MINUTES
City Council Regular Meeting

7:00 PM - Monday, October 17, 2016
Council Chambers, 7th Floor, City Hall – 1055 S. Grady Way

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Law called the meeting of the Renton City Council to order at 7:00 PM and led the Pledge of Allegiance.

ROLL CALL

Councilmembers Present:
Randy Corman, Council President
Ryan McIrvin
Armando Pavone
Ruth Pérez
Don Persson
Ed Prince
Carol Ann Witschi

ADMINISTRATIVE STAFF PRESENT

Denis Law, Mayor
Jay Covington, Chief Administrative Officer
Lawrence J. Warren, City Attorney
Jason Seth, City Clerk
Chip Vincent, Community & Economic Development Administrator
Gregg Zimmerman, Public Works Administrator
Jan Hawn, Administrative Services Administrator
Ellen Bradley-Mak, Human Resources / Risk Management Administrator
Kelly Beymer, Community Services Administrator
Jamie Thomas, Fiscal Services Director
Michael Kirk, Facilities Director
Commander Dave Leibman, Police Department
PROCLAMATION

a) YWCA Week without Violence - October 17 - 21, 2016: A proclamation by Mayor Law was read declaring October 17 through 21, 2016 to be "YWCA Week without Violence" in the City of Renton, calling upon public officials, educators, businesses, communities, volunteers, and all the people of Renton to observe the week and the month, and to join together to take an active role in ending violence in the community. Domestic Violence Program Director for YWCA, Doris O'Neal, accepted the proclamation with appreciation. She highlighted the YWCA's efforts in assisting victims of domestic violence.

MOVED BY CORMAN, SECONDED BY PAVONE, COUNCIL CONCUR IN THE PROCLAMATION. CARRIED.

b) Code Enforcement Officer Appreciation Week - October 17 - 21, 2016: A proclamation by Mayor Law was read declaring October 17 through 21, 2016 to be "Code Enforcement Officer Appreciation Week" in the City of Renton, encouraging all citizens to join in recognizing the dedication and service of the individuals who serve as the City's Code Enforcement Officers. Community and Economic Development Administrator, Chip Vincent, accepted the proclamation with appreciation. He thanked the members of the Code Enforcement Division for their hard work.

MOVED BY PRINCE, SECONDED BY PAVONE, COUNCIL CONCUR IN THE PROCLAMATION. CARRIED.

PUBLIC HEARING

2017/2018 Biennial Budget & Revenue Sources: This being the date set and proper notices having been posted and published in accordance with local and State laws, Mayor Law opened the public hearing to consider the 2017/2018 Biennial Budget and Revenue Sources.

Administrative Services Administrator, Jan Hawn, reported that the total combined funds for the 2017/2018 biennium is $461.5 million, and expenditures are $476 million. She explained that the reason expenditures exceed revenues is primarily due to fund reserves from 2016 being carried forward for projects scheduled to be completed this biennium. Ms. Hawn reported that 37% of city-wide resources are from taxes, 34% from charges for service, intergovernmental resources are 18%, and the balance is made up of capital grants and other miscellaneous sources. Moving to expenditures, Ms. Hawn reported that Public Works makes up the single largest share of expenditures by department at 48%. She explained that this is because the department constructs substantial capital projects throughout the City. Ms. Hawn also reported that 33% of expenditures are due to personnel costs, 22% are from services, 18% for capital projects, and 14% is for interfund charges.

Continuing, Ms. Hawn reported that the general governmental fund budget is primarily supported by tax dollars, and supports core essential services such as police, emergency services, public works, parks, community services, and community and economic development. She stated that revenues are estimated at $200.2 million, with proposed expenditures at $195.5 million. She explained that expenditures are lower than revenues by design to account for future wage adjustments, and medical premiums and pension increases. Ms. Hawn also noted that the City has been planning for the loss of the Benson Hill annexation credit, an amount just over $3 million per year, which is due to expire mid-2018.

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On the revenue side, she noted that property and sales tax represent the largest share of taxes. Ms. Hawn pointed out that the implementation of the Business and Occupation tax did help to bolster revenue this year. On the expenditure side, she explained that 39% is for public safety, 36% is split among the Community Services, Public Works, and Community and Economic Development Departments, with the remaining 25% for general governmental and support functions. Ms. Hawn reported that the overall assessed valuation in Renton increased by 7.5%, but the new property tax levy is only 2.1% higher than last year.

Ms. Hawn noted that with the formation of the Renton Regional Fire Authority, the City agreed to lower the property tax rate by one dollar per 1,000 dollars of assessed valuation beginning in 2017, with an additional $5.5 million reduction in 2018. She explained that with these changes, the City's property tax rate levy of $2.71 will drop to approximately $1.61. Moving to sales tax, Ms. Hawn reported that Renton's strong economy generated $281 million in sales tax revenue. She pointed out, however, that the City's share is only 10% or about $28 million. She noted that the bulk of the sales tax revenue goes to the State, Sound Transit and King County. Ms. Hawn also reported that Renton has reduced its budget over the last few years by $29.5 million. She explained that these reductions have caused a burden on staff to deliver high quality services while workloads have continued to grow. She added that staff was increased by 21.13 full-time equivalent positions during the 2015/2016 biennium, and the proposed 2017/2018 budget calls for an additional 22.7 full-time equivalent positions. She noted that these additions do not fully reinstate the 112 full-time equivalent positions that were eliminated between 2009 and 2014, but are necessary to maintain current service levels.

Concluding, Ms. Hawn explained that the business and occupation tax was necessary in order to maintain and stabilize core City services that are expected by residents and businesses. She stated that the proposed structure for 2017/2018 remains the same with a $1.5 million reporting threshold and low tax rates of .05% for retail and .085% for all other types of businesses. She added that in 2016 the maximum taxable revenue was capped at $5 billion, and that number will be adjusted by inflation each year starting in 2017. She estimated that revenues of $6.8 to $6.9 million will be collected from the B&O tax per year, of which approximately $3.9 million will be dedicated to support the City's capital improvement program. She also noted that the proposed 2017/2018 budget calls for a registration fee increase from $110 to $150. The funds collected from the increased fee will, in part, be used to fund a new B&O Tax Auditor position. Ms. Hawn reported that the 2017/2018 biennium budget is balanced, but Renton will be challenged in the future by tax limitations, property tax reductions due to the formation of the Renton Regional Fire Authority, the loss of the annexation sales tax credit, and the fact that costs increase faster than revenues. She noted that this budget is conservative by design, and this built-in conservatism bridged with growth in the economy, should improve the future financial outlook for the City.

Public comment was invited.

- Sarah Allen, Kent, from Children's Therapy Center, expressed appreciation for being included in this year's Human Services grant funding allocations.
• Yoon Joo Han, Seattle, from Asian Counseling & Referral Services, expressed appreciation for being included in this year's Human Services grant funding allocations.

• Kristi Hartman, Renton, expressed concern regarding budget issues for the operation of an animal shelter/kennel by the Police Department, and suggested establishing a citizen's advisory committee for this issue. Responding to Council inquiries, Mayor Law clarified that the Police Department is still working through the numbers, but believes this issue can be resolved utilizing existing budget. He added that the Police Chief could provide an update to Council at a future date.

• Diane Dobson, Renton, echoed Ms. Hartman's concerns regarding budgetary issues for the operation of an animal shelter/kennel. She also emphasized the importance of fully staffing the Code Enforcement Division. Mayor Law noted that the proposed budget calls for an addition of an administrative position for that division.

There being no further public comment, it was

MOVED BY PERSSON, SECONDED BY CORMAN, COUNCIL CLOSE THE PUBLIC HEARING. CARRIED.

ADMINISTRATIVE REPORT

Chief Administrative Officer Jay Covington reviewed a written administrative report summarizing the City's recent progress towards goals and work programs adopted as part of its business plan for 2016 and beyond. Items noted were:

• Preventative street maintenance will continue to impact traffic and result in occasional street closures.

AUDIENCE COMMENTS

• David Hoffman, Renton, from Master Builders Association, stated that the association supports the passage of the ordinance regarding Unit Lot Subdivisions listed on tonight's agenda.

CONSENT AGENDA

Items listed on the Consent Agenda were adopted with one motion, following the listing.


b) AB - 1773 City Clerk submitted the quarterly list of fully executed contracts between 7/1/2016 - 9/30/2016, and a report of agreements expiring between 10/1/2016 - 3/31/2017. None; Information Only.

c) AB - 1776 City Clerk requested approval to initiate surplus property procedures, including authorizing an appraisal of Sunset Court Park, located on Harrington Ave NE, and set a public hearing on 11/14/2016. Refer to Committee of the Whole; Set public hearing on 11/14/2016.

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d) AB - 1774 Community Services Department submitted JOC-01-066 (Formerly CAG-13-149, WO #66-16), 200 Mill Building 3rd Floor Tenant Improvements, contractor Forma Construction Company; and requested acceptance of the project and approval of the final pay estimate in the amount of $118,944.33. Council Concur.

e) AB - 1775 Community Services Department requested approval of a JOC Work Order with Forma Construction (JOC-02) in the amount of $315,512.01 for the purpose of the remodel and reconfiguration of the sixth floor permit center at City Hall. Refer to Finance Committee.

f) AB - 1772 Human Resources / Risk Management Department recommended approval of the reclassification and salary adjustment of the following positions: two Custodial Maintenance Supervisor positions from grade a17 to grade a21; one Facilities Coordinator (a25) to Capital Project Coordinator/Facilities (a28); and two Capital Project Coordinators (a25) to Capital Project Coordinator/Parks (a28) and Capital Project Coordinator/Facilities (a28), effective January 1, 2016 with a total budget impact of $34,452. Refer to Finance Committee.

g) AB - 1768 Transportation Systems Division requested approval of Addendum 6-16 to lease agreement LAG-99-003 with Lane Hangar Condominium Association, Inc., for a periodic rate adjustment from $0.66 to $0.7252 per square foot per year, effective August 1, 2016. Refer to Transportation (Aviation) Committee.

h) AB - 1770 Transportation Systems Division requested approval of Amendment 01-16 to Easement Agreement PAG-13-007 with AT&T Corporation, for a periodic rate adjustment of 5.8% from $16,578.90 to $17,540.48, effective November 1, 2016. Refer to Transportation (Aviation) Committee.

i) AB - 1771 Transportation Systems Division requested approval of Addendum 6-16 to Lease LAG-99-002 with 540 Renton Hangar, LLC, for a periodic rate adjustment from $0.66 to $0.7252 per square foot per year, effective August 1, 2016. Refer to Transportation (Aviation) Committee.

MOVED BY CORMAN, SECONDED BY PAVONE, COUNCIL CONCUR TO APPROVE THE CONSENT AGENDA, AS PRESENTED. CARRIED.

UNFINISHED BUSINESS

a) Community Services Committee Chair Witschi presented a report recommending concurrence with the staff recommendation to approve the transfer of the $50,000 balance from the South Renton Reserve account to the CED Arts and Culture Capital Projects account for purpose of the design, fabrication, and installation of artwork in the South Renton Neighborhood.

MOVED BY WITSCHI, SECONDED BY PRINCE, COUNCIL CONCUR IN THE COMMITTEE RECOMMENDATION. CARRIED.
LEGISLATION

Ordinance for second and final reading:

Ordinance No. 5818: An ordinance was read amending Section 4-2-115 of Chapter 2, Zoning Districts - Uses and Standards, Section 4-6-060 of Chapter 6, Street and Utility Standards, Section 4-7-090, of Chapter 7, Subdivision Regulations, and Sections 4-11-040, 4-11-120, 4-11-160 and 4-11-190, of Chapter 11, Definitions, of Title IV (Development Regulations) of the Renton Municipal Code, by adding regulations for Unit Lot Subdivisions and definitions for "Lot Unit," "Parent Site" and "Subdivision, Unit Lot," and amending the definition of "Density, Net."

MOVED BY PRINCE, SECONDED BY CORMAN, COUNCIL ADOPT THE ORDINANCE AS READ. ROLL CALL: ALL AYES. CARRIED.

NEW BUSINESS

Please see the attached Council Committee Meeting Calendar.

ADJOURNMENT

MOVED BY PRINCE, SECONDED BY CORMAN, COUNCIL ADJOURN. CARRIED. TIME: 7:51 P.M.

Jason A. Seth, CMC, City Clerk

Megan Gregor, CMC, Recorder
Monday, October 17, 2016
October 24, 2016
Monday

CANCELLED  Public Safety Committee, Chair Pavone

4:00 PM  Finance Committee, Chair Persson – Council Conference Room
1. Vouchers
2. 2016 Reclassifications
3. Permit Center Remodel Proposal Contract
4. Emerging Issues in Revenue Streams

5:00 PM  Committee of the Whole, Chair Corman – Council Chambers
1. 2017 – 2018 Budget
   - Public Works Department Presentation - Continued
   - Follow-up on Council Questions
   - Council Deliberations