes, and right-of-way vegetation management. Maintenance responsibilities include road repair, snow and ice control, debris management, sign installation, maintenance & repair, landscape and hardscape maintenance, vegetation control, temporary traffic control & detours, accident and emergency response, and other non-specialized services. re Services are provided through a combination of in-house maintenance staff and contracted services with King County and other private vendors. Major revenue sources included the State's gas tax on motor vehicle fuels and transfers from other funds. It is our goal to protect and preserve the health, safety and well-being of people through effective and efficient maintenance and operation of the City's transportation network.

2023-2024 ACHIEVEMENTS

- Over 165 roadway lane miles maintained.*
- Maintenance of over 3,000 street and wayfinding signage within the City.
- Installation of new streets signs (new developments or additional signage requests).
- Maintenance of (65) electronic signs including: school zone flashers, radar speed signs, crossing flashers (RRFB's), and (8) traffic signals.
- Maintenance of roadway markings, channelization, and miscellaneous permanent traffic control devices.
- Annual road surface traffic marking maintenance (striping and thermoplastic installation).
- Maintenance of streetscapes including irrigated landscape and amenity zones within rights-of-way including (10) irrigation site controllers.
- Maintenance of roadside safety concerns – hazardous trees, vegetation, and brush.
- Control and removal of noxious weeds within city-maintained rights-of-ways.
- Support Transportation Capital Improvement Plan projects from planning through construction and the transition to maintenance. New assets and areas of increased level of service:
 - West Sammamish Bridge Replacement – new pedestrian and bicycle promenade, landscaped center medians and amenity zones, new irrigation system and controller, decorative and custom handrail, programmable lighting, artwork, and offsite permit required mitigation planting and long-term maintenance at Rhododendron Park and WDFW Kenmore Boat Launch.
 - Juanita Drive NE & 68th Avenue NE improvements - landscaped center medians and amenity zones, new irrigation system and controller, fencing, sidewalks, custom median lighting, new channelization and roadway markings, new pedestrian crossings, concrete islands, and additional signage.
 - 73rd Avenue NE Overlay Project – new channelization that includes curbing and other roadway markings and devices, additional pedestrian crossing, and raised concrete pedestrian bridges.

- NE 190th Street Culvert Replacement Project – decorative fencing, hardscape and permit required mitigation planting and long-term maintenance.
 - 61st Avenue NE Improvement Project – Planning and design support.
 - WA State Emergency Declaration for January 2024 Storms - Preliminary Damage Assessment submission for Stream 0056 damage for FEMA repair funding.
 - ROW fence repairs - standard and custom decorative fencing damaged by vehicular accidents on SR 522.
 - Support City owned property demolition projects:
 - Cozy Inn
 - 73rd Avenue NE property
 - Public Works Operations Center property
 - Request for Proposals and Contract execution:
 - Landscape Maintenance Service contract for Juanita Dr and 68th Avenue corridor improvements.
 - Maintained staff trainings and certifications:
 - First Aid, CPR & Bloodborne Pathogens
 - WSDA Pesticide Applicator Licenses
 - Traffic Control Flagger
 - AWC Drug & Alcohol Consortium Supervisors Training
 - Commercial Drivers Licenses
 - Certified Erosion & Sediment Control Lead
 - Provided regular and overtime support for other departments and special events.
 - City Special Events – Juneteenth, Summer Concerts, 4th of July Celebration, Movies at the Square, National Night Out, Kenmore's 25th Anniversary Celebration, and Luminary Walk.
 - City-supported community events & projects.
 - Volunteer and Adopt-a-Street activities.
 - Kenmore Farmers Market day of support and traffic control.
 - Flood and storm response.
 - Debris management – heavy storm debris clean up, fallen trees, rock spills, vehicular accident response, animal carcass removal, and dumped garbage in city streets & rights-of-way.
 - Snow and Ice control – including SR 522.
 - (2) Kenmore weather stations installed – Juanita Drive NE/NE 145th Street and 68th Avenue NE/NE 181st Street for improved inclement weather response within Kenmore micro-climates.
 - NE 193rd Street/61st Avenue NE vegetated island – reduced island size.
 - Responded to over 600 requests for service.
 - Collect and input GIS data for street and right of way assets in Cityworks for improved workflow and efficiencies.
 - Provided 24/7 Emergency Response.
 - Support citywide initiatives and priorities
 - DEIA Plan implementation
 - Climate Action Plan implementation
- * Surface water infrastructure operations, maintenance, and repair see the Surface Water Management Fund.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Continue day-to-day operations and maintenance of existing and new assets within streets and rights-of-ways using a combination of in-house public works staff and outside contractors.
- Continue to support ongoing and future Transportation Capital Improvement Projects from planning to transition to maintenance.
- Respond to both internal and external service requests.
- Provide 24/7 emergency and spill response.

2025-2026 BUDGET HIGHLIGHTS

- The Right of Way Inspector position was previously budgeted in the Street Fund is being transferred to the Engineering Cost Center/General Fund.
- Public Works Operations staff are funded by multiple general fund cost centers and other funds.

- Public Works Operations staffing and programming reorganization, title and duty changes of existing positions.
 - Created the Park & Streetscapes Supervisor position (previously, Parks Lead) performing work in both city parks and rights-of-ways (irrigated and manicured landscapes).
 - Promoted an existing Maintenance Worker to Senior Maintenance Worker, Parks & Streetscapes to create more oversight and support for additional permanent and seasonal maintenance workers added in the 2023-2024 budget who perform maintenance in parks and in city rights-of-ways.
 - Promoted an existing Maintenance Worker to Senior Maintenance Worker for the Streets & Surface Water division to create more oversight and support for additional permanent and seasonal maintenance workers added in the 2023-2024 budget who perform maintenance on streets and surface water infrastructure.
- Kenmore Farmers Market will be run by the Northshore Farmers Markets non-profit organization, public works operations staff will continue to provide traffic control services and onsite support during each market.

STREET FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
REVENUES							
Beginning Fund Balance	\$ 2,269,900	\$ 2,269,900	\$ 2,293,796	\$ 2,269,900	\$ 2,293,796	\$ 2,109,968	\$ 2,293,796
Fuel Tax	917,905	418,686	385,000	803,686	380,000	376,200	756,200
Multi-modal Distribution	63,948	31,280	32,133	63,413	32,454	32,779	65,233
Investment Interest	20,000	62,723	55,000	117,723	50,000	45,000	95,000
ROW Permit fees & Inspections	243,612	226,052	139,750	365,802	123,636	124,872	248,508
Plat Signs/Misc	46,602	28,880	24,500	53,380	29,000	29,290	58,290
Transfer from General Fund	1,378,313	400,000	978,313	1,378,313	-	-	-
Transfer from TBD	1,180,000	450,000	730,000	1,180,000	725,000	725,000	1,450,000
Insurance Recovery and Other	-	7,697	-	7,697	-	-	-
Total Revenues	\$ 3,850,380	\$ 1,625,318	\$ 2,344,696	\$ 3,970,014	\$ 1,340,090	\$ 1,333,141	\$ 2,673,231
Total Street Fund	\$ 6,120,280	\$ 3,895,218	\$ 4,638,492	\$ 6,239,914	\$ 3,633,886	\$ 3,443,109	\$ 4,967,027

STREET FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
EXPENDITURES							
Salary and Benefits	1,685,300	787,423	804,000	1,591,423	515,418	537,281	1,052,699
Maintenance & Operations	2,043,800	761,999	1,405,470	2,167,469	1,008,500	1,017,525	2,026,025
Transfer to Public Works Shop Fund	54,682	52,000	-	52,000	-	-	-
Total Expenditures	\$ 3,783,782	\$ 1,601,422	\$ 2,209,470	\$ 3,810,892	\$ 1,523,918	\$ 1,554,806	\$ 3,078,724
Ending Fund Balance	2,336,498	2,293,796	2,429,022	2,429,022	2,109,968	1,888,303	1,888,303
Total Street Fund	\$ 6,120,280	\$ 3,895,218	\$ 4,638,492	\$ 6,239,914	\$ 3,633,886	\$ 3,443,109	\$ 4,967,027

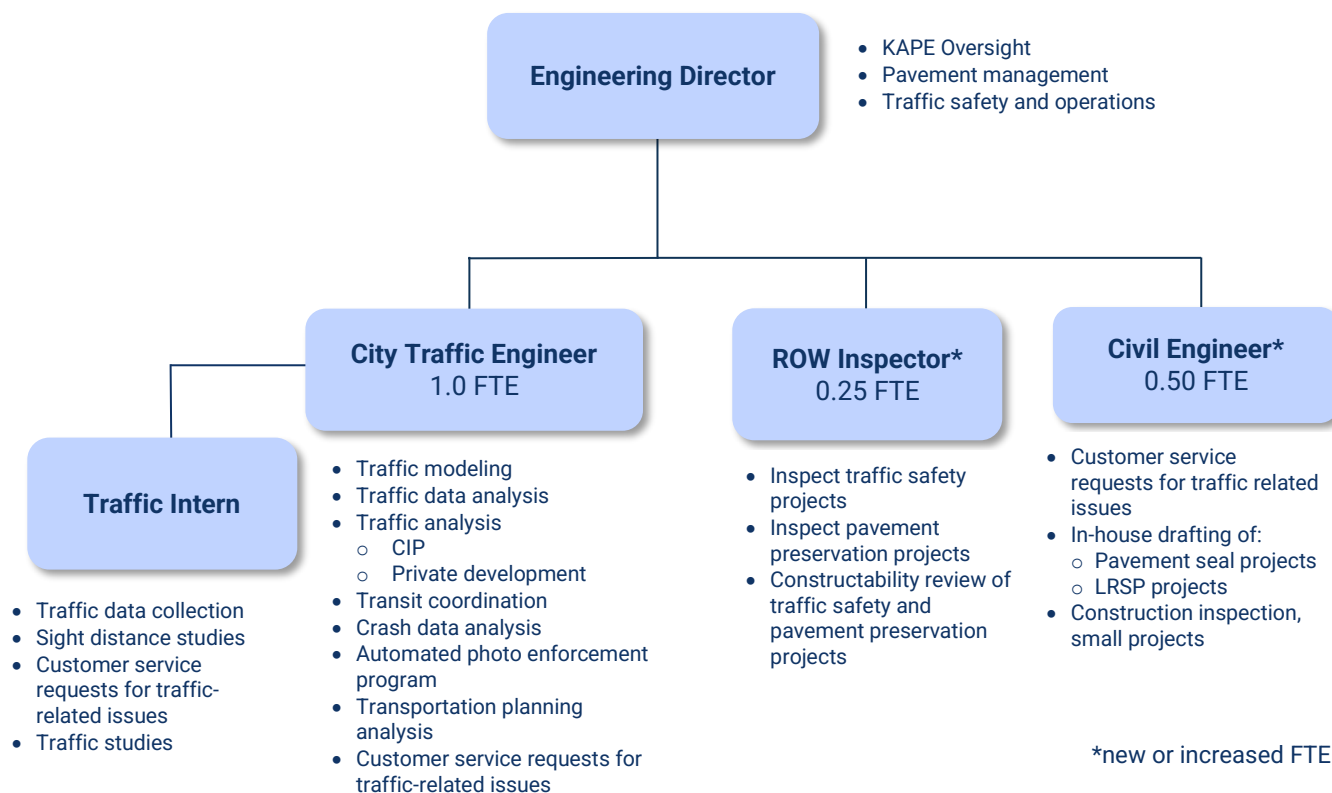
OTHER FUND: KENMORE AUTOMATED PHOTO ENFORCEMENT (KAPE)

The Kenmore Automated Photo Enforcement (KAPE) program was established in 2022. The KAPE will provide automated photo enforcement within school zones, at signalized intersections and at other state allowed locations. The KAPE program will track and identify traffic speed and red-light violations for processing by city police. The KAPE program will generate revenue and will contribute to the expenses of the City Traffic Engineer position, pavement preservation, KAPE Program expenses, traffic safety projects and programs, and police traffic enforcement.

2023-2024 ACHIEVEMENTS

- Speed enforcement cameras set up and active on 73rd Avenue NE (Kenmore Elementary) and Juanita Drive (Arrowhead Elementary)
- Red light camera enforcement set up and active at SR522 and 61st Avenue intersection (Eastbound to Northbound only)
- Approval to expand speed enforcement to 24hr/7days a week at 73rd Avenue NE and Juanita Drive
- Approval to add a new speed enforcement camera with 24hr/7days a week enforcement on Simonds Road (Inglemoor HS)
- Reduction in speeding violation by approximately 85% on 73rd Avenue NE and 97% on Juanita Drive
- Reduction in red light violations at SR522/61st Avenue NE from 11/hr to 1/week
- Continued implementation of the traffic count program – completed over 200 speed/volume studies
- Performed over 45 sight distance studies
- Continued to review crash data and perform overall analysis on roadway safety
- Continue to support the City's Target Zero program by utilizing the Local Road Safety Plan, continuous review of citizen concerns regarding roadway safety, and executing the High Visibility Vest give-way program.
- Responded to 110 service requests in 2023 and over 75 (as of 8/6/2024) in 2024
- City Traffic Engineer became certified as a Professional Traffic Operations Engineer (PTOE)

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Begin warning period for Simonds Road speed zone camera
- Begin issuing tickets for 24/7 speed violations on Juanita Drive and 73rd Avenue NE
- Continue issuing speed violations for school zone enforcement
- Continue evaluating program for success. Report on KAPE program status to the City Council
- Continue with management of pavement condition. Pavement seal in 2025 and pavement overlay in 2025 and 2026
- Implement traffic safety projects identified in the Local Road Safety Plan
- In addition to the KAPE expansion approved in 2024, bring forward additional photo enforcement location(s) for City Council consideration, with installation proposed in 2026

Kenmore Automated Photo Enforcement Fund (KAPE)

REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ -	\$ -	\$ 21,236	\$ -	\$ 77,686	\$ 62,686	\$ 77,686
Photo enforcement revenue	550,000	218,443	750,000	968,443	2,300,000	3,150,000	5,450,000
Investment Interest	-	-	-	-	20,000	20,000	40,000
Total Revenues	550,000	218,443	750,000	968,443	2,320,000	3,170,000	5,490,000
Total KAPE Fund	\$ 550,000	\$ 218,443	\$ 771,236	\$ 968,443	\$ 2,397,686	\$ 3,232,686	\$ 5,567,686

Kenmore Automated Photo Enforcement Fund

EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Salary and Benefits	261,200	92,830	184,700	277,530	320,143	375,651	695,794
KAPE program (Verra M)	-	84,073	206,000	290,073	500,000	550,000	1,050,000
Traffic Safety program	-	20,304	20,000	40,304	75,000	75,000	150,000
Telecommunications/General Exp			850	850	12,000	12,000	24,000
Pavement Preservation			2,000	2,000	450,000	100,000	550,000
Traffic Safety projects					257,857	500,000	757,857
Traffic Count Program					10,000	10,000	20,000
Ped/Bike Map	-	-	-	-	35,000	-	35,000
Transfer to General Fund - Police					50,000	300,000	350,000
Transfer to Transportation Capital-T35	280,000	-	280,000	280,000	625,000	1,100,000	1,725,000
Total Expenditures	541,200	197,207	693,550	890,757	2,335,000	3,022,651	5,357,651
Ending Fund Balance	-	21,236	77,686	77,686	62,686	210,035	210,035
Total KAPE Fund	\$ 541,200	\$ 218,443	\$ 771,236	\$ 968,443	\$ 2,397,686	\$ 3,232,686	\$ 5,567,686

OTHER FUND: PUBLIC ART

This fund accounts for public art displays or performing arts events and is funded via the “one percent for arts” program. Kenmore Municipal Code Chapter 3.5 states that one percent (1%) of awarded construction contracts will be deposited in this fund.

2023-2024 ACHIEVEMENTS

- The Arts of Kenmore Gallery at Kenmore City Hall featured a number of shows. The City assisted the Arts of Kenmore with the opening receptions for each show. The Arts of Kenmore is responsible for call for artists, art selection, mounting exhibits, sales transactions and opening receptions.
- In August of 2023, to kick off the City’s 25th Anniversary Celebration, Tulalip artist Ty Juvinel unveiled an indigenous story pole in the Town Square.
- In May of 2023 the City hosted a ribbon cutting ceremony to commemorate the completion of the Łaḥw̓adis (Tl' awh-ah-dees) Park) Waterfront Improvement Project (Walkways & Waterways Project) including a celebration of native American artwork by artist Ty Juvinel and several other pieces of public artwork created by Jennifer Dixon.

2025-2026 OBJECTIVES

- Continue to work with the Arts of Kenmore for art exhibits in the City Hall lobby
- If time and funding allow, conduct a request for proposals for an indigenous artist to paint a mural on the retaining wall at the northeast corner of 181st Street and 61st Avenue
- If time and funding allow, conduct a request for proposal for an artist to add art elements on 68th Avenue NE in the vicinity of the Sammamish River Bridges
- Ensure that capital projects either include art as a project component or contribute 1% of the awarded construction contract to the public art fund
- Develop and bring forward a citywide art policy for City Council approval

PUBLIC ART FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 119,725	\$ 119,725	\$ 79,887	\$ 119,725	\$ 82,387	\$ 22,542	\$ 82,387
Contributions from Park Capital Projects		-	-	-	-	-	-
Contributions from Transportation Capital Projects		-	-	-	-	-	-
Investment Interest	1,400	3,983	2,500	6,483	2,250	2,000	4,250
Total Revenues	1,400	3,983	2,500	6,483	2,250	2,000	4,250
Total Public Art Fund	\$ 121,125	\$ 123,708	\$ 82,387	\$ 126,208	\$ 84,637	\$ 24,542	\$ 86,637

PUBLIC ART FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Arts of Kenmore City Hall Gallery	-	-	-	-	8,690	8,690	17,380
Community Art Projects					3,300	3,300	6,600
Misc Art projects					5,805	5,805	
Annual Art Purchase, Mayor's choice	-	-	-	-	1,000	1,000	2,000
Sponsorships					3,300	1,100	
Mural	-	-	-	-	40,000	-	40,000
1% for Arts Program	-	43,821	-	43,821	-	-	-
Services/Capital	-	43,821	-	43,821	62,095	19,895	65,980
Total Expenditures	-	43,821	-	43,821	62,095	19,895	65,980
Ending Fund Balance	121,125	79,887	82,387	82,387	22,542	4,647	20,657
Total Public Art Fund	\$ 121,125	\$ 123,708	\$ 82,387	\$ 126,208	\$ 84,637	\$ 24,542	\$ 86,637

OTHER FUND: TRANSPORTATION BENEFIT DISTRICT (TBD)

The Transportation Benefit District (TBD) Fund, created in the 2013-2014 biennium, accounts for revenues received from the vehicle fee imposed on vehicles licensed in the City of Kenmore. The revenues collected from the vehicle license fee are used for the transportation related purposes authorized by Resolution No. 2012-008, which established the initial \$20 vehicle fee. Resolution No. 2023-393 increased the fee to \$40. The purpose of the fee is to support transportation improvements and road preservation efforts within the City that are consistent with state, regional and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels. In December 2016, the City assumed the rights, powers, functions, and obligations of the Transportation Benefit District, and it ceased to be a separate District. It is now classified as a Special Revenue Fund of the City.

2023-2024 ACHIEVEMENTS

- For the biennium, \$1,180,000 is expected to be distributed to the Street Fund for road maintenance purposes.

2025-2026 OBJECTIVES

- \$1,450,000 is programmed to be transferred to the Street Fund for road maintenance purposes.

TRANSPORTATION BENEFIT DISTRICT REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$151,522	\$151,521	\$172,041	\$151,521	\$172,041	\$170,641	\$172,041
Vehicle Fees	1,203,600	455,061	700,000	1,155,061	713,600	720,736	1,434,336
Investment Interest	2,705	15,459	16,000	31,459	10,000	10,000	20,000
Total Revenues	1,206,305	470,520	716,000	1,186,520	723,600	730,736	1,454,336
Total Transportation Benefit District Fund	\$1,357,827	\$622,041	\$888,041	\$1,338,041	\$895,641	\$901,377	\$1,626,377

TRANSPORTATION BENEFIT DISTRICT EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Transfer to Street Fund	1,180,000	450,000	730,000	1,180,000	725,000	725,000	1,450,000
Total Expenditures	1,180,000	450,000	730,000	1,180,000	725,000	725,000	1,450,000
Ending Fund Balance	\$177,827	\$172,041	\$158,041	\$158,041	\$170,641	\$176,377	\$176,377
Total Transportation Benefit District Fund	\$1,357,827	\$622,041	\$888,041	\$1,338,041	\$895,641	\$901,377	\$1,626,377

OTHER FUND: ARPA FISCAL RECOVERY

This fund accounts for funds received from the federal government as Kenmore's allocation out of the American Rescue Plan Act (ARPA), \$1.9 trillion federal program designed to provide state, local, tribal, and territorial governments with assistance to help communities respond to and recover from the COVID-19 pandemic. The City received the first of its two tranches of the \$6.4 million in ARPA funds in June 2021 and the second and final allotment of funds in July 2022.

2023-2024 ACHIEVEMENTS

In 2022, the City Council authorized staff to carry out four programs - selected using the Council ARPA guidance shown here - with a portion of the City's ARPA funds.

- Homelessness Outreach: Contracted with Lake City Partners Ending Homelessness to provide outreach services to Kenmore's unhoused.
- Human Services Funding: Contracted with Center for Human Services to provide ongoing mental and behavioral health counseling at a school in Kenmore.
- Business Assistance grants to assist distressed businesses impacted by the pandemic.
- Catch-up Learning: Contracted with Cascadia College to provide tutoring and academic coaching during the 2024-25 school year and a Summer Academy in 2024 and 2025.

Remaining ARPA funds were used to pay for police services in 2023, which 1) allowed the General Fund to be paid back for a portion of the Holt property purchase price; and 2) provided additional capacity of just over \$2 million in General Fund dollars to be used for "Special Projects." This \$2 million in Special Projects will be spent out of the General Fund in 2025-2026.

2025-2026 OBJECTIVES

- Because all of the ARPA funds were spent in the last two biennia, this fund was closed as of December 31, 2023.
- See the Special Projects cost center in the General Fund.

2025-2026 BUDGET HIGHLIGHTS

N/A

Council ARPA Guidance

High Level Strategy

- Provide immediate relief to residents in need
- Provide immediate relief to businesses in need
- Position the City, community, and businesses to transition into a post-COVID era (i.e., long-term recovery)
- Consider enduring, legacy project(s) that will be bold investments in Kenmore's future

Guiding Principles

- 1) Center Equity
- 2) Provide Immediate Relief and Fund Legacy Work
- 3) Tie Funding Decisions to Pandemic Impacts
- 4) Consider Early Wins and Something for Everyone
- 5) Assess Long-Term Sustainability
- 6) Factor in Community Feedback
- 7) Leverage Other Funding Sources
- 8) Maximize Partnerships

ARPA Fiscal Recovery Fund REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 5,135,514	\$ 5,135,514	\$ 260	\$ 5,135,514	\$ 260	\$ 260	\$ 260
ARPA Relief Funds	-	-	-	-	-	-	-
ARPA Funds Reimbursements	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Total ARPA Fiscal Recovery Fund	\$ 5,135,514	\$ 5,135,514	\$ 260	\$ 5,135,514	\$ 260	\$ 260	\$ 260

ARPA Fiscal Recovery Fund EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Salary and Benefits	746,500	171,900	-	171,900	-	-	-
Supplies & Services	440,911	8,797	-	8,797	-	-	-
Catch-up Learning	100,000	-	-	-	-	-	-
Homelessness Response	50,000	50,000	-	50,000	-	-	-
Business Assistance Grants	185,000	185,000	-	185,000	-	-	-
Human Services Contributions	200,000	19,105	-	19,105	-	-	-
Capital	10,000	332	-	332	-	-	-
Police Services Contract		4,599,496	-	4,599,496			
Transfer to General Fund		100,624	-	100,624			
Plymouth Project	3,200,000	-	-	-	-	-	-
Total Expenditures	4,932,411	5,135,254	0	5,135,254	0	0	0
Ending Fund Balance	5,135,514	260	260	260	260	260	260
Total ARPA Fiscal Recovery Fund	\$ 10,067,925	\$ 5,135,514	\$ 260	\$ 5,135,514	\$ 260	\$ 260	\$ 260

OTHER FUND: 2016 & 2021 UTGO DEBT SERVICE

The UTGO 2016 & 2021 Bonds Fund was created to account for the new special property tax levy, approved by the voters in November 2016, and provide for the annual debt service payments on the twenty-year bonds. The voters approved Proposition 1, Walkways & Waterways, to authorize the issuance of unlimited tax general obligation bonds in the amount of \$19,750,000.

A first series of bonds in the amount of \$9,220,000, with a true interest cost of 2.96%, were issued in December 2016 and assigned a Standard & Poor's AAA rating. Debt service over the term of the bonds will be approximately \$530,000 annually, and the bonds will mature in 2036.

A second series of bonds in the amount of \$8,920,000, with a true interest cost of 1.88%, were issued on September 22, 2021, and assigned a Standard & Poor's AAA rating. Debt service over the term of the bonds will be approximately \$634,000 annually, and the bonds will mature in 2040.

2023-2024 ACHIEVEMENTS

- Debt service payments on both series were timely paid as follows:
 - 2023 principal \$575,000 and interest \$484,500
 - 2024 principal \$590,000 and interest \$467,250

2025-2026 BUDGET HIGHLIGHTS

- Debt service payments on both series will be timely paid as follows:
 - 2025 principal \$605,000 and interest \$449,550
 - 2026 principal \$630,000 and interest \$425,350

The combined debt service requirements for the outstanding 2016 & 2021 General Obligation Bonds are as follows:

Year	Principal	Interest	Total
2025	\$605,000	\$449,550	\$1,054,550
2026	\$630,000	\$425,350	\$1,055,350
2027	\$655,000	\$403,000	\$1,058,000
2028	\$680,000	\$376,800	\$1,056,800
2029-2033	\$3,800,000	\$1,481,300	\$5,281,300
2034-2038	\$4,530,000	\$749,650	\$5,279,650
2039-2043	\$2,020,000	\$91,350	\$2,111,350
Totals	\$12,920,000	\$3,977,000	\$16,897,000

2016 & 2021 UTGO DEBT SERVICE FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$176,712	\$176,712	\$176,712	\$176,712	\$176,712	\$176,712	\$176,712
Tax Levy Proceeds	2,116,750	1,059,500	1,057,250	2,116,750	1,054,550	1,055,350	2,109,900
Total Revenues	2,116,750	1,059,500	1,057,250	2,116,750	1,054,550	1,055,350	2,109,900
Total 2016 & 2021 UTGO Debt Service Fund	\$2,293,462	\$1,236,212	\$1,233,962	\$2,293,462	\$1,231,262	\$1,232,062	\$2,286,612

2016 & 2021 UTGO DEBT SERVICE FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Debt Service Principal	1,165,000	575,000	590,000	1,165,000	605,000	630,000	1,235,000
Debt Service Interest	951,750	484,500	467,250	951,750	449,550	425,350	874,900
Total Expenditures	2,116,750	1,059,500	1,057,250	2,116,750	1,054,550	1,055,350	2,109,900
Ending Fund Balance	176,712	176,712	176,712	176,712	176,712	176,712	176,712
Total 2016 & 2021 UTGO Debt Service Fund	\$2,293,462	\$1,236,212	\$1,233,962	\$2,293,462	\$1,231,262	\$1,232,062	\$2,286,612

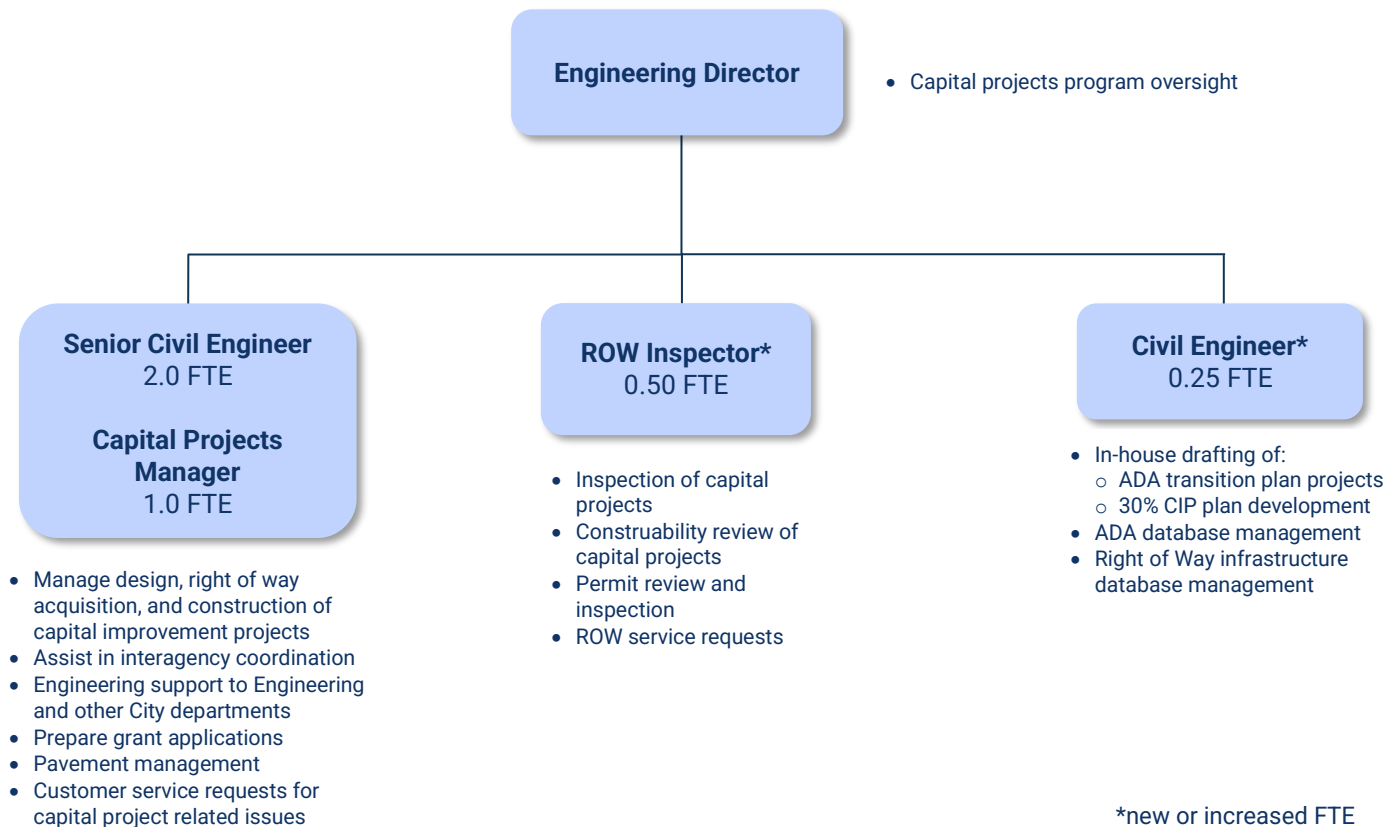
OTHER FUND: TRANSPORTATION CAPITAL

The Transportation Capital Fund accounts for expenditures on capital projects constructed on the City's streets. Revenue sources for this fund include a wide variety of federal, state, and local grants in addition to City resources from real estate excise tax and transportation impact fees. Resources from the Transportation Benefit District (TBD) can also be utilized on projects within the fund. The City expends monies from this fund based on the adopted Transportation Capital Improvement Plan.

2023-2024 ACHIEVEMENTS

- Completed construction on the following projects
 - Juanita Drive sidewalks, bike lanes, and beautification project - Walkways and Waterways
 - 68th Avenue sidewalks, bike lanes, and beautification project - Walkways and Waterways
 - NE 175th/Burke Gilman Trail Wayfinding project
 - NE 170th Interim Sidewalk and Bike Lane Project (72nd Avenue NE to Rhododendron Park)
 - 73rd Avenue NE Overlay and Sidewalk Repair Project (181st – 192nd)
 - 68th Avenue NE rechannelization (175th – 181st)
 - Simonds Road restriping project (72nd – 92nd)
 - NE 169th Street overlay (Simonds Road to Ne 169th Pl)
- Applied for 7 grants for various sidewalk and multimodal safety projects – Decisions are still pending
- Began design for the following projects:
 - 61st Avenue Sidewalk Replacement project (190th-N City Limits)
 - 80th Avenue NE Ped/Bike Project (SR522 - 185th)
 - Arrowhead Sidewalk and Traffic Calming Project
 - Lower Swamp Creek Bridge Replacement (NE 175th Street)
 - Burke Gilman Trail/SR522 Accessibility Project
 - NE 192nd Sidewalk Project (73rd – 75th)
 - NE 181st Sidewalk Project (61st-63rd)
- Awarded grants for the following projects:
 - NE 170th Interim Sidewalk and Bike Lane Project (\$180K)
 - Lower Swamp Creek Bridge Replacement Project (\$4.727M)
 - 80th Avenue NE Ped/Bike Project (\$2.222M)
 - NE 192nd Sidewalk Project (\$760.9K)
 - Arrowhead Sidewalk and Traffic Calming Project (\$1.997M)

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Advance design for the following projects:
 - Lower Swamp Creek Bridge Replacement (NE 175th Street)
 - NE 192nd Street Sidewalk Project (73rd – 75th)
- Begin construction for the following projects:
 - 61st Avenue Sidewalk Replacement project (190th-N City Limits)
 - 80th Avenue NE Ped/Bike Project (SR522 - 185th)
 - Arrowhead Sidewalk and Traffic Calming Project
 - Burke Gilman Trail/SR522 Accessibility Project
 - NE 181st Street Sidewalk Project (61st-63rd)
- Begin design on the 84th Avenue NE Ped/Bike Project (pending funds)
- Begin design on the 61st Avenue NE Sidewalk and Stream Enhancement Project

2025-2026 BUDGET HIGHLIGHTS

See the Transportation Capital section of the budget for project description sheets regarding projects anticipated in 2025-2026.

TRANSPORTATION CAPITAL FUND

EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
T 8 SR 522 West B	449,419	11,552	28,565	40,117	240,500	1,424,075	1,664,575
T 35 Overlay	2,049,901	1,373,593	484,322	1,857,915	625,000	1,100,000	1,725,000
T 38 Lower Swamp Creek Bridge Replacement	50,000	19,903	22,049	41,952	646,864	634,801	1,281,665
T 41 Juanita Dr Pedestrian & Bicycle Safety	2,215,725	1,999,604	94,641	2,094,245	25,000	-	25,000
T 42 68th Ave Pedestrian & Bicycle Safety	436,518	337,656	29,362	367,018	-	-	-
T 44 61 Ave Sidewalk Replacement Proj (Phase 1)	402,018	47,164	77,672	124,836	2,864,489	893,329	3,757,818
T 276 61 Ave Sidewalk Replacement Proj (Phase 2)	-	-	-	-	230,372	561,866	792,238
T 48 2018 Local Road Safety - Signing	-	441	-	441	-	-	-
T 51 - Burke Gilman Trail/NE 175th	351,402	-	-	-	-	-	-
T 244 - Burk Gilman Trail/NE 175th St. Wayfinding	-	215,109	108,704	323,813	-	-	-
T xxx Juanita Dr Tree Removal/Replacement	-	-	-	-	200,000	-	200,000
T 252 ADA Transition Program	515,000	399,099	100,901	500,000	400,000	150,000	550,000
T 253 NE 181st ST Sidewalk	380,514	-	-	-	278,500	149,403	427,903
T 255 68th/Simonds Restriping	450,000	464	413,105	413,569	-	-	-
T 260 80th AVE NE Sidewalk	376,000	4,382	50,492	54,874	389,542	2,080,373	2,469,915
T 261 NE 192nd ST Sidewalk	241,000	52	-	52	217,752	171,582	389,334
T 262 Arrowhead Sidewalk	327,832	1,133	5,029	6,162	345,228	1,759,553	2,104,781
T 264 NE 170th Sidewalk	200,000	848	276,806	277,654	-	-	-
T 266 84th AVE NE Sidewalk	-	-	-	-	50,000	315,000	365,000
Legal Expenses	-	-	-	-	100,000	100,000	200,000
Project Management	-	-	-	-	145,000	150,000	295,000
Total Capital Outlay	8,445,329	4,411,000	1,691,648	6,102,648	6,758,247	9,489,982	16,248,229
Reimbursement to General Fund	280,000	140,000	140,000	280,000	-	-	-
Transfers	280,000	140,000	140,000	280,000	-	-	-
Total Expenditures	8,725,329	4,551,000	1,831,648	6,382,648	6,758,247	9,489,982	16,248,229
Ending Fund Balance	3,647,163	2,484,965	3,804,926	3,804,926	3,804,926	3,804,926	3,804,926
Total Transportation Capital Fund	\$ 12,372,492	\$ 7,035,965	\$ 5,636,574	\$ 10,187,574	\$ 10,563,173	\$ 13,294,908	\$ 20,053,155

TRANSPORTATION CAPITAL FUND

REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 2,443,879	\$ 2,443,879	\$ 2,484,965	\$ 2,443,879	\$ 3,804,926	\$ 3,804,926	\$ 3,804,926
Federal WSDOT HSIP	-	-	2,600	2,600	-	-	-
T 27 WSDOT SRTS	486,832	-	-	-	327,347	1,674,864	2,002,211
Federal BRAC Grant	526,553	-	-	-	646,864	634,801	1,281,665
Sound Transit Grant	339,514	719,442	-	719,442	220,000	87,903	307,903
Connecting WA	1,603,503	9,368	50,000	59,368	240,500	1,424,075	1,664,575
Move Ahead WA	-	-	-	-	273,372	845,366	1,118,738
T 35 TIB 73rd AVE NE Overlay	920,000	735,663	184,337	920,000	-	-	-
T 38 Lower Swamp Creek	-	-	7,393	-	-	-	-
T 41 & T42 State DOE Grant	121,388	165,728	-	165,728	-	-	-
T 44 WSDOT Ped/Bike Grant	581,542	28,853	50,000	78,853	834,489	339,776	1,174,265
TIB Phase 1 Sidewalk Replacement Project	-	-	-	-	2,000,000	500,000	2,500,000
T 244 WSDOT Ped/Bike Grant	335,000	232,336	100,000	332,336	-	-	-
T 260 WSDOT 80th Ave NE Sidewalk	-	-	41,000	41,000	389,542	1,703,357	2,092,899
Intergovernmental	4,914,332	1,891,390	435,330	2,319,327	4,932,114	7,210,142	12,142,256
Reimbursements from Other Agencies	154,089	556,783	-	556,783	-	-	-
Other Grants or Funding	-	-	-	-	-	-	-
Bastyr Contribution to 145th St Signal	-	-	-	-	-	-	-
Other Revenues	154,089	556,783	-	556,783	-	-	-
Transfer from KAPE (Kenmore Automated Photo Enfrmnt)	280,000	-	280,000	280,000	625,000	1,100,000	1,725,000
Transfer from Impact Fee Fund	200,000	200,000	-	200,000	375,000	350,000	725,000
Transfer from Real Estate Excise Tax Fund	4,380,192	1,943,913	2,436,279	4,380,192	826,133	829,840	1,655,973
Transfers	4,860,192	2,143,913	2,716,279	4,860,192	1,826,133	2,279,840	4,105,973
Total Revenues	9,928,613	4,592,086	3,151,609	7,736,302	6,758,247	9,489,982	16,248,229
Total Transportation Capital Fund	\$12,372,492	\$7,035,965	\$5,636,574	\$10,180,181	\$10,563,173	\$13,294,908	\$20,053,155

OTHER FUND: REAL ESTATE EXCISE TAX (REET)

The Real Estate Excise Tax Fund accounts for the collections and appropriation of the two, one-quarter percent (total of 0.5%) real estate excise tax revenues (REET) levied by the City. These monies can only be used for capital expenditures following adoption of a Capital Facilities Plan (CFP).

2023-2024 ACHIEVEMENTS

- The beginning fund balance for the 2023-2024 biennium was \$2,951,067 and real estate excise tax receipts are expected to be over \$3.5M.
- Investment interest is expected to bring in over \$330,000.
- Transfers to the Transportation Capital Fund are expected to be \$4.38M.
- Transfers to the Public Works Operations Center Fund for debt service will be approximately \$1.15M.

2025-2026 BUDGET HIGHLIGHTS

- The 2025-2026 biennial budget anticipates a beginning fund balance of \$1,291,200 and real estate excise tax receipts of \$3,618,000.
- Over \$250,000 of investment interest is anticipated to be earned.
- The REET Fund will transfer funds to support Transportation Capital Projects.
- The REET Fund will transfer funds to the Public Works Operations Center Fund for debt service.

REAL ESTATE EXCISE TAX FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 2,951,067	\$ 2,951,067	\$ 2,809,309	\$ 2,951,067	\$ 1,291,200	\$ 1,505,067	\$ 1,291,200
Real Estate Excise Taxes	4,824,000	1,841,162	1,700,000	3,541,162	1,800,000	1,818,000	3,618,000
Intergovernmental	4,824,000	1,841,162	1,700,000	3,541,162	1,800,000	1,818,000	3,618,000
Investment Interest	72,168	180,702	150,000	330,702	140,000	120,000	260,000
Other Revenues	72,168	180,702	150,000	330,702	140,000	120,000	260,000
Total Revenues	4,896,168	2,021,864	1,850,000	3,871,864	1,940,000	1,938,000	3,878,000
Total Real Estate Excise Tax Fund	\$ 7,847,235	\$ 4,972,931	\$ 4,659,309	\$ 6,822,931	\$ 3,231,200	\$ 3,443,067	\$ 5,169,200

REAL ESTATE EXCISE TAX FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Transfer to Park Capital Fund	238,000	-	-	-	-	-	-
Park Transfers	238,000	-	-	-	-	-	-
Transfer to Samm. Bridge Replacement Fund	835,470	-	-	-	-	-	-
Transfer to Public Works Shop Fund	1,151,539	219,709	931,830	1,151,539	900,000	900,000	1,800,000
Transfer to General Fund for Maintenance	50,000	-	-	-	-	-	-
Transfer to Transportation Capital Fund	4,380,192	1,943,913	2,436,279	4,380,192	826,133	829,840	1,655,973
Transportation Transfers	6,417,201	2,163,622	3,368,109	5,531,731	1,726,133	1,729,840	3,455,973
Total Expenditures	6,655,201	2,163,622	3,368,109	5,531,731	1,726,133	1,729,840	3,455,973
Ending Fund Balance	\$1,192,034	\$2,809,309	\$1,291,200	\$1,291,200	\$1,505,067	\$1,713,227	\$1,713,227
Total Real Estate Excise Tax Fund	\$7,847,235	\$4,972,931	\$4,659,309	\$6,822,931	\$3,231,200	\$3,443,067	\$5,169,200

OTHER FUND: WALKWAYS & WATERWAYS

The Walkways & Waterways Fund was created to account for the proceeds of the sale of unlimited tax general obligation bonds, approved by the voters in November 2016, as Proposition 1. The voters approved Proposition 1, Walkways & Waterways, to authorize the issuance of unlimited tax general obligation bonds in the amount of \$19,750,000.

A first series of bonds in the amount of \$9,220,000, with a true interest cost of 2.96%, were issued in December 2016 and assigned a Standard & Poor's AAA rating. The second series of bonds in the amount of \$8,920,000 were issued in September 2021 and assigned a Standard & Poor's AAA rating.

The proceeds of the bonds were deposited to this fund and have been transferred as needed to Transportation and Park Capital Project Funds to finance the construction of new sidewalks and pedestrian and bicycle safety improvements along Juanita Drive and 68th Avenue, and the construction of and improvements to waterfront access, viewpoints, walkways, facilities, open spaces, and natural habitats at City parks.

2023-2024 ACHIEVEMENTS

- Transfers from the Walkways & Waterways Fund provided funding for the design and/or construction of the following Walkways & Waterways projects in 2021 and 2022. No funds were spent in 2023-2024 for these projects.
 - Log Boom Park waterfront improvements.
 - Squire's Landing Park natural open space and waterfront improvements
 - Juanita Drive pedestrian and bicycle improvements
 - 68th Avenue pedestrian and bicycle improvements
- The Walkways & Waterways bond-funded projects are more fully described on the Transportation Capital and Park Capital budget pages.

2025-2026 OBJECTIVES

- No Transfers to the Transportation Capital Fund and the Parks Capital Fund.
- Eventually, the fund balance in this fund will need to be distributed to other capital funds and this fund will be closed out and retired.

WALKWAYS & WATERWAYS REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 59,961	\$ 59,961	\$ 389,016	\$ 59,961	\$ 389,016	\$ 536,991	\$ 389,016
Investment Interest	22,700	330,974	300,000	630,974	150,000	100,000	250,000
Total Revenues	22,700	330,974	300,000	630,974	150,000	100,000	250,000
Total Walkways & Waterways Fund	\$ 82,661	\$ 390,935	\$ 689,016	\$ 690,935	\$ 539,016	\$ 636,991	\$ 639,016

WALKWAYS & WATERWAYS EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Bank Fee	-	1,919	2,000	3,919	2,025	2,050	4,075
Total Expenditures	-	1,919	2,000	3,919	2,025	2,050	4,075
Ending Fund Balance		389,016	687,016	687,016	536,991	634,941	634,941
Total Walkways & Waterways Fund	\$ -	\$ 390,935	\$ 689,016	\$ 690,935	\$ 539,016	\$ 636,991	\$ 639,016

OTHER FUND: PARK CAPITAL

The Park Capital Fund accounts for expenditures for park acquisition and improvements. Revenue sources for this fund include a variety of state and county grants, in lieu fees, private funding, real estate excise tax, park impact fees, and bond funds. The City expends monies from this fund based on the adopted Capital Facilities Plan and the Park Recreation and Open Space Plan. Each project is described in more detail in the Capital Improvement Program section of this budget.

2023-2024 ACHIEVEMENTS

- **P1 Twin Springs Park Opening Project:** At the July 15, 2024 Council meeting, the City Council's direction was to stop work on the project due to increasing costs and challenges with permitting and obtaining permissions from King County. The project scope was reduced to a maintenance/operations project for minor improvements to the southern parking lot and limited park amenities that would allow the park to officially open. Staff will be working with the Department of Commerce to see if the project scope can be amended, and state appropriation reduced to fund the project. Improvements are estimated to be complete in spring 2025.
- **P27 Łaŋwadis (Tl' awh-ah-dees) Waterfront & Natural Open Space:** Construction of park improvements began in November 2021. On May 6, 2023, the City hosted a ribbon cutting ceremony to commemorate the completion of the project, recognize the park's official name change, and celebrate native American artwork. The construction contract was closed in May 2024. A ten-year monitoring/maintenance/stewardship period is underway for required mitigation areas to comply with permit requirements. Consultant contracts for mitigation and monitoring were executed in 2024.
- **P28 Log Boom Park Waterfront Access and Viewing:** Construction completed in July 2022 with a ribbon cutting event on August 9, 2022. Construction contract closeout 2023. Five years of maintenance/monitoring/stewardship is required for mitigation plantings to comply with permit requirements. Consultant contracts for mitigation and monitoring were executed in 2024.

2025-2026 OBJECTIVES

- **P18 Rhododendron Park Waterfront & Natural Open Space:** Complete replacement of the two wooden aging park signs with new park signage. Proposed to be completed in 2027.
- **P27 Łaŋwadis (Tl' awh-ah-dees) Park Waterfront & Natural Open Space:** The construction contract was closed in May 2024. A ten-year monitoring/maintenance/stewardship period is underway for required mitigation areas to comply with permit requirements. Consultant contracts for mitigation monitoring were executed in 2024.
- **P28 Log Boom Park Waterfront Access and Viewing:** Construction contract closeout 2023. Five years of maintenance/monitoring/stewardship is required for mitigation plantings to comply with permit requirements. Consultant contracts for mitigation and monitoring were executed in 2024.
- **P30 Rhododendron Park Public Boathouse:** In 2021, construction was completed. Five years of maintenance/monitoring for required mitigation plantings to comply with permit requirements (2022-2026).
- **P32 Moorlands Park Athletic Field Turf Replacement:** Confirm that the existing under-field drainage system designed for a grass field can accommodate a turf replacement. If the system is not compatible, the project will not move forward. If compatible, in 2028, prepare a grant application and

notify the sports leagues to conduct fundraising efforts. If grant funds are not secured or fundraising efforts are not successful, the project will not move forward.

- **P34 Accessible Playground Feasibility Study (City Hall Site):** Feasibility assessment for constructing an accessible and/or inclusive playground and other required site improvements on the City Hall site north of the City Hall building and south of the skate court.

2025-2026 BUDGET HIGHLIGHTS

- Park Impact Fees, General Fund Real Estate Excise Taxes (REET), Swamp Creek Basin Funds, Public Art Funds, King County Park Levy Funds, and various grants (State, King County) provide the resources to accomplish Park Capital Projects.
- See the Parks Capital section of the budget for project description sheets regarding projects anticipated in 2025-2030.
- Park development resources have been shifted to Lakepointe (see Lakepointe Fund).

PARK CAPITAL FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$1,604,872	\$1,604,872	\$885,262	\$1,604,872	\$922,001	\$933,801	\$922,001
Park Levy Proceeds	126,400	182,496	186,739	369,235	190,000	190,000	380,000
King County Grants	-	50,000	-	50,000	-	-	-
Dept of Commerce Grant Twin Springs	111,300	-	-	-	-	-	-
Dept of Commerce Boathouse	-	5,460	-	5,460	-	-	-
King County Conservations Futures Trust	-	22,650	-	22,650	-	-	-
RCO Grant Reimbursement	-	70,000	-	70,000	-	-	-
Intergovernmental	237,700	330,606	186,739	517,345	190,000	190,000	380,000
Transfers from Real Estate Excise Tax Fund	238,000	-	-	-	-	-	-
Transfers from Swamp Creek Basin Fund	80,000	-	80,000	80,000	40,000	40,000	80,000
Transfers from Park Impact Fees	157,500	201,725	200,000	401,725	50,000	50,000	100,000
Transfers	475,500	201,725	280,000	481,725	90,000	90,000	180,000
Total Revenues	713,200	532,331	466,739	999,070	280,000	280,000	560,000
Total Park Capital Fund	\$ 2,318,072	\$ 2,137,203	\$ 1,352,001	\$ 2,603,942	\$ 1,202,001	\$ 1,213,801	\$ 1,482,001

PARK CAPITAL FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Transfer to General Fund	200,000	100,000	100,000	200,000	125,000	125,000	250,000
Transfer to Strategic Opportunities Fund	-	-	-	-	-	-	-
Transfer to REET	-	-	-	-	-	-	-
Transfer to Park Impact Fee Fund	-	-	-	-	-	-	-
Transfer to Swamp Creek Fund	248,800	-	-	-	-	-	-
P 1 Twin Springs Interim Use Plan	-	44,225	50,000	94,225	-	-	-
P 18 Rhododendron Park Waterfront	28,000	1,934	-	1,934	-	-	-
P 18a Rhododendron Park Float	-	476	-	476	-	-	-
P27 λ' a x̄w a d i s Park Waterfront & Open Space	1,450,000	1,043,673	150,000	1,193,673	60,000	60,000	120,000
P 28 Log Boom Park Waterfront	120,000	44,061	50,000	94,061	50,000	50,000	100,000
P 30 Rhody Park Boathouse	26,400	4,029	-	4,029	3,200	3,200	6,400
P 31 Squire's Landing Land Acquisition	-	13,134	-	13,134	-	-	-
P32 Moorlands Field Synthetic Turf Install	-	-	-	0	-	-	-
P 33 Bench Property acquisition	-	409	80,000	80,409	-	-	-
P 34 Accessible Playground Feasibility Study	-	-	-	-	30,000	30,000	60,000
Capital Outlay	2,073,200	1,251,941	430,000	1,681,941	268,200	268,200	536,400
Total Expenditures	2,073,200	1,251,941	430,000	1,681,941	268,200	268,200	536,400
Ending Fund Balance	244,872	885,262	922,001	922,001	933,801	945,601	945,601
Total Park Capital Fund	\$ 2,318,072	\$ 2,137,203	\$ 1,352,001	\$ 2,603,942	\$ 1,202,001	\$ 1,213,801	\$ 1,482,001

OTHER FUND: PARK IMPACT FEE

This fund accounts for city-imposed park impact fees. The revenues are received from new development activity that creates additional demand and need for public parks. The 2023 park impact fee was \$4,522.09 and the 2024 park impact fee was \$4,586.75 for a single-family home. The fee may be increased annually based on the CPI-W for Seattle.

Expenditures from this fund will be spent for public improvements including, but not limited to, planning for parks that will reasonably benefit new development, land acquisition, improvements, construction, engineering, architectural, permitting, financing, administrative expenses, applicable impact or mitigation costs and capital equipment pertaining to park facilities.

2023-2024 ACHIEVEMENTS

- In 2023 and 2024, Park Impact Fees provided supplemental funding for several capital projects, including Log Boom and Łaǎ'wadis (Tl' awh-ah-dees) Parks

2025-2026 OBJECTIVES

Transfers from this fund support the City's Park Capital Improvement Program which includes acquisitions and improvements to parks and trails.

2025-2026 BUDGET HIGHLIGHTS

- Park Impact fees will be budgeted by project, in accordance with the approved capital improvement program, and transferred to the Park Capital Fund as a resource for park improvements.
- Park impact fees will be used to help fund Lakepointe park design and site investigation.

PARK IMPACT FEE FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$94,931	\$94,931	207,626	\$94,931	397,626	200,126	\$397,626
Park Impact Fees	495,100	295,076	375,000	670,076	292,500	292,500	585,000
Investment Interest	10,570	19,344	15,000	34,344	10,000	10,000	20,000
Total Revenues	505,670	314,420	390,000	704,420	302,500	302,500	605,000
Total Park Impact Fee Fund	\$600,601	\$409,351	\$597,626	\$799,351	\$700,126	\$502,626	\$1,002,626

PARK IMPACT FEE FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Transfer to Lakepoint Fund	-	-	-	-	450,000	-	450,000
Transfer to Park Capital Fund	157,500	201,725	200,000	401,725	50,000	50,000	100,000
Total Transfers	157,500	201,725	200,000	401,725	500,000	50,000	550,000
Total Expenditures	157,500	201,725	200,000	401,725	500,000	50,000	550,000
Ending Fund Balance	443,101	207,626	397,626	397,626	200,126	452,626	452,626
Total Park Impact Fee Fund	600,601	409,351	597,626	799,351	700,126	502,626	1,002,626

OTHER FUND: TRANSPORTATION IMPACT FEE

This fund accounts for city-imposed transportation impact fees on new construction. The revenues are received from new development activity that creates additional demand and need for transportation improvements. The 2024 transportation impact fee for a new single-family residence was \$6,822. The fee is typically increased annually based on the CPI-W for Seattle.

Expenditures from this fund will be spent for public improvements including, but not limited to, planning, land acquisition, improvements, construction, engineering, architectural, permitting, financing and administrative expenses applicable to growth-related capital project costs and any other related expenses which can be capitalized.

2023-2024 ACHIEVEMENTS

- The balance of impact fees carried forward to 2023 was \$360,024.
- Impact fee revenues of over \$1.5M are anticipated for this biennium.
 - In 2023 and 2024, Transportation Impact Fees provided supplemental funding for several capital projects, including Juanita Pedestrian & Bicycle Safety, T41 and West Sammamish River Bridge Replacement, T37

2025-2026 OBJECTIVES

- For the 2025-2026 biennium, Transportation Impact Fees will provide supplemental funding to support the City's transportation capital projects.

TRANSPORTATION IMPACT FEE FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$360,024	\$360,024	\$883,849	\$360,024	\$1,533,849	\$1,438,849	\$1,533,849
Transportation Impact Fees	1,032,638	674,334	850,000	1,524,334	390,000	390,000	780,000
Investment Interest	10,696	49,491	50,000	99,491	40,000	35,000	75,000
Total Revenues	1,043,334	723,825	900,000	1,623,825	430,000	425,000	855,000
Total Transportation Impact Fee Fund	\$ 1,403,358	\$ 1,083,849	\$ 1,783,849	\$ 1,983,849	\$ 1,963,849	\$ 1,863,849	\$ 2,388,849

TRANSPORTATION IMPACT FEE FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Transfer to Transportation Capital Fund:	200,000	200,000	-	200,000	375,000	350,000	725,000
Transfer to W Samm Bridge Fund	500,000	-	250,000	250,000	150,000	-	150,000
Total Transfers	700,000	200,000	250,000	450,000	525,000	350,000	875,000
Total Expenditures	700,000	200,000	250,000	450,000	525,000	350,000	875,000
Ending Fund Balance	\$703,358	\$883,849	\$1,533,849	\$1,533,849	\$1,438,849	\$1,513,849	\$1,513,849
Total Transportation Impact Fee Fund	\$ 1,403,358	\$ 1,083,849	\$ 1,783,849	\$ 1,983,849	\$ 1,963,849	\$ 1,863,849	\$ 2,388,849

OTHER FUND: SAMMAMISH RIVER BRIDGE

The Sammamish River Bridge Fund was created with the 2013-2014 Biennial Budget with an initial transfer from the General Fund of \$80,000. The West Sammamish River Bridge was constructed in the 1930's and the East Sammamish River Bridge was constructed in the 1970's. Studies showed that the West Bridge had increased cracking and tilting that required full replacement of the bridge. This fund was originally intended to provide for maintenance, study, and evaluation and is now the fund that accounts for funding, design and replacement of the Bridge. The Bridge was fully constructed in 2022.

2023-2024 ACHIEVEMENTS

- Project closeout and completion of punch list items
- Began wetland mitigation monitoring

2025-2026 BUDGET HIGHLIGHTS

- Continue with 5-year mitigation monitoring and reporting of wetland areas.
- Funds are set aside to reconcile remaining costs associated with underground utility work. See T-37 narrative in the Transportation CIP.

SAMMAMISH RIVER BRIDGE FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 617,652	\$ 617,652	\$ 636,246	\$ 617,652	\$ 636,246	\$ 211,333	\$ 636,246
Utility Reimbursements	-	830	-	830	-	-	-
Connecting WA Funds	46,315	1,112,082	-	1,112,082	-	-	-
Intergovernmental	46,315	1,112,912	-	1,112,912	-	-	-
Transfer from Real Estate Excise Tax	835,470	-	-	-	-	-	-
Transfer from Transportation Impact Fees	500,000	-	250,000	250,000	150,000	-	150,000
Total Interfund Transfers	1,335,470	-	250,000	250,000	150,000	-	150,000
				-			-
Total Revenues	1,381,785	1,112,912	250,000	1,362,912	150,000	-	150,000
Total Sammamish River Bridge Fund	\$ 1,999,437	\$ 1,730,564	\$ 886,246	\$ 1,980,564	\$ 786,246	\$ 211,333	\$ 786,246

SAMMAMISH RIVER BRIDGE FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
T 37 West Samm Bridge	1,381,785	1,044,318	50,000	1,094,318	574,913	74,915	649,828
Total Capital Outlay	1,381,785	1,044,318	50,000	1,094,318	574,913	74,915	649,828
Transfer (Repayment) to General Fund	-	50,000	-	50,000	-	-	-
Total Transfers	-	50,000	-	50,000	-	-	-
Total Expenditures	1,381,785	1,094,318	50,000	1,144,318	574,913	74,915	649,828
Ending Fund Balance	617,652	636,246	836,246	836,246	211,333	136,418	136,418
Total Sammamish River Bridge Fund	\$ 1,999,437	\$ 1,730,564	\$ 886,246	\$ 1,980,564	\$ 786,246	\$ 211,333	\$ 786,246

OTHER FUND: PUBLIC WORKS OPERATIONS CENTER CAPITAL

The Public Works Operations Center (PWOC) Capital Fund was created in 2019 to account for the future development of a public works shop facility in the City. At the end of 2018, the long-standing contract for public works maintenance provided by the City of Lake Forest Park ended and Kenmore created a new in-house public works maintenance operation starting on January 1, 2019.

The fund was created to account for the property acquisition and the associated financing that is anticipated to be required to complete construction of the new public works maintenance facility. Based on a comprehensive analysis of the property and construction costs of a new building, the City has budgeted \$22.5 million.

PWOC Budget & Funding Strategy for Initial Development

Site Acquisition (2021)	\$6,100,000
Design, Permitting, Art, & Other	\$3,356,849
Construction	\$11,869,008
10% Contingency	\$1,186,901
Total	\$22,512,758

Adopted CIP Budget: \$22,500,000

- \$22.5 million in bonds to be paid back over 20 years
- Estimated annual bond payment: \$1.8 million
- Revenue sources for annual bond payment:
 - Current Real Estate Excise Tax: \$900,000
 - Surface Water Utility Fee Revenue: \$900,000

2023-2024 ACHIEVEMENTS

- Project Manager hired, April 2024.
- A Conditional Use Permit (CUP) is required to operate a municipal maintenance facility in its planned location. The CUP application was submitted in spring of 2024 and will be finalized by the end of 2024.
- Boundary Line Adjustment (BLA), obtained in 2024.
- Conceptual Site and Building Design.
- Began design and preparation of documents for construction.
- Applied for and secured grant funding for environmental features.
- Issue Limited Tax General Obligation (LTGO) Bonds for the project's remaining financing.

2025-2026 OBJECTIVES

- Complete design and obtain permits for the Public Works Operations Center.
- Advertise for construction.
- Start and Complete the construction of the Public Works Operations Center.
- Relocate Public Works Operations and Environmental Services staff to the new facility.

PUBLIC WORKS OPERATIONS CENTER FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 578,094	\$ 578,094	\$ 578,094	\$ 578,094	\$ 17,929,425	\$ 9,929,425	\$ 17,929,425
Proceeds from Bond 2024	12,500,000	-	12,500,000	12,500,000	-	-	-
Bond Proceeds (prior financing)	4,000,000	-	4,017,272	4,017,272	-	-	-
Total Proceeds	16,500,000	-	16,517,272	16,517,272	-	-	-
Transfers from Surface Water Management Fund	1,140,603	215,000	925,603	1,140,603	900,000	900,000	1,800,000
Transfers from Real Estate Excise Tax Fund	1,151,539	219,709	931,830	1,151,539	900,000	900,000	1,800,000
Transfer from Street Fund	54,682	52,000	-	52,000	-	-	-
Transfer from General Fund	28,780	28,000	-	28,000	-	-	-
Total Transfers	2,375,604	514,709	1,857,433	2,372,142	1,800,000	1,800,000	3,600,000
Total Revenues	18,875,604	514,709	18,374,705	18,889,414	1,800,000	1,800,000	3,600,000
Total Public Works Operations Center Fund	\$ 19,453,698	\$ 1,092,803	\$ 18,952,799	\$ 19,467,508	\$ 19,729,425	\$ 11,729,425	\$ 21,529,425

PUBLIC WORKS OPERATIONS CENTER FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
F1 - PW Shop Design & Construction	16,350,000	219,105	316,000	535,105	8,000,000	8,075,000	16,075,000
Debt Service Principal & Interest	2,375,604	295,604	657,374	952,978	1,800,000	1,800,000	3,600,000
Transfer to General Fund	150,000	-	50,000	50,000	-	-	-
Total Expenditures	18,875,604	514,709	1,023,374	1,488,083	9,800,000	9,875,000	19,675,000
Ending Fund Balance	578,094	578,094	17,929,425	17,929,425	9,929,425	1,854,425	1,854,425
Total Public Works Operations Center Fund	\$ 19,453,698	\$ 1,092,803	\$ 18,952,799	\$ 19,417,508	\$ 19,729,425	\$ 11,729,425	\$ 21,529,425

OTHER FUND: AFFORDABLE HOUSING

The Affordable Housing Fund was created during the 2023-2024 biennium through Ordinance No. 23-0572. This fund is designed to collect and hold fees and grants related to affordable housing for support of future affordable housing developments. The primary source of funds revenue for this fund are “fees in lieu”; according to Section 18.77.045(D) of the Kenmore Municipal Code (KMC), the City can accept fees from developers as an alternative to meeting the general affordable housing requirements outlined in Chapter 18.77 KMC for new developments.

2023-2024 ACHIEVEMENTS

- The Affordable Housing Fund was established in 2023
- \$453,527 was collected in 2024

2025-2026 BUDGET HIGHLIGHTS

- The 2025-2026 biennial budget anticipates a beginning fund balance of \$453,527.
- No planned expenses during the 2025-2026 biennium.
- There are no current development proposals with “fees in lieu” anticipated for the 2025-26 biennium.

Affordable Housing Fund REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 453,527	\$ 453,527	\$ 453,527
Affordable Housing In Lieu Fees	-	-	453,527	453,527	-	-	-
Total Revenues	-	-	453,527	453,527	-	-	-
Total Affordable Housing Fund	\$ -	\$ -	\$ 453,527	\$ 453,527	\$ 453,527	\$ 453,527	\$ 453,527

Affordable Housing Fund EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Affordable Housing costs	-	-	-	-			
Total Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	-	453,527	453,527	453,527	453,527	453,527
Total Affordable Housing Fund	\$ -	\$ -	\$ 453,527	\$ 453,527	\$ 453,527	\$ 453,527	\$ 453,527

OTHER FUND: LAKEPOINTE

Lakepointe is a large piece of undeveloped land on Lake Washington and at the mouth of the Sammamish River. Approximately 40 acres in size, Lakepointe is the last undeveloped property of its kind on Lake Washington. With over 3,100 feet of lake and river shoreline, Lakepointe has great environmental potential, especially for fish and wildlife habitat restoration along the shoreline. The vision for Lakepointe is for it to become a vibrant, walkable urban village with housing, retail, and businesses, as well as public amenities such as a signature park, gathering spaces, trails, open space, and access to the water.

The Lakepointe Fund is a new fund established in 2024 that accounts for revenues and expenditures related to the potential acquisition and development of a portion of the Lakepointe site for shoreline restoration and park development. This fund also tracks costs related to working with the property owner and potential developers to transform the remainder of the Lakepointe properties into a walkable urban village.

The first phase of expenditures for 2024-2025 is to support the following actions: Negotiations with the property owner; Executing a Letter of Intent outlining terms for property purchase; Negotiating and executing a purchase and sale agreement with the property owner; Completing property due diligence, including site investigation and testing; Negotiations with the Department of Ecology and other agencies regarding terms for property development; Community outreach; Developing conceptual plans for shoreline restoration and park development; Grant applications and grant support; and preparing for a potential ballot measure to voters to fund the shoreline and park property acquisition, development and ongoing maintenance; Working with the property owner to select potential developer(s) to advance the vision for a walkable, mixed-use urban village for the remainder of the site.

2023-2024 ACHIEVEMENTS

Grant Applications/Grant Awards

- Applied for and received a preliminary grant award of \$450,000 from the King County Flood Control District (KCFCD) Cooperative Watershed Management (CWM) Grant Program. The grant award is dependent on reaching agreement with the property owner for property purchase.
- Applied for the Washington State Recreation and Conservation Office (RCO) Salmon Recovery and Puget Sound Acquisition and Restoration (PSAR) grant application for \$1 million to assist with shoreline property acquisition and restoration. No grant award.
- Applied for the King County Conservation Futures grant program to assist with acquiring the shoreline portion of the Lakepointe property. The grant award and amount is pending and is estimated at \$7 to \$8 million. This revenue source is not currently included in this first phase of revenue assumptions.
- Researched other grant funding sources, including brownfield programs through the Environmental Protection Agency, the Department of Ecology, and the Department of Commerce.

Property Negotiations

- Continued negotiations with the property owner in 2023 and 2024.

2025-2026 PERSONNEL CHART



*new or increased FTE

2025-2026 BUDGET HIGHLIGHTS

Assuming a purchase and sale agreement is negotiated with the property owner in late 2024, the City would perform due diligence (including testing) and conceptual design in 2025 with a potential ballot measure to voters in 2025 or 2026. Bonds to purchase and develop the park property (including restoration of the shoreline) would occur after the ballot measure. Expenditures and revenues for 2026 and beyond to support property acquisition and development are to be determined.

Lakepointe Fund REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 91,211	\$ 30,711	\$ 91,211
Bond Anticipation Note	-	-	1,300,000	1,300,000	-	-	-
Grant - Due Diligence	-	-	-	-	450,000	-	450,000
Grants - other	-	-	-	-	90,000	-	90,000
Transfer from Park Impact Fees	-	-	-	-	450,000	-	450,000
Transfer from Surface Water Mgmt Fees	-	-	290,000	290,000	45,000	-	45,000
Transfer from General Fund	-	-	650,000	650,000	650,000	-	650,000
Total Revenues	-	-	2,240,000	2,240,000	1,685,000	-	1,685,000
Total Lakepointe Fund	\$ -	\$ -	\$ 2,240,000	\$ 2,240,000	\$ 1,776,211	\$ 30,711	\$ 1,776,211

Lakepointe Fund EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Deposit on Property	-	-	1,500,000	1,500,000	-	-	-
Bond Anticipation Note Interest	-	-	-	-	65,000	-	65,000
Consulting - Development	-	-	46,175	46,175	190,000	-	190,000
Consulting - Grants	-	-	36,999	36,999	140,000	-	140,000
Consulting - Due Diligence	-	-	450,000	450,000	525,000	-	525,000
Legal	-	-	100,615	100,615	183,000	-	183,000
Community Engagement	-	-	-	-	165,000	-	165,000
Project Manager	-	-	15,000	15,000	185,000	-	185,000
Staffing backfill	-	-	-	-	157,500	-	157,500
Contingency	-	-	-	-	135,000	-	135,000
Total Expenditures	-	-	2,148,789	2,148,789	1,745,500	-	1,745,500
Ending Fund Balance	-	-	91,211	91,211	30,711	30,711	30,711
Total Lakepointe Fund	\$ -	\$ -	\$ 2,240,000	\$ 2,240,000	\$ 1,776,211	\$ 30,711	\$ 1,776,211

OTHER FUND: SURFACE WATER MANAGEMENT

This fund accounts for the surface water funds received primarily through a surface water fee imposed on each developed parcel in the City and is managed by the Environmental Services Department. The City contracts with King County to collect the assessment as part of the property tax collection process and remits the proceeds to the City. The City imposes a 6% utility tax on the surface water fee, which is provided to the City's General Fund. Additional funds may be received through grants and loans. The goal of surface water management is to develop, maintain, manage and improve a surface water system that serves the community, enhances the quality of life and protects the environment.

2023-2024 ACHIEVEMENTS

Operations & Maintenance

- The Public Works Department provides four maintenance workers, one supervisor and four seasonal maintenance workers for surface water management issues, including maintenance of the city's stormwater utility. The SWM Fund provides for half of the salary for these employees and half of the resources needed to support them (i.e. vehicles, materials, office needs, training, etc.). Operation and maintenance of the City's surface water facilities is required to maintain compliance with the City's NPDES Permit.
- Staff inspect privately owned and maintained drainage facilities to ensure that they continue operating as designed to provide water quality treatment and flood control. These privately owned facilities were required as part of the private development when it was originally designed and constructed. In 2010, the City was inspecting 80 private facilities and in 2024 that number has increased to 160 (doubled). Private facility inspections include an initial inspection in spring/summer, followed by a minimum six-week period allowing the property owner to conduct any required maintenance (staff will provide additional time and technical assistance, if needed). Once completed, a follow up inspection is conducted and, if needed, enforcement action. Private facility inspections are required to maintain compliance with the City's NPDES Permit.
- Staff inspect public drainage facilities, which are facilities that provide water quality treatment and flood control to public roads and residential neighborhoods. In 2010, the City was inspecting 105 public facilities and in 2024 the number had increased 2.35-fold to 247. Typically, 50%-60% of the facility inspections result in maintenance of some kind, which was completed through various maintenance contracts and in-house staff. Larger maintenance projects also typically require construction management and follow up inspections. Inspection and maintenance of public facilities are required to maintain compliance with the City's NPDES Permit.
- Seasonal staff annually inspect the City's public drainage conveyance system (pipes, ditches, and catch basins). In 2024, this included approximately 4,600 catch basins, 72 miles of pipes and 11.4 miles of ditches. Typically, approximately 400-500 catch basins require cleaning each year, which is conducted through a vector maintenance contract. Repairs were conducted through various maintenance contracts and in-house staff. Conveyance system inspections and maintenance are required to maintain compliance with the City's NPDES Permit.
- Staff conducted annual field screening for illicit connections and discharges into the City's public drainage conveyance system. Each structure is inspected for spills, leaks, dumping and dry weather flows. In addition to field screening, staff respond to all reports of water quality issues in the city's surface water system. Staff responded to these water quality issues and removed the material, cleaned the system and, if applicable, addressed the source. Staff responded to 47 water quality issues in 2023. Field screening and responding to illicit discharges are required to maintain compliance with the City's NPDES Permit.

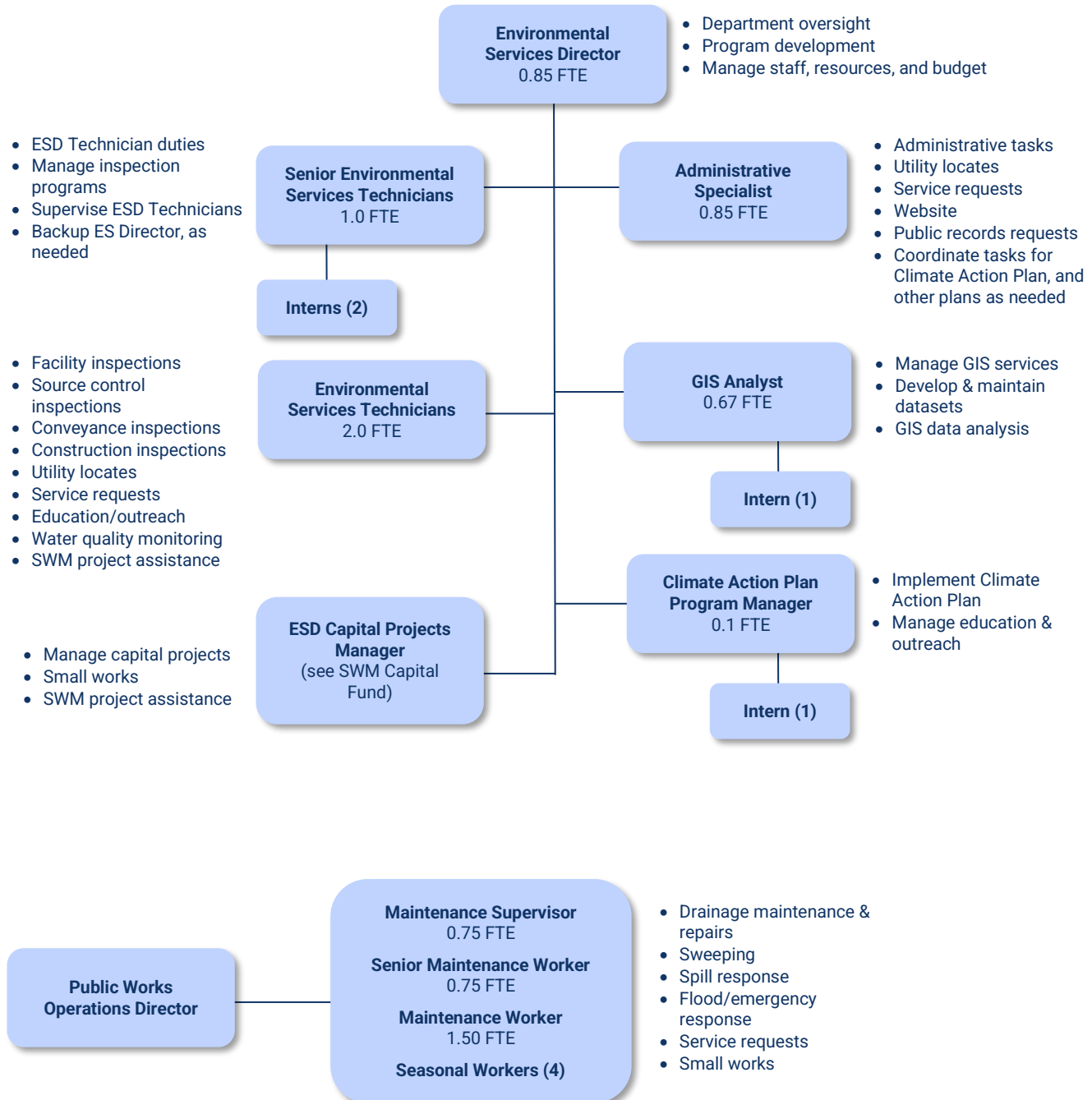
- Staff responded to service requests and provide technical assistance to residents and businesses in Kenmore on a variety of surface water and environmental issues ranging from water quality issues, flooding, vegetation problems, animal issues, general inquiries, etc. Service requests resulting in follow-up maintenance was provided through contracts or in-house staff.
- Continued with an aggressive street sweeping program in an effort to reduce catch basin and drainage facility maintenance and proactively protect the natural environment from sediment, debris and pollutants. Sweeping is provided through both contracted services and in-house staff. A formal street sweeping program must be developed in the upcoming budget cycle as a new requirement in the 2024-2029 NPDES Permit.

Programs & Projects

- Continued implementation of the 2019-2024 (NPDES) Western Washington Phase II Municipal Stormwater Permit and began implementation of the 2024-2029 Permit, which brings with it even more new regulations for the City to comply with. In addition to implementation of ongoing established programs, the following list highlights some of the new programs and deliverables to existing programs that were completed during the previous biennium:
 - Coordinated with citywide planning efforts to incorporate surface water management strategies into all applicable plans and policies, including a Surface Water Element update in 2024 and started an update of the Surface Water Master Plan.
 - Completed Stormwater Management Action Plan (SMAP) in 2023
 - Conducted and reported on behavior change program regarding waste management with local businesses that increased general awareness of stormwater management practices through education and outreach and evaluated effectiveness
 - Updated mapping standards of the City's stormwater system and provided online, including connections of all known private systems and additional information on all known outfalls
 - Operations and maintenance standards and requirements updated in 2023
 - New source control program for existing development developed and implemented
- Implemented education and outreach programs through various regional collaboration groups and individual City efforts. Utilized media outlets including City Newsletters, City E-News and City social media to educate broad audiences of stormwater best management practices (BMPs). Staff attended City events to interact with the public and promote stormwater messaging.
- Continued implementation of low impact development principles and best management practices, which were integrated into the City's codes and standards at the end of 2016 through several code changes and the adoption of the 2016 and 2021 King County Surface Water Design Manuals.
- Maintained two monitoring stations to collect water quality data in Swamp Creek and Tributary 0056. The information assisted staff in implementing the City's Swamp Creek "total maximum daily load" requirement, providing an educational opportunity for the public to learn about local streams and develop baseline stream data for parameters such as temperature, pH, salinity, conductivity, and turbidity.
- Implemented the Integrated Aquatic Vegetation Management Plan (IAVMP), including weed removal treatments at Log Boom Park and Łaxwadis Park. Staff also worked with a consultant to examine algae and weed growth issues occurring along city shorelines to better understand and potentially develop management plans for these areas.
- Staff worked with a financial consultant to conduct a surface water management rate analysis and developed a new surface water management funding program, referred to as "Rapid Progress+". Rapid Progress+ established SWM rates for city property owners through 2030 and was approved by City Council in November 2023. Some highlights of this program include the following:

- Ensured funding for existing and ongoing programs
- Prepares for addition of upcoming new programs required by NPDES Permit
- Provides funding for an accelerated removal and replacement of fish passage barrier stream culverts, which were identified and prioritized by a citywide stream culvert evaluation
- Provides funding for acquisition, restoration and conservation of properties that provide high environmental value
- Provides funding for surface water facility retrofits

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

Operations & Maintenance

- Continue to conduct annual surface water inspections for publicly and privately maintained stormwater facilities and public drainage conveyance systems.
- Conduct maintenance, based on the annual inspection programs, on the public stormwater conveyance system and public stormwater facilities, using contracted services and in-house maintenance staff.
- Conduct an aggressive street sweeping program in an effort to reduce catch basin and drainage facility maintenance.

Programs & Projects

- Implement and comply with the 2024-2029 (NPDES) Western Washington Phase II Municipal Stormwater Permit. Several new programs and updates to existing programs are required throughout the Permit cycle and the following list highlights those planned in 2025-2026:
 - Stormwater planning gap analysis (2026)
 - Develop a Stormwater Management Action Plan (SMAP) (2025)
 - Develop tree canopy goals (Urban Forest Management Plan) (2025)
 - Develop behavior change campaign for education and outreach (2025)
 - Develop and enhance stewardship programs (2025)
 - Map outfalls and tree canopy (2026)
 - Update KMC 13.45 and policies for new discharges (2026)
 - Begin development of new stormwater management for existing development program (implementation due in 27-28 biennium)
 - Complete 40% of the source control inspections for identified businesses/sites
 - Develop a street sweeping program
 - Develop a Stormwater Pollution Prevention Plan for the new Public Works Operations Center
- Continue to collaborate with regional partners to implement large scale education and outreach efforts. Use City media outlets as a platform to reach broad audiences with specific stormwater BMP's and information. Implement a Behavior Change Program to meet NPDES requirements as well as improve water quality.
- Staff plan to complete the update to the Surface Water Master Plan in 2025, which was started in 2024. This effort will include sediment testing in several locations on Lake Washington, as well as giving names to our numbered creeks.
- Continue implementing the City's adopted IAVMP and conduct aquatic weed management in Lake Washington and Sammamish River to reduce and eliminate invasive aquatic weeds from public access areas. Continue to push for regional coordination with upstream jurisdictions on the Sammamish River.
- Participate with King County's Sammamish River Capital Investment Strategy (CIS) to coordinate with other Sammamish River jurisdictions and develop regional programs/projects that address issues such as degraded water quality, sedimentation, and habitat restoration.
- Coordinate with WSDOT on the Tributary 0056 culvert replacement under SR522 and pursue opportunities to collaborate on the removal of downstream city fish passage barrier culverts.
- Increase surface water management awareness and public involvement through website improvements, surface water newsletters, public events and Council interaction.
- Implementation of the City's water quality monitoring activities, including improvements to in-house stream monitoring at Swamp Creek and Tributary 0056, coordination with regional monitoring efforts

through the City's NPDES permit and continued TMDL monitoring of Swamp Creek for bacterial pollution.

- Continue managing Swamp Creek flooding, sedimentation and water quality issues. Coordinate with City residents and Swamp Creek enthusiasts to assist with volunteer efforts in the Swamp Creek watershed. Pursue grant opportunities to acquire properties from willing sellers that provide high value conservation/restoration potential.
- Management of Cityworks and ArcGIS, which provides service request, inspection, work order and mapping services not only for the Environmental Services Department, but the entire City. With additional GIS resources added in 2023, the city relies less on consultant resources to manage GIS projects and maintaining Permit compliance is ensured.
- Implement the Rapid Progress+ funding program, which includes annual rate adjustments, grant management, and acquisition and management of new debt.

2025-2026 BUDGET HIGHLIGHTS

- Continue implementing the added new surface water regulations imposed by National Pollutant Discharge Elimination System Phase II Municipal Stormwater Permit.
- Complete the surface water master plan update.
- Support the Lakepointe shoreline acquisition and due diligence effort.
- Execute the Rapid Progress+ program, including habitat preservation and restoration; and fish-blocking culvert removals. (See Surface Water Capital Fund)

SURFACE WATER MANAGEMENT FUND

REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 1,791,561	\$ 1,791,561	\$ 107,539	\$ 1,791,561	\$ 377,542	\$ 972,560	\$ 377,542
State Dept of Commerce Grant	-	80,000	-	80,000	-	-	-
Department of Ecology Grants	-	75,000	-	75,000	130,000	-	130,000
Intergovernmental	-	155,000	-	155,000	130,000	-	130,000
Surface Water Charges	7,107,090	3,190,465	4,200,000	7,390,465	4,594,270	5,145,582	9,739,852
Sweeper Rental Services	-	-	-	-	-	-	-
Charges for Service	7,107,090	3,190,465	4,200,000	7,390,465	4,594,270	5,145,582	9,739,852
Investment Interest & Miscellaneous	48,575	107,395	50,000	157,395	31,094	17,481	48,575
Miscellaneous	48,575	107,395	50,000	157,395	31,094	17,481	48,575
Total Revenues	7,155,665	3,452,860	4,250,000	7,702,860	4,755,364	5,163,063	9,918,427
Total Surface Water Mgt. Fund	\$ 8,947,226	\$ 5,244,421	\$ 4,357,539	\$ 9,494,421	\$ 5,132,906	\$ 6,135,623	\$ 10,295,969

SURFACE WATER MANAGEMENT FUND

EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Salaries and Wages	1,603,244	788,420	815,944	1,604,364	1,109,705	1,160,190	2,269,895
Benefits	653,698	327,230	336,906	664,136	417,705	428,876	846,581
Personnel	2,256,942	1,115,650	1,152,850	2,268,500	1,527,410	1,589,066	3,116,476
Supplies	173,200	72,153	136,050	208,203	86,600	86,600	173,200
Services	2,271,212	1,015,749	873,494	1,889,243	1,124,336	1,016,836	2,141,172
Furniture/Equipment/Vehicles	100,000	90,292	50,000	140,292	50,000	50,000	100,000
Computer Systems	104,000	70,567	52,000	122,567	67,000	55,000	122,000
Capital Outlay	204,000	160,859	102,000	262,859	117,000	105,000	222,000
Transfer To SWM Capital	2,215,600	2,200,000	150,000	2,350,000	-	1,017,521	1,017,521
Transfer to Lakepointe	-	-	290,000	-	45,000	-	45,000
Transfer to Public Works Shop Fund for Debt Service	1,140,603	215,000	925,603	1,140,603	900,000	900,000	1,800,000
Admin Reimbursement to General Fund	660,000	357,471	350,000	707,471	360,000	360,000	720,000
Transfers-Out	4,016,203	2,772,471	1,715,603	4,198,074	1,305,000	2,277,521	3,582,521
Total Expenditures	8,921,557	5,136,882	3,979,997	8,826,879	4,160,346	5,075,023	9,235,369
Ending Fund Balance	25,669	107,539	377,542	377,542	972,560	1,060,600	1,060,600
Total Surface Water Mgt. Fund	\$8,947,226	\$5,244,421	\$4,357,539	\$9,204,421	\$5,132,906	\$6,135,623	\$10,295,969

OTHER FUND: SURFACE WATER CAPITAL FUND

The Surface Water Capital Fund accounts for expenditures for surface water capital improvements. Revenue sources for this fund include a variety of federal, state or local grants, surface water management fees transferred from the Surface Water Management Fund, and the stormwater capital facilities charge. The City expends monies from this fund based on the adopted Capital Facilities Plan and the Surface Water Capital Improvement Program. Each project is described in more detail in the Capital Improvement Program section of this budget.

2023-2024 ACHIEVEMENTS

- Completed construction of SW-0177 (Tributary 0056 Culvert Replacement at 190TH Project). This project replaced an existing culvert on Tributary 0056 at NE 190TH Street with a new fish passable box culvert.
- Began implementing the "Rapid Transit+" program to preserve and restore habitat and replace fish blocking culverts. Created and filled a new capital projects manager position to head up Rapid Transit+.
- Begin design of SW-0283 (Blueberry Creek Culvert Replacement). This project removes an existing fish passage barrier culvert located in Blueberry Creek just upstream of Swamp Creek.
- Continue design of SW-0261 (Tributary Culvert Replacement at 192ND). This project replaces an existing fish passage barrier culvert on an unnamed tributary to Swamp Creek at NE 192ND Street. The City applied for Community Projects funding through Congresswoman DelBene's office and was awarded \$1.3M for construction. City staff also applied for \$700,000 through King County Flood Control District's Flood Reduction Grant Program; however, the project is awaiting a decision on this funding at time of writing this budget.
- Completed design of SW-0254 (Muck Creek Restoration Project). This project restores a 1.34-acre site on 73RD Avenue NE containing Muck Creek. The site was acquired through a Conservation Futures grant provided by King County.
- Started design of SW-0268 (Tributary 0056 Culvert Replacement at 175TH). City staff coordinated with Washington State Department of Transportation, King County and adjacent property owners to apply for federal funds to fund this project. The project is awaiting a decision on funding at the time of writing this budget.
- Applied for King County Conservation Futures funds to acquire undeveloped stream property on 76TH Avenue NE and Lakepointe shoreline property along Lake Washington/Sammamish River for conservation and restoration. These projects are awaiting a decision on funding at the time of writing this budget.
- Completed Small Works improvements on 61st Avenue NE replacing aged stormwater facilities and eliminating flooding issues.

2025-2026 PERSONNEL CHART



2025-2026 OBJECTIVES

- Construction of SW-0254 (Muck Creek Restoration Project) in 2025.
- Construction of SW-0283 (Blueberry Creek Culvert Removal) by 2026.
- Continue design of SW-0261 (Tributary Culvert Replacement at 192ND). Construction anticipated in 2027 and no sooner than 2026, depending on permitting.
- Construction of SW-0275 (Stormwater Facility Retrofit Project). This project replaces and updates an existing 1970's stormwater facility on 61ST AVENUE NE.
- Design of SW-0267 (Tributary Culvert Replacement at 169TH). This project removes an existing fish passage barrier culvert located in an unnamed tributary just upstream of Sammamish River. Construction anticipated in 2027 and no sooner than 2026, depending on permitting.
- Acquisition, conservation and potential restoration of high value surface water management properties. Projects are dependent on acquiring King County Conservation Futures grants. At the time of writing this budget, applications have been submitted for a Tributary 0057 property and a Sammamish River/Lake Washington shoreline property. City staff plan to apply for an additional Swamp Creek property in 2025 and others, depending on funding as part of SW-0282.
- Begin preliminary design, pending schedule and potential grant awards, of SW-0270, 0271, 0272 and 0273 (Tributary 0057 Culvert Replacement, various locations). Construction anticipated 2027-2030, depending on permitting and grants.
- Construction of SW-0280 and 0281 (Small Works 2025 and 2026). These projects typically replace, repair and/or update existing stormwater facilities throughout the city. Construction typically occurs in late summer.
- Continue design of SW-0268 (Tributary 0056 Culvert Replacement at 175TH). Construction anticipated in 2027 and no sooner than 2026, depending on permitting.
- Begin preliminary design of SW-0274 (Little Swamp Creek Relocation) and begin property negotiations with property owners of three parcels impacting the project.

2025-2026 BUDGET HIGHLIGHTS

This budget represents the implementation of the City's Rapid Progress+ funding program, which accelerates the City's commitment to removing fish passage barrier culverts from City streams, acquiring

environmentally valuable properties for the purpose of conservation and restoration, and retrofitting surface water facilities. Transfers from the Surface Water Management Fund, revenue from stormwater capital facilities charges, in addition to reimbursements from utility agencies, proceeds from the King County Flood Control District, King County Conservations Futures, Washington State Department of Ecology, Federal Highway Administration, Washington State Recreation and Conservation Office, federal appropriations and a Public Works Trust Fund Loan, provide the resources to accomplish the capital projects. See the Surface Water Capital section of the budget for project description sheets regarding projects anticipated in 2025-2030.

SURFACE WATER CAPITAL FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 1,768,343	1,768,343	\$1,584,829	\$1,768,343	2,738,523	\$64,233	\$2,738,523
Conservation Futures Grant	546,750	-	-	-	468,750	637,500	1,106,250
Miscellaneous Grants	1,043,100	-	-	-	970,500	450,000	1,420,500
Surface Water Trust Fund Loan Proceeds	863,638	26,002	837,636	863,638	-	-	-
Reimbursements from Other Agencies	296,000	-	266,570	266,570	-	-	-
General Facility Charge	432,000	212,942	380,000	592,942	225,000	250,000	475,000
Bond Proceeds Fish Passage Culvert projects	858,600	-	-	-	-	508,619	508,619
Intergovernmental	4,040,088	238,944	1,484,206	1,723,150	1,664,250	1,846,119	3,510,369
Transfer from Surface Water Mgmt Fund	2,215,600	2,200,000	150,000	2,350,000	-	1,017,521	1,017,521
Transfers	2,215,600	2,200,000	150,000	2,350,000	-	1,017,521	1,017,521
Total Revenues	6,255,688	2,438,944	1,634,206	4,073,150	1,664,250	2,863,640	4,527,890
Total Surface Water Capital Fund	\$8,024,031	\$4,207,287	\$3,219,035	\$5,841,493	\$4,402,773	\$2,927,873	\$7,266,413

SURFACE WATER CAPITAL FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
SW-8 61st Fish Passable Culvert	2,886,250	2,496,123	374,594	2,870,717	-	-	-
SW-0280 2025 Small Works Projects	150,000	-	-	-	79,500	-	79,500
SW-0281 2026 Small Works Projects	-	-	-	-	-	83,500	83,500
SW 0275 Infiltration Tank Retrofit	-	-	-	-	530,000	-	530,000
SW 0283 Blueberry Creek Culverts	250,000	-	-	-	125,000	125,000	250,000
SW 0254 Muck Creek Restoration Project	500,000	29,133	-	29,133	1,250,000	-	1,250,000
Future Restoration Projects	49,000	-	-	-	-	46,100	46,100
SW 0261 192nd SC Tributary Fish Pass	1,735,000	-	-	-	350,000	350,000	700,000
SW 0273 163rd Tributary 0057 Fish Pass	197,500	-	-	-	25,000	25,000	50,000
SW 0272 76th Tributary 0057 Fish Pass	178,500	-	-	-	25,000	25,000	50,000
SW 0270 74th Tributary 0057 Fish Pass	170,300	-	-	-	25,000	25,000	50,000
SW 0271 74th Tributary 0057 Fish Pass	105,800	-	-	-	25,000	25,000	50,000
SW 0267 169th Samm Tributary Fish Pass	206,500	-	-	-	226,410	226,410	452,820
SW 0268 175th Trib 0056 Fish Pass	-	-	-	-	957,630	957,630	1,915,260
SW 0278 Thomas Property Acquisition	-	49,982	-	49,982	625,000	-	625,000
SW 0282 Swamp Creek Property Acquisition	-	-	-	-	-	850,000	850,000
Capital Outlay	6,428,850	2,575,238	374,594	2,949,832	4,243,540	2,738,640	6,982,180
Debt Service - Trust fund loans	1,013,300	47,220	105,918	153,138	95,000	95,000	190,000
Debt Service - Bonds Culvert projects	-	-	-	-	-	30,000	30,000
Debt Service	1,013,300	47,220	105,918	153,138	95,000	125,000	220,000
Total Expenditures	7,442,150	2,622,458	480,512	3,102,970	4,338,540	2,863,640	7,202,180
Ending Fund Balance	581,881	1,584,829	2,738,523	2,738,523	64,233	64,233	64,233
Total Surface Water Capital Fund	\$ 8,024,031	\$ 4,207,287	\$ 3,219,035	\$ 5,841,493	\$ 4,402,773	\$ 2,927,873	\$ 7,266,413

SWAMP CREEK BASIN FUND

This fund accounts for balances reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin, which had previously been accounted for in the Surface Water Management Fund.

Those projects were included in the City of Kenmore's Comprehensive Plan and are funded by a Memorandum of Agreement (MOA) with King County. Per the MOA, twelve percent (12%) of the King County disbursement to the City of \$10,750,000 was to be reserved for permanent maintenance of the project, which amounted to \$1,290,000. By December 31, 2022, the projected fund balance was \$540,995.

In October 2018 the City and King County entered into an agreement which revised the reservation on the permanent maintenance balances and expanded the use to "include acquiring and restoring land for flood prevention, open space and wildlife habitat in the Swamp Creek Basin..." This revision allowed the City to utilize these funds to acquire land for that purpose and pay for mitigation and monitoring for projects in the basin.

2023-2024 ACHIEVEMENTS

- Provided funding for mitigation monitoring for the P-27 - ʔaḥʔadis (Tl' awh-ah-dees) Park project.

2025-2026 OBJECTIVES

- Provide funding for ten years of mitigation monitoring for the P-27 - ʔaḥʔadis (Tl' awh-ah-dees) Park project.

SWAMP CREEK BASIN FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$450,390	\$450,390	\$470,350	\$450,390	\$405,350	\$375,350	\$405,350
Investment Interest	10,000	19,960	15,000	34,960	10,000	8,000	18,000
Total Revenues	10,000	19,960	15,000	34,960	10,000	8,000	18,000
Total Swamp Creek Basin Fund	\$460,390	\$470,350	\$485,350	\$485,350	\$415,350	\$383,350	\$423,350

SWAMP CREEK BASIN FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Transfer to Park Capital	80,000	0	80,000	80,000	40,000	40,000	80,000
Ending Fund Balance	380,390	470,350	405,350	405,350	375,350	343,350	343,350
Total Swamp Creek Basin Fund	\$ 460,390	\$ 470,350	\$ 485,350	\$ 485,350	\$ 415,350	\$ 383,350	\$ 423,350

OTHER FUND: EQUIPMENT REPLACEMENT

This fund is used to maintain a reserve for the future replacement of equipment – including, but not limited to, furniture, computers, vehicles, and buildings. Payments are received from various departments and funds that benefit from or use the assets. Each department is charged its prorated share of the replacement costs per year of the replacement equipment assigned. In addition, the City may transfer money directly to this fund from other funds to ensure the City is adequately reserving funds for its aging assets, including buildings and building systems. The payments or transfers to this fund are generally determined using the cost of the equipment, the useful life of the asset, and the number of employees in the various cost centers that use each asset. The replacement schedule is updated annually to adjust for new equipment purchases, changes in useful life, and inflation rates.

2023-2024 ACHIEVEMENTS

Network server upgrades, virus protection, firewall, backup software, Office 365 licenses, computer and software upgrades, and replacements were accomplished.

2025-2026 OBJECTIVES/BUDGET HIGHLIGHTS

- The City's street sweeper is budgeted for replacement in 2025. The current sweeper is aging and was originally scheduled for replacement in 2018.
- Remaining budgeted funds after the sweeper purchase may be used for vehicle replacement.
- \$20,000 has been budgeted in the biennium for Technology network servers, workstations and other equipment upgrades as needed.
- Based on a facility needs study, this fund will begin accounting specifically for building replacement needs. The General Fund will contribute \$120,000 per year for building replacement needs in 2025 and 2026.

EQUIPMENT REPLACEMENT FUND REVENUES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Beginning Fund Balance	\$ 690,536	\$ 690,536	\$ 779,246	\$ 690,536	\$ 850,116	\$ 785,986	\$ 850,116
Investment Interest	5,000	25,729	25,000	50,729	20,000	15,000	35,000
Transfer from Gen Fund - Bldg Presrvtn	-	-	-	-	120,000	120,000	240,000
Departmental Contributions	191,740	95,870	95,870	191,740	95,870	95,870	191,740
Total Revenues	196,740	121,599	120,870	242,469	235,870	230,870	466,740
Total Equipment Replacement Fund	\$ 887,276	\$ 812,135	\$ 900,116	\$ 933,005	\$ 1,085,986	\$ 1,016,856	\$ 1,316,856

EQUIPMENT REPLACEMENT FUND EXPENDITURES

	2023-2024 Amended Budget	2023 Actual	2024 Projected	2023-2024 Biennium Total	2025 Budget	2026 Budget	2025-2026 Proposed Budget
Equipment Replacement	470,000	32,889	50,000	82,889	300,000	225,000	525,000
Total Expenditures	470,000	32,889	50,000	82,889	300,000	225,000	525,000
Ending Fund Balance	417,276	779,246	850,116	850,116	785,986	791,856	791,856
Total Equip Replacement Fund	\$ 887,276	\$ 812,135	\$ 900,116	\$ 933,005	\$ 1,085,986	\$ 1,016,856	\$ 1,316,856



CAPITAL PROGRAM

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CAPITAL IMPROVEMENT PROGRAM OVERVIEW

Introduction

The City's adopted Comprehensive Plan includes a Capital Facilities Element which addresses short and long-term improvement plans for City facilities including parks, transportation, surface water facilities and other facilities through 2035 and beyond. Upon adoption, this Capital Improvement Program description of revenues, expenditures and tables amends and updates the narrative and six-year financing program contained in the Capital Facilities Element of the City's Comprehensive Plan.

Process

The Capital Improvement Program was developed through a multiple step process. The individual projects were identified through analysis of past capital project requests, previously proposed improvements, currently funded projects and recently identified projects. Once projects were identified, a Project Description Sheet, see enclosed Project Description Sheet Guide, was prepared describing the project scope of work and current status. Project costs were updated and known funding identified. Using a collaborative effort city staff identified the highest priority projects and available funding was allocated to those projects.

Project Revenues

Revenue sources currently used in capital financing consist of:

Pay-As-You-Go: Funds currently available include Kenmore Automatic Photo Enforcement (KAPE) Fund, interfund transfers from the General Fund, Real Estate Excise Taxes (REET) Fund, Surface Water Management (SWM) Fund, and Transportation and Park Impact fees.

Grants: These may include, but are not limited to Recreation and Conservation Office (RCO), Pedestrian Safety Mobility Program (PSMP), School District contributions, Surface Transportation Program (STP), Hazard Elimination Safety Program (HES), Transportation Alternatives Program (TAP), Transportation Improvement Board (TIB), Regional Transit, Washington State Department of Transportation (WSDOT), Department of Ecology, Federal Highway Administration (FHWA), Culvert Aquatic Organism Passage (AOP) Program, Community Project Funding (CPF) and King County Conservation grants.

Bonds/Levies: These are General Obligation Bonds that are either voter-approved or non-voter approved (Councilmanic). Voter-approved bonds will be paid from an increase in the property tax rate; Non-voter approved bond debt service will be paid from general government operating revenues.

Impact Fees: This revenue source includes impact fees designated for transportation and park improvements. This funding is to partially finance improvements that shall mitigate cumulative impacts of growth and development within the City. These revenues include contributions from private developers. The use of these funds for park and transportation improvements will increase the capacity of existing parks and roadways, respectively speaking, to accommodate increased use from growth in the community.

King County Memorandum of Agreement (KC MOA): The KC MOA stipulates that King County provided Kenmore with \$10.75 million as partial mitigation for surface water projects within the Swamp Creek Basin. This agreement was finalized in 2000 and amended in 2018. The MOA, as amended, provides revenue for the purposes of acquiring and restoring land for flood prevention, open space and wildlife habitat in the Swamp Creek Basin.

Local Improvement District (LID): This revenue source requires financing by entities other than the City of Kenmore, typically private property owners.

User Fees: This revenue source is defined as a payment of a fee for direct receipt of a public service by the person benefiting from the service. Currently, these revenues only include surface water charges.

Expenditures

The City defines a capital improvement project to be any project that possesses all of the following characteristics:

- Involves new construction or remodel of any City building, decorative or commemorative structure; park improvement; new construction of public streets, sidewalks, parking facilities, and storm drainage facilities. Does not including maintenance activities such as upkeep or repair; and
- Is financed in whole or in part by the City or by grants obtained by the City.

Project cost is an estimate of the resources required to take a project from preliminary design through construction, generally consisting of the following activities:

- Administration
- Pre-Design/Special Studies
- Development of plans, specifications, and cost estimates (Design)
- Environmental Review
- Right of Way/Property Acquisition
- Construction Management
- Construction Contract
- Construction Other
- Debt Service
- Contingency
- Project closeout
- Plant establishment/mitigation monitoring

Capital Budget Fiscal Policies

- Capital project proposals should include as complete, reliable and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. Project cost estimates for a six-year plan should be as reliable as possible, recognizing that earlier project cost estimates will be more reliable than cost estimates in the later years.
- Capital projects should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources necessary to complete any given phase of the project, e.g., predesign, design, rights-of-way acquisition, construction, project closeout, etc.
- All proposals for capital projects will be presented to Council within the framework of a Capital Budget. No consideration will be given to the commitment of capital funds outside the presentation of the entire Capital Budget, except that emergency capital projects may be committed outside the normal review procedure.
- Major changes in the project budget should be presented to Council for review as per the City's purchasing policies.
- Capital project proposals shall include operating and maintenance costs necessary for the project over the estimated project life.

- At the time of project award, each project shall have reasonable contingencies also budgeted:
 - The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%) of the project budget, or a percentage of the contract as otherwise determined by Council.
 - Project contingencies may, unless otherwise determined by Council, be used only to compensate for unforeseen circumstances or strategic opportunities requiring additional funds to complete the project within the original project scope and identified needs.
 - For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project cost will be replaced with an appropriation that includes the contingency as developed above.
- City Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
- The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period.
- Capital projects that are neither expensed nor encumbered during budget period will be re-budgeted or carried over to the next fiscal period except as reported to Council for its approval. Multi-year projects with unencumbered or unexpended funds will be carried over to the next fiscal period.
- If a proposed capital project will have a direct negative effect on other publicly owned facilities and/or property, mitigation of the negative impact will become part of the proposed capital projects cost.
- A capital project will not be budgeted unless there is a reasonable expectation that a funding source(s) is available to finance the project.

CAPITAL IMPROVEMENT PROGRAM

GLOSSARY OF TERMS AND ACRONYMS

CBD	Central Business District
CIP	Capital Improvement Program
CFP	Capital Facilities Program
CMP	Corrugated Metal Pipe
DNS	Declaration of Non Significance
EIS	Environmental Impact Statement
FHWA	Federal Highway Administration
GIS	Geographic Information System
GMA	Growth Management Act
HPA	Hydraulic Permit Approval
IMPACT FEES	Payment of money imposed by the City, on development, in order to pay for the public facilities (parks, transportation) needed to serve new growth and development.
IPZ	Innovation Partnership Zone
LID	Low Impact Design
LID	Local Improvement District
LOS	Level of Service
MDNS	Mitigated Determination of Non Significance
NEPA	National Environmental Policy Act
NLW	North Lake Washington
NPDES	National Pollutant Discharge Elimination System
NUD	Northshore Utility District
PAUE	Public Agency Utility Exemption
PROS PLAN	Park Recreation and Open Space Plan
PS & E	Plans, Specifications and Estimate
RBZ	Regional Business Zone
RCO	Recreation and Conservation Office
REET	Real Estate Excise Tax
ROW	Right of Way
SEPA	State Environmental Policy Act
SMP	Shoreline Master Program
SR 522	State Route 522
STP	Surface Transportation Program
SW	Surface Water
SWM	Surface Water Management
TAP	Transportation Alternatives Program
TIB	Transportation Improvement Board
TBD	Transportation Benefit District
TMDL	Total Maximum Daily Load
TOD	Transit Oriented Development
WDFW	Washington State Department of Fish and Wildlife
WRIA	Water Resource Inventory Area
WSDOT	Washington State Department of Transportation



Ordinance No. 24-0614 Capital Improvement Program to be provided after adoption by the Council and included in the Adopted 2025-2026 Biennial Budget. The Capital Improvement Program will be in front of the Kenmore City Council at the following Council Meeting dates: Monday, September 30, 2024; Monday, October 7, 2024; and Monday, October 14, 2024.



APPENDIX

Ordinance No. 24-0618, Adopting the 2025-2026 Biennial Budget	194
Resolution No. 23-402, Current 2024 Fee Schedule	195
Resolution No. 23-406, Revising the City SWM Program Annual Service Charges	216
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Ordinance No. 24-0618 Adopting a Biennial Budget for the Period of January 1, 2025 through December 31, 2026; establishing appropriations of funds for the 2025-2026 biennium; and establishing position and salary schedules for 2025 to be included in the Adopted 2025-2026 Biennial Budget. This ordinance will be in front of the Kenmore City Council at the following Council Meetings: Tuesday, November 12, 2024; Monday, November 18, 2024; and Monday, November 25, 2024.

**CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 23-402**

A RESOLUTION OF THE CITY COUNCIL OF KENMORE,
WASHINGTON, REVISING THE CITY FEE SCHEDULE; ADOPTING
THE 2024 FEE SCHEDULE; REPEALING THE 2023 FEE SCHEDULE –
RESOLUTION NO. 23-400; AND ESTABLISHING AN EFFECTIVE
DATE.

WHEREAS, for the convenience of Kenmore residents and other city customers, the City Council has adopted all City fees by resolution pursuant to Ordinance No. 02-0139; and

WHEREAS, the City reviews all fees annually and makes adjustments to them as necessary and appropriate; and

WHEREAS, the City Council desires to adopt a revised fee schedule 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, Washington 2024 Fee Schedule", as set forth in "Exhibit A", attached hereto and incorporated by reference.

Section 2. Effective date. The Fees adopted by this resolution shall be effective on January 1, 2024.

Section 3. Repealer. Resolution No. 23-400 is hereby repealed, effective January 1, 2024.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON AT A REGULAR MEETING THEREOF THIS 27TH DAY OF NOVEMBER, 2023.

CITY OF KENMORE



Nigel G. Herbig (Nov 30, 2023 18:00 PST)
Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:

Anastasiya Warhol
Anastasiya Warhol (Nov 30, 2023 11:35 PST)

Anastasiya Warhol, City Clerk

APPROVED AS TO FORM:

Dawn Reitan
Dawn Reitan (Nov 29, 2023 13:12 PST)

Dawn Reitan, City Attorney

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Note: A plus sign (+) in the margin of the fee schedule indicates a change from the previous schedule

1. Business Registration and Licenses

+	Business Registration License	2024 Fee	2024 Fee
	<i>Applied for through the Washington Department of Revenue Business Licensing Service</i>	based on an estimated gross annual incomes	based on an estimated gross annual income equal
		<u>greater than</u>	<u>to or less than</u>
		\$12,000	\$12,000
	New or Re-opened General Business or Home Occupation	\$10	No fee
	Additional Location	\$10	No fee
	Existing General Business or Home Occupation, Initial Registration	\$10	No fee

Annual Renewal	\$10	No fee
New or Re-opened Nonprofit 501c(3) or (4)	No fee	No fee
Existing Nonprofit, Initial Registration	No fee	No fee
Annual Renewal Nonprofit 501c(3) or (4)	No fee	No fee
Non-resident Business <i>Non-resident fee is determined by gross annual income earned within Kenmore city limits</i>	\$10	No fee
Note: The Washington Department of Revenue may charge fees in addition to those described in this fee resolution (example: processing fee).		

Regulatory Business Licenses		
Adult Entertainment		
Device		\$50 each
Operator		\$500 per year
Premises		\$200 per year
Panoram Manager License		\$50 per year
Adult Cabaret		
Operator		\$500 per year
Cabaret Manager License		\$50 per year
Cabaret Entertainer License		\$50 per year
Adult Retail Business License		\$500 per year
Heavy Manufacturing Business		\$200 per year
Live Entertainment: music (other than mechanical); boxing or wrestling; pool halls; and bowling alleys		\$200 per year \$100 per six months \$50 per day
Junk Shop License		\$300 per year
Junk Wagon License		\$40 per year
+ Cannabis Business License		\$500 per year
Massage Business and Public Bathhouse		\$150 per year
Massage Practitioner		\$50 per year
Theaters		\$100 each screen per year
Pawnbroker		\$500 per year
Peddler/Solicitor		No fee
Secondhand dealer		\$40 per year
Renewal of License, registration or permit late penalty		10% of required fee
Transferability of license of permit		\$25

2. Code Enforcement

Code Enforcement	2024 Fee
Inspection/Posting	\$50
Re-inspection	\$50
Abatement	Actual City Costs
Abatement Hearing	\$360
Hearing Officer	\$215 per hour
Notice of Violation Appeal Hearing	\$125

Removal of Declaration	\$20
Violation of a Stop Work Order	\$500/day
Failure to perform Fire Watch	\$412/day
Violation of International Fire Code	\$255/day
Work without a permit (all types)	2 times permit cost

Housing Code Enforcement	2024 Fee
Inspection/Posting	\$255 per hour
Re-Inspection plus Notice and Order	\$510
Hourly Rate	\$255
Appeal Fee	\$128 each
Closing Fee	\$255
Contract Abatement Fee	15% of the contract
Late Fee	25% of the amount due
Hearing Officer	\$215 per hour

The Following Fees Apply to all Enforcement Actions:	
Inspection Warrant	\$350 each
Attorney Fees	As established by the City Attorney contract for legal services
Paralegal Services	\$60 per hour
Notary Services	\$10
Abatement	Actual City Costs
Code Enforcement Administrative Fee	15%

3. Comprehensive Plan and Development Regulation Amendments

Type	2024 Fee
Prescreening/threshold review fee	\$200
Annual amendment cycle fee (applicants whose amendment proposals are approved for consideration by the City Council)	\$400

4. Development Services

General Fees	2024 Fee
Development Review Technology Fee. Applies to all fees listed in Section 4. Except items marked with an asterisk "*" are exempt from the technology fee	5%
+ Hourly Rate	\$136
Additional excessive reviews and inspection fees. Applies to all development permits; additional plan review or inspections required by changes, additions or revisions to the plans or excess reviews of re-submittals will be billed at an hourly rate. Hourly fees throughout this section may be billed in 1/2 hour intervals.	Hourly
Where the original permit cost was less than or equal to the cost of an extension, the renewal fee shall be 25% of the original permit cost. Applies to all development	25%
For use of outside consultants for plan review and inspections	Actual Cost
Attorney cost relating to a private development	Actual Cost

Late penalty on Development Permits	1.5% of balance due
-------------------------------------	---------------------

Development Agreement	2024 Fee
+ Threshold review with City Council	\$243
+ Development Agreement requested by the applicant (proposal is approved for consideration by the City Council)	\$6,082 + City Attorney fees
Development Agreement requested by the City	No fee

Pre-application	2024 Fee
Pre-application review fee (first pre-application)	No fee
Pre-application review fee (subsequent pre-application)	
Base fee	\$650
After five hours	Hourly
Pre-application review fee (affordable housing projects)	No fee

Zoning and Land-use	2024 Fee
Site plan application fee (Land-use permit associated to KMC 18.105)	
+ Up to \$100,000 project value	\$1,058
+ \$100,001 - \$1,000,000 project value	\$3,370
+ > \$1,000,000 project value	\$3,370 + \$1,055 for each \$1M or portion thereof
+ Major revision requiring new public hearing	\$2,841
+ Minor revisions submitted after preliminary approval (not necessitating additional hearings)	\$930
+ Construction permit site plan review (1 hour)	\$136
Construction permit site plan review (beyond 1 hour)	Hourly
Landscape and tree management plan review	
+ Initial plan review based on site area	
+ 0 – 1 site acre	\$588
+ > 1 – 2 site acres	\$1,067
+ > 2 site acres	\$1,067 + \$207 for each acre or portion over 2 thereof
+ Each plan revision review	\$412
Landscape and tree management inspections	
+ Landscape inspection	\$301
+ Landscape maintenance bond release inspection	Hourly
+ Request for site specific rezone	\$3,122
Conditional use permits (CUP) and special use permits (SUP)	
+ Administrative CUP	\$2,291
+ SUP with public hearing	\$2,945
+ Daycare with 24 children or less	\$1,688
+ Request for time extension	\$106

	Variances (e.g., zoning variance, critical area variance, etc.)	
+	Application review	\$1,675
+	Request for time extension	\$106
+	Boundary line adjustment	\$753
+	Communications facility application fee	\$1,795
+	Conditional Use permit (CUP)	\$4,963
+	Minor Adjustment	\$3,240
+	Major Adjustment	\$11,272
	Accessory dwelling unit	No fee
	Change of use (zoning review)	
+	Base fee	\$680
+	After 5 hours	Hourly
	Land use inspections	Hourly
+	Reasonable use exception	\$1,675
+	Legal lot status request	\$485
+	Public agency and utility exception	\$1,675
+	Zoning verification letter/request	\$218
+	Design review	Hourly
+	Temporary Use Permit	\$877
	Affordable Housing Monitoring Fee	\$50/unit
	Request for code interpretation	Hourly
+	Multi-Family Tax Exemption (MFTE) Application	\$617
+	Public notice mailing fee	Actual cost of supplies and postage, or a minimum of \$243, whichever is greater

Subdivision - Preliminary Application Review		2024 Fee
	Preliminary short subdivisions (9 lots or less)	
+	Base fee	\$559
+	Plus per lot	\$1,135
+	Major Revision requiring public notice	\$559
+	Minor revisions submitted after preliminary approval (not necessitating additional public notice)	Hourly
	Short subdivision alteration	Hourly
+	Request for time extension	\$106
	Preliminary subdivisions (10 lots or more)	
+	Base fee	\$1,679
+	Plus per lot	\$1,374
+	Major revision requiring new public hearing	\$3,111
+	Minor revisions submitted after preliminary approval (not necessitating additional hearings)	\$930
+	Request for time extension	\$106
	Subdivision alterations or subdivision vacations	
+	With public hearing	\$3,915
+	Without public hearing	\$1,900
	Binding site plan	

+	Final Binding Site Plan	\$2,996
+	Conceptual Binding Site Plan	\$5,514
+	Revision to a preliminary approved plan	\$1,348
+	Revision to a final binding site plan	\$2,996

Shoreline Management Permit		2024 Fee
Substantial development permit		
Total cost of proposed development:		
+	Up to and equal to \$100,000	\$2,168
+	Over \$100,000	\$2,168 + hourly
+	Single-family joint use dock	\$2,164
+	Shoreline conditional use permit	\$2,760
Shoreline variance		
+	Up to and equal to \$100,000	\$2,760
+	Over \$100,000	\$2,760 + hourly
+	Shoreline re-designation	\$18,707
+	Shoreline review of other permits or approvals for conditions	\$412
+	Shoreline exemption	\$1,046
Supplemental fees		
+	Request for a time extension	\$106
	Shoreline permit revision	Hourly
+	Surcharge when public hearing required	\$864
	Permit compliance inspections	Hourly

Special Reviews		2024 Fee
State Environmental Policy Act (SEPA) review		
Environmental checklist (Projects)		
+	Base fee	\$1,912
	After six hours	Hourly
	All fixed and contract costs	Actual Cost
Environmental checklist (Non-Projects)		Hourly
Draft Environmental Impact Statement (DEIS), Final Environmental Impact Statement (FEIS), Supplemental Environmental Impact Statement (SEIS) or addenda preparation and review costs – including scoping, writing, editing, publishing, mailing, distributing and contract administration:		
	Deposit – a percentage of total estimated cost	33%
	All fixed and contract costs	Actual Cost
	Staff preparation and review cost	Hourly
Critical Area Review		
Applicants are eligible for a refund of the portion of the base fee that is less than the city's costs (including consultants, public notice (as necessary) and other associated expenses).		
Critical Area Plan Review:		
+	Base fee	\$1,654
	Plus, per hour	Hourly

+	Flood plain determination – certificate of elevation	\$491
	Plus, per hour	Hourly
	Review of mitigation/enhancement plan	Hourly
	Critical areas inspection	Hourly
	Inspection and monitoring	Hourly
	Appeals	
	Appeals to the hearing examiner from decisions of the City	\$128
	Departmental review of non-departmental permits	Hourly
	Review and monitoring of master drainage plans, per hour	
	Review of SEPA and/or Critical areas exemption (not relating to SSDX)	Hourly
+	Base fee	\$543
	After four hours	Hourly
+	Request for name change (land use applications)	\$256
+	Tree Removal	2024 Fee
+	Significant Tree Removal	
+	Plan review & inspection	\$50
+	Plan review beyond 2 hours	Hourly
+	Exceptional Tree Removal (Type 2 land use decision)	\$1,675
+	Tree Fund: Fee-in-Lieu (tree replacement)	
+	Each 1.0 tree unit (e.g., one 8' to 10' coniferous tree)	\$600/each
	Engineering Review and Inspections	2024 Fee
	Parking Review	
+	Base fee	\$680
+	After 5 hours	Hourly
+	Single-family drainage review	
+	Addition/alteration/rebuild drainage review	\$394
+	New SFR drainage review, within a plat	\$394
+	New SFR drainage review, not within a plat	\$901
	Commercial/Multi-family drainage plan review	
+	Base Fee	\$759
	Plus, per total distributed area	
+	0 – .50 site acre	\$1,493
+	.51 – 1 site acre	\$2,060
+	1.1 – 2 site acres	\$3,763
+	2.1 – 5 site acres	\$8,261
+	5.1 – 10 site acres	\$950
+	More than 10 acres	\$11,077
	Traffic Impact Analysis review	
+	Level 1 (10 P.M. peak hour trips or less)	\$449
+	Level 2 (11-75 P.M. peak hour trips)	\$1,068
+	Level 3 (Over 75 P.M. peak hour trips)	\$2,136
+	Road standards variance	\$266
+	Drainage adjustment	\$266
+	Wet season work variance	Hourly

Small Project Grading permits:			
Projects that do not exceed 500 cubic yards (volume and disturbed area) and that do not require engineered drawings, as determined by the director.			\$399
Large Project Grading permits			
	Disturbed Area	Base fee	Per acre
	Up to 1 acre	\$234	\$1,050
	>1 acre	\$508	\$787
Engineering plan revision			Hourly
Engineering permit operation monitoring (inspection fee when not associated to a Bond Quantity Worksheet)			
The operation monitoring fee shall be calculated by adding the applicable amount from the Annual Volume Table (below) to an amount equal to \$215 per acre disturbed and not rehabilitated during the monitoring period, to a maximum of \$10,000.			
Annual Volume Table			
	Volume deposited or removed	Base Fee	Per 100 cubic yards
	0 to 3,000 cubic yards	\$0	\$131
	>3,000 to 10,000 cubic yards	\$3,404	\$22
	>10,000 to 20,000 cubic yards	\$5,018	\$7
	>20,000 to 40,000 cubic yards	\$5,711	\$3
	>40,001 cubic yards	\$6,244	\$2
Reclamation bond release inspection			\$342
Re-inspection of non-bonded actions			\$299
Substantial engineering permit inspection			Hourly
Construction inspections (when associated to a Bond Quantity Worksheet)			
Bond quantities worksheet amount (line T)		Initial fee + additional fee based on bond	
\$0 – \$30,000		\$284 + \$153 / \$1,000 bond	
>\$30,000 – 120,000		\$3,006 + \$65 / \$1,000 bond	
>\$120,000		\$8,934 + \$19 / \$1,000 bond	
Additional inspection after 1 year			Hourly
Maintenance bond inspections			
Bond quantities worksheet amount (line T)		Initial fee + additional fee based on bond	
\$0 – \$30,000		\$614 + \$20 / \$1,000 bond	
>\$30,000 – 120,000		\$1,026 + \$6 / \$1,000 bond	
>\$120,000		\$1,556 + \$2 / \$1,000 bond	

Engineering: Subdivision Plan Review and Inspections			
Short subdivision engineering plan review			
Short subdivision 4 lots or less			
	Base fee		\$2,784
	Plus per lot		\$278
Short subdivision 5 to 9 lots			
	Base fee		\$5,537
	Plus per lot		\$278
Short subdivision utility ROW permit review			\$272
Short subdivision utility ROW permit inspection			\$272

	Subdivision engineering plan review	
	Subdivision 30 lots or less	
+	Base fee	\$8,286
+	Plus per lot	\$45
	Subdivision 31 lots or more	
+	Base fee	\$8,957
+	Plus per lot	\$22
+	Subdivision utility ROW permit review	\$543
+	Subdivision utility ROW permit inspection	\$543
+	Multi-family engineering plan review (e.g., planned unit developments, townhomes, apartments, condominiums, etc.)."	
	30 units or less	
+	Base fee	\$8,286
+	Plus per lot	\$61
	31 units or more	
+	Base fee	\$9,224
+	Plus per lot	\$31
+	Utility ROW permit review	\$520
+	Utility ROW permit inspection	\$520
	Revisions and re-submittals	
+	Each occurrence	\$158
+	Additional/excessive review fee (applies to each review starting on the fourth review).	Hourly
	Construction inspections (when associated to a Bond Quantity Worksheet)	
	Bond quantities worksheet amount (line T)	Initial fee + additional fee based on bond
+	\$0 – \$30,000	\$284 + \$153 / \$1,000 bond
+	\$30,001 – 120,000	\$3,006 + \$65 / \$1,000 bond
+	\$120,000 or more	\$8,934 + \$19 / \$1,000 bond
	Additional inspections after 1 year	Hourly
	Subdivision final approval	
+	Final short subdivision 4 lots or less	\$2,564
+	Final short subdivision 5 to 9 lots	\$5,169
+	Final short subdivision alteration	\$953
+	Final subdivision 30 lots or less	
+	Base Fee	\$7,774
+	Plus per lot	\$93
+	Final subdivision 31 lots or more	
+	Base Fee	\$8,635
+	Plus per lot	\$63
+	Subdivision alteration	\$1,437
+	Modification of a recorded building envelope	\$721
+	Request for name change	\$256
+	Final planned unit development	\$6,045
+	Request for time extension	\$193
+	Request for name change	\$256
+	Final building site plan	\$4,110

	Subdivision – post final fees	
	Maintenance bond inspections	
	Bond quantities worksheet amount (line T)	Initial fee + additional fee based on bond
+	\$0 – \$30,000	\$614 + \$20 / \$1,000 bond
+	>\$30,000 – 120,000	\$1,026 + \$6 / \$1,000 bond
+	>\$120,000	\$1,556 + \$2 / \$1,000 bond

Building Permits		
Building permit fees are based on valuation. The table below establishes the permit fee from the valuation. Valuation is determined by type of construction and square footage or from a contractor's bid. The most recent edition of the Building Safety Journal determines the type of construction and square footage factor.		
With exception of fees collected by the City for other agencies (e.g., State Building Council Surcharge), building permit fees in this section do not apply to new accessory dwelling units (ADUs).		
Valuation Table		
Total Valuation	Fee	
+	\$1 – \$500	\$32
+	>\$500 – \$2,000	\$32 for the first \$500 plus \$4 for each additional \$100 or fraction thereof, to and including \$2,000.
+	>\$2,000 – \$25,000	\$93 for the first \$2,000 plus \$19 for each additional \$1,000 or fraction thereof, to and including \$25,000.
+	>\$25,000 – \$50,000	\$523 for the first \$25,000 plus \$13 for each additional \$1,000 or fraction thereof, to and including \$50,000.
+	>\$50,000 – \$100,000	\$860 for the first \$50,000 plus \$9 for each additional \$1,000 or fraction thereof, to and including \$100,000.
+	>\$100,000 – \$500,000	\$1,326 for the first \$100,000 plus \$8 for each additional \$1,000 or fraction thereof, to and including \$500,000.
+	>\$500,000 – \$1,000,000	\$4,302 for the first \$500,000 plus \$6 for each additional \$1,000 or fraction thereof, to and including \$1,000,000.
+	>\$1,000,000	\$7,484 for the first \$1,000,000 plus \$5 for each additional \$1,000 or fraction thereof.
Building plan review (except basic)		65% of the building permit
Building plan review (basic)		25% of the building permit
Additional plan review required for changes, additions or revisions to plans (minimum charge ½ hour)		Hourly
Mobile Homes		
+	Mobile Home permit	\$1,105
+	Temporary mobile home permit	\$1,027
+	Temporary mobile home permit for hardship	\$1,105
+	Non-insignia mobile home inspection	\$882
Re-roof permits		
+	Single-family residential	\$246
	Commercial and multi-family	Valuation Table
Condominium conversion review		
+	1 to 30 units	\$2,176

+	31 to 99 units	\$2,458
+	100 or more units	\$3,335
+	Plus per unit	\$370
	Special plan review	Hourly
	Pre-inspections	
+	Fire and flood damage	\$485
+	Minimum housing or other code compliance	\$485
+	Relocation of structure	\$398
+	Demolition inspection	\$398
	Re-inspection	Hourly
	Inspection outside of normal hours	Overtime hourly
	Inspection for which no fee is specifically indicate	Hourly
+	Permit extension or renewal	\$141
+	State Building Code Council surcharge (effective July 1, 2018)*	
	Residential building permits	
	Base Fee	\$6.50
	Plus per unit	\$2.00
	Commercial building permits	
	Base Fee	\$25.00
	Plus per unit	\$2.00

Plumbing Permits

Plumbing permit fees in this section do not apply to new accessory dwelling units

+	New single-family (one and two dwellings) and townhouses	\$943/unit
	Commercial and Multi-family	
	Plumbing Permit	Valuation Table
	Plumbing Permit Plan Review	65% of permit
	Alteration or additions to one and two-family dwellings and townhouses	
+	Base Fee	\$138
	Plus	
+	For each plumbing fixture on one trap or set of fixtures on one trap	\$14/each
+	Roof drain	\$14/each
+	Electric water heater	\$43/each
+	Water piping or water treating equipment	\$86/each
+	Back flow devices (other than atmospheric vacuum breakers)	\$86/each
+	Other	\$14/each

Mechanical Permits

Mechanical permit fees in this section do not apply to new accessory dwelling units

+	New single-family (one and two dwellings) and townhouses	\$441/unit
	Commercial and Multi-family	
	Mechanical Permit	Valuation Table
	Mechanical Permit Plan Review	65% of permit
	Alteration or addition to one and two-family dwellings and townhouses	
+	Base Fee	\$138
	Plus	

+	For the installation or relocation of each floor furnace, including vent	\$172
+	For the installation or relocation of each suspended heating, recessed wall heater or floor-mounted unit heater	\$86
+	For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$26
+	For the repair or alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system, including installation of controls regulated by the Mechanical Code	\$258
+	For each ventilation fan connected to a single duct	\$14
+	For each ventilation system which is not a portion of any heating or air conditioning system authorized by a permit	\$14
+	For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$14
+	Gas pipe (1-5 outlets)	\$86
+	Gas pipe (outlets over 5)	\$14/outlet
+	For each appliance or piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$172
+	Gas water heater	\$172
+	Heat pump	\$14

Transportation Impact Fees*		
ITE Land-Use Category	Net New Person Trips	Impact Fee
Single Mobility Unit Cost	N/A	\$4,592.00
Residential		
Single-family, detached	1.363 per dwelling unit	\$6,822.20 per dwelling unit
Single-family, attached (e.g., duplexes, triplexes, etc.) ITE #215	0.938 per dwelling unit	\$4,952.03 per dwelling unit
Multi-family, low rise (apartments, townhouses, and condominiums with at least 3 dwelling units) ITE #220	0.834 per dwelling unit	\$4,402.36 per dwelling unit
Multi-family, medium rise (apartments and condominiums; 4-10 floors of living space) ITE #221	0.638 per dwelling unit	\$3,366.51 per dwelling unit
Multi-family, senior adult housing (retirement communities, age-restricted housing, etc.) ITE #252	0.362 per dwelling unit	\$1,910.08 per dwelling unit
Low rise residential with ground floor commercial	0.87 per dwelling unit	\$4,594.30 per dwelling unit
Mobile home park	0.839 per dwelling unit	\$4,200.18 per dwelling unit
Affordable Housing, as defined in KMC 18.20		\$0 per dwelling unit (no fee)
Commercial		
Hotel	0.854 per room	\$4,899.76 per room

+ Marina	0.254 per berth	\$1,132.31 per berth
+ Golf Course	0.345 per acre	\$1,585.77 per acre
+ Movie Theater	0.103 per seat	\$340.07 per seat
+ Multipurpose recreational facility	4.361 per 1,000 SF	\$19.42 per 1,000 SF
+ Office, general	1.691 per 1,000 SF	\$12.35 per 1,000 SF
+ Office, medical	4.624 per 1,000 SF	\$31.85 per 1,000 SF
+ Shopping Plaza (40,000-150,000 SF, no supermarket)	4.173 per 1,000 SF	\$7.67 per 1,000 SF
+ Supermarket	6.973 per 1,000 SF	\$20.81 per 1,000 SF
+ Convenience Store 24-hour	29.298 per 1,000 SF	53.81 per 1,000 SF
+ Pharmacy with drive-through	12.505 per 1,000 SF	\$26.99 per 1,000 SF
+ Drive-in bank	16.629 per 1,000 SF	\$35.89 per 1,000 SF
+ Fast casual restaurant	7.638 per 1,000 SF	\$21.75 per 1,000 SF
+ Fast food with drive-through	20.103 per 1,000 SF	\$57.23 per 1,000 SF
+ Fast food with no drive-through	20.213 per 1,000 SF	\$57.55 per 1,000 SF
+ Gas station	8.466 per 1,000 SF	\$20,604.30 per 1,000 SF
+ Gas station with convenience store	11.211 per pump	\$27,284.77 per pump
Institutional		
Elementary school	0.195 per student	\$554.89 per student
Middle school	0.171 per student	\$485.53 per student
High School	0.182 per student	\$519.51 per student
Church	0.597 per 1,000 SF	\$3.15 per 1,000 SF
Library	9.94 per 1,000 SF	\$28.30 per 1,000 SF
Hospital	1.045 per 1,000 SF	\$7.49 per 1,000 SF
Nursing Home	0.724 per 1,000 SF	\$2.89 per 1,000 SF
Industrial		
General light industrial	0.612 per 1,000 SF	\$4.47 per 1,000 SF
Manufacturing	0.801 per 1,000 SF	\$5.85 per 1,000 SF
Mini-warehouse	0.162 per 1,000 SF	\$1.18 per 1,000 SF

SF = Square Feet

Parks Impact Fee*		
+ Single-family residence		\$4,586.75 per dwelling unit
+ Multi-family (includes duplex, triplex, townhomes, apartments, etc.)		\$3,518.28 per dwelling unit
+ Mobile Home		\$2,292.78 per dwelling unit
+ Affordable Housing, as defined in KMC 18.20		No fee

Schools Impact Fee*		
+ Single-family residence		\$16,957 per dwelling unit
+ Multi-family (includes duplex, triplex, townhomes, apartments, etc.)		\$4,214 per dwelling unit

Fire Department Review*		
+ The fire review fee are assessed per the approved contract with the Shoreline Fire Department for all single family, multi-family, and commercial projects.		

Limited Use Right-of-Way Permits (Types A, B, C & Beautification)		
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+ Application Fee (includes 1 hour review and 1 hour inspection)		\$229
Review fee in excess of 1 hour		Hourly
Inspection fee in excess of 1 hour		Hourly
Use Fee	Fee = (use area) x \$20 per sq. ft. x days of usage/365 or a minimum of \$100, whichever is greater	
Beautification Permit		No Fee

Access Right-of-Way Permits

+	Application Fee (includes 1 hour review and 1 hour inspection)		\$229
	Review fee in excess of 1 hour		Hourly
	Inspection fee in excess of 1 hour		Hourly
	Use Fee		
	Open to the Public		No fee
	Limited (not open to the public)	Fee = (use area) x value** x 25% or a minimum of \$100 whichever is greater	
**value of adjacent land (in area, sq ft) according to King County Assessor records			

Encroachment Right-of-Way Permits

+	Application Fee (includes 1 hour review and 1 hour inspection)		\$229
	Review fee in excess of 1 hour		Hourly
	Inspection fee in excess of 1 hour		Hourly
	Use Fee	Fee = (use area) x value1** x No. of Years x 12% or a minimum of \$100 whichever is greater	
**value of adjacent land (in area, sq ft) according to King County Assessor records			

Special Use Permits*

+	Application Fee (includes 1 hour review and 1 hour inspection)		\$229
+	Review fee in excess of 1 hour		Hourly
+	Inspection fee in excess of 1 hour		Hourly
+	Use Fee	Fee = (use area) x value1** x No. of Years x 12% or a minimum of \$100 whichever is greater	
**value of adjacent land (in area, sq ft) according to King County Assessor records			

Utility Right-of-Way Permits*: all Utility Franchises and any other utility company or agency installing, repairing, removing, and/or modifying telecommunication/cable facilities

+ Application		\$229
Review		Hourly
Inspection		Hourly
Use fee		No Fee
+ Permit Extension		\$314

	Violation of Lane Closure Hours	\$500
+	Accelerated Job Start	\$523
	Work Without a Permit	\$1,000
+	Attorney Fees for Use Agreements	Actual Cost
	See Section 4. Development Services for Current Hourly Rate	

+	Annual Use Payment for Use of Right-of-Way and City Owned Property*	
	Type of Equipment/Facility within the right-of-way	
+	Separate support structure (such as a monopole, fence, foundation, or lattice) used for wireless antenna, utility services, enclosures, antenna/receiver transmitters, and/or equipment cabinets	\$5,000/year
	Antenna/receiver transmitter (on an existing or replacement pole) and equipment cabinet	\$3,000/year
+	Antenna/receiver transmitter (on an existing or replacement pole) or equipment cabinet (but not both), underground facilities, or wires/cables only	\$2,000/year

State Route 522 driveway connection permit*

Fee structure. The following nonrefundable fee structure is established for the processing, review and inspection of the connection permit application. A description of each category can be found in section 12.85.040 of the KMC. Due to the potential complexity of Category II and Category III connection proposals, and required mitigation measures that may involve construction on SR 522, the city may require a developer agreement in addition to the connection permit.

The developer agreement may include, but is not limited to: plans; specifications; maintenance requirements; bonding requirements; inspection requirements; division of costs by the parties, where applicable; and provisions for payment by the applicant of actual costs incurred by the city in the review and administration of the applicant's proposal that exceed the required base fees in the following schedule:

Category I – Base fee for one connection:	
· Agricultural, forest, utility operation and maintenance	\$50
· Residential dwelling units (up to 10)- single connection	\$50/dwelling
· Other, with 100 average weekday vehicle trip ends	\$500
· Fee per additional connection point	\$50
Category II – Base fee for one connection:	
· Less than 1,000 average weekday vehicle trip ends	\$1,000
· 1,000 to 1,500 average weekday vehicle trip ends	\$1,500
· Fee per additional connection point	\$250
Category III - Base fee for one connection:	
· 1,500 to 2,500 average weekday vehicle trip ends	\$2,500
· Over 2,500 average weekday vehicle trip ends	\$4,000
· Fee per additional connection point	\$1,000
Category IV – Base fee per connection:	
	\$100
Surety Bond. Prior to the beginning of construction of any connection, the city may require the permit	

holder to provide a surety bond as specified in WAC 468-34-020(3).

Special Event Permit

Application Fee	100*
Actual and indirect cost for City personnel involvement in event traffic control, fire safety, or other facility or event support, and the use of City equipment and other nonpersonnel expense.	Actual Cost

Memorial Sign

Application fee and sign	\$300*
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5. Animal Care and Control

Animal License and Registration

Pet license - dog or cat	
Unaltered	\$60
Altered	\$30
Juvenile pet license - dog or cat	\$15
Discounted pet license - dog or cat	\$15
Replacement tag	\$5
Transfer fee	\$3
Guard dog registration	\$100
Exotic pet New	\$500
Renewal	\$250
Service animal	No fee
K-9 police dog	No fee

Late fees	
Received 45-90 days following license expiration	\$15
Received 90-135 days following license expiration	\$20
Received more than 135 days following license expiration	\$30
Received more than 365 days following license expiration	\$30 plus license fee(s) for any previous year pet was unlicensed

Animal Business and Activity Permits

Hobby kennel and hobby cattery license	\$50
Private animal placement permit	No fee

Civil Penalties

General	
No previous similar code violation within one year	\$50
One previous similar code violation within one year	\$100
Two previous similar code violation within one year	Double the rate of the previous penalty, up to a maximum of

	\$1,000.
Vicious animal or animal cruelty violations	
First violation within one year	\$500
Subsequent violations within one year	\$1,000
Dog leash law violations	
First violation within one year	\$25
Additional violation within one year	\$50
Animal abandonment	\$500
Unlicensed cat or dog	
Altered cat or dog	\$125
Unaltered cat or dog	\$250

Service Fees	
Adoptions – including licensing and spaying or neutering or the animal (based on adoptability/animal)	\$75-250
Spay or neuter deposit	\$150/animal
Impound or redemption - dogs, cats, or other small animals	
First impound within one year	\$45
Second impound within one year	\$85
Third impound within one year	\$125
Impound or redemption - livestock, small	\$45
Impound or redemption – livestock, large	\$45 or actual cost of sheltering, whichever is greater
Kenneling at King County animal shelter – per 24 hours or portion thereof in-field pick-up of an owner’s deceased unlicensed pet or pick-up of an unlicensed pet released voluntarily to the regional animal service section.	\$20
Owner-requested euthanasia (unlicensed pets)	\$50
Optional micro-chipping for adopted pets	\$25

6. Miscellaneous

Type	
Credit Card Service Fee	3%
NSF (insufficient funds charge for a returned payment)	\$25
Use of City owned property, other than right-of-way, for event parking, storage or similar use	\$100/day
City Sponsored Event - Vendor Fees	
Food Vendor	\$50/day
Craft Vendor	\$50/day
Non-Profit Booth or Vendor	\$10/day
City Hall Facility Rental Fees	
Weekday Rental (Tue-Fri) - Resident	\$25/hour
Weekday Rental (Tue-Fri) - Non-Resident	\$50/hour
Saturday Rental - Resident	\$75/hour
Saturday Rental - Non-Resident	\$125/hour
Audio/Visual Rental	\$25
Damage Deposit (refundable)	\$250 min.

The Hangar (Kenmore Residents Only)		
Damage Deposit (for groups ≥ 30 people)		\$100*
Damage & Food Deposit (for groups ≥ 30 people)		\$150*
*50% of deposit will be forfeited if the event exceeds reserved time over 10 minutes		
*100% of the deposit will be forfeited for "no-shows"		
Public Safety Fees		
First three false alarms		No fee
Fourth and fifth false alarms		\$50 each
Sixth and additional false alarms		\$100 each
Rhododendron Park Shelter Rental Fee		
Kenmore Residents all day		\$150
Kenmore Residents half day		\$75
Non-Kenmore Residents all day		\$200
Non-Kenmore Residents half day		\$100
Moorlands Park Athletic Fields		(athletic clubs may request up to a maximum 50% reduction if the club has at least 20% of eligible participants)
		\$22/hour
Franchise Agreements Negotiations		
General		Actual Cost
Cable TV		Actual Cost**
**Reimbursement of actual costs may be subject to federal regulations relating to 5% gross revenue franchise fee cap		
+ Right-of-Way Vacation		
+ Application fee		Hourly
+ Appraisal review		Actual cost
+ Public notification		Actual cost of supplies and postage, or a minimum of \$243, whichever is greater

7. Public Records Requests

Type	
Copy charges may be combined to the extent more than one type of charge applies to a particular request	
Review of requested records	No charge
Standard size black-and-white-photocopies (includes 8-1/2" x 11", 8-1/2"x14" and 11"x17")	
6 pages or less	No charge
7 or more pages (includes cost of first 6 pages)	15 cents/page
Scanned copies (converting a record from paper copy to an electronic format)	
10 pages or less	No charge
11 or more pages (including cost of first 10 pages)	10 cents/page
Uploading/attaching electronic files to digital storage media/device(s), a cloud-based storage or service, or emails (CD, DVD, thumb drive, email or cloud service).	
80 files or less	No charge
81 or more files (including cost of first 80 files)	5 cents/4 files
Transmission of public records in an electronic format	10 cents/gigabyte
Oversized documents such as building plans, maps, blueprints or large copy jobs	Actual Cost

Records copied to CD or DVD	\$1.00 per CD/DVD
Records copied to thumb/flash drive	Actual Cost
Mailing envelopes or packaging and postage	Actual Cost

8. Surface Water

Surface Water Management Service Charge		
Class	Impervious Area	2023 Rate
+ Residential	N/A	\$298.84 per parcel
+ Very Light	0 to ≤ 10%	\$298.84 per parcel
+ Light	> 10% to ≤ 20%	\$896.51 per acre
+ Moderate	> 20% to ≤ 45%	\$1,942.43 per acre
+ Moderately Heavy	> 45% to ≤ 65%	\$3,287.20 per acre
+ Heavy	> 65% to ≤ 85%	\$4,482.54 per acre
+ Very Heavy	> 85% to ≤ 100%	\$5,528.46 per acre
County Roads	N/A	N/A
State Highways	N/A	N/A

Rates are subject to utility tax per KMC 3.35.040.F

Stormwater Capital Facilities	
+ Single family residential development on a single parcel, including townhomes	\$3,700
+ Shelters for temporary placement, as defined in KMC 18.20.2540, or a low-income housing project that serves low-income persons, as determined by the city manager.	No fee
+ 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
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 G. Herbig (Nov 22, 2023 07:32 PST)

Nigel Herbig, Mayor

ATTEST/AUTHENTICATED:


Anastasiya Warhol (Nov 21, 2023 11:34 PST)

Anastasiya Warhol, City Clerk

APPROVED AS TO FORM:


Dawn Reitan (Nov 21, 2023 11:15 PST)

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

INVESTMENT POLICY (JUNE 2001)

Purpose

To establish the Official Investment Policy of the City of Kenmore for future operations and guidance.

Policy

It is the policy of the City of Kenmore to invest public funds in a manner consistent with the greatest safety and protection for the City's investments. This investing of funds will, while protecting the safety of the principal investment, produce the highest investment return for meeting cash flow requirements of the City and conform to all Washington State statutes, City ordinances and policies governing the investment of public funds.

Scope

This investment policy applies to all financial assets of the City of Kenmore. These funds are accounted for in the City's budget document and include:

Funds

General, Street Operating, Arterial Street, Municipal Capital, Capital Projects, Surface Water Management, Strategic Reserve, Equipment Replacement, any new funds created by the City Council, unless specifically exempted.

Prudence

The standard of prudence to be applied by the Investment Officer in managing the City's overall portfolio shall be the "Prudent Person Rule" which states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Public Trust

All participants in the investment process will seek to act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public scrutiny and evaluation. In addition, the overall investment program shall be designed and administered with a degree of professionalism worthy of the public trust. Investment officials shall also refrain from any transaction that might knowingly impair public confidence in the City's ability to govern effectively.

Objective

The funds of the City of Kenmore will be invested in accordance with the Constitution of the State of Washington, applicable statutes (Revised Code of Washington (RCW)), City ordinances, resolutions, and Council direction. The objectives are listed below in order of importance:

Safety

Safety of principal is the primary objective of the City's investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To achieve this objective, some diversification may be required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity

The City of Kenmore's investment portfolio will remain sufficiently liquid to enable the City of Kenmore to meet all operating requirements which might be reasonable anticipated.

Yield

The City of Kenmore's investment portfolio shall be designed with the objective of attaining a market rate of return (as it relates to the performance standards) throughout budgetary and economic cycles, taking into account the City of Kenmore's investment risk and the cash flow characteristics of the portfolio.

Delegation of Authority

The City Manager delegates management responsibility for the investment program to the Finance Director who will act as the City's Investment Officer. The Finance Director shall establish written procedures consistent with this investment policy. Procedures shall include reference to safekeeping, wire transfer agreements, custody agreements and investment related banking service contracts. Such procedures shall include explicit delegations of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Investment Committee

There is hereby created an Investment Committee consisting of the City Manager and Finance Director. The Investment Committee shall meet periodically to determine general strategies and monitor results.

Ethics of Conflicts of Interest

Officials and employees involved in the investment process shall refrain from personal business activity which could conflict with proper execution of the investment program, or which could impair their ability to make unbiased investment decisions. Employees and investment officials shall disclose to the City Council financial interests over \$5,000 in financial institutions that conduct business for the City, and they shall further disclose personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

Authorized Institutions

Authorized financial institutions will be limited to those that meet one or more of the following:

- Financial institutions approved by the Washington Public Deposit Protection Commission; or
- Primary dealers recognized by the Federal Reserve Bank; or
- Non-primary dealers or institutions qualified under U.S. Securities and Exchange Commission Rule 15c3-1, the Uniform Net Capital Rule, and a certified member of the National Association of Securities Dealers.

The Finance Director will ensure each financial institution meets the above criteria.

Authorized and Suitable Investments

The City of Kenmore is empowered to invest in the following types of securities:

- U.S. Treasury securities maturing in less than ten years;
- Short-term obligations of U.S. government agencies and instruments approved for investment purposes by the Investment Committee;
- Fully insured or collateralized certificates of deposit at commercial banks that are approved by the Washington Public Deposit Protection Commission (WPDPC) committee;
- Banker's Acceptances, purchased in the secondary market and having received the highest rating on the accepting bank's short-term obligations and the two (2) highest ratings on long-term debt by at least two (2) Nationally Recognized Statistical Ratings Organizations;
- Bonds or warrants of the State of Washington
- General obligation or utility revenue bonds of counties/cities located within Washington State; or,
- The State of Washington Local Government Investment Pool.

Authorized Investment Staff

- The Finance Director will direct the city's investment operations and will obtain written approval from the City Manager prior to transacting any business.

Collateralization

- Only securities authorized in statute for the investment of public funds will be accepted as collateral.
- Collateral will be held by a third party with which the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.
- The right of substitution is granted only upon approval of the entity.

Safekeeping and Custody

All securities transactions entered into by the City of Kenmore shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a financial institution designated by the Finance Director as primary agent to serve as a custodian acting on the City's behalf. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument, rate, maturity, and all other pertinent information. All securities purchased by the City of Kenmore shall be properly designated as an asset of the city, and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Finance Director as authorized herein, or by the Director's designee.

The City of Kenmore will execute custodial agreements with its banks or other custodial agents, which are chartered by the United States government or the State of Washington. Such agreements will include letters of authority from the City, details as to responsibilities of each party, notification of security purchases, sales and delivery agreements.

Diversification by Financial Institution, Security Type, and Maturity

The City of Kenmore will diversify its investments by security type, institution and maturity. Diversification will include the following limits:

Security Type	Portfolio Max. With One Fin. Inst.	Portfolio Max.	Maturity Max.
Banker's Accep. (BA)	10%	20%	Five years
Cert. Of Dep. (CD)	35%	90%	Five years
U.S. Treasuries	100%	90%	Ten years
U.S. Agencies	100%	90%	Five years
State of WA bonds	30%	20%	Five years
Local Govt. Bonds	30%	10%	Five years
State Pool (LGIP)	100%	100%	N/A

The average length of maturity will not exceed two years.

Internal Controls

The Finance Director shall establish an annual process of independent review by the State Auditor's Office or an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Performance Standards

The investment portfolio will be designed toward conservative and passive investments. The performance shall consider the City's investment risk constraints and cash flow needs. Maturities of investments shall be kept relatively shorter in periods of rising interest rates and relatively longer in periods of declining interest rates. Given this investment strategy, the City will use as investment yield benchmarks, the Federal Funds rate, the six-month U.S. Treasury bill rate, and the average rate of return from the Local Government Investment Pool (LGIP) of the State of Washington. The benchmarks will be the weighted-average of the following:

Portfolio Component	Benchmark
Certificates of Deposit	LGIP
LGIP	Federal Funds rate
Other securities	6-Month T-Bill

Reporting

The Finance Director is charged with the responsibility of including a quarterly market report on the investment activity. The report will include:

- Recent market conditions
- Investment strategies employed in the most recent quarter
- Portfolio investment securities, maturities, and other features
- Investment return compared to the target rate of return and budgetary expectations

Investment Policy Adoption

The City of Kenmore's investment policy shall be adopted by resolution of the City Council. Staff shall review the policy at least every two years and proposed changes will be submitted to the City Council.

INVESTMENT POLICY GLOSSARY

Banker's Acceptance (BA)	A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
Broker	A broker brings buyers and sellers together for a commission.
Certificate of Deposit (CD)	A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.
Collateral	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
Delivery Versus Payment (DVP)	An exchange of money for the securities.
Diversification	Dividing investment funds among a variety of securities offering independent returns.
Federal Deposit Insurance Corporation (FDIC)	A federal agency that insures bank deposits, currently up to \$100,000 per deposit.
Federal Funds Rate	The rate of interest at which Fed funds are traded (bank to bank.) This rate is currently pegged by the Federal Reserve throughout openmarket operations.
Liquidity	A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.
Local Government Investment Pool (LGIP)	The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.
Maturity	The date upon which the principal of an investment becomes due and payable.
Portfolio	Collection of securities held by an investor.
Prudent Person Rule	An investment standard. This is a legal term that means the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence seeking a reasonable income and preservation of capital.

INVESTMENT POLICY GLOSSARY (continued)

Qualified Public Depositories	A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.
Rate of Return	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond.
Safekeeping	A service to customers rendered by banks for a fee whereby securities of all types and descriptions are held in the bank's vaults for protection.
Safety	Protecting the principal amount of a security; ensuring the loss risk is very low.
Securities & Exchange Commission (SEC)	An agency created by Congress to protect investors in securities transactions by administering securities legislation.
SEC Rule 15c3-1	See Uniform Net Capital Rule.
Treasury Bills	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued at three, six or twelve months.
Treasury Bonds	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.
Uniform Net Capital Rule	Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also call net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.
Yield	The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. The yield to maturity is the current income yield minus any premium or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

GLOSSARY AND ACRONYMS

Accounting System	The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity.
Accrual Basis of Accounting	The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time), and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).
Ad Valorem Taxes	A tax levied on the assessed value of real property.
Allocation	To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.
Appropriation	An authorization made by the City Council, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.
Appropriations Ordinance	The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.
ARCH	A Regional Coalition for Housing created by Eastside cities and King County, Washington, to preserve and increase the supply of housing for low- and moderate-income households.
Assessed Valuation	The estimated value placed upon real and personal property by the King County Assessor as the basis for levying property taxes.
Assigned Fund Balance	Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
Audit	A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to: a) ascertain whether financial statements fairly represent the entity's financial position and result of operations; b) test whether transactions have been legally performed; c) identify areas for possible improvements in accounting practices and procedures; d) ascertain whether transactions have been recorded accurately and consistently; and e) ascertain the stewardship of officials responsible for governmental resources.

GLOSSARY AND ACRONYMS (continued)

BARS	Budgeting and Accounting Reporting System for the State of Washington.
Base Budget	Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.
Band Anticipation Note (BAN)	Notes issued in anticipation of bonds.
Budget	(Operating) A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure limits by which the City and its departments operate.
Budget Calendar	The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.
Budget Document	An official written document which functions as a policy document, an operational guide, a communications device and a legally required financial planning tool for the City Council, the citizens, and other interested parties.
Capital Assets	Assets of significant value, usually over \$15,000, and having a useful life of several years. Capital assets are also called fixed assets and may include land, building, equipment, fixtures, furniture and improvements.
Capital Improvement Program (CIP)	A plan of proposed capital expenditures and the means of financing them. The capital improvement program may be enacted as part of the complete annual budget, including both operating and capital outlays. The capital improvement program is based on the Capital Facilities Element of the Comprehensive Plan. Also Known as the Capital Facilities Plan (CFP) or Capital Budget.
Capital Outlay	Expenditures which result in the acquisition of, or additions to, fixed assets. Examples include land, buildings, machinery and equipment, and construction projects.
Cash Basis of Accounting	The method of accounting that records revenues only when they are actually received and expenditures only when cash is paid.
Committed Fund Balance	Is a classification which includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

GLOSSARY AND ACRONYMS (continued)

Congestion Management & Air Quality (CMAQ)	These are federal grant funds that require a twenty percent (20%) local match. Funds must be used on transportation projects that are intended to improve air quality.
Contingency	A budgetary reserve for emergencies or unforeseen expenditures for which specific appropriations have not been possible. A tax levied on the assessed value of real property.
Consumer Price Index (CPI)	Published by the Bureau of Labor Statistics, it produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
Cost Center	An organizational budget/operating unit or division within the General Fund.
Current Expense Fund	The fund used to pay the expenses and liabilities of the City's general operations, services and programs, commonly called the General Fund.
Debt Limitation	For general municipal purposes, the City is limited to non-voted debt of 1.5% of the value of taxable property within the City. With a 60% majority vote, the City may issue debt of up to 2.5% of the value of taxable property for general purposes. With voter approval, the City may also issue debt of up to an additional 2.5% for municipal utilities, and an additional 2.5% for acquiring or developing open space and parks facilities.
Deficit	An excess of expenditures over revenues.
Delinquent Taxes	Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived, and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.
Designated Fund Balance	A portion of unreserved fund balance designated for a specific future use.
Direct Debt	The sum of total bonded debt plus any unfunded debt for which the City has pledged its full faith and credit. This does not include the debt of overlapping jurisdictions.

GLOSSARY AND ACRONYMS (continued)

Double Budgeting	The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice, once in each fund's budget. The revenue side of both funds is similarly inflated.
Encumbrance	The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.
Ending Fund Balance	The cash balance remaining at the end of the year available for appropriation in future years.
Enterprise Fund	A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business.
ESCA	Emergency Services Coordinating Agency whose mission is to coordinate and assist member cities to be better prepared for disaster through mitigation, preparedness, response and recovery activities.
Expenditures	Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received, or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.
Federal Emergency Management Agency (FEMA)	An agency that provides funding for hazard mitigation and disaster recovery.
Fiduciary Fund Type	The trust and agency funds used to account for assets held by the City in a trustee capacity.
Fiscal Year	A twelve (12) month period designated as the operating year by an entity. For the City of Kenmore, the fiscal year is the same as the calendar year (also called budget year).
Fixed Assets	Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, improvements other than buildings, and land.
FTE	Full-time equivalent; the number of commensurable hours equivalent to those of a regular, full-time employee (2,080 hours per year).

GLOSSARY AND ACRONYMS (continued)

Fund	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.
Fund Balance	Fund balance (or fund equity) is an accumulation of revenues minus expenditures. Each fund maintained by the city has a fund balance.
GAAP	Generally Accepted Accounting Principles is a term used to refer to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards.
GASB	Governmental Accounting Standards Board whose mission is to establish and improve standards of state and local governmental accounting and financial reporting.
General Fund	The fund supported by taxes, fees, and other revenues that may be used for any lawful purpose.
General Obligation Bonds	Also known as GO Bonds, are used to finance a variety of public projects such as streets, buildings, and capital improvements. Bonds are repaid from excess property taxes and are backed by the full faith and credit of the issuing government. The issuance of Unlimited General Obligation Bonds must be submitted to voters for approval. The City can also issue Councilmanic General Obligation Bonds which are non-voted.
GFOA	Government Finance Officers Association
Grant	A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.
HMA	Hot mix asphalt, a type of asphalt pavement.
IPD	Implicit Price Deflator, which is an index, used by the State to determine allowable annual growth in inflation for the purposes of property tax calculations.
Infrastructure	The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e., streets, roads, sewer, and water systems.

GLOSSARY AND ACRONYMS (continued)

Internal Service Fund	Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.
KMC	Kenmore Municipal Code.
LEED	Leadership in Energy & Environmental Design is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies intended to improve performance in metrics such as energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.
Levy	(1) To impose taxes, special assessments or service charges for the support of governmental activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.
Levy Lid	A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.
LID	Local Improvement District is a district formed to provide any improvement it has the authority to provide, impose special assessments on all property specially benefited by the improvement, and issue special assessment bonds or revenue bonds to fund the costs of the transportation improvements.
LID	Low Impact Development is an approach to land development (or re-development) that works with nature to manage storm water as close to its source as possible.
Mill	The property tax rate, which is based on the valuation of property. A tax rate of one mill produces one dollar (\$1) of taxes on each \$1,000 of property valuation.
Mitigation Fees	Contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from a development.
Modified Accrual Basis	The basis of accounting under which expenditures (other than accrued interest on long-term debt) are recorded at the time liabilities are incurred, and revenues are recorded when measurable and available to extinguish current liabilities.
Modified Cash Basis	The cash basis of accounting adjusted for Washington State statutes RCW 35.33.151 and RCW 35A.33.150 that require cities to keep their books open in order to pay December bills by the following January 20.

GLOSSARY AND ACRONYMS (continued)

MRSC	The Municipal Research and Services Center is a private, nonprofit organization based in Seattle, Washington whose mission is to promote excellence in Washington local government through professional consultation, research and information services.
Non-operating Expense	An expense which is not directly related to the provision of the services, such as debt repayments.
Non-operating Revenue	Revenue which is generated from other sources not directly related to service activities, such as investment interest.
Nonspendable Fund Balance	The portion of fund balance represented by amounts such as the value of inventories which are considered to be nonspendable.
NPDES	As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States.
NPRSA	Northshore Parks & Recreation Service Area.
Operating Funds	Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.
Operating Transfer	Routine and/or recurring transfers of assets between funds.
Ordinance	A statute or regulation enacted by City Council.
Other Services and Charges	A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, rentals and leases, insurance, public utility services, repairs and maintenance, and miscellaneous.
Park Impact Fees	A charge to be paid by new development for its “fair share” of the system improvements cost of parks and recreational facilities that are required to serve the development (RCW 82.02.050-090).
PBB	Priority-based budgeting, a mission- and results-driven process for reassessing budget priorities in order to make sound, long-term funding decisions.
Performance Measures	Specific quantitative and qualitative measures that provide a means of analyzing the effectiveness and efficiency of a work product.

GLOSSARY AND ACRONYMS (continued)

PERS	Public Employees Retirement System provided by the State of Washington.
Personnel Benefits	Those benefits paid by the City as part of the conditions of employment. Examples include insurance and retirement benefits.
Program	A specific and distinguishable unit of work or service performed.
PROS	Park, Recreation and Open Space Plan
Public Facilities	The capital owned or operated by the City or other governmental entities.
PSRC	Puget Sound Regional Council which is a council of governments representing the Puget Sound region of western Washington to assist member agencies with the administration of government, community development, planning of municipal facilities, and road improvements.
RCW	Revised Code of Washington.
REET	(Real Estate Excise Tax): A tax upon the sale of real property from one person or company to another.
Reserve	An account used to indicate that a portion of the fund equity is legally restricted for a specific purpose.
Resolution	A formal statement of a decision or expression of an opinion of the City Council.
Resources	Total dollars available for appropriations, including estimated revenues, fund transfers, and beginning fund balances.
Restricted Fund Balance	The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
Revenue	Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income, and miscellaneous revenue.
Revenue Estimate	A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

GLOSSARY AND ACRONYMS (continued)

Salaries and Wages	Amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and temporary help.
Supplemental Appropriation	An appropriation approved by the Council after the initial budget appropriation.
Supplies	A basic classification of expenditures for articles and commodities purchased for consumption. Examples include office and operating supplies, fuel, power, water, gas, and small tools and equipment.
Surface Transportation Program (STP)	Available grants for transportation construction projects. These funds are allocated by the State and Federal block grants to cities and counties.
TAP	Transportation Alternatives Program, which provides funding for programs and projects defined as alternatives, such as pedestrian and bicycle facilities, recreational trail program projects, and safe routes to school projects.
Tax	Charge levied by a government to finance services performed for the common benefit.
Tax Anticipation Notes (TANS)	Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically used by school districts).
Tax Levy Ordinance	An ordinance through which taxes are levied.
TBD	Transportation Benefit District is a quasi-municipal corporation with independent taxing authority, including the authority to impose property taxes and impact fees for transportation purposes.
TIB	Transportation Improvement Board.
TIP	Transportation Improvement Plan is required to be prepared annually and prioritizes transportation projects and potential funding sources.
TMDL	Total Maximum Daily Load is a calculation of the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards.

GLOSSARY AND ACRONYMS (continued)

Transportation Impact Fees	A charge to be paid by new development for its “fair share” of the system improvements cost of parks and recreational facilities that are required to serve the development (RCW 82.02.050-090).
Unassigned Fund Balance	This is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications (assigned, unassigned, committed, restricted, nonspendable). In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.
WSDOT	Washington State Department of Transportation