



## CITY COUNCIL REGULAR MEETING AGENDA

[www.covingtonwa.gov](http://www.covingtonwa.gov)

Tuesday, October 28, 2014

7:00 p.m.

City Council Chambers

16720 SE 271<sup>st</sup> Street, Suite 100, Covington

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*Note: A Joint Meeting with the Arts Commission is scheduled from 6:00 to 7:00 p.m.*

### CALL CITY COUNCIL REGULAR MEETING TO ORDER

### ROLL CALL/PLEDGE OF ALLEGIANCE

### APPROVAL OF AGENDA

### PUBLIC COMMUNICATION – NONE

**PUBLIC COMMENT** Speakers will state their name, address, and organization. Comments are directed to the City Council, not the audience or staff. Comments are not intended for conversation or debate and are limited to no more than four minutes per speaker. Speakers may request additional time on a future agenda as time allows.\*

### APPROVE CONSENT AGENDA

- C-1. Minutes: September 9, 2014 Regular Meeting; September 23, 2014 Regular Meeting; and September 30, 2014 Special Meeting (Scott)
- C-2. Vouchers (Hendrickson)

### REPORTS OF COMMISSIONS

- Human Services Chair Fran McGregor: October 9 meeting.
- Parks & Recreation Chair Steven Pand: October 15 meeting.
- Arts Chair Lesli Cohan: October 9 meeting.
- Economic Development Council Co-Chair Jeff Wagner: October 23 meeting; September 25 meeting canceled.
- **Future Meetings:** Planning: Next meeting November 6; both October meetings canceled.

### PUBLIC HEARING

1. Receive Testimony from the Public Regarding 2015 Revenues Sources and Possible Increase in Property Tax Revenues (Hendrickson/Parker)

### NEW BUSINESS

2. Select Aquatic Center Temporary Art (Patterson)
3. Consider Appointment to Arts Commission (Patterson)
4. Discuss Animal Control Contract Extension (Hendrickson)
5. Discuss Surface Water Management Rate Study (Vondran)

### COUNCIL/STAFF COMMENTS - Future Agenda Topics

**PUBLIC COMMENT** \*See Guidelines on Public Comments above in First Public Comment Section

### EXECUTIVE SESSION – If Needed

### ADJOURN

*For disability accommodation contact the City of Covington at 253-480-2400 a minimum of 24 hours in advance. For TDD relay service, dial (800) 833-6384 and ask the operator to dial 253-480-2400*

**Consent Agenda Item C-1**

Covington City Council Meeting

Date: October 28, 2014

SUBJECT: APPROVAL OF MINUTES: SEPTEMBER 9, 2014 CITY COUNCIL REGULAR MEETING MINUTES; SEPTEMBER 23, 2014 CITY COUNCIL REGULAR MEETING MINUTES; AND SEPTEMBER 30, 2014 CITY COUNCIL SPECIAL MEETING MINUTES

RECOMMENDED BY: Sharon G. Scott, City Clerk

ATTACHMENT(S): Proposed Minutes

PREPARED BY: Joan Michaud, Senior Deputy City Clerk

EXPLANATION:

ALTERNATIVES:

FISCAL IMPACT:

CITY COUNCIL ACTION: \_\_\_\_\_ Ordinance \_\_\_\_\_ Resolution  X  Motion \_\_\_\_\_ Other

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to approve the September 9, 2014 City Council Regular Meeting Minutes; September 23, 2014 City Council Regular Meeting Minutes; and September 30, 2014 City Council Special Meeting Minutes.**

**City of Covington**  
**Regular City Council Meeting Minutes**  
**Tuesday, September 9, 2014**

(This meeting was recorded and will be retained for a period of six years from the date of the meeting).

The Regular Meeting of the City Council of the City of Covington was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, September 9, 2014, at 7:10 p.m., with Mayor Margaret Harto presiding.

**COUNCILMEMBERS PRESENT:**

Margaret Harto, Marlla Mhoon, Jim Scott, and Wayne Snoey.

**COUNCILMEMBERS ABSENT:**

Joe Cimaomo, Mark Lanza, and Jeff Wagner.

**Council Action: Councilmember Snoey moved and Councilmember Mhoon seconded to excuse Councilmembers Cimaomo and Lanza and Mayor Pro Tem Wagner. Vote: 4-0. Motion carried.**

**STAFF PRESENT:**

Rob Hendrickson, Interim City Manager; Don Vondran, Public Works Director; Noreen Beaufre, Personnel Manager; Casey Parker, Deputy Finance Director; Kevin Klason, Covington Police Chief; Richard Hart, Community Development Director; Karla Slate, Communications & Marketing Manager; Scott Thomas, Parks & Recreation Director; Sara Springer, City Attorney; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Harto opened the meeting with the Pledge of Allegiance.

**APPROVAL OF AGENDA:**

**Council Action: Councilmember Mhoon moved and Councilmember Snoey seconded to approve the Agenda as amended to postpone the Fire Prevention Week Proclamation to the next regular council meeting on September 23 and to move Consent Agenda Item C-3 to the first item of New Business. Vote: 4-0. Motion carried.**

**PUBLIC COMMUNICATION:**

- Lila Henderson, Executive Director of Maple Valley Food Bank, accepted the Saturday, September 27, 2014, Mayor's Day of Concern for the Hungry Proclamation.
- Personnel & Human Services Analyst Victoria Throm accepted the October 2014 Domestic Violence Awareness Month Proclamation.

**PUBLIC COMMENT:**

Mayor Harto called for public comments.

Unapproved Draft – September 9, 2014 Regular Meeting Minutes  
Submitted for Approval: October 28, 2014

**Mary Pritchard, 26103 197<sup>th</sup> Avenue SE, Covington resident**, requested council to consider a ban on plastic bags and Styrofoam take-out containers.

There being no further comments, Mayor Harto closed the public comment period.

**APPROVE CONSENT AGENDA:**

C-1. Minutes: June 3, 2014 City Council Special Joint Meeting with Black Diamond & Maple Valley Minutes and June 24, 2014 City Council Regular Meeting Minutes.

C-2. Vouchers: Vouchers #31377-31437, including ACH Payments, in the Amount of \$452,587.81, Dated August 5, 2014; Vouchers #31438-31439, in the Amount of \$6,849.55, Dated August 14, 2014; Vouchers #31440-31494, including ACH Payments, in the Amount of \$244,480.88, Dated August 19, 2014; Paylocity Payroll Checks #1002732253-1002732267 and Paylocity Payroll Checks #1002732420-1002732420 and City of Covington Vouchers #5015-5015 Inclusive, Plus Employee Direct Deposits in the Amount of \$221,806.44, Dated August 15, 2014; and Paylocity Payroll Checks #1002778667-1002778683 Inclusive, Plus Employee Direct Deposits in the Amount of \$170,999.61, Dated August 29, 2014.

**Council Action: Councilmember Snoey moved and Councilmember Mhoon seconded to approve the Amended Consent Agenda. Vote: 4-0. Motion carried.**

**PUBLIC HEARING:**

1. Receive Comments and Consider Ordinance Adopting Proposed 2014 Comprehensive Plan Amendments.

Community Development Director Richard Hart gave the staff report on this item.

Mayor Harto called for public comments for the public hearing.

There being no public comments, Mayor Harto closed the comment period for the public hearing.

ORDINANCE NO. 11-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON UPDATING THE CITY OF COVINGTON COMPREHENSIVE PLAN BY AMENDING THE PARK AND RECREATION ELEMENT, CHAPTER 6; AND AMENDING THE CAPITAL FACILITIES PLAN ELEMENT, CHAPTER 10; PROVIDING FOR SEVERABILITY; AND SETTING THE EFFECTIVE DATE.

**Council Action: Councilmember Mhoon moved and Councilmember Snoey seconded to adopt Ordinance No. 11-14 relating to amendments to the Park and Recreation Element**

**and the Capital Facilities Plan Element of the City’s Comprehensive Plan. Vote: 4-0. Motion carried.**

**CONTINUED BUSINESS:**

2. Review and Direction on Potential Amendments to the Temporary Sign Code.

Community Development Director Richard Hart gave the staff report on this item.

Councilmembers provided comments and asked questions, and Mr. Hart and City Attorney Sara Springer provided responses.

**Council Action: There was Council consensus to direct staff to proceed with Option No. 3: to schedule another study session with the council to discuss areas of concern, how the previous policy direction compares to the existing sign code, highlight areas where that policy direction is more restrictive or less restrictive than the existing sign code, and provide any additional information to the council, as requested, to assist in making policy decisions.**

**NEW BUSINESS:**

3. (Previously C-3). Award Bid for 156<sup>th</sup> Avenue SE Pavement Rehabilitation.

Councilmembers provided comments and asked questions, and Mr. Vondran provided responses.

**Council Action: Councilmember Snoey moved and Councilmember Scott seconded to award the bid of the 156<sup>th</sup> Avenue SE Rehabilitation Project to Icon Materials in the amount of \$266,291.00. Vote: 4-0. Motion carried.**

**Council Action: Councilmember Scott moved and Councilmember Snoey seconded to authorize the Interim City Manager to execute a task order with the city’s on-call consultant, Gray & Osborne, for construction management not to exceed \$33,000. Vote: 4-0. Motion carried.**

4. (Previously 3). Approve School Resource Officer Agreement.

Covington Police Chief Kevin Klason provided the staff report for this item.

Councilmembers provided comments and asked questions, and Chief Klason provided responses.

**Council Action: Councilmember Snoey moved and Councilmember Mhoon seconded to authorize the Interim City Manager to enter into an agreement with Kent School District in substantial form of the proposed agreement, providing for a School Resource Officer. Vote: 4-0. Motion carried.**

5. (Previously 4). Annual Aquatics Update Presentation.

Aquatics Supervisor Rachel Bahl gave a PowerPoint presentation on this item.

Councilmembers provided comments and asked questions, and Ms. Bahl provided responses.

**COUNCIL/STAFF COMMENTS:**

Councilmembers and staff discussed Future Agenda Topics and made comments.

Personnel Manager Noreen Beaufrere asked for council consensus regarding two items on the Draft City Manager Recruitment Brochure.

**Council Action: There was Council consensus to keep the city manager salary range at the current level and keep the application deadline of October 19,**

**PUBLIC COMMENTS:**

Mayor Harto called for public comments.

There being no comments, Mayor Harto closed the public comment period.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 8:45 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
City Clerk

**City of Covington  
Regular City Council Meeting Minutes  
Tuesday, September 23, 2014**

(This meeting was recorded and will be retained for a period of six years from the date of the meeting).

The Regular Meeting of the City Council of the City of Covington was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, September 23, 2014, at 7:05 p.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

Margaret Harto, Joe Cimaomo, Mark Lanza, Marlla Mhoon, Jim Scott, Wayne Snoey (arrived @ 7:25 p.m.), and Jeff Wagner.

**Council Action: Councilmember Scott moved and Councilmember Mhoon seconded to excuse Councilmember Snoey who would be arriving late. Vote: 6-0. Motion carried.**

**STAFF PRESENT:**

Rob Hendrickson, Interim City Manager; Don Vondran, Public Works Director; Noreen Beaufrere, Personnel Manager; Casey Parker, Deputy Finance Director; Kevin Klason, Covington Police Chief; Richard Hart, Community Development Director; Scott Thomas, Parks & Recreation Director; Sara Springer, City Attorney; Bob Lindskov, City Engineer; Shellie Bates, Programs Supervisor; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Harto opened the meeting with the Pledge of Allegiance.

**APPROVAL OF AGENDA:**

**Council Action: Councilmember Cimaomo moved and Councilmember Lanza seconded to approve the Agenda.**

**Mayor Pro Tem Wagner moved and Councilmember Scott seconded to approve the Agenda as amended to move Council/Staff Comments – Future Agenda Topics to after the Public Hearing and before Continued Business and to add an Executive Session after Continued Business and before New Business. Vote: 6-0. Motion carried.**

**PUBLIC COMMUNICATIONS:**

- Captain Kyle Ohashi, Kent Regional Fire Authority, accepted a proclamation for Fire Prevention Week.

**PUBLIC COMMENT:**

Mayor Harto called for public comments.

There being no comments, Mayor Harto closed the public comment period.

**APPROVE CONSENT AGENDA:**

C-1. Minutes: City Council July 8, 2014 Regular Meeting Minutes and City Council July 22, 2014 Regular Meeting Minutes.

C-2. Vouchers: Vouchers #31495-31542, including ACH Payments, in the Amount of \$202,176.99, Dated September 2, 2014; and Paylocity Payroll Checks #1002824137-1002824155 and Paylocity Payroll Checks #1002824172-1002824172 Inclusive, Plus Employee Direct Deposits in the Amount of \$163,266.78, Dated September 12, 2014.

C-3. Award Street Sweeping Contract.

**Council Action: Mayor Pro Tem Wagner moved and Councilmember Mhoon seconded to approve the Consent Agenda. Vote: 6-0. Motion carried.**

**REPORTS OF COMMISSIONS:**

**Human Services Commission** – Chair Fran McGregor reported on the August 14 and September 11 meetings.

**Parks & Recreation Commission** – Chair Steven Pand reported on the August 20 meeting; the September 17 meeting was canceled.

**Planning Commission** – Community Development Director Richard Hart reported on the August 21 and September 18 meetings; the September 4 meeting was canceled.

**Arts Commission** – Vice Chair Ed White reported on the August 14 and September 11 meetings.

**Economic Development Council** – Co-Chair Jeff Wagner reported that the July 24 and August 28 meetings.

**PUBLIC HEARING:**

1. Receive Comments and Consider Ordinance Extending Recreational Marijuana Interim Zoning Regulations.

Community Development Director Richard Hart gave the staff report on this item.

Mayor Harto called for public comments for the public hearing.

There being no comments, Mayor Harto closed the public comment period for the public hearing.

ORDINANCE NO. 12-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
COVINGTON, WASHINGTON, AMENDING ORDINANCE NO.  
06-14 TO EXTEND THE INTERIM ZONING REGULATIONS

FOR RECREATIONAL MARIJUANA PRODUCTION, PROCESSING, AND RETAIL USES FOR AN ADDITIONAL SIX MONTHS; PROVIDING FOR A PUBLIC HEARING ON THE EXTENSION; ADOPTING FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

**Council Action:** Mayor Pro Tem Wagner moved and Councilmember Snoey seconded to adopt Ordinance No. 12-14 extending the interim zoning regulations for recreational marijuana production, processing, and retail uses for an additional six months. Vote: 7-0. Motion carried.

**COUNCIL/STAFF COMMENTS:**

Councilmembers and staff discussed Future Agenda Topics and made comments.

**CONTINUED BUSINESS:**

2. Continue Discussion of Right of Way Design Guidelines.

Public Works Director Don Vondran gave the staff report on this item.

Councilmembers provided comments and asked questions, and Mr. Vondran provided responses.

**Council Action:** There was Council consensus to direct staff to present the design options to the Arts Commission to receive commissioners' input and ideas regarding an art element.

**EXECUTIVE SESSION:**

Potential Litigation. (RCW 42.30.110(1)(i)) from 8:03 to 8:37 p.m.

Mayor Harto announced the City Council would move into Executive Session for 20 minutes. At 8:20 p.m. Interim City Manager Rob Hendrickson announced the Executive Session would continue for another 10 minutes.

**NEW BUSINESS:**

3. Adopt Hazard Mitigation Plan Resolution.

Public Works Director Don Vondran gave the staff report on this item.

Councilmembers provided comments and compliments.

RESOLUTION NO. 14-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, AUTHORIZING THE ADOPTION OF THE CITY OF COVINGTON HAZARD MITIGATION PLAN.

**Council Action: Councilmember Snoey moved and Mayor Pro Tem Wagner seconded to pass Resolution No. 14-16 adopting the City of Covington Hazard Mitigation Plan. Vote: 7-0. Motion carried.**

4. Discuss Letter to School District on Waiver of School Impact Fees for Town Center Mixed-Use Project.

Councilmember Lanza recused himself from this item and left the Council Chambers.

Community Development Director Richard Hart gave the staff report on this item.

**Council Action: Councilmember Mhoon moved and Councilmember Scott seconded to authorize the Mayor to work with city staff to draft and send a letter on behalf of the City Council to the Kent School District and the Kent School District Board indicating the City's position that it retains the authority to implement the low income school impact fee exemption. Vote: 6-0. Motion carried.**

Councilmember Lanza returned to the Council Chambers and rejoined the meeting at 9:03 p.m.

**PUBLIC COMMENTS:**

Mayor Harto called for public comments.

There being no comments, Mayor Harto closed the public comment period.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 9:05 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
City Clerk

**City of Covington  
City Council Special Meeting Minutes  
Tuesday, September 30, 2014**

The Special Meeting was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, September 30, 2014, at 5:00 p.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

Margaret Harto, Joe Cimaomo, Mark Lanza, Marlla Mhoon, Jim Scott, and Jeff Wagner.

**COUNCILMEMBERS ABSENT:**

Wayne Snoey.

**Council Action: Councilmember Mhoon moved and Councilmember Scott seconded to excuse Councilmember Snoey who had a work conflict. Vote: 6-0. Motion carried.**

**STAFF PRESENT:**

Rob Hendrickson, Interim City Manager; Richard Hart, Community Development Director; Sara Springer, City Attorney; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto called the special meeting to order.

**APPROVAL OF AGENDA:**

**Council Action: Mayor Pro Tem Wagner moved and Councilmember Mhoon seconded to approve the agenda. Vote: 6-0. Motion carried.**

**EXECUTIVE SESSION:**

Potential Litigation. (RCW 42.30.110(1)(i)) from 5:03 to 5:49 p.m.

Mayor Harto announced the City Council would move into Executive Session for 20 minutes after which no further action was anticipated. At 5:21 p.m. it was announced the Executive Session would continue for another 10 minutes. At 5:35 it was announced the Executive Session would continue for another five minutes. At 5:43 it was announced the Executive Session would continue for another five minutes.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 5:50 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
City Clerk

**Consent Agenda Item C-2**

Covington City Council Meeting

Date: October 28, 2014

SUBJECT: APPROVAL OF VOUCHERS

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Vouchers #31641-31693, including ACH Payments and Electronic Funds Transfers in the Amount of \$435,786.66, Dated October 14, 2014.

PREPARED BY: Joan Michaud, Senior Deputy City Clerk

EXPLANATION: Not applicable.

ALTERNATIVES: Not applicable.

FISCAL IMPACT: Not applicable.

CITY COUNCIL ACTION: \_\_\_\_\_ Ordinance \_\_\_\_\_ Resolution  X  Motion \_\_\_\_\_ Other

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to approve for payment Vouchers #31641-31693, including ACH Payments and Electronic Funds Transfers in the Amount of \$435,786.66, Dated October 14, 2014.**

October 14, 2014

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 31641 through Check # 31693, including ACH payments and electronic funds transfers

In the Amount of \$435,786.66

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claims are just, due and unpaid obligations against the City of Covington, Washington, County of King, and that we are authorized to authenticate and certify said claims per the attached register.

\_\_\_\_\_  
Cassandra Parker  
Interim Deputy Finance Director

\_\_\_\_\_  
Mark Lanza  
City Councilmember

\_\_\_\_\_  
Wayne Snoey  
City Councilmember

\_\_\_\_\_  
Marlla Mhoon  
City Councilmember

Council Meeting Date Approved \_\_\_\_\_

# Accounts Payable

## Checks by Date - Detail by Check Date

User: scles  
 Printed: 10/16/2014 4:18 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	0418 20145	Olympic Environmental Resource Fall recycling event implementation	10/14/2014	14,323.75
Total for this ACH Check for Vendor 0418:				14,323.75
ACH	0819 0819-10 0819-10 14-10	Don Vondran Vondran; APWA conference, mileage, per diem Vondran; APWA conference, mileage, per diem Vondran; 2014 flexible spending	10/14/2014	68.69 68.69 79.00
Total for this ACH Check for Vendor 0819:				216.38
ACH	0973 1774	Public Finance Inc. LID administration; 4th quarter 2014	10/14/2014	121.50
Total for this ACH Check for Vendor 0973:				121.50
ACH	1408 1605 1624 1666 1666 1666	Washington Workwear Stores Inc. Parrish/Wesley; ball caps Parrish/Wesley/Buck/Lindskov; ball caps Gaudette; safety glasses Gaudette; safety glasses Gaudette; safety glasses	10/14/2014	52.30 165.79 6.94 6.94 3.47
Total for this ACH Check for Vendor 1408:				235.44
ACH	1622 14-CV09	Law Offices of Thomas R Hargan, PLLC Prosecution services through 9/30/14	10/14/2014	4,547.38
Total for this ACH Check for Vendor 1622:				4,547.38
ACH	1688 054257-10 054257-10 054257-10 054257-10 054257-10	Mountain Mist Aquatics; bottled water, September Maint shop; bottled water, September City hall; bottled water, September Maint shop; bottled water, September Maint shop; bottled water, September	10/14/2014	71.26 14.59 97.78 7.30 14.59
Total for this ACH Check for Vendor 1688:				205.52
ACH	1876 1876-10 1876-10 1876-10	John Gaudette Gaudette; NAFA CAFM/CAFS Boot Camp, per Gaudette; NAFA CAFM/CAFS Boot Camp, per Gaudette; NAFA CAFM/CAFS Boot Camp, per	10/14/2014	10.98 21.96 21.96
Total for this ACH Check for Vendor 1876:				54.90
ACH	1901 0062527 0062527 0062527	Modern Building Systems, Inc. Maint shop; building lease, 11/1-12/1/14 Maint shop; building lease, 11/1-12/1/14 Maint shop; building lease, 11/1-12/1/14	10/14/2014	569.06 569.06 284.54

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for this ACH Check for Vendor 1901:	1,422.66
ACH	2250 C043	SBS Legal Services Legal services; September	10/14/2014	8,233.50
			Total for this ACH Check for Vendor 2250:	8,233.50
ACH	2262 869285460439	Voyager Fleet Systems Inc. Vehicle fuel	10/14/2014	2,101.20
			Total for this ACH Check for Vendor 2262:	2,101.20
ACH	2555 43239469	NuCO2 LLC Aquatics; CO2 for pH control	10/14/2014	111.75
			Total for this ACH Check for Vendor 2555:	111.75
ACH	2654 32986	Canber Corps CCP; landscaping maintenance, September	10/14/2014	6,820.06
			Total for this ACH Check for Vendor 2654:	6,820.06
31641	0206 080715	AFLAC Insurance premiums; October	10/14/2014	666.04
			Total for Check Number 31641:	666.04
31642	2844 32564	American Leak Detection Minor housing repair; #CHUR-01A-13	10/14/2014	500.00
			Total for Check Number 31642:	500.00
31643	0955 10328403	American Red Cross Lifeguarding classes; 8/29/14	10/14/2014	210.00
			Total for Check Number 31643:	210.00
31644	2223 991551	ARC Imaging Resources Plotter/scanner; usage, 8/9-9/9/14	10/14/2014	111.67
			Total for Check Number 31644:	111.67
31645	2646 1014RNT111	Balloon Specialties Rental; helium tanks from summer events	10/14/2014	24.82
			Total for Check Number 31645:	24.82
31646	0499	Bank of America	10/14/2014	
	0405-10	Aquatics; resale items, goggles		212.40
	1030-10	Maintenance meeting; pizzas		20.82
	1030-10	Maint shop; trophy materials		22.00
	1030-10	Maint shop; trophy materials		22.00
	1030-10	Maintenance meeting; pizzas		10.42
	1030-10	Dalton; WRPA Certified Playground Safety, trair		510.00
	1030-10	CCP; soccer goal net/parts		801.47
	1030-10	CCP; soccer goal net/parts, use tax		-63.47
	1030-10	CCP; lining cord and reel, use tax		-2.99
	1030-10	Junkin; cellular phone booster		153.30
	1030-10	CCP; lining cord and reel		37.72
	1030-10	Junkin; cellular phone booster		76.64
	1030-10	Maint shop; trophy materials, use tax		-1.74

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	1030-10	Maint shop; trophy materials		11.01
	1030-10	Maint shop; trophy materials, use tax		-0.88
	1030-10	Maint shop; trophy materials, use tax		-1.74
	1030-10	Junkin; cellular phone booster		153.30
	1030-10	Maintenance meeting; pizzas		20.82
	1030-10	Maint shop; grinding wheel, use tax		-1.00
	1030-10	Maint shop; grinding wheel, use tax		-1.00
	1030-10	Maint shop; grinding wheel, use tax		-0.49
	1030-10	Maint shop; grinding wheel		6.29
	1030-10	Maint shop; grinding wheel		12.59
	1030-10	Maint shop; grinding wheel		12.59
	1030-10	Parks basketball nets		45.10
	1908-10	Officer Williams; motorcycle training, hotel		91.30
	1908-10	Bykonen; WACE conference, hotel		105.83
	2923-10	Volunteer Appreciation; dry cleaning linens		103.39
	2923-10	Throm; HR recertification application		150.00
	2959-10	Storage systems bins		107.97
	3331-10	Cimaomo; Chamber luncheon		20.00
	6686-10	Verity background checks; one time set up fee		300.00
	7314-10	State of the City; appetizers		51.59
	7314-10	Hendrickson; WFOA conference, hotel		282.90
	8227-10	Slate; PRSA Ethics, training		30.00
	8227-10	Slate; 3CMA annual conference hotel, taxi, lugg		602.91
	8227-10	Event table supplies; branding design		43.52
			Total for Check Number 31646:	3,944.57
31647	2368	Best Parking Lot Cleaning Inc.	10/14/2014	
	134344	Street cleaning, September		4,257.12
	134345	MV: Street cleaning, September		1,320.58
	134640	Street cleaning, broken glass clean up		354.31
			Total for Check Number 31647:	5,932.01
31648	1075	Bowen Scarff Ford Sales, Inc.	10/14/2014	
	643891	#3420; motor assembly		38.48
			Total for Check Number 31648:	38.48
31649	0026	C&B Awards	10/14/2014	
	1139	Leung; name badge		4.48
	1139	Leung; name badge		4.48
	1139	Kiselyov; name badge		8.96
	1139	Parker; name badge		8.96
			Total for Check Number 31649:	26.88
31650	1997	Capital One Commercial	10/14/2014	
	043095	State of the City; flowers/beverages		61.86
			Total for Check Number 31650:	61.86
31651	2366	CenturyLink Business Services	10/14/2014	
	1316480160	Aquatics; internet/loop, September		360.00
			Total for Check Number 31651:	360.00
31652	0366	City of Covington	10/14/2014	
	0366-10	SWM utility tax; September		861.75
			Total for Check Number 31652:	861.75

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
31653	1952	Covington Copy It...Mail It	10/14/2014	
	4711	Flag retirement; postage		14.17
	4711	City of Suwanee; postage		16.22
Total for Check Number 31653:				30.39
31654	0072	Dept of Labor & Industries	10/14/2014	
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		3,519.60
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		67.20
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		74.55
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		1,772.15
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		56.80
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		1,616.66
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		1.16
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		3,266.15
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		12,887.54
	939296-00-3Qtr	Industrial Insurance, 3rd Quarter 2014		76.64
Total for Check Number 31654:				23,338.45
31655	1981	Design Air, Ltd.	10/14/2014	
	08-5967-FF	Aquatics; intent and affidavit fee for repairs		86.88
	74019-01	Aquatics; circuit setter		2,347.21
	74038-01	Aquatics; exhaust fan/quarterly maintenance		3,872.72
Total for Check Number 31655:				6,306.81
31656	1733	The Good Earth Works, Inc.	10/14/2014	
	130184	Maint shop; trimmer, line		176.58
	130184	Maint shop; trimmer, line		176.58
	130184	Maint shop; trimmer, line		88.30
Total for Check Number 31656:				441.46
31657	2045	Goodbye Graffiti Seattle	10/14/2014	
	21053	Everclean program, October		431.14
Total for Check Number 31657:				431.14
31658	2553	Gordon Thomas Honeywell Governmental	10/14/2014	
	Sep141123	Governmental Affairs services; September		1,705.00
Total for Check Number 31658:				1,705.00
31659	2789	Henderson, Young & Company	10/14/2014	
	557-1405	Parks Impact fee; 9/1-9/30/14		3,444.00
Total for Check Number 31659:				3,444.00
31660	0867	Home Depot Credit Services	10/14/2014	
	2013993	Maint shop; channel lock pliers		7.38
	2013993	Maint shop; channel lock pliers		14.75
	2013993	Maint shop; channel lock pliers		14.75
	2013993	Maint shop; electrical tape		2.11
	2013993	Maint shop; electrical tape		4.20
	2013993	Maint shop; electrical tape		4.20
	2014011	Spade bits		22.74
	2585086	GFCI outlets		40.16
	3016305	Clothesline		7.06
	3020794	Maint shop; sawzall saw kit, blades		36.70
	3020794	Maint shop; sawzall saw kit, blades		73.40

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	3020794	Maint shop; sawzall saw kit, blades		73.40
	3573129	Soccer goal locks		47.24
	3585042	Padlocks		6.09
	4013761	Lumber, posts, fence brackets		93.52
	4013799	Jenkins Creek bridge; lumber, caulking guns, and		142.92
	4016127	Maint shop; credit for damaged refrigerator		-40.00
	4016127	Maint shop; nails		10.05
	4016127	Maint shop; nails		20.10
	4016127	Maint shop; nails		20.10
	4016127	Maint shop; nail gun		125.54
	4016127	Maint shop; nail gun		125.54
	4016127	Maint shop; nail gun		62.77
	4016127	Maint shop; credit for damaged refrigerator		-20.00
	4016127	Maint shop; credit for damaged refrigerator		-40.00
	4590121	CCP; compost, grass seed		26.49
	5012114	Chain		73.50
	5070722	Maint shop; piping		5.03
	5070722	Maint shop; piping		2.52
	5070722	Maint shop; piping		5.03
	5070722	Tree lighting; cable ties		28.20
	5562330	Portable toilet locks		50.76
	563017	Tree lighting; cable ties		43.37
	7011397	Tyvek housewrap		172.67
	7011472	Lumber, sealant		20.78
	7011494	Maint shop; lumber, caulking		9.31
	7011494	Maint shop; lumber, caulking		9.31
	7011494	Maint shop; lumber, caulking		4.66
	7061076	Maint shop; pipes, homewrap tape		16.61
	7061076	Maint shop; pipes, homewrap tape		8.30
	7061076	Maint shop; pipes, homewrap tape		16.61
	7103316	Return, Tyvek housewrap		-172.67
	7584041	Maint shop; housewrap		28.17
	7584041	Maint shop; housewrap		28.17
	7584041	Maint shop; housewrap		14.09
	8013282	Tree lighting; cable ties		43.37
			Total for Check Number 31660:	1,289.00
31661	1803 KUJ8686	Iron Mountain Document storage; 10/1-10/31/14	10/14/2014	285.13
			Total for Check Number 31661:	285.13
31662	2234 S82623A S82623A S82623A	Issaquah Honda Kubota #3370; repairs #3370; repairs #3370; repairs	10/14/2014	92.70 46.35 92.70
			Total for Check Number 31662:	231.75
31663	1701 389186	Johnsons Home & Garden Jenkins Creek bridge; nails, key set	10/14/2014	79.02
			Total for Check Number 31663:	79.02
31664	0385 1500000933	Kent School #415 Cedar Heights rental; soccer pictures	10/14/2014	60.00
			Total for Check Number 31664:	60.00
31665	0143	King County Finance	10/14/2014	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	48944-48950	Street services; September		16,186.65
	49125-49125	CIP 1028; overlay, 8/20/14		9,607.14
	49125-49125	CIP 1028; overlay, 9/2/14		29.86
Total for Check Number 31665:				25,823.65
31666	0143	King County Finance	10/14/2014	
	4077940	Maint; sewer treatment, 7/1-9/30/14		9.71
	4077940	Maint; sewer treatment, 7/1-9/30/14		19.43
	4077940	Maint; sewer treatment. 7/1-9/30/14		19.43
Total for Check Number 31666:				48.57
31667	0641	King County Sheriff's Office	10/14/2014	
	14-848	Covington Days; overtime, August		905.95
	14-872	Sheriff's office; lease, September		-1,879.17
	14-872	Police services; September		281,035.09
Total for Check Number 31667:				280,061.87
31668	1878	MacLeod Reckord	10/14/2014	
	6975	CCP Phs 2 Design, 9/1-9/30/14		623.39
Total for Check Number 31668:				623.39
31669	2367	Magnum Print Solutions	10/14/2014	
	131527	Copier labor		81.45
	131572	Toner		247.45
Total for Check Number 31669:				328.90
31670	2486	McLendon Hardware, Inc.	10/14/2014	
	161031/7	Jenkins Creek bridge; hardware		180.94
Total for Check Number 31670:				180.94
31671	1487	NAPA Auto Parts	10/14/2014	
	725116	#3390; solenoid		41.04
	725173	#3489; socket, boot		20.82
	725177	#3489; sockets, boots		41.64
	725609	Air filter		20.08
	725858	#2900; lamp		11.49
	725859	Return; air filter		-20.08
	726562	#3371; oil		6.51
	726562	#3371; oil		6.51
	726562	#3371; oil		3.26
	727986	#3488; chain binders		167.20
	728006	#3420; heater core		64.54
Total for Check Number 31671:				363.01
31672	2524	Northwest Tri & Bike	10/14/2014	
	22568	Aquatics; resale items, goggles, caps		908.05
Total for Check Number 31672:				908.05
31673	0004	Office Depot	10/14/2014	
	730790344001	Aquatics; stamps		18.57
	730790344001	Office supplies		197.63
	730790525001	Aquatics; stamp		6.35
	731744780001	Feser; drafting table		195.47
	731745014001	Office supplies		34.55

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	731745015001	Office supplies		12.89
	732674498001	Office supplies		160.77
	732674498001	Meyers; calendar		22.81
	732674640001	Meyers; desktop calendar		9.76
	732674641001	Office supplies		47.66
Total for Check Number 31673:				706.46
31674	2846	Olympic Fence Company, Inc.	10/14/2014	
	OL14-142	Maint shop; replace damaged cantilever slide gat		1,037.13
	OL14-142	Maint shop; replace damaged cantilever slide gat		2,074.26
	OL14-142	Maint shop; replace damaged cantilever slide gat		2,074.26
Total for Check Number 31674:				5,185.65
31675	1452	Palmer Coking Coal Company	10/14/2014	
	IN036644	Quarry rock		37.83
	IN036668	Quarry rock		43.33
Total for Check Number 31675:				81.16
31676	0164	Pitney Bowes	10/14/2014	
	5502562122	Postage meter ink, tape strips, ez seal bottles		150.49
Total for Check Number 31676:				150.49
31677	0841	PNWSTMA	10/14/2014	
	PS-24	Junkin/Dalton; PNWSTMA, U and P Event		50.00
Total for Check Number 31677:				50.00
31678	0980	The Prothman Company	10/14/2014	
	2014-4570	City manager search; reimbursable expenses		3,457.30
Total for Check Number 31678:				3,457.30
31679	0161	Puget Sound Energy	10/14/2014	
	200003986730-10	Streets; electricity, 9/4-10/2/14		67.41
	200003987282-10	Streets; electricity, 9/5-10/3/14		55.02
	200003987464-10	Streets; electricity, 9/5-10/3/14		10.84
	200004045635-10	Streets; electricity, 9/4-10/2/14		70.37
	200004045866-10	Streets; electricity, 9/5-10/3/14		59.97
	200005568858-10	Streets; electricity, 9/1-9/30/14		76.93
	200013103656-10	CCP; electricity, 9/1-9/30/14		36.39
	200013951476-10	Streets; electricity, 9/1-9/30/14		81.35
	200014568881-10	Maint shop; electricity, 9/1-9/30/14		65.56
	200014568881-10	Maint shop; electricity, 9/1-9/30/14		32.77
	200014568881-10	Maint shop; electricity, 9/1-9/30/14		65.56
	200022909309-10	Streets; electricity, 9/4-10/2/14		81.62
	200022909689-10	Skate park; electricity, 9/5-10/3/14		12.52
	300000001770-10	Streets; electricity, 9/4-10/2/14		14.00
	300000001770-10	City tree; electricity, 9/4-10/2/14		10.84
	300000001804-10	Streets; electricity, 9/1-9/30/14		85.24
	300000007744-10	Aquatics; natural gas, 9/1-9/30/14		2,000.94
	300000007744-10	Aquatics; electricity, 9/1-9/30/14		2,171.62
	300000007934-10	City hall; natural gas, 9/4-10/2/14		37.58
	300000007934-10	City hall; electricity, 9/4-10/2/14		1,555.90
	300000011266-10	SR 516; electricity, 9/4-10/2/14		168.32
	300000011266-10	Crystal view; electricity, 9/4-10/2/14		10.84
Total for Check Number 31679:				6,771.59

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
31680	2196 3146	Revize, LLC Website updates; including new brand	10/14/2014	900.00
Total for Check Number 31680:				900.00
31681	2845 140723-08	Cristian Serrano City council, management team photos	10/14/2014	230.00
Total for Check Number 31681:				230.00
31682	0993 0700-906800-10 0700-927900-10 0700-927900-10 0700-927900-10	Soos Creek Water & Sewer Dist. Aquatics; sewer, 8/1-9/30/14 Maint shop; sewer, 8/1-9/30/14 Maint shop; sewer, 8/1-9/30/14 Maint shop; sewer, 8/1-9/30/14	10/14/2014	1,999.08 51.79 51.79 25.90
Total for Check Number 31682:				2,128.56
31683	0736 738678 738678 738678 738678	Sound Security, Inc. Security monitoring, October Maint shop; secure monitoring, October Maint shop; secure monitoring, October Maint shop; secure monitoring, October	10/14/2014	1,003.00 20.40 40.80 40.80
Total for Check Number 31683:				1,105.00
31684	0070 0070-10	State Treasurer State building permits payable; Jan - June 2014	10/14/2014	211.50
Total for Check Number 31684:				211.50
31685	2816 1968	Studio Cascade, Inc. Comprehensive plan update through 9/15/14	10/14/2014	8,987.00
Total for Check Number 31685:				8,987.00
31686	2636 308346 308442 308486	TRM Wood Products Co, Inc. Trim boards Jenkins Creek bridge; lumber Jenkins Creek bridge; repair materials	10/14/2014	83.40 2,445.22 286.51
Total for Check Number 31686:				2,815.13
31687	2556 114-2337824 114-2337945 114-2337945 114-2337948 114-2338450 114-2338451 114-2338452	United Site Services Crestwood Elem; portable toilet, 9/23-10/20/14 Cedar Valley Elem; portable toilet, 9/23-10/20/14 Cedar Valley Elem; portable toilet tip over, 9/2 & Covington Elem; portable toilet, 9/23-10/20/14 Cedar Heights; portable toilet, 9/23-10/20/14 Mattson; portable toilet, 9/23-10/20/14 Jenkins Creek Elem; portable toilet, 9/23-10/20/14	10/14/2014	87.95 87.95 258.70 98.27 87.95 87.95 87.95
Total for Check Number 31687:				796.72
31688	2103 263251175 263251175	US Bancorp Equip Finance Inc. Copier lease Copier lease	10/14/2014	130.32 86.88
Total for Check Number 31688:				217.20
31689	0357 0015269	Valley Communications 800 MHz access fee; September	10/14/2014	75.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 31689:	75.00
31690	0046	Verizon Wireless	10/14/2014	
	9732409431	Cellular service, 9/21-10/20/14		48.67
	9732409431	Cellular service, 9/21-10/20/14		178.13
	9732409431	Cellular service, 9/21-10/20/14		28.85
	9732409431	Cellular service, 9/21-10/20/14		29.94
	9732409431	Cellular service/tablet data, 9/21-10/20/14		182.05
	9732409431	Cellular service/tablet data, 9/21-10/20/14		326.37
	9732409431	Cellular service, 9/21-10/20/14		57.70
	9732409431	Cellular service/tablet data, 9/21-10/20/14		81.02
			Total for Check Number 31690:	932.73
31691	1421	Ward's Power Equipment	10/14/2014	
	51791	Maint shop; gearbox grease		6.91
	51791	Maint shop; gearbox grease		3.45
	51791	Maint shop; gearbox grease		6.91
			Total for Check Number 31691:	17.27
31692	1105	Washington State Patrol	10/14/2014	
	I15001987	Background checks		340.00
			Total for Check Number 31692:	340.00
31693	2230	Wilbur-Ellis Company	10/14/2014	
	8500610	Maint shop; adjuvant for herbicide		10.07
	8500610	Maint shop; adjuvant for herbicide		10.08
	8500610	Maint shop; adjuvant for herbicide		5.04
	8515141	Seed mix		112.79
	8515142	Casoron		137.97
			Total for Check Number 31693:	275.95
			Total for 10/14/2014:	432,547.36
5	2783	WA State Dept of Revenue	10/28/2014	
	09-2014	B&O tax for September 2014		215.44
	09-2014	B&O tax for September 2014		27.98
	09-2014	Sales tax payable for September 2014		523.34
	09-2014	Sales tax payable for September 2014		511.03
	09-2014	Use tax payable for September 2014		391.74
	09-2014	B&O tax for September 2014		588.78
	09-2014	Use tax payable for September 2014		21.20
			Total for Check Number 5:	2,279.51
6	2783	WA State Dept of Revenue	10/28/2014	
	3Q-2014	Leasehold excise tax 3rd Qtr 2014		959.79
			Total for Check Number 6:	959.79
			Total for 10/28/2014:	3,239.30

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
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Report Total (67 checks):

435,786.66

**Agenda Item 1**  
Covington City Council Meeting  
Date: October 28, 2014

**SUBJECT:** PRELIMINARY PUBLIC HEARING TO RECEIVE TESTIMONY FROM THE PUBLIC AND PRESENTATION FROM STAFF REGARDING 2015 REVENUE SOURCES AND POSSIBLE INCREASE IN PROPERTY TAX REVENUES

**ATTACHMENT(S):**

1. Description of 2015 Revenue Sources
2. PowerPoint Presentation
3. 2014-2020 Base Revenue and Expenditure Forecast – All Funds
4. Property Tax Worksheet

**COUNCILMEMBERS AND STAFF: PLEASE REMEMBER TO BRING YOUR  
PRELIMINARY 2015 BUDGET WORKBOOK BINDERS TO THE MEETING.  
THANK YOU!**

**RECOMMENDED BY:** Rob Hendrickson, Interim City Manager

**EXPLANATION:**

This public hearing is required under state law (RCW 84.55.120) to consider possible increases in property tax revenues and to review other revenue sources that support the City's general fund. The Interim City Manager will review the history of Covington's revenue collections, the current year's collections, and 2015's revenue projections.

This hearing, mandated by law, should focus on the City's revenue sources and potential adjustments to property tax revenues. The deadline for setting 2015 property tax levies for cities in King County is November 30, 2014.

It is the policy of the City to follow applicable laws as they relate to the budget process.

**ALTERNATIVES:**

N/A

**FISCAL IMPACT:**

**CITY COUNCIL ACTION:** \_\_\_Ordinance \_\_\_Resolution \_\_\_Motion  X Other

**NO COUNCIL ACTION REQUIRED AT THIS MEETING**



**DESCRIPTION OF 2015 REVENUE SOURCES**

This summary describes each of the major revenue sources that appear in the 2015 budget by category. Budget amounts are based on the best available information at the time of budget preparation.

**Beginning Fund Balance**

**All Funds**

This is the estimate of funds remaining unspent at the end of the previous budget year and available for use in the following budget year. This amount will fluctuate annually depending on the amount of reserves, under or over collection of revenues, and under or over expenditure of appropriations.

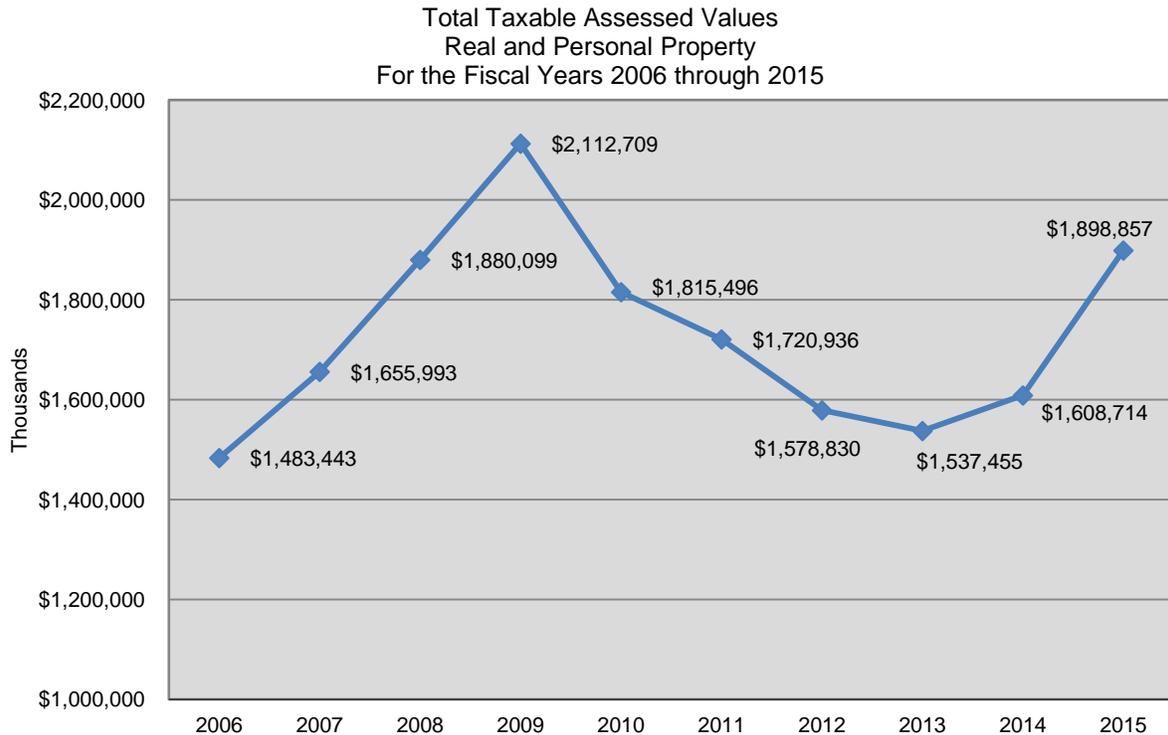
**TAXES**

**Property Taxes**

**General Fund**

Property taxes are one of the largest and most stable sources of revenue for the City. The City has budgeted, as state law limits allow, a levy increase of 101%. An increment for new construction is also added to this amount. The estimated levy for 2015 is \$2,474,169. The taxable assessed valuation (AV) is \$1,898,857,162 which includes \$9,167,235 in new construction. The estimated levy rate is \$1.30298/\$1,000 AV.

Total assessed value has increased 18% from 2014 to 2015.



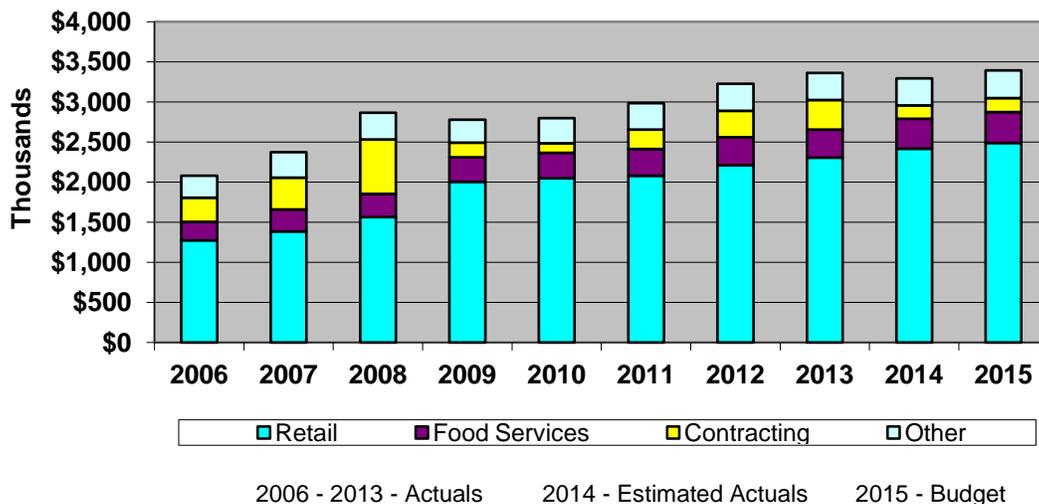
**Sales Taxes**

**General Fund/Parks Fund**

Sales taxes are subject to fluctuation from year to year due to changes in the economy and the buying habits of consumers. Sales tax is distributed monthly and is based on sales from two months previous. Revenues for 2015 are estimated at \$3,391,790 which is a decrease of 3.3% from the 2014 budget. Sales tax is currently divided between the General Fund and Parks Fund 84% and 16% respectively. The total sales tax of 8.6% is distributed among public agencies as follows:

Sales Tax Distribution	
Agency	Tax Rate
State of Washington	6.500%
<b>City of Covington</b>	<b>0.926%</b>
King County/METRO	0.900%
King County	0.075%
King County Criminal Justice Levy	0.099%
King County Mental Health	0.100%
<b>Total Sales Tax Rate</b>	<b><u>8.600%</u></b>

**Sales Tax by Classifications  
For the Fiscal Years 2006 through 2015**

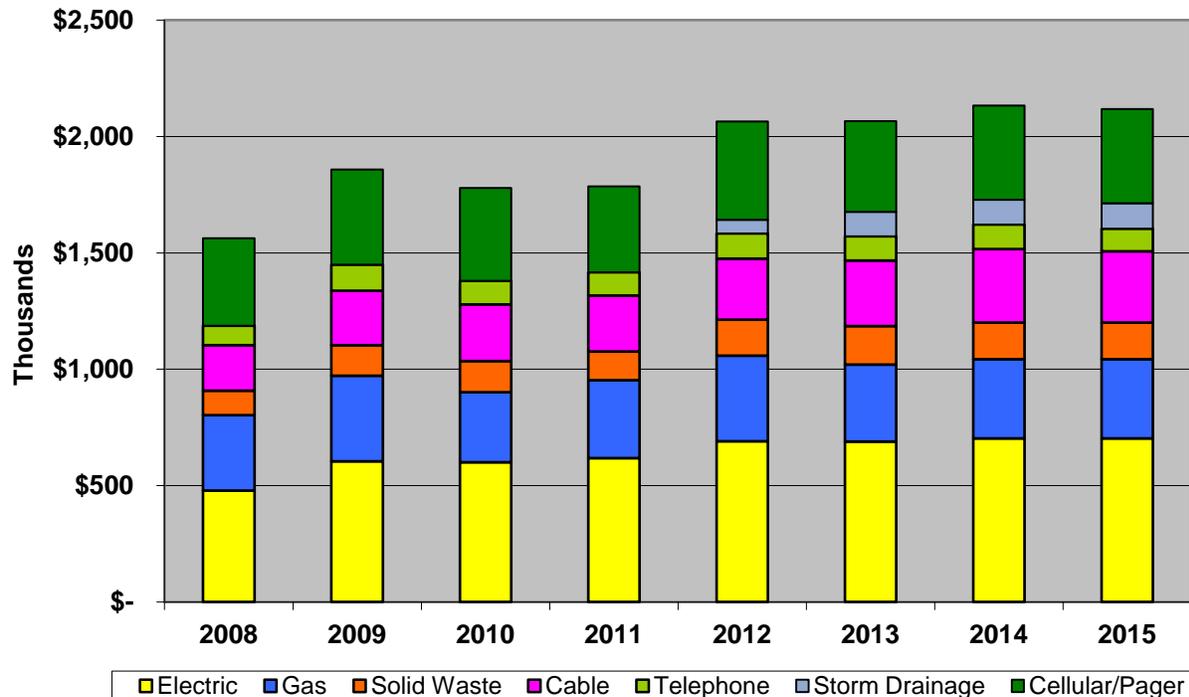


**Utility Taxes**

**General Fund/Parks Fund/Street Fund**

Utility taxes are imposed on utilities such as electricity, natural gas, solid waste, cable, telephones, storm drainage, and cellular phones. In 2007, the City adopted a 5.5% utility tax. In 2011 the City increased the rate to 6%. The new rate took effect February 1, 2012. The additional 0.5% is dedicated to the maintenance and operation of City parks. In June 2012, the City began charging its own drainage utility; these taxes are remitted to the General Fund. Revenues for 2015 are estimated at \$2,116,790. Utility tax revenues are allocated between the General Fund, Parks Fund, and Street Fund.

**Utility Tax by Classification  
For the Fiscal Years 2008 Through 2015**



2008 – 2013 Actuals      2014 - Estimated Actuals      2015 - Budget

**Criminal Justice Sales Tax**

**General Fund**

King County levies an optional 0.1% sales tax to support criminal justice programs, under authority granted by the State. This optional tax, collected by the State, is distributed as follows: 10% to the County, and the remainder to cities and towns on the basis of population. The 2015 estimate of \$417,500 is based on inflation and population growth. This tax is distributed monthly to cities.

**Real Estate Excise Tax (REET)**

**Real Estate Excise Tax Funds**

The real estate excise tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28%. The City has also authorized a locally imposed tax of 0.5%, in two 0.25% increments, replacing that tax formally levied by King County. Both increments must be spent for local capital improvements, identified under the capital facilities plan element of the City’s Comprehensive Plan. The amount of tax collected depends totally upon real estate sales activity for residential and non-residential, including new construction and

economic fluctuations. The 2015 estimates are based on estimated changes in real estate prices, new residential development increases, and new non-residential development increases. Distribution occurs on the 10<sup>th</sup> of each month to cities in King County. The 2015 revenue estimate is \$350,000.

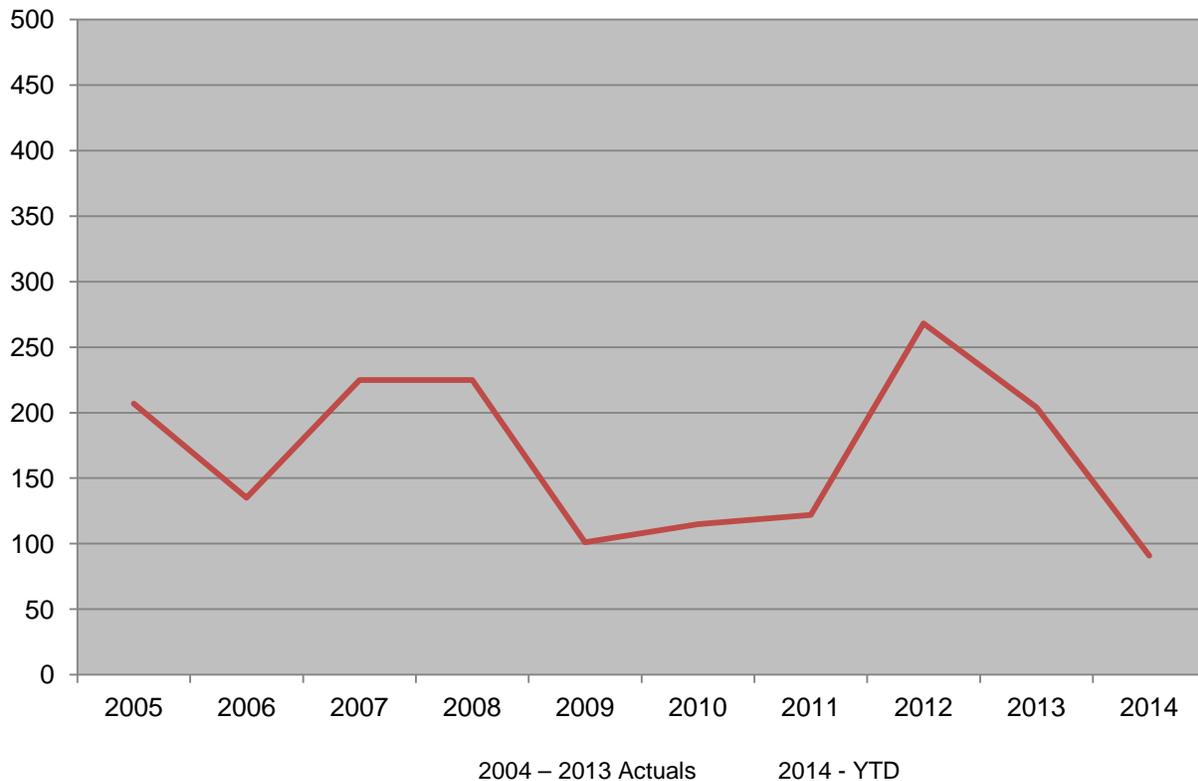
**LICENSES AND PERMITS**

**Building, Permits, Misc.**

**Development Services Fund**

Licenses and permit activities are user fees derived from various regulatory activities of the City. Building permit revenues are based on staff estimates and are applied to the Development Services Fund. In 2015, \$931,930 is estimated based on 63 new single family permits, anticipated commercial fees, and land use revenues. A fee of \$60 is collected for business licenses from those businesses that conduct activities within the City. This fee is collected annually and is also applied to the Development Services Fund. The 2015 revenue estimate for this license fee is \$80,000. For 2015, all other permits and licenses such as sign permits and peddler’s permits are estimated at \$5,300.

**Number of Building Permits Issued  
For Fiscal Years 2005 Through 2014**



**Cable TV Franchise**

**Street Fund**

Cable TV franchise fees, which are applied to the Street Fund, are based on population growth. For 2015 the estimated fees are \$233,500.

**Solid Waste Administration****General Fund**

In 2013, the City entered into a franchise agreement with Republic Services. For 2015 the estimated revenue is \$75,000.

**INTERGOVERNMENTAL****Liquor Excise Tax****General Fund**

The 2015 estimate of \$34,500 is based on the City's population and per capita estimates provided by Municipal Research Services Center.

**Liquor Board Profits****General Fund**

The State is now collecting revenue in the form of license fees from distributors and retailers. A portion of these "liquor profits" come to the City. The initiative provides that each recipient receive no less than it received from the liquor revolving fund during a set comparable period. What this means for the City is, we will be receiving the same distribution each year in the future with no allowances for inflation. To be eligible to receive this revenue and Liquor Excise Taxes, a city must devote at least 2% of its distribution to support an approved alcoholism or drug addiction program as well as enhanced public safety programs. The 2015 estimate of \$160,550 is based on estimates provided by Municipal Research Services Center. This money is distributed quarterly beginning in March.

**Motor Vehicle Fuel****Street Fund**

State law provides that the State-levied tax on gasoline be shared with cities and towns. Of the base tax amount of 23 cents per gallon, 6.92% is redistributed to cities and towns to be used for street maintenance as well as construction, improvement, chip sealing, seal coating, and repair of arterial highways and city streets. These funds will be deposited in the Street Fund and used for the described purposes. Estimates are based on the City's population and per capita estimates provided by Municipal Research Services Center. This tax is distributed on the last day of the month. For 2015, we are estimating \$367,250.

**Criminal Justice Shared Revenues****General Fund**

Municipal Criminal Justice Funding has shifted from application based to a per capita distribution. Estimates are based on the City's population and per capita estimates provided by Municipal Research Services Center. For 2015, we are estimating \$52,875.

**Recycling Grants****General Fund**

The City is involved with King County and the State of Washington in an effort to encourage recycling. The City offers events in the spring and fall of every year. Costs for these events are reimbursed to the City through the grant process. For 2015 we estimate being awarded \$24,360.

**CHARGES FOR SERVICES****Interfund Service Payments/Overhead****General Fund**

These fees are collected from other funds within the City for their percentage of General Fund services that they require. There are two interfund payments - central services overhead and interfund service payments. Central services overhead is spread over every fund besides the General Fund based on the amount of FTEs. Each fund pays their proportional share of the Central Services Department which consists of things such as the building lease, office supplies, and IT. Beginning in 2012, the central services overhead payments are a direct reduction to the City's Central Services Department base budget, therefore there is no revenue recorded.

The interfund service payment is for each fund's share of the assistance they receive from the City Manager, Finance, Legal, and Personnel offices. The 2015 budget is estimated at \$896,728.

**Land Use/Inspection/Engineering Fees**

**Development Services Fund**

These fees are collected for services related to the issuance of permits for both residential and commercial aspects of construction or capital improvements, and for services related to the review of plans for compliance with aspects of the various codes. Fees are generally collected at a level estimated to recover the cost of the service. The 2015 budget for these fees is estimated at \$233,933.

**Parks Fees**

**Parks Fund**

These fees are collected for services related to the Aquatic Center, Athletics, and Recreation programs. In 2014, the City added Athletics programs which consist of programs such as baseball, soccer, flag football, and volleyball. The 2015 revenues are estimated at \$720,764.

**Surface Water Management Fees**

**Surface Water Management Fund**

These fees are collected on developed properties within the City to maintain storm and surface water runoff in the City. These fees provide for things such as maintenance and repair and construction of storm water facilities. The 2015 budget is estimated at \$1,821,451.

**FINES AND FORFEITURES**

**District Court, False Alarm, and Miscellaneous Fines**

**General Fund**

The City is entitled to money received in payment of fines, forfeitures, fees, costs and penalties associated with enforcement of local ordinances. Based on current collections we are estimating \$94,700 in revenue for 2015. In 2015 the City will again be utilizing King County for its court services through an interlocal agreement. As part of the agreement, King County receives 100% of revenues collected to provide the City's court services.

**MISCELLANEOUS**

**Technology Surcharge**

**General Fund**

These fees are collected for services related to the issuance of permits for both residential and commercial aspects of construction. The estimate for 2015 is \$16,000.

**Parks Fees**

**Parks Fund**

These miscellaneous fees are collected for locker rentals, pool rentals, concessions, etc. The 2015 revenues are estimated at \$135,180.

**Interest Income**

**All Funds**

The City will receive interest on cash balances through investment of public funds as allowed by law. The amount received will vary with interest rates, types and duration of investments, and the amount of cash available for investment during any particular budget year. The overall 2015 estimate of \$30,280 is based on annualized 2014 data, economic outlook, and the assumption that fund balances available for investing will be at 2014 levels.

ATTACHMENT 2



# City of Covington Financial Forecast 2014 - 2020

Rob Hendrickson  
October 28, 2014

**“If all economists were laid end to end, they would not reach a conclusion.”**

**-George Bernard Shaw (1856-1950)**

# Objectives

- The economy from the top down
- Revenue roll call
- Fund facts

# A bird's eye view

- What's going on across the world and the nation?
- How are Washington and the Puget Sound area faring?
- How does Covington fit into all this or does it?

# Potential headwinds/tailwinds



## Headwinds

- Slowing Chinese economy
- Housing recovery
- Instability in Middle East and Eastern Europe
- Weaker than expected employment data

## Tailwinds

- Consumer confidence measures increasing
- 4% GDP growth
- Home prices starting to moderate
- Existing home sales strengthening

# The Real Washington

- Expanding at a moderate pace
- Employment
- Housing
  - Permits
  - Prices
- Personal income
- Inflation

# Meanwhile closer to home...

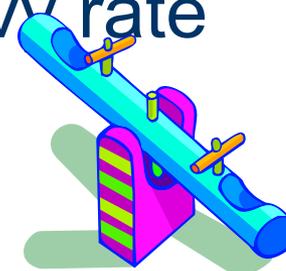
- Outrunning the pack
  - Puget Sound recovery continues ahead of the nation
- Employment
- Housing
- Inflation

# Covington – mixed signals?

- Major revenues
  - Trend is generally up
- Healthcare
  - MultiCare groundbreaking
- Housing
  - Existing sales continue strong
  - New homes expected to increase
- Retail
  - Retail sales tax up 2.6%

# Property Tax

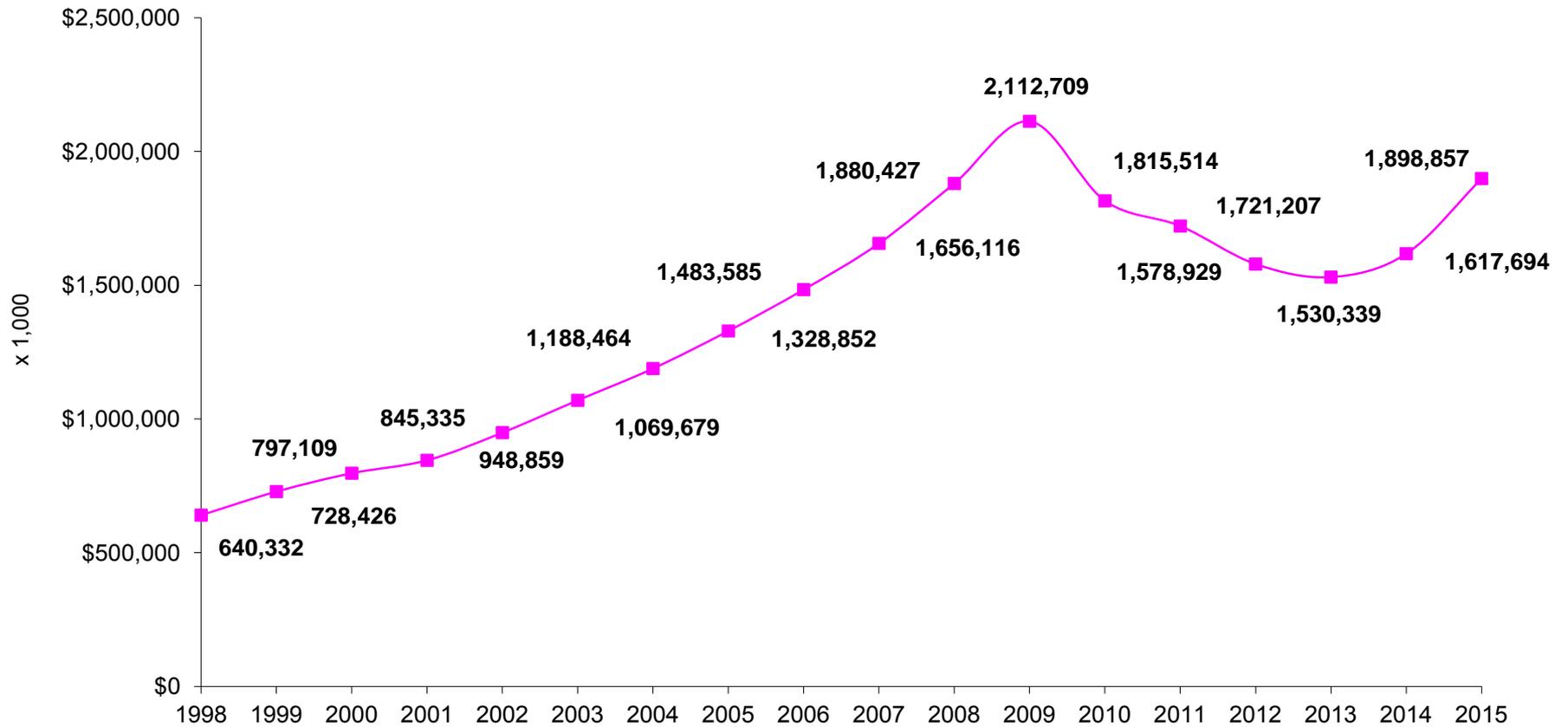
- Assessment drops and levy rate rises. Conversely, assessment rises and levy rate drops (the teeter totter effect)
- Add 1 percent
- Add in new construction
- Final worksheet tally



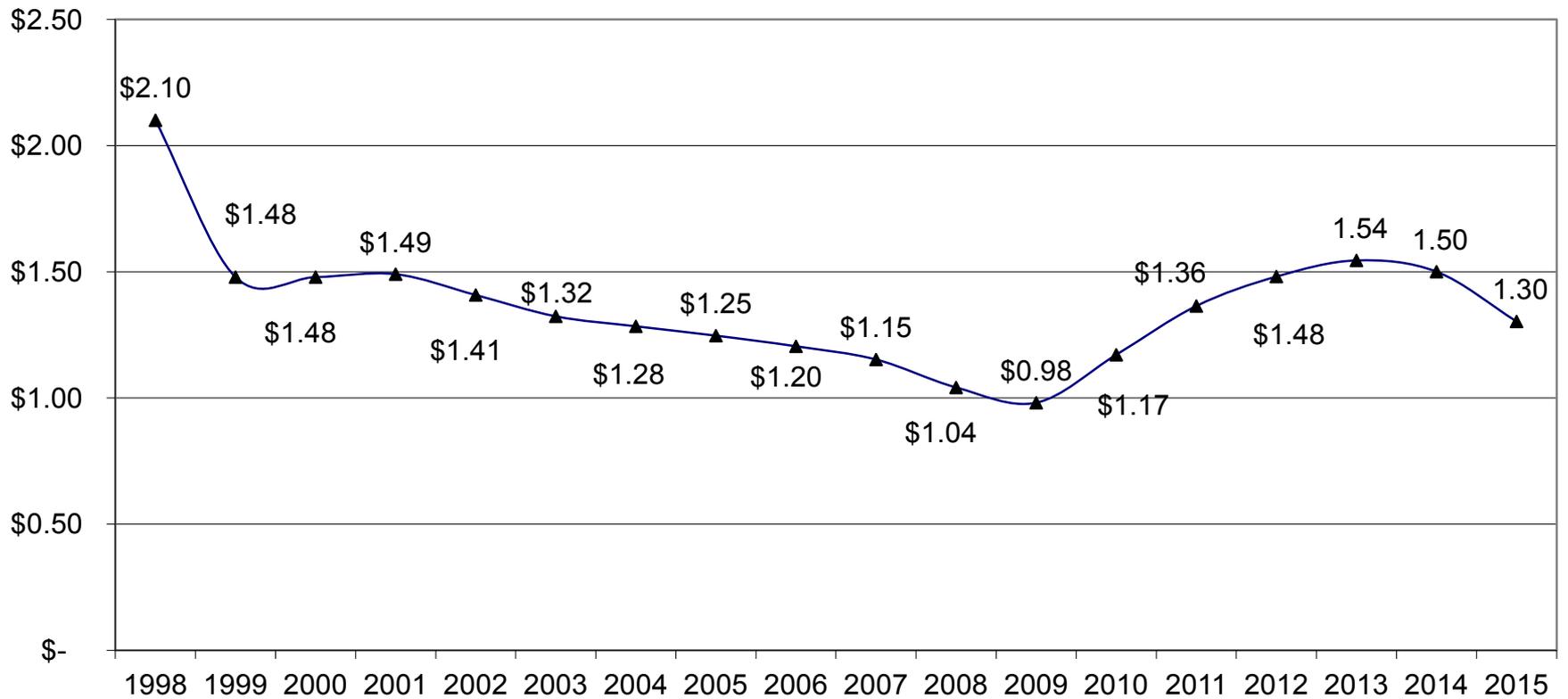


2014 Levy Amount	\$2,435,784
X1%	24,358
Increase in utility value	-0-
Plus: new construction	14,027
Re-levy for prior year refunds	<u>-0-</u>
<b>2014 Property Tax Levy (for collection in 2015)</b>	<b><u><u>\$2,474,169</u></u></b>
<b>Assessed Valuation</b>	<b>\$1,898,857,162</b>
<b>Estimated Levy Rate</b>	<b>\$1.30298</b>

### Assessed Value History



## Property Tax Rate History



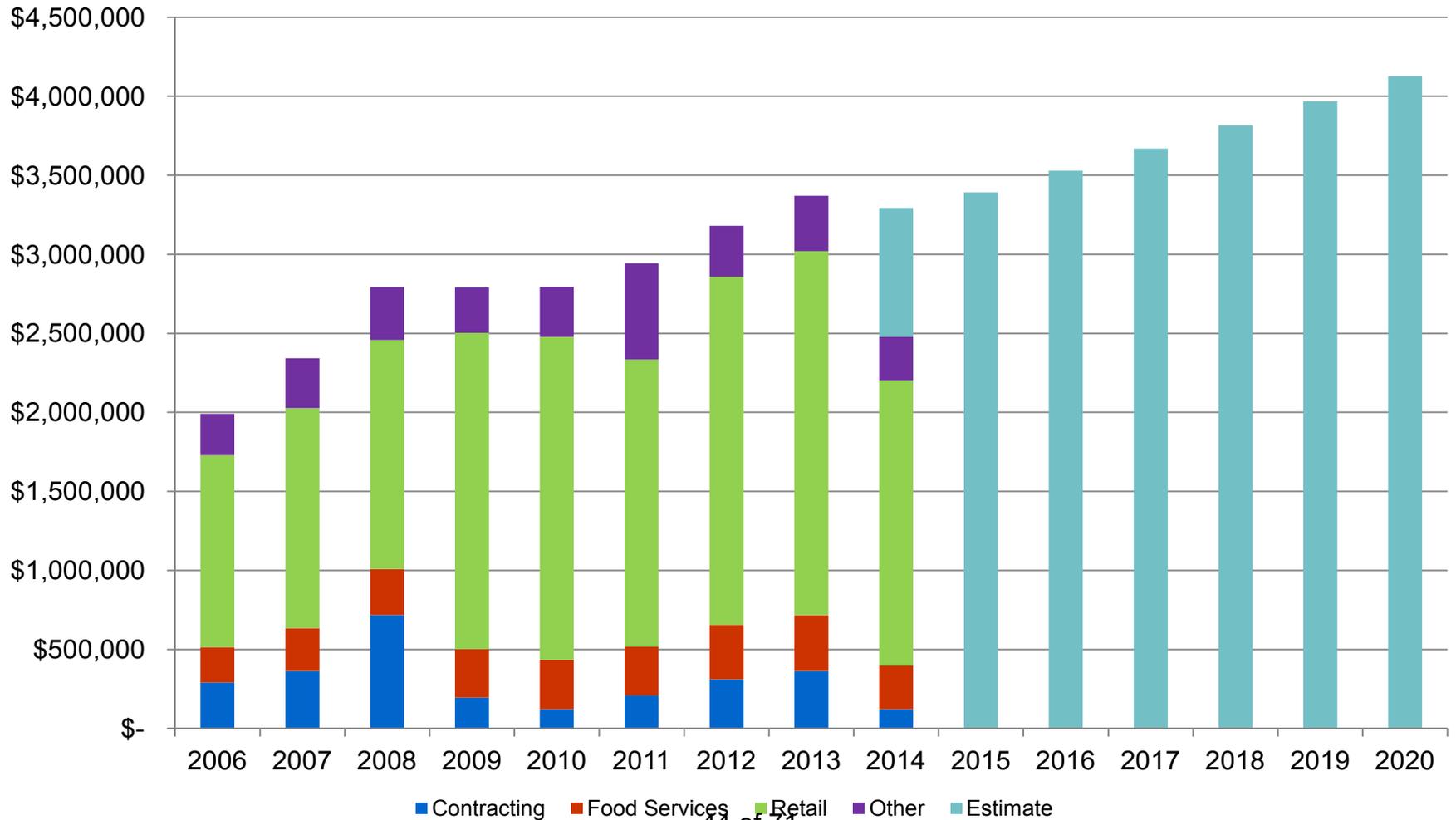
# Property tax math 101

	2014		2015		% Change
Assessed Value	\$1,608,713,530		\$1,898,857,162		18.04%
Tax Levy	\$2,427,134		\$2,474,169		1.94%
Levy Rate	\$1.51		\$1.30		-13.64%
Home Value	\$325,000		\$383,616		18.04%
Tax Assessment	\$490.34		\$499.84		1.94%

# Sales Tax

- The economy has pulled back
  - Consumers are still spending
  - Consumer confidence is up
  - Construction has slowed down

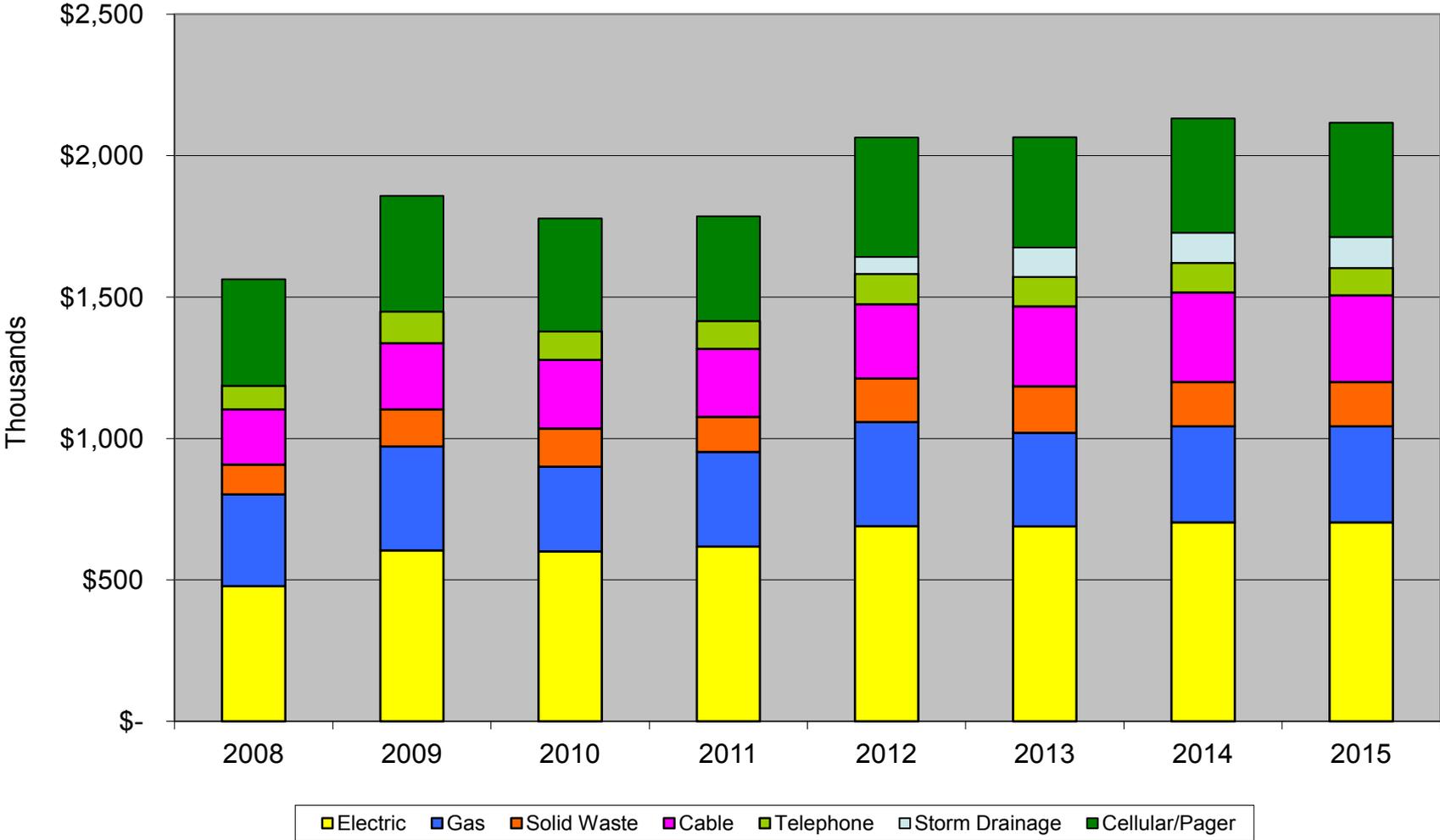
## Sales Tax by Year



# Utility Tax

- Utility tax is ahead of target through September
  - Due in part to the Comcast utility tax audit that was completed this year.
- 2015 expectations
  - The forecast increases utility tax slightly to account for population growth and small rate increases

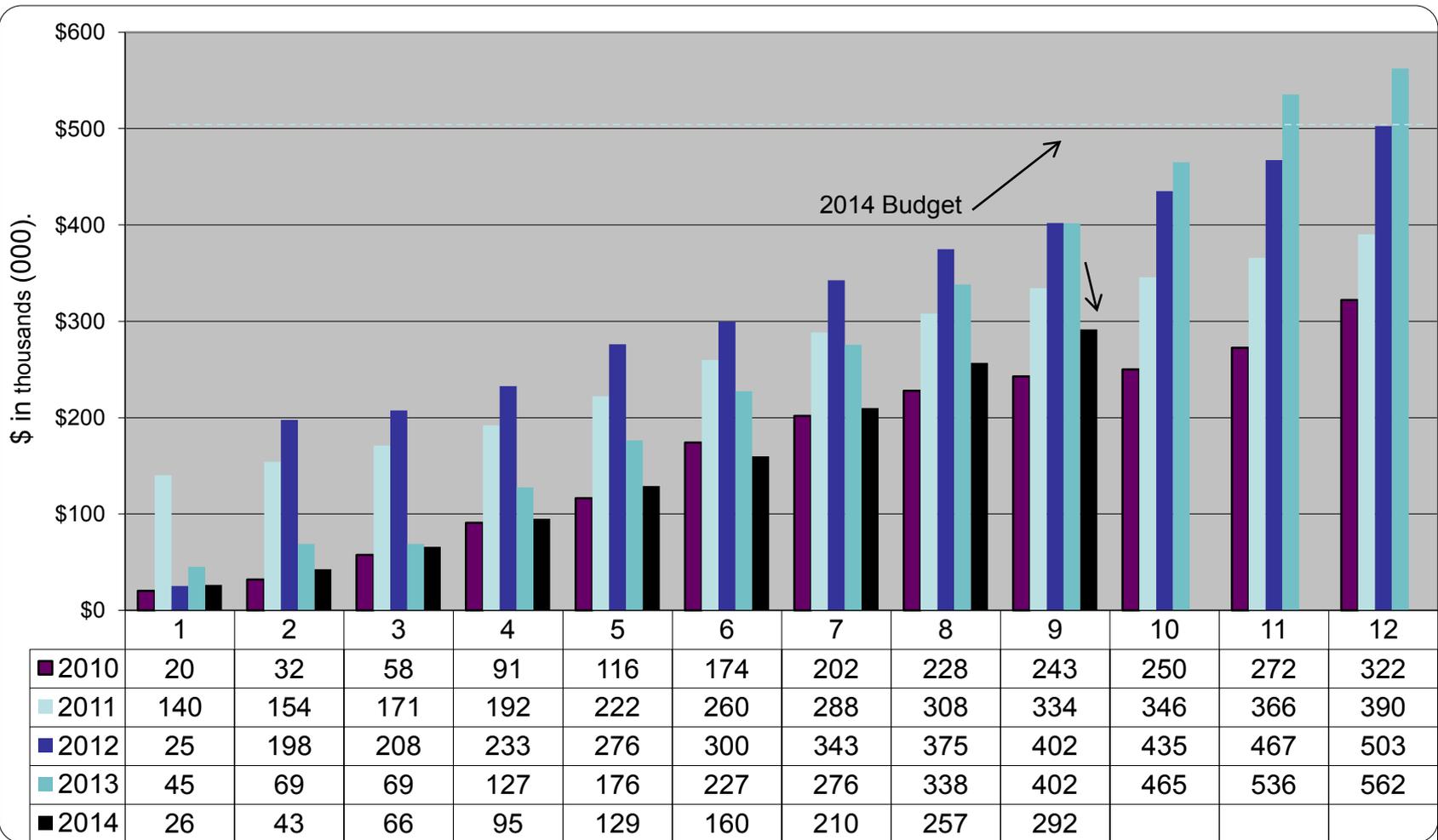
# Utility Tax by Classification For the Fiscal Years 2008 Through 2015



# Real Estate Excise Tax

- New residential home sales have decreased significantly
- Existing home sales for 2014 have exceeded 2013
- Will the trend continue?

# REET Collections



# The meat and potatoes

- FORECAST

**CITY OF COVINGTON**  
**GENERAL FUND LONG RANGE FORECAST**  
 2014-2020 Analysis in 000s  
 BASE BUDGET

**ATTACHMENT 3**

	2014	2015	2016	2017	2018	2019	2020
<b>BEGINNING FUND BALANCE</b>	\$ 4,027	\$ 4,177	\$ 3,385	\$ 3,322	\$ 3,374	\$ 3,453	\$ 3,565
<b>REVENUES</b>							
Sales Tax <sup>1</sup>	2,766	2,849	2,963	3,081	3,205	3,333	3,466
Property Tax	2,416	2,500	2,575	2,652	2,732	2,814	2,898
Utility Tax <sup>2</sup>	2,132	2,117	2,181	2,246	2,313	2,383	2,454
Local Criminal Justice	418	418	435	452	470	489	509
Licenses & Permits	75	75	75	75	75	75	75
Intergovernmental Revenue	322	326	336	346	356	367	378
Charges for Services	220	542	558	575	592	610	628
Fines & Forfeitures	95	95	100	105	110	115	121
Miscellaneous	63	56	58	59	61	63	65
Interfund Payment	434	466	489	514	539	566	595
Operating Transfer In <sup>3</sup>	35	35	35	35	35	35	35
<b>BASE BUDGET REVENUES</b>	<u>8,976</u>	<u>9,479</u>	<u>9,804</u>	<u>10,141</u>	<u>10,489</u>	<u>10,850</u>	<u>11,224</u>
<b>OTHER FINANCING SOURCES</b>							
Budget Strategies	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL SOURCES</b>	<u>\$ 8,976</u>	<u>\$ 9,479</u>	<u>\$ 9,804</u>	<u>\$ 10,141</u>	<u>\$ 10,489</u>	<u>\$ 10,850</u>	<u>\$ 11,224</u>
<b>EXPENDITURES</b>							
Salaries and Wages	1,360	1,435	1,492	1,552	1,614	1,679	1,746
Personnel Benefits	495	531	571	614	660	709	762
Supplies	70	60	62	64	66	68	70
Other Services and Charges	1,479	1,407	1,469	1,513	1,559	1,605	1,653
Intergovernmental	3,769	4,028	4,225	4,373	4,526	4,685	4,849
Capital Outlay	16	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-	-
Central Services Cost Allocation	(441)	(499)	(524)	(550)	(578)	(607)	(637)
Operating Transfer Out less debt service transfer <sup>4</sup>	935	1,549	1,587	1,625	1,664	1,704	1,745
<b>BASE BUDGET EXPENDITURES</b>	<u>7,683</u>	<u>8,511</u>	<u>8,882</u>	<u>9,190</u>	<u>9,510</u>	<u>9,843</u>	<u>10,188</u>
<b>Operating Surplus/Deficit by Year</b>	<u>\$ 1,293</u>	<u>\$ 968</u>	<u>\$ 922</u>	<u>\$ 950</u>	<u>\$ 979</u>	<u>\$ 1,007</u>	<u>\$ 1,036</u>
<b>OTHER FINANCING USES</b>							
Decision Cards	-	-	-	-	-	-	-
<i>Ongoing</i>	-	20	-	-	-	-	-
<i>One-time</i>	-	504	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
Transfer to opportunity fund	-	-	-	-	-	-	-
Debt Service Transfer	806	899	901	898	899	896	896
<b>TOTAL OTHER FINANCING USES</b>	<u>806</u>	<u>1,423</u>	<u>901</u>	<u>898</u>	<u>899</u>	<u>896</u>	<u>896</u>
<b>Annual Surplus/Deficit</b>	<u>487</u>	<u>(455)</u>	<u>21</u>	<u>52</u>	<u>80</u>	<u>112</u>	<u>140</u>
<b>TOTAL USES</b>	<u>8,489</u>	<u>9,934</u>	<u>9,783</u>	<u>10,089</u>	<u>10,410</u>	<u>10,738</u>	<u>11,084</u>
One-time Costco payout	337	337	84	-	-	-	-
<b>Sources over Uses</b>	<u>150</u>	<u>(792)</u>	<u>(64)</u>	<u>52</u>	<u>80</u>	<u>112</u>	<u>140</u>
<b>TOTAL ENDING FUND BALANCE</b>	<u>\$ 4,177</u>	<u>\$ 3,385</u>	<u>\$ 3,322</u>	<u>\$ 3,374</u>	<u>\$ 3,453</u>	<u>\$ 3,565</u>	<u>\$ 3,706</u>
<b>Cumulative net amount available for debt service.</b>	<u>\$ 3,318</u>	<u>\$ 2,512</u>	<u>\$ 2,130</u>	<u>\$ 1,229</u>	<u>\$ 899</u>	<u>\$ 896</u>	<u>\$ 896</u>
Amount transferred to the debt service fund.	806	899	901	898	899	896	896
<b>Remainder of debt service reserve.</b>	<u>\$ 2,512</u>	<u>\$ 1,613</u>	<u>\$ 1,229</u>	<u>\$ 331</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>COSTCO RESERVE</b>	<u>\$ 421</u>	<u>\$ 84</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>REPUBLIC SERVICES RESERVE</b>	<u>\$ 113</u>	<u>\$ 188</u>	<u>\$ 263</u>	<u>\$ 338</u>	<u>\$ 413</u>	<u>\$ 488</u>	<u>\$ 563</u>
<b>UNRESERVED FUND BALANCE</b>	<u>\$ 1,131</u>	<u>\$ 1,500</u>	<u>\$ 1,830</u>	<u>\$ 2,705</u>	<u>\$ 3,040</u>	<u>\$ 3,077</u>	<u>\$ 3,143</u>
<b>TOTAL ENDING FUND BALANCE</b>	<u>\$ 4,177</u>	<u>\$ 3,385</u>	<u>\$ 3,322</u>	<u>\$ 3,374</u>	<u>\$ 3,453</u>	<u>\$ 3,565</u>	<u>\$ 3,706</u>
<b>20% fund balance target</b>	<u>\$ 1,350</u>	<u>\$ 1,392</u>	<u>\$ 1,459</u>	<u>\$ 1,513</u>	<u>\$ 1,569</u>	<u>\$ 1,628</u>	<u>\$ 1,689</u>
Fund balance policy	Meets 20%	Meets 20%	Meets 20%	Meets 20%	Meets 20%	Meets 20%	Meets 20%
Margin above/below the 20% threshold	\$ 2,827	\$ 1,993	\$ 1,863	\$ 1,861	\$ 1,884	\$ 1,937	\$ 2,017
<b>Margin above the unreserved fund balance</b>	<u>\$ (219)</u>	<u>\$ 108</u>	<u>\$ 371</u>	<u>\$ 1,192</u>	<u>\$ 1,471</u>	<u>\$ 1,449</u>	<u>\$ 1,454</u>

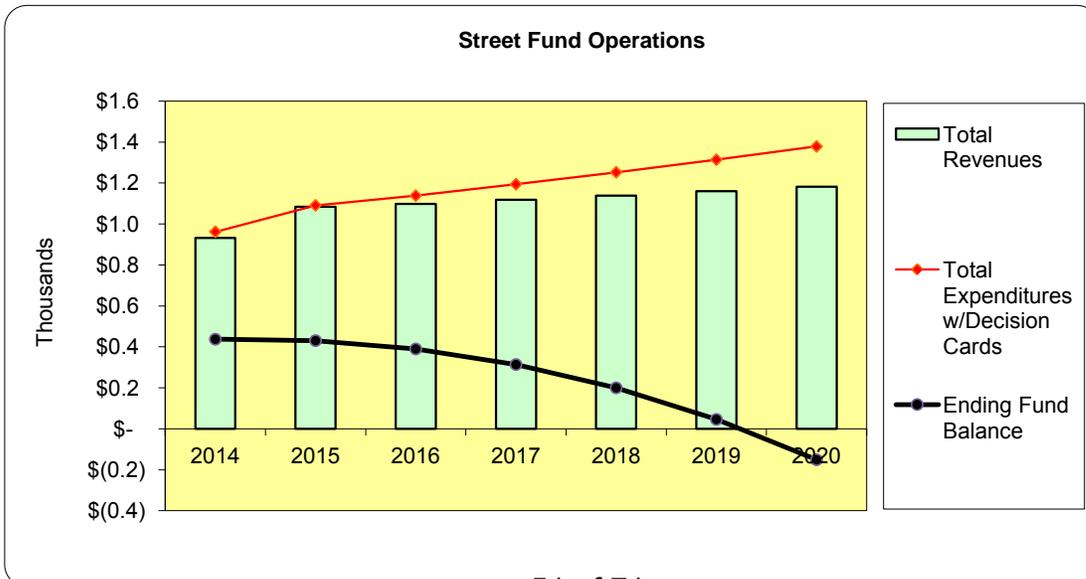
# CITY OF COVINGTON STREET FUND LONG RANGE FORECAST

2014-2020 Analysis in 000s  
BASE BUDGET

	2014	2015	2016	2017	2018	2019	2020
<b>BEGINNING FUND BALANCE</b>	\$ 468	\$ 437	\$ 430	\$ 390	\$ 314	\$ 200	\$ 46
<b>REVENUES</b>							
Licenses and Permits	234	234	240	246	252	258	265
Street Fuel Tax	359	367	376	386	395	405	415
Intergovernmental Revenues	-	-	-	-	-	-	-
Charges for Goods and Services	58	6	-	-	-	-	-
Miscellaneous	1	-	-	-	-	-	-
<b>BASE BUDGET REVENUES</b>	<u>652</u>	<u>607</u>	<u>616</u>	<u>631</u>	<u>647</u>	<u>663</u>	<u>680</u>
Operating Transfers In	279	477	482	487	491	496	501
Revenue strategies	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>931</u>	<u>1,084</u>	<u>1,098</u>	<u>1,118</u>	<u>1,139</u>	<u>1,160</u>	<u>1,181</u>
<b>EXPENDITURES</b>							
Salaries and Wages	345	316	366	381	396	412	428
Personnel Benefits	133	130	145	156	168	180	194
Supplies	40	61	68	70	72	74	77
Other Services and Charges	290	471	456	479	503	528	555
Intergovernmental	105	98	103	108	113	119	125
Capital Outlay	35	-	-	-	-	-	-
Debt Service: Principal	-	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-	-
Operating Transfer Out	14	-	-	-	-	-	-
<b>BASE BUDGET EXPENDITURES</b>	<u>962</u>	<u>1,076</u>	<u>1,139</u>	<u>1,194</u>	<u>1,252</u>	<u>1,314</u>	<u>1,378</u>
Decision Cards	-	15	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>962</u>	<u>1,091</u>	<u>1,139</u>	<u>1,194</u>	<u>1,252</u>	<u>1,314</u>	<u>1,378</u>
<b>Operating Surplus/Deficit by Year</b>	<b>(31)</b>	<b>(7)</b>	<b>(41)</b>	<b>(76)</b>	<b>(114)</b>	<b>(154)</b>	<b>(197)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 437</b>	<b>\$ 430</b>	<b>\$ 390</b>	<b>\$ 314</b>	<b>\$ 200</b>	<b>\$ 46</b>	<b>\$ (151)</b>
10% fund balance target	\$ 95	\$ 108	\$ 114	\$ 119	\$ 125	\$ 131	\$ 138
Fund balance policy	Meets 10%	Under 10%	Under 10%				
Margin above/below the 10% threshold	\$ 343	\$ 323	\$ 276	\$ 194	\$ 75	\$ (85)	\$ (289)

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.



# CITY OF COVINGTON PARKS & RECREATION SERVICES FUND LONG RANGE FORECAST

2014-2020 Analysis in 000s

## BASE BUDGET

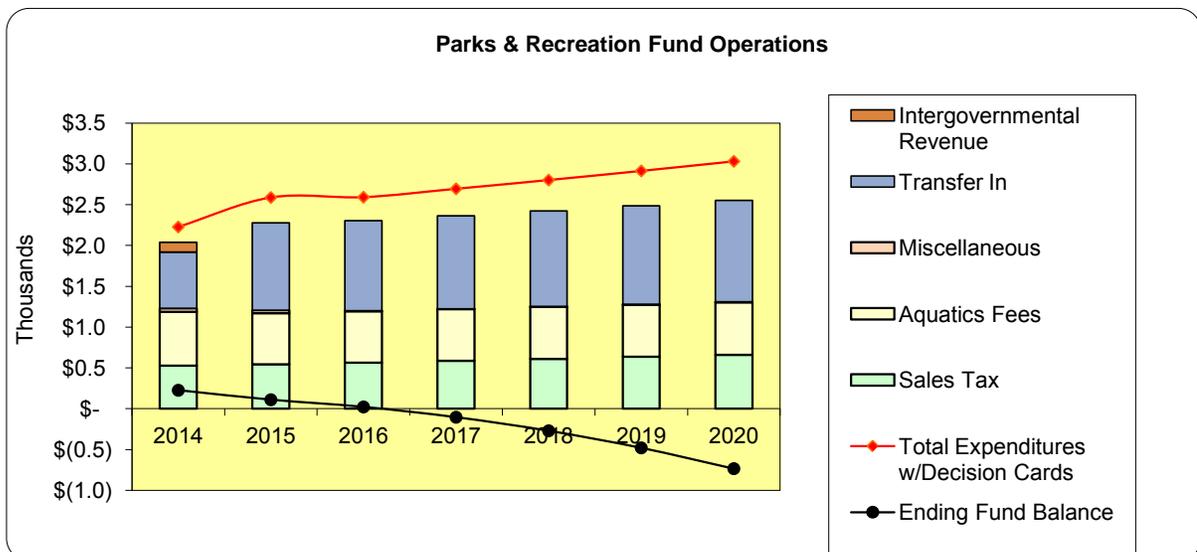
	2014	2015	2016	2017	2018	2019	2020
<b>BEGINNING FUND BALANCE</b>	\$ 301	\$ 225	\$ 109	\$ 21	\$ (105)	\$ (271)	\$ (480)
<b>REVENUES</b>							
Sales Tax <sup>1</sup>	527	543	565	587	611	635	661
Intergovernmental Revenues	118	-	-	-	-	-	-
Charges for Goods and Services	-	-	-	-	-	-	-
Aquatics Fees	661	626	630	633	636	639	642
Athletics & Recreation	114	194	199	205	212	218	224
Miscellaneous	42	36	5	5	5	5	5
Other Financing Sources	-	-	-	-	-	-	-
<b>BASE BUDGET REVENUES</b>	<b>1,462</b>	<b>1,399</b>	<b>1,399</b>	<b>1,430</b>	<b>1,463</b>	<b>1,498</b>	<b>1,533</b>
Operating Transfers In	689	1,073	1,105	1,138	1,172	1,208	1,244
<b>TOTAL REVENUES</b>	<b>2,151</b>	<b>2,472</b>	<b>2,504</b>	<b>2,569</b>	<b>2,636</b>	<b>2,705</b>	<b>2,777</b>
<b>EXPENDITURES</b>							
Salaries and Wages	956	1,031	1,093	1,136	1,182	1,229	1,278
Personnel Benefits	279	309	336	361	388	417	448
Supplies	113	132	138	142	146	151	155
Other Services and Charges	772	966	987	1,017	1,047	1,079	1,111
Intergovernmental	10	12	12	12	12	12	12
Capital Outlay	70	-	-	-	-	-	-
Operating Transfer	27	27	27	27	27	27	27
<b>BASE BUDGET EXPENDITURES</b>	<b>2,227</b>	<b>2,477</b>	<b>2,592</b>	<b>2,695</b>	<b>2,802</b>	<b>2,914</b>	<b>3,032</b>
Decision Cards	-	111	-	-	-	-	-
Budget Strategies	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,227</b>	<b>2,588</b>	<b>2,592</b>	<b>2,695</b>	<b>2,802</b>	<b>2,914</b>	<b>3,032</b>
<b>Operating Surplus/Deficit by Year</b>	<b>(76)</b>	<b>(116)</b>	<b>(88)</b>	<b>(126)</b>	<b>(166)</b>	<b>(209)</b>	<b>(255)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 225</b>	<b>\$ 109</b>	<b>\$ 21</b>	<b>\$ (105)</b>	<b>\$ (271)</b>	<b>\$ (480)</b>	<b>\$ (735)</b>
10% fund balance target	\$ 220	\$ 245	\$ 257	\$ 267	\$ 278	\$ 289	\$ 300
Fund balance policy	Meets 10%	Under 10%	Under 10%	Under 10%	Under 10%	Under 10%	Under 10%
Margin above/below the 10% threshold	\$ 5	\$ (136)	\$ (236)	\$ (372)	\$ (549)	\$ (769)	\$ (1,036)

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2015 other than ongoing costs.

**Footnotes:**

<sup>1</sup> Sales tax is allocated at 84% of forecasted revenues to the General Fund and 16% to the Parks Fund.



**City of Covington  
Estimated Property Tax  
2015**

**ATTACHMENT 4**

2014 Levy Amount=	\$	2,435,784
	x1%	24,358
Increase in utility value		-
Plus: New Construction		14,027
Relevy for prior year refunds		-
		-
<b>2014 Property Tax Levy</b>	<b>\$</b>	<b>2,474,169</b>

<b>Assessed Valuation</b>	<b>\$</b>	<b>1,898,857,162</b>
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2014 Estimated Levy Rate=	\$	1.30298
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<b>EXAMPLE</b>		
<b>Home value</b>	<b>Tax Amount</b>	
\$ 325,000	=	\$ 423

	2014		2015		% change
Assessed Value	\$ 1,608,713,530.00		\$ 1,898,857,162.00		18.04%
Tax Levy	\$ 2,427,133.97		\$ 2,474,168.84		1.94%
Levy Rate	\$ 1.50874		\$ 1.30298		-13.64%
Home value	\$ 325,000.00		\$ 383,616.20		18.04%
Tax Assessment	\$ 490.34		\$ 499.84		1.94%

SUBJECT: AQUATIC CENTER TEMPORARY ART SELECTION

RECOMMENDED BY: Pat Patterson, Recreation Manager

ATTACHMENT(S):  
None

PREPARED BY: Pat Patterson, Recreation Manager

EXPLANATION:

In the 2014 city budget, council funded commissioning a public art project at the Covington Aquatic Center, including design and installation of an artwork anchorage system, and temporary artwork lease and installation. The purpose of this agenda item is for council to review and approve the selection of the city's first public art piece, in accordance with the city's adopted public art policy.

The Arts Commission has invested many hours researching and planning this project since their joint meeting with council in October, 2013. Commission Vice Chair, Ed White, who is a mechanical engineer, took the lead on the project. Members of the Arts Commission visited the aquatic center to determine the most practical and aesthetically pleasing location for the placement of art. The main podium in the plaza was selected. The recommended location is supported by the Aquatics Supervisor and staff.

At their July 10, 2014 meeting, the Arts Commission approved the language for the city's call for artists developed by commission members White and Cook. In an effort to lessen the burden on commissioners and staff, the Arts Commission selected the Western States Arts Federation's service CaFÉ™ to administer the call for artists. The city's "call" was posted from August 15 through September 8.

Seventy-three pieces of art were submitted to the city for consideration. An art selection panel consisting of the Arts Commission, the city's Aquatics Supervisor and the city's Parks Planner independently reviewed and rated each piece of art with a numerical value ranging from one to seven. Each member of the panel rated the same piece of art as their first choice.

The panel again reviewed and discussed the entries as a group at the September 11, 2014 Arts Commission meeting and unanimously selected the metal sculpture "SeaHorse" as their recommendation to council for placement at the Covington Aquatic Center through October 31, 2015.

The anchorage system has been reviewed and supported by the city's Chief Building Official and by the Development Review Engineer. The anchorage system concept and design is adaptable to many locations located in the city. The Public Works maintenance staff is confident they can safely and effectively install the art piece per the anchorage system concept.

ALTERNATIVES:

1. Direct the Arts Commission to do further research and return at a later date with an updated recommendation.
2. Reject the recommended art piece and direct the Arts Commission to run another selection process.
3. Reject the art piece and proceed no further.

FISCAL IMPACT:

The approved 2014 decision card for public art was \$4,000. The current estimated cost of the proposed project includes: call to artists service (\$525), artist stipend (\$1,500), installation materials (\$1,000), and marketing and public art event (\$975).

CITY COUNCIL ACTION:    \_\_\_Ordinance    \_\_\_Resolution     X  Motion    \_\_\_Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to authorize the selection and temporary installation of the metal sculpture “SeaHorse” as recommended by the Arts Commission**

REVIEWED BY: Interim City Manager; Deputy Finance Director, Parks and Recreation Director

**Agenda Item 3**  
Covington City Council Meeting  
Date: October 28, 2014

**SUBJECT:** CONSIDER APPOINTMENT TO OPENING ON THE ARTS COMMISSION

**RECOMMENDED BY:** Pat Patterson, Recreation Manager  
Scott Thomas, Parks & Recreation Director

**ATTACHMENTS:** Application provided separately.

**PREPARED BY:** Joan Michaud, Senior Deputy City Clerk

**EXPLANATION:** There are currently three vacant positions: No. 1, No. 3, and No. 4. The term for Position No. 1 ends May 31, 2016. The terms for Position Nos. 3 and 4 end May 31, 2017.

Paul Selland was interviewed by a Council subcommittee on October 14, 2014 for an opening on the Economic Development Council. The City Council appointed Ed Cook to CEDC. Paul Selland, a Covington resident, requested to also be considered for the Arts Commission. There was Council consensus at the October 14 City Council meeting to add an agenda item to consider his appointment to the Arts Commission.

**NOTE:** Ordinance No. 11-10. *Membership, terms, residence requirements:* “The Arts Commission shall consist of seven members appointed by the City Council, two of which may be youth members who must be between the ages of 14 and 18 at the start of their terms. Up to two of the members may reside outside the City, but those outside must reside within a three-mile radius of the City limits. The remaining five members must work or reside within the City limits.”

**ALTERNATIVES:**

Not appoint at this time and direct staff to continue to advertise for additional applicants to be considered for the open positions.

**CITY COUNCIL ACTION:** \_\_\_ Ordinance \_\_\_ Resolution  X  Motion \_\_\_ Other

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to appoint \_\_\_\_\_ to fill open Position No. 3 on the Arts Commission with a term expiring May 31, 2017.**

**REVIEWED BY:** Rob Hendrickson, Interim City Manager  
Scott Thomas, Parks & Recreation Director  
Pat Patterson, Recreation Manager

**SUBJECT: INTEREST IN OPTIONING THE TWO-YEAR EXTENSION CLAUSE IN THE CURRENT ANIMAL CONTROL AGREEMENT**

**RECOMMENDED BY: Rob Hendrickson, Interim City Manager**

**ATTACHMENT(S):**

**PREPARED BY: Rob Hendrickson, Interim City Manager**

**EXPLANATION:**

In June 2010, the County created a partnership with 26 cities within the County called Regional Animal Services of King County (RASKC). In 2012, 25 cities including Covington contracted with the County for animal services for a 3-year term, covering 2013 through 2015.

The RASKC program and services are supported directly by program revenues (pet licensing, and fees/fines), as well as the General Funds from King County and many of the contracting cities. In 2013, RASKC program generated revenues supported 49% of the RASKC program expenses, with pet licensing accounting for 44% and fees/fines accounting for 5%. The remaining 51% of operating expenses are supported by contributions from the County's General Fund and payments from contract cities.

RASKC pet licensure rate of approximately 21% is on the high end of animal services programs in the Country, but is insufficient to fund the overall program. RASKC uses mailings, both direct and saturation; creates and implements jurisdictional marketing campaigns, partnering with over 450 pet licensing sales and/or information providers; uses door-to-door canvassing; and has a presence at dozens of events annually.

The cost allocation model assigns 80% based on use and 20% based on population to provide correlation between costs and use of the system. Credits are provided for high-use cities. Assistance to other cities comes in the form of license support in order to increase license revenues within each city receiving the assistance. Cities receiving license revenue support are required to provide specific in-kind assistance to help generate license revenues.

The County has been in discussions with cities for several months regarding the Regional Animal Control Services Interlocal Agreement beyond 2015. The current agreement expires at the end of 2015 and the Joint City County Collaboration (J4C) has discussed the possibility of either a two-year extension (as provided for in the current agreement) or entering into negotiations for a successor agreement.

The County Executive supports the two-year extension under the same terms and conditions as the current Agreement. Such an extension would take the Agreement through the end of 2017. Cities have been asked about their interest in moving ahead with the extension.

The County is requesting a non-binding indication of interest in extending the Agreement for two years. If all cities currently contracting with King County for animal services agree to the extension, the County and cities do not need to enter into formal negotiations. If RASKC does not receive notice of interest in extending for two years from all 25 of the contract cities, RASKC will initiate the negotiations process.

Negotiating the current ILA was a complex and lengthy undertaking, consuming almost 18 months. Given the interdependent nature of the contracting model, the contracting parties agreed to certain prescribed contracting milestones so all parties would: a) know the costs of services to their jurisdiction, and b) should parties NOT agree, provide sufficient time for alternative service provision arrangement to be secured. The current ILA contains the following contracting milestones:

- September 4, 2014 – RASKC/Partner Cities convene for ILA extension discussions/negotiations
- December 14, 2014 – County notifies cities of March 1, 2015 deadline for ILA extension; County provides cities final estimate of 2015 payment calculation
- March 1, 2015 – Deadline for RASKC/Partner Cities notification of ILA extension
- April 5, 2015 – County informs cities of those seeking extension
- July 1, 2015 – Formal deadline for contracting parties to extend ILA

ALTERNATIVES:

1. Do not authorize the non-binding agreement and provide direction to staff.

FISCAL IMPACT: \$56,198 (projected) for 2015, up from \$53,993 (projected) for 2014. For the two-year extension estimated costs for 2016 are \$114,151 and for 2017 they are \$120,896. These estimates are based on 2013 usage and 2014 population. While these estimates are high they can be reduced through pet license revenue. The county offers Licensing Support, a new program that returns \$1.50 for every \$1.00 spent. However, staff needs to notify King County by October 31 if we wish to participate. In addition, a free calling service is available to remind pet owners to renew their licenses. Staff recommends utilizing these resources to help contain costs.

CITY COUNCIL ACTION: \_\_\_ Ordinance \_\_\_ Resolution X Motion X Other

- 1) Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to authorize the city manager to sign a non-binding agreement stating interest in extending the Regional Animal Services King County Interlocal Agreement for two years ending in 2017.
- 2) By Council consent, staff is authorized to move forward with the Licensing Support program and the automated phone renewal program.

REVIEWED BY: Finance Director; City Attorney

**SUBJECT:** PRESENTATION AND DISCUSSION OF SURFACE WATER MANAGEMENT RATE STUDY

**RECOMMENDED BY:** Rob Hendrickson, Interim City Manager

**ATTACHMENT(S):**

1. SWM Revenue vs. Expenditures - Current Funding Levels
2. SWM Expenditures and Fund Balance - Current Funding Levels
3. SWM Capital Needs
4. SWM Revenue vs Expenditures – 5% annual rate increase – No Capital Expenditures
5. SWM Revenue vs Expenditures – 5% annual rate increase – All Capital Needs
6. SWM Expenditures and Fund Balance – 5% annual rate increase – All Capital Needs
7. SWM Expenditures and Fund Balance – 7% annual rate increase – All Capital Needs
8. SWM Rate Increases and Comparisons

**PREPARED BY:** Don Vondran, Public Works Director

**EXPLANATION:**

Over the last few years the SWM fund has developed a significant fund balance. Currently there is about \$2 million that has not been specifically programmed or designated for expenditure. However, recently our annual operating expenditures for SWM exceed our annual revenue. Based on long range forecasts, taking into account inflation, the expenditures will continue to exceed revenues and increase annually by about 5% (see Attachment 1). Without additional revenue, the deficit spending will result in an annual reduction of the fund balance and is projected to drop below our required reserve fund balance by 2019 (see Attachment 2).

In addition, there are several SWM capital improvement projects and SWM maintenance projects that are needed to maintain functionality of our SWM infrastructure as well as remain in compliance with our NPDES permit. Those needs have been programmed over the next 6 years and results in a cost of over \$2.4 million and can be seen in Attachment 3. On the surface it seems that we are only short \$400,000 from the \$2.4 million needed and the \$2 million in fund balance. However, of the \$2 million in fund balance we need to maintain a reserve that equates to about \$400,000 which results in a net of \$1.6 million in undesignated fund balance. Therefore the funds necessary to address the capital needs are closer to \$800,000 plus the annual projected deficit spending for the ongoing operational costs.

The City currently has an annual residential SWM rate of \$175.66 which averages about \$14.64 per month. This rate has been in effect since 2011 and was a 3% increase from the previous year. There are no projected rate increases included in the revenue projections. As mentioned above, our current SWM operating expenditures already exceed our revenues. The capital needs, mentioned above, also do not include increases due to residential developments, as well as, future road projects that install additional SWM infrastructure that we maintain.

In order to compensate just for the annual projected increases in operational expenditures (no capital needs addressed) the SWM rates would need to be increased by about 5% annually (see Attachment 4). If we included all the programmed capital needs with the 5% annual SWM rate increase we would still drop below the reserve fund balance in 2018 (see Attachments 5 and 6). In order to address the projected operational deficit spending and meet all the capital needs the annual SWM rate would need to be increased to about 7% annually (see Attachment 7).

Attachment 8 has a breakdown of what the increases would look like based on a 5% and 7% increase on an annual basis. The average increase each year would be about \$10 for a 5% increase and about \$15 for a 7% increase. In addition, the attachment has a comparison of several cities and their monthly SWM rate along with annual increases if known.

**FISCAL IMPACT:**

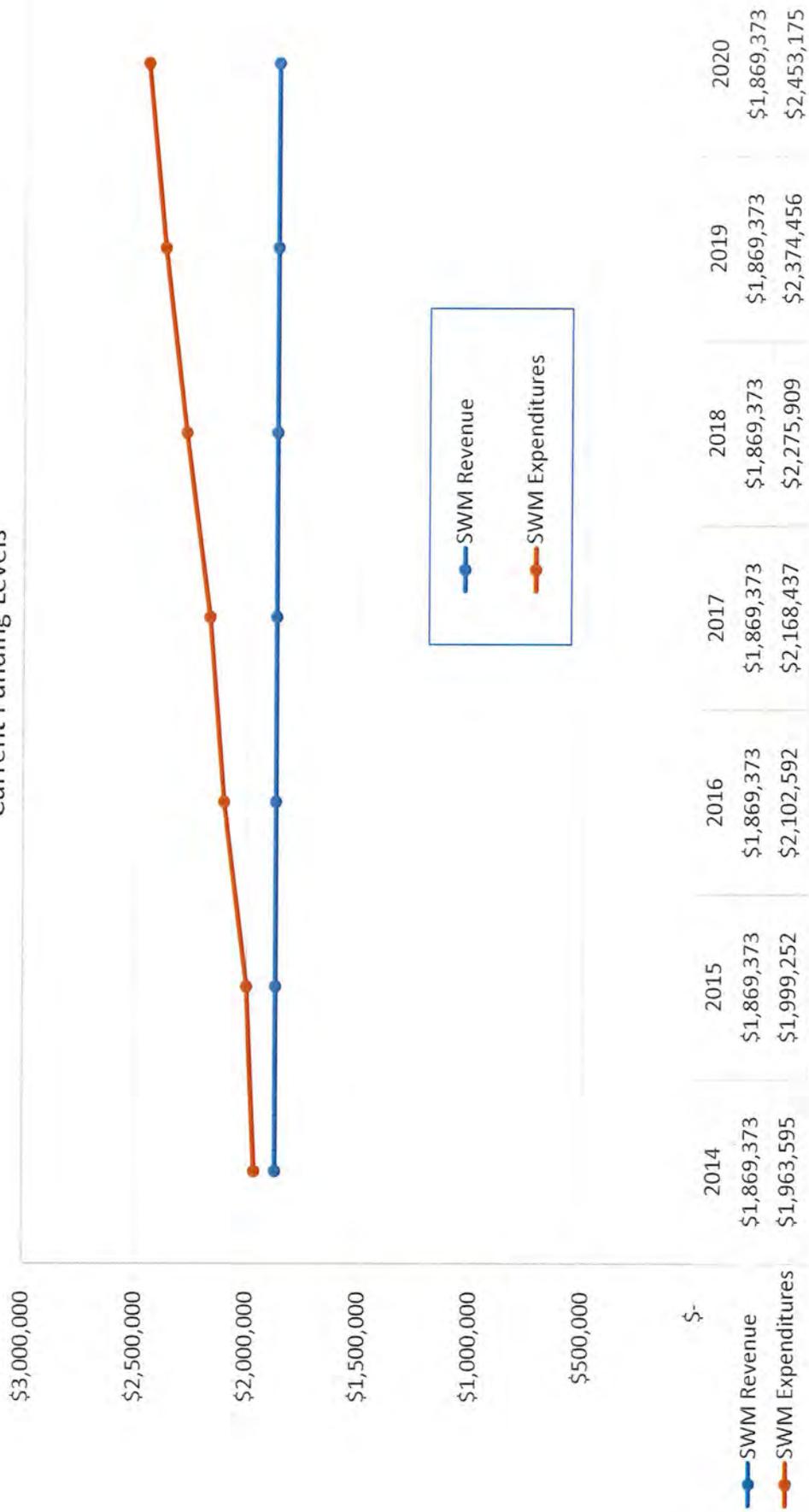
The above analysis provides only a couple of examples to address the SWM fund deficit spending and capital expenditure needs. There are numerous combinations that can address the issues. The purpose of this update is to give Council an overall scale of the issues at hand and answer any questions. In addition, if Council would like to have any rate increase go into effect in 2015 we would need to pass a resolution and provide that information to King County prior to December 1<sup>st</sup>.

**CITY COUNCIL ACTION:**

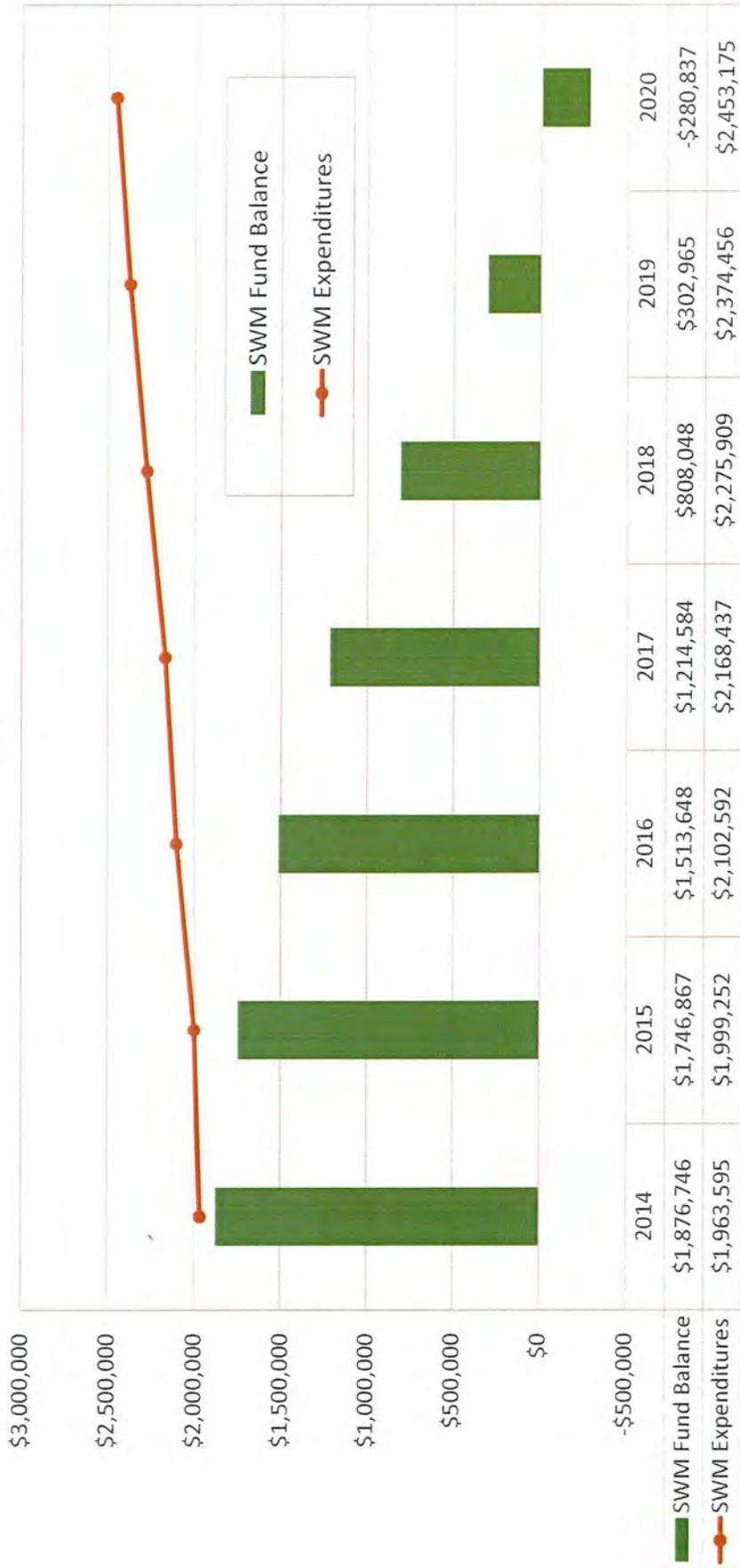
**NO ACTION NECESSARY – ASK QUESTIONS OF STAFF**

**REVIEWED BY:** Interim City Manager, Deputy Finance Director

SWM Revenue vs Expenditures  
Current Funding Levels



SWM Expenditures and Fund Balance  
Current Funding Levels



SWM Capital Needs

Rehab List	2014	2015	2016	2017	2018	2019	2020	Notes
Annual Stormwater Facility Rehab 1027B (\$53,00/yr)	Inflation Factor							
Cost 2014\$	1	1.03	1.06	1.09	1.12	1.15	1.18	3% inflation/year
DP21065 Parke Meadows	\$35,385							
DP11069 Prestige Park II					\$25,785			
DP11068 Prestige Park I					\$25,785			
DP41039 Shire Hills						\$13,054		
DP41040 Shire Hills						\$12,927		
DP41052 Timber Heights						\$12,637		
DP41017 Timbercrest Estates		\$7,572						
DT11045 Pioneer Ridge Swale			\$55,561					
DP41008 Covington Park Div. I (Dog Park)				\$50,059				
DP21055 Foxwood	\$13,192							
DP21088 North Park	\$40,569	\$41,786						
Facility Fence Repair	\$2,500	\$2,575	\$2,650	\$2,725	\$2,800	\$2,875	\$2,950	
<b>Annual Stormwater Facility Rehab</b>	<b>\$51,077</b>	<b>\$51,933</b>	<b>\$58,211</b>	<b>\$52,784</b>	<b>\$54,369</b>	<b>\$41,493</b>	<b>\$2,950</b>	
Annual Neighborhood Drainage Improvements 1027A	Inflation Factor							
Cost 2014\$	1	1.03	1.06	1.09	1.12	1.15	1.18	3% inflation/year
Crystal View Outfall Retrofits	\$146,954		\$155,771					
Lillian's First Addition Outfall Retrofits	\$191,751			\$209,009				
Blue Reserve Capacity Improvement/Outfall Study	\$30,000			\$32,700				
Elements Capacity Project/ 263rd Drainage Improvements	\$240,000	\$247,200						
Timberlane/Jenkins Creek Park Stormwater LID	\$319,148				\$357,446			
Park Meadows Outfall	\$54,560					\$62,744		
Channing Park Swale Rehab	\$51,345					\$59,047		
212th AVE SE Outfall Retrofit	\$88,252		\$93,547					
DP21060 Woodcreek Inlet Retrofit	\$8,303					\$9,548		
DP41150 Timberlane Inlet Structure Rehab	\$6,656					\$7,654		
<b>Annual Neighborhood Drainage</b>	<b>\$0</b>	<b>\$247,200</b>	<b>\$249,318</b>	<b>\$241,709</b>	<b>\$357,446</b>	<b>\$138,994</b>	<b>\$0</b>	
Annual Ditch Maintenance - ditching, culvert cleaning and shoulder grading	Inflation Factor							
Location List	1	1.03	1.06	1.09	1.12	1.15	1.18	3% inflation/year
Aqua Vista	\$78,276							
Kamiloch			\$55,898	\$57,480	\$37,761			
Timberlane								
The Lakes at Winterwood		\$76,934						
Shilo Woods					\$37,298			
156th Ave SE (272nd to N/O 256th)						\$31,424		
153rd Ave SE (N/O 256th)						\$39,912		
183rd Ave SE (S/O 240th)							\$25,311	
Victoria Glenn							\$32,187	
SE 262nd Place (E/O 180th Ave SE)					\$14,480			
Suncrest						\$28,313		
SE 272nd Street (185th to ECL)								\$54,575
SE 262nd Place (E/O 156th)		\$8,440						

SWM Capital Needs

Fir Manor	\$12,193.00					\$12,925						
180th Ave SE (N/O 256th)	\$20,824.00					\$22,073						
SE 240th Street	\$30,892.00					\$33,672						
<b>Annual Ditch Maintenance</b>	<b>\$646,959</b>	<b>\$78,276</b>				<b>\$90,896</b>	<b>\$91,152</b>	<b>\$89,540</b>	<b>\$99,649</b>	<b>\$112,073</b>		
<b>Annual Catch Basin Cleaning - NPDES Requirement (increase beginning in 2017)</b>	<b>\$129,304</b>						<b>\$30,000</b>	<b>\$31,500</b>	<b>\$33,075</b>	<b>\$34,729</b>		5% inflation/year
<b>Capital Equipment</b>												
Mower attachment for Excavator	\$36,000	\$36,000				1.06	1.09	1.12	1.15	1.18		3% inflation/year
Kut Kwick (to Replace DeWeze in 2017)	\$25,000											
HazMat Storage shed	\$15,000											
Slope Mower	\$90,000											
Sweeper	\$300,000											
Sweeper Maintenance (Annual Ongoing)	\$10,000											
Maintenance Yard Property (SWM Portion)	\$300,000											
<b>Capital Equipment</b>	<b>\$78,700</b>	<b>\$36,000</b>	<b>\$15,450</b>	<b>\$399,956</b>	<b>\$398,425</b>	<b>\$442,895</b>	<b>\$532,855</b>	<b>\$313,210</b>	<b>\$149,752</b>			

Annual Programmed Expenditures \$165,353 \$399,956 \$398,425 \$442,895 \$532,855 \$313,210 \$149,752

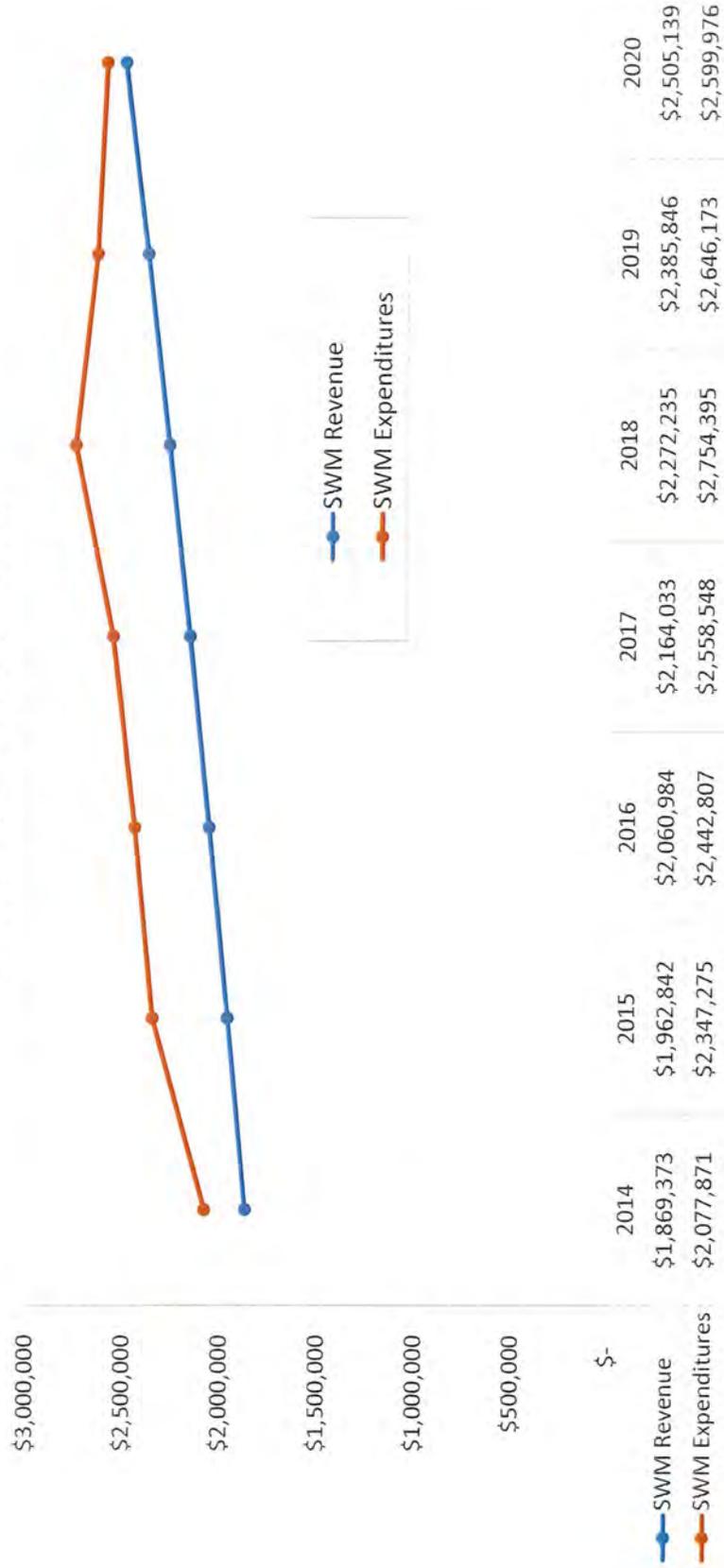
**Total Programmed Expenditures \$2,402,446**

Unprogrammed Future Needs

SWM Revenue vs Expenditures  
5% Annual Rate Increase



SWM Revenue vs Expenditures  
 5% Annual Increase in Revenue  
 Includes all Capital Expenditure needs



SWM Expenditures and Fund Balance  
 5% Annual Increase in Revenue  
 Includes all Capital Expenditure needs



SWM Expenditures and Fund Balance  
 7% Annual Increase in Revenue  
 Includes all Capital Expenditure needs



## SWM Rate Increases and Comparisons

Covington 2014 Rate \$ 14.64 monthly

\$ 175.66 annually

Monthly Residential Rates with increases						
Covington	2015	2016	2017	2018	2019	2020
5% Increase	\$ 15.37	\$ 16.14	\$ 16.95	\$ 17.80	\$ 18.68	\$ 19.62
7% Increase	\$ 15.66	\$ 16.76	\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97

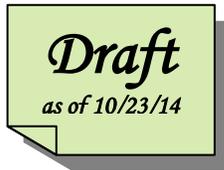
Yearly increase in residential rates						
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	6 Year Cumulative Increase
\$ 8.78	\$ 9.22	\$ 9.68	\$ 10.17	\$ 10.68	\$ 11.21	\$ 59.75
\$ 12.30	\$ 13.16	\$ 14.08	\$ 15.07	\$ 16.12	\$ 17.25	\$ 87.97

City	SWM Rate	Year	Notes
Seatac	\$6.90	2014	
Vancouver	\$7.83	2014	
Lacey	\$8.03	2014	
Tumwater	\$8.41	2014	
Maple Valley	\$9.59	2013	
Tukwila	\$9.83	2014	
Monroe	\$10.50	2014	
Bellingham (small)	\$10.78	2014	< 1,000 SF
Sumner	\$10.84	2014	
Kent	\$11.64	2014	
North Bend	\$12.36	2001	
Snohomish	\$12.55	2014	7% Annual increase through 2016
Renton	\$12.69	2014	
Everett	\$13.19	2014	
Snoqualmie	\$13.96	2014	
Bonney Lake	\$14.00	2014	
Issaquah	\$14.08	2013	
Covington	\$14.63	2014	
Mercer Island	\$15.32	2014	
Black Diamond	\$16.00	2014	
Newcastle	\$16.29	2010	
Redmond	\$16.56	2014	
Kirkland	\$16.77	2014	
Bellingham (Large)	\$17.96	2014	1000 - 2999 SF
Bellevue (small)	\$18.26	2012	10,000 SF
Lynnwood	\$18.71	2014	8% annual increase through 2018
Auburn	\$18.78	2014	
Bellevue	\$37.60	2012	22,000 SF

**DISCUSSION OF  
FUTURE AGENDA TOPICS:**

**7:00 p.m. Tuesday, November 18, 2014 Special Meeting**

**(Draft Agenda Attached)**



**CITY OF COVINGTON  
CITY COUNCIL SPECIAL MEETING AGENDA**  
[www.covingtonwa.gov](http://www.covingtonwa.gov)

**Tuesday, November 18, 2014  
7:00 p.m.**

**City Council Chambers  
16720 SE 271<sup>st</sup> Street, Suite 100, Covington**

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**CALL CITY COUNCIL SPECIAL MEETING TO ORDER**

**ROLL CALL/PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

**PUBLIC COMMUNICATION – NONE**

**PUBLIC COMMENT** Speakers will state their name, address, and organization. Comments are directed to the City Council, not the audience or staff. Comments are not intended for conversation or debate and are limited to no more than four minutes per speaker. Speakers may request additional time on a future agenda as time allows.\*

**APPROVE CONSENT AGENDA**

- C-1. Minutes: October 28, 2014 Special Joint Study Session with Arts Commission and October 28, 2014 Regular Meeting (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Approve Interlocal Agreement with Maple Valley for Storage of Deicer (Bates)
- C-4. HOME Program and the Regional Affordable Housing Program (Throm)
- C-5. Approve Contract for Public Defender Services (Scott)
- C-6. Approve Contract for Lobbyist Services (Hendrickson)

**NEW BUSINESS**

- 1. Consider 2014 Legislative Agenda (Hendrickson)
- 2. Consider Human Services Commission Recommendation for 2015/16 Funding (Throm)
- 3. Consider Resolutions Amending 2014 Community Development Fees (Hart)
- 4. 2014 Third Quarter Financial Report (Parker)

**COUNCIL/STAFF COMMENTS - Future Agenda Topics**

**PUBLIC COMMENT** \*See Guidelines on Public Comments above in First Public Comment Section

**EXECUTIVE SESSION – If Needed**

**ADJOURN**

*For disability accommodation contact the City of Covington at 253-480-2400 a minimum of 24 hours in advance. For TDD relay service, dial (800) 833-6384 and ask the operator to dial 253-480-2400.*