Council Meeting Date: November 13, 2000 **Agenda Item:** 4(a)

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Continued Departmental Presentations for the 2001 Proposed Budget
DEPARTMENT:	City Manager
PRESENTED BY:	Larry Bauman, Interim City Manager LB

EXECUTIVE / COUNCIL SUMMARY

The first Council workshop regarding the 2001 Proposed Budget was held as part of the November 6 meeting. The November 13 Workshop will continue the presentations concerning the 2001 Proposed Budget being made by City directors and managers. These presentations are designed to provide a brief overview of each budget section followed by Council questions and discussions. Any of the presentations scheduled for the November 6 meeting but not completed may be held over to this second budget workshop. With Council's consent, we are beginning the November 13 workshop at 6:00 p.m. and we will break from the budget workshop to conduct the regular agenda at 7:30 p.m. A third workshop is tentatively scheduled for 6:30 p.m. on November 20 if necessary to complete any outstanding budget presentations or discussions. The budget hearing is scheduled for the November 27 meeting at 7:30 p.m. and budget adoption by Council is scheduled for that same meeting. The Mt. Rainier Room is reserved for all meetings. The meeting place, dates, and times of each meeting have been advertised in a variety of media to inform our citizens.

During the November 6 workshop, the following department budgets were scheduled for discussion: City Council, City Manager, City Clerk, Community and Government Relations, Health and Human Services, City Attorney, Finance/Information Services, Citywide, Human Resources, Public Safety, Planning & Development Services, and Parks and Recreation. In addition to any budget sections that may be held over from the November 6 meeting, the November 13 workshop will consist of presentations for the following budget sections:

Public Works
Capital Improvement Program

RECOMMENDATION

No action by Council is necessary at this time.

Approved By: City Manager City Attorney

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, October 9, 2000
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Hansen, Councilmembers Grossman, Gustafson, Lee, Montgomery and Ransom

ABSENT: None

1. CALL TO ORDER

The meeting was called to order at 7:30 p.m. by Mayor Jepsen, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Jepsen led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmember Montgomery, who arrived shortly thereafter.

3. REPORT OF CITY MANAGER

City Manager Robert Deis noted that Council cancelled its October 16 workshop meeting.

4. REPORTS OF BOARDS AND COMMISSIONS: None

5. PUBLIC COMMENT

(a) Frank Moll, 15568 11th Avenue NE, noted his participation on the advisory committee of the North Rehabilitation Facility (NRF). He advised that the NRF buildings are 60 years old and vulnerable to fire. He advocated that Council and City staff help to expedite the construction of a new facility. He mentioned that the Ridgecrest Neighborhood Association supports this request.

Councilmember Montgomery arrived at 7:35 p.m.

(b) Sally Granger, 16804 16th Avenue NE, said she has participated on the NRF advisory committee since 1995. She asserted the excessive costs of running the dilapidated NRF facilities. She quoted from a letter to Governor Gary Locke in which State Representatives Carolyn Edmonds and Ruth Kagi state "The physical condition of the facility poses serious health and safety risks to inmates and staff." She urged the City to expedite the permitting process for new NRF facilities.

(c) Bill Bear, 2541 NE 165th Street, discussed the support of Briarcrest Neighborhood residents of NRF. He mentioned the meeting about the renovation of NRF that the Briarcrest, Ridgecrest and North City Neighborhood Associations sponsored in April. He encouraged the City to support the efforts of NRF to obtain a new building.

Mayor Jepsen said the City is "extremely proud" of its relationship with NRF. He noted a discussion of capital planning and improvements for the NRF facility at a recent meeting with representatives of King County. He asserted that the City is working with the County and the State to facilitate the improvements to the NRF facility.

Mayor Jepsen confirmed Council consensus to suspend the rules to allow U.S. Representative Jay Inslee to speak.

Representative Inslee announced a $6 million line item in a federal transportation appropriations bill for the Aurora Corridor Project. He asserted that the federal government recognizes what the City has been doing, in conjunction with the community, to advance the Aurora Corridor Project. He expressed his support of the project.

Mayor Jepsen thanked Representative Inslee for his work in securing the line item in the appropriations bill.

6. APPROVAL OF THE AGENDA

Councilmember Lee moved approval of the agenda. Councilmember Montgomery seconded the motion, which carried unanimously.

7. CONSENT CALENDAR

Councilmember Gustafson moved approval of the consent calendar. Deputy Mayor Hansen seconded the motion, which carried 7-0, and the following items were approved:

Minutes of Special Meeting of September 18, 2000
Minutes of Regular Meeting of September 25, 2000
Minutes of Joint Dinner Meeting of September 25, 2000
Minutes of Special Joint Workshop of September 21, 2000

Approval of expenses and payroll as of September 20, 2000 in the amount of $1,207,400.59

Motion to authorize the City Manager to execute a contract with Pacific Northwest Title to provide title reports for an amount not to exceed $77,160 for the Aurora Avenue North Corridor Project

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

(a) Ordinance No. 249 granting Metromedia Fiber Network Services, Inc. a franchise to operate an underground fiber optic telecommunications system

Kristoff Bauer, Assistant to the City Manager, reviewed the staff report. He requested that Council adopt Ordinance No. 249 and that Council authorize the City Manager to execute the acceptance agreement included as Attachment B to the staff report.

Councilmember Montgomery moved to adopt Ordinance No. 249 granting Metromedia Fiber Network Services, Inc. a franchise to operate an underground fiber optic telecommunications system and to authorize the City Manager to authorize an acceptance agreement on the City's behalf. Deputy Mayor Hansen seconded the motion.

Councilmember Lee commented that City right-of-way is a limited resource. She expressed concern that Metromedia Fiber Network Services, Inc. (MFNS) could install its system and sell services without any financial commitment to the City. Mr. Bauer reviewed the two fee alternatives included in the franchise ordinance: 1) a six-percent fee on revenues that MFNS generates within Shoreline; and 2) a charge per linear foot. He explained that the proposed acceptance agreement acknowledges the uncertainty in the current situation and preserves the City's rights to enforce its authority as the situation clarifies.

Mr. Deis stressed that future resolution of the franchise fee question in favor of the City will be retroactive to the implementation of the proposed franchise (i.e., the City will collect lost revenues with interest).

Mayor Jepsen asked if the MFNS fiber optic communications cable will interfere with the Aurora Corridor Project. Mr. Bauer said MFNS will be "filling pipe" already existing in the right-of-way.

Councilmember Gustafson supported the proposed ordinance and acceptance agreement as prudent City actions.

In response to Councilmember Gustafson, Mr. Bauer said the proposed ordinance allows MFNS to install fiber optic communications cable as appropriate (e.g., boring, open trenching) given existing infrastructure and City engineering standards. Mr. Deis clarified that along Aurora Avenue MFNS will use the conduit that US Crossing installed previously.

In response to Councilmember Gustafson, Mr. Bauer said it will be a MFNS business decision whether and where to expand its infrastructure beyond the initial construction north on Aurora Avenue and around the Shoreline Park and Ride. He noted the ten-year term of the franchise.

In response to Councilmember Ransom, Mr. Bauer confirmed that the MFNS cabling operation along Aurora Avenue will be much less disruptive than the digging operation that US Crossing carried out previously.

Councilmember Grossman expressed his appreciation for the proposed arrangement. He said it preserves the City's position without unnecessarily hampering a potentially good project.

Mr. Bauer noted a clarification by MFNS Director of Operations Thomas Stames that MFNS will do some digging on Aurora Avenue near 192nd Street where the cable will leave the main trunk line to circle the Shoreline Park and Ride.

Councilmember Gustafson noted the potential value of the MFNS fiber optic communications cable to the location of the Puget Sound Learning Center in a transit oriented development at the Shoreline Park and Ride.

A vote was taken on the motion to adopt Ordinance No. 249 granting Metromedia Fiber Network Services, Inc. a franchise to operate an underground fiber optic telecommunications system and to authorize the City Manager to authorize an acceptance agreement on the City's behalf. The motion carried 7-0.

9. CONTINUED PUBLIC COMMENT

(a) Bill Bear, 2541 NE 165th Street, presented the Briarcrest Neighborhood Association newsletter. He noted the inclusion of a letter to Shorecrest High School students. He mentioned efforts to convene a meeting of neighborhood residents, representatives of Shorecrest High School and City staff to determine a solution to parking problems on 25th Avenue NE.

(b) Edsel Hammond, 18541 Burke Avenue N, expressed concern that the Aurora Corridor Project will drive businesses out of Shoreline and that citizens will have to pay higher taxes to make up the loss in business tax revenues. He noted particular concern about the impact to senior citizens. He said the project is a hardship to businesses on the east side of Aurora Avenue between 175th and 185th Streets. He asked if the City has conducted a study of the tradeoff in costs and benefits of the Aurora Corridor Project. He said the proposed improvements will restrict access to businesses along Aurora.

(c) Jim Greenfield, 1501 4th Avenue, Seattle, represented Metromedia Fiber Network Services, Inc. He thanked the City for its productive attitude. He complimented City staff for finding a way to preserve the City's rights while allowing Metromedia to develop its facilities in Shoreline.

Councilmember Gustafson recommended that the Briarcrest Neighborhood Association invite the new principal and the student council leaders of Shorecrest High School to an

association meeting and that association representatives attend a student council meeting to initiate interaction.

Mayor Jepsen commented that the City of Shoreline does not receive a lot of business tax revenues.

Deputy Mayor Hansen said he would not support the Aurora Corridor Project if he thought it would drive businesses out of Shoreline. He asserted that the project will support more business in the long run, thereby making the City less dependent on residential property taxes. He acknowledged the potential for displacement or disruption of businesses. He expressed his hope that the City will assist the businesses that the project affects.

Mayor Jepsen pointed out that the businesses on the east side of Aurora Avenue between 175th and 185th Streets currently have month-to-month leases with Seattle City Light. He went on to note Council commitment to study the number and location of left-turn lanes and U-turns. He asserted that the Aurora Corridor Project will organize the right-of-way to help people "make sense out of the traffic pattern."

Deputy Mayor Hansen stressed the importance of safety on Aurora Avenue. He asserted the value of medians and islands to increasing safety. He opposed a "solid median" the length of Aurora Avenue in Shoreline.

Councilmember Ransom said original proposals described medians of 600-800 feet in length. He asserted that businesses are concerned about medians of this length. He commented that businesses, including sales tax equalization, have provided 65 to 70 percent of City income. He mentioned that most sales tax revenue in Shoreline comes from businesses along Aurora Avenue and in Aurora Square and Aurora Village. He noted the significance of car dealerships and of gambling tax revenues from gambling establishments along Aurora Avenue.

Councilmember Lee said a lot of study, research and analysis has gone into the Aurora Corridor Project, including the consideration of similar projects in other cities. She noted that such projects in other cities have improved business vitality.

Mayor Jepsen commented that City budget revenues derive from property taxes, sales taxes (for which the City depends largely on sales tax equalization) and miscellaneous sources. He asserted that the majority of businesses that contribute to these funding sources will not be affected by the Aurora Corridor Project.

Noting his experience as a commercial real estate broker, Councilmember Grossman said many developers will be interested in commercial projects in Shoreline once the Aurora Corridor Project is underway. He asserted that such projects will create a larger property tax base and generate more sales tax revenue, thereby easing pressure on residential property tax payers. In addition, he said such projects will create more attractive

businesses adjacent to residential neighborhoods. He noted the City's intent to proceed conscientiously and to support existing businesses.

10. ADJOURNMENT

At 8:21 p.m., Mayor Jepsen declared the meeting adjourned.

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Sharon Mattioli, CMC
City Clerk

October 23, 2000 **DRAFT**

CITY OF SHORELINE

SHORELINE CITY COUNCIL
SUMMARY MINUTES OF DINNER MEETING

Monday, October 23, 2000
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Jepsen, Deputy Mayor Hansen, Councilmembers Grossman, Gustafson, Lee and Ransom

ABSENT: Councilmember Montgomery

STAFF: Robert Deis, City Manager; Larry Bauman, Assistant City Manager; Joyce Nichols, Community and Government Relations Manager

GUESTS: State Representative Carolyn Edmonds; King County Councilmember Maggi Fimia

The meeting convened at 6:20 p.m.

Mayor Jepsen began the meeting by providing background on Council discussion of the transit-oriented development (TOD) project at the Shoreline Park and Ride (SPR). He explained that he invited County Councilmember Maggi Fimia to the dinner meeting after an earlier discussion with her. He said the City invited State Representative Carolyn Edmonds to represent the State.

County Councilmember Fimia said she developed a budget proviso calling for a steering committee process for the SPR TOD because the City, County and State share responsibility for the project. She advocated primary involvement of elected officials with support from staff. She said her office needs to have a role in the project if there are going to be County funds associated with it. She asked who will finalize the project master plan. She asserted the need for a project advocate on the County Council.

Councilmember Lee asked why the County Council would not support the project. County Councilmember Fimia commented that the project will involve "a thousand details" and that these details must be presented to the County Council.

City Manager Robert Deis explained that the State owns the property, that the County operates it and that it is important to include the Washington State Department of Transportation (WSDOT) "at the table."

Councilmember Lee asserted her understanding that the County was also being kept involved.

County Councilmember Fimia said County Executive Ron Sims was involved in the project but the County Council was not. She said her office had been "closed out of the loop." She asserted her perception that the Puget Sound Learning Center (PSLC) was not being courted sufficiently and that WSDOT was not involved.

Mr. Deis said staff has informed Maureen Sullivan, WSDOT Seattle/North King County Area Administrator, of every step in the process. He explained the role of the City to involve all of the stakeholders. He said City staff were to develop the details of the project with all of the stakeholders and present draft proposals to City Council for final decisions.

County Councilmember Fimia asserted that the project has been too staff driven. She expressed discomfort with this approach.

Councilmember Gustafson said he is comfortable with the level of staff involvement. He said he objected to County Councilmember Fimia's proposal that a steering committee direct the project.

County Councilmember Fimia said she had not intended the steering committee to make day-to-day decisions. Rather, she anticipated that the committee would meet every two to three months. She said she does not envision the County or the City taking the lead in the project at this time.

Deputy Mayor Hansen said City Council has directed the level and approach of staff involvement. He asserted that PSLC staff have been kept informed about the project.

Councilmember Lee identified economic development as a key aspect of the project. She questioned County Councilmember Fimia about the deliverables of the steering committee.

Councilmember Grossman acknowledged that staff will oversee day-to-day project development. He asserted the need to involve all of the partners in the project.

Mr. Deis said the question is not whether all elected officials and the WSDOT should be involved in the project but the roles that they should play. Noting the magnitude and complexity of the project, he asserted the need for one project manager and for a methodical process. He said the budget proviso that County Councilmember Fimia proposed assigns direction and control of the project to the steering committee.

County Councilmember Fimia said it is not fair for her to be involved at the same level as other stakeholders.

Mayor Jepsen identified the differences in the forms of government as a key issue. He said project approval requires full support of the elected officials at the County and State levels. He noted that the City Council is not a full-time body, and he explained that Council depends on information from City staff to develop its policies. He stressed the importance of clear direction to staff. He asserted the responsibility of staff to check in with elected officials. He suggested a system to facilitate the close communication among staff of all agencies.

Mr. Deis said it is the responsibility of City staff to keep County Councilmember Fimia and her staff completely informed.

County Councilmember Fimia expressed concern about the leverage she would have with the project in such a system. She said she does not want to learn about problems "after the fact."

Councilmember Grossman said the City is proposing to keep County Councilmember Fimia's staff constantly informed. He asserted that problems would be identified immediately in such a system.

County Councilmember Fimia proposed that City Council schedule quarterly updates including her, the County Executive and the State. Mayor Jepsen supported this proposal. County Councilmember Fimia commented that Jim Metz would represent her. She said she would feel satisfied with all other elected officials in the City Council briefings.

Councilmember Lee identified inclusiveness as one of the City Council's values.

Mayor Jepsen recommended that staff meet to develop a timeline for briefings. He requested that County Councilmember Fimia not propose any additional budget provisos. He said he was shocked when he first learned of the proviso regarding the SPR TOD.

County Councilmember Fimia went on to address the proposal for Interstate 5 access ramps for the Shoreline Transfer Station. She said she does not want any construction without an analysis of the alternatives.

Mayor Jepsen asked if the project would need to be delayed another year to perform such analysis.

Mr. Deis asked if the County performed an analysis of alternatives in 1994.

Councilmember Lee asked how the City can feel assured that the funds will be available to move the project forward. She requested assurance that the analysis can be performed promptly.

Councilmember Gustafson commented that all seven City Councilmembers support construction of the Interstate access ramps.

The meeting adjourned at 7:26 p.m.

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Larry Bauman, Assistant City Manager

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, October 23, 2000
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Hansen, Councilmembers Grossman, Gustafson, Lee and Ransom

ABSENT: Councilmember Montgomery

1. CALL TO ORDER

The meeting was called to order at 7:30 p.m. by Mayor Jepsen, who presided.

2. FLAG SALUTE/ROLL CALL

Members of Boy Scout Troop 853 led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmember Montgomery.

Councilmember Lee moved to excuse Councilmember Montgomery. Deputy Mayor Hansen seconded the motion, which carried unanimously.

3. REPORT OF CITY MANAGER

City Manager Robert Deis noted the cancellation of the executive session later in the meeting.

Next, Mr. Deis presented the following item for Council to add to the agenda: motion to authorize the Interim City Manager to execute a contract in the amount of $17,500 with Bob Murray and Associates for City Manager recruitment services.

Mr. Deis reported that the Growth Management Hearings Board postponed its hearing on Pt. Wells from today until November 13.

Mr. Deis presented the Council 2000-01 Work Plan. He explained that the document includes a one-page summary of the nine Council goals and four pages of greater detail to explain Council intent regarding each goal.

Councilmember Gustafson advocated the inclusion of the skate park in the detailed description of Council goal number three concerning capital improvement programs. Councilmember Ransom agreed.

Finally, Mr. Deis discussed a memorandum regarding the proposed City contribution toward employee benefits in 2001. Councilmembers expressed support of the proposed contribution amount.

Mayor Jepsen commented that Mr. Deis is leaving to become Deputy County Executive of Sonoma County, California. He and other Councilmembers noted the City's accomplishments during the four years that Mr. Deis served as City Manager. They thanked Mr. Deis for his contributions. Mayor Jepsen presented a plaque on behalf of the City in appreciation for Mr. Deis' outstanding professional service.

Mr. Deis reviewed events during the past four years. He complimented Council for creating a successful organization by providing direction, supporting staff and allowing staff to manage. He noted projects the City has undertaken to revitalize Shoreline. He thanked Council for its support.

4. REPORTS OF BOARDS AND COMMISSIONS: None

5. PUBLIC COMMENT

(a) Tim Crawford, 2326 N 155th Street, read from a letter he received from John Dixon, who identified himself as Plant Steward at Twin Ponds Park. He asked the City to inform him in writing who Mr. Dixon represents.

(b) Ros Bird, President, Shoreline Arts Council, thanked Mr. Deis for his contributions as City Manager. She thanked Council for declaring October National Arts and Humanities Month. She noted recent and upcoming events.

(c) Sharon Cass, 2320 N 149th Street, commented that Mr. Dixon has threatened neighbors of Twin Ponds Park. She asked why the City allows Mr. Dixon to work at the park. She asserted that in-fill in the park has caused flooding on neighboring properties.

Mr. Deis explained that Mr. Dixon is a volunteer and that he does not represent the City. He expressed concern about the alleged behavior of Mr. Dixon toward neighbors of Twin Ponds Park. He said staff will investigate.

Regarding possible flooding of properties neighboring Twin Ponds Park, he said staff will review the Customer Response Team database and report back to Council.

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved to approve the agenda. Councilmember Grossman seconded the motion.

Councilmember Lee moved to transfer item 8 (b) to the consent calendar as item 7 (f) and to add an item authorizing the Interim City Manager to execute a contract

in the amount of $17,500 with Bob Murray and Associates for City Manager recruitment services as the new 8 (b). Deputy Mayor Hansen seconded the motion.

Deputy Mayor Hansen clarified his preference to add the new item to the consent calendar.

Deputy Mayor Hansen withdrew his second.

Councilmember Lee restated her motion to transfer item 8 (b) to the consent calendar as item 7 (f) and to add an item authorizing the Interim City Manager to execute a contract in the amount of $17,500 with Bob Murray and Associates for City Manager recruitment services as 7 (g). Deputy Mayor Hansen seconded the restated motion, which carried unanimously.

A vote was taken on the motion to approve the agenda, as amended, which carried unanimously.

7. CONSENT CALENDAR

Deputy Mayor Hansen moved that Council approve the consent calendar. Councilmember Gustafson seconded the motion, which carried 6-0, and the following items were approved:

Minutes of Workshop of October 2, 2000
Minutes of Dinner Meeting of October 9, 2000

Approval of expenses and payroll as of October 5, 2000 in the amount of $1,515,110.57

Motion to authorize a $3,000 expenditure of Mini-Grant funds for the Echo Lake Neighborhood Association to purchase benches and picnic tables for Shoreline Park

Motion to authorize expenditure of $5,000 in Mini-Grant funds for the Ridgecrest Neighborhood Association to purchase trees for the Ridgecrest Neighborhood

Resolution No. 170 adopting Revisions to the Personnel Policies and Code of Ethics for the City of Shoreline to correct and clarify policy related to financial conflicts

Motion to approve the agreement for services of an Interim City Manager and to authorize the Mayor to execute the agreement

Ordinance No. 250 amending Shoreline Municipal Code Section 9.05.010 defining public disturbance noise to exempt certain emergency activities and activities within the City right-of-way

Motion to authorize the Interim City Manager to execute a contract in the amount of $17,500 with Bob Murray and Associates for City Manager recruitment services

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

(a) Report and Recommendations by the Shoreline Fire Department regarding the Proposed Emergency Medical Services Levy

J. B. Smith, Chief, Shoreline Fire Department introduced Commissioners Jon Kennison and Scott Keeny. He went on to review the Emergency Medical Services (EMS) 2002 Task Force Update.

Mayor Jepsen expressed support of Chief Smith's recommendations. He thanked Chief Smith for representing Shoreline on the task force.

In response to Councilmember Gustafson, Chief Smith explained that Advanced Life Support (ALS) units transport patients in life-threatening situations at no charge. He said commercial ambulance companies transport many of the patients who receive Basic Life Support (BLS), and they charge for the service. He commented that the Emergency Medical Services (EMS) system could "drive out" commercial ambulance companies if it used transport fees as a funding mechanism. He said the EMS system would then face the increased costs of providing secondary ambulance services or the possibility that it would have an insufficient number of transport vehicles to respond to a major emergency.

Councilmember Ransom questioned the recommendation for a minimum six-year levy term instead of for permanent funding. He asserted that paramedic services in King County are essential, and he advocated more permanent funding with periodic adjustments as necessary. Chief Smith said he also supports permanent funding. He explained that elected officials participating on the task force wanted to reassess and provide input about the system on a regular basis given that it is based on property taxes.

In response to Councilmember Ransom, Chief Smith explained that under the proposed plan the County will fund the operation of another ALS unit in Shoreline during peak hours, 12 hours a day. He said the Shoreline Fire Department hopes to keep the unit in operation 24 hours a day "through creative staffing and financing."

Councilmember Grossman asked about community education to enable the public to better understand when to call for EMS and, thereby, assist in the appropriate allocation of limited EMS resources. Chief Smith said the Shoreline Fire Department added a staff member last year to provide information and education in the community. He mentioned initiatives in the strategic plan to improve training and protocols for dispatchers. On the

other hand, he stressed that many people who should call for EMS do not do so. For example, he noted a program to educate the elderly about how to respond to chest pain.

Councilmember Grossman mentioned the issue of diversity awareness. He noted the sensitivity of some cultures about the kinds of services. He commented on the differing levels of awareness about the financial implications of calling for EMS.

Mayor Jepsen confirmed Council consensus in support of the recommendations in the EMS 2002 Task Force Update:

- A minimum six-year levy term;
- A future study of transport fees with no implementation during the next levy period;
- ALS unit growth needs, including an additional half unit for Shoreline Fire Department; and
- The need for Consumer Price Index (CPI) based funding increases to prevent cost shifting.

(c) Transmittal of the 2001 City of Shoreline Budget

Finance Director Debbie Tarry reviewed the impacts on the 2000 City budget of the passage of Initiative 695 (I-695). She then reviewed the ramifications of Initiative 722 (I-722). She went on to discuss the implications of each of the following four scenarios:

- If voters pass I-722, and the State Supreme Court finds I-695 Constitutional;
- If voters pass I-722, and the State Supreme Court finds I-695 Unconstitutional;
- If voters do not pass I-722, and the State Supreme Court finds I-695 Constitutional; and
- If voters do not pass I-722, and the State Supreme Court finds I-695 Unconstitutional.

If it were necessary to use expenditure reductions alone to offset lost revenues under the first scenario, Ms. Tarry estimated reductions of approximately five percent in the Public Safety budget and approximately 20 percent in all other department budgets. Mr. Deis said these amounts are comparable to the expenditure reductions that staff identified last year to offset revenue losses due to passage of I-695. He mentioned that five percent of the Public Safety budget equals $300,000, which represents three full-time officer positions.

Mr. Deis reviewed the criteria for 2001 budget decision making. He went on to review key priorities in the 2001 budget. He also reviewed elements of the 2001 budget that represent major changes in fund level over the 2000 budget.

Mr. Deis attributed the increase in the size of the City budget, from roughly $67 million in 2000 to roughly $80 million in 2001, to an increase in capital spending of over $12 million. He stressed two variables that could affect the implementation of the third year of the Capital Improvement Program (CIP): 1) federal review of City plans for

compliance with the Endangered Species Act (ESA); and 2) potential property purchases (e.g., for right-of-way).

Reviewing 2000 property tax rates in Shoreline, Mr. Deis commented that the City accounts for only 10.4 percent of property owners' tax bills. Mr. Deis went on to review the schedule of the budget workshops November 6 and 13, and November 20 if necessary.

9. CONTINUED PUBLIC COMMENT: None

10. EXECUTIVE SESSION: Cancelled

11. ADJOURNMENT

At 9:25 p.m., Mayor Jepsen declared the meeting adjourned.

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Sharon Mattioli, CMC
City Clerk

Council Meeting Date: November 13, 2000 **Agenda Item: 7(b)**

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Expenses and Payroll as of October 18, 2000
DEPARTMENT:	Finance
PRESENTED BY:	Al Juarez, Financial Operations Supervisor

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to approve expenses formally at the meeting. The following claims expenses have been reviewed by C. Robert Morseburg, Auditor on contract to review all payment vouchers.

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of $841,933.92 specified in the following detail:

Payroll and benefits for October 1 through October 14 in the amount of $251,850.20 paid with ADP checks 4899 through 4957, vouchers 420001 through 420113 and benefit checks 6306 through 6315.

the following claims examined by C. Robert Morseburg paid on October 13, 2000:

Expenses in the amount of $64,677.38 paid on Expense Register dated 10/9/00 with the following claim checks: 6163-6181 and

Expenses in the amount of $417.00 paid on Expense Register dated 10/9/00 with the following claim check: 6182 and

Expenses in the amount of $180.00 paid on Expense Register dated 10/9/00 with the following claim checks: 6183-6184 and

Expenses in the amount of $155.00 paid on Expense Register dated 10/10/00 with the following claim checks: 6185-6187 and

Expenses in the amount of $343.23 paid on Expense Register dated 10/10/00 with the following claim checks: 6188-6200 and

Expenses in the amount of $337.15 paid on Expense Register dated 10/10/00 with the following claim checks: 6201-6206 and

Expenses in the amount of $308,265.43 paid on Expense Register dated 10/11/00 with the following claim checks: 6207-6234 and

Expenses in the amount of $130,495.69 paid on Expense Register dated 10/12/00 with the following claim checks: 6235-6256 and

the following claims examined by C. Robert Morseburg paid on October 18, 2000:

Expenses in the amount of $14,295.27 paid on Expense Register dated 10/17/00 with the following claim checks: 6257-6287 and

Expenses in the amount of $70,917.57 paid on Expense Register dated 10/18/00 with the following claim checks: 6288-6305

Approved By: City Manager ____ City Attorney ___

Council Meeting Date: November 13, 2000 **Agenda Item: 8(a)**

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Ordinance No. 252 Adopting the 2001 Property Tax Levy
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

EXECUTIVE / COUNCIL SUMMARY

Chapter 251, Laws of 1995, passed by the State Legislature, requires the City Council to hold a public hearing on revenue sources for the next year's budget. The hearing must include consideration of property tax revenues and must be held before the property tax levy ordinance is passed and submitted to King County. The City of Shoreline is required to adopt its levy ordinance and certify the amount to the County Assessor by December 7, 2000.

The passage of Referendum 47, by the State electorate in 1997, changed the way a taxing district levies property taxes in two ways:

1. It reduced the previous ability of a taxing district to levy 106% of the "levy limit", to the "levy limit" plus the rate of inflation as defined by the implicit price deflator (IPD). The estimated IPD for the 2001 tax year is 2.61%, which would result in a "levy limit" of 102.61%.
2. If a taxing district wishes to exceed the IPD up to 106% of the "levy limit", it must define a "substantial need" in the annual property tax ordinance and the tax levy must be approved by a super-majority (majority plus one) vote of the City Council.

The Referendum 47 limitation applies to all taxing districts in the City except for the school district which must receive voter approval for their operational and capital levies. All cities are still allowed to increase their property tax levy by the value of new construction, annexations, and state utilities, without regard to the "levy limit".

In addition to Referendum 47, the outcome of Initiative 722 (I-722) is unknown at this time. One of the provisions of I-722 would further restrain the property tax "levy limit" to the lesser of 2% or the IPD. The "substantial need" provision of Referendum 47 would go away as the provisions of I-722 do not allow the "levy limit" to exceed the IPD, in fact when the IPD is greater than 2%, the City would not be able to keep pace with inflation since the "levy limit" would be limited to 102%.

Because of the unknown outcome of I-722 at the time the proposed 2001 budget was developed, the proposed budget assumes the 102% "levy limit" is applied to the 2000

property tax levy. Historically, the City's "levy limit" (the highest amount of revenue that the City can receive in property taxes) has been based on 1996's levy limit. That year, the City levied property tax for both the City ($4,452,252) and the Library District ($1,390,360) and then transferred the library's share to them. The City had asked for clarification on the application of the I-722 limitations to know if it should be applied to the 2000 property tax levy or the highest levy limit (1996 levy), but this information was not available prior to the development of the proposed budget. The City has received some preliminary indications that the limitation applies to the highest levy limit, but is waiting for final interpretation from the King County Assessor.

By applying the IPD to the 1996 levy limit, the City could adopt a property tax levy using a "levy limit" of 104% without the necessity to define a "substantial need". The 104% represents the increase of the 2001 levy as compared to the 2000 levy. This is how historically the City has applied the IPD. By applying the IPD levy to the 1996 levy limit, the City's revenues would increase by $84,211 for year 2001. In addition, the City could use a "levy limit" greater than 104% to a maximum of 107.5%, as a result of assessed valuation (AV) increases, by defining a "substantial need".

For 2001, the AV, excluding new construction and annexations, is projected to increase by 11.9% over 2000 based on the most recent estimates from the County Assessor's Office. This is slightly higher than the 10% estimate received earlier from the Assessor's Office, and used when developing the proposed 2001 budget, and for that reason the table below will differ slightly from that in the proposed 2001 budget. It should be noted that the AV may continue to change slightly until the Assessor has received all the valuation information for the State Utility properties. The increased AV does not significantly change the projected property tax revenue, but instead impacts the City's property tax rate.

In addition to the AV growth from rising property values, the City will have increased AV from new construction (1.2%) and the A-2 Annexation area (1.1%). This results in a total AV increase of 14.1%. Because of the increased AV in the City, the City's *property tax rate will decline* in 2001 from the $1.60 that has been levied since incorporation, in order to comply with the "levy limit" restrictions (see chart on next page). The final property tax rate will depend on the final levy adopted by the City.

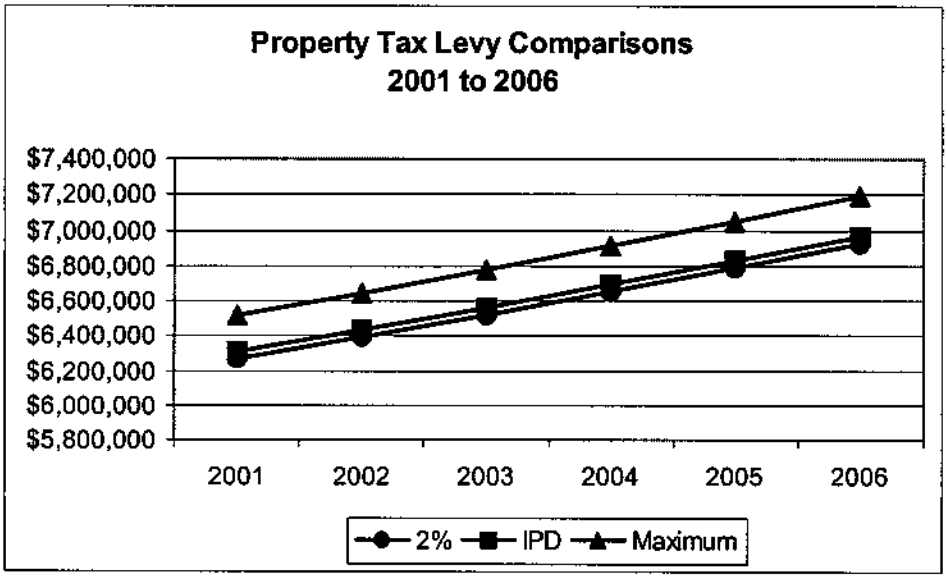
It should be noted that one of the provisions of I-722 is to roll back assessed valuations to 1999 levels and then limit the valuation increases to 2% annually. Indications are that this would impact the 2001 tax levies. Since the final interpretation of this section of I-722 is not known at this time, staff has used the AV ignoring this provision of I-722. If this provision of I-722 is implemented, the City's AV will change, impacting the rate and the levy. At this time we estimate a possible $600,000 revenue loss if this provision is implemented.

As was discussed at the October 23 Council Meeting, the 2001 proposed budget was developed using the I-722 limitations applied to the 2000 property tax levy. The preliminary indications are that the I-722 limitations can be applied to the 1996 levy limit, and for that reason the table below has been updated from the proposed 2001 budget to include the 2% and IPD limitation applied to the highest levy limit (1996). The final

outcome of I-722 and its application to the 2001 property tax levy should be known following the November 7th election.
The following table shows the various options that may be available to your Council in adopting the property tax levy:

	Proposed 2001 Budget			Requires Defining "Substantial Need"
	I-722 Limitation 2% Levy Increase	I-722 2% Limitation Based on Maximum Levy Limit	IPD on Maximum Levy 4.00% Levy Increase	Maximum Levy 7.50% Levy Increase
Projected Levy	6,182,618	6,268,549	6,305,647	6,511,817
Change from 2000 Levy	249,053	334,984	372,082	578,252
Projected Property Tax Rate	$1.4604	$1.4807	$1.4894	$1.5381
Increase in Levy From:				
New Construction	65,213	65,213	65,213	65,213
Annexation	65,856	66,772	67,167	69,363
I-722 Limitation/IPD	117,984	203,000	239,703	239,703
Excess for Capital	0	0	0	203,973
Total Increase	249,053	334,985	372,083	578,252
Allowance for Uncollectables -2% of Levy	(4,490)	(6,210)	(6,952)	(11,074)
Budgeted Increase in Property Tax Levy	244,563	328,775	365,131	567,178
Change from Proposed Budget		84,211	120,568	322,615
Impact to Homeowner of $180,000 Home (Increase from year 2000)	$5.50	$9.15	$10.73	$19.50

Depending on the outcome of the November 7th election, your Council may want to consider other property tax levy options. The 2% levy is below the inflationary measure (IPD). This alone allows expenditure growth to outpace revenue growth. A levy below the 7.5% limitation does not take into account the growth in assessed valuation. In addition, there is a compounding impact by limiting the current property tax levy in future years. The graph below shows the difference in levy for years 2001 through 2006, assuming the City's tax levy for 2001 at 102%, IPD (104%), and Maximum (107.5%), with 2% annual increases applied for 2002 through 2005 to each levy.



Assuming a 3% annual inflationary factor, the net present value of the difference between the 102% and the IPD levy limit (applied to the 1996 levy) is $210,927 when looking at the impacts for years 2001 through

2005. Even more revealing is the net present value difference between the 102% and the 107.5% levy limit for 2001 and the compounding effect through 2005. This net present value of this difference is $1,383,142 assuming a 3% inflationary factor.

The last few years the Council has used any property tax levy in excess of the IPD for capital purposes. If the Council decides to levy a property tax levy in excess of the IPD, provided I-722 fails, past practice can continue with the excess levy amount either transferred to the capital improvement program for long-term capital needs or used to reduce the City's reliance on I-695 backfill monies to fund on-going programs. The 2001-2006 CIP has several capital projects that rely on grant funds that are yet to be awarded. This amount is in excess of $62 million ($45.5 Million for the Aurora Project alone). Although it is the intent of the City to seek these grant resources, in many cases the final decision on the grant awards are outside of the City's control. If these grants aren't provided, alternative funding must be identified to complete the projects as proposed or changes must be made to the projects to fit available financial resources. As your Council is aware, the proposed 2001 budget utilizes $425,804 of I-695 backfill monies to fund on-going programs. At this time, the state legislature has not identified a dedicated revenue stream for this program for future years. In addition to these suggestions, the City anticipates future increases in operational costs related to the Endangered Species Act, the Clean Water Act, and future economic development efforts. The combined new construction, annexation, and I-722 Limitation/IPD would remain in the General Fund for general operations. Attachment C lists some possible uses for any levy in excess of the IPD that could be used to justify "substantial need".

Because of the ambiguities of the I-722 application, the attached ordinance assumes a property tax levy (2% increase from year 2000 levy) as presented in the 2001 proposed budget. Staff will have alternative ordinances for the scenarios presented in this staff report available on November 13, if the Council should decide on a property tax levy different from that proposed in the 2001 budget.

In 2000, the City's share of the property tax levied within the City limits is only 10.4% of the total levy rate (see Attachment B – Current 2000 Property tax Rates in the City of Shoreline). As you can see, the largest beneficiaries of property taxes are the schools, followed by the State and King County.

RECOMMENDATION

Conduct the public hearing and then move to approve Ordinance No. 252, levying the full taxable assessed value at the existing tax rate for property taxes for the 2001 budget year.

Approved By: City Manager City Attorney

ATTACHMENTS

Attachment A:	Ordinance 252 - 2001 Property Tax Levy Ordinance
Attachment B:	Current 2000 Property Tax Rates in the City of Shoreline
Attachment C:	Partial List of Outstanding Capital Needs

Attachment A.

ORDINANCE NO. 252

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON LEVYING THE GENERAL TAXES FOR THE CITY OF SHORELINE IN KING COUNTY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2001, ON ALL PROPERTY BOTH REAL AND PERSONAL, IN SAID CITY WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF PAYING SUFFICIENT REVENUE TO CONDUCT CITY BUSINESS FOR THE ENSUING YEAR AS REQUIRED BY LAW

WHEREAS, the City Council of the City of Shoreline has considered the City's anticipated financial requirements for 2001 and the amounts necessary and available to be raised by ad valorem taxes on real, personal, and utility property;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Levy Changes. The 2000 property tax levy for collection in 2001 is $5,933,565 (the amount levied in 1999 for collection in 2000), plus increases of $249,053 (4.20%) based on increases in assessed values, annexations and an increase equal to the amount allowed under the new construction provisions of RCW 84.55.010.

Section 2. 2000 Levy Rate. There shall be and hereby is levied on all real, personal, and utility property in the City of Shoreline, in King County, current taxes for the year commencing January 1, 2000, a levy at the rate of $1.4604 per thousand dollars of assessed valuation.

The said taxes herein provided for are levied for the purpose of payment upon the general indebtedness of the City of Shoreline, the General Fund, and for the maintenance of the departments of the municipal government of the City of Shoreline for the fiscal year beginning January 1, 2000.

Section 3. Notice to King County. This ordinance shall be certified to the proper County officials, as provided by law, and taxes herein levied shall be collected to pay to the Finance Department of the City of Shoreline at the time and in the manner provided by the laws of the State of Washington for the collection of taxes for noncharter code cities.

Section 4. Effective Date. This ordinance shall be in full force five days after publication of this ordinance, or a summary consisting of its title, thereof in the official newspaper of the City, as provided by law.

Section 5. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by State or Federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

PASSED BY THE CITY COUNCIL ON NOVEMBER 13, 2000.

Mayor Scott Jepsen

ATTEST:

Sharon Mattioli, CMC
City Clerk

APPROVED AS TO FORM:

Ian Sievers
City Attorney

Date of Publication:
Effective Date:

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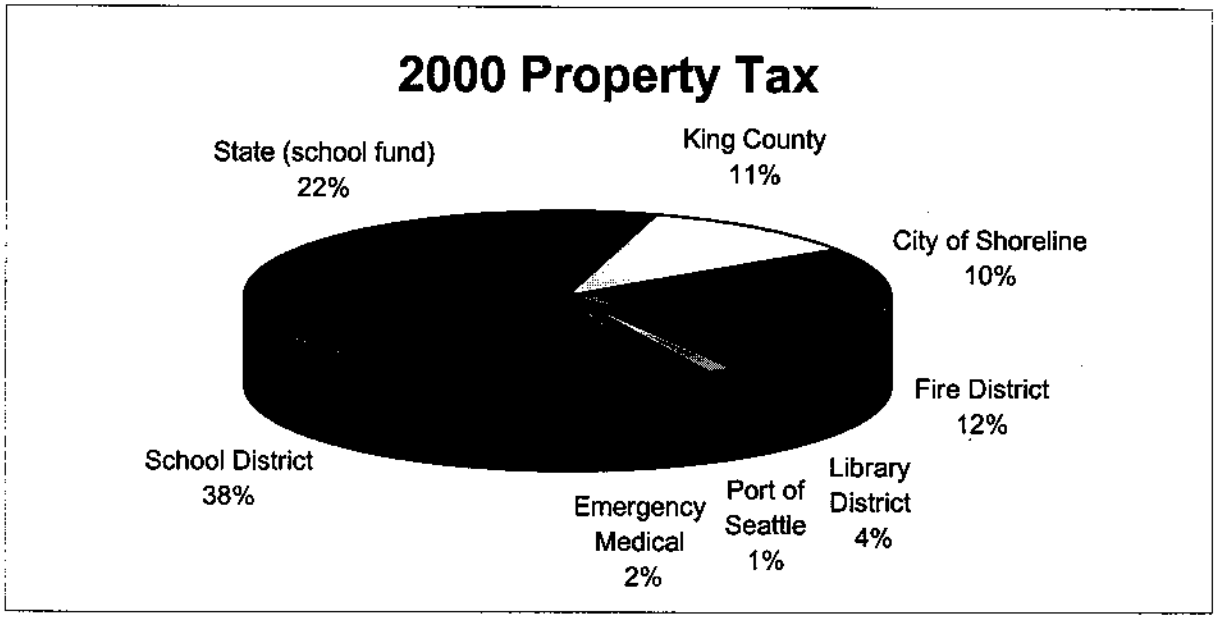
ATTACHMENT B

Current 2000 Property Tax Rates in the City of Shoreline:

Unincorporated versus Incorporated

Property Tax Category	Unincorporated Rates	% of Total	2000 Shoreline Rates	2000 % of Total
Shoreline School District	$ 5.88	**38.0%**	$ 5.88	**38.4%**
State (school fund)	3.30	**21.4%**	3.30	**21.6%**
King County	1.69	**10.9%**	1.69	**11.0%**
Unincorporated Roads District	1.74	**11.3%**		**0.0%**
City of Shoreline		**0.0%**	1.60	**10.4%**
Fire District #4	1.77	**11.4%**	1.77	**11.5%**
Library District	0.59	**3.8%**	0.59	**3.8%**
Port of Seattle	0.22	**1.4%**	0.22	**1.4%**
King County Emergency Medical	0.27	**1.8%**	0.27	**1.8%**
Total Local Rate	**$ 15.45**	**100.0%**	**$ 15.31**	**100.0%**
Average Assessment based on $179,000 *	**$ 2,766**		**$ 2,741**	

*Average single-family home value in Shoreline



Attachment C

CITY OF SHORELINE

DATE: November 2, 2000

TO: City Councilmembers

FROM: Debbie Tarry, Finance Director

SUBJECT: Outstanding Capital Needs

As your Council is aware, there are many Capital Needs that are either dependent on grant or other funding sources that have not been awarded to the City at this time. This amount totals in excess of $62 million. Although the City intends to make application and receive these grant resources, the final award decision is often out of the hands of the City. Some of the projects that are included in the 2001 through 2006 CIP that have unawarded grants as part of the funding scenario include the following:

Project	Unawarded Grants/ Loans	
Ronald Bog Park	$	150,000
Shoreline Community College Sports Fields		1,000,000
Paramount Open Space		130,000
Interurban Trail		2,381,500
Curb Ramps Program		326,580
Annual Pedestrian Improvements Program		1,806,000
Meridian Ave N Pedestrian Improvements		150,000
Aurora Avenue N		44,524,064
Richmond Beach Road @ 3rd Avenue NW		1,048,800
North 175th Street		3,385,000
North 160th @ Greenwood Ave N		718,000
Ronald Bog Drainage Improvements		4,055,500
3rd Avenue NW Drainage Improvements		1,959,500
Midvale Avenue North Drainage Improvements		875,000
Total	$	62,509,944

In addition, there are a number of park capital projects that either have only Phase I of improvements included in the 2001-2006 CIP due to limited financial resources or have extended schedules in order to match available financial resources. These would include

Twin Ponds, Ronald Bog, Richmond Highlands Recreation Center, and Paramount Park. The Park Open Space & Recreational Services Plan identified other park projects that are of high priority to improve the park standards. These include Cromwell Park, Richmond Beach Saltwater Park, Richmond Beach Community Park, and Echo Lake Park. These projects have either been included in the 2001-2006 CIP on a very limited scale or have not been included due to the limited financial resources.

In addition to these projects the Council has identified economic development as a major Council Workplan Goal. This includes completing a second sub-area plan in an area that would stimulate economic development. If the results of this sub-area plan indicate a need for the City to participate in the funding of public improvements, future financial resources will need to be identified.

Although the City has most effectively leveraged its financial resources to engage in a substantial capital improvement program, there are additional needs that exist to fully accomplish the vision and goals of the Council.

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Council Meeting Date: November 13, 2000 **Agenda Item: 9(a)**

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Proposed 2001 Statement of Legislative Priorities
DEPARTMENT:	Community/Government Relations
PRESENTED BY:	Joyce Nichols, Community/Government Relations Manager

EXECUTIVE / COUNCIL SUMMARY

In December 1999, your Council adopted a set of statements and objectives to guide the City of Shoreline's positions regarding state and federal legislation during 2000. Those statements of policy objectives reflected broad policy guidelines, not precise pieces of proposed legislation, and were used to establish City positions in support of or opposition to legislation proposed during the 2000 session of the state legislature.

As we did for the 2000 legislative session, staff has developed proposed policies for your review. These policies, once adopted by your Council, will provide a set of statements that staff may use to determine whether the City should support or oppose specific bills as they are developed during the 2001 session.

As you are aware, the state legislative session that begins January 8, 2001, runs 105 calendar days, to April 22. During this "long" session, legislators will develop and adopt a biennial budget to guide state spending for the next two years. The legislature will also be dealing with fallout from passage of Initiative 695 that reduced revenues for local governments and transportation. This staff report is being written before the November 7 general election. Much is at stake in the election—six statewide initiatives, some with significant revenue impacts for state and local governments, King County's transit sales tax measure to backfill revenue and bus service lost to I-695, and control of the evenly-divided House of Representatives. We will provide a summary of the general election results and the impacts at your November 13 Council meeting.

Most of the proposed policy statements are relatively broad. Once adopted by Council, staff will use these general policy statements to produce letters and testimony for your Council in support or opposition to specific bills, and to respond to changes or amendments to legislation during the session. Key pieces of legislation that do not fit any of the adopted Council policies will be brought forward during the session for specific review by your Council.

In order to monitor and impact legislation at the state level, we believe the best use of our resources is to again work with the Association of Washington Cities (AWC) which has a bigger voice and greater presence in Olympia. Our success in advancing/defending the City's interests in Olympia is generally based on providing information to legislators and their staff to help them understand the impacts of pending legislation on our community. Staff reviewed AWC's list of policies and resolutions and included several in our proposed 2001 legislative priorities.

On federal issues we intend to work with the National League of Cities in a similar manner as we do with the Association of Washington Cities on state issues.

The proposed 2001 Statement of Legislative Priorities is included as Attachment "A" and includes most of the policy statements adopted by your Council in 1999. New policies and significant changes are highlighted for your review. Several issues—some new and some "holdover" issues from the 2000 session, are recommended as high priorities for the upcoming session. Some of these include:

- Proposals to replace/backfill revenue lost by passage of Initiative 695, including sales tax equalization, transportation, criminal justice, and health and human services revenues. Significant attention will be focused on identifying a permanent revenue source and distribution formula for these replacement/backfill dollars.
- Proposals to fund sales tax equalization from sales tax revenues so that citizens get back a fair share of the sales taxes they pay in order to support essential services in their cities.
- Seeking additional funding for the Aurora Avenue project, infrastructure improvements and economic development opportunities and investments.
- Support for City projects on the Public Works Trust Fund 2001 Construction Loan Program recommended for funding, including Ronald Bog Sub-basin Drainage Improvements Project and the Third Avenue Drainage Improvement Project.
- Support for funding for the south central segment of the Interurban Trail from the Interagency Committee for Outdoor Recreation.
- Opposing the imposition of new programs and rules on local governments without adequate funding and educating legislators on the impact of these unfunded mandates.
- Opposing "buildable lands" legislation that would impose sanctions/penalties on cities not meeting their growth targets/housing production goals.
- Retaining local taxing authority (e.g., opposing reductions in gambling tax rates).
- Protecting the City's interests to manage its rights-of-way; to assume water/sewer districts as intended by the Growth Management Act; and funding to carry out programs to meet Endangered Species Act and Shoreline Management Act requirements.

RECOMMENDATION

Staff recommends that your Council adopt the Proposed 2001 Statement of Legislative Priorities.

Approved By: City Manager LB City Attorney N/A

ATTACHMENT A — Proposed 2001 Statement of Legislative Priorities.

City of Shoreline
2001 Statement of Legislative Priorities

(Shaded areas reflect new or substantially revised policies for 2001)

During 2001, the City of Shoreline shall support or oppose legislation at the state and federal levels in accordance with the following policies:

I. Self Government

Local Control

Requests the Legislature to give local elected officials maximum flexibility in addressing the needs and desires of their communities and to allow them to have a major voice in determining the nature, scope, and funding of local programs and services.

Mandates

- Supports adequate funding for existing mandated programs.
- Opposes efforts to reduce funding for mandated programs while leaving program requirements.
- Opposes additional state and federal mandates on local governments unless such mandates are compelled by a significant public interest and are accompanied by sufficient financial resources.

II. Infrastructure and Capital Financing

(Infrastructure includes roads, storm water systems, treatment facilities, water systems, sanitary sewer systems, parks, etc.,)

Federal and State Capital Assistance

1. Strongly supports maintaining existing infrastructure funding, including the Public Works Trust Fund, and placing a priority on stable, adequate funding for transportation, storm water, water supply, and water quality facilities.
2. Strongly supports a comprehensive legislative approach addressing how the state will help fund needed capital facilities, especially transportation related infrastructure. A comprehensive approach is essential given that five state/federal highways are located in Shoreline—I-5, Highway 99 North, Bothell Way (SR 522) 145th and 205th.
3. Supports changes to the state's contracting methods known as "design-build" and "GCCM" (General Contractor/Construction Manager). Current law allows these methods to be used only by cities with a population of more than 150,000 and only on projects in excess of $10 million. Combining the design and construction responsibilities into a more coordinated process and combining the general contractor and construction manager functions, design build and GCCM methods of contracting out projects can save time, reduce likelihood of multiple change orders and delays and in some cases save money. Changing state law to reduce the population threshold to 50,000 and reduce the dollar threshold to less than $10 million for projects to qualify for design build could make it more efficient and cost effective for cities to build public works and infrastructure projects.

Parks and Recreation

Supports legislation that establishes an ongoing capital funding program for the acquisition, development, and/or rehabilitation of local park and recreation facilities, and that allows for public-private agreements.

III. Transportation

Transportation Funding

1. Secure additional state and federal funding for the Aurora Avenue North project safety and mobility improvements. The three-mile section of Aurora through the City of Shoreline has one of the worst accident records of any highway in the state.
2. Strongly supports a balanced transportation revenue package that provides additional revenue to cities for transportation financing, particularly to address local road preservation and maintenance needs.
3. Strongly supports state funding for capital improvements to state highways and roads located inside cities, including funds for mobility, safety and drainage improvements as part of the base budget for transportation projects.
4. Supports legislation to allocate revenue to assist local governments in financing large scale projects which are essential to economic development and relieve congestion along regionally significant transportation routes.
5. Supports the Transportation Improvement Board (TIB) and recommends continued funding for the Transportation Improvement Account. Shoreline will be applying for approximately $17.8 million for street and sidewalk improvement projects on our six-year Capital Improvement Projects list.
6. Supports legislation indexing the motor vehicle fuel tax (to inflation) to allow revenues to keep pace with inflation and to address increasing demands on the transportation system. Shoreline's 2000 projected gas tax revenue is approximately $1.1 million, which funds approximately 41 percent of our street maintenance budget.
7. Supports legislation requiring state agencies as well as special purpose districts to update and coordinate their policy and capital plans to be in conformance with those adopted locally under the Growth Management Act. (This policy statement also appears on page 10 under section XI.—Fircrest.)
8. Supports funding for public transportation and development of alternative transportation systems including pedestrian and bicycle facilities

IV. Municipal Finance

Shared Revenue Programs

Initiative 695 repealed the Motor Vehicle Excise Tax (MVET), a significant funding source for cities. The state legislature should provide an alternative means of permanently funding sales tax equalization to ensure citizens get back a fair share of the sales taxes they pay to fund essential services in their cities. And, the legislature should provide permanent replacement funding for public safety, criminal justice, public transit, and public health services previously funded by MVET.

Electronic Commerce

In 1998 Congress enacted the Internet Tax Freedom Act. The Act imposed a three-year moratorium on federal, state and local taxation of Internet access charges and electronic commerce. The moratorium is in effect until October 2001 and prevents state and local governments from collecting legally owed sales and use taxes on goods and services

purchased from out of state retailers or through electronic commerce. The last session of Congress saw a bill pass the House to extend the moratorium for five years. The National League of Cities led the effort to oppose efforts extending the moratorium. The City of Shoreline advocates preserving and protecting state and local government tax authority when negotiating with the federal government on such matters as collecting legally owed sales and use taxes on remote sales. The next session of Congress will likely see several bills to simplify and streamline the collection of state sales and use taxes by adopting a one-size-fits-all tax that may not be in the best interest of states like Washington that are heavily dependent on sales taxes.

Local Taxing Authority
The 1999 legislature passed a law reducing the maximum tax rate cities may impose on bingo games from 10 percent to five percent. This change will result in a reduction of about $49,000 in 2000 revenue to Shoreline. The Legislature also considered reducing the maximum rate on social card games from 20 percent to 10 percent. Shoreline strongly opposes legislation preempting or reducing local tax authority in the absence of a compelling state interest and a corresponding decrease in service requirements. These changes have the same economic impact as an unfunded mandate.

Fiscal Notes
Supports requiring the state Department of Revenue to expand its fiscal notes to include the impacts on local government—including any disproportionate impact on specific cities. Currently, fiscal note analysis includes local government impacts in gross figures only which can mask disproportionate impacts of proposed legislation (e.g., proposed sales and use tax exemptions) on certain geographic areas of the state or on border cities. This change would provide legislators more information about negative revenue impacts of proposed legislation.

State Facilities
Strongly urges the legislature to reimburse cities for services provided to state facilities and for capital improvement costs necessary to serve state facilities and/or programs located in cities, such as group homes.

V. Health and Human Services

Human Services Funding
1. Strongly urges the congress, the legislature and the county to meet their long-standing funding responsibility for vital human services, to address emerging needs, and provide replacement revenues to cities for programs formerly funded by the federal government.
2. Urges the state to carefully monitor how welfare reform places new social services burdens on local governments, and to provide adequate funds to local governments to make new initiatives succeed, and not result in a cost-shift to cities and counties.

Family, Children and Youth Services
1. Urges the legislature to adequately fund health and welfare programs for children.
2. Supports affordable child care, including before and after school programs, in recognition that affordable, accessible child care is essential for family economic self-sufficiency and children's health, growth and development.
3. Supports legislation that allows the blending of funds from a number of sources to provide effective state funded services to children and families.

4. Supports legislation and funding for youth involvement programs, e.g., after school/evening educational and activity programs for adolescent and teen-age youths, in recognition of the demonstrated benefits these positive, supervised activities can provide.
5. Supports continued funding for the Community Public Health and Safety Networks which Provides funding for local human services in Shoreline (e.g., Healthy Start abuse prevention program) and advocates for state-funded human services that respond to local needs and priorities; and for the Family Policy Council which coordinates activities of state agencies that provide child and family services.
6. Supports coordinated services for domestic violence victims that include additional funding for housing and shelter, prevention services, training for law enforcement personnel, and other services designed to break the cycle of domestic violence.

Services for the Elderly
Supports semi-independent living opportunities that allow the elderly to remain in their communities.

Services for the Developmentally Disabled
Supports programs to assist the developmentally disabled.

Siting Social Services Facilities
Supports legislation to include local governments in the decision-making process for siting state social services facilities in their communities.

VI. Law and Justice

1. Strongly supports remedial legislation to limit liability for local governments that provide probation and pretrial services. This issue arose out of a state Supreme Court decision earlier this year significantly extending the liability of local governments for supervision of criminal defendants in a misdemeanor probation or pretrial release program. The Court held that municipal employees who have supervisory authority, and their employers, have a duty to protect the public from dangerous acts by offenders under their supervision. The problem created by this decision is it makes local governments liable for the acts of probationers without the ability to revoke probation, which rests with the courts. Without legislation limiting the liability in these cases, alternatives to jail could be too risky to maintain.
2. Supports legislation to allocate funds to local governments when the state increases criminal penalties that require additional jail time, or when new laws require additional police, court, or jail services. Increases in jail time for certain categories of crimes amount to unfunded mandates and can increase jail costs with no offsetting revenue.
3. Urges legislature to seek innovative and cost-effective solutions to relieve overburdened courts, law enforcement agencies, and jails.
4. Urges state and federal governments to provide technical and financial assistance to local governments for alternatives to incarceration, such as electronic home monitoring and more effective treatment, prevention and transitional programs. These programs can be effective in reducing jail costs and the number of repeat offenses, and controlling other criminal justice system costs.
5. Supports legislation that promotes a more effective statewide court system and that any court reform measures carefully evaluate the impact on local courts and local governments.

Juvenile Justice Services
Encourages the legislature to provide sufficient funds for local governments to initiate and expand youth services to divert juveniles from the juvenile justice system.

VII. General Government

Liability

Supports legislation to exempt cities from joint and several liability for the acts of other persons at fault. In certain circumstances, cities can be held jointly and severally liable for acts of third parties—even if the other party acted intentionally. Where a city may be minimally at fault, it may have to pay 100 percent of the damages if the other party at fault is without funds.

VIII. Economic Development and the Growth Management Act

Economic Development

1. Supports amending the state constitution to permit local governments to enter into public-private partnerships which are not in conflict with the "lending of credit" restrictions in the state constitution (which prohibits the state from lending or giving funds to private persons who are not poor or infirm). Current restrictions put Washington cities at a disadvantage when trying to support economic development opportunities using public-private programs to finance infrastructure improvements in support of urban redevelopment.
2. Supports legislation establishing capital assistance programs to help cities finance economic development related local capital projects.
3. Supports changes in the street vacation statute to provide for cities to receive up to the full appraised value, rather than one-half of the appraised value, as compensation for vacated street areas. Under current law, a city can charge adjacent owners one-half the appraised value of the street area being vacated unless the street was originally acquired at public expense. This change would provide more revenue for municipal governments and would be more consistent with the State constitution's prohibition against gifts of public property.

Annexation Reform

Strongly supports legislative reforms to annexation statutes to ensure conformance with the Growth Management Act, to standardize annexation procedures between code/non-code classified cities, and legislation to allow cities to annex contiguous unincorporated property across county lines. The Growth Management Act makes cities responsible for capital planning in their urban growth areas. Annexation statutes enacted before the Growth Management Act was passed do not address or recognize this requirement. We propose that the legislature direct a review of annexation statutes for conformity with the Growth Management Act.

Growth Management Act

1. Supports legislation that further defines, coordinates, simplifies and streamlines land use decisions and permitting under the Growth Management Act as well as the State Environmental Policy Act and the Shorelines Management Act. We propose that the legislature streamline these laws to address conflicting language, in some cases overlapping public notice requirements, and redundancies, in order to simplify the administrative requirements on local governments.
2. Urges the legislature to fully fund any new planning and/or regulatory mandates (e.g., new administrative rules for Shoreline Management Act).
3. Strongly supports retention of the right of cities to assume water/sewer districts, consistent with the Growth Management Act, without requiring a vote of all district residents.
4. Strongly supports full state funding of the significant costs and analysis required for "buildable lands" inventories that six counties—and the cities within them—must perform.
5. Strongly opposes further attempts by the Legislature to impose sanctions or penalties on cities not meeting their growth targets/housing production goals. Holding cities responsible

for market-influenced factors outside their control is counterproductive to meeting the intent of the Growth Management Act.
6. Supports legislation to enhance local flexibility to fairly assess impact fees upon new growth, as well as upon expanded public facilities of regional or statewide significance.
7. Supports legislation requiring mitigation of the impacts to cities caused by state or agency actions around the siting of public facilities of regional or statewide significance, such as Fircrest.

Affordable Housing
Supports legislation that assures current affordable housing subsidies available to local governments are retained in law, and supports authorization of a permanent, stable funding source for affordable housing that allows people with middle and low incomes entry into the housing market (i.e., State Housing Trust Fund Grants).

IX. Energy, Utilities and Telecommunications

Energy
Strongly supports meaningful participation by cities in state and federal actions relating to the development, planning, conservation, deregulation, allocation, and utilization of energy resources in the Northwest.

Electric Energy Restructuring
1. Strongly opposes legislation unfairly shifting costs to specific customer classes, particularly residential, low income and small commercial customers.
2. Supports legislation ensuring local governments' authority to serve as "aggregators" for their residential, small commercial, or institutional customers, or to participate in aggregation groups. (In a deregulated energy industry, cities could form large groups of consumers to get better electricity rates than if they were to act alone. This aggregation authority is included in the City's agreement with Seattle City Light as a means for Shoreline to maintain an 8% cap on power rate differentials in a deregulated environment.)
3. Opposes legislation that would allow locally produced power to leave the state in search of a higher price to the detriment of the local customer.

Telecommunications
1. Supports active participation by local governments in state and federal actions regarding wireless communications, cable television and broadcast satellite.
2. Strongly supports legislation affirming and protecting the City's ability to manage its rights-of-way and publicly-owned infrastructure—which are some of the City's most important assets—with specific authority to: regulate how, when and where facilities are located; and, require utilities to bear the cost of relocating their facilities within the rights-of-way for needed public improvements.
3. Strongly supports legislation recognizing the responsibility of the telecommunications industry to assume appropriate legal liability due to its presence in city rights-of-way.

Utility Taxation and Franchise Authority
1. Monitor legislation equalizing taxing authority between municipalities that own utilities and those that do not. Shoreline is provided utility service by another City in three critical areas; electricity (100% of the City), water (60% of the City), and wastewater (30% of the City). For most municipalities in the state, utility tax revenues are a key source of revenues for ongoing operations. Shoreline residents served by Seattle utilities currently pay tax to Seattle's general fund making it difficult for Shoreline to utilize this revenue source. Shoreline's franchise agreement with Seattle City Light address this concern with respect to

electrical services. Legislative cooperation between Seattle and Shoreline is an integral part of this agreement. This policy supports continued vigilance in this area in order to identify risks and opportunities that may arise during the legislative process.

2. Strongly supports legislation recognizing that local franchising authority needs to be protected and asserted over all utilities on an equal basis which would allow cities to regulate activities of utilities operating inside their boundaries. Some telecommunications companies are asserting that they are exempt from municipal franchising authority. This recommendation seeks clarification that cities have uniform authority to manage their rights-of-way through franchises.
3. Strongly supports preservation of taxing authority and the right to compensation for costs incurred by cities as a result of the presence of telecommunication facilities in city rights-of-way, including full recovery of permitting and other administrative costs.

X. Environment

Clean Water

Supports flexibility in the administration of state and federal clean water regulations to achieve a balance between meeting environmental objectives and the financial costs of compliance.

Water Resources

1. Supports flexible regional planning for water resources and water supply that includes affected parties, including cities, and that when initiated, provides clear direction for the state in making decisions affecting water rights, natural resource protection and overall allocation of the state's waters.
2. Supports legislation clarifying the state's water resource laws and policies to reflect a balance between in-stream uses (fish, wildlife, recreation), and out-of-stream uses (municipal water supply, hydroelectric power, irrigation), and encouraging state agencies that implement and enforce water policies to coordinate with each other and with local governments.
3. Supports clarification of applicable statutes, rules or policies that better define and describe the nature and duration of municipal water rights, including assurances if water is conserved, cities will not lose rights to that water through regulatory or judicial action.
4. Supports continuous evaluation and monitoring of the 1998 legislation authorizing flexible watershed-by-watershed basin planning.

Solid Waste

Supports equal and fair involvement of cities in coordinated solid waste planning and funding distribution.

Sanitary Sewers

1. Supports equal and fair involvement of cities in coordinated planning for sanitary sewers, facility distribution, and water source issues related to sanitary sewers.
2. Supports flexibility in the utilization of a capacity charge to provide funding for new infrastructure to provide additional capacity for growth in sewage treatment facilities.

Endangered Species Act (ESA) Funding and Policy

1. Supports provision of significant and ongoing funding assistance to local governments by the state legislature and federal government to assist cities as they respond to current and pending ESA listings. This assistance should include direct grants of federal and state money to cities located in territory covered by potential ESA listings to develop necessary scientific knowledge, habitat conservation plans, and habitat restoration projects to respond to ESA listings of salmon.

2. Supports city involvement in financing and decision-making regarding policies, plans and projects developed to respond to the ESA at a local, regional and state level.
3. Supports ongoing evaluations of the actions of federal, state and local efforts to address ESA issues to ensure that the fish are being recovered and economic development, especially in urban areas, is considered in salmon recovery efforts.

XI. Fircrest

Fircrest is an approximately 80-acre site, owned by various state agencies. It includes several public uses, such as the Fircrest School for the Developmentally Disabled, Health Laboratories, Washington State Patrol, King County North End Rehabilitation Facility, and the Food Lifeline/ Food Bank. Under the Growth Management Act, state agencies are required to comply with local land use plans. However, there is currently no requirement that a state agency proposing a change in the day-to-day use or operations of one of its facilities—a change that could have a major impact on surrounding uses—include the local jurisdiction in the decision-making process.

Additionally, there is no requirement that major state facilities located within cities provide mitigation to the local jurisdiction(s) for the provision of services or infrastructure improvements needed to serve the state facility.

The City of Shoreline incurs costs to serve Fircrest—e.g., police services and transportation system maintenance costs—and receives no compensation for these service impacts from the state agencies housed on the Fircrest Campus. The following proposed statements of policy are intended to address these concerns:

1. Strongly supports continued authority for cities to plan for all land within their boundaries, and for the compliance of state agencies with those resultant plans, development regulations, and implementation strategies.
2. Strongly urges legislation to reimburse cities for services provided to state facilities and capital improvement costs necessary to serve state facilities within city boundaries.
3. Supports legislation requiring state agencies as well as special purpose districts to update and coordinate their policy and capital plans to be in conformance with those adopted locally under the Growth Management Act.