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CITY OF Vancouver WASHINGTON

Anne McEnerny-Ogle, Mayor
Bart Hansen · Ty Stober · Linda Glover
Laurie Lebowsky · Erik Paulsen · Sarah J. Fox

# November 16, 2020 - Vancouver City Council Meeting Minutes

## WORKSHOPS

*Workshops were conducted remotely over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City' s Facebook page, www.facebook.com/VancouverUS, or listen via the GoToMeeting conference call.*

Councilmember Lebowsky arrived at 5:00 p.m.

### 4:00-5:00 p.m. 2021 State Legislative Agenda

*Brian Enslow, Arbutus Consulting; Aaron Lande, Senior Policy Analyst, 360-487-8612*

**Summary**
The City's government affairs liaison for the State Legislature provided an update on recent election results and presented an overview of the City's 2021 legislative agenda.

### 5:00-6:00 p.m. Fall 2020 Comprehensive Plan and Zoning Map and Text Changes

*Bryan Snodgrass, Principal Planner, 360-487-7946*

**Summary**
Staff provided Council with the proposed Comprehensive Plan and zoning code map and text updates as part of the annual review process.

# REGULAR COUNCIL MEETING

*This meeting was conducted remotely over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, www.facebook.com/VancouverUS. Public access and testimony on Consent Agenda and Public Hearing items was also facilitated via the GoToMeeting conference call.*

## Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle. This meeting was conducted remotely over video conference.

**Present:** Councilmembers Fox, Paulsen, Lebowsky, Glover, Stober, Hansen, Mayor McEnerny-Ogle

**Absent:** None

Also present on the call were the following: Eric Holmes, City Manager; Jonathan Young, City Attorney; Amanda Delapena, Assistant to the City Council; Brian Carlson, Interim Deputy City Manager; Brennan Blue, Vancouver Fire Chief; Brent Boger, Assistant City Attorney; Chad Eiken, Community and Economic Development Director; Julie Gilbertson, Solid Waste Supervisor; Patrick Gilbride, IT Director; Julie Hannon, Parks and Recreation Director; Aaron Lande, Senior Policy Analyst; Carrie Lewellen, City Treasurer; Chris Malone, Public Works Finance and Asset Manager; Rich McConaghy, Solid Waste Manager; James McElvain, Vancouver Police Chief; Natasha Ramras, Chief Financial Officer; Heidi Scarpelli, Fire Marshal; Dan Swensen, Interim Public Works Director; and members of the public.

## Approval of Minutes

Minutes - October 26, 2020

**Motion by Councilmember Glover, seconded by Councilmember Paulsen, and carried unanimously to approve the meeting minutes of October 26, 2020.**

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Minutes - November 2, 2020

**Motion by Councilmember Paulsen, seconded by Councilmember Stober, and carried unanimously to approve the meeting minutes of November 2, 2020.**

## Citizen Communication (Items 1-2)

Mayor McEnerny-Ogle opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

## Consent Agenda (Items 1-2)

Council requested Item 1 be pulled for separate discussion, as summarized below.

**Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve the Consent Agenda.**

### 1. Amendments to City of Vancouver Financial Policies

Staff Report 167-20

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

***Summary***

*Several changes to the financial policies are proposed:*

- *Changed the revenue recovery targets for the land use fees;*
- *Added City Goals of advancing social justice, environmental sustainability and community safety. The goals are to be utilized in making budget decisions. Progress towards the goals is to be measured and reported regularly*

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

*Natasha Ramras, Chief Financial Officer, 360-487-8484*

Councilmember Fox noted under the revised Financial Policies that the target recovery goal for Parks and Recreation fees was left to be determined. She asked if there is a better way to explain this goal in the policies.

City Manager Eric Holmes explained the primary reason there is not a concrete number for that target is because there is such a lack of certainty as

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to what the business model will look like for Parks and Recreation following the pandemic that there is no way staff could know what that number should be at this point. He also explained that it is the intent to complete diversity, equity and inclusion analysis in 2021, which would help better inform cost recovery targets.

Councilmember Fox suggested the Council have a more comprehensive discussion regarding expectations for the City's various programs during the pandemic. Mayor McEnerny-Ogle suggested this would be a good topic for the Council's retreat in January and would help provide more certainty to staff.

Councilmember Stober thanked staff for integrating Council's desire to incorporate climate action, safety and equity throughout the policies. But he also requested staff not lose sight of the need to track safety data as well.

**Motion approved the request.**

## 2. Approval of Claim Vouchers

Request: Approve claim vouchers for November 16, 2020.

**Motion approved claim vouchers for November 16, 2020, in the amount of $4,842,568.96.**

## Public Hearings (Items 3-13)

## 3. Property Tax Affordable Housing Levy for 2021

Staff Report 156-20

**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 voters 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 a 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.*

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*Staff estimates that the City's Affordable Housing Fund property tax levy rate in 2021 will range between $0.22 per $1,000 of assessed value to $0.23 per $1,000 of assessed value, compared to the actual 2020 affordable housing fund property tax levy rate of $0.238 per $1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 5.2% 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 2020 $370,000* | *Levy Rate 2020 $0.23805 (per $1,000 assessed value; Affordable Housing Levy only)* | *2020 City Property Tax = $88.08* |
| *Assessed Value 2021 $389,240 (assumes assessed value increases 5.2%)* | *Estimated Levy Rate 2021 $0.22629 (per $1,000 assessed value; Affordable Housing Levy only)* | *2020 City Property Tax (hypothetical) = $88.08* |
| *AV increases 5.2%* | *Levy Rate declines* | *Annual tax increase $0.00 for this example taxpayer** |

**If the assessed value of the resident's property as a percentage increased by less than 5.2%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the City in 2020. If the assessed value of the resident's property increased by more than 5.2% 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 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Carrie Lewellen, City Treasurer, 360-487-8482*

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

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

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**Motion by Councilmember Stober, seconded by Councilmember Lebowsky, and carried unanimously to approve Ordinance M-4310.**

4. **General Property Tax Levy for 2021**

Staff Report 157-20

**AN ORDINANCE** relating to the annual property tax levy; authorizing an increase of 0.602% 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 2021 levy calculations is 0.602%.*

*Staff recommends that City Council approve a 0.602% increase in the property tax levy. Because the inflation rate is lower than the 1.0% limit, the 0.60152% increase is the maximum increase allowed. Based on last year's General Fund levy of $51,357,181.44, the increase will be $309,170.23. 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 2021 will range between $1.93 per $1,000 of assessed value to $1.98 per $1,000 of assessed value, compared to the actual 2020 general fund property tax levy rate of $2.0376 per $1,000. The decrease in the property tax levy rate is attributed to assessed values in the City increasing by approximately 5.2% 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 2020 $370,000* | *Levy Rate 2020 $2.0376 (per $1,000 assessed value; General Fund Levy only)* | *2020 City Property Tax = $753.91* |
| *Assessed Value 2021 $389,240 (assumes* | *Estimated Levy Rate 2021* | *2021 City Property Tax (hypothetical)* |

| | | |
|---|---|---|
| *assessed value increases 5.2%)* | *$1.948 (per $1,000 assessed value; General Fund Levy only)* | *= $758.24* |
| *AV increases 5.2%* | *Levy Rate declines* | *Annual tax increase $4.33 for this example taxpayer** |

**If the assessed value of the resident's property as a percentage increased by less than 5.2%, the resident's annual taxes would be equal to or slightly less than the taxes paid to the City in 2020. If the assessed value of the resident's property increased by more than 5.2% 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.*

*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 $331 million of new construction, which translates into $675,000 of additional City property tax revenue, which is slightly less than the $800,400 received for new construction values for 2020 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 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Carrie Lewellen, City Treasurer, 360-487-8482*

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

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

**Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve Ordinance M-4311.**

5.

# Substantial Need to Increase Limit Factor to 101% for Property Tax Levy in 2021

Staff Report 158-20

**AN ORDINANCE** relating to the annual property tax levy; making a finding of substantial need; authorizing to bank future levy capacity in the City's regular levy equal to the limit factor of 101% for the 2021 property tax levy; making a finding of future substantial need and preserving unlevied property tax levy capacity for future needs; 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 2021 levy calculations is 0.602%.*

*Staff Report 157-20 recommends that City Council approve a 0.602% increase in the property tax levy. Because the inflation rate is lower than the 1.0% limit, the 0.602% increase is the maximum increase allowed. Based on last year's General Fund levy of $51,357,181.44, the increase will be $309,170.23.*

*The City would like to preserve and bank the levy capacity between the IPD rate of 0.602% and 1.0%, thus increasing the limit factor to 101% in 2021.*

*Chapter 84.55.0101 RCW states that upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of one hundred one percent or less. In districts with more than four members, a majority plus one vote must approve an ordinance or resolution under this section. The new limit factor shall be effective for taxes collected in the following year only.*

*Banked capacity is the difference between the highest lawful levy that could have been made under chapter 84.55 RCW and the actual levy that was imposed, less funds levied not subject to the levy to the levy limit, such as refund levies. The amount of banked capacity changes each year because the highest lawful levy under chapter 84.55 RCW and the actual levy are recalculated. Having banked capacity for one year does not guarantee the district will have the same amount or more the following year. One way a district can protect its levy capacity is to pass the appropriate ordinances. If a district levies less than its highest lawful levy, it will have banked capacity. If a district levies at its highest lawful levy, it will not have banked capacity. When a district wants to use banked capacity, its ordinance must authorize a large enough increase as compared to the prior year's actual levy that will allow the district to levy at its highest lawful levy.*

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Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Carrie Lewellen, City Treasurer, 360-487-8482*

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

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

**Motion by Councilmember Paulsen, seconded by Councilmember Lebowsky, and carried unanimously to approve Ordinance M-4312.**

6. **Ad Valorem Taxes for 2021**

Staff Report 159-20

**AN ORDINANCE** fixing and levying the amount of ad valorem taxes necessary to balance estimated revenue with estimated expenditures for the 2021/2022 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 2021 real and personal property tax levy as $59 million, which includes a preliminary estimate of $675,900 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 2020.*

*City staff recommends that Council approve ad valorem taxes in the amount of $59 million, which is needed to fund the City's 2021-2022 biennial budget. Of the total, $53 million is for general fund purposes, and $6 million is for the affordable housing fund. Approving ad valorem taxes of*

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*$59 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 $58.4 million and $58.9 million in 2021. 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 $59 million for the 2021 real and personal property tax levy within the city limits of Vancouver. This estimated revenue source is necessary to fund the 2021-2020 Biennial Budget for the City of Vancouver.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Carrie Lewellen, City Treasurer, 360-487-8482*

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

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

**Motion by Councilmember Glover, seconded by Councilmember Paulsen, and carried unanimously to approve Ordinance M-4313.**

## 7. Affordable Housing Sales Tax Implementation

Staff Report 160-20

**AN ORDINANCE** of the City of Vancouver, Washington, imposing an additional sales and use tax of one-tenth of one percent for housing and related services as authorized by RCW 82.14.530; adding a new Chapter 3.15 to the Vancouver Municipal Code; providing for severability and establishing an effective date.

***Summary***

*The City has a dearth of affordable housing for very low income, homeless and nearly homeless residents as well as a need for additional behavioral health programs and services.*

*Current state law, (RCW 82.14.530) authorizes the imposition of an additional sales and use tax of one-tenth of one percent to be used for funding affordable housing. The state legislature passed HB 1590 providing Washington counties an exclusive right to impose the tax until September 30, 2020, and cities were given the right to impose the tax thereafter as long as the county they are located in had not already done so. The bill has* *expanded the method of implementation to include a councilmanic action. Clark County did not impose the additional sales and use tax by September 30, 2020.*

*At least 60% of the revenue must be used for constructing affordable housing, constructing mental and behavioral health-related facilities, or funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided. The affordable housing and facilities may only be provided to people within specified population groups whose income is 60% or less of the county median income. Median income in Clark County in 2020 for a family of four is $65,300 based upon the Vancouver Median Household Income (ACS 5 year) adjusted to the current year, with household size and unit rent using the methodology used by United States Department of Housing and Urban Development.*

*The affordable housing and facilities providing housing-related programs may only be provided to persons within any of the following population groups:*

*(i) Persons with behavioral health disabilities;*
*(ii) Veterans;*
*(iii) Senior citizens;*
*(iv) Homeless, or at-risk of being homeless, families with children;*
*(v) Unaccompanied homeless youth or young adults;*
*(vi) Persons with disabilities; or*
*(vii) Domestic violence survivors.*

*The remaining funds must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services. No more than 10% of the revenue may be used to supplant existing local funds.*

*Approval of specific projects funded by this new revenue source will come before Council in future meetings.*

*The new revenue is estimated between $4.2 and $4.5 million annually, depending on the strength of the economy. Revenue will be deposited into a new fund and tracked separately.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Natasha Ramras, Chief Financial Officer, 360-487-8484*

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

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

**Motion by Councilmember Paulsen, seconded by Councilmember Stober, and carried unanimously to approve Ordinance M-4314.**

## 8. Water, sewer and surface water ordinance changes pertaining to utility rates for 2021 and 2022

Staff Report 161-20

**AN ORDINANCE** related to the water, sewer and surface water utility user rates, amending Vancouver Municipal Code Sections 14.04.210, 14.04.230, and 14.09.060; providing for a savings clause, and providing for an effective date.

***Summary***
*Per City Council adopted financial and budget policies, to keep pace with increasing operational costs and in order to provide funding for the continued implementation of a long-term capital improvement and system reinvestment program without incurring debt, the following utility rate increases are recommended for implementation in 2021 and 2022:*

- *Water: an annual 5% increase each year 2021 and 2022*
- *Sewer: an annual 3% increase each year 2021 and 2022*
- *Surface Water: an annual 5% increase each year 2021 and 2022*

*The Water and Surface Water 5% rate increase consists of an inflationary component equal to 2% and a capital/system reinvestment component equal to 3%. The Sewer 3% rate increase consists of an inflationary component of 2% and a capital/system reinvestment component of 1%. Sewer capital/system reinvestment needs are being substantially met by reduction in debt service payments with most of the debt paid off in 2020.*

*Public Works is currently working with a consultant for a comprehensive review of the rate structure of each utility. Staff will be bringing recommendations resulting from the consultant's work for Council consideration in 2021.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Chris Malone, Public Works Finance and Asset Manager, 360-487-7711*

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

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

**Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve Ordinance M-4315.**

## 9. Garbage, Recycling and Organics Collection Rate Increases for 2021

Staff Report 162-20

**AN ORDINANCE** relating to the collection of solid waste, recyclable materials and organics, and amending certain sections of VMC 6.12 to increase or adjust rates and charges consistent with approved utility user taxes and rates and in accordance with current contracts for the coming year; providing for savings, severability and an effective date.

***Summary***
*City Council is the rate-making authority for garbage, residential recycling, and organics collection services within the City of Vancouver. The City contracts with a private hauling company, Waste Connections of Washington, to provide comprehensive garbage, recycling and organics collection services to residents and businesses within city limits. The contract terms authorize Waste Connections to receive annual adjustments to customer rates based on changing operating conditions including:*

- *an inflation adjustment factor tied to a percentage of the CPI and fuel costs,*
- *disposal tip fees,*
- *the number of customers served and,*
- *fees paid to the City to support solid waste related programs.*

*All adjustments to rates are made in accordance with Exhibit D of the contract. Garbage rates also include the City's utility tax that is embedded within them. The City's utility tax does not apply to recycling or organics collection services.*

*Consistent with the contract, the updated model for 2021 requires an increase of 3.3 percent for garbage rates, while recycling, organics and selected other fees, not linked to the disposal tip fee or utility tax, will need to increase by 1.0 percent, effective January 1, 2021. Key reasons for this increase are a 1.9 percent increase in the CPI, a 6.75 percent decrease in the diesel fuel index, a 1.6 percent increase in the disposal tip fees and an increase in the annual City Fee collected through rates to assure that current revenues are balanced with current solid waste fund expenditures. For the most typical residential customer with 32-gallons per week of garbage, every-other-week recycling and every-other-week organics*

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*collection (96-gallons for each) this means a monthly rate increase of 1.9 percent, from $32.64 per month to $33.27 per month, an increase of $0.63.*

*Inflation Adjustment Factor*

*Under the contract, collection costs for garbage, recycling and organics adjust at 80 percent of a blended and combined CPI (92 percent) and diesel fuel index (8 percent) – Inflation Adjustment Factor (IAF), which leads to a 1.0 percent increase for the collection cost component, the City fee and other miscellaneous fees.*

*Disposal Tip Fees*

*On January 1, 2021, the disposal tip fee is scheduled to increase $1.53 per ton (or 1.6 percent) from $95.86 per ton to $97.39 per ton. In addition to the allowed CPI increase on the base tip fee (going from $94.25 per ton to $95.72 per ton), this tip fee includes $0.24 per ton for additional work being done under the Clark County contract by Columbia Resource Company at the Central Transfer and Recycling Station ($0.06 of this is new for 2021 related to engineering and construction access improvements for safety) as well as $1.43 per ton for a surcharge approved by the Clark County Council in 2017 to make up for lost state funding for regional solid waste programs and planning.*

*Recycling Fees*

*The rates proposed for January 1, 2021, include adjustments to curbside (increasing from $3.27 to $3.30) and multi-family collection fees (increasing from $1.32 to $1.33) based on the Inflation Adjustment Factor (1.0%) detailed above as well as adjustments to the recycling processing surcharges which were added April 1, 2019, to recover costs associated with the local response to the global market issues and the ongoing need for supplying quality materials to these markets. Based on a review of operational factors, Clark County has indicated that the $74.76 per ton processing fee in 2020 will be adjusted to $68.11 on January 1, 2021. The processing surcharge for curbside customers will decrease from $1.59 per month to $1.46 per month. The processing surcharge for multi-family customers goes from $0.84 per month to $0.70per month. The combined impact for recycling fee components is a 2.1 percent decrease ($0.10 per month) in curbside recycling charges and a 6.1 percent decrease ($0.13 per month) in multi-family recycling charges.*

*Organics Fees*

*The rates proposed for January 1, 2021, include 1.0 percent adjustments to the organics rates which are tied to the Inflation Adjustment Factor. For the standard subscription service of 96-gallons collected every-other-week, the current rate of  $7.80 per month adjusts to $7.88 per month. Recommended 2021 rates at other levels of service, following the same every-other-week schedule, are $6.82 for 64-gallon carts, $5.76 for 32-gallon carts, and $4.70 for 20-gallon carts.*

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*City Fee*
*The new comprehensive collection contract with Waste Connections of Washington runs from April 1, 2019, through April 30, 2030. The City fee paid by Waste Connections each month in 2021 as a result of rate adjustments detailed above is $144,993.17. The 2020 monthly City Fee was set at $112,645.42. This 28.7 percent adjustment to the City Fee reflects two key factors: 1) reduced revenues over the last six years due to lower global recycling market commodity values, and 2) City Financial Management Policies included in the 2021-2022 Biennial Budget associated with: balancing current revenues with current operating expenditures (#3), exercising sound financial estimation of revenues through reasonably conservative but realistic assumptions (#8), applying the principle of full cost recovery in enterprise fund operations (#12), maintenance of working capital reserves (#21) and maintenance of designated liability funding reserves.*

*For 2021 overall, the typical residential customer rates for 32-gallons of weekly garbage service with recycling and organics collection increases 1.9 percent or $0.63 per month, under this recommendation. This reflects a $0.65 increase in garbage charges, a net $0.10 decrease in combined recycling collection rate and recycling processing surcharge fees, and a $0.08 increase in the organics charge. Households that have chosen different service levels may experience slightly different rate impacts.*

*Staff recommends adjusting customer rates as detailed in the Summary of Proposed 2021 Solid Waste Rates to meet the contractual obligations associated with the defined Inflation Adjustment Factor and to set the City Fee amount for the coming year. If approved, all adjustments will be effective January 1, 2021.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Julie Gilbertson, Solid Waste Supervisor, 487-7162; Rich McConaghy, Solid Waste Manager, 487-7165*

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

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

**Motion by Councilmember Stober, seconded by Councilmember Glover, and carried unanimously to approve Ordinance M-4316.**

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## 10. Amendments to VMC Titles 16 and 17 to implement fire and life safety program fee increases

Staff Report 163-20

**AN ORDINANCE** relating to updating the fire fees in Vancouver Municipal Code (VMC) Section 16.04.208 to more accurately reflect staff time by increasing fire's fees by five percent in both 2021 and 2022 to cover administrative costs associated with administering the corresponding programs; providing for savings, severability and an effective date.

**AN ORDINANCE** relating to updating the fees in Vancouver Municipal Code (VMC) Section 17.08.130 to more accurately reflect staff time by increasing fire's fees by five percent in both 2021 and 2022 to cover administrative costs associated with administering the corresponding programs; providing for savings, severability and an effective date.

***Summary***
*The City of Vancouver regulates building and fire administration with VMC Title 16 and Title 17. Fire fees shall maintain cost recovery associated with fire and life safety inspections, fire plans review and new construction inspection functions. A minor fee increase modification is proposed to Title 16 and 17 fee schedules in order to keep pace with inflation program costs.*

*The ordinances propose the following code amendments to Title 16 and 17:*

1. *Amend VMC Title 16, Section 16.04.280 Fees & Permits*
2. *Amend VMC Title 17, Section 17.08.130 Table VII – Fire Fee*

Request: On Monday, November 16, 2020, subject to second readings and public hearing, approve the ordinances.

*Heidi Scarpelli, Vancouver Fire Marshal, 360-487-7202*

Mayor McEnerny-Ogle read the titles of the ordinances into the record.

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

**Motion by Councilmember Paulsen, seconded by Councilmember Lebowsky, and carried unanimously to approve Ordinance M-4317, regarding VMC Title 16, and Ordinance M-4318, regarding VMC Title 17.**

## 11. Amend VMC 20.915 and the Park Impact Fee (PIF) Technical Document

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Staff Report 164-20

**AN ORDINANCE** relating to park impact fee adjustments; amending Vancouver Municipal Code Sections 20.915.050 and 20.915.100; changing the method and timing of fee adjustments; and providing for an effective date.

***Summary***
*Quality parks and open spaces are well recognized as an essential element for a community to realize economic stability and social and physical health. Future population growth is inevitable, and many of the policies in the City Comprehensive Plan aim to increase residential density in order to maximize efficient investment and use of the necessary infrastructure, including the green infrastructure of parks and open spaces.*

*The City of Vancouver implemented impact fees for transportation, schools and parks and open spaces in 1995 to meet the demands of future growth. As required by state regulations, PIF rates are calculated using a specified formula to determine the cost of public facilities at adopted standards to serve future growth. The current PIF program is structured to support acquisition and development costs for Neighborhood Parks, Community Parks and Urban Natural Areas. The formula also includes an adjustment for other taxes and fees paid by new development that contribute to park system improvements supported through PIF.*

*Current PIF rates vary slightly by park district due to the variations in land values across the city. Single and multi-family rates are calculated separately based upon the state statistical average for the number of residents per unit to reflect the proportionate impact, or use, of park facilities per person. This approach correlates to the park standard of providing 6 acres of park (5 acres) and open space (1 acre) per 1,000 residents.*

*The most recent rate update was implemented now sixteen years ago (2004), while transportation and school impact fees and other infrastructure costs are regularly updated to better represent actual costs to provide public services and infrastructure. Since 2004 there have been dramatic swings in the economy which continue to broaden the gap between current rates and the actual costs of providing parks and natural areas to serve our future residents.*

*Stagnant PIF rates have created a continual and perceptible decline in the park system level of service for our growing community. The City park inventory satisfies only 60% of our adopted local standard (5 acres of park land per thousand residents), 30% of the national standard (10 acres per thousand), and 41% of the median for jurisdictions with a comparable population (7.4 acres per thousand). A total of 21% of our park acres included in that percentage have yet to be developed, leaving an even larger percentage of residents without outdoor recreation opportunities*

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*within reasonable proximity of their homes. Most concerning is the growing inequity for available parks and open space in lower income areas as well as large sections on the east side that are notably unserved.*

*For the PIF program to serve future residents, PIF rates must reflect current costs and ongoing market fluctuations as much as possible. Park Impact Fees are the only committed funding source in the City financing system to support the 17,300 new residents anticipated over the next 10 years. The proposed rate update is based on the revenue needed to serve future growth, estimated at 17,300 residents over the next 10 years, consistent with the adopted standard, not to remedy existing deficits.*

*The biennium budget includes revitalization of existing parks which are, in part, aimed at correcting park deficits and delayed capital repairs for existing residents rather than future park needs. That said, continuing infill and higher residential density demands an increased user capacity at existing facilities to serve some percentage of future growth as well. This would include such things as replacing soft surface walking paths with asphalt or concrete, adding play equipment that serves a broader spectrum of age groups and accessibility, adding more picnic shelters throughout the city, more sites with restrooms and sports courts, etc. Likewise, development of existing ownerships such as Rose Village and Raymond E. Shaffer have remained undeveloped due to lack of funding but will serve both existing and future residents when developed, as will proposed new acquisitions in District B and C.*

## ***Proposal Summary***

### ***PIF Rates***

*Current PIF rates average $2,255 for single family and $1,648 for multi-family units, which support approximately 34% of the adopted standard based on estimated acquisition and development costs.*

*The attached ordinance implements the first two-year increases of the gradual six-year phased implementation fee increase as proposed in the PIF Technical document and discussed with Council in the context of a Stronger Vancouver conversation. The calculation of the fees is proposed to be simplified, establishing per single family unit and per multi-family unit fees, same for all three parks PIF districts of Vancouver.*

*To soften any potential impact to the building community, gradual six-year phased implementation fee increase with fee indexing initiated in year seven is proposed per Council direction. The phased implementation schedule is shown below as described in the PIF Technical Document. The specific rates as well as the average current PIF rates are outlined in the table below.*

| ***Year*** | ***Park District*** | ***% Increase*** | ***SF*** | ***MF*** |
|---|---|---|---|---|
| *2004-Dec. 1, 2020* | *A, B, C* | | *2,255 (Avg)* | *1,648 (Avg)* |
| *January 1, 2021* | *A, B, C* | *25% Increase* | *$2,819* | *$2,060* |
| *January 1, 2022* | *A, B, C* | *25% Increase* | *$3,523* | *$2,575* |

*This proposal eases the adjustment for local home builders and lessens the impact to new housing units as well as any secondary impacts to existing housing stock. The rate adjustment will improve the level-of-service for future neighborhoods, although at a level below standard.*

*Proposed revisions to the PIF program includes authorization for automatic annual fee indexing between major few reviews based upon the Consumer Price Index (CPI-W) (Seattle-Tacoma-Bellevue) to align the rate schedule with market fluctuations. Gradual market adjustments to the fee structure on an annual basis help to avoid significant rate adjustments in the future.*

*Every three to four years a detailed fee analysis will be completed for review by City Council to consider benchmark adjustments to PIF rates that may not be captured through the proposed indexing. Review of the fee analysis will include consideration of accomplishments in site acquisition and development to meet anticipated growth and concurrency compliance since the last fee analysis.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Julie Hannon, Parks and Recreation Director, 360-487-8309*

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

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

- Ryan Makinster, representing the Building Industry Association (BIA), expressed concerns regarding the proposed PIF increases, stating that taken in aggregate with other fee and tax increases, they can add to the cost of buying a home and unintentionally result in people being priced out of homes. Mr. Makinster stated he had submitted a letter (attached) on behalf of the BIA.

- Glen Yung, Vancouver, stated Vancouver has a housing crisis and a parks deficit, but stated the housing industry already pays more than its fair share toward the PIFs and the City should be contributing additional funding to address the parks deficit.

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

Councilmember Hansen stated he agrees the PIFs need to be increased, but he expressed concerns about the proposed rate at which the increases would happen. He stated he would prefer the increases be implemented more evenly over time, rather than steep upfront increases in the first several years of implementation, as proposed.

**Motion by Councilmember Stober, seconded by Councilmember Fox, and carried 6-1, to approve Ordinance M-4319. Councilmember Hansen voted No.**

## 12. Real Estate Excise Tax (REET 1) current tax revenue dedication update

Staff Report 165-20

**AN ORDINANCE** regarding the Real Estate Excise Tax (REET); amending VMC 3.20.040 to update the current distribution and use of revenues generated from REET 1; providing for an effective date.

***Summary***

*Current REET I revenue is split between parks and recreation and transportation. A total of 6% of tax proceeds, up to a maximum of $130,000 per year, has been set aside for neighborhood traffic safety program improvements to city streets. Sixty-eight percent (68%) of the proceeds, up to $1,956,000, is dedicated to support debt issued prior to 2008 for construction of the Firstenburg and remodel of Marshall recreational facilities. Up to a maximum of $250,000 above the other obligations set forth in this ordinance, has been dedicated for Parks and Recreation Capital. Prior to the end of 2019, a total of 20% of tax proceeds, up to a maximum of $450,000 per year, was dedicated to supporting the bonds issued for the completed construction of transportation infrastructure related to the Waterfront Access project.The economic development allocation of the revenue sunset at the end of 2019. The intent of the sunset in the allocation was to assure that the project generated sufficient tax revenue to support funding the debt until the expiration of the bonds. Tax revenue from the project is fully supporting the debt on the transportation project through 2031.*

*REET 1 revenue by state statutes may only be spent on funding of eligible public capital projects. Those projects have to be identified in the*

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*jurisdiction's Comprehensive Plan. Eligible use of funds include projects related to planning, acquisition, construction, reconstruction, repair, rehabilitation or improvement of streets, roads, parks, recreational facilities, trails, administrative and law enforcement facilities.*

*Creation of new family-wage jobs is one of the highest priorities of the City Council and the residents. The specific project to be funded by this allocation of funding will be brought for Council review during future budget actions.*

*The proposed action will allocate the remaining proceeds from REET 1, 20%, up to $1 million per year, indexed for inflation, to funding public infrastructure projects that facilitate private investment that results in creation of new family-wage jobs. The required ROI on the private investment projects is 10 years or less.*

*This proposal will not impact any other allocations of REET 1. Those are proposed to be updated based on the estimated 2020 REET revenues, both in terms of the dollar amounts and resulting percentages.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Natasha Ramras, Chief Financial Officer, 360-487-8484*

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

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

**Motion by Councilmember Glover, seconded by Councilmember Lebowsky, and carried unanimously to approve Ordinance M-4320.**

## 13. 2021-2022 City of Vancouver Biennial Operating and Capital Budget

Staff Report 166-20

**AN ORDINANCE** relating to and adopting the budget for the City of Vancouver for the 2021-2022 fiscal biennium; providing for ratification and for an effective date.

***Summary***

*The City of Vancouver 2021-2022 Biennial Budget has been prepared for approval. The Recommended Budget was published by the City Manager on October 1st, 2020, and was presented to Council in workshops held on*

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*October 5th, 12th, 19th, 26th and November 2nd. All of the changes to the Recommended Budget recommended by City Council through the course of the workshop discussions have been incorporated into the 2021-2022 Biennial Budget.*

*The 2021-2022 Biennial Budget appropriates $1.3 billion for both operating and capital expenses, representing a 3.2% decrease over the current 2019-2020 budget. It proposes using $57 million in existing cash reserves city-wide to fund both the capital program and one-time initiatives. A total of $1.0 billion is appropriated for all City operating funds and $0.3 billion for capital funds and related funding transfers. There are 15.0 full time equivalent (FTE) positions added, bringing the total to 1,192.8 FTEs by the end of 2022. A total of 20 existing positions are unfunded in the budget for the two-year period.*

***Operating Budget***

*Total 2021-2022 Operating budget in all City funds is $989 million. Of that amount, General, Street and Fire Budget appropriation for the two-year time period is $500 million. The 2021-2022 Budget continues to fully fund City reserves and depreciation accounts to the levels dictated in the Council-approved financial policies, while maintaining adequate operating capital throughout the biennium. The Budget also increases staffing in key areas, including economic development, diversity and inclusion, planning, capital project management, support services and increasing opportunities for succession planning. The General, Street and Fire Budget utilizes $18 million in existing cash reserves to fund one-time projects, including several strategic City initiatives, and a select number of capital projects. Approximately $39 million cash reserves in other operating and capital funds is utilized in the 2021-2022 Biennial Budget mostly to fund the City's capital program.*

*The 2021-2022 biennium anticipates continuation of paced recovery from the recession of 2020. The amount of economic uncertainty during the budget development process has been unprecedented, with the economy coming out of the deepest recession due to the pandemic and a high continued level of uncertainty related to changes in the spending patterns of society and the continued level of federal support of the economy. The revenue forecast is built on a conservative set of assumptions, including lower recreation revenue in 2021and subdued sales tax collections over the biennium.*

*The Budget moves forward several high priority initiatives advancing social justice, climate and safety priorities of City Council and the community. Some of the highlights of the initiatives in this area are outlined below:*

- *The Budget continues funding for coordination of the City's efforts to*

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*respond to homelessness. A cross-departmental team will continue to work with the homeless population on City streets.*

- *The Budget recommends setting aside $1.5 million per year dedicated to funding future recommendations from the Community Task Force on Policing, created in June of 2020, to review and make recommendations on establishing a body-worn camera program and use of force in policing.*

- *The Budget continues investment in expansion of the Affordable Housing in the City and recommends advancing a new funding source – Sales Tax for Affordable Housing, to build additional units for the most disadvantaged population of the City.*

- *The Budget includes support for the Fourth Plain Commons project using a combination of General Fund, CDBG funding sources and utilizing a Section 108 Loan to round out the funding of the project. The project will serve as an incubator for new businesses to revitalize the Fourth Plain Corridor. The loan will be repaid by the future CDBG funding.*

- *Public Safety uniformed staffing was largely protected from budget reductions to ensure continued community safety, including the 13 new positions that were added during the 2019-2020 biennium to staff the new Fire Station 11. Funding for the positions starts in April of 2022 to ensure staff are trained and available to staff the new Station that is anticipated to come online in late 2022 or early 2023.*

- *The Budget also includes a number of funded planning efforts, such as: developing a Civic Center master plan for the vacant land surrounding City Hall and the Hilton Hotel and Convention Center, the largest remaining contiguous vacant land in the downtown core; and completion of the Transportation System Plan update, the guiding policy for hundreds of millions of dollars in future investments in the City's transportation system. The recommended Budget also includes funding for implementation of the Heights District Plan.*

- *Included is funding for planning and build-out of the four new Complete Streets projects in different parts of town: NE 112th Ave, NE 51st Circle to SE Mill Plain Blvd to tackle safety issues, congestion and lack of connectivity; SE 34th Street, SE 164th to SE 192nd Ave; Fort Vancouver Way, Mill Plain Blvd to Fourth Plain Blvd, as well as planning efforts to begin on Fourth Plain Pedestrian improvements and addressing existing safety issues at Devine and 18th Street.*

*The budget is built on assumption of certain revenue increases over the biennium. Those include the statutorily authorized 0.6% increase in property tax revenues, for each year of the biennium, rate adjustments for*

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*sewer, water, surface water and garbage utilities to reflect inflation and fund depreciation costs already included in the Vancouver Municipal Code.*

*The budget includes $4 million per year in the Affordable Housing Local Sales Tax to fund new units of housing for households earning below 60% of the area median income. The budget also includes new capital projects in Parks funded by an increase in park impact fees. The fees on new single and multi-family residential construction have not been raised since 1994. The budget incorporates re-dedication of a portion of REET 1 funding to projects facilitating economic development and new job creation in the City. Other revenue increases include optimized fee rates in fee-for-service areas, such as building, fire marshal review and inspection, parking and planning.*

*Attachment B to the Ordinance outlines all changes in staffing included in the 2021-2022 Biennial Budget. The budget adds 15 new positions and freezes 20 existing positions, most of them vacant, across City operating departments. Most are added to address staffing deficiencies in key strategic areas, like economic development, diversity and inclusion, planning and city capital program management. The Budget includes adding two positions in the City Manager's office: an FTE for a Director of Diversity, Equity and Inclusion and supporting resources to champion and coordinate City internal and external efforts in promotion of social equity and justice causes, and a new Assistant City Manager FTE to augment strategic City management resources. These and all other changes in staffing are outlined in the Attachment B.*

***2021-2022 Capital Budget***

*The City has nearly $2 billion in capital assets (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 2021-2022 Biennial Budget.*

*Attachment C to the Budget Ordinance displays a list of all projects included in the City of Vancouver's 2021-2022 Capital Budget. The $269 million capital program includes $180 million for projects in multiple functional areas; additional appropriation of $89 million is related to funding transfers. Below are some highlights:*

- *Utilities projects totaling $102 million, include:*
    - *Water fund projects totaling $49 million include $20 million for the Water Station 5 reservoir to replace infrastructure components and rehab the existing lining for the aging steel*

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*tank, $6.5 million to continue construction of twin reservoirs constructed in 1909 and in the 1930s at Water Station 1 with two new seismically sound 4 million gallon reservoirs.*

- *Wastewater utility appropriation totaling $46 million includes a $6 million replacement of lagoon diffusers that have deteriorated with age, $3 million for a two-phase east interceptor rehab from Marine Park Water Reclamation Facility and upstream using trenchless technology, $3 million for the continuation of upgrading Programmable Logic Controls (PLC) hardware and operating platforms at both the Westside and Marine Park treatment plants, and a variety of other collection and treatment projects.*

- *Surface water appropriation of $8 million to keep up with the NPDES regulations including water quality and inspection programs.*

- *General Capital Projects include:*

  - *New Fire Station 11 construction primarily funded by Fire District 5 expected to be completed in late 2022, early 2023.*

  - *Purchase of the new Police Headquarters on Chkalov for $11 million in 2022 per the lease agreement using cash reserves in the General fund.*

  - *Officers Row roof replacements at the Grant House and Howard House and additional sidewalk repairs for $0.5 million.*

  - *Continued designed work on Replacement of the Operations Center. Funding is split between the General Fund and Water fund. This investment will result in a vastly more efficient, effective, and resilient facility that will better meet our daily operating and emergency response needs.*

  - *General Capital asset management program of $15 million includes major maintenance projects like roof replacements at VPD East Precinct, Fire Station 4 and Slocum House, and exterior masonry, sealing, painting, and server system upgrades at various city facilities.*

- *The Budget allocates $37.5 million for transportation capital project funding, funded by a combination of the vehicle license tab revenues, grants, impact fee revenue and local cash resources. The program includes the following projects:*

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- *SE 1st Street – 177th Ave to 192nd Ave. for $10 million, and SE 1st St – 164th to 177th for $9 million to fund the second phase of the urban arterial upgrade of an existing 2-lane rural road to increase safety, mobility and livability, and meet future subarea needs;*

- *137th Ave Corridor – 49th to Fourth Plain Blvd for $3 million in street improvements;*

- *Westside Bike Mobility for $2 million focusing on the first phase of the Columbia Street corridor to include traffic calming and bicycle and pedestrian improvements in coordination with pavement management;*

- *Various other traffic management projects and street and sidewalk improvements, including $1 million in Main Street improvements.*

- *Parks Capital program totals $8 million. The program includes funding for park land acquisitions in districts 2 & 4 using the City's Park Impact Fee resources, and major renovations and expansions at parks including North Image, Oakbrook, Peter S. Ogden, Rose Village and Jaggy Road. Shaffer park design is included at a cost of $1.3 million. This project is funded by the proposed increase in the City's parks impact fee revenues, planned for 2021-2022.*

*The 2021-2022 Recommended Budget addresses the top priorities of the community while exercising a high level of fiscal constraint in its use of City resources. The budget is balanced by using ongoing revenues, and one-time expenses are funded by existing cash. The budget sets initiatives in place that will bear financial savings in future biennia and will temper the growth in city expenditures.*

Request: On Monday, November 16, 2020, subject to second reading and public hearing, approve the ordinance.

*Natasha Ramras, Chief Financial Officer, 360-487-8484*

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

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

- Rheta Rubenstein, Ridgefield, Washington, requested the Council reinvest a portion of the proposed police budget into social services and crisis intervention programs.

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- Danielle Jokela, Vancouver, submitted a statement (attached) on behalf of a number of community organizations, requesting the City invest in programs to address structural issues rather than policing vulnerable populations and reinvest shared marijuana tax revenues. She also asked why the City purchased the building at 521 Chkalov at almost double the assessed value for the property.

- Mike Jokela, Vancouver, expressed concerns about the purchase price of the building at 521 Chkalov, and requested the Council reinvest a portion of the proposed police budget into social services and crisis intervention programs.

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

Councilmember Stober stated he has served as a board member for Daybreak Youth Services for many years, and addiction recovery is an issue he is passionate about. He stated that substance abuse and mental health disorders are diseases, but instead of assigning public health resources to address these issues, cities invest in public safety officers. He stated the vast majority of the proposed biennial budget represents his values, but asking police officers to be social workers and public health officers does not. However, he stated the current model is too deeply embedded in the City's budget for an easy solution. He stated he is not calling for a reduction of the police department's budget at this time, but stated the City is asking officers to do more than they can accomplish. He requested the Council's support for a conversation in 2021 regarding where they want the City's limited police force to be focused and how the City can change tactics regarding social services and mental health. He stated he believes this conversation will be foundational to the City's intentions for addressing equity and the health of the community.

Councilmember Paulsen stated this is a challenging and nuanced issue, which is further complicated by the County and City jurisdictions. He noted many of the social services being called for fall within the County's purview; however, it is not appropriate for the City to completely recuse itself from these matters either. He stated he looks forward to future conversations on this matter and encouraged the community members who have been speaking to the City Council to also participate in the County's next budget process, which was recently launched.

Councilmember Lebowsky agreed with both Councilmember Stober's and Councilmember Paulsen's statements, and she stated she supports what community members have said but expressed concerns regarding the maintaining of adequate levels of policing for a city the size of Vancouver.

Councilmember Glover echoed the comments of the other Councilmembers and stated she looks forward to beginning this conversation at the Council's next retreat.

Councilmember Fox asked Mr. Holmes to address the issue of the building

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purchased at 521 Chkalov, as there seems to be some confusion about the details of that purchase. Mr. Holmes explained the City initiated purchase of that building more than a year ago, and an appraisal was completed before the lease purchase option was brought forward to Council. He stated the terms of the agreement were mutually agreed upon and called for the City to purchase the building in 2022. He noted that one of the biggest challenges is the assessed value of a property typically is dramatically lower than the market value. At the time of the appraisal, this building was assessed at $8.9 million. With the purchase prospective about three years in the future, the City agreed on a fixed price of $10.6 million. He noted the purpose of the purchase was to provide a dedicated, appropriate space to train the City's police force, as well as locate the VPD headquarters in a central location with good access to highways and arterial streets. He noted the terms of the agreement have been audited by the State Auditor's Office.

Councilmember Hansen stated he appreciates the comments from the community and the other Councilmembers, and agrees that a broader conversation is needed. He stated he is not that interested in divesting funding from the police department, but rather investing in body-worn cameras and additional training.

Mayor McEnerny-Ogle stated that prior to its retreat, Council will need to do some research into everything VPD officers are responsible for and the different relationships the department has with regional jurisdictions.

**Motion by Councilmember Hansen, seconded by Councilmember Paulsen, and carried 6-1 to approve Ordinance M-4321. Councilmember Stober voted No.**

## Communications

### A. From the Council

### B. From the Mayor

a. Interstate Bridge Update

Councilmember Lebowsky disclosed that she is employed by Washington State Department of Transportation.

Mayor McEnerny-Ogle provided the Council with an update on the Interstate Bridge Replacement Program, including an overview of the recent meeting of the Executive Steering Group and a summary of next steps.

b. Resolution requesting a broadband feasibility study

Councilmember Hansen recused himself from this discussion, noting he is

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employed by Clark Public Utilities.

Mayor McEnerny-Ogle introduced a draft resolution (attached) that would call for a Clark Public Utilities feasibility study into improving broadband access in Clark County. She noted that C-TRAN will be preparing for the Mill Plain Bus Rapid Transit infrastructure, which will require opening up the road, at which time conduit and fiber optics would be laid. She stated it would make sense during this time for CPU to have an opportunity to understand how to strengthen broadband throughout the community. She noted that the economy is dependent on strong technology more than ever.

Council expressed support for this resolution by consensus.

Councilmember Paulsen requested that fiber be specifically named in the resolution as something to be strongly considered.

Mayor McEnerny-Ogle stated the resolution would be amended with that suggestion and brought back for Council adoption at the next meeting.

### C. From the City Manager

## Adjournment

8:14 p.m.

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Anne McEnerny-Ogle
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Anne McEnerny-Ogle, Mayor

Attest:

DocuSigned by:
Natasha Ramras
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Natasha Ramras, 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.

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BUILDING INDUSTRY ASSOCIATION
OF CLARK COUNTY

Mayor Anne McEnerny-Ogle
Vancouver City Council
Vancouver City Manager
City Hall
415 W. 6th St.
Vancouver, WA 98660

November 16, 2020

Dear Mayor McEnerny-Ogle and Council:

I am writing you today on behalf of the Building Industry Association of Clark County (BIA) and its 700+ members, in opposition to the park impact fee increases as presented.

As noted, our previous letters and testimony and as stated by council members in many past meetings, Vancouver and more generally Clark County, are facing a housing affordability crisis.

Housing affordability is an ongoing issue, and any cost increase is counterproductive to addressing the situation at hand. All additional costs incurred by homebuilders, their suppliers, and subcontractors have a direct and immediate impact on the price of every new home. Contrary to a popular claim, builders cannot absorb these costs. With median housing prices far above the affordability level of most Clark County residents, builders in the mid to entry-level market must squeeze every cost efficiency out of each home, including their profit margin, to have a marketable product. This leaves them little room to absorb new costs. Lumber costs alone have skyrocketed to 3 times their previous level in recent months, and although this is not expected to continue indefinitely, it has squeezed any margins out of most projects. The same "margins" that some say can absorb the increasing costs of government requirements.

As stated before, the total cost of housing must be considered when these proposals are debated. Some of the costs attributable to government action include impact fees, permit fees, the WA Real Estate Excise Tax, regulatory compliance, and others. Unfortunately, many of those increases are out of your control, so they only way for you, as local elected officials, to address the rising cost of government regulation is through your consideration of these costs as part of your process.

This is not just a hypothetical exercise, this cost-benefit balance is before you as you consider this and the sales tax increase for affordable housing. On February 1, new building and energy codes will become law and will add, at a minimum, approximately $6,000 to every home built. This additional cost will price some buyers out of the market, while making other projects uneconomical. This must be considered when contemplating the proposals before you.

The retail sales tax increase is highlighted as another consideration, not to speak in opposition, but to show that increasing costs through separate mechanisms, however seemingly reasonable alone, add up to costs that are not insignificant, especially in light of the affordability crisis we face. For a home priced at the median, the cost of the combined PIF and tax increase will be $933 in 2021. In 2022 that increase would be $1,637 over todays price. According to a NAHB study released this year, this would price 724 Clark County residents out of a new home next year and 1,270 in 2022. This is based on the most recent annualized data which assumes the median price of a home in Clark County is $369,000. However, in an article titled "Clark County housing market trend continues" published in The Columbian on October 13, 2020 data provided listed the median price of a home sold in Clark County at $420,000.

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It is also important to note that through an independent poll and the City's own Stronger Vancouver outreach effort, we have learned that the residents' most pressing concerns are homelessness and housing affordability. Two concerns this council is contemplating today through another cost increase that will fall on housing to pay a significant part of. After those top two issues, public safety is also a concern. Parks improvements are toward the bottom of the list with maintaining current parks garnering more support than remodeling current or adding new parks. Both of which are at the bottom of the list of priorities.

Since PIFs are limited to paying for new capacity due to growth only, not for maintenance or to address existing capacity deficiencies, the idea of increasing PIFs drastically seems out of line with the goal of the addressing housing affordability and desires of the community.

The housing market throughout the value chain is affected by a price increase anywhere along the spectrum, which ultimately affects those just trying to stay housed. Unaffordable or nonexistent housing in the middle and entry level markets prevents empty nesters and others from downsizing, others from trading up, and renters from moving in; all of which trickles down to the affordability and availability of rental units. Pricing is not the only concern in this crisis. If the added costs don't pencil out, housing options at these price points will not get built, further restricting an inventory already far below needed capacity.

According to a report released by Up for Growth in January, between 2010-2017, for every household formed in Clark County, only .77 housing units were built. Home builders are in the business of building homes, and the fact that they are not able to supply demand, requires us to look at pricing and affordability as one limiting factor.

Housing affordability is not a localized problem or one that can be solved exclusively through local solutions; it is a regional problem in which each jurisdiction has a role. Clark County is one of the least affordable markets in the state with a median home price of $369,000 and a median income of only $75,000. This income level is approximately $23,500 less than what is needed for an affordable mortgage leaving about 65% of our citizens priced-out of the home market. This problem is further compounded by the "missing middle" that exists in our housing inventory. Lower priced starter homes, condos, and townhouses are missing due to statutory requirements, ever increasing regulation, and the cost of land, materials, and labor.

As elected officials, you have many hard decisions to make, especially in the current environment. On behalf of 700+ businesses in the home building industry, BIA of Clark County respectfully reminds you that by adopting these PIF increases you are making home ownership more costly and unattainable for Clark County citizens. Please take careful consideration of this proposal before supporting it.

Ryan Makinster
Government Affairs Director

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November 9, 2020

Addressed To: Mayor Anne McEnerny-Ogle

Council Members Bart Hansen,
Ty Stober,
Linda Glover,
Laurie Lebowsky,
Erik Paulsen,
Sarah Fox

CC: City Manager Eric Holmes

Submitted electronically by Danielle Jokela danielle.jokela@gmail.com

Honorable Mayor and Esteemed Council Members:

As you prepare to adopt the 2021-2022 budget, we urge you to pause and join the residents of Vancouver in reimagining public safety across our communities. The ritual of pouring an ever-increasing amount of our city's funds into law enforcement has not yielded safer, more secure neighborhoods and has not provided the dollar-for-dollar value that responsible financial policy demands.

The proposed budget gives the Vancouver Police Department $118.8 million, representing nearly 34% of the general fund. That's more than a third of our city's general fund spent on policing alone. When considering this enormous investment, a responsible fiscal manager must ask a deeper question: Are the people of Vancouver receiving the full value of that investment? The evidence does not show that we are.

When we rely on police to respond to social crises because of a dearth of more appropriate publicly funded services, it undermines the value of our public investment. Paying our police to disrupt and relocate community members who are unhoused does not address the underlying issues leading to homelessness. Arresting people experiencing acute mental health crises or struggling with substance abuse does not address their need for medical or social assistance. Policing these vulnerable populations without tackling the contributory structural issues simply creates a cycle wherein the public is continuing to pay the police to repeatedly engage in these activities without actually solving chronic public-safety challenges.

The city's use of the marijuana tax fund acutely demonstrates this imbalance of investment and value. Vancouver received $600,000 in marijuana tax revenue in 2018, per the 2019 Annual Report to Citizens. Rather than being reinvested in evidence-based programs related to substance abuse, economic development, criminal-justice reform, research, or education, the funds were used to hire six additional police officers. The current approach ignores that — per public-health experts — every dollar invested in prevention saves an average $5.60 in future health spending.

Similarly, the city's proposal to buy the currently leased property at 521 SE Chkalov Drive for VPD headquarters does not appear sound. The proposed 2021-2022 budget allocates approximately $10.5 million for this purchase, more than double the 2020 tax-assessed value of just over $4.5 million.

This discrepancy creates questions about the fiscal responsibility of the purchase and the accuracy of the assessment.

Achieving public safety requires that we invest in services that support, strengthen, protect, and uplift our communities. As you move forward with deciding how our tax revenue will be allocated, it's critical that you examine not just the black and white numbers in a budget but the value received for every dollar spent. Awarding over a third of our general fund to police without evidence of a return justifying such a significant allotment starves our communities of better outcomes and thwarts our city's highest goals.

Before adopting the proposed budget, we ask the Vancouver City Council to:

- Analyze and report on the return our communities would receive in allocating 34% of the general fund to law enforcement.
- Secure and publicly disclose a current, independent fair-market-value appraisal of the above-mentioned Chkalov property.
- Ensure that any deal to buy the above-mentioned Chkalov property protects the taxpayers' interest.
- Provide a thorough return-on-investment analysis of direct services regarding crisis intervention, mental health, homelessness, and addiction recovery.
- Direct the City Manager to recommend how pertinent portions of the allocated police budget can be reallocated to crisis intervention and the other above-mentioned direct services.

Thank you for your prompt attention and courteous consideration.

Sincerely,

| | |
|---|---|
| Clark County Justice Group | Joyce Brekke<br>Shareefah Hoover<br>Rheta Rubenstein<br>Howard Rubenstein<br>Danielle Jokela<br>Mike Jokela |
| OutsidersInn | Ren Autrey<br>Adam Kravitz |
| NAACP Vancouver 1139B | Bridgette Fahnbulleh, President<br>Andrea Marzette |
| NAMI SWWA | Kim Schneiderman, Executive Director<br>Michelle Bookout, Board President<br>Jim Luce |
| SWWA LULAC Council 47013 | Ed Hamilton, President |
| M.O.M.S. | Cindi Fisher, Founder |

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|---|---|
| Family of Carlos Hunter | Nickeia Hunter<br>Pamela Hunter<br>Henry Hunter |
| Jubilee Collective | Rev. Lenny Duncan |
| Sunrise Movement SWWA | Tiffany Burnette<br>Philip Englund<br>Monica Zazueta<br>Tristan Weber<br>Anastasia Pyz |
| Vancouver for Peace | Mike Ellison |
| Community Volunteers | Chelsea Unger, Cowlitz Indian Tribal Member<br>Karyn Kameroff, Choctaw Tribal Member<br><br>Shoshanah Epstein, Esq., WSBA # 48956<br><br>Elizabeth Madrigal<br>Erin Clabaugh<br>Sam Lohmann<br>Janet Birgenheier<br>Rebecca Keith<br>Mary Laski<br>Judy Bumbarger-Enright |

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11.16.2020

Thank you, Madam Mayor, Council Members, and Staff:

My name is Mike Jokela, and I am resident of Vancouver. (98660)

I would like to emphasize the need to financially focus on addressing the underlying causes of why crime may occur rather than spending more money on policing. If a resident has better access to housing and economic opportunities, I believe an individual would be less likely commit crime; therefore the need for police would be lessened if more resources were given to address needs of health, housing, food and job security.

In an April 20, 2018 article from the Brennan Center, it stated that "…crime reduction is difficult without addressing problems stemming from chronic poverty." The article points to research of how the role of new non-profit community groups that focus on crime prevention, neighborhood development, substance abuse, workforce development, and youth programs have a positive effect in reducing a city's crime rate. Substance abuse programs were responsible for the largest drops, followed by workforce development organizations. I have included a copy of this article with my testimony.

Looking at the $10.6M in the new budget for the VPD headquarters, $10M could have had such a great impact spent elsewhere. One of the reasons the City needed a new building for the VPD is that the City Council increased their budget and staff greatly over the past several years. I do not see evidence this approach of dollar dumping into police is working in reducing crime.

I have asked the City Manager's Office if an appraisal has occurred for the 521 Chkalov building and have yet to receive a response. I would like to see this appraisal if it has occurred, or if has not, then one should be performed before the City purchases this building to follow the WAC and to get the best deal. I believe the property owner may be over-inflating the value of this building. Without proper control of this capital expenditure, it appears to be a bad deal for the city.

I also again request that the City Council address the Marijuana Tax revenue sharing from the State of Washington. I request that this money not be allocated to the VPD now or in the future. It would be much better spent elsewhere to address the underlying causes of health and socio-economic hardships residents face in Vancouver. Perhaps the new cross-departmental task force to end homelessness could be granted authority to allocate these state funds to assist and empower the unhoused.

I agree the police department may still play a role in our community however we must further invest in our community directly to empower and lift our residents. We must invest in ways to build not bully. Assist not attack. We should reimagine public safety to prevent crime, so together we may look to a brighter future and a stronger Vancouver.

Thank you for your time and consideration.

Mike Jokela

ANALYSIS

# Community Organizations Have Important Role in Lowering Crime Rates

Research shows that in a city of 100,000, each new nonprofit community organization lead to a 1.2 percent drop in the homicide rate, a 1 percent reduction in the violent crime rate, and a 0.7 percent reduction in the property crime rate.

Noah Atchison | April 20, 2018

Earlier this year, President Donald Trump declared April "Second Chance Month." He asked Americans to focus on ways to prevent crime while supporting activities that give formerly incarcerated individuals another opportunity to successfully live and work in communities around the country.

It's a sentiment that can contradict the administration's draconian crime policies. But it's a goal that most criminal justice reformers share with him. One way to get there, according to **research from sociologists at New York University**, is to support community organizations. This study provides empirical evidence for something community organizers have **said for decades**: crime reduction is difficult without addressing problems stemming from chronic poverty. These organizations play a significant role in reducing crime rates not by changing justice system policy but by providing more support for individuals without a wealth of economic resources.

Researchers at NYU compared crime rates and the formation of new nonprofits that focus on crime prevention, neighborhood development, substance abuse, workforce development, and youth programming across 264 cities in the U.S. between 1990 and 2013. They found that in a city of 100,000, each new nonprofit community organization lead to a 1.2 percent drop in the homicide rate, a one percent reduction in the violent crime rate, and a 0.7 percent reduction in the property crime rate. Substance abuse programs were responsible for the largest drops, followed by workforce development organizations.

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One of the best ways to prevent crime is to provide more resources and support to low-income communities. For policymakers, this means expanding access to substance abuse and workforce development programs, two services that have become increasingly inaccessible even as demand for them has grown.

The cost of a two-year degree at a public college has **more than doubled since 1990** (adjusted for inflation), making low-cost workforce development programs the most affordable option for millions of Americans. Similarly, private substance abuse treatment programs can cost **tens of thousands of dollars a year**, making free or low-cost services from community-based nonprofits the only realistic way for many people way to receive treatment.

Affordability aside, access to drug abuse treatment programs in low-income communities and communities of color is **significantly lower** than in more affluent, whiter communities. While the positive effect of substance abuse treatment on crime rates has been known for **decades**, community organizations remain the sole providers of affordable treatment in neighborhoods across the country.

Too often, incarceration has been used as a solution for drug abuse issues, and a substitute for treatment. That dynamic has helped fuel mass incarceration in America. We at the Brennan Center estimate that nearly 40 percent of the U.S. prison population, or 576,000 people, are behind bars for **little or no public safety reason**. And we've found that incarceration drove very little of the crime decline in recent years. As we note in our 2015 report ***What Caused the Crime Decline?***, social and economic factors had a more significant impact on public safety.

Federal legislation such as the **Reverse Mass Incarceration Act** would provide resources to states to pursue creative approaches to helping communities bring down crime, while bills like the **Sentencing Reform and Corrections Act** would help fix our misguided use of overly-harsh punishments to reduce crime. While more research is needed to improve our public response to crime, supporting the community organizations that helped drive the crime decline is an excellent place to start.

**RELATED ISSUES:**

**End Mass Incarceration**

Accurate Crime Data

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**Resolution to Request a Feasibility Study for**

**Improved Broadband in Clark County by Clark PUD**

Whereas, access to broadband internet service is critical to full participation in society and the modern economy, and

Whereas, increasing broadband access to unserved and underserved areas of the county serves a fundamental governmental purpose and function and provides a public benefit by enabling access to health care, education, employment opportunities and essential services, providing economic opportunities, and enhancing public health and safety, and

Whereas, achieving affordable and quality broadband access for all will require additional and sustained investment, research, local and community participation, and partnerships between private, public, and nonprofit entities, and

Whereas, the federal communications commission has adopted a national broadband plan that includes recommendations directed to federal, state and local governments to ensure efficient allocation and management of assets that the government controls or influences to encourage network upgrades and competitive entry; and reform current universal service mechanisms to support deployment in high-cost areas, ensuring that low-income American can afford broadband, and supporting efforts to boost adoption and utilization; and

Whereas, sustainable and reliable infrastructure helps build strong economies and equitable communities, and

Whereas, the COVID-19 pandemic has only increased the pressing need for countywide equitable high-speed broadband internet infrastructure, and

Whereas, reliable broadband bridges the digital divide between urban and rural communities, regardless of neighborhood, and

Whereas, new, innovative programs that focus on digital equity and inclusion and target the most underserved residents in our cities is possible, and

Whereas, strong cities need protected and improved public authority to provide broadband service, and

Whereas, cities can promote greater access to high-quality, affordable internet service by working with public partners, residents, and service providers, and

Whereas, Washington State has set the ambitious broadband expansion goal that by 2026 all Washington businesses and residences would have access to broadband that provides 1 gigabit per second symmetrical (upload and download speeds) broadband service at anchor institutions like schools, hospitals, libraries, and government buildings.

DRAFT

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Now, therefore, be it resolved that Vancouver City Council formally requests that Clark Public Utilities District conduct a feasibility study to develop a plan that encourages, fosters, develops, and improves affordable, equitable, quality broadband within the county in order to:

1. Drive job creation, promote innovation, improve economic vitality, and expand markers for Clark County businesses;
2. Serve the ongoing and growing needs of Clark County's education systems, health care systems, public safety systems, industries and business, governmental operations, and citizens; and
3. Improve broadband accessibility for unserved and underserved communities and populations.

DRAFT