

Covington: Unmatched quality of life  
**CITY OF COVINGTON**  
**CITY COUNCIL REGULAR MEETING AGENDA**  
[www.covingtonwa.gov](http://www.covingtonwa.gov)



**Tuesday, October 22, 2013**  
**7:00 p.m.**

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

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*Note: A Special 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 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. Vouchers (Hendrickson)

C-2. Approve Interlocal Agreement with the Association of Washington Cities (Beaufreire)

**PUBLIC HEARINGS**

1. Receive Testimony from the Public Regarding 2014 Revenues Sources and Possible Increase in Property Tax Revenues (Hendrickson)
2. Receive Testimony from the Public and Consider Adopting Kent School District's Six Year Capital Facilities Plan and 2014 School Impact Fees (Hart)

**NEW BUSINESS**

3. Discuss Interim Zoning Regulations Regarding Recreational Marijuana (Springer)
4. Briefing on Results of Salary Survey (Beaufreire)

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

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

**EXECUTIVE SESSION – If Needed**

**ADJOURN**

**Consent Agenda Item C-1**

Covington City Council Meeting

Date: October 22, 2013

SUBJECT: APROVAL OF VOUCHERS.

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Vouchers #30102—30153, in the Amount of \$100,075.70, Dated October 1, 2013; Vouchers #20154-30154, in the Amount of \$80.00, Dated October 9, 2013; and Paylocity Payroll Checks #1001654191-1001654203 Inclusive, Plus Employee Direct Deposits in the Amount of \$149,438.94, Dated October 11, 2013.

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 #30102—30153, in the Amount of \$100,075.70, Dated October 1, 2013; Vouchers #20154-30154, in the Amount of \$80.00, Dated October 9, 2013; and Paylocity Payroll Checks #1001654191-1001654203 Inclusive, Plus Employee Direct Deposits in the Amount of \$149,438.94, Dated October 11, 2013.**

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October 1, 2013

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 30102 Through Check # 30153

In the Amount of \$100,075.70

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  
Accountant

\_\_\_\_\_  
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: 10/4/2013 9:37 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
30102	1705 TM-135649	Alpine Products, Inc. Purple Lights; signs	10/01/2013	191.63
Total for Check Number 30102:				191.63
30103	2033 5352 5353	Aquatic Specialty Services Aquatics; clean/calibration service, September Aquatics; pool chemicals	10/01/2013	124.90 851.41
Total for Check Number 30103:				976.31
30104	2245 IN0010051 IN0010080	Auto Additions, Inc. #3435; super-led lights #3435; flasher lights	10/01/2013	156.90 201.90
Total for Check Number 30104:				358.80
30105	0019 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130 100315L1020130	AWC Employee Benefits Trust Medical Insurance Premiums, October Medical Insurance Premiums, October	10/01/2013	8,814.59 6,417.37 2,150.92 2,093.71 2,143.01 6,178.40 1,681.19 2,747.93 721.44 838.16 4,824.83 8,203.40
Total for Check Number 30105:				46,814.95
30106	2368 126640	Best Parking Lot Cleaning Inc. MV; Street cleaning, September	10/01/2013	1,320.58
Total for Check Number 30106:				1,320.58
30107	1767 1767-10	Brian Bykonen Bykonen; WACE conference, per diem	10/01/2013	32.20
Total for Check Number 30107:				32.20
30108	0026 25948	C&B Awards Engraved plaque; Representative Sullivan	10/01/2013	35.30
Total for Check Number 30108:				35.30
30109	1997 004831	Capital One Commercial Joint council/SOTC meeting; refreshments, flow	10/01/2013	113.59

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 30109:	113.59
30110	2270 6317966698B-10	CenturyLink City hall; telephone, 9/13-10/13/13	10/01/2013	42.82
			Total for Check Number 30110:	42.82
30111	0537 104587-10 105731-10 107666-10 108188-10 115324-10 122505-10 122505-10 122505-10 132669-10 132670-10	Covington Water District Crystal view; water, 8/17-9/20/13 SR 516; water, 8/17-9/20/13 CCP; water, 7/20-9/20/13 Skate park; water, 7/20-9/20/13 Aquatics; water, 7/20-9/20/13 Maint shop; water, 7/20-9/20/13 Maint shop; water, 7/20-9/20/13 Maint shop; water, 7/20-9/20/13 CCP; water, 7/20-9/20/13 CCP; water, 8/17-9/20/13	10/01/2013	554.35 50.40 37.00 58.20 1,891.60 58.48 29.24 58.48 52.70 2,578.45
			Total for Check Number 30111:	5,368.90
30112	0159 3279513 3279785 3279786	Daily Journal of Commerce Town Center; development, publications Town Center; development, publications Town Center; economic impact, publications	10/01/2013	484.50 296.40 222.30
			Total for Check Number 30112:	1,003.20
30113	2689 2689-10	Dance Arts Instructor payment; 7/15-8/20/13	10/01/2013	259.20
			Total for Check Number 30113:	259.20
30114	0771 336147 336147	David Evans & Associates, Inc. Concurrency, Ranier Wood Recycling Concurrency, Shadow Creek	10/01/2013	2,313.00 1,900.00
			Total for Check Number 30114:	4,213.00
30115	0913 RE313ATB3091713	Dept. of Transportation CIP 1127; engineering, 8/1-8/31/13	10/01/2013	115.98
			Total for Check Number 30115:	115.98
30116	1996 SALES01465 130915 SALES01465 130915 SALES01465 130915	Facility Maintenance Contractors Maint shop; janitorial service Maint shop; janitorial service Maint shop; janitorial service	10/01/2013	52.80 105.60 105.60
			Total for Check Number 30116:	264.00
30117	1875 568645	FirstChoice Coffee service	10/01/2013	143.13
			Total for Check Number 30117:	143.13
30118	0302 13504.00-3 13540.00-1	Gray & Osborne City-wide safety improvements; 8/18-9/14/13 Tract A Covington Parks Div 4 Storm Pond; 8/18	10/01/2013	3,647.25 6,903.47
			Total for Check Number 30118:	10,550.72

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
30119	1799 S-13559	Griffis Heating, Inc. Server room; a/c repair	10/01/2013	605.65
Total for Check Number 30119:				605.65
30120	1658 27064422-001	Hertz Equipment Rental Corp. Purple Lights; boom truck rental, 9/16-9/20	10/01/2013	839.48
Total for Check Number 30120:				839.48
30121	0923 53375302	Hewlett-Packard Company Feser; computer	10/01/2013	584.27
Total for Check Number 30121:				584.27
30122	1722 1-749131 1-756925	Honey Bucket Skate park; portable toilet, 9/5-10/4/13 CCP; portable toilets service, 9/13-10/12/13	10/01/2013	204.75 258.00
Total for Check Number 30122:				462.75
30123	0143 3000630	King County Finance Jail costs; August	10/01/2013	138.83
Total for Check Number 30123:				138.83
30124	0204 0204-10	King County Pet Licensing Pet license remittance; September	10/01/2013	540.00
Total for Check Number 30124:				540.00
30125	0600 0600-10 0600-10-1	King County Recorder CCP; wetland notice for deed notification Recording 3 code enforcement violations	10/01/2013	80.00 223.00
Total for Check Number 30125:				303.00
30126	0641 13-424	King County Sheriff's Office Covington Days; police overtime	10/01/2013	5,393.34
Total for Check Number 30126:				5,393.34
30127	1131 SI224158	Lincoln Equipment, Inc. Aquatics; storage carts	10/01/2013	703.98
Total for Check Number 30127:				703.98
30128	1671 167	New York Catering Joint council/SOTC meeting; dinner	10/01/2013	560.22
Total for Check Number 30128:				560.22
30129	2555 39601273 39657977	NuCO2 LLC Aquatics; CO2 lease Aquatics; CO2 for pH control	10/01/2013	66.90 59.76
Total for Check Number 30129:				126.66
30130	0004 676067173001 676067173001	Office Depot Office supplies Air fresheners	10/01/2013	335.03 8.54

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 30130:	343.57
30131	0818 19576042 19576042	Pacific Office Automation Copier; lease, 9/15-10/14/13 Copier; documentation fee	10/01/2013	122.47 81.45
			Total for Check Number 30131:	203.92
30132	1432 8440 8444 8447 8448	Pacific Topsoils, Inc. Dump brush disposal fees Dump brush disposal fees Dump brush disposal fees Dump brush disposal fees	10/01/2013	261.60 109.00 109.00 109.00
			Total for Check Number 30132:	588.60
30133	1452 IN032058	Palmer Coking Coal Company Quarry rock	10/01/2013	80.96
			Total for Check Number 30133:	80.96
30134	1004 3511160300011 3511160300011	PaperDirect, Inc. Proclamation covers Proclamation covers, use tax	10/01/2013	181.27 -14.36
			Total for Check Number 30134:	166.91
30135	0161 300000007934	Puget Sound Energy City hall; electricity, 8/2-8/31/13	10/01/2013	2,231.93
			Total for Check Number 30135:	2,231.93
30136	2680 029189578	Safeguard Business Systems Covington notepads	10/01/2013	260.64
			Total for Check Number 30136:	260.64
30137	2250 C031	SBS Legal Services Legal services; September	10/01/2013	5,333.50
			Total for Check Number 30137:	5,333.50
30138	1905 C785602-701 C785603-701 C785719-701 C785719-701	Sharp Electronics Corporation Reception; copier usage, 8/22-9/23/13 Police; copier usage, 8/22-9/23/13 Copier; usage, 8/15-9/15/13 Copier; usage, 8/15-9/15/13	10/01/2013	14.40 24.88 14.86 22.28
			Total for Check Number 30138:	76.42
30139	1850 6989-1	Sherwin-Williams Co. Clean Covington; paint	10/01/2013	587.91
			Total for Check Number 30139:	587.91
30140	0736 0649809-IN 0650657-IN	Sound Security, Inc. Security monitoring; October KCSO credit; return of access cards	10/01/2013	973.00 -179.20
			Total for Check Number 30140:	793.80
30141	0281	Standard Insurance Company	10/01/2013	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	006355510001-10	Life Insurance Premiums, October		94.59
	006355510001-10	Life Insurance Premiums, October		100.83
	006355510001-10	Life Insurance Premiums, October		85.55
	006355510001-10	Life Insurance Premiums, October		248.72
	006355510001-10	Life Insurance Premiums, October		164.72
	006355510001-10	Life Insurance Premiums, October		465.53
	006355510001-10	Life Insurance Premiums, October		264.62
	006355510001-10	Life Insurance Premiums, October		529.49
	006355510001-10	Life Insurance Premiums, October		182.94
	006355510001-10	Life Insurance Premiums, October		93.44
	006355510001-10	Life Insurance Premiums, October		7.91
	006355510001-10	Life Insurance Premiums, October		568.22
	006355510001-10	Life Insurance Premiums, October		356.26
Total for Check Number 30141:				3,162.82
30142	0777 1407-111972	Suburban Propane Gardner property; propane tank annual lease	10/01/2013	97.74
Total for Check Number 30142:				97.74
30143	1775 15197285	Tacoma Screw Products, Inc. Drill bit, plug tap	10/01/2013	91.45
Total for Check Number 30143:				91.45
30144	1070 A32063 A32063	TerryBerry Morrissey; 5 year service award pin Thomas; 5 year service award pin	10/01/2013	76.72 76.72
Total for Check Number 30144:				153.44
30145	1523 1529-10	Kelly Thompson Reimbursement; planning commission refreshme	10/01/2013	50.40
Total for Check Number 30145:				50.40
30146	0546 0546-10	Victoria Throm Throm; various meeting, mileage	10/01/2013	15.20
Total for Check Number 30146:				15.20
30147	2103 236926440 237304878 237495189	US Bancorp Equip Finance Inc. Workroom copier; lease Reception copier; lease Police copier; lease	10/01/2013	639.10 93.40 93.40
Total for Check Number 30147:				825.90
30148	1879 0500579-WA 0500579-WA 0500579-WA	US Health Works Allen; DOT physical Allen; DOT physical Allen; DOT physical	10/01/2013	14.00 28.00 28.00
Total for Check Number 30148:				70.00
30149	2262 8692585460339	Voyager Fleet Systems Inc. Vehicle fuel	10/01/2013	1,870.80
Total for Check Number 30149:				1,870.80
30150	1408	Washington Workwear Stores Inc.	10/01/2013	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	1176	Dalton; shirt		32.79
	1176	Dalton; shirt		32.79
	1176	Dalton; shirt		16.39
Total for Check Number 30150:				81.97
30151	2652 5000511659	Wells Fargo Financial Leasing Plotter/scanner; lease, 10/10-11/9/13	10/01/2013	228.97
Total for Check Number 30151:				228.97
30152	2669 2669-10	WSU Puyallup Plant Clinic CCP; turf sample analysis	10/01/2013	40.00
Total for Check Number 30152:				40.00
30153	2104 S33194870101	Zones, Inc. Replacement battery backup for servers	10/01/2013	656.36
Total for Check Number 30153:				656.36
Total for 10/1/2013:				100,075.70
Report Total (52 checks):				100,075.70

October 9, 2013

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 30154 Through Check # 30154

In the Amount of \$80.00

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  
Accountant

\_\_\_\_\_  
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: 10/10/2013 11:51 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
30154	0600 0600-10-2	King County Recorder Recording code enforcement violation	10/09/2013	80.00
Total for Check Number 30154:				80.00
Total for 10/9/2013:				80.00
Report Total (1 checks):				80.00

October 11, 2013

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 10/11/13 consisting of:

PAYLOCITY CHECK # 1001654191 through PAYLOCITY CHECK # 1001654203 and inclusive, plus employee direct deposits

IN THE AMOUNT OF \$149,438.94

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 COUNCIL APPROVAL REPORT.

\_\_\_\_\_  
Robert Hendrickson  
Finance Director

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

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

\_\_\_\_\_  
Marilla Mhoon  
City Councilmember

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

**10/11/13 Payroll Voucher**

## Payroll Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
106086	Regular	10/11/2013	377	Bates, Krista	105.28
106087	Regular	10/11/2013	246	Kirshenbaum, Kathleen	696.12
106088	Regular	10/11/2013	243	Lyon, Valerie	1,441.43
106089	Regular	10/11/2013	278	Matheson, Derek M	4,625.04
106090	Regular	10/11/2013	234	Mhoon, Darren S	1,388.97
106091	Regular	10/11/2013	162	Michaud, Joan M	1,915.91
106092	Regular	10/11/2013	123	Scott, Sharon G	2,465.02
106093	Regular	10/11/2013	313	Slate, Karla J	2,456.13
106094	Regular	10/11/2013	275	Hart, Richard	3,529.65
106095	Regular	10/11/2013	368	Mueller, Ann M	1,223.30
106096	Regular	10/11/2013	180	Cles, Staci M	1,766.42
106097	Regular	10/11/2013	146	Hagen, Lindsay K	1,425.44
106098	Regular	10/11/2013	235	Hendrickson, Robert	3,647.90
106099	Regular	10/11/2013	105	Parker, Cassandra	2,479.48
106100	Regular	10/11/2013	374	Allen, Joshua C	1,679.96
106101	Regular	10/11/2013	353	Dalton, Jesse J	2,064.41
106102	Regular	10/11/2013	373	Fealy, William J	1,950.19
106103	Regular	10/11/2013	301	Gaudette, John J	1,866.86
106104	Regular	10/11/2013	186	Junkin, Ross D	2,773.94
106105	Regular	10/11/2013	371	Pearson, George C	690.84
106106	Regular	10/11/2013	252	Wesley, Daniel A	2,156.31
106107	Regular	10/11/2013	268	Bykonen, Brian D	2,964.00
106108	Regular	10/11/2013	279	Christenson, Gregg R	2,703.01
106109	Regular	10/11/2013	270	Lyons, Salina K	2,104.44
106110	Regular	10/11/2013	269	Meyers, Robert L	3,194.82
106111	Regular	10/11/2013	284	Ogren, Nelson W	2,723.07
106112	Regular	10/11/2013	266	Thompson, Kelly	2,088.16
106113	Regular	10/11/2013	307	Morrissey, Mayson	2,683.49
106114	Regular	10/11/2013	199	Bahl, Rachel A	1,672.91
106115	Regular	10/11/2013	293	MacConaghy, Hailey	1,456.80
106116	Regular	10/11/2013	397	Martinsons, Jaquelyn	101.12
106117	Regular	10/11/2013	194	Newton, Ethan A	2,135.72
106118	Regular	10/11/2013	195	Patterson, Clifford	2,418.70
106119	Regular	10/11/2013	306	Thomas, Scott R	3,512.42
106120	Regular	10/11/2013	106	Bates, Shellie L	1,931.74
106121	Regular	10/11/2013	349	Buck, Shawn M	1,554.35
106122	Regular	10/11/2013	273	French, Fred	814.50
106123	Regular	10/11/2013	257	Parrish, Benjamin A	1,645.12
106124	Regular	10/11/2013	173	Vondran, Donald M	3,731.91
106125	Regular	10/11/2013	388	Andrews, Kaitlyn E	183.69
106126	Regular	10/11/2013	393	Blakely, Coleman P.	179.34
106127	Regular	10/11/2013	380	Cox, Cory R	41.48
106128	Regular	10/11/2013	258	Cox, Melissa	619.91
106129	Regular	10/11/2013	385	Cranstoun, Alexander M	137.36
106130	Regular	10/11/2013	409	Hanger, Austin R.	99.77
106131	Regular	10/11/2013	417	Hendricks, Cole M	119.53
106132	Regular	10/11/2013	359	Houghton, Cassandra L	213.36
106133	Regular	10/11/2013	305	Kiselyov, Tatyana	432.97
106134	Regular	10/11/2013	425	Knox, John Q	32.96
106135	Regular	10/11/2013	426	Knox, Patrick L	49.45
106136	Regular	10/11/2013	410	Lanz, Avalon A.	129.39
106137	Regular	10/11/2013	416	Lipinski, Matthew	188.80

106138 Regular	10/11/2013	423 McCarthy, Joseph	16.48
106139 Regular	10/11/2013	340 Middleton, Jordan	78.64
106140 Regular	10/11/2013	297 Mooney, Lynell	226.15
106141 Regular	10/11/2013	419 Niesner, Austin C	217.22
106142 Regular	10/11/2013	413 Perko, Alyssa M.	138.67
106143 Regular	10/11/2013	319 Praggastis, Alexander	449.30
106144 Regular	10/11/2013	383 Reese, Rachel E	446.47
106145 Regular	10/11/2013	424 Rhoads, Jerrett K	288.91
106146 Regular	10/11/2013	429 Sizemore, Christine A	216.11
106147 Regular	10/11/2013	390 Tomalik, Stefan A	411.78
106148 Regular	10/11/2013	384 von Michalofski, Kayla M	21.98
106149 Regular	10/11/2013	392 Wardrip, Spencer A	427.03
106150 Regular	10/11/2013	116 Beaufre, Noreen	2,733.78
106151 Regular	10/11/2013	137 Throm, Victoria J	1,922.54
1001654191 Regular	10/11/2013	364 Newell, Nancy J	74.81
1001654192 Regular	10/11/2013	427 Ceratto, Matthew G	872.84
1001654193 Regular	10/11/2013	408 Terwillegar, Jeremy A	477.63
1001654194 Regular	10/11/2013	421 Witherrite, F. Dean	1,073.23
1001654195 Regular	10/11/2013	403 Bowen, Joshua W	419.88
1001654196 Regular	10/11/2013	292 Carkeek, Lena	674.86
1001654197 Regular	10/11/2013	422 Cochran, Jonathan G	32.96
1001654198 Regular	10/11/2013	399 Jensen, Emily A	76.92
1001654199 Regular	10/11/2013	400 Quintos, Edward Louie D	55.32
1001654200 Regular	10/11/2013	412 Reynolds, Shannon J.	265.14
1001654201 Regular	10/11/2013	415 Rinck, Tyler P	197.56
1001654202 Regular	10/11/2013	398 Vieira, Logan G	249.05

**Totals for Payroll Checks 78 Items 96,278.15**

Third Party Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
106152	AGENCY	10/11/2013	401SS	ICMA Retirement Trust	15,332.85
106153	AGENCY	10/11/2013	457Ex	Vantagepoint Transfer Agent-	379.42
106154	AGENCY	10/11/2013	CICOV	City of Covington	2,985.97
106155	AGENCY	10/11/2013	EFSDU	Paylocity Corporation	125.00
106156	AGENCY	10/11/2013		Emp City of Covington Employee	78.00
106157	AGENCY	10/11/2013	IC401	ICMA Retirement Trust	13,022.43
106158	AGENCY	10/11/2013	IC457	ICMA Retirement Trust	1,886.54
106159	AGENCY	10/11/2013	ROTH	ICMA Retirement Trust	192.00
106160	AGENCY	10/11/2013	VEBA HRA	VEBA Trust Contributions	1,116.00
1001654203	AGENCY	10/11/2013	JG1	WASH CHILD SUPPORT	110.41

**Totals for Third Party Checks 10 Items 35,228.62**

Tax Liabilities	17,738.75
Paylocity Fees	193.42

**Grand Total \$ 149,438.94**

**SUBJECT:** CONSIDER AND APPROVE NEW INTERLOCAL AGREEMENT BETWEEN THE CITY OF COVINGTON AND THE ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST RELATING TO THE HEALTH CARE PROGRAM.

**RECOMMENDED BY:** Derek Matheson, City Manager

**ATTACHMENT(S):**

1. Proposed Resolution to Jointly Self-Insure Certain Health Benefit Plans and Programs for Beneficiaries Through a Designated Account Within the Association of Washington Cities Employee Benefit Trust.
2. Proposed Interlocal Agreement between the City of Covington and the Association of Washington Cities Employee Benefit Trust for a Joint Self-Insured Health Care Program.

**PREPARED BY:** Noreen Beaufreere, Personnel Manager

**EXPLANATION:**

On August 26, 2013, the State Risk Manager approved the Association of Washington Cities (AWC) Trust's application to self-insure the medical plans through Group Health and Regence Blue Shield, the Vision Service Plan (VSP), and the Washington Dental Service (WDS) plan, effective January 1, 2014.

AWC's decision to self-insure was motivated by the potential for cost savings to Trust members. Self-insurance allows the Trust to eliminate several taxes mandatory for fully insured plans, including a 2% state tax and a 2%-3% new 2014 federal insurer tax. Retention and stop loss fees were also lowered, as well. Additionally, the AWC Trust trend line has been lower than carriers' trends for many years. Together, this bodes well for rates now and in the future. Consequently, for 2014, there will be a 0% increase across all the above-mentioned medical plans.

Impacts to both the employer and employees are minimal to none. The notable change for employers is the need for a council adoption by resolution of the Interlocal Agreement between the city and the AWC Trust, while the only possible change for employees may be the generation of a new ID card. The rest, however, remains the same:

- ✓ The city will still be part of the Trust's large pool, which will now be self-insured.
- ✓ The transition to self-insurance will not change the manner in which plans are rated (i.e., the Trust will continue to pool all member claims rather than develop rates based upon individual employer loss experience).
- ✓ The monthly bill to the city will still be generated by Northwest Administrators and due at the same time it is currently due.

- ✓ WellCity Award recipients will continue to receive a 2% discount off of the base rate of medical premiums.
- ✓ Benefit plan designs remain the same.
- ✓ Employees have access to the same provider networks.
- ✓ Claims will be processed by the same carriers.

Both the Resolution and Interlocal Agreement were provided by AWC for member cities to utilize in this regard. While the Resolution was in a template format that needed to be personalized by each member city, no amendments may be made to the Interlocal Agreement. The Interlocal Agreement was drafted by counsel to the Trust, then reviewed and approved by the Board of Trustees and the State Risk Manager. Amendments to the Interlocal must go through a lengthy process which includes all signatories to the Interlocal to approve and re-sign the agreement.

**The city must return copies of the approved Resolution and the signed Interlocal Agreement to the AWC Benefit Trust no later than November 15, 2013. Members who do not return these documents will not be eligible to purchase medical, dental, and vision benefits from the Trust as of January 1, 2014, and will not be able to take advantage of the favorable rates.**

ALTERNATIVES:

1. Do not approve the Attachment 1 Resolution and Attachment 2 Interlocal Agreement.

FISCAL IMPACT:

No fiscal impact.

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

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to authorize the City Manager to enter into an Interlocal Agreement between the City of Covington and the Association of Washington Cities relating to a joint self-insured Health Care Program.**

REVIEWED BY: City Manager, City Attorney and Finance Director.

# ATTACHMENT 1

## CITY OF COVINGTON, WASHINGTON RESOLUTION NO. 13-07

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON; TO JOINTLY SELF-INSURE CERTAIN HEALTH BENEFIT PLANS AND PROGRAMS FOR BENEFICIARIES THROUGH A DESIGNATED ACCOUNT WITHIN THE ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST.**

**WHEREAS**, the Association of Washington Cities Employee Benefit Trust (the “Trust”) is an entity to which contributions by cities and towns and non-city entities organized and existing under the Constitution or laws of the State of Washington and who are members of the Trust (“Participating Cities and Towns,” and “Participating Non-City Entities”) and their employees can be paid and through which the Board of Trustees of the Trust (“Trustees”) provides one or more insured health and welfare benefit plans or programs to Participating Cities and Towns’ and Non-City Entities’ employees, their dependents and other beneficiaries (“Beneficiaries”), on whose behalf the contributions were paid; and

**WHEREAS**, the Trust qualifies as a voluntary employee beneficiary association within the meaning of Section 501(c)(9) of the Internal Revenue Code, providing for the payment of life, sick, accident or other benefits to Beneficiaries; and

**WHEREAS**, the Trust and Participating Cities and Towns and Non-City Entities have determined that it is in the best interest of Participating Cities and Towns and Non-City Entities to jointly self-insure certain health benefit plans and programs for Beneficiaries through a designated account within the Trust, while at the same time having the Trust continue as the entity to which other insured health and welfare benefit program contributions are paid and through which insured health and welfare benefit plans and programs are provided to Beneficiaries; and

**WHEREAS**, it appears economically feasible and practical for the parties to do so; and

**WHEREAS**, Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal Agreement under chapter 39.34 RCW, jointly self-insure health benefit plans and programs, and/or jointly hire risk management services for such plans or programs by any one or more of certain specified methods; and

**WHEREAS**, the Association of Washington Cities Employee Benefit Trust Interlocal Agreement (the “Interlocal Agreement”) attached hereto creates a joint self-insured health and welfare benefit program (the “Health Care Program”) to be administered by the Trustees for the purposes of providing self-insured health benefits to Beneficiaries; and

**WHEREAS**, WAC 200-110-030 requires every local government entity participating in a joint self-insurance health and welfare benefit program to adopt such program by resolution; and

**WHEREAS**, Chapter 48.62 requires Health Care Program assets to be managed consistent with existing authority over use of municipal funds in RCW 35.39.030. The Trust will manage Health Care Program reserves in compliance with Chapter 48.62 RCW; RCW 35.39.030, and the Health Care Program Investment Policy; and

**WHEREAS**, all premium contributions for use in the Health Care Program are deposited into a designated account within the Trust, the Health Care Program Account (the “HCP Account”), and the HCP Account represents a pool of funds that is independent of all other Trust or AWC funds; and

**WHEREAS**, the Trust intends to manage the HCP Account assets in compliance with federal and state laws and the Interlocal Agreement; and

**WHEREAS**, the City of Covington, Washington, believes it is in the best interest of the Health Care Program to allow the Trust to manage the HCP Account;

**BE IT RESOLVED** by the City Council of the City of Covington, Washington, as follows:

The City Council does hereby approve the City Manager to adopt for the City the Interlocal Agreement creating the Health Care Program; and, that by adopting such Agreement, the City of Covington, Washington, acknowledges that it shall be subject to assessments as required by the Health Care Program.

**PASSED** in open and regular session on this 22<sup>nd</sup> day of October, 2013.

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Mayor Margaret Harto

ATTESTED:

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Sharon Scott  
City Clerk

APPROVED AS TO FORM:

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Sara Springer

## ATTACHMENT 2

<p style="text-align:center"><b>ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST HEALTH CARE PROGRAM INTERLOCAL AGREEMENT</b></p>
--

This Agreement is made and entered into in the State of Washington by and among the Association of Washington Cities Employee Benefit Trust (the "Trust") and cities and towns, and non-city entities organized and existing under the Constitution or laws of the State of Washington and who are members of the Trust ("Participating Cities and Towns," or "Participating Non-City Entities"), all of whom are signatories to this Agreement.

### RECITALS

WHEREAS, the Trust is an entity to which contributions by Participating Cities and Towns and Non-City Entities (defined below) and Participating Employees (defined below) are paid and through which the Board of Trustees provides one or more insured health and welfare benefit plans or programs to Participating Employees, their covered dependents and other beneficiaries ("Beneficiaries"), on whose behalf the contributions were paid; and

WHEREAS, the Trust qualifies as a voluntary employee beneficiary association within the meaning of Section 501(c)(9) of the Internal Revenue Code ("VEBA"), providing for the payment of life, sick, accident or other benefits to Beneficiaries; and

WHEREAS, the Trust and the Participating Cities and Towns have determined that it is in the best interest of Participating Cities and Towns to jointly self-insure certain health benefit plans and programs for Beneficiaries through a designated account within the Trust, while at the same time having the Trust continue as the entity to which health and welfare benefit plan or program contributions are paid and through which insured health and welfare benefit plans and programs are provided to Beneficiaries; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement (defined below) to do so; and

WHEREAS, Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, jointly self-insure health benefit plans and programs, and/or jointly hire risk management services for such plans or programs by any one or more of certain specified methods; and

WHEREAS, each local government entity that is a signatory hereto, as required by WAC 200-110-030, acts upon the authority of a resolution adopting this Agreement and the Health Care Program (defined below) created herein;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

## ARTICLE 1

### DEFINITIONS

The following are definitions of terms used in the Agreement. Unless indicated otherwise, other terms are defined where they are first used. Defined terms are capitalized when used in the defined context.

- 1.1 **Agreement** means this Interlocal Agreement entered into under the authority of Chapter 39.34 RCW and as required by RCW 48.62.031(2) between the Trust and Participating Employers.
- 1.2 **Association of Washington Cities** or **AWC** means the Association of Washington Cities, a not-for-profit membership association established pursuant to the laws of the state of Washington for the purpose of providing various services to and on behalf of its member cities.
- 1.3 **Association of Washington Cities Employee Benefit Trust** or the **Trust** means the trust and all property and money held by such entity, including all contract rights and records, established for the sole purpose of providing life, sick accident or other health and welfare benefits to Participating Employees, their covered dependents and other beneficiaries, and which is approved by the Internal Revenue Service as a VEBA.
- 1.4 **Employee Benefits Advisory Committee** or **EBAC** means the committee defined in Article V of the Trust Agreement that may be delegated responsibility by the Board of Trustees, including but not limited to: overseeing the operations of the Health Care Program, analyzing and developing annual premium levels and benefit coverage changes for recommendation to the Board of Trustees and performing other duties necessary to ensure that the needs of Participating Employers are met and the long-term financial health of the Health Care Program is maintained.
- 1.5 **Health Care Program** means the joint self-insurance program offering self-insured health benefit options through the HCP Account.
- 1.6 **HCP Account** means a designated account within the Trust and created by this Agreement, the Trust Agreement and Trust Health Care Program policies all under the authority of Chapter 48.62 RCW to provide self-insured health benefits to Participating Employees, their covered dependents and other beneficiaries and further described in Article 6.
- 1.7 **Non-City Entity** means any public agency, public corporation, intergovernmental agency or political subdivision, within the state of Washington that meets the requirements of Article IX, Section 1(c)(ii) and (iii) of the Trust Agreement for participation in the Health Care Program.
- 1.8 **Participating City** means any city or town within the state of Washington that meets the requirements of Article IX, Section 1(a) or Section 1(b) of the Trust Agreement.

- 1.9 **Participating Employee** means any individual employed by a Participating Employer and for whom the Participating Employer makes contributions to the Trust, and any individual who may have been so employed but is subsequently laid off, terminated, or retired.
- 1.10 **Participating Employer** means a Participating City or Non-City Entity that is also a party to this Agreement.
- 1.11 **Resolution** means the resolution adopted by each Participating City or Non-City Entity that authorizes the Health Care Program.
- 1.12 **State Risk Manager** or **Risk Manager** means the risk manager of the Risk Management Division within the Department of Enterprise Services.
- 1.13 **Stop Loss Insurance** or **Reinsurance** means a promise by an insurance company that it will cover losses of the Health Care Program over and above an agreed-upon individual or aggregated amount, which definition shall be modified by any changes to the definition of stop loss insurance in WAC 200-110-020.
- 1.14 **Third-Party Administrator** means the independent association, agency, entity or enterprise which, through a contractual agreement, provides one or more of the following ongoing services to the Health Care Program: pool management or administration services, claims administration services, risk management services, or services for the design, implementation, or termination of an individual or joint self-insurance program.
- 1.15 **Trust Agreement** means the Trust Agreement Governing the Trust amended and restated July 1, 2013, and any subsequent amendments thereto.
- 1.16 **Trustees** or **Board of Trustees** means the following individuals and their successors, who together, govern the Trust and the Health Care Program:
- 1.16.1 the AWC President and the AWC Vice President;
- 1.16.2 the EBAC Chair and the EBAC Vice Chair; and
- 1.16.3 an individual elected pursuant to the procedures in Article III, Section 5 of the Trust Agreement to serve as the trustee from one of the following regions:
- (a) North East Region (known as the “North East Region Trustee”);
  - (b) North West Region (known as the “North West Region Trustee”);
  - (c) South East Region (known as the “South East Region Trustee”); and
  - (d) South West Region (known as the “South West Region Trustee”).

Individuals from Non-City Entities are not eligible to serve as Trustees.

## **ARTICLE 2**

### **PURPOSE**

This Agreement is entered into for the purpose of authorizing the Health Care Program created by the Trust to provide self-insured health benefits to Participating Employees, their covered dependents and other beneficiaries. The Health Care Program shall comply with the statutory provisions found in Chapters 48.62 and 39.34 RCW and the regulatory requirements contained in WAC 200-110 applicable to joint self-insurance programs.

## **ARTICLE 3**

### **PARTIES**

Each party to this Agreement certifies that it intends to participate in the Health Care Program. Participating Employers are signatories of this Agreement to become effective on a date to be mutually determined (the "Effective Date") and with such other Participating Cities and Non-City Entities as may later be added to and become signatories to this Agreement.

## **ARTICLE 4**

### **DURATION OF AGREEMENT**

- 4.1 This Agreement shall become effective on the Effective Date.
- 4.2 This Agreement shall have perpetual duration unless terminated as hereinafter provided.

## **ARTICLE 5**

### **MEMBERSHIP COMPOSITION**

The Health Care Program shall be open to Participating Cities and Non-City Entities. Participation in the Health Care Program is voluntary and not a requirement of AWC membership. The Board of Trustees shall provide for the reasonable admission of new Participating Cities and Non-City Entities.

## **ARTICLE 6**

### **HCP ACCOUNT**

- 6.1 All premium contributions by Participating Employers, Non-City Entities and Participating Employees for use in the Health Care Program are deposited into the HCP Account.
- 6.2 The HCP Account represents a pool of funds that is independent of all other Trust or AWC funds and independent of all other Participating Employer and Non-City Entity funds. The funds deposited into the HCP Account are held, managed and expended only for the Health Care Program and reasonable expenses, consistent with applicable state

and federal statutes and rules governing joint self-insurance programs and self-insurance programs generally.

- 6.3 The HCP Account is subject to audit by the State Auditor's Office.

## **ARTICLE 7**

### **TRUSTEE POWERS RELATED TO HEALTH CARE PROGRAM**

The Board of Trustees is provided with the powers and functions established under RCW 48.62.031 to accomplish the following:

- 7.1 Promote the economical and efficient means by which health benefits coverage is made available to Participating Employers and Non-City Entities and provided to Participating Employees, their covered dependents and other beneficiaries;
- 7.2 Protect the financial integrity of the Health Care Program through purchase of Stop Loss Insurance or Reinsurance in such form and amount as needed;
- 7.3 Contract for or otherwise provide risk management and loss control services;
- 7.4 Contract for or otherwise provide legal counsel for the defense of claims and other legal services;
- 7.5 Consult with the state insurance commissioner and the State Risk Manager;
- 7.6 Obligate the Participating Employers and Non-City Entities to pledge revenues or contribute money to secure the obligations or pay the expenses of the Health Care Program, including the establishment of a reserve or fund for coverage; and
- 7.7 Exercise all other powers and perform all other functions reasonably necessary to carry out the purposes of the Health Care Program, Chapter 48.62 RCW and Chapter 200-110 WAC.

## **ARTICLE 8**

### **ORGANIZATION OF HEALTH CARE PROGRAM**

- 8.1 The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Trustees or any delegates review and analyze Health Care Program-related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW.
- 8.2 The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110 WAC.

## **ARTICLE 9**

### **RESPONSIBILITIES OF THE TRUSTEES**

- 9.1 The Board of Trustees shall discharge its responsibilities under this Agreement as follows:
  - 9.1.1 Provide for the efficient management and operation of the Health Care Program;
  - 9.1.2 Provide for health benefit coverage options for Participating Employees, their covered dependents and other beneficiaries;
  - 9.1.3 Determine the level of Stop Loss Insurance or Reinsurance coverage for claims expenses above the amounts deemed appropriate for self-insurance;
  - 9.1.4 Ensure that the Health Care Program meets required state and federal statutes and rules;
  - 9.1.5 Contract with vendors required to meet the responsibilities established by the Trust Agreement, Health Care Program policies, and applicable state and federal statutes and rules;
  - 9.1.6 Maintain the balance between meeting the Health Care Program needs of Participating Employers and the long-term financial integrity of the Health Care Program;
  - 9.1.7 Prepare an annual financial report on the operations of the Health Care Program; and
  - 9.1.8 Provide for other services deemed appropriate by the Board of Trustees to meet the purposes of this Agreement.
- 9.2 The Board of Trustees may delegate the responsibilities described in this Article 9 to the EBAC or other delegates at its complete discretion.

## **ARTICLE 10**

### **RESPONSIBILITIES OF THE PARTICIPATING EMPLOYERS**

In order to participate in the Health Care Program, Participating Employers shall:

- 10.1 Be a Participating City or Non-City Entity in good standing and comply with the requirements of admission or qualification as established by the Board of Trustees;
- 10.2 Adopt this Agreement by Resolution, agreeing to its terms and provisions;
- 10.3 Submit the Resolution and Agreement to the Trust;

- 10.4 Read the terms, conditions and representations set forth in the application agreement related to participation in the Health Care Program;
- 10.5 Designate an employee of the Participating Employer to be a contact person for all matters relating to the Participating Employer's participation in the Health Care Program;
- 10.6 Pay premiums for the Health Care Program to the Third-Party Administrator no later than the tenth day of the month in which the premium is due;
- 10.7 By formal action of the legislative body of the Participating Employer, approve policies and procedures necessary to secure protected health information ("PHI") in accordance with Chapter 70.02 RCW and the Health Insurance Portability and Accountability Act ("HIPAA") privacy and security rules, codified at 45 C.F.R. Parts 160-164;
- 10.8 Provide the Health Care Program with such information or assistance as is necessary for the Health Care Program to meet its responsibilities under this Agreement; and
- 10.9 Cooperate with and assist the Health Care Program and any insurer of Stop Loss Insurance or Reinsurance, in all matters relating to the administration and operation of the Health Care Program and all matters relating to this Agreement.
- 10.10 Comply with all bylaws, rules, regulations and policies adopted by the Board of Trustees relating to the Health Care Program.

## **ARTICLE 11**

### **RESERVE FUND INVESTMENT**

All reserve fund investments from the HCP Account shall be made in a manner that is consistent with RCW 48.62.111, Chapter 39.59 RCW, WAC 200-110-090 and the Health Care Program Investment Policy.

## **ARTICLE 12**

### **FINANCIAL RECORDS**

- 12.1 The Board of Trustees shall develop estimated revenue and expenditures to establish a budget for each fiscal year covering January 1 through December 31 annually. Actual Health Care Program revenues and expenditures shall be monitored monthly by the Board of Trustees and reported at its quarterly meetings.
- 12.2 The accounting records of the Health Care Program are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Health Care Program also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. Once reviewed and approved by the

Office of the State Auditor the year-end financial report is transmitted to the Office of the State Risk Manager.

- 12.3 Financial records of the Health Care Program shall be subject to audit by the Office of the State Auditor. Year-end financial reports and audit results shall be made available to interested parties. The Health Care Program shall provide financial information as required by state statute and rule to the Office of the State Risk Manager.

## **ARTICLE 13**

### **PARTICIPATING EMPLOYER TERMINATION AND WITHDRAWAL**

- 13.1 A Participating Employer must remain in good standing with the Trust and adhere to the requirements of this Agreement. In the event that a Participating Employer fails to be a Participating City or Non-City Entity in good standing, participation in the Health Care Program shall automatically terminate without notice as shall all health and welfare benefits provided through the Health Care Program.
- 13.2 The Board of Trustees may take action to terminate membership or deny membership in the Health Care Program where it determines that such termination or denial is in the best interest of the Health Care Program
- 13.3 When a Participating Employer's eligibility in the Health Care Program is affected due to merger or annexation, the affected Participating Employer may petition the Board of Trustees to remain in the Health Care Program.
- 13.4 A Participating Employer may only withdraw its participation in the Health Care Program at the end of the calendar year and must provide written notice to the Trust at least thirty-one (31) days in advance of the end of the calendar year (December 31st).
- 13.5 In the event of withdrawal or non-renewal, the Health Care Program will cover any of the Participating Employer's remaining outstanding Health Care Program claims expenses incurred prior to the Participating Employer's withdrawal from or non-renewal in the Health Care Program.
- 13.6 No Participating Employer, because of withdrawal or any other reason, has any right or interest in the HCP Account because of its nature as a rate stabilization fund. In the event any Participating Employer withdraws from the Health Care Program, its Participating Employees, their covered dependents and other beneficiaries and any Consolidated Omnibus Budget Reconciliation Act of 1985 as amended (COBRA) participants and contract personnel and dependents approved by the Board of Trustees, shall forfeit all right and interest to the HCP Account.

## **ARTICLE 14**

### **TERMINATION OF HEALTH CARE PROGRAM**

- 14.1 In the event the Health Care Program is terminated, the Board of Trustees shall distribute the remaining funds in the HCP Account to the Trust or any successor association authorized by Chapter 39.34 RCW for like purposes for use in any program with similar purposes.
- 14.2 Upon termination, this Agreement and the HCP Account shall continue for the purpose of paying remaining outstanding claims and expenses and fulfilling all other functions necessary to complete the business of the Health Care Program.

## **ARTICLE 15**

### **MEETINGS, NOTICES AND COMMUNICATIONS**

- 15.1 The Board of Trustees and the EBAC, if any responsibilities for Trust management have been delegated thereto, shall provide notice of their regular and special meetings and hold their meetings in accordance with Chapter 42.30, RCW Open Public Meetings Act.
- 15.2 Communications with Participating Employers may occur using mail, email or posting on the Health Care Program website. The website shall be partitioned to provide information for the general public and information specific to Participating Employers and their employees.
- 15.3 Communications may come directly from the Health Care Program, through the Third-Party Administrator or through another vendor on behalf of the Health Care Program.

## **ARTICLE 16**

### **AMENDMENTS TO INTERLOCAL AGREEMENT**

- 16.1 The Board of Trustees shall review and analyze any proposed amendment to this Agreement. An amendment may be proposed for review by any party to this Agreement.
- 16.2 The Board of Trustees upon its discretion may take action by resolution on any amendment at any regular meeting of the Board of Trustees.

## **ARTICLE 17**

### **PROHIBITION ON ASSIGNMENT**

- 17.1 No Participating Employer may assign any right or claim of interest it may have under this Agreement.

- 17.2 No creditor, assignee or third-party beneficiary of any employer shall have the right, claim or title to any party, share, interest, premium or asset of the Trust, HCP Account or the Health Care Program.

## **ARTICLE 18**

### **HEALTH CLAIM DISPUTES AND APPEALS**

In the event that a dispute arises over a health claim, the procedures, adjudication requirements and administrative remedies shall be found in the Health Care Program's plan document applicable to the Health Care Program covering the claimant.

## **ARTICLE 19**

### **PLAN ADMINISTRATION DISPUTES AND APPEALS**

- 19.1 In the event that a dispute arises between a Participating Employer and the Health Care Program, the Participating Employer shall document the circumstances causing the dispute and submit a written request for review of the disputed circumstances to the Board of Trustees. Upon review of such information, the Board of Trustees shall attempt to resolve the dispute.
- 19.2 If the Board of Trustees' resolution to the dispute is deemed unsatisfactory, then alternative dispute resolution through mediation or binding arbitration may be necessary.

## **ARTICLE 20**

### **ENFORCEMENT OF TERMS OF AGREEMENT**

- 20.1 The Board of Trustees may enforce the terms of this Agreement.
- 20.2 In the event legal action is initiated to enforce any term or provision of this Agreement against any present or previous Participating Employer, the prevailing party shall receive such reimbursement of costs as the court deems reasonable for attorneys' fees and costs related to the relevant legal action.

## **ARTICLE 21**

### **DEFAULT**

- 21.1 If any Participating Employer fails to perform any term or condition of this Agreement and such failure continues for a period of sixty (60) days after the Board of Trustees has given the Participating Employer written notice describing such failure, the Participating Employer shall be considered in default.
- 21.2 Upon default, the Board of Trustees may immediately cancel the Participating Employer's participation in the Health Care Program without additional notice or exercise some other remedy otherwise provided by law.

- 21.3 The rights and remedies of the Board of Trustees are cumulative in nature and pursuit of any particular remedy shall not be deemed an election of remedies or a waiver of any other remedies available hereunder or otherwise available by law.

## ARTICLE 22

### NO WAIVERS

No waiver or forbearance of a breach of any covenant, term, or condition of this Agreement shall be construed to be a waiver or forbearance of any other or subsequent breach of the same or of any other covenant, term or condition, and the acceptance of any performance hereunder, or the payment of any sum of money after the same has become due or at a time when any other default exists hereunder, shall not constitute a waiver or right to demand payment of all sums owing or a waiver of any other default then or thereafter existing.

## ARTICLE 23

### CONTRACT MANAGEMENT

The Health Care Program shall designate a person to whom the State Risk Manager shall forward legal process served upon the Risk Manager; **The AWC Chief Executive Officer** (designee or successor). **The Health Care Program Director** shall be responsible for and shall be the contact person for all communications regarding the performance of this Agreement.

## ARTICLE 24

### SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

## ARTICLE 25

### COUNTERPART COPIES

This Agreement may be signed in counterpart or duplicate copies and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

## **ARTICLE 26**

### **HEADINGS**

The Article and Section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the Articles and Sections they introduce.

## **ARTICLE 27**

### **AGREEMENT COMPLETE**

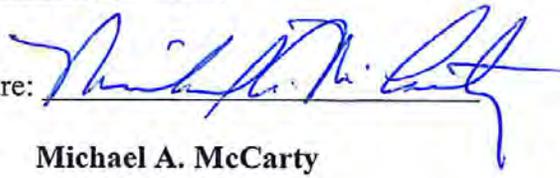
This Agreement and the documents referenced herein contains all the terms and conditions agreed to by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto.

**[Signature page follows]**

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement.

**Association of Washington Cities**  
**Employee Benefit Trust**

**Participating Employer**

Signature:   
Name: **Michael A. McCarty**

Signature: \_\_\_\_\_

Title: Chief Executive Officer

Name (print): \_\_\_\_\_

Date: August 30, 2013

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Effective Date: January 1, 2014

**Agenda Item 1**  
Covington City Council Meeting  
Date: October 22, 2013

**SUBJECT:** PRELIMINARY PUBLIC HEARING TO RECEIVE TESTIMONY FROM THE PUBLIC AND PRESENTATION FROM STAFF REGARDING 2014 REVENUE SOURCES AND POSSIBLE INCREASE IN PROPERTY TAX REVENUES

**ATTACHMENT(S):**

1. Description of 2014 Revenue Sources.
2. PowerPoint Presentation.
3. 2013-2019 Base Revenue and Expenditure Forecast – All Funds.
4. Property Tax Worksheet.

**COUNCILMEMBERS AND STAFF: PLEASE REMEMBER TO BRING YOUR  
PRELIMINARY 2014 BUDGET WORKBOOK BINDERS TO THE MEETING.  
THANK YOU!**

**RECOMMENDED BY:** Rob Hendrickson, Finance Director

**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 Finance Director will review the history of Covington's revenue collections, the current year's collections, and 2014'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 2014 property tax levies for cities in King County is November 30, 2013.

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 2014 REVENUE SOURCES**

This summary describes each of the major revenue sources that appear in the 2014 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**

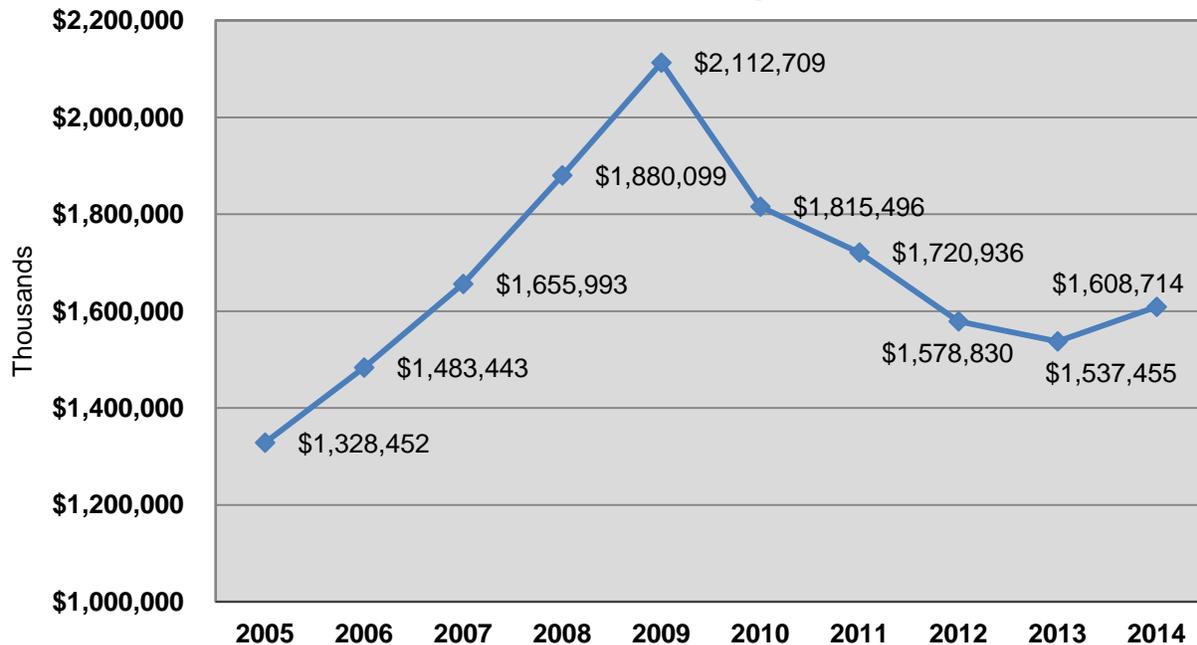
**Property Taxes**

**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 2014 is \$2,427,134. The taxable assessed valuation (AV) is \$1,608,713,530 which includes \$24,999,941 in new construction. The estimated levy rate is \$1.50874/\$1,000 AV.

The City saw a 24% decrease in assessed value from 2009 to 2014.

**Total Taxable Assessed Values  
Real and Personal Property  
For the Fiscal Years 2005 through 2014**



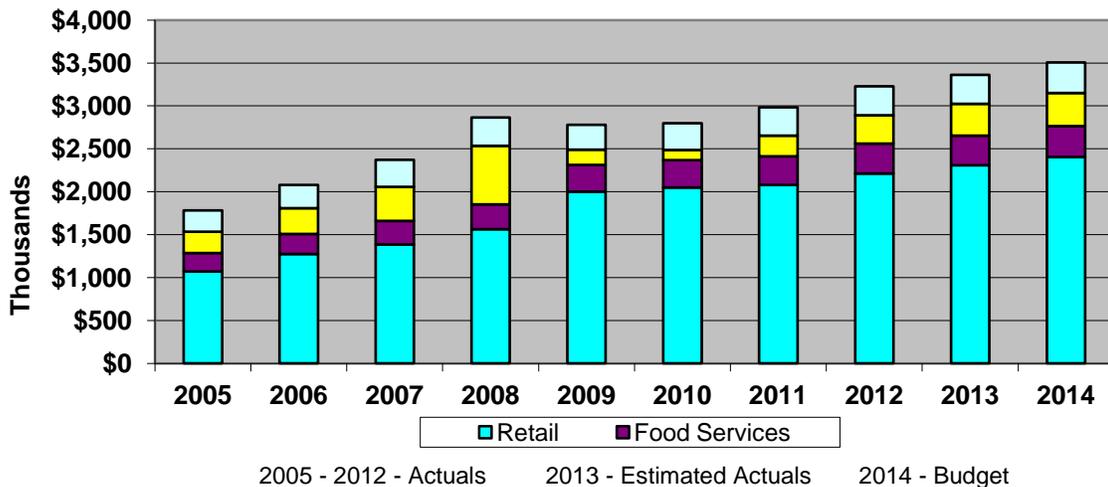
**Sales Taxes**

**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 2014 are estimated at \$3,507,000. 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 2005 through 2014**

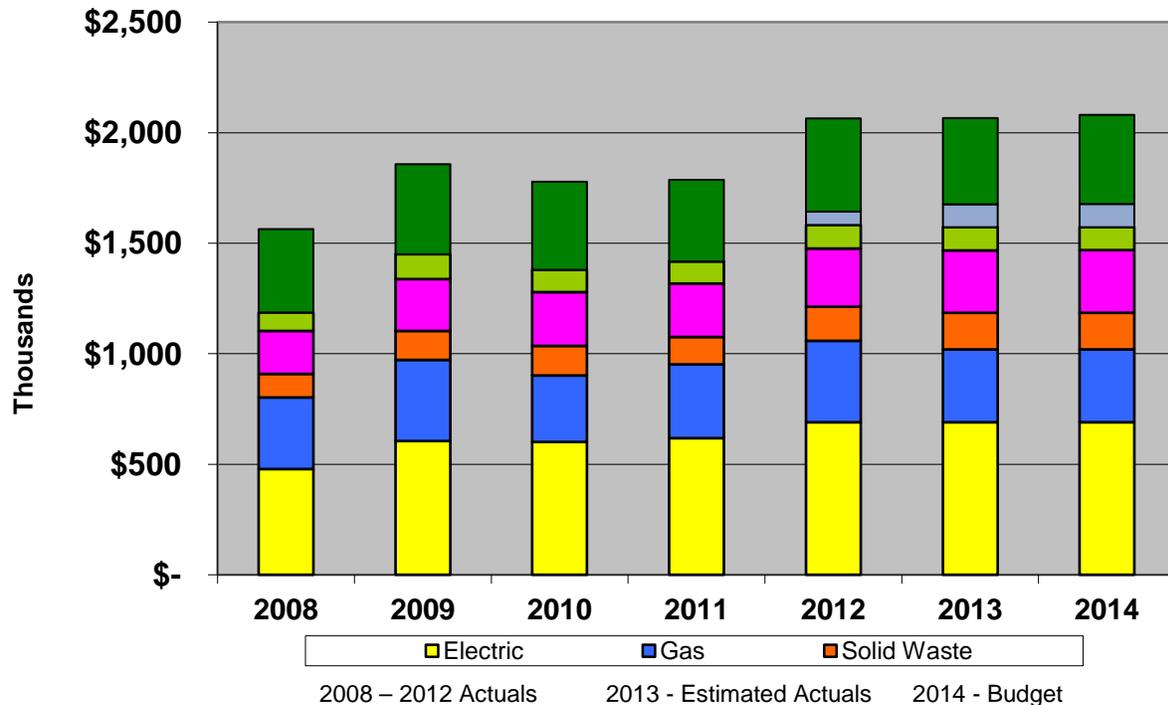


### Utility Taxes

### 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 2014 are estimated at \$2,080,100. Utility tax revenues are allocated between the General Fund, Parks Fund, and Street Fund.

**Utility Tax by Classification  
For the Fiscal Years 2008 Through 2014**



### 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 2014 estimate of \$365,000 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 2014 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 2014 revenue estimate is \$480,000.

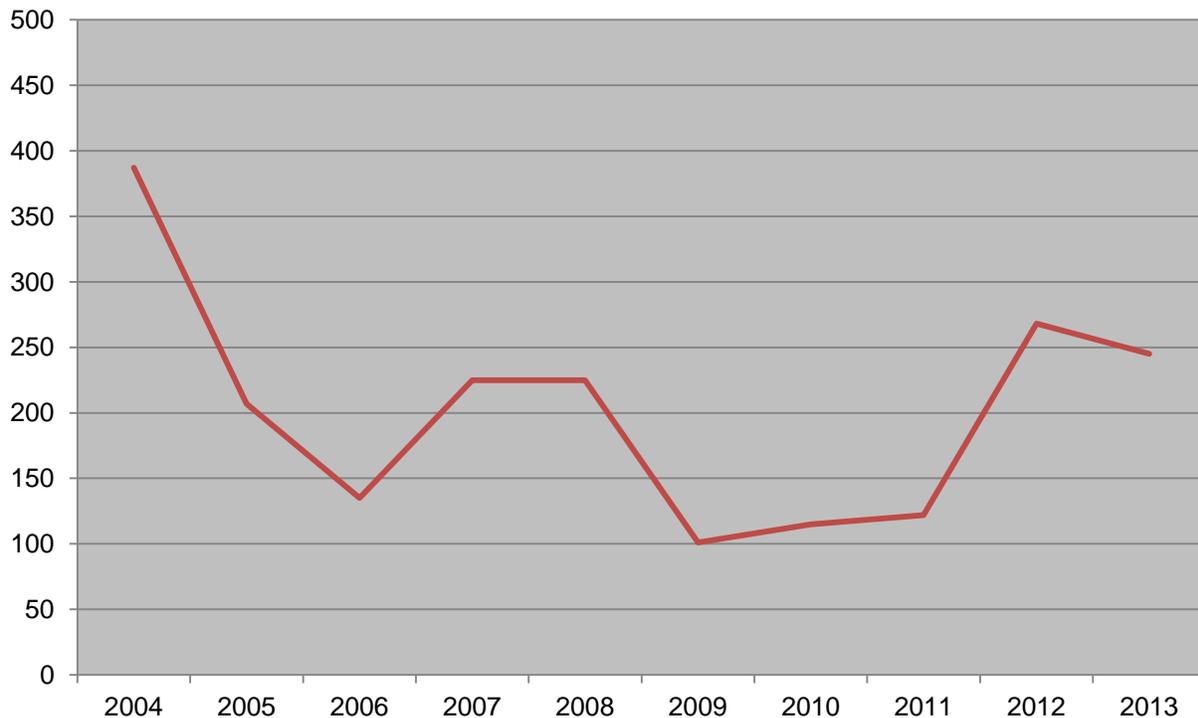
### **LICENSES AND PERMITS**

#### **Building, Permits, Misc.**

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 2014, \$236,700 is estimated based on 14 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 2014 revenue estimate for this license fee is \$83,000. For 2014, all other permits and licenses such as sign permits and peddler's permits are estimated at \$5,300.

#### **Development Services Fund**

**Number of Building Permits Issued  
For Fiscal Years 2004 Through 2013**



#### **Cable TV Franchise**

Cable TV franchise fees, which are applied to the Street Fund, are based on population growth. For 2014 the estimated fees are \$220,000.

#### **Street Fund**

#### **Solid Waste Administration**

In 2013, the City entered into a franchise agreement with Republic Services. For 2014 the estimated revenue is \$75,000.

#### **General Fund**

## INTERGOVERNMENTAL

### Liquor Excise Tax

### General Fund

The 2014 estimate of \$21,539 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 2014 estimate of \$160,909 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 2014, we are estimating \$369,240.

### 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 2014, we are estimating \$50,653.

### 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 2014 we estimate being awarded \$24,354.

## 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 2014 budget is estimated at \$433,524.

**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 2014 budget for these fees is estimated at \$619,868.

**Parks Fees**

**Parks Fund**

These fees are collected for services related to the Aquatic Center and Recreation programs. The 2014 revenues are estimated at \$488,180.

**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 2014 budget is estimated at \$1,754,862.

**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 \$156,500 in revenue for 2014. In 2014 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 2014 is \$16,000.

**Parks Fees**

**Parks Fund**

These miscellaneous fees are collected for locker rentals, pool rentals, concessions, etc. The 2014 revenues are estimated at \$100,430.

**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 2014 estimate of \$38,700 is based on annualized 2013 data, economic outlook, and the assumption that fund balances available for investing will be at 2013 levels.



**City of Covington  
Financial Forecast  
2013 - 2019**

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Rob Hendrickson  
October 22, 2013



**“A REGION’S ECONOMY FLOATS ON A  
NATIONAL SEA WHILE BEING BUFFETED BY  
LOCAL TIDES AND WINDS.”**

-McNees and Tootell , New England Economic Review, July, 1991

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## 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

- Fiscal Policy Actions
- Real Wealth Loss
- Global Shocks
- Uncertainty
- Oil Shock
- Diminished Confidence
- Aging Population

### Tailwinds

- Rising Income and Employment
- Housing Upturn
- Stock and House Prices
- Monetary Policy
- Diminished Drag-State and Local Sectors
- Hydraulic Fracking
- Credit Standards Easing
- Europe/China Stabilizing

## The Real Washington



- Expanding at a moderate pace
- Employment and income
- 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 – recovery here?



- Major revenues
  - Trend is up
- Healthcare
  - Newly opened Valley Medical bldg and dental office
  - MultiCare next
- Housing
  - Continues strong in 2013
- Retail
  - Number one in retail sales annual growth of 9.6% (#2 was Port Orchard at 7.4%)

## Property Tax

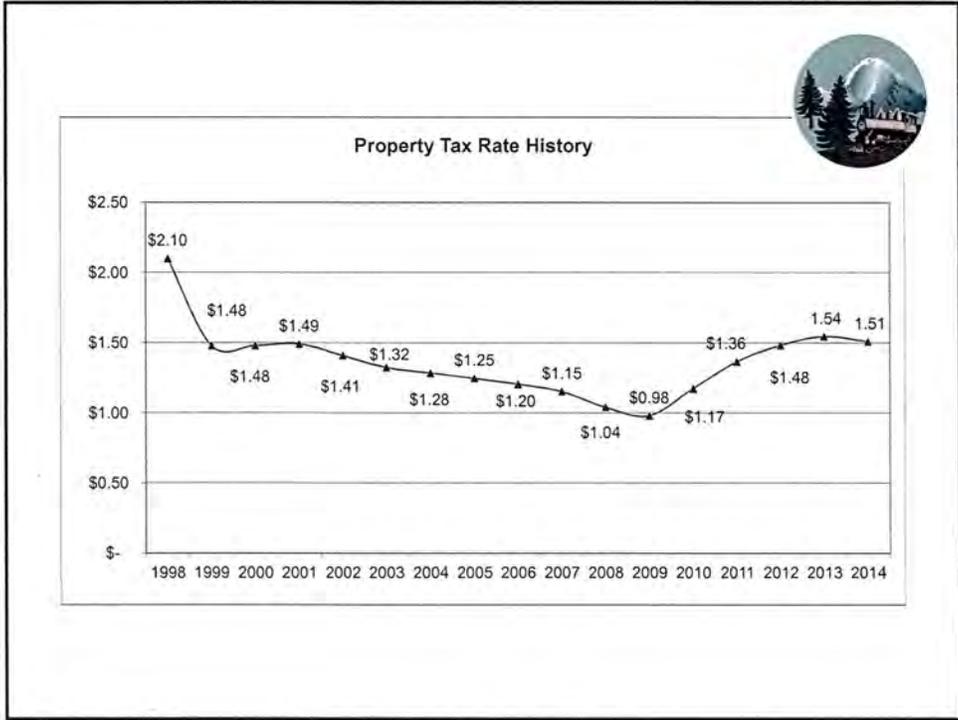
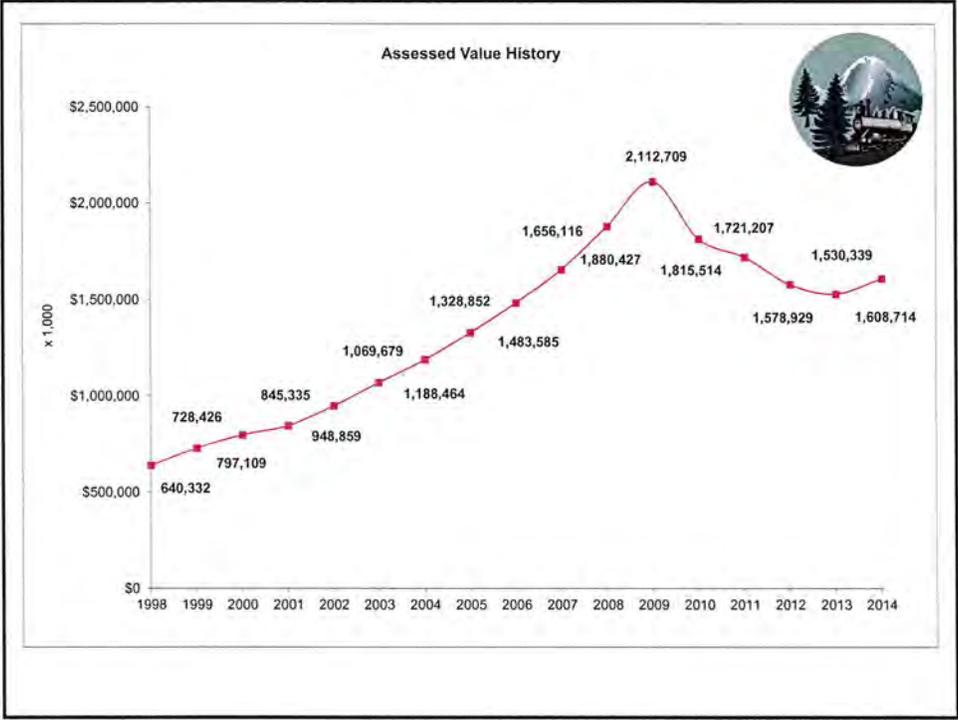


- Assessment drops and levy rate rises. Conversely, assessment rises and levy rate drops (the teeter totter effect)
- Add 1 percent
- Add in new construction
- Final worksheet tally



2013 Levy Amount	\$2,364,737
X1%	23,648
Increase in utility value	-0-
Plus: new construction	38,689
Re-levy for prior year refunds	<u>-0-</u>
<b>2013 Property Tax Levy (for collection in 2014)</b>	<b><u>\$2,427,134</u></b>
Assessed Valuation	\$1,608,713,530
Estimated Levy Rate	\$1.50874





## Property tax math 101



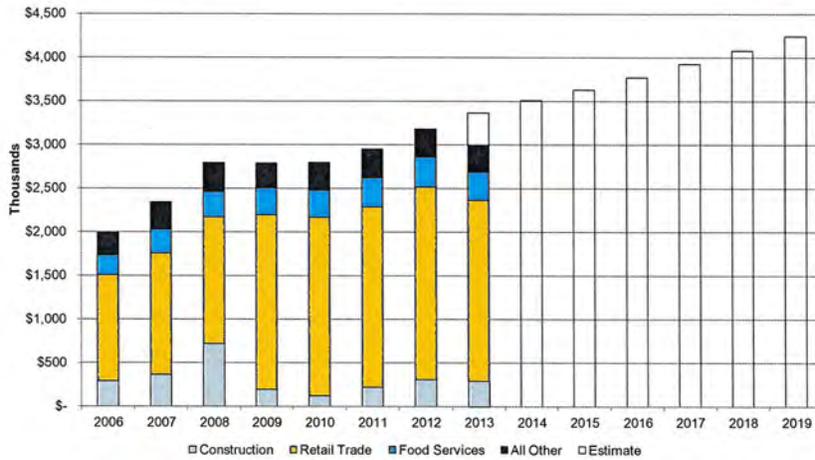
	2013	2014	% Change
Assessed Value	\$1,530,338,769	\$1,608,713,530	5.12%
Tax Levy	\$2,364,343	\$2,427,134	2.66%
Levy Rate	\$1.54	\$1.51	-2.35%
Home Value	\$325,000	\$341,644	5.12%
Tax Assessment	\$502.12	\$515.25	2.66%

## Sales Tax



- Business is booming
  - Consumers are spending
  - Construction continues to increase
  - Employment is increasing with the expansion of healthcare

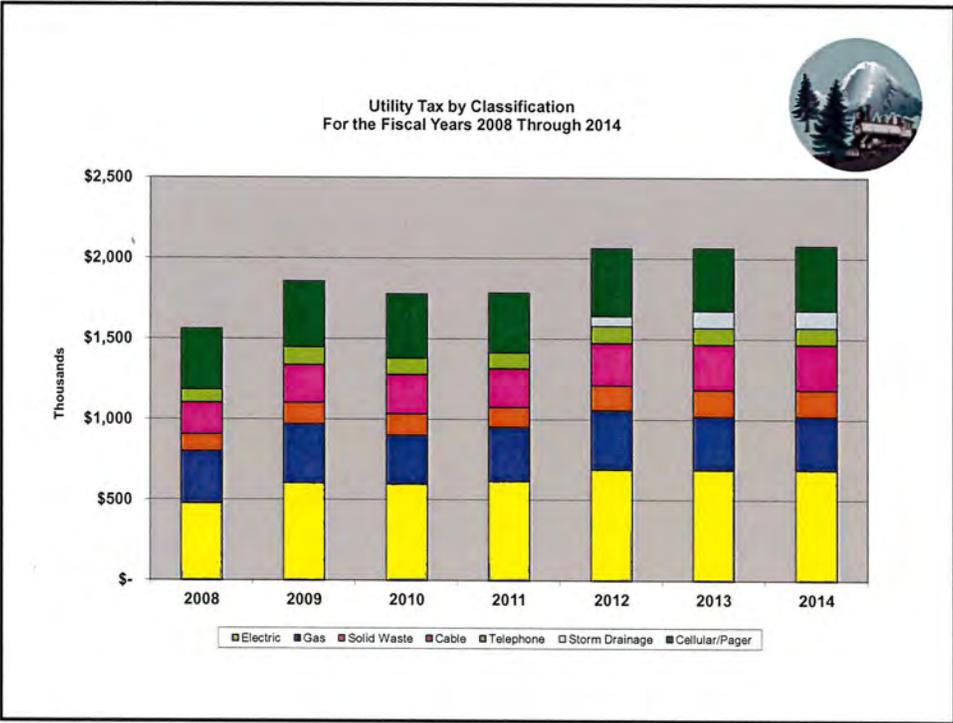
### Sales Tax by Year



## Utility Tax



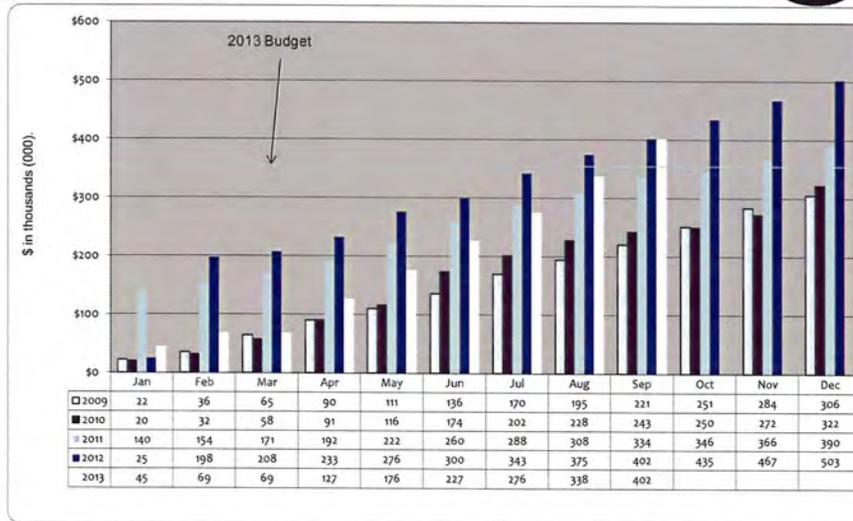
- Utility tax is on target through Aug
  - Slight increases are scheduled for both gas and electricity rates
- 2014 expectations
  - The forecast increases UT slightly to account for population growth and small rate increases



## Real Estate Excise Tax

- Residential home sales
- Home sales for 2013 have exceeded 2012
- Will the trend continue?

## REET Collections



## The meat and potatoes



- FORECAST

**CITY OF COVINGTON**  
**GENERAL FUND LONG RANGE FORECAST**  
 2013-2019 Analysis in 000s  
 BASE BUDGET

**ATTACHMENT 3**

	2013	2014	2015	2016	2017	2018	2019
<b>BEGINNING FUND BALANCE</b>	\$ 3,507	\$ 3,773	\$ 3,800	\$ 4,264	\$ 5,020	\$ 5,894	\$ 6,799
<b>REVENUES</b>							
Sales Tax <sup>1</sup>	\$ 2,825	\$ 2,946	\$ 3,046	\$ 3,168	\$ 3,295	\$ 3,426	\$ 3,563
Property Tax	2,320	2,427	2,500	2,575	2,652	2,732	2,814
Utility Tax <sup>2</sup>	2,065	2,080	2,143	2,207	2,273	2,341	2,411
Local Criminal Justice	365	365	380	395	411	427	444
Licenses & Permits	38	75	75	75	75	75	75
Intergovernmental Revenue	298	284	293	302	311	320	330
Charges for Services	212	110	114	117	121	124	128
Fines & Forfeitures	120	157	164	173	181	190	200
Miscellaneous	67	56	58	60	62	64	65
Interfund Payment	380	434	455	478	502	527	553
Operating Transfer In <sup>3</sup>	60	36	36	36	36	36	36
<b>BASE BUDGET REVENUES</b>	<b>8,750</b>	<b>8,971</b>	<b>9,264</b>	<b>9,585</b>	<b>9,918</b>	<b>10,263</b>	<b>10,620</b>
<b>EXPENDITURES</b>							
Salaries and Wages	1,359	1,408	1,464	1,523	1,584	1,647	1,713
Personnel Benefits	492	502	540	580	624	671	721
Supplies	59	59	61	63	65	67	69
Other Services and Charges	1,658	1,329	1,369	1,410	1,452	1,496	1,541
Intergovernmental	3,665	3,893	4,029	4,170	4,316	4,468	4,624
Capital Outlay	55	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-	-
Central Services Cost Allocation	(416)	(441)	(463)	(487)	(511)	(536)	(563)
Operating Transfer Out less debt service transfer <sup>4</sup>	667	647	673	700	728	757	787
<b>BASE BUDGET EXPENDITURES</b>	<b>7,539</b>	<b>7,397</b>	<b>7,673</b>	<b>7,960</b>	<b>8,258</b>	<b>8,568</b>	<b>8,891</b>
<b>Operating Surplus/Deficit by Year</b>	<b>\$ 1,211</b>	<b>\$ 1,574</b>	<b>\$ 1,591</b>	<b>\$ 1,625</b>	<b>\$ 1,660</b>	<b>\$ 1,695</b>	<b>\$ 1,729</b>
<b>OTHER FINANCING USES</b>							
Decision Cards	-	253	55	56	58	60	61
Budget Strategies	-	186	37	28	29	30	31
Debt Service Transfer	608	771	699	701	698	699	699
<b>TOTAL OTHER FINANCING USES</b>	<b>608</b>	<b>1,209</b>	<b>790</b>	<b>786</b>	<b>785</b>	<b>789</b>	<b>792</b>
<b>Annual Surplus/Deficit</b>	<b>\$ 603</b>	<b>\$ 365</b>	<b>\$ 801</b>	<b>\$ 840</b>	<b>\$ 875</b>	<b>\$ 995</b>	<b>\$ 1,030</b>
<b>TOTAL USES</b>	<b>\$ 8,147</b>	<b>\$ 8,606</b>	<b>\$ 8,463</b>	<b>\$ 8,746</b>	<b>\$ 9,044</b>	<b>\$ 9,358</b>	<b>\$ 9,683</b>
One-time Costco payout	337	337	337	84	-	-	-
<b>Sources over Uses</b>	<b>\$ 266</b>	<b>\$ 28</b>	<b>\$ 464</b>	<b>\$ 756</b>	<b>\$ 875</b>	<b>\$ 905</b>	<b>\$ 937</b>
<b>TOTAL ENDING FUND BALANCE</b>	<b>3,773</b>	<b>3,800</b>	<b>4,264</b>	<b>\$ 5,020</b>	<b>\$ 5,894</b>	<b>\$ 6,799</b>	<b>\$ 7,737</b>
10% fund balance target	\$ 687	\$ 675	\$ 700	\$ 726	\$ 753	\$ 835	\$ 867
Fund balance policy	Meets 10%						
Margin above/below the 10% threshold	\$ 3,085	\$ 3,125	\$ 3,564	\$ 4,293	\$ 5,141	\$ 5,965	\$ 6,870

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2013 other than ongoing costs.

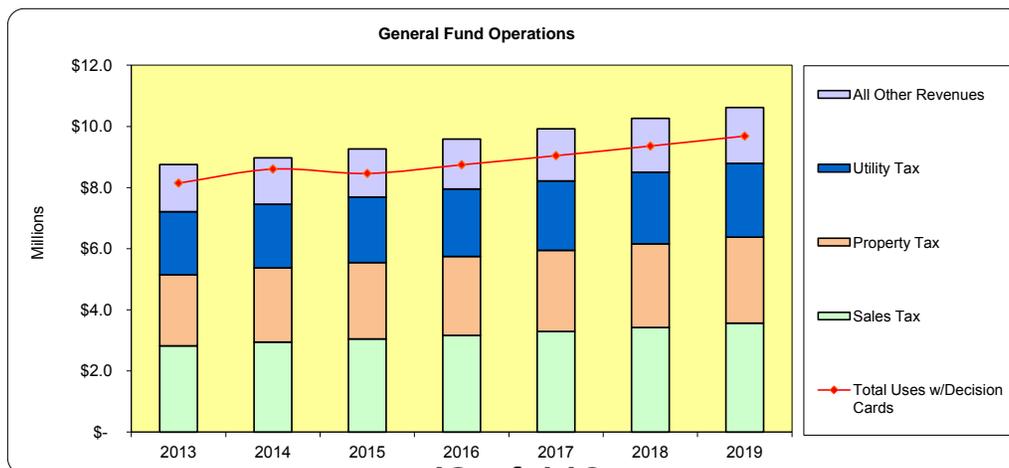
**Footnotes:**

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

<sup>2</sup> This represents gross receipts for utility tax collections. Transfers are made to other funds.

<sup>3</sup> This transfer is from the LID Fund.

<sup>4</sup> Operating transfers go to Streets, Parks, and Long-Term Debt.



# CITY OF COVINGTON STREET FUND LONG RANGE FORECAST

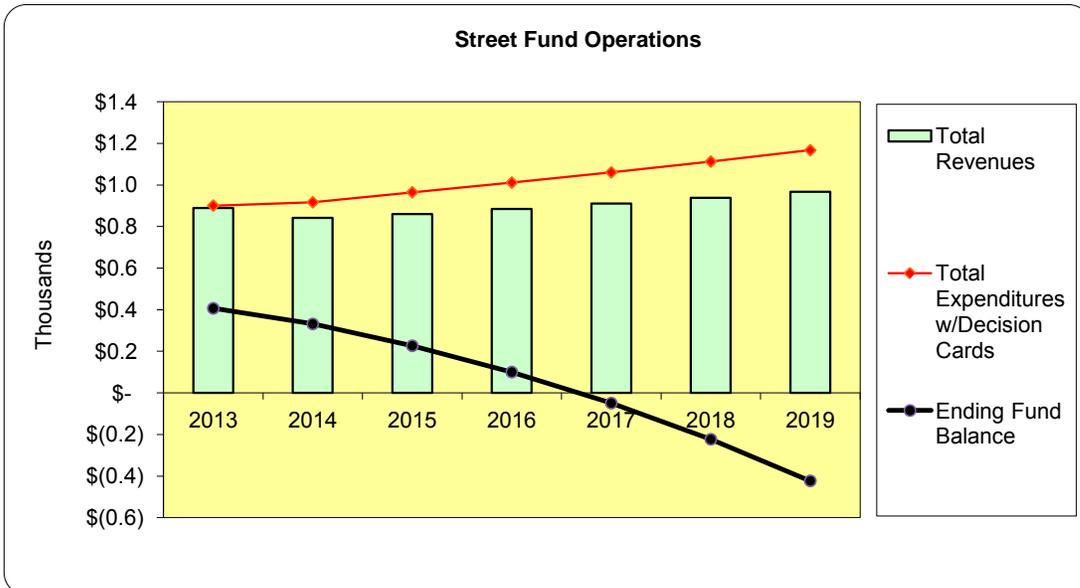
2013-2019 Analysis in 000s

## BASE BUDGET

	2013	2014	2015	2016	2017	2018	2019
<b>BEGINNING FUND BALANCE</b>	\$ 417	\$ 406	\$ 331	\$ 227	\$ 100	\$ (49)	\$ (223)
<b>REVENUES</b>							
Licenses and Permits	\$ 257	\$ 220	\$ 226	\$ 231	\$ 237	\$ 243	\$ 249
Street Fuel Tax	371	369	388	407	427	449	471
Intergovernmental Revenues	-	-	-	-	-	-	-
Charges for Goods and Services	14	6	-	-	-	-	-
Miscellaneous	1	0	0	0	0	0	0
<b>BASE BUDGET SUBTOTAL</b>	643	596	614	639	665	692	721
Operating Transfers In	246	246	246	246	246	246	246
Insurance Recoveries	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	890	842	860	885	911	938	967
<b>EXPENDITURES</b>							
Salaries and Wages	304	309	322	335	348	362	376
Personnel Benefits	115	120	129	139	149	161	173
Supplies	55	59	61	63	65	67	69
Other Services and Charges	331	324	340	357	375	394	414
Intergovernmental	93	101	106	111	116	122	128
Capital Outlay	-	-	-	-	-	-	-
Debt Service: Principal	-	-	-	-	-	-	-
Interfund Payment for Services	-	-	-	-	-	-	-
Operating Transfer Out	2	-	-	-	-	-	-
<b>BASE BUDGET SUBTOTAL</b>	901	913	958	1,004	1,053	1,105	1,159
Decision Cards	-	37	7	7	7	7	8
Budget Strategies	-	(33)	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	901	917	965	1,011	1,060	1,112	1,167
<b>Operating Surplus/Deficit by Year</b>	\$ (11)	\$ (75)	\$ (105)	\$ (126)	\$ (149)	\$ (174)	\$ (200)
<b>ENDING FUND BALANCE</b>	<b>406</b>	<b>331</b>	<b>227</b>	<b>100</b>	<b>(49)</b>	<b>(223)</b>	<b>(423)</b>
10% fund balance target	\$ 90	\$ 91	\$ 96	\$ 100	\$ 105	\$ 111	\$ 116
Fund balance policy	Meets 10%	Meets 10%	Meets 10%	Under 10%	Under 10%	Under 10%	Under 10%
Margin above/below the 10% threshold	\$ 317	\$ 240	\$ 131	\$ (0)	\$ (155)	\$ (334)	\$ (539)

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2013 other than ongoing costs.



**CITY OF COVINGTON  
DEVELOPMENT SERVICES FUND LONG RANGE FORECAST**

2013-2019 Analysis in 000s  
BASE BUDGET

	2013	2014	2015	2016	2017	2018	2019
<b>BEGINNING FUND BALANCE</b>	\$ 2,016	\$ 1,828					
<b>REVENUES</b>							
Licenses & Permits	\$ 542	\$ 325					
Intergovernmental Revenues	-	-					
Charges for Goods & Services	297	620					
Miscellaneous Revenues	1	1					
Operating Transfer In	-	-					
<b>TOTAL REVENUES<sup>1</sup></b>	<b>840</b>	<b>946</b>					
<b>EXPENDITURES</b>							
Salaries and Wages	504	442					
Personnel Benefits	160	152					
Supplies	4	8					
Other Services and Charges	307	345					
Intergovernmental	54	61					
Other Financing	-	-					
Interfund Payment for Services	-	-					
<b>BASE EXPENDITURES</b>	<b>1,028</b>	<b>1,008</b>					
Decision Cards	-	67					
<b>TOTAL EXPENDITURES</b>	<b>1,028</b>	<b>1,075</b>					
<b>Operating Surplus/Deficit by Year</b>							
	(188)	(128)	-	-	-	-	-
Operating Transfer	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ 1,828</b>	<b>\$ 1,700</b>	<b>\$ -</b>				
Fund balance target	\$ 126	\$ 142	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance policy	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%
Margin above/below the 10% threshold	\$ 1,702	\$ 1,558	\$ -	\$ -	\$ -	\$ -	\$ -

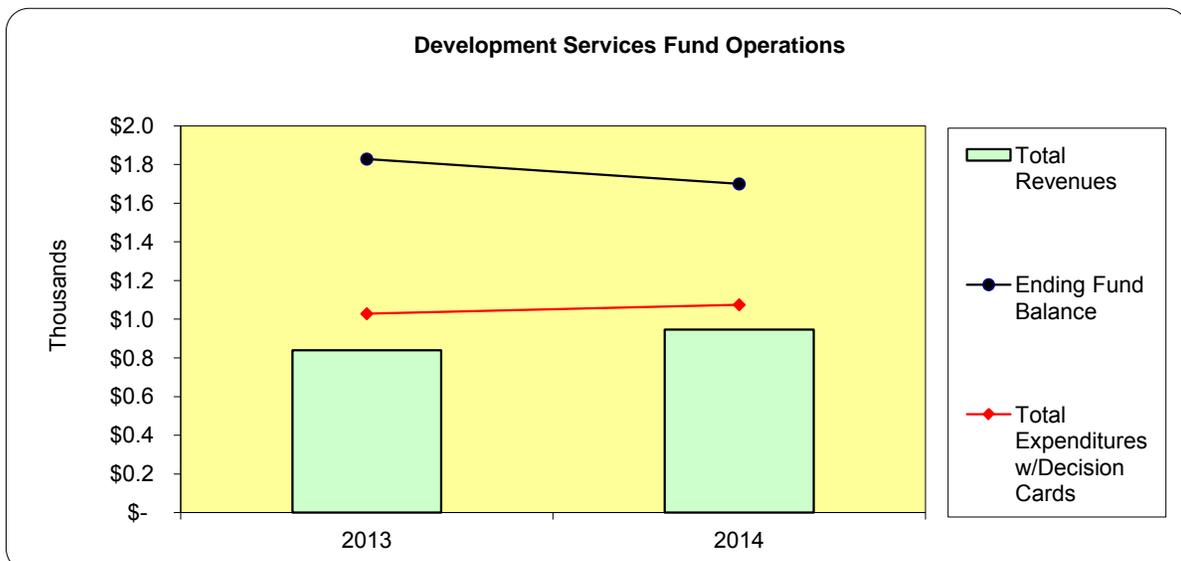
Due to the nature of Development Services being a working capital fund where projects cross years and the source of revenue is based solidly on economic cycles, accurate forecasting becomes speculative beyond 2014.

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2013 other than ongoing costs.

**Footnotes:**

<sup>1</sup> Reflects all revenues related to Development Review.



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

2013-2019 Analysis in 000s  
BASE BUDGET

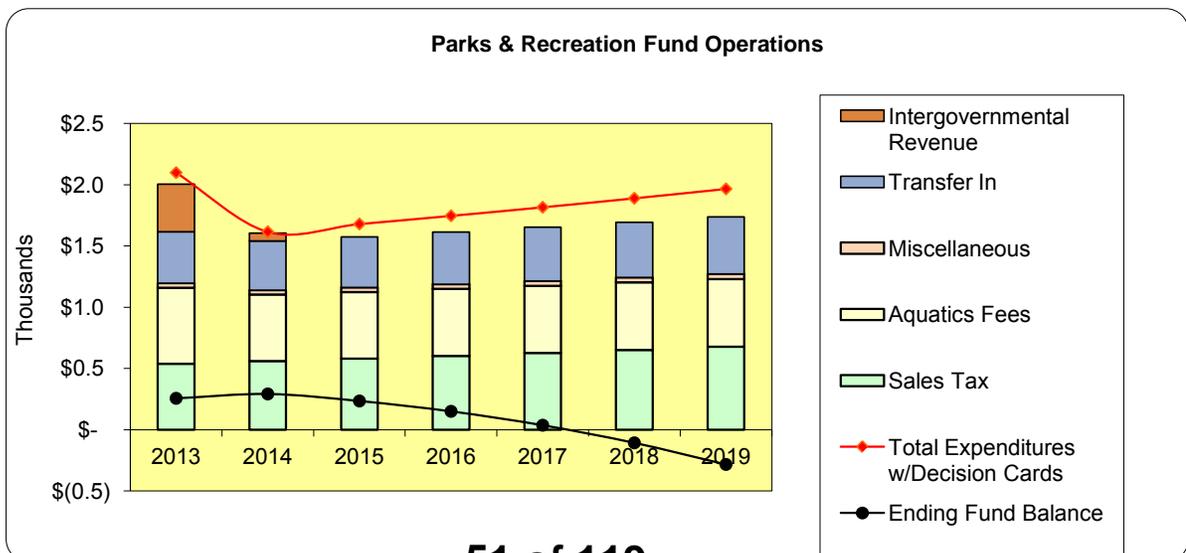
	2013	2014	2015	2016	2017	2018	2019
<b>BEGINNING FUND BALANCE</b>	322	257	293	235	151	37	(106)
<b>REVENUES</b>							
Sales Tax <sup>1</sup>	\$ 538	\$ 561	\$ 580	\$ 603	\$ 628	\$ 653	\$ 679
Intergovernmental Revenues	387	64	-	-	-	-	-
Charges for Goods and Services	-	-	-	-	-	-	-
Aquatics Fees	622	543	545	547	548	550	552
Athletics & Recreation	30	46	48	49	50	52	53
Miscellaneous	36	36	37	38	40	41	42
Other Financing Sources	-	-	-	-	-	-	-
<b>BASE BUDGET SUBTOTAL</b>	<u>1,614</u>	<u>1,251</u>	<u>1,210</u>	<u>1,237</u>	<u>1,266</u>	<u>1,295</u>	<u>1,326</u>
Operating Transfers In	421	401	413	425	438	451	465
<b>TOTAL REVENUES</b>	<u>2,034</u>	<u>1,652</u>	<u>1,623</u>	<u>1,662</u>	<u>1,704</u>	<u>1,746</u>	<u>1,790</u>
<b>EXPENDITURES</b>							
Salaries and Wages	766	718	747	777	808	840	874
Personnel Benefits	261	206	222	238	256	276	296
Supplies	101	88	91	93	96	99	102
Other Services and Charges	864	572	589	606	625	643	663
Intergovernmental	4	4	4	4	4	4	4
Capital Outlay	11	-	-	-	-	-	-
Operating Transfer	92	27	27	27	27	27	27
<b>BASE BUDGET SUBTOTAL</b>	<u>2,099</u>	<u>1,616</u>	<u>1,680</u>	<u>1,747</u>	<u>1,817</u>	<u>1,890</u>	<u>1,967</u>
Decision Cards	-	186	37	28	29	30	31
Budget Strategies	-	(186)	(37)	(28)	(29)	(30)	(31)
<b>TOTAL EXPENDITURES</b>	<u>2,099</u>	<u>1,616</u>	<u>1,680</u>	<u>1,747</u>	<u>1,817</u>	<u>1,890</u>	<u>1,967</u>
<b>Operating Surplus/Deficit by Year</b>	<b>(65)</b>	<b>36</b>	<b>(57)</b>	<b>(85)</b>	<b>(113)</b>	<b>(144)</b>	<b>(176)</b>
<b>ENDING FUND BALANCE</b>	<b>257</b>	<b>293</b>	<b>235</b>	<b>151</b>	<b>37</b>	<b>(106)</b>	<b>(283)</b>
10% fund balance target	<u>\$ 210</u>	<u>\$ 143</u>	<u>\$ 164</u>	<u>\$ 172</u>	<u>\$ 179</u>	<u>\$ 186</u>	<u>\$ 194</u>
Fund balance policy	Meets 10%	Meets 10%	Meets 10%	Under 10%	Under 10%	Under 10%	Under 10%
Margin above/below the 10% threshold	\$ 47	\$ 150	\$ 71	\$ (21)	\$ (141)	\$ (292)	\$ (476)

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2013 other than ongoing costs.

**Footnotes:**

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



**CITY OF COVINGTON**  
**SURFACE WATER MANAGEMENT FUND LONG RANGE FORECAST**  
 2013-2019 Analysis in 000s  
 BASE BUDGET

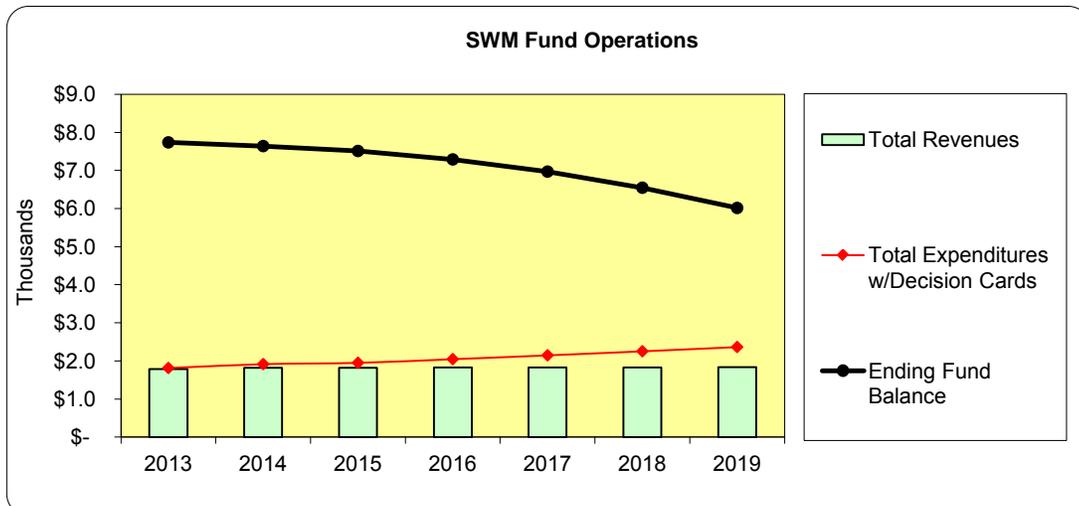
	2013	2014	2015	2016	2017	2018	2019
<b>BEGINNING FUND BALANCE</b>	\$ 7,766	\$ 7,738	\$ 7,642	\$ 7,513	\$ 7,291	\$ 6,971	\$ 6,548
<b>REVENUES</b>							
Customer Charges <sup>1</sup>	\$ 1,733	\$ 1,755	\$ 1,755	\$ 1,755	\$ 1,755	\$ 1,755	\$ 1,755
Intergovernmental Revenues	43	56	58	60	63	65	68
Grant Revenue	7	-	-	-	-	-	-
Misc	4	10	10	10	10	11	11
<b>TOTAL REVENUES</b>	<b>1,787</b>	<b>1,820</b>	<b>1,823</b>	<b>1,825</b>	<b>1,828</b>	<b>1,831</b>	<b>1,834</b>
Transfers In	-	-	-	-	-	-	-
<b>TOTAL SOURCES</b>	<b>1,787</b>	<b>1,820</b>	<b>1,823</b>	<b>1,825</b>	<b>1,828</b>	<b>1,831</b>	<b>1,834</b>
<b>EXPENDITURES</b>							
Salaries and Wages	517	555	577	600	624	649	675
Personnel Benefits	200	212	228	245	264	283	305
Supplies	37	50	52	55	58	61	64
Other Services and Charges	825	932	978	1,027	1,078	1,132	1,189
Intergovernmental	139	53	55	58	61	64	67
Capital Outlay	26	-	-	-	-	-	-
Debt Service: Principal	-	-	-	-	-	-	-
Debt Service: Interest	33	33	31	31	31	31	31
Transfer Out	36	-	-	-	-	-	-
<b>BASE BUDGET TOTAL</b>	<b>1,814</b>	<b>1,834</b>	<b>1,922</b>	<b>2,017</b>	<b>2,116</b>	<b>2,221</b>	<b>2,331</b>
Decision Card	-	82	29	30	31	33	34
Budget Strategies	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,814</b>	<b>1,917</b>	<b>1,951</b>	<b>2,047</b>	<b>2,148</b>	<b>2,254</b>	<b>2,365</b>
<b>Operating Surplus/Deficit by Year</b>	<b>(28)</b>	<b>(97)</b>	<b>(129)</b>	<b>(222)</b>	<b>(320)</b>	<b>(423)</b>	<b>(531)</b>
<b>ENDING FUND BALANCE</b>	<b>7,738</b>	<b>7,642</b>	<b>7,513</b>	<b>7,291</b>	<b>6,971</b>	<b>6,548</b>	<b>6,016</b>
10% fund balance target	\$ 175	\$ 180	\$ 189	\$ 199	\$ 209	\$ 219	\$ 230
Margin above the 10% threshold	\$ 7,564	\$ 7,461	\$ 7,323	\$ 7,092	\$ 6,762	\$ 6,329	\$ 5,786

**Notes:**

1) This worksheet makes no assumptions as to new programs and decision cards past 2013 other than ongoing costs.

**Footnotes:**

<sup>1</sup> This reflects ongoing 0% increases.



**City of Covington  
Estimated Property Tax  
2014**

**ATTACHMENT 4**

2014 Levy Amount=	\$	2,364,797
	x1%	23,648
Increase in utility value		-
Plus: New Construction		38,689
Relevy for prior year refunds		-
<b>2014 Property Tax Levy</b>	<b>\$</b>	<b><u>2,427,134</u></b>

**Assessed Valuation      \$                      1,608,713,530**

2014 Estimated Levy Rate=      \$                      1.50874

<b>EXAMPLE</b>		
<b>Home value</b>	<b>Tax Amount</b>	
\$ 325,000	=	\$ 490

	2013		2014		% change
Assessed Value	\$ 1,530,338,769.00		\$ 1,608,713,530.00		5.12%
Tax Levy	\$ 2,368,162.00		\$ 2,427,133.97		2.49%
Levy Rate	\$ 1.54748		\$ 1.50874		-2.50%
Home value	\$ 325,000.00		\$ 341,644.55		5.12%
Tax Assessment	\$ 502.93		\$ 515.45		2.49%

## Agenda Item 2

Covington City Council Meeting

Date: October 22, 2013

SUBJECT: PUBLIC HEARING TO RECEIVE TESTIMONY REGARDING THE COVINGTON CITY COUNCIL'S PROPOSED ORDINANCE ADOPTING THE KENT SCHOOL DISTRICT SIX-YEAR CAPITAL FACILITIES PLAN FOR 2013-2019 AND 2014 KENT SCHOOL DISTRICT IMPACT FEE SCHEDULE.

CONSIDER PROPOSED ORDINANCE ADOPTING THE KENT SCHOOL DISTRICT SIX-YEAR CAPITAL FACILITIES PLAN FOR 2013-2019 AND 2014 KENT SCHOOL DISTRICT IMPACT FEE SCHEDULE AND AMENDING THE CAPITAL FACILITIES ELEMENT OF THE COVINGTON COMPREHENSIVE PLAN TO INCLUDE THE SAME.

RECOMMENDED BY: Richard Hart, Community Development Director

ATTACHMENT(S):

1. Proposed Ordinance Adopting the Kent School District Six-Year Capital Facilities Plan for 2013-2019 and the 2014 Kent School District Impact Fee Schedule and Amending the Capital Facilities Element of the Covington Comprehensive Plan to Include the Same.
  - Exhibit A: Kent School District Six-Year Capital Facilities Plan for 2013-2019
  - Exhibit B: 2014 Kent School District Impact Fee Schedule

PREPARED BY: Richard Hart, Community Development Director

EXPLANATION:

RCW 82.02 authorizes cities to collect impact fees to provide public school facilities to serve new development, provided a school district has an adopted capital facilities plan as part of a local government comprehensive plan. CMC 18.120 grants authority to the city to assess and collect school impact fees based upon a school district's capital facilities plan. The Kent School District ("District"), serving the citizens of Covington, has a Six-Year Capital Facilities Plan ("CFP") that is incorporated by reference as a sub-element of the City of Covington's Comprehensive Plan.

The District has adopted an update to their CFP for 2013 – 2019. Based upon enrollment forecasts, current inventory and capacity, current standard of service, relocatable capacity, and costs for facilities and improvements, the District anticipates having sufficient capacity to house students over the next six years. Accordingly, to continue to meet these projected enrollments and facility needs, the school impact fees are proposed to remain the same in 2014 as they were in 2011, 2012, and 2013. Those fees are \$5,486 for single-family dwellings and \$3,378 for multi-family dwellings. (See page 30 of the CFP in Exhibit A to Attachment 1, the table of

proposed school impact fees and generation factors for new SF and MF residential development in the city beginning in 2014, showing “no change to impact fee”).

Pursuant to CMC 18.120.020(2)-(3), the city must adopt the District’s updated CFP for 2013-2019 by reference as part of the city’s Capital Facilities Element of our Comprehensive Plan to establish the fee program from which the 2014 Kent School District Impact Fee Schedule is adopted. Attachment 1 is the proposed ordinance to adopt both, including Exhibit A: Kent School District Six-Year Capital Facilities Plan for 2013-2019 and Exhibit B: 2014 Kent School District Impact Fee Schedule. The city will continue to collect an administrative fee from developers for managing the school impact fee process. The city’s administrative fee will be set in the annual City Fee Resolution for 2014 to be considered and adopted before the end of this year.

ALTERNATIVES: None

FISCAL IMPACT: No impact, due to the lack of increase in the school impact fee or the city administrative fees for 2014.

CITY COUNCIL ACTION:  Ordinance  Resolution  Motion  Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to pass an ordinance adopting the updated Kent School District Six-Year Capital Facilities Plan for 2013-2019 and the 2014 Kent School District Impact Fee Schedule and amending the Capital Facilities Element of the City’s Comprehensive Plan to include the same.**

REVIEWED BY: City Manager  
City Attorney  
City Finance Director

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, ADOPTING THE KENT SCHOOL DISTRICT SIX-YEAR CAPITAL FACILITIES PLAN FOR 2013-2019 AND THE 2014 KENT SCHOOL DISTRICT IMPACT FEE SCHEDULE; AMENDING THE CAPITAL FACILITIES ELEMENT OF THE COVINGTON COMPREHENSIVE PLAN TO INCLUDE THE SAME; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the Washington State Legislature passed the Growth Management Act of 1990 and 1991, Chapter 36.70A RCW and Chapter 82.02 RCW (the “Act”), which authorizes the collection of impact fees on development activity to provide public school facilities to serve new development; and

WHEREAS, the Act requires that impact fees may only be collected for public facilities that are addressed by a capital facilities element of a comprehensive land use plan; and

WHEREAS, the Kent School District (“District”) has prepared a capital facilities plan in compliance with the Act that has previously been adopted by the City of Covington (“City”) within the Capital Facilities Element of the City’s Comprehensive Plan; and

WHEREAS, the City has adopted fee schedules in the past for the assessment and collection of school impact fees upon certain new residential developments on behalf of the District; and

WHEREAS, Section 18.120.020 of the Covington Municipal code (“CMC”) authorizes the City to adopt a district’s capital facilities plan by reference as part of the Capital Facilities Element of the City’s Comprehensive Plan and to adopt an impact fee schedule based upon the district’s capital facilities plan; and

WHEREAS, the District has recently adopted an updated Six-Year Capital Facilities Plan for 2013-2019 (the “Plan”) and submitted their updated Plan to the City; and

WHEREAS, the Plan contains the elements required by Section 18.120 CMC; and

WHEREAS, RCW 36.70A.130(2)(a)(iv) allows amendment of the capital facilities element of a comprehensive plan if done concurrently with the adoption or amendment of a city’s budget; and

WHEREAS, upon providing appropriate public notice, the Covington City Council conducted a public hearing on October 22, 2013, to receive testimony regarding both the proposed 2014 City budget and the proposed amendment to the Capital Facilities Element of the City’s Comprehensive Plan; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Adoption. The City hereby adopts the Kent School District Six-Year Capital Facilities Plan for 2013-2019, as set for in Exhibit A attached and incorporated herein by this reference.

Section 2. Amendment. The City hereby amends the Capital Facilities Element of the City's Comprehensive Plan to include the updated Kent School District Six-Year Capital Facilities Plan for 2013-2019, replacing the District's previously adopted capital facilities plan.

Section 2. 2014 Fee Schedule. The City hereby adopts the fee schedule setting forth the calculation and amounts of 2014 Kent School District impact fees to be collected pursuant to Section 18.120 CMC, as set forth in Exhibit B attached and incorporated by this reference.

Section 3. Severability. If any provision of this ordinance, or ordinance modified by it, is determined to be invalid or unenforceable for any reason, the remaining provisions of this ordinance and ordinances and/or resolutions modified by it shall remain in force and effect.

Section 4. Corrections. Upon approval of the city attorney, the city clerk and/or code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 5. Effective Date. This ordinance shall be in full force and effect five (5) days after proper posting and publication. A summary of this ordinance may be published in lieu of publishing the ordinance in its entirety.

PASSED by the City Council of the City of Covington on the 22<sup>nd</sup> day of October, 2013.

\_\_\_\_\_  
Mayor Margaret Harto

ATTESTED:

PUBLISHED: 10-25-13  
EFFECTIVE: 10-30-13

\_\_\_\_\_  
Sharon Scott, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Sara Springer, City Attorney

EXHIBIT A

# Kent School District

## Capital Facilities Plan

2013 – 2014 - 2018 – 2019



*April 2013*

# Kent School District

## SIX - YEAR CAPITAL FACILITIES PLAN

2013 - 2014 ~ 2018 - 2019

**April 2013**

Kent School District No. 415  
12033 SE 256<sup>th</sup> Street  
Kent, Washington 98030-6643  
(253) 373-7295



### **BOARD of DIRECTORS**

Ms. Debbie Straus, President  
Mr. Tim Clark, Vice President  
Ms. Agda Burchard, Legislative Representative  
Ms. Karen DeBruler, Director  
Mr. Russ Hanscom, Director

### **ADMINISTRATION**

Dr. Edward Lee Vargas  
Superintendent of Schools

Dr. Richard A. Stedry, Chief Business Officer  
Ralph Fortunato, CSBS, Director of Fiscal Services  
Fred Long, Director of Facilities Services  
Gwenn Escher-Derdowski, Planning Administrator

# Kent School District

## *Six-Year Capital Facilities Plan*

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VIII Finance Plan, Cost Basis and Impact Fee Schedules	23
IX Summary of Changes to Previous Plan	30
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## **I Executive Summary**

This Six-Year Capital Facilities Plan (the "Plan") has been prepared by the Kent School District (the "District") as the organization's capital facilities planning document, in compliance with the requirements of Washington's Growth Management Act, King County Code K.C.C. 21A.43 and Cities of Kent, Covington, Renton, Auburn, Black Diamond, Maple Valley, and SeaTac. This annual Plan update was prepared using data available in the spring of 2013 for the 2012-2013 school year.

This Plan is consistent with prior long-term capital facilities plans adopted by the Kent School District. This Plan is not intended to be the sole planning document for all of the District's needs. The District may prepare interim and periodic Long Range Capital Facilities Plans consistent with Board Policies, taking into account a longer or shorter time period, other factors and trends in the use of facilities, and other needs of the District as may be required.

Prior Capital Facilities Plans of the Kent School District have been adopted by Metropolitan King County Council and Cities of Kent, Covington, Auburn and Renton and included in the Capital Facilities Plan element of the Comprehensive Plans of each jurisdiction. This Plan has also been submitted to cities of Black Diamond, Maple Valley, and SeaTac for their information and inclusion in their Comprehensive Plans.

In order for impact fees to be collected in the unincorporated areas of Kent School District, the Metropolitan King County Council must adopt this Plan and a fee-implementing ordinance for the District. For impact fees to be collected in the incorporated portions of the District, the cities of Kent, Covington, Renton and Auburn must also adopt this Plan and their own school impact fee ordinances.

This Capital Facilities Plan establishes a standard of service in order to ascertain current and future capacity. While the State Superintendent of Public Instruction establishes square footage guidelines for capacity, those guidelines do not account for local program needs in the District. The Growth Management Act, King County and City codes and ordinances authorize the District to make adjustments to the standard of service based on specific needs for students of the District.

This Plan includes the standard of service as established by Kent School District. Program capacity is based on an average capacity and updated to reflect changes to special programs served in each building. Portables in the capacity calculation use the same standard of service as the permanent facilities.

(continued)

## **I Executive Summary**

(continued)

The capacity of each school in the District is calculated based on the District standard of service and the existing inventory of permanent facilities. The District's program capacity of permanent facilities reflects program changes and the reduction of class size to meet the standard of service for Kent School District. Portables provide additional transitional capacity.

Kent School District is the fourth largest district in the state. Enrollment is electronically reported monthly to the Office of the Superintendent of Public Instruction ("OSPI") on Form P-223. Although funding apportionment is based on Annual Average Full Time Equivalent (AAFTE), enrollment on October 1 is a widely recognized "snapshot in time" that is used to report the District's enrollment for the year as reported to OSPI.

The Board of Directors approved Full Day Kindergarten ("FDK") for all Elementary Schools in 2011-12 and FDK projections are used to forecast Kindergarten enrollment in future years.

The District's standard of service, enrollment history and projections, and use of transitional facilities are reviewed in detail in various sections of this Plan. The District plans to continue to satisfy concurrency requirements through the transitional use of portables.

A financing plan is included in Section V I I I which demonstrates the District's ability to implement this Plan. Pursuant to the requirements of the Growth Management Act, this Plan will be updated annually with changes in the impact fee schedules adjusted accordingly.

## **II Six - Year Enrollment Projection**

For capital facilities planning, growth projections are based on cohort survival and student yield from documented residential construction projected over the next six years. *(See Table 2)* The student generation factor is the basis for the growth projections from new developments. *(See Page 5)*

King County live births and the District's relational percentage average were used to determine the number of kindergartners entering the system. *(See Table 1)* 8.52% of 25,222 King County live births in 2008 is projected for 2,150 students expected in Kindergarten for October 1, 2013. This is an increase of 323 live births in King County over the previous year. *(See Table 2)*

Full Day Kindergarten (“FDK”) programs at all 28 elementary schools require an adjustment to the Kindergarten forecast for projecting FDK at 1.0 FTE for capital facilities planning. P-223 Reports will continue to include FDK students at 1.0 for five schools with FDK funded by state apportionment, and all other kindergarten students will be reported at .50 FTE for state funding in 2012-13. *(See Table 2 A)*

Early Childhood Education students (also identified as “ECE”, “Preschool Inclusive Education (“IE”) students are forecast and reported to OSPI separately on Form P-223H for Special Education Enrollment. Capacity is reserved to serve students in the ECE programs at elementary schools.

The first grade population of Kent School District is traditionally 7 - 8% larger than the kindergarten population due to growth and transfers to the District from private kindergartens. Cohort survival method uses historical enrollment data to forecast the number of students projected for the following year. Projections for 2014-2018 are from OSPI Report 1049 – Determination of Projected Enrollments.

Within practical limits, the District has kept abreast of proposed developments. The District will continue to track new development activity to determine impact to schools. Information on new residential developments and the completion of these proposed developments in all jurisdictions will be considered in the District's future analysis of growth projections.

The Kent School District serves eight permitting jurisdictions: unincorporated King County, the cities of Kent, Covington, Renton, and Auburn and smaller portions of the cities of SeaTac, Black Diamond, and Maple Valley. The west Lake Sawyer area of Kent School District is in the city of Black Diamond.

*(Continued)*

**II Six - Year Enrollment Projection** (Continued)

STUDENT GENERATION FACTOR

"Student Factor" is defined by King County code as "the number derived by a school district to describe how many students of each grade span are expected to be generated by a dwelling unit" based on district records of average actual student generated rates for developments completed within the last five years.

Following these guidelines, the student generation rate for Kent School District is as follows:

Single Family	Elementary	.484	
	Middle School	.129	
	Senior High	<u>.249</u>	
	Total		.862
Multi-Family	Elementary	.324	
	Middle School	.066	
	Senior High	<u>.118</u>	
	Total		.508

The student generation factor is based on a survey of 2,163 single family dwelling units and 1,478 multi-family dwelling units with no adjustment for occupancy rates. Please refer to Appendix E on Page 36 of the Capital Facilities Plan for details of the Student Generation Factor survey.

The actual number of students in those residential developments was determined using the District's Education Logistics (EDULOG) Transportation System which provides a count of enrolled students in identifiable new development areas.

**KENT SCHOOL DISTRICT No. 415  
OCTOBER P 223 F T E (Full Time Equivalent) ENROLLMENT HISTORY <sup>1</sup>**

LB = Live Births LB in 1985 LB in 1986 LB in 1987 LB in 1988 LB in 1989 LB in 1990 LB in 1991 LB in 1992 LB in 1993 LB in 1994 LB in 1995 LB in 1996 LB in 1997 LB in 1998 LB in 1999 LB in 2000 LB in 2001 LB in 2002 LB in 2003 LB in 2004 LB in 2005 LB in 2006 LB in 2007

October FTE Enrollment	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
King County Live Births <sup>2</sup>	19,825	19,999	20,449	21,289	22,541	23,104	23,002	23,188	22,355	22,010	21,817	21,573	21,646	22,212	22,007	22,487	21,778	21,863	22,431	22,874	22,680	24,244	24,899
Increase / Decrease	851	174	450	840	1,252	563	-102	186	-833	-345	-193	-244	73	566	-205	480	-709	85	568	443	-194	1,564	655
Kindergarten / Birth % <sup>2</sup>	8.88%	9.49%	9.40%	9.07%	8.47%	8.54%	8.44%	8.38%	8.27%	8.56%	8.25%	8.41%	8.06%	8.05%	8.33%	8.41%	8.22%	8.29%	8.47%	8.32%	8.13%	8.18%	8.57%
Kindergarten <sup>1-2-3</sup>	880	949	962	965	955	987	971	972	925	942	900	907	873	894	917	943	895	906	768	758	749	767	831
State Apportionment-funded Full Day Kindergarten <sup>1-2-3</sup> (In 2008 P-223 Report is at 1.0 FTE for State Apportionment-funded Full Day K)																			365	386	343	447	471
Grade 1	1,852	1,945	2,029	2,017	1,967	1,975	2,152	2,085	2,064	1,989	2,069	1,936	1,922	1,851	1,954	1,938	2,003	1,873	1,920	1,958	1,992	1,885	2,013
Grade 2	1,773	1,944	1,998	2,048	1,937	2,011	1,979	2,194	2,095	2,078	2,015	2,067	1,936	1,965	1,935	1,981	1,998	2,045	1,916	1,962	1,939	2,014	1,904
Grade 3	1,824	1,866	1,950	1,972	1,965	1,959	2,025	2,058	2,208	2,111	2,098	2,040	2,055	1,975	2,020	1,962	2,026	2,033	2,081	1,976	2,000	1,981	2,078
Grade 4	1,793	1,916	1,900	1,939	1,942	2,012	1,966	2,064	2,045	2,222	2,086	2,166	2,068	2,072	2,057	2,024	2,015	2,049	2,060	2,044	1,954	2,021	1,999
Grade 5	1,702	1,865	1,911	1,907	1,899	1,924	1,988	2,023	2,108	2,037	2,251	2,109	2,149	2,067	2,102	2,090	2,051	2,020	2,044	2,086	2,082	1,973	2,041
Grade 6	1,629	1,733	1,885	1,951	1,915	1,895	1,924	2,036	2,045	2,119	2,056	2,253	2,151	2,205	2,139	2,164	2,101	2,098	2,081	2,070	2,130	2,132	2,021
Grade 7 <sup>Middle School</sup>	1,624	1,720	1,812	1,915	1,946	1,925	1,899	1,982	2,063	2,081	2,208	2,127	2,380	2,209	2,243	2,200	2,205	2,130	2,117	2,115	2,092	2,102	2,136
Grade 8 " "	1,545	1,628	1,724	1,799	1,882	1,941	1,927	1,936	1,970	2,015	2,033	2,154	2,079	2,351	2,221	2,293	2,254	2,184	2,143	2,168	2,151	2,108	2,136
Grade 9 - Junior High	1,483	1,612	1,689	1,716	1,800	1,894	1,963	1,931	1,925	2,102	2,208	2,246	2,404	2,309									
Grade 9 - Senior High															2,705	2,767	2,772	2,560	2,573	2,467	2,434	2,468	2,452
Grade 10	1,468	1,480	1,663	1,698	1,690	1,765	1,851	1,977	1,953	2,045	2,113	2,064	2,039	2,207	2,124	2,173	2,212	2,474	2,245	2,213	2,233	2,267	2,088
Grade 11	1,360	1,400	1,409	1,537	1,529	1,606	1,681	1,797	1,849	1,782	1,770	1,835	1,823	1,787	1,907	1,799	1,881	1,882	1,966	1,956	1,949	1,882	1,790
Grade 12	1,202	1,255	1,290	1,340	1,368	1,430	1,465	1,507	1,632	1,537	1,432	1,440	1,475	1,466	1,446	1,475	1,451	1,491	1,549	1,619	1,573	1,543	1,521
Total Enrollment <sup>4</sup>	20,135	21,312	22,222	22,803	22,794	23,323	23,792	24,560	24,882	25,060	25,238	25,344	25,354	25,358	25,770	25,809	25,864	25,745	25,828	25,778	25,621	25,590	25,481
Yearly FTE Increase / Decrease	916	1,178	909	582	-10	529	469	768	322	178	178	106	9	4	412	39	55	-119	83	-50	-157	-31	-109
Cumulative Increase	916	2,094	3,003	3,585	3,575	4,104	4,574	5,341	5,663	5,841	6,019	6,126	6,135	6,140	6,552	6,591	6,646	6,527	6,610	6,560	6,403	6,372	6,263

<sup>1</sup> FTE enrollment counts have been rounded to the nearest whole number. Most Kindergarten students are reported at .5 FTE per State Funding formula even though ALL elementary schools now have Full Day Kindergarten programs.

<sup>2</sup> This number indicates actual births in King County 5 years prior to enrollment year as updated by Washington State website or King County Health Dept. Kent School District percentage based on actual Kindergarten enrollment 5 years later.

<sup>3</sup> Starting in 2008, some Kindergarten students are reported at 1.0 (same as headcount) at 5 schools which qualified for Full Day Kindergarten (FDK) funded through State Apportionment.

For Full Day Kindergarten at other schools, the second half of the day is funded by the Educational Programs & Operations Levy \$ & students are reported at .5 FTE on the P-223 Enrollment Report which generates state funding.

<sup>4</sup> Enrollment reported to the state on Form P-223 generates basic education funding and excludes Early Childhood Education ("ECE" & "B2" or Birth to 2 Preschool Inclusive Education) and college-only Running Start students.

October 2012 P-223 Headcount = 26,611 & Full Headcount = 27,732. Full Headcount includes Kindergarten, Early Childhood Education & college-only Running Start students at 1.0 Headcount.

**KENT SCHOOL DISTRICT No. 415  
SIX - YEAR ENROLLMENT PROJECTION**

Full Day Kindergarten at all Elem	LB in 2007	LB in 2008	LB in 2009	LB in 2010	LB in 2011	LB Est. 2012	LB Est. 2013
	<b>ACTUAL</b>	<b>P</b> <b>R</b>	<b>O</b> <b>J</b>	<b>E</b>	<b>C</b> <b>T</b>	<b>I</b> <b>O</b>	<b>N</b>
<b>October</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
King County Live Births <sup>1</sup>	24,899	25,222	25,057	24,514	24,630	24,750	24,850 <sup>1</sup>
Increase / Decrease	<b>655</b>	<b>323</b>	<b>-165</b>	<b>-543</b>	<b>116</b>	<b>120</b>	<b>100</b>
Kindergarten / Birth % <sup>2</sup>	8.57%	8.52%	8.62%	9.02%	9.18%	9.35%	9.51%
<sup>2/3</sup> Kindergarten FTE @ .5	0	0	0	0	0	0	0
<sup>2/3</sup> FD Kindergarten @ 1.0	2134	2,150	2,160	2,211	2,262	2,313	2,364
Grade 1	2017	2,173	2,185	2,238	2,290	2,343	2,396
Grade 2	1905	2,038	2,235	2,208	2,262	2,315	2,368
Grade 3	2082	1,969	2,088	2,289	2,261	2,316	2,371
Grade 4	2000	2,102	1,954	2,091	2,292	2,264	2,319
Grade 5	2044	2,023	2,104	1,972	2,110	2,313	2,285
Grade 6	2026	2,099	2,065	2,152	2,017	2,158	2,365
Grade 7	2139	2,033	2,099	2,073	2,161	2,025	2,167
Grade 8	2138	2,176	2,062	2,128	2,102	2,191	2,053
Grade 9	2452	2,490	2,501	2,377	2,453	2,423	2,526
Grade 10	2088	2,081	2,179	2,211	2,101	2,168	2,142
Grade 11	1790	1,682	1,913	1,920	1,948	1,851	1,910
Grade 12	1521	1,467	1,524	1,581	1,587	1,610	1,530
Total Enrollment Projection <sup>4</sup>	26,336	26,483	27,069	27,451	27,846	28,290	28,796

Yearly Increase/Decrease <sup>3</sup>	See Notes	147	586	382	395	444	506
Yearly Increase/Decrease %	2 / 3 / 4	0.56%	2.21%	1.41%	1.44%	1.59%	1.79%

Notes: 2 / 3 / 4 with Adjustment for Full Day Kindergarten & change from FTE History to Headcount Projections with High School @ FTE due to Running Start.

<b>Total Enrollment Projection</b>	<b>26,336</b>	<b>26,483</b>	<b>27,069</b>	<b>27,451</b>	<b>27,846</b>	<b>28,290</b>	<b>28,796</b>
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<sup>1</sup> Kindergarten enrollment projection for 2013 is based on Kent SD percentage of live births in King County five years previous.

<sup>2</sup> Kindergarten projection is calculated by using the District's previous year percentage of King County births five years earlier compared to actual kindergarten enrollment in the previous year. (Excludes ECE - Early Childhood Education preschoolers)

<sup>3</sup> Kindergarten projection is at 1.0 for Full Day Kindergarten (FDK) at all 28 Elementary schools.

<sup>4</sup> Headcount Projections for 2014 - 2018 from OSPI Report 1049 - Determination of Projected Enrollments

<sup>5</sup> Oct. 2012 P223 FTE is 25,481 & Headcount is 26,611. Full Headcount with ECE Preschool & Running Start students = 27,732.

<b>G R O W T H P R O J E C T I O N S - Adjustments for current economic factors</b>
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For facilities planning purposes, this six-year enrollment projection anticipates conservative enrollment growth from new development currently in some phase of planning or construction in the district.

### **III Current Kent School District "Standard of Service"**

In order to determine the capacity of facilities in a school district, King County Code 21A.06 references a "standard of service" that each school district must establish in order to ascertain its overall capacity. The standard of service identifies the program year, the class size, the number of classrooms, students and programs of special need, and other factors determined by the district which would best serve the student population.

This Plan includes the standard of service as established by Kent School District. The District has identified schools with significant special needs programs as "impact" schools and the standard of service targets a lower class size at those facilities. Portables included in the capacity calculation use the same standard of service as the permanent facilities. (See Appendix A, B & C)

The standard of service defined herein will continue to evolve in the future. Kent School District is continuing a long-term strategic planning process combined with review of changes to capacity and standard of service. This process will affect various aspects of the District's standard of service and future changes will be reflected in future capital facilities plans.

#### Current Standards of Service for Elementary Students

Class size for Kindergarten is planned for an average of 25 or fewer students.  
Class size for grades 1 - 3 is planned for an average of 25 or fewer students.  
Class size for grades 4 - 6 is planned for an average of 29 or fewer students.

All elementary schools meet the criteria required to provide full day kindergarten programs (FDK = Full Day Kindergarten) with the second half of the day funded by state apportionment or the local levy. Five schools with FDK Programs have state apportionment funding and 23 others are funded through Basic Ed and the local Educational Programs and Operations Levy.

Some special programs require specialized classroom space and the program capacity of some of the buildings housing these programs is reduced. Some students, for example, leave their regular classroom for a short period of time to receive instruction in special programs and space must be allocated to serve these programs.

Some students have scheduled time in a computer lab. Students may also be provided music instruction and physical education in a separate classroom or facility.

*(continued)*

### **III Current Kent School District "Standard of Service" *(continued)***

Some identified students will also be provided educational opportunities in classrooms for special programs such as those designated as follows:

- English Language Learners (E L L)
- Education for Disadvantaged Students (Title I) – Federal Program
- Learning Assisted Programs (LAP) – State Program
- Education for Highly Capable Students
- Reading, Math or Science Labs

Inclusive Education Services (“IES”) for Elementary and Secondary students with disabilities may be provided in a separate or self-contained classroom sometimes with a capacity of 10-15 depending on the program:

- Early Childhood Education (ECE) (3-4 yr. old students with disabilities)
- Tiered Intervention in Inclusive Education Support Center Programs
- Integrated Programs & Resource Rooms (for special remedial assistance)
- Self-contained Inclusive Education Support Center Programs (*SC*)
- School Adjustment Programs for students with behavioral disorders (*SA*)
- Adaptive Support Center for Mild, Moderate & Severe Disabilities (*ASC-DD*)
- Speech & Language Therapy & Programs for Hearing Impaired students
- Occupational & Physical Therapy Programs (*OT/PT*)
- The Outreach Program (TOP) for 18-21 year old secondary students

Some newer buildings have been constructed to accommodate most of these programs; some older buildings have been modified, and in some circumstances, these modifications reduce the classroom capacity of the buildings. When programs change, program capacity is updated to reflect the change in program and capacity.

#### Current Standards of Service for Secondary Students

The standards of service outlined below reflect only those programs and educational opportunities provided to secondary students which directly affect the capacity of the school buildings.

Class size for grades 7 – 8 is planned for an average of 29 or fewer students.  
Class size for grades 9 – 12 is planned for an average of 31 or fewer students.

Similar to Inclusive Education Programs listed above, many other secondary programs require specialized classroom space which can reduce the program capacity of the permanent school buildings.

*(continued)*

### **III Current Kent School District "Standard of Service" *(continued)***

Identified secondary students will also be provided other educational opportunities in classrooms for programs designated as follows:

- Computer, Multi-media & Technology Labs & Programs
- Technology Academy at Kent-Meridian High School & Mill Creek Middle School
- Science Programs & Labs – Biology, Chemistry, Physics, Oceanography, Astronomy, Meteorology, Marine Biology, General Science, etc.
- English Language Learners (E L L)
- Music Programs – Band, Orchestra, Chorus, Jazz Band, etc.
- Art Programs – Painting, Design, Drawing, Ceramics, Pottery, Photography, etc.
- Theater Arts – Drama, Stage Tech, etc.
- Journalism and Yearbook Classes
- Highly Capable (Honors or Gifted) and Advanced Placement Programs
- International Baccalaureate ("I B") Program
- JROTC - Junior Reserve Officers Training Corps

#### **Career & Technical Education Programs (CTE - Vocational Education)**

- Family & Consumer Science – Culinary Arts, Sewing, Careers w/Children/Educ., etc.
- Child Development Preschool and Daycare Programs
- Health & Human Services – Sports Medicine, Sign Language, Cosmetology, etc.
- Business Education – Word Processing, Accounting, Business Law & Math, Marketing, Economics, Web Design, DECA, FBLA (Future Business Leaders).
- Technical & Industry – Woodworking, Cabinet Making, Building Trades, Metals, Automotive & Manufacturing Technology, Welding, Drafting, Drawing, CAD (Computer-aided Design), Electronics, Engineering & Design, Aviation, ASL, etc.
- Graphic & Commercial Arts, Media, Photography, Theater & Stage, Ag & Horticulture.

Kent Phoenix Academy – Performance Learning Center, Gateway, Virtual High School & Kent Success program with evening classes for credit retrieval

#### **Space or Classroom Utilization**

As a result of scheduling conflicts for student programs, the need for specialized rooms for certain programs, and the need for teachers to have a work space during their planning periods, it is not possible to achieve 100% utilization of regular teaching stations at secondary schools. Based on the analysis of actual utilization of classrooms, the District has determined that the standard utilization rate is 85% for secondary schools. Program capacity at elementary schools reflects 100% utilization at the elementary level.

#### **IV Inventory and Capacity of Existing Schools**

Currently, the District has permanent program capacity to house 27,475 students and transitional (portable) capacity to house 1,023. This capacity is based on the District's Standard of Service as set forth in Section III. Included in this Plan is an inventory of the District's schools by type, address and current capacity. (See *Table 3 on Page 12*)

The ratio between permanent capacity and portable capacity is 97% - 3%.

The program capacity is periodically updated for changes in programs, additional classrooms and new schools. Program capacity has been updated in this Plan to reflect program changes implemented in the Fall of 2012.

Calculation of Elementary, Middle School and Senior High School capacities are set forth in Appendices A, B and C. A map of existing schools is included on Page 13.

For clarification, the following is a brief description of some of the non-traditional programs for students in Kent School District:

Kent Mountain View Academy serves Grades 3 – 12 with transition, choice and home school assistance programs. It is located in the former Grandview School in the western part of the district in Des Moines. This school was originally designed as an elementary school and is included in the elementary capacity for this Plan.

Kent Phoenix Academy is a non-traditional high school which opened in Fall 2007 in the renovated site and building that formerly served Sequoia Middle School. Kent Phoenix Academy has four special programs including the Performance Learning Center, Gateway, Virtual High School and Kent Success. Kent Success replaced the former Night Academy at Kent-Meridian High School and provides afternoon and evening classes for credit retrieval.

iGrad - In partnership with Green River Community College, Kent School District has pioneered the Individualized Graduation and Degree Program or "iGrad". The iGrad Program is the first official Dropout Reengagement Program in the state made possible under the provisions of ESHB 1418. iGrad offers a second chance to students age 16-21 who have dropped out of high school and want to earn a high school diploma via web-based instruction or get their GED and go on to achieve an AA degree or certificate through Green River Community College.

iGrad is not included in this Capital Facilities Plan because it is served in leased space at the Kent Hill Plaza Shopping Center. iGrad is also reported separately to OSPI and the counts are not included in the P-223 Enrollment Reports for 2012-13. In less than a year, enrollment in the iGrad program has grown to over 400 students.

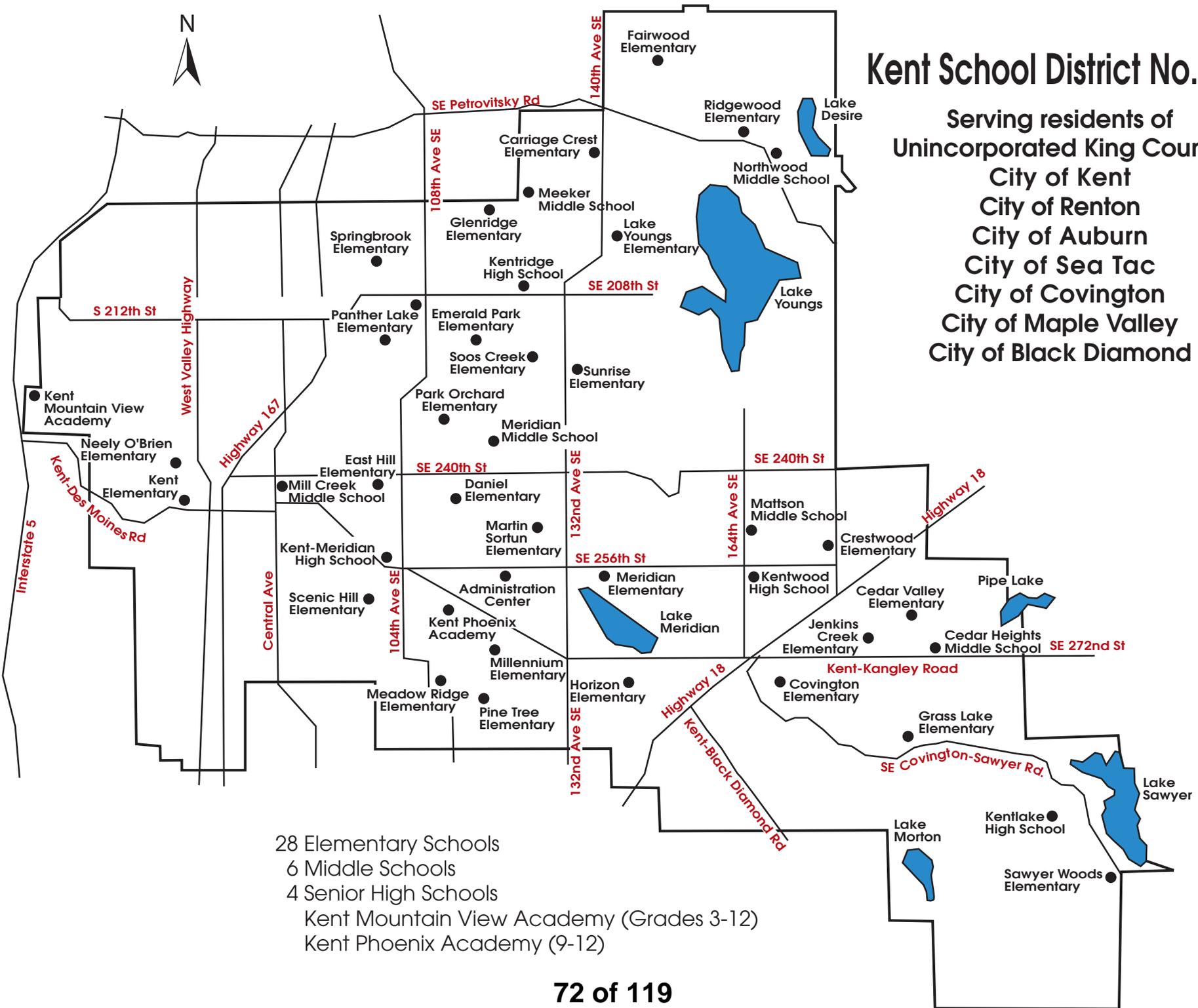
**KENT SCHOOL DISTRICT No. 415  
INVENTORY and CAPACITY of EXISTING SCHOOLS**

				2012-2013	
SCHOOL	Year Opened	ABR	ADDRESS		
				Program Capacity <sup>1</sup>	
Carriage Crest Elementary	1990	CC	18235 - 140th Avenue SE, Renton 98058	452	
Cedar Valley Elementary	1971	CV	26500 Timberlane Way SE, Covington 98042	380	
Covington Elementary	1961	CO	17070 SE Wax Road, Covington 98042	504	
Crestwood Elementary	1980	CW	25225 - 180th Avenue SE, Covington 98042	432	
East Hill Elementary	1953	EH	9825 S 240th Street, Kent 98031	490	
Emerald Park	1999	EP	11800 SE 216th Street, Kent 98031	504	
Fairwood Elementary	1969	FW	16600 - 148th Avenue SE, Renton 98058	408	
George T. Daniel Elementary	1992	DE	11310 SE 248th Street, Kent 98030	456	
Glenridge Elementary	1996	GR	19405 - 120th Avenue SE, Renton 98058	456	
Grass Lake Elementary	1971	GL	28700 - 191st Place SE, Kent 98042	452	
Horizon Elementary	1990	HE	27641 - 144th Avenue SE, Kent 98042	504	
Jenkins Creek Elementary	1987	JC	26915 - 186th Avenue SE, Covington 98042	404	
Kent Elementary	1999	KE	24700 - 64th Avenue South, Kent 98032	480	
Lake Youngs Elementary	1965	LY	19660 - 142nd Avenue SE, Kent 98042	510	
Martin Sortun Elementary	1987	MS	12711 SE 248th Street, Kent 98030	480	
Meadow Ridge Elementary	1994	MR	27710 - 108th Avenue SE, Kent 98030	476	
Meridian Elementary	1939	ME	25621 - 140th Avenue SE, Kent 98042	524	
Millennium Elementary	2000	ML	11919 SE 270th Street, Kent 98030	504	
Neely-O'Brien Elementary	1990	NO	6300 South 236th Street, Kent 98032	480	
Panther Lake Elementary	2009	PL	20831 - 108th Avenue SE, Kent 98031	524	
Park Orchard Elementary	1963	PO	11010 SE 232nd Street, Kent 98031	486	
Pine Tree Elementary	1967	PT	27825 - 118th Avenue SE, Kent 98030	514	
Ridgewood Elementary	1987	RW	18030 - 162nd Place SE, Renton 98058	504	
Sawyer Woods Elementary	1994	SW	31135 - 228th Ave SE, Black Diamond 98010	504	
Scenic Hill Elementary	1960	SH	26025 Woodland Way South, Kent 98030	476	
Soos Creek Elementary	1971	SC	12651 SE 218th Place, Kent 98031	380	
Springbrook Elementary	1969	SB	20035 - 100th Avenue SE, Kent 98031	418	
Sunrise Elementary	1992	SR	22300 - 132nd Avenue SE, Kent 98042	504	
<b>Elementary TOTAL</b>				<b>13,206</b>	
Cedar Heights Middle School	1993	CH	19640 SE 272 Street, Covington 98042	895	
Mattson Middle School	1981	MA	16400 SE 251st Street, Covington 98042	787	
Meeker Middle School	1970	MK	12600 SE 192nd Street, Renton 98058	832	
Meridian Middle School	1958	MM	23480 - 120th Avenue SE, Kent 98031	792	
Mill Creek Middle School	2005	MC	620 North Central Avenue, Kent 98032	916	
Northwood Middle School	1996	NW	17007 SE 184th Street, Renton 98058	926	
<b>Middle School TOTAL</b>				<b>5,148</b>	
Kent-Meridian High School	1951	KM	10020 SE 256th Street, Kent 98030	1,904	
Kentlake Senior High School	1997	KL	21401 SE 300th Street, Kent 98042	1,957	
Kentridge Senior High School	1968	KR	12430 SE 208th Street, Kent 98031	2,277	
Kentwood Senior High School	1981	KW	25800 - 164th Avenue SE, Covington 98042	2,159	
<b>Senior High TOTAL</b>				<b>8,297</b>	
Kent Mountain View Academy	1997	MV/LC	22420 Military Road, Des Moines 98198	410	
Kent Phoenix Academy	2007	PH	11000 SE 264th Street, Kent 98030	414	
<b>DISTRICT TOTAL</b>				<b>27,475</b>	



# Kent School District No. 415

Serving residents of  
Unincorporated King County  
City of Kent  
City of Renton  
City of Auburn  
City of Sea Tac  
City of Covington  
City of Maple Valley  
City of Black Diamond



28 Elementary Schools  
 6 Middle Schools  
 4 Senior High Schools  
 Kent Mountain View Academy (Grades 3-12)  
 Kent Phoenix Academy (9-12)

## V Six-Year Planning and Construction Plan

At the time of preparation of this Plan in spring of 2013, the following projects to increase capacity are in the planning phase in Kent School District:

- Planning is in progress for construction of additional capacity for Pre-school and Kindergarten students at Kent Elementary School in 2015. The project, which is one of four in the country known as “Green Schoolhouse”, will be largely funded and donated by Brighten A Life Foundation. The District will fund ~\$3M for the site preparation and does not expect to utilize impact fees to fund the project which will be built to LEED Platinum standard. (LEED = Leadership in Energy & Environmental Design)
- Planning is in progress for a replacement school for Covington Elementary School in 2016 or beyond. The project is pending satisfactory financial resources to fund the project.
- Planning is in progress for additional classroom space for Neely-O'Brien Elementary School. This addition will add approximately 25% to building capacity and is expected to come online in Fall of 2017.
- Enrollment projections reflect future need for additional capacity at the elementary school level. Future facility and site needs are reflected in this Plan.
- Some funding for lease or purchase of additional portables may be provided by impact fees as needed. Sites are based on need for additional capacity.

As a critical component of capital facilities planning, county and city planners and decision-makers are encouraged to consider safe walking conditions for all students when reviewing applications and design plans for new roads and developments. This should include sidewalks for pedestrian safety to and from school and bus stops as well as bus pull-outs and turn-arounds for school buses.

Included in this Plan is an inventory of potential projects and sites identified by the District which are potentially acceptable site alternatives in the future. *(See Table 4 on Page 15 & Site map on Page 16)*

Voter approved bond issues have included funding for the purchase of sites for some of these and future schools, and the sites acquired to date are included in this Plan. Some funding is secured for purchase of additional sites but some may be funded with impact fees as needed. Not all undeveloped properties meet current school construction requirements and some property may be traded or sold to meet future facility needs.

2006 voter approval of \$106M bond issue for capital improvement included the construction funding for proposed Elementary School #31 (actual #29), replacement of Panther Lake Elementary, and classroom additions to high schools. Some impact fees have been utilized for those projects.

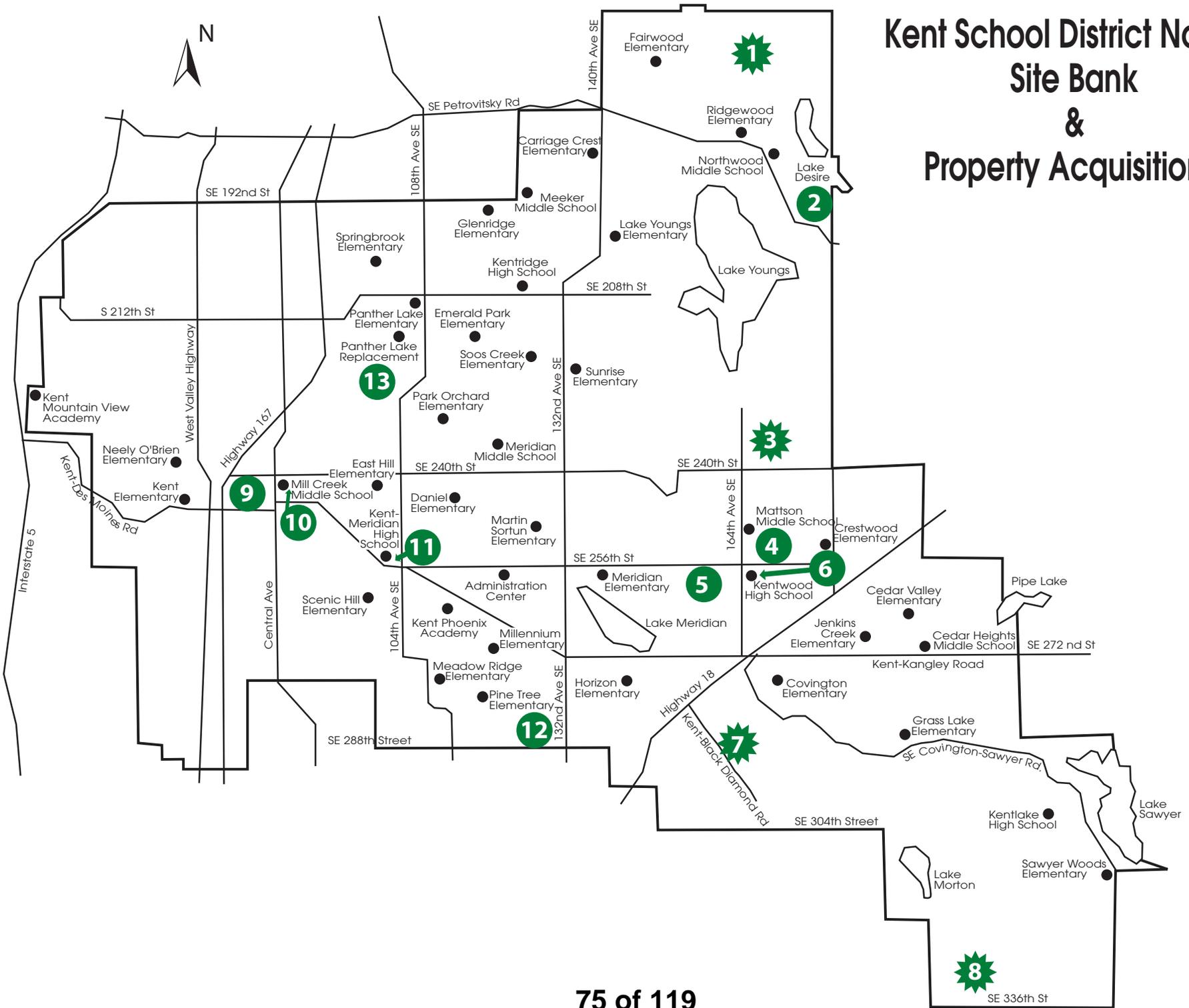
In March 2013 the Board of Directors reallocated the funding for proposed Elementary #31 to capital projects for safety and security.

The Board will continue annual review of standard of service and those decisions will be reflected in the each update of the Capital Facilities Plan.

**KENT SCHOOL DISTRICT No. 415**  
**Site Acquisitions and Projects Planned to Provide Additional Capacity**

SCHOOL / FACILITY / SITE				LOCATION	Type	Status	Projected Completion Date	Projected Program Capacity	% for new Growth
							Approximate	Approximate	
# on Map	<b>ELEMENTARY</b>			<i>(Numbers to identify future schools may not correlate with number of existing schools.)</i>					
	Kent Elementary School - Addition (F)	24700 - 64th Avenue S, Kent	Elementary Addition	Planning	2015-16	672	100%		
	8 Classrooms added to provide New Capacity	Special LEED Platinum Donation Project - No Impact Fees				Current Capacity 480 (+192)			
5	Replacement for Covington Elementary (U)	SE 256th Street & 154th Ave SE	Replacement Elementary	Planning	2016-17	600	16%		
	Covington Elem - Capacity to be replaced	17070 SE Wax Road, Covington	Elementary	Utilized		-504			
	Neely-O'Brien Elementary School - Addition (U)	6300 S 236th Street, Kent 98032	Elementary Addition	Planning	2017-18	600	25%		
	Classrooms added to provide New Capacity	Current Capacity 480 + 120 New = 600		Planning					
<b>MIDDLE SCHOOL &amp; SENIOR HIGH</b>									
No new projects required for Secondary Schools at this time & Secondary Schools are excluded from Impact Fee formula.									
								<b>Additional Capacity</b>	
	Relocatables	TBD - For placement as needed	New	Planning	2013 +	24 - 31 each	100%		
# on Map	<b><sup>3</sup> OTHER SITES ACQUIRED</b>			Land Use Designation	Type	Land Use Jurisdiction			
4	Covington area North (Near Mattson MS)	SE 251 & 164 SE, Covington 98042	Urban	Elementary	City of Covington				
7	Covington area South (Scarsella)	SE 290 & 156 SE, Kent 98042	Rural	Elementary	King County				
5	Covington area West (Halleson-Wikstrom)	SE 256 & 154 SE, Covington 98042	Urban	Elementary	City of Covington				
3	Ham Lake area (Pollard)	16820 SE 240, Kent 98042	Rural	Elementary	King County				
8	SE of Lake Morton area (West property)	SE 332 & 204 SE, Kent 98042	Rural	Secondary	King County				
2	Shady Lk area (Sowers, Blaine, Drahot, Paroline)	17426 SE 192 Street, Renton 98058	Urban	Elementary	King County				
1	So. King Co. Activity Center (former Nike site)	SE 167 & 170 SE, Renton 98058	Rural	TBD <sup>2</sup>	King County				
12	South Central site (Plemmons-Yeh-Wms)	SE 286th St & 124th Ave SE, Auburn 98092	Urban	TBD <sup>2</sup>	King County				
<b>Notes:</b>									
<sup>1</sup> Unfunded facility needs will be reviewed in the future.									
<sup>2</sup> TBD - To be determined - Some sites are identified but placement, timing and/or configuration of Relocatables has not been determined.									
<sup>3</sup> Numbers correspond to sites on Site Bank Map on Page 16. Other Map site locations are parcels identified in Table 7 on Page 26.									

# Kent School District No. 415 Site Bank & Property Acquisitions



## **VI Portable Classrooms**

For the purpose of clarification, the term "portables" and the more descriptively accurate term, "relocatables" are occasionally used interchangeably in this Plan. The Plan also references use of portables or relocatables as interim or transitional capacity and facilities.

Currently, the District utilizes portables to house students in excess of permanent capacity and for program purposes at some school locations. *(Please see Appendices A B C D)*

Based on enrollment projections, implementation of full day kindergarten programs, program capacity and the need for additional permanent capacity, the District anticipates the need to purchase or lease some additional portables during the next six-year period.

During the time period covered by this Plan, the District does not anticipate that all of the District's portables will be replaced by permanent facilities. During the useful life of some of the portables, the school-age population may decline in some communities and increase in others, and these portables provide the flexibility to accommodate the immediate needs of the community.

Portables may be used as interim or transitional facilities:

1. To prevent overbuilding or overcrowding of permanent school facilities.
2. To cover the gap between the time of demand for increased capacity and completion of permanent school facilities to meet that demand.
3. To meet unique program requirements.

Portables currently in the District's inventory are continually evaluated resulting in some being improved and some replaced.

The Plan projects that the District will use portables to accommodate interim housing needs for the next six years and beyond. The use of portables, their impacts on permanent facilities, life cycle and operational costs, and the interrelationship between portables, emerging technologies and educational restructuring will continue to be examined.

## VII Projected Six-Year Classroom Capacity

As stated in Section IV, the program capacity study is periodically updated for changes in special programs and reflects class size fluctuations, grade level splits, etc. As shown in the Inventory and Capacity chart in Table 3 on Page 12, the program capacity is also reflected in the capacity and enrollment comparison charts. *(See Tables 5 & 5 A-B-C on pages 19 - 22)*

Enrollment is electronically reported to OSPI on Form P-223 on a monthly basis and funding apportionment is based on Annual Average FTE (AAFTE). The first school day of October is widely recognized as the enrollment “snapshot in time” to report enrollment for the year.

Full Time Equivalent (FTE) student enrollment for October 2012 was 25,481.09. Kindergarten students are reported at .5 although all schools provide full day kindergarten (“FDK”) with alternative funding for the second half of the day. State Apportionment-funded Full Day Kindergarten programs report and project Kindergarten students at 1.00 FTE at qualifying FDK schools. The P-223 FTE Report excludes Early Childhood Education (“ECE” preschool) students and College-only Running Start students. *(See Tables 5 & 5 A-B-C on pages 19 - 22)*

In October there were 761 students in 11<sup>th</sup> and 12<sup>th</sup> grade participating in the Running Start program at 10-21 different colleges and receiving credits toward both high school and college graduation. 378 of these students attended classes only at the college (“college-only”) and are excluded from FTE and headcount for capacity and enrollment comparisons. Kent School District has one of the highest Running Start program participation rates in the state.

Kent School District continues to be the fourth largest district in the state of Washington. P-223 Headcount for October 2012 was 26,611 with kindergarten students counted at 1.0 and excluding ECE and college-only Running Start students. A full headcount of all students enrolled in October 2012 totals 27,732 which includes ECE and college-only Running Start students.

Based on the enrollment forecasts, permanent facility inventory and capacity, current standard of service, portable capacity, and future additional classroom space, the District plans to continue to satisfy concurrency requirements through the transitional use of portables. *(See Table 5 and Tables 5 A-B-C on Pages 19 - 22)*

This does not mean that some schools will not experience overcrowding. There may be a need for additional portables and/or new schools to accommodate growth within the District. New schools may be designed to accommodate placement of future portables. Boundary changes, limited and costly movement of relocatables, zoning changes, market conditions, and educational restructuring will all play a major role in addressing overcrowding and underutilization of facilities in different parts of the District.





**KENT SCHOOL DISTRICT No. 415  
PROJECTED ENROLLMENT and CAPACITY**

**MIDDLE SCHOOL - Grades 7 - 8**

SCHOOL YEAR	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
	Actual	P R O J E C T E D					

Middle School Permanent Capacity <sup>1</sup>	5,148	5,148	5,148	5,148	5,148	5,148	5,148
---	-------	-------	-------	-------	-------	-------	-------

No Changes to Middle School Capacity

Mill Creek MS & Technology Academy  
Phase 2 of Renovation completed in 2010  
(No new capacity added in renovation)  
Mill Creek Tech Academy serves students from all areas of Kent SD

Subtotal	5,148	5,148	5,148	5,148	5,148	5,148	5,148
----------	-------	-------	-------	-------	-------	-------	-------

Relocatable Capacity Required <sup>1</sup>	0	0	0	0	0	0	0
--	---	---	---	---	---	---	---

<b>TOTAL CAPACITY</b> <sup>1&amp;3</sup>	5,148	5,148	5,148	5,148	5,148	5,148	5,148
--	-------	-------	-------	-------	-------	-------	-------

<b>ENROLLMENT / PROJECTION</b> <sup>2</sup>	4,277	4,209	4,161	4,201	4,263	4,216	4,220
---	-------	-------	-------	-------	-------	-------	-------

<b>SURPLUS (DEFICIT) CAPACITY</b> <sup>4</sup>	871	939	987	947	885	932	928
--	-----	-----	-----	-----	-----	-----	-----

Number of Relocatables Required                    0            0            0            0            0            0            0

No Classroom Relocatables required at middle schools at this time. Some Relocatables used for classroom and program purposes.

- <sup>1</sup> Capacity is based on standard of service for programs provided and is updated periodically to reflect program changes.
- <sup>2</sup> Actual October Headcount Enrollment with Projections from OSPI Report 1049 - Determination of Projected Enrollments.
- <sup>3</sup> Surplus capacity due to grade level reconfiguration - All 9th grade students moved to the high schools in Fall 2004.
- <sup>4</sup> Middle School capacity meets concurrency requirements and no impact fees are collected for middle schools.

**KENT SCHOOL DISTRICT No. 415  
PROJECTED ENROLLMENT and CAPACITY**

**SENIOR HIGH - Grades 9 - 12**

SCHOOL YEAR	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019		
	Actual	P	R	O	J	E	C	T	E

Senior High Permanent Capacity <sup>1</sup>	8,707	8,707	8,707	8,707	8,707	8,707	8,707	8,707
---	-------	-------	-------	-------	-------	-------	-------	-------

Includes Kent Phoenix Academy <sup>2</sup>

No Changes to High School Capacity
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Kent-Meridian HS & Technology Academy  
Classroom Additions completed in 2012 (F)  
KM Tech Academy & International Baccalaureate Program  
serve students from all areas of Kent SD

Subtotal	8,707	8,707	8,707	8,707	8,707	8,707	8,707	8,707
----------	-------	-------	-------	-------	-------	-------	-------	-------

Relocatable Capacity Required <sup>1</sup>	0	0	0	0	0	0	0	0
--	---	---	---	---	---	---	---	---

<b>TOTAL CAPACITY <sup>1</sup></b>	<b>8,707</b>							
------------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

ENROLLMENT / PROJECTION <sup>3</sup>	7,851	7,720	8,117	8,089	8,089	8,052	8,108
--------------------------------------	-------	-------	-------	-------	-------	-------	-------

SURPLUS (DEFICIT) CAPACITY	856	987	590	618	618	655	599
----------------------------	-----	-----	-----	-----	-----	-----	-----

Number of Relocatables Required	0	0	0	0	0	0	0
---------------------------------	---	---	---	---	---	---	---

No Classroom Relocatables required at this time. Some Relocatables used for classroom and program purposes.

<sup>1</sup> Capacity is based on standard of service for programs provided and is updated periodically to reflect program changes.

<sup>2</sup> Kent Phoenix Academy opened in Fall 2007 serving grades 9 - 12 with four special programs.

<sup>3</sup> Actual October Enrollment with Projections from OSPI Report 1049 - Determination of Projected Enrollments.

<sup>4</sup> High School capacity meets concurrency requirements and no impact fees are collected for high schools.

## VIII Finance Plan

The finance plan shown on *Table 6* demonstrates how the Kent School District plans to finance improvements for the years 2013 - 2014 through 2018 - 2019. The financing components include secured and unsecured funding and impact fees. The plan is based on voter approval of future bond issues, collection of impact fees under the State Growth Management Act and voluntary mitigation fees paid pursuant to State Environmental Policy Act.

In February 2006, voters approved a \$106 million bond issue that included funds for replacement of Panther Lake Elementary School with increased capacity, as well as construction of a new Elementary School to accommodate growth. The new Panther Lake Elementary School replaced the previous Panther Lake Elementary in Fall of 2009.

The bond issue also funded Phase II of the renovation for Mill Creek Middle School and renovation of Sequoia Middle School for reconfiguration as a non-traditional high school, Kent Phoenix Academy, which opened in September 2007.

2006 construction funding also provided for additional classrooms at Kentlake High School and two projects at Kent-Meridian HS. The projects at Kent-Meridian provide additional capacity with several new classrooms and gymnasium space. The projects at K-M are completed and the new Main Gym added capacity for two more PE classrooms. Some impact fees were utilized for new construction that increased capacity.

Originally, the district designated \$16 million of the 2006 bond authorization for construction of an additional elementary school, identified as Elementary #31 in previous Plans. Due to a change in circumstances, the Board of Directors reallocated the \$16 Million for capital projects for safety and security.

The Greenhouse School LEED project is planned to provide additional capacity at Kent Elementary School for 2015-16. No Impact Fees will be used for the project.

Replacement of Covington Elementary School in 2016-17 or beyond will increase capacity by approximately 16%. Some impact fees will be utilized as part of the Finance Plan.

A building addition is also planned to provide approximately 25% additional classroom capacity at Neely-O'Brien Elementary School in 2017-18.

The Finance Plan includes a few new relocatables to be purchased or leased to provide additional capacity and some may be funded from impact fees.

Enrollment projections reflect future need for additional capacity at the elementary level and unfunded facility needs will be reviewed in the future and reported in annual updates of the Capital Facilities Plan. No impact fees are requested for secondary schools in this Plan.

For the Six-Year Finance Plan, costs of future schools are based on estimates from Kent School District Facilities Department. Please see pages 25-26 for a summary of the cost basis.

**KENT SCHOOL DISTRICT No. 415  
SIX-YEAR FINANCE PLAN**

SCHOOL FACILITIES	*	2013	2014	2015	2016	2017	2018	TOTAL	Secured	Unsecured	Impact
									Local & State	State <sup>2</sup> or Local <sup>3</sup>	Fees <sup>5</sup>
									Estimated		Estimated
<b>PERMANENT FACILITIES</b>											
Addition to Kent Elem - LEED Project <sup>1</sup>	F			\$9,000,000				\$9,000,000	\$9,000,000		\$0
Covington Elementary Replacement <sup>1</sup>	U				\$31,840,000			\$31,840,000		\$26,745,000	\$5,095,000
Addition to Neely-O'Brien Elementary <sup>1</sup>	U					\$14,100,000		\$14,100,000		\$10,600,000	\$3,500,000
NO Secondary School Projects at this time.											
<b>TEMPORARY FACILITIES</b>											
Additional Relocatables <sup>3-4</sup>	U	\$277,000	\$290,000	\$305,000	\$320,000	\$504,000	\$705,000	\$2,401,000			\$2,401,000
		2 relocatables	2 relocatables	2 relocatables	2 relocatables	3 relocatables	4 relocatables				
<b>OTHER</b>											
N / A											
<b>Totals</b>		\$277,000	\$290,000	\$9,305,000	\$32,160,000	\$14,604,000	\$705,000	\$57,341,000	\$9,000,000	\$37,345,000	\$10,996,000

\* F = Funded U = Unfunded

**NOTES:**

- <sup>1</sup> Based on estimates of actual or future construction costs from Facilities Department. (See Page 25 for Cost Basis Summary)
- <sup>2</sup> The District anticipates receiving some State Funding Construction Assistance (formerly known as "matching funds") for some projects.
- <sup>3</sup> Facility needs are pending review. Some of these projects may be funded with impact fees.
- <sup>4</sup> Cost of Relocatables based on current cost and adjusted for inflation for future years.
- <sup>5</sup> Fees in this column are based on amount of fees collected to date and estimated fees on future units.

## VIII Finance Plan - Cost Basis Summary

For impact fee calculations, construction costs are based on cost of the last elementary school, adjusted for inflation, and projected cost of the next elementary school.

Elementary School	Cost	Projected Cost
Cost of Panther Lake Elementary Replacement (Opened in Fall 2009)	\$26,700,000	
Projected cost - Covington Elementary Replacement (Projected to open in 2016)		\$31,840,000
Projected cost of Neely-O'Brien Addition (Projected to open in 2017)		\$14,100,000
Elementary Cost based on Covington Elementary Replacement		<b>\$31,840,000</b>

### Site Acquisition Cost

The site acquisition cost is based on an average cost of sites purchased or built on within the last ten years. Please see Table 7 on page 27 for a list of site acquisition costs and averages.

### District Adjustment

The impact fee calculations on pages 28 and 29 include a "District Adjustment" to reduce the fees calculated by the impact fee formulas. Based on current economic conditions, the District has adjusted the impact fees to keep the same rates as those currently in place and made no adjustment for increase in the Consumer Price Index.

**KENT SCHOOL DISTRICT No. 415**  
**Site Acquisitions & Costs**  
**Average of Sites Purchased or Built on within last 15 Years**

Type & # on Map	School / Site	Year Open / Purchased	Location	Acreage	Cost	Avg cost/acre	Total Average Cost / Acre
<b>Elementary</b>							
13 / Urban	Panther Lake Elementary Replacement Site	2008	10200 SE 216 St, Kent 98031	9.40	\$4,485,013	\$477,129	
5 / Urban	Elementary Site (Halleson & Wikstrom)	2004	15435 SE 256 St, Covington 98042	10.00	\$1,093,910	\$109,391	
Elementary Site Subtotal				19.40	\$5,578,923		\$287,573 Elem site average
<b>Middle School</b>							
Urban	Northwood Middle School	1996	17007 SE 184 St, Renton 98058	24.42	\$655,138	\$26,828	
10 / Urban	Mill Creek MS (Kent JH) / McMillan St. assemblage	2002	411-432 McMillan St., Kent 98032	1.23	\$844,866	\$686,883	
12 / Urban	So Central Site - Unincorp KC (Plemmons, Yeh, Wms)	1999	E of 124 SE btw 286-288 PI (UKC)	39.36	\$1,936,020	\$49,188	
Middle School Site Subtotal				65.01	\$3,436,024		\$52,854 Middle SchI Site Avg.
<b>Senior High</b>							
11 / Urban	K-M High School Addition (Kent 6 & Britt Smith)	2002 & 2003	10002 SE 256th Street	6.31	\$3,310,000	\$524,564	
Senior High	Kentlake High School (Kombol Morris)	1997	21401 SE 300 St, Kent 98042	40.00	\$537,534	\$13,438	
6 / Urban	Kentwood Sr Hi Addition (Sandhu)	1998	16807 SE 256th Street	3.83	\$302,117	\$78,882	
Senior High Site Subtotal				50.14	\$4,149,651		\$82,761 Sr Hi Site Average
<p>Note: All rural sites were purchased prior to adoption of Urban Growth Area.</p> <p>Numbers correspond to locations on Site Bank &amp; Acquisitions Map on Page 17.</p>							
Properties purchased prior to 1996							
1 / Rural	So. King County Activity Center (Nike site) purchased prior to 1996.						
4 / Urban	Site - Covington area North (So of Mattson MS)	1984					
3 / Rural	Site - Ham Lake east (Pollard)	1992					
7 / Rural	Site - South of Covington (Scarsella)	1993					
8 / Rural	Site - SE of Lake Morton area (West property)	1993					
2 / Urban	Site - Shady Lake (Sowers-Blaine-Drahota-Paroline)	1995					
9 / Urban	Old Kent Elementary replaced and currently leased out.						
					Total Acreage & Cost		Total Average Cost / Acre
					134.55    \$13,164,598		\$97,842

**KENT SCHOOL DISTRICT  
FACTORS FOR ESTIMATED IMPACT FEE CALCULATIONS**

**Student Generation Factors - Single Family**

Elementary (Grades K - 6)	0.484
Middle School (Grades 7 - 8)	0.129
Senior High (Grades 9 - 12)	0.249
<b>Total</b>	<b><u>0.862</u></b>

**Student Generation Factors - Multi-Family**

Elementary	0.324
Middle School	0.066
Senior High	0.118
<b>Total</b>	<b><u>0.508</u></b>

**Projected Increased Student Capacity**

Elementary	<u>600</u>
Middle School	<u>0</u>
Senior High Addition	<u>0</u>

**OSPI - Square Footage per Student**

Elementary	<u>90</u>
Middle School	<u>117</u>
Senior High	<u>130</u>
Special Education	<u>144</u>

**Required Site Acreage per Facility**

Elementary (required)	<u>11</u>
Middle School (required)	<u>21</u>
Senior High (required)	<u>32</u>

**Average Site Cost / Acre**

Elementary	<u>\$287,573</u>
Middle School	<u>\$0</u>
Senior High	<u>\$0</u>

**New Facility Construction Cost**

Elementary *	<u>\$31,840,000</u>
Middle School	<u>\$0</u>
Senior High *	<u>\$0</u>

\* See cost basis on Pg. 25

**Temporary Facility Capacity & Cost**

Elementary @ 24	<u>\$138,500</u>
Middle School @ 29	<u>\$0</u>
Senior High @ 31	<u>\$0</u>

**Temporary Facility Square Footage**

Elementary	<u>70,892</u>
Middle School	<u>16,376</u>
Senior High	<u>22,064</u>
<b>Total</b>	<b><u>109,332</u></b>

**State Funding Assistance Credit** (formerly "State Match")

District Funding Assistance Percentage	<u><b>57.89%</b></u>
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**Permanent Facility Square Footage**

Elementary (Includes KMVA)	<u>1,470,543</u>
Middle School	<u>660,904</u>
Senior High	<u>1,110,415</u>
<b>Total</b>	<b><u>3,241,862</u></b>

**Construction Cost Allocation**

CCA - Cost/Sq. Ft. (Effective July 11-12)	<u><b>\$188.55</b></u>
---	------------------------

**Total Facilities Square Footage**

Elementary	<u>1,541,435</u>
Middle School	<u>667,829</u>
Senior High	<u>1,132,479</u>
<b>Total</b>	<b><u>3,341,743</u></b>

**District Average Assessed Value**

Single Family Residence	<u><b>\$228,242</b></u>
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**District Average Assessed Value**

Multi-Family Residence	<u><b>\$85,802</b></u>
Apartments 70% Condos 30%	

**Bond Levy Tax Rate/\$1,000**

Current / \$1,000 Tax Rate (1.8607)	<u><b>\$1.86</b></u>
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**Developer Provided Sites / Facilities**

Value	<u>0</u>
Dwelling Units	<u>0</u>

**General Obligation Bond Interest Rate**

Current Bond Interest Rate	<u><b>3.74%</b></u>
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**KENT SCHOOL DISTRICT  
IMPACT FEE CALCULATION for SINGLE FAMILY RESIDENCE**

**Site Acquisition Cost per Single Family Residence**

Formula: ((Acres x Cost per Acre) / Facility Capacity) x Student Generation Factor

	Required Site Acreage	Average Site Cost/Acre	Facility Capacity	Student Factor	
A 1 (Elementary)	11	\$287,573	600	0.484	\$2,551.73
A 2 (Middle School)	21	\$0	1,065	0.129	\$0
A 3 (Senior High)	32	\$0	1,000	<u>0.249</u>	\$0
				0.862	
				A ⇒	<u>\$2,551.73</u>

**Permanent Facility Construction Cost per Single Family Residence**

Formula: ((Facility Cost / Facility Capacity) x Student Factor) x (Permanent/Total Square Footage Ratio)

	Construction Cost	Facility Capacity	Student Factor	Footage Ratio	
B 1 (Elementary)	\$31,840,000	600	0.484	0.97	\$24,913.74
B 2 (Middle School)	\$0	900	0.129	0.97	\$0
B 3 (Senior High)	\$0	1,600	<u>0.249</u>	0.97	\$0
			0.862		
				B ⇒	<u>\$24,913.74</u>

**Temporary Facility Cost per Single Family Residence**

Formula: ((Facility Cost / Facility Capacity) x Student Factor) x (Temporary / Total Square Footage Ratio)

	Facility Cost	Facility Capacity	Student Factor	Footage Ratio	
C 1 (Elementary)	\$138,500	24	0.484	0.03	\$83.79
C 2 (Middle School)	\$0	29	0.129	0.03	\$0
C 3 (Senior High)	\$0	31	<u>0.249</u>	0.03	\$0
			0.862		
				C ⇒	<u>\$83.79</u>

**State Funding Assistance Credit per Single Family Residence (formerly "State Match")**

Formula: Area Cost Allowance x SPI Square Feet per student x Funding Assistance % x Student Factor

	Construction Cost Allocation	SPI Sq. Ft. / Student	Assistance %	Student Factor	
D 1 (Elementary)	\$188.55	90	0.5789	0.484	\$4,754.64
D 2 (Middle School)	\$188.55	117	0	0.129	\$0
D 3 (Senior High)	\$188.55	130	0	<u>0.249</u>	\$0
				D ⇒	<u>\$4,754.64</u>

**Tax Credit per Single Family Residence**

Average SF Residential Assessed Value	\$228,242		
Current Debt Service Rate / \$1,000	\$1.86		
Current Bond Interest Rate	3.74%		
Years Amortized (10 Years)	10	TC ⇒	\$3,489.63

**Developer Provided Facility Credit**

Facility / Site Value	Dwelling Units	
0	0	FC ⇒ 0

**Fee Recap**

A = Site Acquisition per SF Residence	\$2,551.73	
B = Permanent Facility Cost per Residence	\$24,913.74	
C = Temporary Facility Cost per Residence	<u>\$83.79</u>	
Subtotal		\$27,549.26
D = State Match Credit per Residence	\$4,754.64	
TC = Tax Credit per Residence	<u>\$3,489.63</u>	
Subtotal		<u>\$8,244.28</u>

Total Unfunded Need	\$19,304.98	
50% Developer Fee Obligation		\$9,652
FC = Facility Credit (if applicable)		0
District Adjustment (See Page 26 for explanation)		<u>(\$4,166)</u>
Net Fee Obligation per Residence - Single Family		<b>\$5,486</b>

**KENT SCHOOL DISTRICT  
IMPACT FEE CALCULATION for MULTI-FAMILY RESIDENCE**

**Site Acquisition Cost per Multi-Family Residence Unit**

Formula: ((Acres x Cost per Acre) / Facility Capacity) x Student Generation Factor

	Required Site Acreage	Average Site Cost/Acre	Facility Capacity	Student Factor	
A 1 (Elementary)	11	\$287,573	500	0.324	\$2,049.82
A 2 (Middle School)	21	\$0	1,065	0.066	\$0
A 3 (Senior High)	32	\$0	1,000	<u>0.118</u>	\$0
				0.508	
				A ⇒	<u>\$2,049.82</u>

**Permanent Facility Construction Cost per Multi-Family Residence Unit**

Formula: ((Facility Cost / Facility Capacity) x Student Factor) x (Permanent / Total Square Footage Ratio)

	Construction Cost	Facility Capacity	Student Factor	Footage Ratio	
B 1 (Elementary)	\$31,840,000	600	0.324	0.97	\$16,677.79
B 2 (Middle School)	\$0	900	0.066	0.97	\$0
B 3 (Senior High)	\$0	1,600	<u>0.118</u>	0.97	\$0
			0.508		
				B ⇒	<u>\$16,677.79</u>

**Temporary Facility Cost per Multi-Family Residence Unit**

Formula: ((Facility Cost / Facility Capacity) x Student Factor) x (Temporary / Total Square Footage Ratio)

	Facility Cost	Facility Capacity	Student Factor	Footage Ratio	
C 1 (Elementary)	\$138,500	24	0.324	0.03	\$56.09
C 2 (Middle School)	\$0	29	0.066	0.03	\$0
C 3 (Senior High)	\$0	31	<u>0.118</u>	0.03	\$0
			0.508		
				C ⇒	<u>\$56.09</u>

**State Funding Assistance Credit per Multi-Family Residence (formerly "State Match")**

Formula: Area Cost Allowance x SPI Square Feet per student x Funding Assistance % x Student Factor

	Area Cost Allowance	SPI Sq. Ft. / Student	Equalization %	Student Factor	
D 1 (Elementary)	\$188.55	90	0.5789	0.324	\$3,182.86
D 2 (Middle School)	\$188.55	117	0	0.066	\$0
D 3 (Senior High)	\$188.55	130	0	<u>0.118</u>	\$0
				D ⇒	<u>\$3,182.86</u>

**Tax Credit per Multi-Family Residence Unit**

Average MF Residential Assessed Value	\$85,802			
Current Debt Service Rate / \$1,000	\$1.86			
Current Bond Interest Rate	3.74%			
Years Amortized (10 Years)	10	TC	⇒	\$1,311.84

**Developer Provided Facility Credit**

Facility / Site Value	Dwelling Units	
0	0	FC ⇒ 0

**Fee Recap**

A = Site Acquisition per Multi-Family Unit	\$2,049.82	
B = Permanent Facility Cost per MF Unit	\$16,677.79	
C = Temporary Facility Cost per MF Unit	<u>\$56.09</u>	
Subtotal		\$18,783.70
D = State Match Credit per MF Unit	\$3,182.86	
TC = Tax Credit per MF Unit	<u>\$1,311.84</u>	
Subtotal	-	<u>\$4,494.70</u>

Total Unfunded Need	\$14,289.00	
50% Developer Fee Obligation		<b>\$7,347</b>
FC = Facility Credit (if applicable)		0
District Adjustment (See Page 26 for explanation)		<b>(\$3,969)</b>
<b>Net Fee Obligation per Residential Unit - Multi-family</b>		<b>\$3,378</b>

## IX Summary of Changes to April 2012 Capital Facilities Plan

The Capital Facilities Plan (the "Plan") is updated annually based on previous Plans in effect since 1993. The primary changes from the April 2012 Plan are summarized here.

Board of Directors re-allocated funds for previously proposed Elementary 31 to capital projects for safety and security.

Future projects include proposed replacement and expansion of Covington Elementary, and additions to Kent Elementary & Neely O'Brien. Project that increased capacity at Kent-Meridian HS was completed and removed from Finance Plan & Fee Charts.

Changes to capacity continue to reflect fluctuations in class size as well as program changes. Changes in relocatables or transitional capacity reflect use, lease or purchase, sale, surplus and/or movement between facilities.

The student enrollment forecast is updated annually. All Elementary schools now have Full Day Kindergarten so six-year Kindergarten projections were previously modified to meet the requirements for Full Day Kindergarten programs at all Elementary schools.

The district expects to receive some State Funding Assistance (formerly called "state matching funds") for projects in this Plan and tax credit factors are updated annually. Unfunded site and facility needs will be reviewed in the future.

Based on current economic conditions, the District Adjustment results in no change to the current impact fees.

Changes to Impact Fee Calculation Factors include:

ITEM	Grade/Type	FROM	TO	Comments
Student Generation Factor	Elem	0.486	0.484	
Single Family (SF)	MS	0.130	0.129	
	SH	0.250	0.249	
	Total	0.866	0.862	- .04
Student Generation Factor	Elem	0.331	0.324	
Multi-Family (MF)	MS	0.067	0.066	
	SH	0.124	0.118	
	Total	0.522	0.508	- .14
State Funding Assistance Ratios ("State Match")		56.65%	57.89%	Per OSPI Website
Area Cost Allowance (former Boeckh Index)		\$188.55	\$188.55	Per OSPI Website
Average Assessed Valuation (AV)	SF	\$249,981	\$228,242	Puget Sound ESD
AV - Average of Condominiums & Apts.	MF	\$95,379	\$85,802	Puget Sound ESD
Debt Service Capital Levy Rate / \$1000		\$1.75	\$1.86	Per King Co. Assessor Report
General Obligation Bond Interest Rate		3.84%	3.74%	Market Rate
Impact Fee - Single Family	SF	\$5,486	\$5,486	No Change to Impact Fee
Impact Fee - Multi-Family	MF	\$3,378	\$3,378	No Change to Impact Fee

# X

## Appendixes

**Appendix A: Calculations of Capacities for Elementary Schools**

**Appendix B: Calculations of Capacities for Middle Schools**

**Appendix C: Calculations of Capacities for Senior High Schools**

**Appendix D: Use of Relocatables**

**Appendix E: Student Generation Factor Survey**

**KENT SCHOOL DISTRICT No. 415**  
**STANDARD of SERVICE - PROGRAM CAPACITY - INVENTORY of RELOCATABLES - FTE and HEADCOUNT ENROLLMENT**

K S D ELEMENTARY SCHOOL	ABR	Number of	Std/High Cap	<sup>2</sup> SE / IP	<sup>2</sup> Special	2012-2013	Program	Classroom	Relocatable	10/1/2012	10/1/2012	F
		Std or High Cap Classrooms	Capacity at 24 average <sup>1</sup>	ELL CR	Program Capacity	Program Capacity <sup>2</sup>	Use Relocatables	Use Relocatables	Capacity at 24 average <sup>1</sup>	P223 FTE <sup>3</sup> Enrollment	P223 Hdcount Enrollment	D K <sup>3</sup>
e = ECE & h = Highly Capable Programs												
										0 ECE & K @ .5 or 1.0 0 ECE & K @ 1.0		
Carriage Crest	CC	18	432	5	20	452	1	0	0	392.48	424	F
Cedar Valley	CV/e	15	360	6	20	380	2	0	0	270.50	298	F
Covington	CO/e	20	480	5	24	504	1	0	0	427.00	463	F
Crestwood	CW	18	432	4	0	432	4	1	24	439.38	484	F
East Hill	EH	20	480	5	10	490	3	3	72	474.53	516	F
Emerald Park	EP	21	504	2	0	504	2	0	0	449.00	486	F
Fairwood	FW/e	17	408	3	0	408	3	0	0	415.66	454	F
George T. Daniel Elem	DE	18	432	5	24	456	1	0	0	499.00	499	SF
Glenridge	GR	19	456	4	0	456	2	0	0	447.50	479	F
Grass Lake	GL/h	18	432	4	20	452	1	0	0	404.50	425	F
Horizon	HE	21	504	2	0	504	3	0	0	473.50	501	F
Jenkins Creek	JC	15	360	7	44	404	3	1	24	286.00	312	F
Kent Elementary	KE/eh	20	480	3	0	480	2	4	96	626.00	626	SF
Lake Youngs	LY/h	21	504	7	20	510	0	0	0	420.50	445	F
Martin Sortun	MS	19	456	3	24	480	1	1	24	563.50	611	F
Meadow Ridge	MR/e	17	408	6	68	476	0	4	96	546.68	548	SF
Meridian Elementary	ME/h	21	504	3	20	524	3	2	48	539.00	581	F
Millennium Elementary	ML	20	480	3	24	504	0	0	0	531.05	583	F
Neely-O'Brien	NO	20	480	5	0	480	7	5	120	680.52	744	F
Panther Lake (New)	PL	21	504	5	20	524	4	0	0	564.70	609	F
Park Orchard	PO	18	432	7	54	486	2	0	0	477.03	478	SF
Pine Tree	PT/h	21	504	4	10	514	3	0	0	462.50	493	F
Ridgewood	RW/h	21	504	1	0	504	1	2	48	519.30	558	F
Sawyer Woods	SW	21	504	2	0	504	0	0	0	424.76	457	F
Scenic Hill	SH	17	408	6	68	476	4	3	72	605.00	605	SF
Soos Creek	SC/e	15	360	4	20	380	3	0	0	312.50	341	F
Springbrook	SB	17	408	4	10	418	2	0	0	490.60	536	F
Sunrise	SR/h	21	504	2	0	504	3	0	0	512.03	549	F
Kent Mtn. View Academy	MV	14	356	3	60	410	0	0	0	103.00	103	0
Elementary TOTAL <sup>1/2</sup>		544	13,076	120	560	13,616	61	26	624	13,357.72	14,208	

<sup>1</sup> Elementary classroom capacity is based on average of 24: 20-22 in K-3 & 29 in Grades 4-6. Includes adjustments for class size reduction or special program changes.

<sup>2</sup> Kent School District Standard of Service reserves some rooms for pull-out programs. ie. 20 Total = 16 Standard + 1 Computer Lab + 1 Music + 1 ELL + 1 Integrated Program classroom.

<sup>3</sup> All elementary schools have Full Day Kindergarten - 5 FDK programs are State-funded. FTE reports Kind @ .5 & SF-FDK @ 1.0 - P223 Headcount reports Kindergarten @ 1.0.

<sup>4</sup> Elementary schools have 100% space utilization rate with no adjustments for part-time use of classrooms. Counts exclude ECE Preschoolers & space is reserved for ECE classrooms.

**KENT SCHOOL DISTRICT No. 415**  
**STANDARD of SERVICE - PROGRAM CAPACITY - INVENTORY of RELOCATABLES - FTE and HEADCOUNT ENROLLMENT**

K S D MIDDLE SCHOOL	ABR	# of	Standard	SE / IP	Special Ed	Spec	Special <sup>1</sup>	2012-2013	Program	Classroom	Relocatable	10/1/2012	10/1/2012
		Std	Capacity <sup>2</sup>	ELL	ELL	Prgm	Program	Program	Use	Use	Capacity	P223 FTE <sup>3</sup>	Headcount <sup>3</sup>
		Clsrms	at 25-29	Clis	Capacity	Clsrms	Capacity	Capacity <sup>2</sup>	Relocatables	Relocatables	at 29 ea.	Enrollment	Enrollment
		@ 85% Utilization		@ 85% Utilization		@ 85% Utilization		@ 85% Utilization					
Cedar Heights Middle School	CH	30	740	8	84	3	71	895	2	0	0	673.00	673
Mattson Middle School	MA	24	592	6	76	5	119	787	4	0	0	648.40	649
Meeker Middle School	MK	29	715	8	93	1	24	832	0	0	0	679.00	679
Meridian Middle School	MJ	26	641	5	56	4	95	792	8	0	0	650.65	653
Mill Creek Middle School	MC	33	813	5	55	2	48	916	0	2	58	872.00	872
Northwood Middle School	NW	33	813	2	18	4	95	926	0	0	0	671.44	673
Kent Mountain View Academy (Grades 3 - 12) Middle School Grade 7 - 8 Enrollment								See Elem				77.55	78
<b>Middle School TOTAL</b>		<b>175</b>	<b>4,314</b>	<b>34</b>	<b>382</b>	<b>19</b>	<b>452</b>	<b>5,148</b>	<b>14</b>	<b>2</b>	<b>58</b>	<b>4,272.04</b>	<b>4,277</b>

**APPENDIX B**

K S D SENIOR HIGH SCHOOL	ABR	# of	Standard	SE / IP	Special Ed	Spec	Special <sup>1</sup>	2012-2013	Program	Classroom	Relocatable	10/1/2012	10/1/2012	
		Std	Capacity	ELL	ELL	Prgm	Program	Program	Use	Use	Capacity	P223 FTE <sup>3</sup>	Headcount <sup>3</sup>	
		Clsrms	at 25-31	Clis	Capacity	Clsrms	Capacity	Capacity <sup>2</sup>	Relocatables	Relocatables	at 31 ea.	Enrollment	Enrollment	
		@ 85% Utilization		@ 85% Utilization		@ 85% Utilization		@ 85% Utilization						
Kent-Meridian Senior High	KM	56	1,476	12	157	12	271	1,904	6	3	93	1,987.40	2,051	
Kentlake Senior High	KL	58	1,423	13	153	16	381	1,957	2	0	0	1,567.60	1,606	
Kentridge Senior High	KR	65	1,713	13	136	18	428	2,277	0	4	124	2,028.40	2,092	
Kentwood Senior High	KW	60	1,581	9	102	20	476	2,159	5	4	124	1,797.22	1,886	
Kent Mountain View Academy (Grades 3 - 12) Senior High Grade 9 - 12 Enrollment								See Elem				149.51	152	
Kent Phoenix Academy	PH	Non-traditional High School						414					317.20	335
Regional Justice Center <sup>4</sup>	RJ	N/A						N/A					4.00	4
<b>Senior High TOTAL</b>		<b>239</b>	<b>6,193</b>	<b>47</b>	<b>548</b>	<b>66</b>	<b>1,556</b>	<b>8,711</b>	<b>13</b>	<b>11</b>	<b>341</b>	<b>7,851.33</b>	<b>8,126</b>	

**APPENDIX C**

<b>DISTRICT TOTAL</b>	<b>958</b>	<b>23,583</b>	<b>201</b>	<b>1,490</b>	<b>85</b>	<b>2,008</b>	<b>27,475</b>	<b>88</b>	<b>39</b>	<b>1,023</b>	<b>25,481.09</b>	<b>26,611</b>
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<sup>1</sup> Special Program capacity includes classrooms requiring specialized use such as Special Education, Career & Technical Education Programs, Computer Labs, etc.  
<sup>2</sup> Secondary school capacity is adjusted for 85% utilization rate. 9th grade moved to HS in 2004. Facility Use Study was updated for program changes in 2012-13.  
<sup>3</sup> Enrollment is reported on FTE & Headcount basis. P223 Headcount excludes ECE & College-only Running Start students. Full headcount including ECE & RS = 27,732.  
 Some totals may be slightly different due to rounding.  
<sup>4</sup> 13 Juveniles served at King County Regional Justice Center are reported separately for Institutional Funding on Form E-672. Total RJ count in October 2012 is 17.

**KENT SCHOOL DISTRICT No. 415  
USE of RELOCATABLES**

School Year Relocatable Use <sup>1</sup>	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
	No. of	Student												
	Relocatables	Capacity												
Relocatables for classroom use	39		39		39		39		39		39		39	
Relocatables for program use (ie. Computer labs, music, etc.)	88		88		88		88		88		88		88	
Elementary Capacity Required @ 24 <sup>2</sup>	25	600	39	936	49	1,176	57	1,368	67	1,608	84	2,016	102	2,448
Middle School Capacity Required @ 29 <sup>3</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior High Capacity Required @ 31	0	0	0	0	0	0	0	0	0	0	0	0	0	0
# of Relocatables Utilized <sup>4</sup>	127		127		127		127		127		127		127	
Classroom Relocatable/Capacity Required	25	600	39	936	49	1,176	57	1,368	67	1,608	84	2,016	102	2,448
Plan for Allocation of Required Classroom Relocatable Facilities included in Finance Plan:														
Elementary <sup>1/2</sup>	25		39		49		57		67		84		102	
Middle School <sup>3</sup>	0		0		0		0		0		0		0	
Senior High <sup>4</sup>	0		0		0		0		0		0		0	
Total	25		39		49		57		67		84		102	

<sup>1</sup> Use of additional relocatables for classrooms or special programs is based on need and fluctuations of enrollment at each school.

<sup>2</sup> Full Day Kindergarten at all Elementary schools will increase the need for relocatables at the elementary level until permanent capacity can be provided.

<sup>3</sup> Grade Level Reconfiguration - In 2004, 9th grade students moved to high schools creating sufficient permanent capacity at middle schools.

<sup>4</sup> Although relocatables are utilized for a wide variety of purposes, new construction and boundary adjustments are timed to minimize the requirement for relocatables.

**KENT SCHOOL DISTRICT No. 415**  
Survey for Student Generation Factor

Edulog #	Single Family Developments	Elementary Area	Total Units	S t u d e n t s				Student Generation Factor			
				Total	Elem	MS	HS	Total	Elem	MS	HS
516	Adler's Cove	SW	92	75	50	13	12	0.815	0.543	0.141	0.130
510	Canterra	PT	14	11	6	2	3	0.786	0.429	0.143	0.214
512	Creekside at Riverview	NO	81	44	36	2	6	0.543	0.444	0.025	0.074
419	Eagle Crest - Park View - Southridge	HE	219	203	124	27	52	0.927	0.566	0.123	0.237
187	Eastland Meadows - Kent	SC	13	20	8	5	7	1.538	0.615	0.385	0.538
395	Eastpointe	MS	99	56	39	7	10	0.566	0.394	0.071	0.101
399	Fern Crest East - Kent	SR	171	156	92	21	43	0.912	0.538	0.123	0.251
410	Highland & Rhododendron Estates	ML	41	39	23	7	9	0.951	0.561	0.171	0.220
228	Kentlake Highlands	SW	177	144	89	20	35	0.814	0.503	0.113	0.198
431	Meridian Ridge	HE	70	45	32	5	8	0.643	0.457	0.071	0.114
389	North Parke Meadows & Parke Meadows South	CW	106	112	59	22	31	1.057	0.557	0.208	0.292
422	Panther Meadows	GR	32	32	22	3	7	1.000	0.688	0.094	0.219
514	Rainier Vista	CW	92	43	25	8	10	0.467	0.272	0.087	0.109
139	Rose's Meadow	ML	37	24	12	5	7	0.649	0.324	0.135	0.189
78	Savana / The Reserve / Stonefield / Crofton Hills	CO	351	365	172	54	139	1.040	0.490	0.154	0.396
400	Shadow Brook Ridge (FCWest) - Kent	SR	128	114	69	14	31	0.891	0.539	0.109	0.242
420	Tamarack Ridge	CW	134	78	41	10	27	0.582	0.306	0.075	0.201
179	The Parks - Fairwood/Renton	RW	172	159	71	29	59	0.924	0.413	0.169	0.343
416	Trovitsky Park - Renton	RW	167	140	94	20	26	0.838	0.563	0.120	0.156
417	Wood Creek - Covington	CW	154	134	74	22	38	0.870	0.481	0.143	0.247
<b>Total</b>			<b>2,163</b>	<b>1,864</b>	<b>1,046</b>	<b>279</b>	<b>539</b>	<b>0.862</b>	<b>0.484</b>	<b>0.129</b>	<b>0.249</b>
Edulog #	Multi-Family Developments	Elementary Area	Total Units	S t u d e n t s				Student Generation Factor			
				Total	Elem	MS	HS	Total	Elem	MS	HS
418	Adagio Apartments - Covington	CO	200	78	45	8	25	0.390	0.225	0.040	0.125
412	Alderbrook Apartments - Kent	EH	207	141	94	22	25	0.681	0.454	0.106	0.121
156	Arterra Apartments - Kent	SH	81	65	43	11	11	0.802	0.531	0.136	0.136
146	Fairwood Pond Apartments - Renton	FW	194	72	47	8	17	0.371	0.242	0.041	0.088
147	Red Mill at Fairwood - Renton	CC	96	29	18	3	8	0.302	0.188	0.031	0.083
337	Riverview - The Parks - Kent	NO	150	59	36	6	17	0.393	0.240	0.040	0.113
102	Rock Creek Landing - Kent	SB	211	103	72	13	18	0.488	0.341	0.062	0.085
413	Silver Springs Apartments - Kent	PL	251	171	112	20	39	0.681	0.446	0.080	0.155
192	Sunrise at Benson Condos - Kent	GR	88	33	12	7	14	0.375	0.136	0.080	0.159
<b>Total</b>			<b>1,478</b>	<b>751</b>	<b>479</b>	<b>98</b>	<b>174</b>	<b>0.508</b>	<b>0.324</b>	<b>0.066</b>	<b>0.118</b>

**EXHIBIT B  
TO  
ORDINANCE NO. 09-13**

**2014 KENT SCHOOL DISTRICT IMPACT FEE SCHEDULE**

<b>Single-family, per dwelling unit</b>	<b>\$5,486.00</b>
<b>Multi-family, per dwelling unit</b>	<b>\$3,378.00</b>

**SUBJECT:** DISCUSS PROPOSED INTERIM ZONING REGULATIONS FOR RECREATIONAL MARIJUANA PRODUCTION, PROCESSING, AND RETAIL USES.

**RECOMMENDED BY:** Sara Springer, City Attorney  
Richard Hart, Community Development Director

**ATTACHMENT(S):**

1. Proposed ordinance establishing interim zoning regulations for recreational marijuana production, processing, and retail uses.
2. Map demonstrating 1000 ft separation requirement of recreational marijuana facilities from sensitive uses as required by I-502.

**PREPARED BY:** Sara Springer, City Attorney

**EXPLANATION:**

Initiative 502, passed last November and codified in Chapter 69.50 of the Revised Code of Washington (RCW), legalized the possession and private recreational use of marijuana for adults 21 years of age and older.

The law calls for the Washington State Liquor Control Board (LCB) to establish a regulatory system for licensing producers, processors, and retailers of recreational marijuana. The LCB anticipates such regulations to become effective November 16, 2013. The LCB will then accept licensing applications for marijuana producers, processors, and retailers for thirty days beginning November 18, 2013.

The LCB's draft rules create a highly regulated system. The rules do not allow licensees to locate within 1,000 ft of numerous sensitive uses (Attachment 2 included herein is a zoning map with an overlay of said buffer requirements, to be referenced for illustrative purposes only). The LCB will verify that an applicant's location meets these buffer requirements and will deny an application if the requirement is not met. Applications will also be denied if the applicant (or its financiers) does not meet age, residency, and criminal history requirements. The LCB will also not issue licenses to applicants that fail to submit operating plans detailing the planned marijuana activities, compliance with security measures, traceability requirements, employee qualifications and training, and the proper destruction of waste products. The rules also require licensees to follow operational guidelines preventing minors from obtaining marijuana (or entering the establishment), restrict advertising, require labeling (including warnings about the use of marijuana), and limiting the hours of operation for retailers.

State law and the LCB rules recognize cities' and counties' authority to adopt local regulations relating to recreational marijuana production, processing, and retail uses. The LCB has made it clear that it will *not* consider local regulations in deciding to issue a recreational marijuana license and, conversely, will *not* revoke a license for failure to comply with local regulations. However, the LCB has also made it clear that state licenses will be issued with the caveat that said license does *not* guarantee the licensee a right to operate their business as licensed. Essentially, the LCB views the interplay between licensees and local governments as a land use action outside the scope of the LCB's licensing jurisdiction.

Accordingly, as the Covington Municipal Code does not currently have specific provisions addressing recreational marijuana production, processing, or retailing uses, those uses must be addressed in the city's zoning code to prevent such uses to locate in the city without regulation. As the land use and secondary impacts of these uses are still largely unknown and the full extent of the regulations needed to address them are uncertain pending the LCB's adoption and implementation of its licensing regulations and procedures, staff recommends for the city to adopt interim zoning regulations to limit recreational marijuana uses to certain areas of the city, expand the sensitive uses buffer, and provide for other basic enforcement regulations. Interim zoning regulations may be initially established for a six-month period and then may be extended in additional six-month increments as needed. The council may repeal and replace interim zoning regulations with permanent zoning regulations at any time.

A draft ordinance containing the proposed interim zoning regulations for council's review and consideration is attached (Attachment 1). This limited start will allow the city time to understand the potential impacts of recreational marijuana uses and will also provide potential applicants an indication of areas in which they may ultimately be allowed to operate. As demonstrated by the map in Attachment 2, the minimum state separation requirements greatly limit the eligible areas within the city for location of recreational marijuana facilities (the map does not currently take into account the additional separation requirements as proposed in the city's interim zoning regulations). Accordingly, staff recommends for recreational marijuana production and processing facilities to be allowed only in the Industrial (I) zone and for recreational marijuana retail uses to be allowed only in the General Commercial (GC) and Mixed Commercial (MC) zones.

Upon the adoption of interim regulations, city staff will continue to monitor the ever evolving legal and policy considerations surrounding marijuana to inform the development of a work plan for the adoption of permanent recreational marijuana regulations.

### **Coordination with Medical Marijuana Regulations**

I-502 makes no mention of medical marijuana and the state's medical marijuana laws remain unchanged—medical marijuana dispensaries will not automatically become retail marijuana stores and collective gardens will not automatically become production facilities.

Notably, on August 29, 2013, the Department of Justice (DOJ) issued a memorandum (the "Cole Memo") indicating that the DOJ would essentially allow states to proceed with implementing their state laws legalizing marijuana use for recreational or medical uses so long as the state also implements a regulatory and enforcement system that addresses concerns of public safety, public

health, and other law enforcement concerns. The memo further outlined federal prosecutorial priorities as preventing marijuana distribution to minors, revenue reaching criminal enterprises, diversion to other states, state-licensed activities acting as a cover for other illegal activity, violence and use of firearms, driving under the influence, growing marijuana on public lands, and possession or use on federal property.

The Cole Memo, signaling to states that as long as a robust regulatory and enforcement system is implemented the DOJ will not actively prosecute legalized state marijuana uses, is notable when considering the future of the state's regulation of medical marijuana. Currently there is no state regulatory system for medical marijuana use. The state legislature has requested that the LCB submit recommendations for a potential medical marijuana regulatory scheme by January 2014. The LCB, AWC's lobbyists, and the City of Seattle all anticipate that the state legislature will adopt some sort of regulatory system for medical marijuana in the next legislative session (if not simply include medical marijuana under the recreational marijuana regulatory system). Either way, prevailing wisdom strongly indicates that the state legislature will make significant changes to state medical marijuana regulations in their next legislative session to conform to DOJ's new marijuana policy as set forth in the Cole Memo.

Accordingly, staff recommends for the city to maintain its current moratorium on medical marijuana facilities and collective gardens until such new regulations are addressed by the state legislature in their next session. Though staff previously indicated an intention to present interim zoning regulations for medical marijuana uses in conjunction with recreational marijuana, given the above, doing so would not be an efficient use of staff time and could allow for the establishment of eventually non-conforming uses that the city would need to amortize out over time (a consequence that is not favored and should be avoided if possible). Given the near certainty of change to the state medical marijuana regulatory landscape this spring, staff recommends maintaining the city's moratorium until a new state regulatory scheme is implemented.

ALTERNATIVES:

1. Provide alternate direction to staff.

FISCAL IMPACT: Staff time

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

**None at this time – discussion item only.**

REVIEWED BY:   City Manager; City Attorney; Community Development Director

# ATTACHMENT 1

## ORDINANCE NO. XX-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, RELATING TO RECREATIONAL MARIJUANA; ESTABLISHING INTERIM ZONING REGULATIONS FOR RECREATIONAL MARIJUANA PRODUCTION, PROCESSING, AND RETAIL USES; ADOPTING FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Initiative 502, passed by Washington voters on November 6, 2012, and codified in Chapter 69.50 of the Revised Code of Washington (RCW), modified the State Controlled Substances Act to allow the possession of recreational marijuana for private, personal use and established a system for lawful production, processing, and retailing of recreational marijuana under state law; and

WHEREAS, Initiative 502 directs the Washington State Liquor Control Board (LCB) to develop rules and regulations related to the licensing and location of recreational marijuana production, processing, and retailing uses as allowed under the Initiative; and

WHEREAS, while the production, processing, and retailing of marijuana remains in violation of the federal Controlled Substances Act (CSA), the City Council wishes to acknowledge the will of Washington voters and the authority exercised by the state of Washington and the LCB to license such facilities, leaving all issues relating to the legality, licensing, siting, and permitting of such facilities to be determined by the federal and state governments in the exercise of their lawful authority; and

WHEREAS, the LCB is expected to adopt new regulations on recreational marijuana production, processing, and retail uses to become effective on November 16, 2013, and will accept applications for licenses for marijuana production, processing, and retailing for thirty days thereafter; and

WHEREAS, the LCB will not consider local zoning regulations in deciding whether to issue licenses for marijuana producers, processors, and retailers, but those businesses are required to comply with local zoning regulations and controls; and

WHEREAS, the Covington Municipal Code does not currently have specific provisions addressing marijuana producing, processing, or retailing uses; and

WHEREAS, marijuana production, processing, and retailing uses must be addressed in the City's zoning code, but the land use and secondary impacts of these uses are still largely unknown and the regulations that the City will need to address them are uncertain pending the LCB's adoption and implementation of its licensing regulations and procedures; and

WHEREAS, unless the City acts immediately to address recreational marijuana-related uses, such uses may be able to locate in the City without regulation and thereby have adverse impacts on the City and its citizens; and

WHEREAS, the City deems it in the public interest to impose interim zoning regulations for a period of six-months in order to investigate this issue further and obtain regulatory clarity and guidance from the LCB's rules and licensing implementation; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City to adopt interim land use regulations and official controls, and the Covington City Council deems it to be in the public interest to adopt the regulations set forth in this ordinance under this authority; and

WHEREAS, a public hearing was held on the regulations set forth in this ordinance on November 12, 2013, and the Council has weighed the testimony received; and

WHEREAS, nothing in this ordinance is intended nor shall be construed to authorize or approve of any violation of federal or state law;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Findings of Fact. In accordance with RCW 35A.63.220 and RCW 36.70A.390, which require the City Council to adopt findings of fact justifying the adoption of interim zoning regulations, the "WHEREAS" clauses set forth above are hereby adopted as the City Council's findings of fact in support of the interim zoning regulations imposed by this ordinance. The City Council may adopt additional findings in the event that additional evidence is presented to the City Council.

Section 2. Interim Regulations Established. Notwithstanding the existing provisions of the Covington Municipal Code, the City hereby establishes the following interim zoning regulations for the establishment of recreational marijuana production, processing, and retailing uses, as defined herein, subject to the following, and are the sole means of establishing recreational marijuana production, processing, and retailing uses within the City:

## **Chapter 18.XX Marijuana-Related Uses**

### **18.XX.010 Definitions.**

Unless the context clearly indicates otherwise, the terms "marijuana producer", "marijuana processor", and "marijuana retailer" shall have the meanings established pursuant to RCW 69.50.101.

### **18.XX.020 Marijuana-related Uses.**

(1) The production, processing, and retailing of recreational marijuana is and remains illegal under federal law. Nothing in this chapter is an authorization to circumvent federal law or provide permission to any person or entity to violate federal law.

(2) The purpose of the provisions in this chapter is solely to acknowledge the enactment by Washington voters of Initiative 502 and a state licensing procedure and to permit to, but only to, the extent required by state law recreational marijuana producers, processors, and retailers to operate in designated zones of the City.

(3) Only state-licensed marijuana producers, marijuana processors, and marijuana retailers may locate in the City and then only pursuant to the license issued by the State of Washington.

(4) Marijuana producers, marijuana processors, and marijuana retailers are required to acquire all necessary business licenses, permits, and comply with all other applicable City ordinances and regulations.

**18.XX.030 Marijuana Producers and Processors.**

State-licensed marijuana producers and marijuana processors may only locate in the City pursuant to the following restrictions:

(1) Marijuana producers and marijuana processors must comply with all requirements of state law and the Washington State Liquor Control Board's regulations;

(2) Marijuana producers and marijuana processors may locate only in the Industrial (I) zone;

(3) Marijuana producers and marijuana processors shall not operate as an accessory to a primary use or as a home occupation;

(4) All marijuana production and processing activities shall occur within an enclosed structure and the facility shall be designed, located, constructed, and buffered to blend in with its surroundings and mitigate significant adverse impacts on adjoining properties and the community, and special attention shall be given to minimizing odor, noise, light, glare, and traffic impacts; and

(5) Marijuana producers and processors shall not locate within one thousand feet (1,000 ft) of a public or private school with curricula equivalent to elementary, junior, or senior high schools, or any facility owned or operated by such school; care center, preschool, nursery school, or other childcare facility; public park, trail, playground, or recreational facility; church, temple, synagogue, or chapel; public transit center; public library; or any game arcade admission to which is not restricted to persons aged twenty-one (21) years or older. The one thousand foot buffer shall be measured by following a straight line from the nearest point of the property parcel upon which the proposed use is to be located to the nearest point of the parcel of property from which the proposed land use is to be separated.

**18.XX.040 Marijuana Retailers.**

State-licensed marijuana retailers may locate in the City pursuant to the following restrictions:

(1) Marijuana retailers must comply with all requirements of state law and the Washington State Liquor Control Board's regulations;

(2) Marijuana retailers may locate only in the General Commercial (GC) and Mixed Commercial (MC) zones;

(3) Marijuana retailers shall not operate as an accessory to a primary use or as a home occupation; and

(4) Marijuana retailers shall not locate within one thousand feet (1,000 ft) of a public or private school with curricula equivalent to elementary, junior, or senior high schools, or any facility owned or operated by such school; care center, preschool, nursery school, or other childcare facility; public park, trail, playground, or recreational facility; church, temple, synagogue, or chapel; public transit center; public library; or any game arcade admission to which is not restricted to persons aged twenty-one (21) years or older. The one thousand foot buffer shall be measured by following a straight line from the nearest point of the property parcel upon which the proposed use is to be located to the nearest point of the parcel of property from which the proposed land use is to be separated.

**18.XX.050 Enforcement - Penalty.**

(1) Any violation of this chapter is declared to be a public nuisance per se and, in addition to any other remedy provided by law or equity, may be abated by the City under applicable provisions of this code or state law.

(2) No person or entity may violate or fail to comply with any provision of this chapter. Each person or entity commits a separate offense for each and every day they commit, continue, or permit a violation of any provision of this ordinance.

Section 3. No Non-Confirming Uses. No use that constitutes or purports to be a marijuana producer, marijuana processor, or marijuana retailer as those terms are defined in this ordinance, that was engaged in that activity prior to the enactment of this ordinance shall be deemed to have been a legally established use under the provisions of the Covington Municipal Code and that use shall not be entitled to claim legal non-confirming use status.

Section 4. Work Plan. City staff is hereby directed to implement the following work plan during the interim period. Staff is directed to review existing laws and regulations applicable to recreational uses of marijuana and to monitor the pending dispute between state and federal law enforcement authorities regarding the legality of recreational marijuana use under state and federal law. In addition, staff is hereby directed to monitor land use, zoning, and other applicable City regulations and to consider potential amendments to such regulations after studying the potential impacts of recreational marijuana uses on the City's health, safety, welfare, and peace. Staff is encouraged to review and consider the experiences of other jurisdictions dealing with similar situations.

Section 5. Conflict. In the event there is a conflict between the provisions of this ordinance and any other City ordinance, the provisions of this ordinance shall control.

Section 6. Severability. Should any section, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 7. Corrections. Upon the approval of the City Attorney, the City Clerk is authorized to make any necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 8. Declaration of Emergency - Effective Date. The Covington City Council declares that an emergency exists necessitating that this ordinance become effective immediately for the protection of the public health and safety, public peace, and public property. This ordinance shall take effect immediately upon passage.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, at a regular meeting thereof this 12th day of November, 2013.

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Mayor Margaret Harto

EFFECTIVE: November 12, 2013

PUBLISHED: November 15, 2013

ATTESTED:

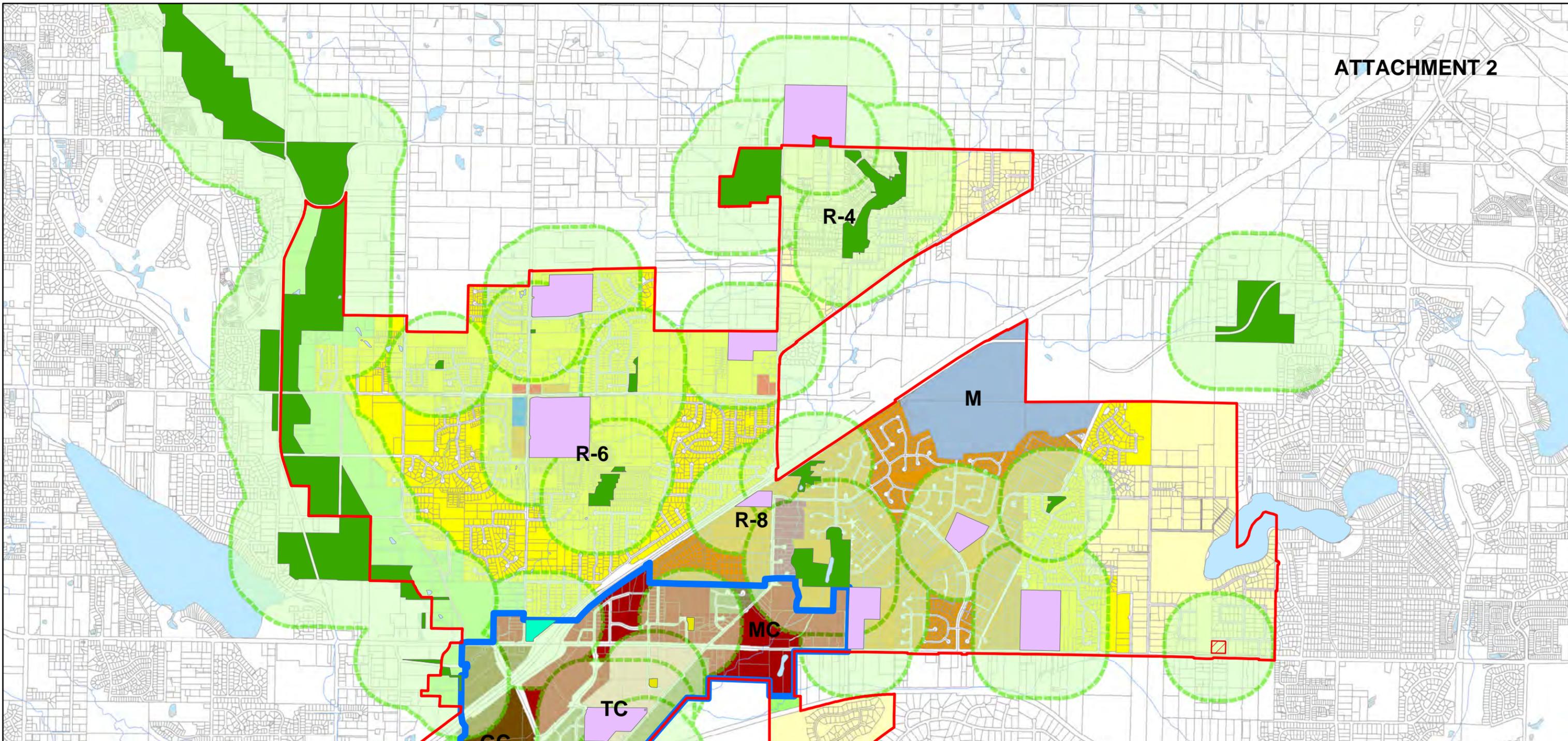
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Sharon Scott  
City Clerk

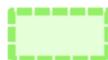
APPROVED AS TO FORM:

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Sara Springer  
City Attorney



**I-502 Buffer Information**

-  1000' Buffer
-  Local Schools
-  Covington Parks
-  Park and Ride
-  Library
-  Child Care Facility

**City of Covington: Zoning Information**

1 inch = 2,000 feet

- |   |   |
|---|---|
|  Community Commercial            |  Mixed Housing/Office ~60 Acres            |
|  General Commercial              |  Multifamily Residential 18du/ac ~18 Acres |
|  High Density Residential 8du/ac |  Neighborhood Commercial                   |
|  Industrial                      |  Town Center ~73 Acres                     |
|  Low Density Residential 4du/ac  |  Urban Separator                           |
|  Med Density Residential 6du/ac  |  City Limits                               |
|  Mineral                         |  Downtown Boundary                         |
|  Mixed Commercial                |   |



SUBJECT: DISCUSS RESULTS OF SALARY SURVEY.

RECOMMENDED BY: Derek Matheson, City Manager

ATTACHMENTS:

1. City of Covington 2013 Salary Survey Results

PREPARED BY: Noreen Beaufre, Personnel Manager

EXPLANATION:

**Executive Summary:**

A salary survey of 42 staff positions and 2 council positions was completed in-house by Personnel Manager Noreen Beaufre in order to save the cost of a consultant completing this project (\$22,100 was charged for the last survey completed by a consultant in 2008). Twenty (20) cities, in total, were researched to make at least three acceptable matches for each position, starting first with the 7 cities called out as the basic comparable cities in the city's Compensation Program Procedure No. HR-16.1, then moving on to the 6 alternate cities called out in the same procedure; and, ultimately, utilizing an additional 7 cities in the region in order to ensure the appropriate number of substantial matches were made for each position. In just one case were only two matches made for a position.

Four (4) staff positions were found to require salary range adjustments of one, two, or three 6% salary ranges. If that action is taken, incumbents in three of the positions would receive additional step raises on a normal step raise schedule in the coming years until the top step of their new salary range is reached. The fourth incumbent would require three (3) salary adjustments (two at 4% and one at 3.8%) starting in January 2014 and spaced 6 months apart to bring them up to the first step of the newly assigned salary range, followed by normal annual step increases thereafter until the top step of the range was reached. These findings were not unexpected, since three of the positions are in the robust fields of technology and/or engineering, and also because the level of responsibilities in the affected positions have significantly increased.

Eliminating the above-noted four positions from consideration, the average deviation for the remaining 38 staff positions was only +1.78%. Reasons for six (6) individual deviations that were higher than the +/- 5% are addressed later in this document in "Survey Results" section addressing staff positions.

Both council positions (mayor and councilmember) were found to be extremely below the comparable market (-61% and -31.5%, respectively). This was due largely to the facts that those positions had not been surveyed since 1999 and Cost-of-Living Adjustments (COLAs) had not been applied in all those years in the way COLAs had been applied to staff positions. If COLAs had been applied, the compensation rates would have stayed on par with the comparable market.

Final recommendations for staff include placing the four positions needing salary range adjustments in the appropriate range, bringing the one position that is below the first step of the new range up to that first step through three salary adjustments occurring 6 months apart, and executing normal step increases annually for all four positions until the top step of each range is reached over the course of time. Two of the four positions were also recommended for a position title change.

Final recommendations for the two city council positions, as soon as the city council sees fit to address their compensation issues, include bringing the compensation rates up to par with the comparable market and applying future COLAs to council compensation rates in the same way COLAs are applied to staff compensation rates. The effective date of such action for the council positions, however, is governed by the Washington State constitution and described in further detail on the last page of this agenda sheet in “II - Recommendations for City Council Positions.”

**Background:**

The city’s Employee Compensation Program Procedure, HR-16.1, adopted per Resolution 12-09 on September 11, 2012, states:

*“The City of Covington prides itself in maintaining a diligent, caring staff consistently striving to provide its citizens with the highest level of personalized service, delivered as promptly as resources allow. **In order to attract, engage and retain the necessary talent and knowledge to provide this quality service, the city’s unique total rewards package combines competitive wages, sound insurance plans, and performance incentives with a variety of intangible benefits that adapt to economic and societal trends, as well as afford individual flexibility. To further promote continuity of service, emerging leaders and longevity are valued—we believe in growing our talent.**”*

Further, the same procedure calls out specific guidelines for conducting salary surveys, including what comparable market to use, the frequency and timing of surveys, scheduling of positions to be surveyed and who has the responsibility for conducting the salary survey.

Section 2.B.1- “Frequency and Timing of Surveys” of the same procedure states, “surveys are targeted to be performed every five (5) years and completed by July 31<sup>st</sup>, or in time for results to be considered for inclusion in the annual budget process.” The last survey was completed in 2008 by an outside consultant at a cost of \$22,100. The latest survey, however, was completed by Personnel Manager Noreen Beaufriere, thus saving the city significant consultant costs.

In a September 2013, the personnel manager participated in a webinar entitled, “2013-2014 Compensation Trends,” presented by Compensation Works founder and owner Catherine Dovey CCP, SPHR, GRP, CECP. Ms. Dovey stated that the Seattle-Tacoma-Bellevue metropolitan area has a very strong economy, despite past economic challenges, and currently ranks No. 5 out of 366 metropolitan areas nationwide. Thus, it remains critical to ensure staff is fairly compensated if we wish to retain our talented and experienced workforce.

**Survey Process Overview:**

**Positions surveyed:** 44 active positions, including the mayor and councilmember positions.

**Target:** substantial matches per position (more were made for many positions while only two matches could be made for one).

**Total Cities Researched:** 20, made up of the following:

- **7 “Comparable Cities”** defined by the Compensation Program Procedure as Bonney Lake, Issaquah, Maple Valley, Mill Creek, Mountlake Terrace, University Place and Woodinville;
- **6 “Alternate Cities”** defined in the Compensation Program Procedure include Des Moines, Federal Way, Enumclaw, Fife, Kenmore and Tumwater;
- **3 additional cities needed to make matches** included Kent, Shoreline and Olympia; and
- **4 additional cities researched, but from which no viable matches were made** included Burien, Bothell, Renton and Port Angeles.

### **Survey Results:**

Comparisons of Covington’s positions against those of comparable cities may be seen on Exhibit 1, “City of Covington 2013 Salary Survey Results.” A deviation of +/- 5% when comparing the top step of Covington salary ranges to the comparable cities’ average top step is considered a “normal” or “expected” deviation. Therefore, only those positions deviating at least a full salary range (6%) or more from the average of the comparable cities were recommended for placement at higher salary ranges.

### **I. Staff Position Results**

**Positions With a Top Step of Salary Range Falling  $\geq 6\%$  Below Average of Comparable Cities** - Four positions met the guidelines for placement in higher salary ranges and all happened to be in the Public Works Department: Senior Information Systems Administrator, Engineering Technician II/SWM, Engineering Technician I/GIS, and Public Works Programs Supervisor. This is not surprising, considering technology-related positions (Information Systems and GIS included) are currently at a premium nationwide, while the National Pollutant Discharge Elimination System (NPDES) Stormwater Program requires increased knowledge and expertise in the field of surface water management.

**Average Deviation of Top Steps Compared to Comparables’ Averages for Remaining Staff Positions** - Of the remaining 38 staff positions (not including, therefore, city council positions), the average deviation between top steps was only +1.78%. This indicates that, overall, Covington is very much on par with the comparable market, although individual positions may demonstrate a greater deviation in either direction.

### **Reasons for Top Steps of Six Positions Falling $\geq 6\%$ Above Average Top Steps of Comparable Cities:**

- *City Manager* – The previous salary survey utilized a comparable city pool that was revised for the 2013 survey, thus eliminating cities such as Sammamish, Bothell, Kent and Puyallup due to city size and/or budget. Those cities were chosen as comparables at the time for reasons such as rapid growth, particularly in retail, and because they were among the cities that Covington was losing some of its employees to. Such paring back of the comparable cities now, however, has the most pronounced effect on the city manager position. Additionally, data for the 2008 survey was collected in 2007 and readjusted in January 2008 to incorporate comparable cities’ adopted COLAs. That time

frame was just prior to the economic collapse, thereby providing data from a more robust economy. Municipalities are normally on the tail end of both economic collapses as well as economic recoveries, so many municipalities either have not yet turned their attention to surveying salary data or are just beginning to contemplate doing so. More importantly, during the four years from 2010 through 2013, Covington's city manager has consistently requested that the city council forego providing him with the customary annual step raise, despite consistently receiving exemplary annual performance evaluations. On two of those four occasions, the council honored his request solely for budgetary purposes. Furthermore, it is the city manager's intent to continue to decline step increases until his compensation falls in line with our new comparable market's average.

- *Building Official* – While the best possible matches are made to complete the salary survey, no two positions are exactly alike from city to city—particularly when comparing smaller cities where positions are, more often than not, required to wear multiple hats and maintain a broad scope of responsibility. Covington's Building Official has myriad certifications—way beyond the basic requirements for this position. Additionally, he recently acquired the following highly advanced International Code Council Certifications: Fire Inspector I, Fire Inspector II, Fire Plans Examiner, and Certified Fire Marshal. These certifications will allow the city to discontinue contracting out for expensive Fire Marshal services and provide those services in-house.
- *City Engineer* – There is a wide disparity in the comparable cities' ranges—from \$89,280 to \$112,176 annually, with two of the comparable cities' top step being significantly below Covington's top step as well as the average of the four remaining cities' top step. If used alone, the average of the majority of cities (the four remaining cities' top step) would be \$107,580. Compared to Covington's \$101,576 top step, **those comparable cities' top step is 5.9% higher**. The two cities with significantly lower top steps could have been eliminated from the survey results as outliers; instead, however, they were left in to represent as many of the comparable cities as possible along with this explanation for the larger deviation.
- *Permit Center Coordinator* – While the +6.5 deviation for this position over the average top step for the comparable cities is barely out of the norm (+/- 5%), again, the deviation for this position follows much of the same rationale as that for the Building Official position, in that it is not exactly the same as the comparables. This position assumed responsibility for a division that shrank from 2 to 1 during the economic downturn, as well as certain responsibilities from an Administrative Services Manager position and an Administrative Assistant position in another division of the Community Development Department that were also eliminated during the economic downturn.
- *Recreation Manager* – The survey results for this position follow a similar pattern to the City Engineer position. If one outlier was eliminated from the survey results, the resulting deviation would be +6.2% for Covington's position over the average of the remaining comparables—only +1.2% higher than the “normal” +/- 5% deviation.
- *Maintenance Worker* – There is also a wide range among the comparable cities for this position—from \$57,744 to \$68,832. Covington's top step is slightly below (\$225) the highest among the comparable cities, likely due to comparisons made in the last survey from a comparable city pool that included the larger cities that have now been eliminated.

## II. Council Position Results

By far, however, the greatest deviations were seen in the city’s council positions— compensation for Covington’s mayoral position was **61.0% below the comparables’ average**, while compensation for Covington’s councilmember position(s) was **31.5% below the comparables’ average**. This, also, was not surprising due to the fact that compensation for the city’s council positions have not been surveyed since 1999—a span of 14 years. In 2012, the city council finally requested that their positions be included in the next salary survey.

As Cost-of-Living Adjustments (COLAs) have not been applied to the mayor and councilmember positions as they have been to staff positions, the below chart was formulated to demonstrate how much better the compensation for those positions would have kept up with the comparable market had COLAs been applied from 1999 when the last council position survey was performed until now:

<b><i>ASSUMPTIONS</i> on Elected Officials Compensation Rates Based on Adding in Adopted COLAs from 2000 to Present</b>			
<b>Year</b>	<b>COLA %</b>	<b>Mayor’s Compensation</b>	<b>Councilmember Compensation</b>
1999	Compensation established by council taking survey into consideration	500	450
2000	3.2 %	516	464
2001	3.87 %	536	482
2002	3.8969%	557	501
2003	1.5444%	566	509
2004	.8691%	571	513
2005	2.531 %	585	526
2006	2.3109%	599	538
2007	4.2042%	624	561
2008	3.3121%	645	580
2009	6.1852%	685	616
2010	0 % *	685	616
2011	0 % *	685	616
2012	2.9348%	705	634
2013	2.673 %	724	651
<b>2013 Survey Average</b>		<b>805</b>	<b>592</b>
Deviation from 2013 survey if COLAs had been applied since 1999		-16.2%	+13.1%
<b>Current deviation from 2013 survey since no COLAs were applied since 1999</b>		<b>-61.0%</b>	<b>-31.5%</b>
* There were negative COLAs in 2010 and 2011: -.7067 and -.0613 for 2010 and 2011, respectively. Those percentages were combined and deducted from the next positive COLA that occurred in 2012, prior to implementing the 2012 COLA.			

Clearly, the above chart demonstrates that there would have been a much lower deviation from the comparable market for both the mayor and councilmember compensation rates had adopted COLAs been applied to the compensation for those positions as they had been applied to staff positions.

Adding even further emphasis to the conclusion that it is important to establish correct market rates for those positions and to subsequently add on adopted COLAs, however, is that back in 1999, the council chose not to adopt the compensation rates indicated by the survey which, for the mayor and councilmembers, respectively, were \$550 and \$410 per month (rounded up from the comparable average of \$407). This occurred because the mayor holding office at that time preferred to minimize the difference between the mayor and councilmember positions by reducing the mayor's compensation by \$50 per month while increasing the councilmember compensation rate by \$40 per month. **However, had the compensation rates indicated by the 1999 survey (\$550/mo. for mayor and \$410 for councilmembers) been adopted at the time and subsequent approved COLAs added on, the 2013 compensation rate for the mayor would have evolved to \$796/month and for the councilmember position to \$592/month—deviations compared to the 2013 survey of only -1.1% for the mayor's position and of 0% for the councilmember position.**

## **Recommendations as a Result of the Survey:**

### **I. Recommendations for Staff Positions**

Salary adjustments for the 4 positions recommended for salary range increases are included on a Decision Card that will be reviewed during the 2014 Budget Workshop. If approved, those adjustments will, for the most part, be issued as additional annual step increases with the following guidelines:

- ✓ If it has been more than a year since last step raise (due to employee being topped out), then placement on an appropriate step within the new range is recommended upon approval of the salary survey recommendations (January 2014).
- ✓ If it has not yet been a year since last step raise but incumbent's present salary falls within the new range, then they will be placed on the appropriate step on the anniversary date of their next step raise. (This follows the city's Promotion-in-Place Procedure No. HR-15.1 guidelines.)
- ✓ If it has not yet been a year since last step raise and incumbent's present salary falls below the minimum of the new range, then adjustment(s) will commence upon approval of salary survey recommendations (January 2014) in 4% increments (and likely less for the final adjustment when multiple adjustments are required) every 6 months until first step of new range is reached.

**Considering the salary survey results and the guidelines noted above, it is recommended that higher salary ranges be assigned to 4 positions, as well as position title changes to 2 of those, as noted:** *(Exact dollar amounts of the budgetary impact are included on Decision Card No. 9, "Implementation of Salary Survey Results," to be presented to the city council at the Annual Budget Workshop being held on Saturday, October 26, 2013. Additional information is also provided in the "Fiscal Impact" section of this document, below.)*

- **Sr. Information Systems Administrator** – Salary Range adjustment from Range 12a to Range 14a; immediate budgetary impact is minimal as it takes the form of additional annual step raises recommended to start in January 2014 and annually thereafter until top step of new range is reached. No position title change is recommended.

- **Engineering Technician II/SWM** – Salary Range adjustment from Range 8a to Range 11a; immediate budgetary impact is minimal as it takes the form of additional annual step raises recommended to start in January 2014 and annually thereafter until top step of new range is reached. Position title is recommended to change to *Surface Water Management (SWM) Program Coordinator*.
- **Engineering Technician I/GIS** – Salary Range adjustment from Range 6 to Range 9; three salary adjustments are recommended to bring incumbent up to first step of new salary range: 4% in January 2014, 4% in July 2014 (6 mos.), and 3% in January 2015 (6 mos.); these adjustments will be followed by normal annual step raises thereafter, until top step of new range is reached. Position title is recommended to change to Engineering Technician/GIS Coordinator.
- **Public Works Programs Supervisor** – Salary Range adjustment from Range 9a to 10a. There is no immediate budgetary impact, as incumbent will stay on their annual step increase schedule due each December until top step of new range is reached. No position title change is recommended.

**If the city’s maximum salary step for any position was determined to be greater than the average of comparable cities’ top step:** no adjustment to the salary range is recommended for two reasons: first, a deviation of +/- 5% is considered an “acceptable” or “expected” deviation (hence the recommendation to only adjust ranges upward if the deviation was 6% or greater) and, secondly, current ranges were a result of previous salary surveys performed in a stronger economy and against a pool of comparable cities that was not completely the same as those selected for this survey. To adjust ranges downward now would only unfairly penalize incumbent employees for previous events that were out of their control. Finally, in the 15 years since incorporation, no salary ranges have ever been adjusted downward as a result of a salary survey while the affected position has been occupied.

## II. Recommendations for City Council Positions

Based on the analysis depicted under “Survey Results – II. Council Position Results,” above, **it is strongly recommended that the compensation rates for both the mayor and councilmember positions be brought to, or very close to (making allowances for rounding), the average of the comparable cities and that regular COLAs will be adopted for those positions as they are adopted for staff positions. If both conditions had been the case way back in 1999 and continued through 2013, no compensation rate adjustments would be necessary now**—compensation rates would have been right on par for both positions. While council positions are different from staff positions in that councilmembers will not seek higher paid positions in neighboring cities, that doesn’t negate the need to compensate a position fairly based on relative market values.

Again, it is the council’s decision as to if and when the matter of their compensation shall be addressed—recommended actions in this regard have *not* been addressed by staff on a 2014 Decision Card. **Please note, however, that even if a compensation adjustment were approved by the council, there will be a delay in all council positions receiving the approved compensation adjustment.** The Washington State constitution provides that the salary of a councilmember cannot be increased or decreased during the term of office (or, in other words, after they have already been elected). **Therefore, if as a result of this survey the council decides to take action to bring their compensation levels on par with the comparable market, the adjustment to each councilmember’s compensation would not**

**take effect until January 1<sup>st</sup> of the year following the next election of their respective positions.** With four positions up for re-election during one year and the other three positions up for re-election two years later (or vice versa, depending on which group is up for election first following any council action), the compensation rates for each group would wind up being adjusted two years apart. Depending on when action is taken, **a compensation adjustment could even take close to four years to become effective for either group.** Stated another way, an approved salary adjustment cannot be applied to a councilmember who is in the middle of their term—the approved adjustment will only apply to any council *position* starting the January following re-election for that position *after* a salary adjustment has been approved.

ALTERNATIVES:

Not to implement the results of the salary survey or to delay implementation.

FISCAL IMPACT:

Based on staff recommendations, the estimated fiscal impact of funding salary survey results for staff would be ongoing expenses of \$2,800 from the General Fund, \$100 from the Street Fund, \$4,745 from the Surface Water Management Fund. Further detail has been provided on the Implementation of Salary Survey Results Decision Card that is included in the 2014 Budget Workbook made available to the city council on October 8<sup>th</sup>, and which will be presented to the city council at the October 26, 2013 Annual Budget Workshop.

The fiscal impact of bringing the mayor and councilmember positions on par with the comparable market has not been addressed on the 2014 Decision Card addressing the staff salary survey results. Fiscal impact, which would be staggered based on the state constitution, would have to be assessed if and when the council decides to address their compensation.

CITY COUNCIL ACTION:     Ordinance     Resolution     Motion     Other

**Discussion of salary survey results and recommended implementation process only at this time. Council action will occur as a result of Decision Cards that are approved for adoption during the 2014 budget process.**

REVIEWED BY: City Manager, Finance Director

**2013 CITY OF COVINGTON SALARY SURVEY RESULTS  
- SYNOPSIS OF COMPARABLE CITIES -**

**ATTACHMENT 1**

Cities listed on the following chart are identified in the city's Employee Compensation Program Procedure No. HR-16.1 as the primary "comparable market" for completing job matches. When adequate (at least three) matches were not able to be made for positions from that primary group, the alternate cities used as per the procedure were Des Moines, Federal Way, Enumclaw, Fife, Kenmore, and Tumwater. Matches from alternate cities were also used in cases where three matches had already been made if another very strong job match was identified. Finally, there were four positions where three matches could not be made using just the primary and alternate cities; therefore, matches from the cities of Kent, Shoreline and Olympia were identified and utilized. On the following "Staff and Council Position Comparisons" pages, alternate cities are noted with a capitalized abbreviation in the Job Title section, such as TUM=Tumwater; FDWY=Federal Way; SHRL=Shoreline; KNT=Kent, etc.

City	County	Pop.	Form of Govt.	2013 Total Annual Budget	Annual Sales Tax Rev	Total FTEs w/o Conts	Contract Services	Annual COLA & %	Step or Merit or Combo Annual Raise	Steps in Salary Ranges	Step %	% Between Ranges
Bonney Lake	Pierce	18,010	Myr-Cncl	43,286,512	3,198,873	128.00	Fire	Possible	Step	7	3 %	10 %
Issaquah	King	32,130	Myr-Cncl	138,364,874 (2014)	11,278,686	235.00		Neg. wage incs. Replcd 100% of 2%-5% COLAs, formula over 5%	Step	6	5 %	5 %
Maple Valley	King	23,910	Cncl-Mgr	31,879,514	1,916,255	40.50	City Atty, Muni Svcs, Prsctr, DV Adv, Police, Parks & Rec Instruction, PW/CD Projs., etc.	90% CPI-W (% can vary in down economy)	Step	N/A	--	Being constructed
Mill Creek	Snohomish	18,600	Cncl-Mgr	39,300,473	2,274,813	63.35	Fire, Pros, Pub Def, Jail, Dispatch, IT Svcs, DV Adv	100% CPI-W	Step	8	4%	5 %
Mountlake Terrace	Snohomish	20,160	Cncl-Mgr	49,150,885	1,800,000	153.37	Ntwk Svcs, CAFR Prep, Lbr Neg, Partial: Code Comp, Dev Svcs, Ec Dev, Street Mnt, SWM, Repairs, etc.	CPI-W - % varies	Combo	Can vary per union	Can vary per union	Varies per union
University Place	Pierce	31,340	Cncl-Mgr	37,500,000	2,116,000	48.13	Court, Jail, Police, Animal Control, Some Parks & Rec instruction	CPI-U possible; currently 0%	Step	8	4%	Varies
Woodinville	King	10,990	Cncl-Mgr	20,382,874	4,429,000	36.00	Police, City Atty, Special Events	90% CIP-W	Step	6	5 %	--
COVINGTON	KING	18,100	CNCL-MGR	27,389,430	2,988,000	43.30	Police, Cty Atty, Pub Def, Pros, Jail, Court, Rec Class Inst, Animal Ctl.	100% CPI-W	STEP	7	3 %	6 % ("Half ranges" of 3% used for salary placement)

**2013 CITY OF COVINGTON SALARY SURVEY RESULTS  
- STAFF AND COUNCIL POSITION COMPARISONS -**

	<b>BONNEY LAKE</b>	<b>ISSAQUAH</b>	<b>MAPLE VALLEY</b>	<b>MILL CREEK</b>	<b>MOUNTLAKE TERRACE</b>	<b>UNIVERSITY PLACE</b>	<b>WOODINVILLE</b>	<b>COMPS MAX AVG</b>	<b>COVGTN MAX</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>		
	JOB TITLE (Listed Only If Different than Covington's Job Title)												
	Annual Maximum Salary Step												
<b>Accountant, Sr</b>	SrAcct/FnOpsSpr 81,324	Acctnt 92,280	Acctnt 71,578		TUM-AsstFinDir 90,144	AstFnDr/Ops 102,840		78,936	85,527	86,614	1,087	1.3%	
<b>Accounting Clerk</b>	Acctg Spec II 58,260	Fiscal Spec I 59,340		Acctg Spec 57,984		Fin Spec 57,756		61,524	58,867	61,057	2,190	3.6%	
<b>Aquatics Lead</b>			SrLfgd 15.50		Rcrtn Clk II 16.12				15.81	15.62	-0.19	-1.2%	
<b>Aquatics Specialist</b>		Rcrtn Spec 62,328	FIFE-AqtcsSpvr 53,208	FDWY-RecCrd2 69,132					61,556	61,057	-499	-0.8%	
<b>Aquatics Supervisor</b>		Rcrtn Spvr 96,900		FDWY-RecSpr 80,124					85,000	81,709	-3,291	-4.0%	
<b>Building Official</b>					TUM-Bldg&FireSftyOff 97,056				98,800	109,347	10,548	9.6%	
<b>City Clerk/Exec Asst</b>		Cty Clk 96,864	Cty Clk 90,359					84,660	89,856	88,659	91,809	3,150	3.4%
<b>City Manager</b>	City Adm 150,492	City Adm 174,024							150,574	169,347	18,773	11.1%	
<b>Code Enf Officer</b>		Cd Cmp Offcr 75,300	Bldg Insp/CEO 70,195					66,248	67,572	71,057	72,722	1,665	2.3%
<b>Comm &amp; Marketing Mgr</b>	OLY-Comm Mgr 94,560	Comm Mgr 101,748			TUM-Com&MktgSpec 72,168			Asst to Cty Mgr 89,856	89,583	86,614	-2,969	-3.4%	
<b>Construction Inspector</b>		Cnst Insp II 64,560	Cnst Insp II 77,868					74,261	74,261	77,085	2,824	3.7%	
<b>Deputy City Clerk, Sr</b>	Rec & Info Spec 66,240	Dpty Cty Clk 72,324	Dpty Cty Clk 66,117					Dpty Cty Clk 67,572	DptyCC/Exec Asst 69,336	68,318	68,607	289	0.4%
<b>Director, Community Dev</b>		Dev Svcs Dir 135,816	PW/CD Dir 130,236		Comm&EcDv Dir 120,552	Plng&DvSvcDir 117,696		DevSvcsDir 122,112	129,829	130,581	134,141	3,560	2.7%
<b>Director, Finance</b>	Chief Fin Officer 129,036								155,784	132,499	134,141	1,642	1.2%
<b>Director, Parks &amp; Recreation</b>	Fac&SpProjsMgr 116,436				PW/Parks Dir 122,400	PW&Pks Dir 122,112			128,299	134,141	5,842	4.4%	

**2013 CITY OF COVINGTON SALARY SURVEY RESULTS  
- STAFF AND COUNCIL POSITION COMPARISONS -**

	<b>BONNEY LAKE</b>	<b>ISSAQUAH</b>	<b>MAPLE VALLEY</b>	<b>MILL CREEK</b>	<b>MOUNTLAKE TERRACE</b>	<b>UNIVERSITY PLACE</b>	<b>WOODINVILLE</b>	<b>COMPS MAX AVG</b>	<b>COVGTN MAX</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	
	JOB TITLE (Listed Only If Different than Covington's Job Title)											
	Annual Maximum Salary Step											
<b>Director, Public Works</b>	135,816	PW Eng Dir 157,824	PW/CD Dir 130,236	120,552	PW/Parks Dir 122,400	PW&Pks Dir 122,112	129,828	131,253	134,141	2,888	2.2%	
<b>Engineer, City</b>	116,436	Sr Engr 112,176	97,573	104,136	Civil Engr II 89,280		Sr Engr 89,856	101,576	109,347	7,771	7.1%	
<b>Engineer, Devel Review</b>	94,848	Engr II 92,280		Civil Engr 89,952	Civil Engr II 89,280			91,590	97,319	5,729	5.9%	
<b>Engineering Tech/GIS</b>	GIS Analyst 79,260	GIS Coord 72,324	GIS Anlyst 76,930		GIS Spec 65,499			73,503	61,057	-12,446	-20.4%	
<b>Engineering Tech/SWM</b>	Asst Engr 79,260		SWM/NPDES Mgr 89,616	SW Pgm Spec 67,128	StmWtr Pgm Mgr 89,280		Engr I 78,936	80,844	66,664	-14,180	-21.3%	
<i>* P/T Position; but using annualized \$*</i> <b>Exec Dept Asst/Receptionist</b>	FDWY-Ad Asst II 55,332	Adm Supp Asst III 57,912		Lgl Adm Asst 57,984				57,076	55,973	-1,103	-2.0%	
<b>Finance Specialist</b>	Accountant 73,380	Fiscal Spec II 68,832		Accountant 67,128		Sr Fin Spec 67,572		69,228	68,607	-621	-0.9%	
<b>Info Systems Admin/Sr</b>	IT Mgr 105,096	IT Sys/Ntwk Anly 96,900	IT Mgr 104,471		IT Syst Admin 82,452	Ntwk Admin 84,660		94,716	84,162	-10,554	-12.5%	
<b>Lifeguard</b>		20.20	13.00	FDWY 11.25	13.62			14.52	14.36	-0.16	-1.1%	
<b>Maintenance Supervisor</b>	Util or Trans Spvr 90,096	PW Ops Mgr 101,748	Infrast Mnt Mgr 88,881	PW Spvr 85,668	PW Spvr 75,936		83,830	87,693	86,614	-1,079	-1.2%	
<b>Maintenance Worker</b>	Mnt Wkr II 61,332	FacMWII/PkMnLead 68,832	Mnt Wkr II 64,073	60,888	Mnt Wkr II 59,134	57,744	MW II/III 64,548	62,364	68,607	6,243	9.1%	
<b>Maintenance Wkr, Seasonal</b>	14.00		Mnt Helper 14.50	17.12	Seas Mnt Aide 15.53	15.00	Seasonal Laborer 11.73	14.65	15.46	0.81	5.3%	
<b>Management Assistant</b>		Adm Supp Asst 51,168	Adm Asst I 48,827	Office Asst 43,272	FDWY-AdmAsstI 47,700			47,742	46,995	-747	-1.6%	
<b>Office Tech II/Receptionist</b>	Adm Spec II 55,356	Admin Asst III 57,912				Office Spec 57,756		57,008	55,973	-1,035	-1.8%	
<b>Permit Center Coordinator</b>	Prmt Coord 71,532	Prmt Tech II 65,508				Sr Prmt Spec 67,572	TUM-Prmt Mgr 83,712	72,081	77,085	5,004	6.5%	

**2013 CITY OF COVINGTON SALARY SURVEY RESULTS  
- STAFF AND COUNCIL POSITION COMPARISONS -**

	BONNEY LAKE	ISSAQUAH	MAPLE VALLEY	MILL CREEK	MOUNTLAKE TERRACE	UNIVERSITY PLACE	WOODINVILLE	COMPS MAX AVG	COVGTN MAX	\$ VARIANCE	% VARIANCE
JOB TITLE (Listed Only If Different than Covington's Job Title)											
Annual Maximum Salary											
<b>Personnel &amp; HS Analyst</b>			TUM-HR Anlyst 73,980	HR Spec 67,128	Mgmt Analyst 66,036		SrDpyCCLk/MgtAn 74,136	70,320	70,664	344	0.5%
<b>Personnel Manager</b>	HR Mgr 90,096	HR Mgr 117,780	HR Mgr 75,177			HR Mgr 84,660		91,928	89,213	-2,715	-3.0%
<b>Planner, Associate</b>							Planner 78,936	75,612	74,903	-709	-0.9%
<b>Planner, Parks</b>	KNTPlng&DevCoor 76,080			Assoc Plnr 74,004		SHRLPk&RecCoor 77,916		76,000	77,085	1,085	1.4%
<b>Planner, Principal</b>		Sr Plnr 92,280	Sr Plnr 89,125				Sr Planner 89,857	91,918	89,213	-2,705	-3.0%
<b>Planner, Senior</b>		Asst Plnr 83,688		81,588	82,452	84,660		82,742	84,162	1,420	1.7%
<b>Plans Examiner</b>						Sr PE/BI 84,660	78,936	81,636	86,614	4,978	5.7%
<b>Programs Supervisor, PW</b>	Supp Svcs Coord 69,732		PWPgmProjMgr 82,447		PW Spvr 75,936			76,038	70,664	-5,374	-7.6%
<b>Recreation Aide</b>		TUM-RcPgmAidel 9.35		DesM-RecAtt I 11.50	Rec Clerk I 13.86			11.57	12.00	0.43	3.6%
<b>Recreation Assistant</b>		Rec Spec 20.20	Rec Spec 19.66	DesM-SrSvcPgmr 18.38				19.41	18.54	-0.87	-4.7%
<b>Recreation Manager</b>		Rec Coord 79,816	Rec Mgr 82,447	Rec Spvr 74,004	Rec Spvr 77,976	84,660		79,781	86,614	6,833	7.9%
<b>Water Safety Instructor</b>		Swim Inst 20.20			Rec Ldr II 16.93	SHRLSrLfgd/Inst 20.20		19.11	18.54	-0.57	-3.1%
<b>Mayor</b>	800	N/A - ELECTED MAYOR	825	700	1,000	1,845	700	805	500	-305	-61.0%
<b>Council</b>	400	700	550	500	800	1,474	600	592	450	-142	-31.5%
<b>Medical Benefits Provided?</b>	No	No	No	No	No	No	No	100% No	No		

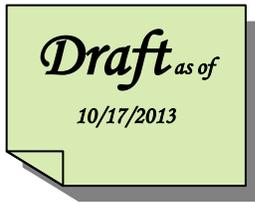
**DISCUSSION OF  
FUTURE AGENDA TOPICS:**

**8:00 a.m., Saturday, October 26, 2013  
Special Meeting – Budget Workshop**

**7:00 p.m., Tuesday, November 12, 2013 Regular Meeting**

**(Draft Agendas Attached)**

Covington: Unmatched quality of life



**CITY OF COVINGTON  
SPECIAL MEETING AGENDA – BUDGET WORKSHOP**

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

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

**Saturday, October 26, 2013 – 8:00 a.m.**

**GENERAL INFORMATION:**

*The workshop is an informal meeting involving discussion between and among the City Council and city staff regarding presentation and strategies. Workshops may involve presentations, feedback, brainstorming, etc., regarding further work to be done by the staff on key policy matters.*

**CALL CITY COUNCIL WORKSHOP TO ORDER**

**ROLL CALL**

**APPROVAL OF AGENDA**

**ITEM(S) FOR DISCUSSION**

1. Department 2014 Budget Presentations (Hendrickson)
  - a. Executive (Matheson)
  - b. Finance (Hendrickson)
  - c. Police (Klason)
  - d. Community Development (Hart)
  - e. Public Works (Vondran)
  - f. Parks & Recreation (Thomas)
2. Review Budget Strategies (Matheson)
3. Discuss Budget Presentations (Council)

**ADJOURN**

*For disability accommodations call 253-480-2400 at least 24 hours in advance. For TDD relay service call (800) 833-6384 and ask the operator to dial 253-480-2400.*



Covington: Unmatched quality of life  
**CITY OF COVINGTON**  
**CITY COUNCIL REGULAR MEETING AGENDA**  
[www.covingtonwa.gov](http://www.covingtonwa.gov)



**Tuesday, November 12, 2013**  
**7:00 p.m.**

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

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**CALL CITY COUNCIL REGULAR MEETING TO ORDER**

**ROLL CALL/PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

**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 8, 2013 Regular Meeting Minutes; October 22, 2013 Joint Meeting with Arts Commission Minutes; October 22, 2013 Regular Meeting Minutes; and October 26, 2013 Budget Workshop Minutes (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Adopt New VEBA Employee Agreement (Beaufreere)
- C-4. Abaco Pacific Agreement for Real Estate Services (Vondran)

**PUBLIC HEARINGS**

- 1. Receive Testimony from the Public and Consider Interim Zoning Regulations Regarding Recreational Marijuana (Springer)

**NEW BUSINESS**

- 2. Consider Resolution Amending 2014 Fees (Hart)
- 3. Lease with Kent School District for Skate Park (Thomas)
- 4. Consider 2014 Legislative Agenda (Matheson)
- 5. Third Quarter Financial Report (Hendrickson)

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

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

**EXECUTIVE SESSION – If Needed**

**ADJOURN**