



CITY COUNCIL MEETING MINUTES

Vancouver City Hall - Council Chambers - 415 W.
6th Street
PO Box 1995 - Vancouver, Washington 98668-
1995
www.cityofvancouver.us

Anne McEnerny-Ogle, Mayor

Bart Hansen | Bill Turlay | Alishia Topper | Ty Stober | Linda Glover | Laurie Lebowsky

November 19, 2018

WORKSHOPS

Vancouver City Hall - 415 W 6th Street, Vancouver WA

Councilmember Turlay, Mayor McEnerny-Ogle absent from workshops.
Mayor Pro Tem Bart Hansen presided.

5:00-6:00 p.m. Housing Options and Affordability

*Presenters: Peggy Sheehan, Community Development Program
Manager, 487-7952; Danell Norby, Community Development
Coordinator, 487-7953*

Summary

Staff provided Council with an update on current housing market conditions and challenges and the City's efforts to promote housing options and income-based housing.

COUNCIL DINNER/ADMINISTRATIVE UPDATES (6 PM)

COUNCIL REGULAR MEETING

Pledge of Allegiance

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 7 p.m. by Mayor McEnerny-Ogle in the Council Chambers of City Hall, 415 W. 6th Street, Vancouver, Washington.

Present: Councilmembers Lebowsky, Glover, Stober, Topper, Turlay, Hansen, Mayor McEnerny-Ogle

Absent: Councilmember Turlay

Motion by Councilmember Topper, seconded by Councilmember Hansen, and carried unanimously to excuse Councilmember Turlay

Approval of Minutes

Minutes - November 5, 2018

Motion by Councilmember Glover, seconded by Councilmember Hansen, and carried unanimously to approve the meeting minutes of November 5, 2018.

Citizen Communication (Items 1-9)

Mayor McEnerny-Ogle opened Citizen Communication and received the following testimony:

- Elizabeth Fitzgerald, Executive Director of the Volunteer Lawyers Program, spoke regarding Item 7 and spoke in support of ordinance Option B, stating Option A only creates further obstacles for human service agencies.
- Kate Budd, Executive Director of Council for the Homeless, spoke regarding Item 7 and spoke in support of repealing the City's current Human Service Facilities Siting ordinance and supported replacement Option B.
- Amy Reynolds, Deputy Director of Share, spoke regarding Item 7 and spoke in support of repealing the City's current Human Service Facilities Siting ordinance and supported replacement Option B.
- Eric Lambert, Vancouver, spoke regarding Item 7 and encouraged the Council not to repeal the Human Service Facilities Siting ordinance, stating that removing the barriers of that ordinance would result in such facilities inordinately locating in already disparaged neighborhoods, further increasing the burden on these areas.
- Fred Meurer, Vancouver, spoke in opposition to any efforts to increase sensitivity toward people experiencing homelessness, stating such efforts would just result in more people moving to Vancouver.

There being no further testimony, Mayor McEnerny-Ogle closed Citizen Communication.

Consent Agenda (Items 1-9)

Council requested that Item 7 be pulled from the agenda for separate consideration.

Motion by Councilmember Hansen, seconded by Councilmember Lebowsky, and carried unanimously to approve Items 1-6 and 8-9 of the Consent Agenda.

1. **Extension of Interlocal Agreement with Clark County for Therapeutic Recovery Court Services**

Staff Report 170-18

Summary

Clark County, as part of its criminal justice system, has District Court Recovery Courts, including Substance Abuse Court and Veteran's Therapeutic Court, designed to assist indigent misdemeanor clients who have substance abuse issues. In 2007, Clark County increased its sales tax by 1/10th of 1% with the proceeds dedicated to support substance abuse treatment. Part of this tax increase was used to expand the Recovery Court program. To support that expansion, both the County and City received additional funds from the sales tax increase in order to help offset additional costs associated with staffing Recovery Courts.

In 2008, the City and County determined that combining their Recovery Court funds provided sufficient funding to hire one full-time attorney to service both City and County clients. The County, which handles both felony and misdemeanor cases and consequently has a much more extensive indigent defense program, agreed to bid out and manage a combined contract for Recovery Court services. The initial interlocal agreement was from 2009-2016. In 2017, the City and County councils approved a new interlocal, continuing this combined effort. The current term of the interlocal expires December 31, 2018, but can be extended for three additional two-year terms. Council is being asked to approve a two-year extension of the interlocal from January 1, 2019-December 31, 2020.

Request: Authorize the City Manager or his designee to sign an amendment to the existing Recovery Courts interlocal with Clark County extending the agreement until December 31, 2020.

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Motion approved the request.

2. **Extension of Interlocal Agreement with Clark County for Mental Health Therapeutic Court Services**

Staff Report 171-18

Summary

Clark County, as part of its criminal justice system, has a District Court Mental Health Therapeutic Court designed to assist indigent misdemeanor clients who have mental health issues. The City is providing public defense services to Mental Health Court through an interlocal agreement with Clark County. The combined contract provides sufficient funding to hire an attorney who specializes in mental health cases, which provides better client services. The County, which handles both felony and misdemeanor cases and consequently has a much more extensive indigent defense program, bids out and manages the combined contract for Mental Health Court services. The initial contract period was for two years, 2015-2016 and with two (2) additional two- (2) year terms. On October 10, 2016, the City Council approved the first two-year extension for 2017-2018.

Mental Health Court historically had been limited to misdemeanor cases. In 2018, felony cases, which are handled by the County, began to be included. With the addition of felony cases, the City's caseload for 2019 and 2020 is projected to be only 25% of Mental Health Court cases so the City's quarterly payment for the service will be reduced from \$6,000 to \$2,250. Staff is recommending extending the interlocal for the remaining two-year term, 2019-2020, with the revision in payment schedule.

Request: Authorize the City Manager or his designee to sign an extension to the interlocal agreement with Clark County for public defense services for clients who are assigned to District Court Mental Health Therapeutic Court.

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Motion approved the request.

3. **Extension of Interlocal Agreement between Clark County, the City of Vancouver, the Evergreen School District and the Vancouver School District for the Clark County Safe Communities Task Force**

Staff Report 172-18

Summary

The Clark County Safe Communities Task Force was originally formed to coordinate youth gang crime and violence prevention programs and was supported by federal grants from 2009-2012. After 2012, the Clark County Safe Communities Task Force continued to coordinate youth gang crime and violence prevention programs through funding from the City of

Vancouver, Clark County and the Evergreen and Vancouver School Districts. The current Interlocal Agreement expires December 31, 2018, but has an optional two-year extension through 2020.

Request: Authorize the City Manager or designee to sign an amendment to the Safe Communities Task Force interlocal extending the agreement until December 31, 2020.

Jeanette (Jan) Bader, Program & Policy Development Manager, 487-8606

Motion approved the request.

4. **Second Amended Interlocal Agreement with Clark County Public Health for implementation of Kaiser Healthy Eating Healthy Living Grant and associated efforts, including installation of bike racks.**

Staff Report 173-18

Summary

In 2015, Clark County Public Health was successful in applying for a Kaiser Healthy Eating Healthy Living (HEAL) grant with the objective of reducing obesity and chronic disease among residents living in the Fourth Plain corridor area through increased physical activity. Working with Clark County Public Health and other project partners, two work plan elements were identified for which the City of Vancouver is the project lead: (1) evaluating strategies to prioritize pedestrian safety and access, consistent with the Fourth Plain Forward Action Plan; and (2) offering physical activity classes in City parks and/or the Marshall Center for program participants. The City and CCPH entered into an Interlocal Agreement in 2017, memorializing their partnership in administering the program and use of grant funds. The parties amended the agreement earlier this year to provide for development and coordination of an "Rx Play Program," which offers certain youth who would benefit from more physical activity access to the Marshall Center. City Staff and CCPH now wish to amend the agreement again to allow for the installation of bike racks along the Fourth Plain corridor and The Vine route and in Downtown Vancouver. Up to 21 bike racks will be purchased by Clark County Public Health utilizing a grant from Southwest Washington Accountable Community of Health (SWACH), which supports environmental changes that encourage healthy eating and physical activity. The City will receive the bike racks and install them at mutually agreed upon locations.

Request: On November 19, 2018, authorize the City Manager or his designee to sign the Second Amended Interlocal Agreement

with Clark County Public Health to allow for the installation of bike racks.

David Perlick, Recreation Manager, 487-9314

Motion approved the request.

5. **Amendments to City of Vancouver Financial Policies**

Staff Report 174-18

A RESOLUTION adopting and modifying certain City of Vancouver Financial Policies.

Summary

Several minor changes to the financial policies are proposed:

- *Changed the revenue recovery target for the Building Fund to 100% of the costs.*
- *Inflationary index, CPI that many of the City contracts are indexed to is proposed to be changed to Seattle-Tacoma-Bellevue, since the Portland-Vancouver-Salem index will no longer be published.*

Request: Adopt a resolution amending the City of Vancouver Financial Policies.

Natasha Ramras, Chief Financial Officer, 487-8484

Motion adopted Resolution M-3985 to approve the request.

6. **Affinity Right-of-Way Vacation**

Staff Report 175-18

A RESOLUTION fixing December 17, 2018, as the date for a public hearing on a proposal to vacate a portion of public rights-of-way associated with NE 51st Circle, located west of NE 112th Avenue, east of I-205, and south of SR-500, and within the Northeast Quarter and the Southeast Quarter of Section 16, Township 2 North, Range 2 East, Willamette Meridian, and within the Thomas Nerton Donation Land Claim.

AN ORDINANCE vacating a portion of the public right-of-way associated with NE 51st Circle located west of NE 112th Avenue, east of I-205, and south of SR-500, which is within the Northeast Quarter and the Southeast Quarter of Section 16, Township 2 North, Range 2 East, Willamette Meridian, and within the Thomas Nerton Donation Land Claim, City of Vancouver, Clark County,

Washington; and providing for an effective date.

Summary

Staff has received a request from Affinity at Vancouver LLC and Weston Investment Company LLC (the Applicants) to vacate a portion of the loop at the west dead-end of NE 51st Circle, located west of NE 112th Avenue, east of I-205, and south of SR-500. The right-of-way is specifically located within the Northeast Quarter and the Southeast Quarter of Section 16, Township 2 North, Range 2 East, Willamette Meridian, and within the Thomas Nerton Donation Land Claim (DLC).

The right-of-way proposed to be vacated currently serves as part of a turnaround loop at the dead end of NE 51st Circle. The loop provides public street and utility services to five parcels; four of these parcels are owned by the Applicants, the fifth parcel is owned and maintained by the City and constitutes a portion of Kevanna Neighborhood Park.

The Applicants intend to combine the vacated area with their three adjacent parcels to create a single lot for the development of a 170-unit senior housing community. The three project parcels are located at 10400, 10420, and 10500 NE 51st Circle (parcel numbers 159849000, 159848000, 159847000). The proposed area of vacation is less than half the existing right-of-way frontage of the Applicants' properties, the remainder of the half will be kept as right-of-way to protect existing trees.

In exchange for vacation of the right-of-way, the Applicants will convey a nearby parcel to the City. The Applicants will also remove the existing loop road, construct a standard cul-de-sac turnaround to replace the loop road, and construct a new access and parking for Kevanna Neighborhood Park.

Staff recommends that the petition to vacate be approved. Staff has reviewed the City's Transportation Systems Plan and determined there is no future need for this right-of-way. Therefore, vacation of this right-of-way will have no adverse impact on City transportation assets. Further, vacation of this right-of-way will relieve the City from ongoing surface maintenance responsibilities typical for commercial streets; including regular pavement maintenance, repair of concrete structures, street sweeping, and other services.

Staff has contacted all utility owners with facilities potentially located within the subject area. The City of Vancouver has utilities within the area of the proposed vacation, including a domestic water main, sanitary sewer main, and associated appurtenances. In addition, Clark Public Utilities has electrical lines running through a portion of the subject area. Therefore, the City will retain a public utility easement under and over the entire vacated area for the construction, repair and maintenance of all public utilities and services.

RCW 35.79.030 and VMC 11.05.120 allow the City to collect compensation for the value of public right-of-way that is vacated. VMC 11.05.120(F) authorizes the City to accept conveyance of other property in lieu of the payment required. As previously noted, the Applicants are proposing to convey a nearby parcel in exchange for the vacated right-of-way. This parcel is located at 10601 NE 51st Circle (parcel number 159851000), on the other side of the right-of-way that is proposed to be partially vacated, and adjacent to Kevanna Park. The City's Parks Department believes parcel 159851000 would provide a public benefit as additional green space and for potential park expansion.

In support of this proposal, the Applicants have provided an appraisal from a certified professional land appraiser. Based on the information provided in the appraisal, the market value of the proposed vacation area is \$230,000, while the total market value of parcel 159851000 is estimated to be \$210,000. In addition to conveying parcel 159851000 to the City, the Applicants will pay the difference in property value (\$20,000) to the City prior to the right-of-way vacation becoming effective.

As previously noted, the right-of-way has historically been used to provide public street and utility services to the adjacent commercial parcels and the City park property. The City has maintained this portion of NE 51st Street in a fashion similar to that of other commercial streets, performing regular maintenance to the pavement, street sweeping and other services. Also, the street has been part of a dedicated public right-of-way for 25 years or more, and the vacated area will be utilized by the applicant for their proposed senior housing development. Based on these circumstances and the investment made by the City, staff recommends acceptance of parcel 159851000 and payment of \$20,000 as compensation for the full value of the right-of-way vacation area. The parcel should be conveyed and the \$20,000 paid to the City prior to the right-of-way vacation becoming effective.

Request: On Monday, November 19, 2018, adopt a resolution fixing the time to hear and determine the petition to vacate a portion of street right-of-way associated with the turnaround loop at the west dead-end of NE 51st Circle located west of NE 112th Avenue, east of I-205, and south of SR-500, within the Northeast Quarter and the Southeast Quarter of Section 16, Township 2 North, Range 2 East, Willamette Meridian, and within the Thomas Nerton DLC, setting the date of public hearing for December 17, 2018

Eric Hahn, Senior Civil Engineer, 487-7702

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Motion adopted Resolution M-3986 to approve the request.

7. **Repeal and Replacement of VMC 20.870 Human Services Facilities Siting Ordinance**

Staff Report 176-18

A. AN ORDINANCE of the City of Vancouver, Washington regarding the siting of Human Service Facilities; Repealing VMC 20.870 “Human Service Facilities”; Amending VMC 20.160.020 “Listing of Use Classifications”, VMC 20.180.060 “Planning Fees”, VMC 20.210.020 “Types of Development Applications”, VMC 20.410.030 “Uses” of Lower Density Residential Districts, VMC 20.420.030 “Uses” of Higher Density Residential Districts, VMC 20.430.030 “Uses” of Commercial and Mixed Use Districts, VMC 20.440.030 “Uses” of Industrial Districts, VMC 20.450.030 “Uses” of Open Space Districts, VMC 20.895 “Miscellaneous Special Use Standards”, VMC 20.945.070 “Minimum Off-Street Parking Requirements”; providing for severability; and providing for an effective date.

B. AN ORDINANCE of the City of Vancouver, Washington regarding the siting of Human Service Facilities; Repealing VMC 20.870 “Human Service Facilities”; Amending VMC 20.160.020 “Listing of Use Classifications”, VMC 20.180.060 “Planning Fees”, VMC 20.210.020 “Types of Development Applications”, VMC 20.410.030 “Uses” of Lower Density Residential Districts, VMC 20.420.030 “Uses” of Higher Density Residential Districts, VMC 20.430.030 “Uses” of Commercial and Mixed Use Districts, VMC 20.440.030 “Uses” of Industrial Districts, VMC 20.450.030 “Uses” of Open Space Districts, VMC 20.945.070 “Minimum Off-Street Parking Requirements”; providing for severability; and providing for an effective date.

Summary

In 1991 following an extensive public process to address a perceived over-concentration and corresponding negative effects of homeless shelters, soup kitchens and related services in the downtown, and upon recommendations from a task force commissioned by the City Council, the City adopted a set of zoning laws that resulted in the mandatory dispersal of and operational requirements for new Human Service Facilities - uses that serve the poor such as shelters, food pantries, day centers, group meal service, counseling, etc. The siting restrictions of VMC 20.870 “Human Services Facilities Siting” make it more difficult for service providers to find a suitable location for their use, and require compliance with certain operational standards.

At a May 2, 2016, Council workshop, the City Attorney’s Office raised concerns with the Human Services Facilities (HSF) Siting Ordinance in regard to applicable laws that prohibit discrimination against people based

on their familial status or disabilities, including Title VIII of the Civil Rights Act, the Fair Housing Act, and a ruling from the 9th Circuit federal Court of Appeals. The attorney's analysis noted that the conclusions of the task force and the subsequently adopted ordinance had been based at least in part on stereotypes of clientele who utilize such services, as opposed to data that showed a close correlation to perceived impacts.

At the same workshop, City Council directed staff to bring forward an ordinance that would repeal and replace the Human Services Facilities (HSF) Ordinance in order to insulate VMC Title 20 from possible legal challenge. Additionally, City Council directed staff that, to the extent possible, such replacement language should address neighborhood concerns with respect to any identified adverse effects from the siting of such uses, and that new regulations should further seek to minimize unintended impacts on existing businesses.

For the past two years, city staff has worked with service providers and neighborhood and business stakeholders to understand concerns and draft ordinance language. Staff has also discussed options with city leaders at six Planning Commission workshops and a public hearing, and five City Council workshops. Two separate ordinances have been drafted (Option A and Option B), both of which would a) repeal the current Human Services Facilities Siting Ordinance, VMC 20.870, b) eliminate the minimum spacing requirement between such uses, and c) integrate all human service uses into the most similar use classification, so that wherever the most similar use is permitted, the human service use would also be permitted. Both options would make it easier for service providers to locate their facilities in the City.

The key difference between Option A (which the Planning Commission recommended Council approve at their September 25, 2018, public hearing) and Option B (which was developed based on Council feedback at a May 2018 workshop) is that Option A would require more public notice and opportunity to comment on potential impacts to the surrounding area from proposed new shelters, group meal service uses, and community centers before such projects are approved, and would also apply a set of performance standards to address potential impacts from clients congregating outside of such facilities. Option B would not impose any additional performance standards on these uses, and in most commercial districts these three uses would be permitted outright.

In order to address a concern raised by both Planning Commission and City Council regarding a large application fee for a conditional use permit that service providers would need to pay, both Option A and B ordinances include a reduced conditional use permit application fee for shelters, group meal service, and community centers (reduced from \$7,450 to \$1,328).

Request: On Monday, November 19, 2018, approve Ordinance Option A or Option B on first reading, setting date of second reading and public hearing for Monday, December 3, 2018.

*Chad Eiken, Community & Economic Development Director,
487-7882*

Mayor McEnemy-Ogle read the titles of both ordinances into the record.

Chad Eiken, Community & Economic Development Director, and Jonathan Young, Chief Assistant City Attorney, were available to provide staff comments.

Mr. Eiken provided the background on this project, explaining that the Planning Commission had developed ordinance Option A, which included more restrictions on human service facilities. Based on the City Council's feedback, staff had developed Option B, which treats human service facilities the same as other comparable commercial and community uses under the code.

Mr. Young explained the Council could move either ordinance forward to second reading and public hearing, or they could move both forward.

Mr. Eiken provided the details as to the key differences between both ordinances.

Councilmember Topper stated that she understands the concerns neighbors might have regarding the locating of shelters close to homes and neighborhoods, but the zoning districts proposed to allow such facilities do not include residential zones.

Councilmember Lebowsky noted that in commercial zones, there are buffering and setback requirements. She asked if there would be any public notice or involvement opportunities under Option B during the permitting process for a potential facility. Mr. Eiken stated that under Option B, there would be more instances where a project would be allowed outright, but depending on the details of the project, the site plan review process may be triggered.

Councilmember Stober asked if the Planning Commission had discussed applying the same restrictions proposed for human service facilities on all types of businesses within the same class, noting that many neighbors would appreciate more notice and opportunity for public comment on proposed projects, regardless of the type of facility. Mr. Eiken stated that was discussed by the Planning Commission, but the conclusion was it would create an undue burden on other commercial uses and would essentially clog up the City's permitting system.

Motion by Councilmember Topper, seconded by Councilmember Glover, and carried unanimously to approve ordinance Option B on first reading, setting date of second reading and public hearing for Monday, December 3, 2018.

8. **Appointment to the Vancouver Public Facilities District Board**

Request: Appoint Abbie Layne to the Vancouver Public Facilities District Board, term beginning immediately and expiring November 20, 2022.

Council Committee 1 (Hansen, Stober, Glover)

Motion approved the request.

9. **Approval of Claim Vouchers**

Request: Approve claim vouchers for November 19, 2018.

(Copy available upon request)

Motion approved claim vouchers for November 19, 2018, in the amount of \$12,027,252.30.

Public Hearings (Item 10-15)

10. **Property Tax Affordable Housing Levy for 2019**

Staff Report 164-18

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 0.0% in the City's Affordable Housing Fund levy from the amount levied the previous year; and providing for an effective date.

Summary

Proposition 1 was approved by the citizens of Vancouver in November 2016, and authorized a \$6,000,000 annual property tax levy for 7 years, beginning in 2017. Information provided by the Washington State Department of Revenue states that the dollar amount stated in the ballot title is limiting amount, and the highest lawful levy amount is \$6,000,000.

Staff recommends that City Council approve a 0.0% increase in the property tax levy for the Affordable Housing Levy. Based on last year's Affordable Housing Fund levy of \$6,000,000, the increase will be \$0.00. Authorization of this requires a simple majority vote of City Council.

Staff estimates that the City's Affordable Housing Fund property tax levy rate in 2019 will range between \$0.23 per \$1,000 of assessed value to

\$0.27 per \$1,000 of assessed value, compared to the actual 2018 affordable housing fund property tax levy rate of \$0.286 per \$1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 12.7% compared to the prior year. Because of the limit on property tax increases, as discussed above, the property tax levy rate declines as assessed value increases. The statutory cap for the City's levy rate is \$3.325 per \$1,000 of assessed value.

<i>Assessed Value 2018 \$287,100</i>	<i>Levy Rate 2018 \$0.2859919 (per \$1,000 assessed value; Affordable Housing Levy only)</i>	<i>2018 City Property Tax = \$82.11</i>
<i>Assessed Value 2019 \$323,562 (assumes assessed value increases 12.7%)</i>	<i>Estimated Levy Rate 2019 \$0.25377 (per \$1,000 assessed value; Affordable Housing Levy only)</i>	<i>2019 City Property Tax (hypothetical) = \$82.11</i>
<i>AV increases 12.7%</i>	<i>Levy Rate declines</i>	<i>Annual tax increase \$0.00 for this example taxpayer*</i>

**If the assessed value of the resident's property as a percentage increased by less than 12.7%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the city in 2018. If the assessed value of the resident's property increased by more than 12.7% from the previous year, the increase in the annual taxes would be slightly higher.*

Some citizens may qualify for tax relief, or qualify for a deferral program. To find out more information about this, residents should contact the Clark County Assessor's Office at 564-397-2391 or visit their website at <http://www.clark.wa.gov/assessor/taxrelief/index.html>.

Request: On Monday, November 19, 2018, subject to second reading and public hearing, approve ordinance.

Carrie Lewellen, City Treasurer, 487-8482

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Natasha Ramras, Chief Financial Officer, provided a summary of the proposed action.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Stober, seconded by Councilmember Hansen,

and carried unanimously to approved Ordinance M-4244.

11. **Property Tax Levy for 2019**

Staff Report 165-18

AN ORDINANCE relating to the annual property tax levy; authorizing an increase of 1.0% in the City's regular levy from the amount levied the previous year; and providing for an effective date.

Summary

On November 6, 2001, Washington voters approved Initiative 747 (I-747), which limits the allowable increase in the property tax levy to 1.0%, or the rate of inflation, whichever is less. The intent of the Initiative was reaffirmed by the Legislature in November 2007. The measure of inflation used under this law is the Implicit Price Deflator (IPD). The IPD inflation rate for 2019 levy calculations is 2.169%.

Staff recommends that City Council approve a 1.0% increase in the property tax levy. Because the inflation rate is higher than the 1.0% limit, the 1.0% increase is the maximum increase allowed. Based on last year's General Fund levy of \$48,770,483.97, the increase will be \$487,704.84. Authorization of this increase requires a simple majority vote of City Council.

Staff estimates that the City's general fund property tax levy rate in 2019 will range between \$2.08 per \$1,000 of assessed value and \$2.12 per \$1,000 of assessed value, compared to the actual 2018 general fund property tax levy rate of \$2.325 per \$1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 12.7% compared to the prior year. Because of the limit on property tax increases, as discussed above, the property tax levy rate declines as assessed value increases. The statutory cap for the City's levy rate is \$3.325 per \$1,000 of assessed value.

Example calculation of City Property Tax:

Assessed Value 2018 \$287,100	Levy Rate 2018 \$2.325 (per \$1,000 assessed value; General Fund Levy only)	2018 City Property Tax = \$667.51
Assessed Value 2019 \$323,562 (assumes assessed value increases 12.7%)	Estimated Levy Rate 2019 \$2.08 (per \$1,000 assessed value; General Fund Levy only)	2018 City Property Tax (hypothetical) = \$673.01

<i>AV increases 12.7%</i>	<i>Levy Rate declines</i>	<i>Annual tax increase \$5.50 for this example taxpayer*</i>
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**If the assessed value of the resident's property as a percentage increased by less than 12.7%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the city in 2018. If the assessed value of the resident's property increased by more than 12.7% from the previous year, the increase in the annual taxes would be slightly higher.*

Some citizens may qualify for tax relief, or qualify for a deferral program. To find out more information about this, residents should contact the Clark County Assessor's Office at 5640-397-2391 or visit their website at <http://www.clark.wa.gov/assessor/taxrelief/index.html>.

In addition to the base levy, the City collects new property tax revenue based on the value of new construction added to the assessment rolls during the prior year. The revenue to the City is calculated using the assessed value of new construction multiplied by the prior year's levy rate. The value of new construction is still being finalized by the County Assessor's Office and includes the value of utility new construction provided to the County Assessor by the State. The most recent estimate from the County Assessor's Office indicates more than \$309 million of new construction, which translates into \$718,000 of additional City property tax revenue, which is slightly more than the \$601,400 received for new construction values for 2018 taxes. The City's ordinance states the percentage and dollar amount increase in the City's base property tax levy as required by RCW 84.55.120. The County Assessor will determine the levy amount for new construction based on their final calculations.

Request: On Monday, November 19, 2018, subject to second reading and public hearing, approve ordinance.

Carrie Lewellen, City Treasurer, 487-8482

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Natasha Ramras, Chief Financial Officer, provided a summary of the proposed action.

Mayor McEnemy-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Hansen, seconded by Councilmember Lebowsky, and carried unanimously to approved Ordinance M-4245.

12. **Ad Valorem Taxes for 2019**

Staff Report 166-18

AN ORDINANCE fixing and levying the amount of ad valorem taxes necessary to balance estimated revenue with estimated expenditures for the 2019-2020 Budget for the City of Vancouver; providing for an effective date.

Summary

Pursuant to RCW 35.33.135, Council must approve an ordinance to fix and authorize the Clark County Assessor's Office to levy ad valorem taxes necessary to fund the City of Vancouver's 2019-2020 Biennial Budget.

An ad valorem tax (Latin for "according to value") is defined as a tax based on the value of real estate or personal property. An ad valorem tax is typically imposed at the time of a transaction(s) (a sales tax or value-added tax (VAT)), but it may be imposed on an annual basis (real or personal property tax) or in connection with another significant event (i.e. inheritance tax).

Staff currently estimates the 2019 real and personal property tax levy as \$56.7 million, which includes a preliminary estimate of \$719,000 in property tax revenue from new construction. The estimate of property tax from new construction will be updated based on the final new construction valuation provided by the Assessor's Office. The estimate of property tax revenue does not include the change in value of state-assessed utility property. Both of these amounts will not be final until December 2018.

City staff recommends that Council approve ad valorem taxes in the amount of \$56.7 million, which is needed to fund the City's 2019-2020 biennial budget. Of the total, \$50.7 million is for general fund purposes, and \$6 million is for the affordable housing fund. Approving ad valorem taxes of \$56.7 million allows the County Assessor's Office to levy real and personal property taxes to the full extent allowed under Washington State law. Staff anticipates that the final certified levy will be between \$56.1 million and \$56.7 million in 2019. If Council authorizes the ad valorem tax amount too low, the County Assessor's Office will only be allowed to levy up to the amount authorized by Council.

Staff recommends that City Council approve ad valorem taxes in the amount of \$56.7 million for the 2019 real and personal property tax levy within the city limits of Vancouver. This estimated revenue source is necessary to fund the 2019-2020 Biennial Budget for the City of Vancouver.

Request: On Monday, November 19, 2018, subject to second reading and public hearing, approve ordinance..

Carrie Lewellen, City Treasurer, 487-8482

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Natasha Ramras, Chief Financial Officer, provided a summary of the proposed action.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Fred Meurer, Vancouver, asked for further explanation as to what the proposed action is.

There being no further testimony, Mayor McEnerny-Ogle closed the public testimony.

Ms. Ramras explained the state requires the cities to levy ad valorem taxes as a verification of the property taxes being levied to support that city's budget.

Motion by Councilmember Topper, seconded by Councilmember Glover, and carried unanimously to approved Ordinance M-4246.

13. **Amendments to VMC Titles 16 and 17 to implement fire and life safety program fee increases**

Staff Report 167-18

AN ORDINANCE amending Vancouver Municipal Code (VMC) Sections 16.04.280 and 17.08.130 relating to the Vancouver Fire Department cost recovery amounts; increasing existing permit and fee schedules and providing for the implementation of a fee schedule for services; indexing applicable fees to the Seattle Consumer Price Index to account for inflation; and providing for savings and an effective date.

Summary

The proposed revision of VMC Titles 16 and 17 will re-align fees for increased costs associated with fire inspections, construction/operational permits, and fire plans review.

VMC Title 16 has been in effect for more than ten years; with this long-term experience Fire staff has identified the need to increase certain fees to account for higher program costs associated with fire and life safety inspections, fire protection system report reviews and operational fire code permits.

Request: On Monday, November 19, 2018, subject to second reading and public hearing, approve ordinance.

Heidi Scarpelli, Vancouver Fire Marshal, 487-7202

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Heidi Scarpelli, Vancouver Fire Marshal, provided a summary of the proposed action.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Glover, seconded by Councilmember Stober, and carried unanimously to approve Ordinance M-4247.

14. **Amendment to VMC 16.16.40, Hazardous Materials Regulatory Fee**

Staff Report 168-18

AN ORDINANCE amending Vancouver Municipal Code Section 16.40.070 relating to hazardous materials regulatory fees; increasing such fees and indexing such fees to the Seattle Consumer Price Index to account for inflation; and providing for an effective date.

Summary

VMC Title 16, Chapter 16.40 has been in effect for more than ten years with no increase in the hazardous materials regulatory fee since inception, while CPI has increased more than 21% during this same time period. The proposed amendment of VMC Chapter 16.40 updates the regulatory fee for increased costs associated with hazardous materials emergency response plan inspections, evaluations and exercises, training of emergency response personnel, and acquisition, maintenance and operation of emergency response equipment.

Request: On Monday, November 19, 2018, subject to second reading and public hearing, approve ordinance.

*Tom O'Connor, VFD Special Operations Division Chief,
487-7206*

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Tom O'Connor, VFD Special Operations Division Chief, provided a summary of the proposed action.

Mayor McEnerny-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Stober, seconded by Councilmember Lebowsky, and carried unanimously to approve Ordinance M-4248.

15. **2019-2020 City of Vancouver Biennial Operating and Capital Budget**

Staff Report 169-18

AN ORDINANCE relating to and adopting the budget for the City of Vancouver for the 2019-2020 fiscal biennium; creating a new fund; providing for ratification and for an effective date.

Summary

The City of Vancouver 2019-2020 Biennial Budget has been prepared for approval. The Recommended Budget was published by the City Manager on October 1, 2018, and was presented to Council in workshops held on October 15 and 22.

The 2019-2020 Biennial Budget appropriates \$1.2 billion for both operating and capital expenses, a 3.7% increase over the current 2017-18 budget. A total of \$954.8 million is appropriated for all City operating funds and \$245.4 million for capital funds and related funding. There are 79.5 full time equivalent (FTE) positions added bringing the total to 1,180.4 FTEs by the end of 2020, a 6% increase over the 2018 current budget.

The 2019-2020 Budget is balanced by ongoing revenues and available cash resources. The Budget relies on new revenues generated by a 1% property tax increase and from a previously adopted utility tax rate increase of approximately 4% in Water, Sewer and Drainage and 3% in Solid Waste in each year of the biennium.

A total of \$458.7 million is appropriated in the General, Street, and Fire operating funds, and an additional \$496.1 million is appropriated in all other operating funds. All appropriations are consistent with the budget framework reviewed and affirmed with Council at the beginning of the year as well as with relevant workshops over the course of the year regarding capital investments and certain operating programs.

A prolonged period of relative fiscal stability has allowed the City to reassess the community's greatest needs and respond by continuing to improve service levels in key areas during the 2019-2020 biennium, including: police, fire inspections, parks greening and maintenance, construction and utilities and administrative services. The City continues to make progress in funding deferred maintenance and asset replacement on a pay-as-you-go basis.

Following are highlights of the additional programs added or expanded in the 2019-2020 Budget in the General, Street and Fire funds:

- *A total of 17.0 new FTEs were added to the Police Department, including Police Officers, Police Service Technicians, and police support positions to address specific staffing and administrative*

requirements. These new positions represent the last phase of the increase in traffic, investigative and community engagement police services funded by dedicated revenue increases over the 2017-2020 time period.

- *A cross-department team, including a 1.0 FTE Coordinator in the City Manager's Office, 0.5 FTE in Legal, 1.0 FTE in Code Enforcement and one additional 1.0 FTE Police Officer position, along with mental health and substance addiction case management services, will provide a more focused and coordinated response addressing issues related to homelessness in the City. The Budget also includes funding for maintenance of the homeless day center and other resources to continue addressing issues related to homelessness.*
- *Budget to complete the Heights District plan as well as demolish the former Tower Mall structure, which will create a blueprint and begin preparation of the site for reinvigorating central Vancouver and capitalizing on the planned Mill Plain Corridor Bus Rapid Transit investments.*
- *A total of 13.0 new FTE positions to staff the new Fire Station 11 that is anticipated to be completed by the end of the biennium. The new positions as well as the construction of Fire Station 11 are funded largely by Fire District 5.*
- *The Budget re-establishes an Arts and Cultural program by creating a dedicated 1.0 FTE to act as a dedicated resource for a new Vancouver Cultural Commission, help with creation and administration of an art grants program, and coordinate public art maintenance. The Budget also appropriates seed dollars to partner with the Vancouver school District in building the Art and Innovation Campus as well as a possible community arts center.*
- *A total of 2.0 new FTE positions in parks maintenance were added in 2020 to continue the effort of keeping turf in city parks green and maintained.*
- *The Pavement Management program added 2.0 new FTE positions to match a planned increase in size and scope of the Pavement Management program. The project increase as well as the new positions are fully funded by the dedicated Street Funding Initiative revenues.*
- *The SUV pilot project in the Fire Fund has proven to be a cost effective method of augmenting high priority medical call response, and the Budget converts these limited-term staff to regular positions. The Budget also adds 5.0 new FTEs in the Fire Marshal's Office to continue working through the fire inspection backlog with the goal of achieving a regular two-year re-inspection cycle of city's businesses. The program is almost fully self-sufficient.*

Major budget changes in other City Funds include:

- *A total net new 7.5 FTE positions is added in the Internal*

Administrative Services fund to support the increased demand for services driven by the City's expanding capital and operating programs. Of these new positions, 2.0 of the FTEs will implement the expanded citywide GIS program, 1.0 FTE and a 1.0 FTE will be dedicated to improving the City's records program. Staffing was also added in Information Technology, Human Resources and procurement.

- *One FTE position was added to the Building fund to address the increased complexity of development projects. The construction activity is scheduled to significantly increase over the next few years due to a number of multi-story buildings and new school buildings that are currently in permitting.*
- *17.5 new FTE positions were added in Public Works to support the increasing demand from the Utilities capital program and service level demands.*
- *Grounds and facilities maintenance function is being moved to a new internal services fund and Civil Legal is being moved to the Support Services Fund.*
- *The Budget maintains market relevance for compensation to ensure that the City maintains the competitiveness needed to retain and recruit its workforce, and affirms the 2017-2018 staffing levels as a baseline in other service areas.*

2019-2020 Capital Budget

Of the City's nearly \$1.5 billion in assets, approximately 80% are capital (building, streets, land, utility lines, etc.). Stewardship of these capital assets is critical to efficient, effective, and sustainable service delivery. While the true cost to manage these assets through their lifetime is daunting, the City has been making meaningful, strategic investments in our assets without adding new debt. The same trend is evident in the 2019-2020 Biennial Budget.

Attachment C to the Budget Ordinance includes a list of all projects included in the City of Vancouver's 2019-2020 \$245.4 million capital program, of which \$98.6 million is related to funding transfers. Below are some highlights:

- *Utilities projects totaling \$89.3 million, include:*
 - *Water fund projects totaling \$42.7 million for the Water Works Park reservoir and seismic upgrade of \$19.0 million, continuing Operations Center design of \$6.2 million, Water Stations improvements, and other smaller projects.*
 - *Sewer utility appropriation totaling \$41.9 million includes an \$8.4 million two-year Sewer Connection Incentive Program (SCIP) to expand sewer service to 600 new homes, \$9.4 million for process controls electronics upgrades, \$3.5 million for a*

westside electrical upgrade design, and a variety of other collection and treatment projects.

- *A \$4.7 million two-year program in Drainage to keep up with the NPDES regulations.*
- *New Fire Station 11 construction primarily funded by Fire District 5 expected to be completed in 2020-2022.*
- *General Capital asset management program of \$10.3 including roof replacements, major maintenance, pervious surface upgrading, sealing, painting, and HVAC repairs at various city facilities.*
- *The Budget allocates \$21.4 million for transportation funding, including the following projects:*
 - *Mill Plain Blvd from 104th St to NE Chkalov Dr.;*
 - *137th Ave corridor between 49th St and Fourth Plain;*
 - *18th St from NE Four Seasons Lane to NE 136th Ave;*
 - *LED street light retrofit of 13,000 City lights;*
 - *\$4.0 million in projects funded by the Street Funding Initiative capital program.*
- *A \$1.8 million Pearson Airfield phase one of the mostly federally-funded runway replacement project.*
- *Parks and Trails capital program totaling \$8.7 million including major renovations and expansions at the North Image Park, Dubois Park, First Place Park, Clear Meadows Park, Summers Walk Park, and new land acquisitions using the City's PIF resources.*

Proposal: *To approve the 2019-2020 Biennial Operating and Capital Budget Ordinance.*

Request: On Monday, November 19, 2018, subject to second reading and public hearing, approve ordinance.

Natasha Ramras, Chief Financial Officer, 487-8484

Mayor McEnemy-Ogle read the title of the ordinance into the record.

Natasha Ramras, Chief Financial Officer, provided a summary of the proposed action.

Mayor McEnemy-Ogle opened the public hearing and, receiving no testimony, closed the public hearing.

Motion by Councilmember Hansen, seconded by Councilmember Topper, and carried unanimously to approve Ordinance M-4249.

Communications

A. From the Council

B. From the Mayor

C. From the City Manager

a) Affordable Housing in Commercial Zones

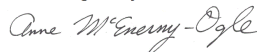
Bryan Snodgrass, Principal Planner, and Peggy Sheehan, Community Development Programs Manager, provided Council with additional information pertaining to a proposed provision in the 2019 Comprehensive Plan and Zoning Code text amendments that would allow some affordable housing to be developed in commercial zones under restrictive conditions.

b) City Council Vacancy Process

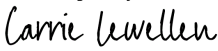
Bronson Potter, City Attorney, and Amanda Delapena, Assistant to the City Council, provided an overview of the proposed process and timeline for recruiting and appointing a Councilmember to fill Council Seat 2, which will be vacated by Councilmember Topper on Dec. 31, as she has submitted her resignation to fulfill her new duties as Clark County Treasurer.

Adjournment

8:52 p.m.

DocuSigned by:

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Anne McEnerny-Ogle, Mayor

Attest:

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661359AB277E439...
Natasha Ramras, City Clerk
By: Carrie Lewellen, Deputy City Clerk

Meetings of the Vancouver City Council are electronically recorded on audio and videotapes. The audio tapes are kept on file in the office of the City Clerk for a period of six years.