

November 13, 2001

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Tuesday, November 13, 2001
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

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

ABSENT: None

BUDGET WORKSHOP

1. CALL TO ORDER

The meeting was called to order at 6:36 p.m. by Mayor Jepsen, who presided.

2. FLAG SALUTE/ROLL CALL

Upon roll call by the City Clerk, all Councilmembers were present, with the exceptions of Councilmembers Gustafson and Grossman, who both arrived shortly thereafter.

(a) 2002 – 2007 Capital Improvement Program Presentation

Steve Burkett, City Manager, explained that the Capital Improvement Program (CIP) is made up of the General Capital Fund, the Roads Capital Fund and the Surface Water Capital Fund. He provided an expenditure and revenue overview of the CIP, noting that the total budget for the six-year plan is \$110,816,796. The program totals \$14.2 million for 2002. He said this is a large budget for a city the size of Shoreline. He noted few changes from the program adopted last year. He said the budget peaks in 2003 with the work on the Aurora Corridor Project and the construction of a new City Hall. He pointed out that the Aurora Corridor Project relies heavily on grant funding. He concluded that, pending Council discussion, bond funding is projected in the CIP for the new City Hall.

Wendy Barry, Parks, Recreation and Cultural Services Director, reviewed the projects in the General Capital Fund. She identified the following 2001 accomplishments:

- the work initiated on Shoreview Park;
- the neighborhood parks repair and replacement program;
- Phase I of the Paramount School Park; and
- renovations at the swimming pool and at the Richmond Highlands Recreation Center.

Councilmember Gustafson arrived at 6:49 p.m.

DRAFT

Noting that the Parks, Recreation and Cultural Services Advisory Committee has reviewed these projects, Ms. Barry highlighted the following 2002 planned activities:

- Hamlin Park Storage Building (a new project in the CIP);
- City Gateways;
- Richmond Saltwater Park Master Plan (a new project);
- park improvement and upgrades (the line item used for the Spartan Gym);
- neighborhood parks repair and replacement;
- Paramount School Park Phase II;
- Cromwell Park Master Plan;
- ceiling modifications at the swimming pool; and
- refinement of the Parks Master Plan (an update of the Parks and Open Space Plan).

Chuck Purnell, City Engineer, reviewed the 2001 accomplishments of the Roads Capital Fund. These included finalization of the environmental processes on the Aurora Corridor Project and the Interurban Trail Project, as well as completion of the planned action Environment Impact Statement and the initiation of design of improvements in the North City Business District. He noted that the North City project budget has been reduced by \$1,000,000. He also highlighted the Neighborhood Traffic Safety Program and the installation of a traffic signal at 15th Avenue NE and NE 165th Street.

Turning to 2002 program highlights, Mr. Purnell reviewed the following:

- work on the Aurora Corridor Project from 145th Street to 165th Street;
- construction of the Interurban Trail from 145th Street to 155th Street and the design of the south-central and north segments; and
- completion of neighborhood traffic mitigation in North City and finalization of the design of business district improvements.

Mr. Purnell noted ongoing annual programs related to curb ramp installation, sidewalk repairs and resurfacing. He pointed out three unfunded road projects: 1st Avenue NW slope erosion; Richmond Beach Road at 3rd Avenue NW; and 3rd Avenue NW widening project.

Mr. Purnell went on to describe the Surface Water Capital Fund. He noted substantial changes from last year's CIP: a reduction in the need for small surface water projects due to the completion of 54 projects since 1997; and the reduction of the Ronald Bog Drainage Improvement Project budget by \$1.5 million. 2001 accomplishments include the completion of the pre-design studies and alternative analysis for the Ronald Bog Drainage Improvement Project and the 3rd Avenue NW Drainage Improvement Project.

Councilmember Grossman arrived at 7:09 p.m.

Mr. Purnell concluded that the 2002 highlights include continuing work on the Ronald Bog and 3rd Avenue NW Drainage Projects. The ongoing annual program activities address stream and habitat rehabilitation through public education and community

DRAFT

November 13, 2001

volunteer coordination. He pointed out that drainage projects currently unfunded are located at Dayton Avenue at N 183rd Street, 12th Avenue NE, Midvale Avenue, and N 155th Street at Corliss Avenue N.

Mr. Burkett reiterated the importance of grant funding for many projects in the CIP, particularly the Aurora Corridor Project. He said the revenue and expenditure picture for the Surface Water Capital Fund will be very tight in the future, which may require generating revenue through new fees or reducing the ability of the City to address some of the remaining problems. Mr. Burkett concluded that he will be reviewing the scheduling of CIP projects very closely to ensure the City has the staff and time to accomplish them.

Mayor Jepsen called for Council questions about the General Capital Fund.

Responding to Councilmember Montgomery, Mr. Burkett said the storage facility at Hamlin Park is not planned to accommodate a full service City.

Responding again to Councilmember Montgomery, Ms. Barry said staff has budgeted \$30,000 in next year's CIP to revisit the vision of the park system set out in the 1998 Parks, Recreation and Open Space Plan. She said the City has accomplished much of what was outlined in that plan. She explained that the master plans outlined for Cromwell and Richmond Beach Saltwater Park are more detailed and will involve a full-fledged public process. Construction is intended to follow immediately thereafter.

Councilmember Montgomery questioned hiring a consultant to determine the location of City gateways. She said Council could do this itself. Mr. Burkett said Council has identified four or five logical gateways. He explained the proposal to hire a consultant to review these sites to propose integrated gateways and signage. He said Council will have an opportunity to consider the scope of the work proposed for the consultant and to determine if it wishes to move forward with it.

Responding to Councilmember Gustafson, Ms. Barry described the open space proposed for purchase near Paramount Park. She said the City was not successful in making this purchase this year, but it may receive a grant for the purchase if a local match is identified in the CIP.

Responding to Councilmember Gustafson, Ms. Barry said if the Richmond Highlands Recreation Center has not been completed by the end of the year, funds will automatically follow into next year's budget.

Councilmember Ransom asked about the schedule for the Interurban Trail. Mr. Burkett said construction was supposed to begin in November. Now construction is proposed for early next year for the south segment.

DRAFT

Responding again to Councilmember Ransom, Mr. Purnell said the plan is to design the south central segment (155th Street to 175th Street) and the north segment (approximately 192nd Street to 205th Street) together in 2002 and to construct both in 2003.

Councilmember Ransom asked about funding for the bridge over Aurora Avenue at 155th Street. Mr. Burkett said the City hopes to receive grant funding for the structure, which could cost up to \$3 million. The CIP contains \$500,000-600,000 for Shoreline's share. Without grant funding for the remainder, the option is to maintain an at-grade crossing. Mr. Burkett said the City would look for both State and federal grants.

Councilmember Ransom asked about a master plan for Boeing Creek Nature Park. Ms. Barry said Boeing Creek Park ranked at a lower priority in the original Parks, Recreation and Open Space Plan. She said the City has based work in the parks on the priorities set in the plan. She noted the difficulty of determining future work before revisiting the original plan next year.

Councilmember Gustafson confirmed that a long-range vision of what the parks should look like is critical. Ms. Barry clarified that work next year will not involve development of detailed master plans for every park.

Councilmember Ransom expressed concern about funding for the Shoreline-Lake Forest Park Senior Center, the Shoreline-Lake Forest Park Arts Council and the Shoreline Historical Museum. Mr. Burkett said these are addressed in the operating budget, which includes five-percent increases for the Arts Council and the Historical Museum. He noted that the Senior Center received Community Development Block Grant funds. He said the Arts Council and the Historical Museum requested more operational funds. Neither asked for capital funds this year.

Councilmember Grossman asked whether the Proposed 2002 Budget includes a contingency fund for capital planning purposes. He mentioned that the City may wish to participate with the School District and the City of Lake Forest Park with regard to some of the surplus properties of the District. Mr. Burkett responded that there is no such allocation in the CIP. He said the District has said it has money for capital. He commented that Council will have to make determinations about capital funding and operational expenses and that it will have to eliminate a lower priority project if it wishes to fund something in 2002.

Mayor Jepsen noted that the regular meeting should begin at this time and that the discussion of the Roads and Surface Water Capital Funds will, therefore, occur on November 19.

REGULAR MEETING

3. REPORT OF CITY MANAGER

DRAFT

City Manager Steve Burkett reported that Sears is continuing its retail operation at Aurora Square, that it is only closing its telephone catalogue service. He also highlighted several items in the Council reading packet: 1) a feedback mechanism for staff reports and presentations; 2) an update on the jail negotiations (options will be reviewed at a January workshop); and 3) answers to questions asked at the last budget presentation. Mr. Burkett said the swearing-in ceremony for newly-elected Councilmembers will take place at the December 10 Council meeting. Finally, he commented on the success of the City United Way campaign, with donations increasing by 80 percent to \$15,847.00.

4. REPORTS OF BOARDS AND COMMISSIONS: None

5. PUBLIC COMMENT

(a) Gretchen Atkinson (North City Business Association) and Charlotte Haines (North City Neighborhood Association) invited Councilmembers and the public to the 4th Annual North City Tree Lighting Ceremony to be held on December 1, 2001.

6. APPROVAL OF THE AGENDA

Councilmember Lee moved that Council approve the agenda. Councilmember Gustafson seconded the motion, which carried unanimously, and the agenda was approved.

7. CONSENT CALENDAR

Councilmember Montgomery moved that Council approve the consent calendar. Councilmember Gustafson seconded the motion, which carried unanimously, and the following items were approved:

**Minutes of Special Meeting of October 15, 2001
Minutes of Joint Dinner Meeting of October 22, 2001
Minutes of Regular Meeting of October 22, 2001**

Approval of payroll and claims as of November 2, 2001 in the amount of \$1,979,854.54

Motion to authorize the City Manager to extend the Professional Services Design Contract for Kubota/Kato/Chin for the Richmond Highlands Community Center Project

Motion to authorize the City Manager to increase the professional services contract for litigation services with Buck and Gordon LLP

8. ACTION ITEM: PUBLIC HEARING

- (a) Public hearing to consider citizens' comments regarding 2002 revenue sources, including the property tax levy

Ordinance No. 298 levying the general taxes for the City of Shoreline in King County for the fiscal year commencing January 1, 2002 on all property both real and personal, in said City which is subject to taxation for purpose of paying sufficient revenue to conduct City business for the ensuing year as required by law

Debra Tarry, Finance Director, reviewed the staff report.

Mayor Jepsen opened the public hearing.

Seeing no one wishing to address Council, Deputy Mayor Hansen moved to close the public hearing. Councilmember Gustafson seconded the motion, which carried unanimously.

Councilmember Montgomery moved to adopt Ordinance No. 289 (Attachment A - Version A in the Council packet), establishing the 2002 property tax levy. Deputy Mayor Hansen seconded the motion.

Councilmember Ransom requested County and Shoreline election results regarding Initiative 747 (I-747). Ms. Tarry said I-747 failed to pass in King County. Staff did not have Shoreline election results regarding I-747.

In response to Councilmember Ransom, City Attorney Ian Sievers said I-747 is not likely to be overturned as unconstitutional. Councilmember Ransom said Council considered implementing levies in excess of limits established by previous initiatives to enable the City to collect the higher rate in the event the initiatives were overturned. Mr. Burkett explained the staff recommendation that Council not levy a higher rate than that allowed by I-747. He noted that the difference between revenues from the one percent increase allowed under I-747 and those from a 1.89 percent increase (equivalent to the Implicit Price Deflator [IPD]) is only \$56,255. He said the City can revisit the issue in one year.

In response to Councilmember Montgomery, Ms. Tarry confirmed that, withstanding court intervention on I-747, the only options open to Council are to increase the property tax levy by one percent, to increase it by a lesser amount or not to increase it at all.

In response to Deputy Mayor Hansen, Ms. Tarry said Council set the 2001 levy rate at approximately \$1.52 per \$1,000 of assessed valuation (AV).

Mayor Jepsen noted two of the factors affecting property taxes: 1) annual property reassessments, which continue to result in rising property values; and 2) the City property tax levy. He said the City has reduced its property tax levy from close to \$1.60 per \$1,000 AV immediately after incorporation to \$1.52 per \$1,000 AV last year. He acknowledged that reductions in the City property tax levy may not have offset increases

in the AV of property and improvements, but he said the City "has come a long ways" from close to \$1.60 per \$1,000 AV to the proposed 2002 rate of \$1.44 per \$1,000 AV.

Councilmember Ransom pointed out that the County levied a rate of \$1.68 per \$1,000 AV before Shoreline incorporated. Deputy Mayor Hansen said the County rate, including the road tax, equaled \$1.79 per \$1,000 AV before the City incorporated. He stated that the decrease in the City property tax levy represents a five percent rate reduction. Noting a potential increase in average AV of six percent, he identified a net increase in the levy rate of one percent.

Mr. Burkett pointed out that the City receives only ten percent of the property taxes that Shoreline property owners pay.

A vote was taken on the motion to adopt Ordinance No. 289 (Attachment A – Version A in the Council packet), levying the general taxes for the City of Shoreline for the fiscal year commencing January 1, 2002, on all property both real and personal which is subject to taxation. The motion carried 7-0, and Ordinance No. 289 was adopted.

Noting that Council has adopted the City tax rate before the effective date of I-747, Deputy Mayor Hansen questioned whether I-747 can, in effect, apply retroactively. Mr. Sievers agreed that the timing of the application of the initiative is ambiguous. He said he does not know of anyone preparing to challenge it, and he pointed out that the County intends to adjust property tax rates to insure that they do not exceed the maximum established by I-747.

9. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) Ordinance No. 288 rezoning a portion of property located at 14516 12th Avenue NE from R-6 to R-12

Tim Stewart, Planning and Development Services Director, provided the staff report. He said the parcel is split zoned R-6 on the west and R-48 on the east. The parcel was designated Mixed Use in the 1998 Comprehensive Plan. Council amended the Comprehensive Plan in July 2001, designating this as a special study area. The applicant asked for R-18 zoning, in keeping with the Mixed Use designation in effect at the time of the application, but the Planning Commission unanimously recommended R-12. Mr. Stewart said this proposal is probably the last reconciliation of the 1998 Comprehensive Plan. He noted that it represents a positive outcome of the pre-application neighborhood process.

Deputy Mayor Hansen moved to adopt Ordinance No. 288. Councilmember Ransom seconded the motion.

Councilmember Montgomery asked about evidence that R-18 would have negative traffic impacts as predicted by the neighbors. Mr. Stewart responded that the issue is that two additional units would have been allowed. The Planning Commission reached the

conclusion that the lower density would be more consistent with the neighborhood character. Traffic impacts were not discussed.

Councilmember Grossman commented that although two fewer units would be built, the developer will be able to construct larger buildings. He said he would support the Planning Commission recommendation, because the Commission undertook a more thorough process than Council; however, he expressed concern about affordable housing in Shoreline and meeting the targets of the Growth Management Act (GMA). He stated that this is a missed opportunity to provide slightly more affordable housing with no reduction in the total volume of buildings.

Mr. Stewart said the developer showed various configurations at the Planning Commission hearing, and the neighbors liked the townhouse configuration as opposed to an apartment configuration. Councilmember Grossman said it would be helpful to see these in the packet. He said he is much more concerned about design than density. He asserted that Shoreline residents are concerned about design as well.

Councilmember Montgomery agreed that the main impact on the neighborhood is the appearance of the development. Noting that she would support the Planning Commission recommendation, she said she had difficulty understanding why R-18 was so objectionable.

Councilmember Ransom pointed out that all six Commissioners agreed with R-12.

Mayor Jepsen said the City should start considering design massing as well as density.

A vote was taken on the motion, which carried 7-0, and Ordinance No. 288, rezoning a portion of property located at 14516 12th Avenue NE from R-6 to R-12, was passed.

- (b) Ordinance No. 293 amending the Development Code to change the density calculation in the R-6 zone to prevent the construction of more than one single family detached dwelling unit on a lot of less than 14,400 square feet

Mr. Stewart provided the staff report. He said this is one of approximately 60 amendments to the Development Code that the Planning Commission is currently considering. He explained that staff brought this amendment forward quickly to address the rounding up provision of the base density calculation in the Development Code. This provision allows two separate freestanding dwelling units in an R-6 zone on lots of 10,890 to 14,400 square feet. The amendment corrects this provision while still allowing duplexes or attached single family construction, subject to multi-family design standards. The amendment does not change the calculations for cottage housing or the requirements for a freestanding accessory dwelling unit (ADU). Mr. Stewart explained that the original rounding up provision was intended to meet GMA requirements. He said this is no longer an issue given the North City Subarea Plan and other provisions. He noted that

the Planning Commission voted 6-2 in favor of the amendment, with the dissenting Commissioners supporting a more rigorous change to the Code.

Mayor Jepsen called for public comment.

(1) Marlin Gabbert, 17743 25th Avenue NE, urged passage of Ordinance No. 293. He said the provision as it stands encourages the creation of rental housing in single-family areas. He said rental housing encourages destabilization of the neighborhood. He asked the Council to direct the Planning Commission to take a second look at design standards in single-family areas.

(2) Bill Bettencourt, 1854 NE 171st Street, also supported the ordinance. He chided Council for allowing a "manufactured home park" on his block and urged them to be more diligent in the future in protecting neighborhoods.

(3) Gregg Opsal, 1836 NE 171st Street, submitted a petition of 90 of the neighbors requesting passage of this amendment. He said the neighbors were uninformed about the project and had no way to provide input. He felt let down by the City.

(4) Fredrick Rudnick, 16825 18th Avenue NE, said he had been active in the Comprehensive Plan process, which valued neighborhood character. He feared that now growth has become more important than community values. He urged Council to consider single-family design standards as well as closing this loophole.

(5) Felicia Schwindt, 2209 NE 177th Street, supported the ordinance. She said citizens had believed that all single family homes required 7,200 square foot lots. She urged Council to support other amendments that may come from the Planning Commission to address this problem.

Councilmember Gustafson moved to adopt Ordinance No. 293. Councilmember Montgomery seconded the motion.

Councilmember Ransom asked how many lots would fall into the category covered by the ordinance. Mr. Stewart responded that the number of existing lots is not the issue because developers can pursue lot line adjustments to give them enough property to build the two units.

Responding to Councilmember Grossman, Mr. Stewart said the homes at 1844 NE 171st Street are modular units. He explained that staff is not concerned with the type of construction but with the layout and configuration of the structures, both internally and externally to the neighborhood.

Councilmember Grossman commented that the basic issue seems to be that the units are "ugly."

Mayor Jepsen said his problem with the homes is that they are not responsive to lot layout or adjacencies—the homes, as rectangular boxes, are just set down on the lots.

Responding to Councilmember Montgomery, Mr. Stewart said there is no way to undo legally-permitted development.

Councilmember Montgomery said she did not wish to affect the permissibility of ADUs. Deputy Mayor Hansen concurred. He said Council did not anticipate that the provision, which was meant to assist with ADUs, would allow the creation of rental units.

Mr. Stewart reviewed City ADU provisions. He said on lots smaller than 10,000 square feet, the ADU must be attached to the residence. If the lot is larger than 10,000 square feet, a detached ADU can be constructed, but there are many restrictions involved. He reiterated that the proposed ordinance amends the base density calculation section of the Development Code, not the ADU section.

Councilmember Gustafson supported having the Planning Commission consider design standards to help maintain the character of the neighborhoods.

Councilmember Lee questioned whether the problem of “cracker jack” houses will truly be addressed. Mr. Stewart concurred that this amendment will not fix every possible problem that might arise. He assured Council that if other problems arise, they will be considered. He commented that single-family design standards are very complex, but that it may be easier to determine what does not fit neighborhood character.

Deputy Mayor Hansen asked if there are pending applications. Mr. Stewart said any application received before the effective date of the ordinance would be grandfathered.

Councilmember Grossman said he would support the amendment, but he said Council should be clear that this amendment does not address the “cracker box” issue. He expressed his hope that Council will continue to address this question. He asserted that this is a much bigger issue than density. He concluded the discussion by noting his disagreement with “anti-renter” comments. He said renters have different needs and sometimes different economic circumstances, but they can still be assets to the neighborhood.

A vote was taken on the motion, which carried 7–0, and Ordinance No. 293, amending the Development Code to change the density calculation in the R-6 zone to prevent the construction of more than one single family detached dwelling unit on a lot of less than 14,400 square feet, was adopted.

10. CONTINUED PUBLIC COMMENT: None

11. EXECUTIVE SESSION

November 13, 2001

DRAFT

At 8:56 p.m., Mayor Jepsen announced that Council would recess into executive session until 9:30 p.m. to discuss one item of potential litigation. At 9:52 p.m., the executive session concluded, and the special meeting reconvened.

11. ADJOURNMENT

At 9:52 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL

SUMMARY MINUTES OF SPECIAL MEETING

Monday, November 19, 2001
6:30 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 6:33 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 exceptions of Deputy Mayor Hansen and Councilmember Montgomery, who arrived later in the meeting.

3. CITY MANAGER'S REPORT

City Manager Steve Burkett reminded Council that next week's agenda includes the public hearings on the proposed 2002 budget and the 2002 – 2007 Capital Improvement Program (CIP).

4. COUNCIL REPORTS

Councilmember Grossman reported on Seashore Forum concerns about transportation funding. He also mentioned that the task force reviewing surplus School District properties is now focusing on Aldercrest Annex as the most likely opportunity for joint action.

Councilmember Lee attended the Crista Ministries breakfast honoring public employees, as did Mayor Jepsen and Councilmember Ransom.

Councilmember Ransom noted receipt of his application to serve on the Steering Committee for the National League of Cities Human Development Committee. He also attended the Land Bank Task Force meeting mentioned by Councilmember Grossman. He noted that, in addition to the Aldercrest Annex, the task force is discussing the old Kellogg Junior High School site and the Cedarbrook site.

Deputy Mayor Hansen arrived at 6:40 p.m.

Councilmember Gustafson attended the Joint Recommendations Committee that allocates funds for Housing and Urban Development (HUD) projects in King County. He raised the issue of whether Shoreline should continue to be part of this group. He supported this approach rather than Shoreline getting a direct entitlement from HUD. He also summarized fish recovery goals discussed at the "Shared Strategy for the Recovery of Salmon in Puget Sound."

After noting that he and Councilmember Lee attended the Veterans Day celebration at the Church of the Nazarene, Mayor Jepsen reported that he discussed the following with the north-end mayors:

- concerns about the possibility that King County will pursue authorization to assess a Countywide utility tax;
- County cuts in human services;
- the loss of Initiative 695 backfill funding from the State and the impacts of Initiative 747;
- the Brightwater siting process; and
- negotiations on the jail services contract.

5. PUBLIC COMMENT

(a) Steven Simms, 1203 N 148th Place, described the negative impacts of activities at the Shurgard Storage facility adjacent to his home. He said the management of Shurgard has not been responsive to neighborhood complaints about noise, fumes and concerns that a business is being operated in the facility. He asked the City to address this problem.

(b) Rudy and Troy from Boy Scout Troop 853 explained that the scouts were at the meeting as a requirement for their Communications Merit Badge.

6. ACTION ITEM

- (a) Motion to authorize the City Manager to sign change orders totaling an additional amount of \$335,120 for Pennon Construction for a total maximum construction project amount of \$1,438,415 for the Shoreline Swimming Pool Project

Explaining that funding has been identified to cover these change orders, Mr. Burkett explained why they are necessary: 1) the project was not designed and planned correctly; 2) Building Code requirements were not identified in the initial specifications; 3) there were unknown conditions in this 30-year-old building; 4) sales tax was not included in the budget; and 5) modifications were added to improve the project. Mr. Burkett said the project is now nearing completion; opening day should be December 3, 2001. Mr. Burkett committed to improve the City's performance and contract administration in the

DRAFT

November 19, 2001

future. He pointed out that one of the problems that came up in this project was the attempt to accommodate the swim teams while the project was under construction.

Councilmember Gustafson moved to authorize the City Manager to sign change orders totaling an additional amount of \$335,120 for Pennon Construction for a total maximum construction project amount of \$1,438,415 for the Shoreline Swimming Pool Project. Deputy Mayor Hansen seconded the motion.

Responding to Councilmember Ransom, Mr. Burkett said more than half of the additional dollars requested would have been required anyway—the costs would just have been identified earlier.

Councilmember Gustafson asked whose responsibility it was to determine that the building should have been designed to meet Type 4 building code construction standards rather than Type 5. Mr. Burkett responded that both the City and the consultant have some responsibility. He also pointed out that the project was fast-tracked in the spring in order to meet swim team deadlines, so staff did not have time to identify earlier some of the issues that arose.

Mayor Jepsen concluded that staff needs to “get a better handle on project management.”

A vote was taken on the motion, and the City Manager was authorized to sign the changes orders totaling an additional amount of \$335,120 for Pennon Construction for a total maximum construction contract amount of \$1,438,415 for the Shoreline Swimming Pool Project. It carried 6 – 0.

7. WORKSHOP ITEMS

(a) Solid Waste Collection Services Contract Amendment

Kristoff Bauer, Assistant to the City Manager, introduced Rika Cecil, the City’s recycling specialist, and Ray Evans of Waste Management. Mr. Bauer reviewed the background of this contract, which provides for an annual rate adjustment in January. He explained the two issues that have arisen since Waste Management became the City’s sole provider. The first is the length of the yard waste seasons. The contract provides that yard waste collection service occurs every other week during the “summer” season (March through October) and once a month during the “winter” season. Depending upon how the collection schedule works out, either the time between the last yard waste collection in October and the only collection in November is long or the time between the November collection and that in December is long. The City received a number of complaints regarding the reduction of service in November. Staff now recommends that the winter yard waste season begin in December. To address the problem this year, Waste Management has agreed to provide a double collection in December, at no additional charge.

Continuing, Mr. Bauer said the other issue that has arisen involves multi-family recycling service. He explained that State law restricts cities' ability to control commercial recycling and, due to an unintended interplay of definitions in the contract, some multi-family customers are considered "commercial" instead of "residential" customers. He said staff is still working with the contractor to collect information to use to determine the proper course of action.

Concluding, Mr. Bauer reminded Council that around February 1, 2002 Waste Management will begin providing service to the annexation areas. He said staff will work to ensure that this transition goes smoothly.

Mr. Evans explained Waste Management's new emphasis on customer service and the new standards for equipment delivery, recovery (of missed receptacles) and telephone responses. He said customer service is much improved over the initial start-up phase.

Mayor Jepsen commented that for the most part service has improved. He restated his original concern that the City is getting less service for less money. Regarding the yard waste schedule, he felt the important issue is the length of time between pick-ups when the transition is made from the bi-monthly schedule.

Mayor Jepsen asked about items highlighted in Appendix G on page nine. Mr. Bauer explained that these rates were inadvertently omitted from the original Appendix G. The services are provided, but the rates were not established. He also explained that the annual rate adjustment is based upon 75 percent of the annual change in the Consumer Price Index.

Responding to Mayor Jepsen, Mr. Bauer said staff will use various means to advise customers of the double collection in December and the receptacles to be used.

Councilmember Montgomery arrived at 7:35 p.m.

Responding to Councilmember Lee, Mr. Bauer said staff is working on contract language to provide equitable rates to multi-family users. Because the area that will begin receiving service in February includes additional multi-family units, staff proposes to wait until after that change to initiate any other changes related to multi-family service.

Councilmember Gustafson commented on unhappy customers who had contacted him when their yard waste was not picked up. He also asked how people can get assistance if they cannot get their receptacles to the street. Mr. Evans said Waste Management can be contacted if a disability is involved that requires an accommodation.

Responding to Councilmember Montgomery's suggestion that rate increases be postponed for a year, Mr. Bauer said the rate increases are part of the contract negotiated with Waste Management.

DRAFT

Mayor Jepsen commented that haulers should be sure that all the material gets into the trucks. Mr. Bauer said Waste Management has been very responsive to complaints about this issue.

Mayor Jepsen expressed Council consensus to bring back the contract amendment with the revision of the rate schedule as outlined on Appendix G and the extension of the standard level of yard waste service through November.

(b) Update on Vegetation Management Activities at
Richmond Beach Saltwater Park

Wendy Barry, Parks, Recreation and Cultural Services Director, and Kirk Peterson, Parks Superintendent, described the proposal for the area near the bluff trail in Richmond Beach Saltwater Park. The vegetation management plan includes tree cutting in December with replanting to follow.

Mayor Jepsen called for public comment.

(1) George Webb, 18605 17th Avenue NW, noted that one of the goals of the vegetation management plan was erosion control to maintain the stability of the slope. He suggested a fencing plan to meet the erosion control goal before the new plantings are installed. He feared that, without fencing, people will continue to create their own trail from the picnic area to the top of the hill. He also mentioned the fire that occurred on the slope last summer.

Ms. Barry said 38 trees will be cut down and 45-50 will be planted. She explained why the trees should be removed. She noted that the stumps will be left in place to help retain the soil until the new vegetation takes over.

Responding to Mayor Jepsen, Mr. Peterson explained that "girdling" prevents the tree from growing higher and blocking views.

Mayor Jepsen stated that it should not be City policy to replace all trees that have been vandalized by girdling. Ms. Barry responded that this type of vandalism is not a problem at other parks and that the girdling at Richmond Beach Saltwater Park happened ten or twenty years ago. Additionally, King County oversaw some of the topping of the trees to address view preservation. She said as maintenance standards improve, parks will experience a higher volume of use, which prevents vandalism. In the proposed plan, the trees will not grow high enough to obstruct views, and the plantings will add color and provide erosion control.

Mayor Jepsen suggested consideration of Mr. Webb's suggestion about protecting the new landscaping with fencing. Ms. Barry said appropriate accesses will be considered when the park is master planned.

Councilmember Grossman expressed concern that the replacement vegetation will not be as aesthetically pleasing or environmentally useful. Ms. Barry said the madrona trees will remain, so the slope will not be totally denuded. The dogwoods and vine maples are native trees that will thrive and provide visual interest at different times of the year. Councilmember Grossman opposed the use of cyclone fencing. He favored an analysis of traffic flows and the establishment of structured ways for people to get around in the park.

Councilmember Ransom asked that staff reports include photographs of subject trees when Council considers vegetation management in the future.

Councilmember Gustafson pointed out that the vegetation plan is part of the bluff trail agreement, which he supports. He said view preservation was part of that plan.

Deputy Mayor Hansen concurred that this plan was part of the bluff trail negotiations. He noted that diseased and dead trees present the danger of blowing over and pulling out a major portion of the bank. He had concerns about planting dogwoods, as they can grow quite tall and are susceptible to diseases.

Mr. Peterson explained that dogwoods provide good habitat and are native. They will be planted on the lower shelf and shouldn't grow more than 30 feet high. The disease they get does not really hurt the tree over time.

Deputy Mayor Hansen said the plan is well thought out and he looks forward to its completion. He noted that vandalism is less likely to occur the nicer the park looks.

Referring to Mr. Webb's comments, Councilmember Gustafson asked if fire is a concern. Mr. Peterson said the City tries to keep the brush cleared, and he did not think fire would be a major problem.

Mayor Jepsen asked about the status of the last phase of the bluff trail construction. Ms. Barry said the work is under design and should be completed this spring. Mayor Jepsen wanted to be sure the vegetation management work is coordinated with construction.

Ms. Barry said staff can aim for the goal of doing all the work concurrently, but it is weather dependent. The plant propagation will be ongoing and will not be as visible or intrusive as the construction work.

- (c) Recommendation to proceed with the acquisition of software applications for Human Resources and Payroll from Bi-Tech

Debra Tarry, Finance Director, reviewed the three options considered in addressing issues related to the City's current Human Resources (HR) and payroll operations. She explained that HR does not have a single source of information, and the various lists maintained by HR are not integrated into the payroll system. The payroll system deals

DRAFT

with manual timecards and payroll processing by a contractor, Automated Data Processing (ADP). The goal of the project is to have on-line timekeeping and integration of payroll and HR information with the City's financial system (Bi-Tech software). She concluded that by purchasing the Bi-Tech modules at a cost of \$147,203, manual processes will be eliminated and the integration of information should be seamless between the various financial, payroll and HR systems.

Responding to Councilmember Ransom, Marci Wright, Human Resources Director, explained that HR maintains personnel lists by classes and other lists but that the lists are not integrated with the payroll system. Under the current system, HR enters most of the data that controls employee pay.

Councilmember Grossman said the Bi-Tech recommendation raises "yellow flags" given the difficulties the Northshore School District experienced implementing Bi-Tech. He acknowledged that the situation may not be similar, because Shoreline already has the Bi-Tech financial system in place. He questioned whether the City will need to hire technical staff to maintain the new modules.

Ms. Tarry said the addition of the new modules will not significantly change the amount of time required to maintain the system. Adequate training for current staff is part of the process.

Councilmember Montgomery mentioned the failure of King County's new, \$4 million payroll system. She said she was nervous about moving forward with this.

Ms. Tarry said staff has visited Kirkland and Puyallup, where the Bi-Tech payroll system was implemented without major problems. She said staff will be sure, during the contract process, to be clear about expected outcomes. Ms. Tarry said Kirkland and Puyallup have both modules, but they implemented payroll first. She said Shoreline will implement the HR module first, since the payroll system is currently functioning without problems. The information from the HR system will then be fed into the payroll system. She added that the Everett School District has implemented both modules and is very happy with them.

Responding to Councilmember Lee, Ms. Tarry said the requested half-time finance technician will perform non-technical tasks currently performed by the staff accountant. She said implementation of the payroll module will free up the payroll officer to perform other tasks. It will also provide time savings to the operating departments through automated timekeeping.

Councilmember Lee asked if there is a competitor to ADP with a system that would be compatible with our current Bi-Tech system. Ms. Tarry was not aware of one.

Councilmember Gustafson commented that the recommendation sounded tentative. He requested reassurance that staff is comfortable that Bi-Tech will do the job. As an

economy measure, he suggested going to one pay period per month, as most school districts do.

Ms. Tarry did not know how much staff time would be saved by monthly pay periods, as this option has not been considered. Mr. Burkett added that the industry standard in most public agencies is 26 pay periods. He noted the impacts of a change on staff. He added that calculations related to the Fair Labor Standards Act and other issues come into play.

Ms. Tarry answered a series of Deputy Mayor Hansen's questions:

- timeframe for implementation—it will take about nine months to get both HR and payroll operating. January 1, 2003 is the target date for the payroll module to come on line.
- amount of sales tax—the Department of Revenue identified the portions of the contract subject to sales tax.
- how annual changes in tax regulations, retirement systems, etc. will get into the system—Bi-Tech will provide annual updates to make sure the tax tables are correct and the proper computations on retirements and taxes are provided.
- how long the cities have been using the modules—Kirkland implemented the modules in 1999 and Puyallup in 2000. The Everett School District has been using both modules for a couple of years.

Deputy Mayor Hansen expressed concern about a payroll program projected to last ten years. He said changes in the law could make a program extinct in a year or two. He sought to ensure that the City's two-year-old Bi-Tech financial system would be seamless with the proposed new modules, and he requested a comparison of the costs that Kirkland and Puyallup incurred to maintain the new system and those they spent before.

Mayor Jepsen summarized that staff can bring forward the contract, but he noted only "lukewarm support."

Councilmember Lee said she is comfortable with staff's extensive research. She said her questions were answered, and she supported the staff recommendation.

Councilmember Ransom added that the City needs a system that will provide personnel information and that Council needs to support staff in acquiring one. He said he would have to accept staff's recommendation that Bi-Tech is the software to purchase.

Councilmember Gustafson said implementation of such a system was one of Council's goals. He explained that he wants to be sure that the modules will do the job expected.

Councilmember Montgomery said it is optimistic that this software will be operational for ten years.

Reiterating that the software will be updated every year, Ms. Tarry explained the goal to use the software as updated for ten years. She said it is not uncommon for cities to use software that length of time.

DRAFT

Mr. Burkett said Council is asking appropriate questions given potential problems of implementing new systems. He said he asked similar questions, and he supports the recommendation. He said the City must make use of technology to become more efficient and avoid adding staff. He said this is basic technology that is "tried and true" in the software world. Staff has talked with other entities and asked questions about implementation and costs. Finally, he said it is critical to have a good contract outlining the deliverables. He concluded that the City has a good track record for software implementation.

(d) 2002 Operating and Capital Budget Discussions

Tim Stewart, Director of Planning and Development Services (PDS), explained that PDS has two types of programs, those funded through the General Fund and grants and those funded through revenues from fees and permits. He highlighted the key service level changes in the 2002 budget, including funding for an intern, a PDS process review, a stream inventory to assist in updating environmental regulations and a watershed basin study.

Mayor Jepsen asked how the proposed hourly rate for permits compares to Seattle, Lake Forest Park and Mountlake Terrace. He commented that the proposal for an intern supports current Council goals. Finally, he asked about budgeting for walk-in services.

Responding to Mayor Jepsen, Mr. Stewart said the City has revised the fee schedule slightly from that in the budget book to reflect the hourly rate resulting from the Consumer Price Index escalator. Referring to cost recovery goals, Mr. Stewart said it is a challenge to determine how much of the walk-in and general permit services costs should be excluded from the cost recovery determination.

Responding to Mayor Jepsen's support of the process review, Councilmember Grossman said builders are much more concerned about the permit process than fee increases.

Mr. Stewart said the two biggest issues related to customer dissatisfaction concern the uncertainty of time and of the interpretation of the Development Code. He expressed hope that these two risk factors will be reduced.

Responding to Councilmember Montgomery's comment on the slowing of the permit process, Mr. Stewart said it is a balancing act to provide enough public review and yet issue permits in an expeditious manner. He said the proposed process review is meant to identify ways to become more user friendly to both constituencies.

Mr. Burkett pointed out that land use regulations are more complex now than they were even five years ago. He said the process review will increase predictability and establish clear standards.

DRAFT

November 19, 2001

Responding to Deputy Mayor Hansen's question about cost recovery objectives, Mr. Stewart described the types of permits for which 80-percent cost recovery was planned. This year's budget includes all those activities as permits, including the legislative activities classified as Type L actions. These generate no revenue but are charged against the permit cost recovery target. He said the PDS program includes activities that probably should not be part of a cost recovery program.

Deputy Mayor Hansen requested comparative cost recovery rates for the past two years.

Turning to the Public Works budget, Ms. Tarry provided an overview of the four funds in the Public Works budget, and she reviewed the proposed changes.

Mr. Bauer addressed the changes, including the addition of a right-of-way supervisor, proposed to address right-of-way management and gaps in existing policies.

Jesus Sanchez, Operations Manager, explained other key service level changes related to the tree maintenance program and the proposal to acquire capital equipment (pavement grinder, road shoulder maintainer and pavement crack sealer).

MEETING EXTENSION

At 10:00 p.m., Deputy Mayor Hansen moved to extend the meeting until 10:30 p.m. Councilmember Ransom seconded the motion, which carried 6 – 1, with Councilmember Montgomery dissenting.

Continuing, Mr. Sanchez reviewed two other service level changes: an inventory of drainage infrastructure and establishment of baseline monitoring for a watershed basin; and the implementation of the regional road maintenance program guidelines.

Mayor Jepsen asserted the difficulty of determining from the budget document which funds support which programs. He expressed surprise that there are 23 full-time employees (FTEs) in operations and only six in engineering services. He noted that engineering services is charged with implementing the CIP. He questioned having a right-of-way supervisor with only 1.5 FTEs to supervise. He said he would rather use an FTE in project work than operations.

Mr. Burkett said the issue is one of prioritization—the person is not supervising people but developing policies and procedures.

Mayor Jepsen said the addition of one FTE to operate the lift bucket truck begs the question of the availability of the second person needed for the operation. He asked if one of the 23 current FTEs in operations will staff the tree-trimming effort.

Mr. Sanchez said the additional FTE will not be trimming full-time; a current employee will assist with trimming, and both the new FTE and the current FTE will perform other

DRAFT

activities when it is not tree-trimming season. He added that staff will be proposing an urban forestry program to complement the tree-trimming program.

Mayor Jepsen said staff will be needed to operate the three pieces of equipment proposed for purchase, but no FTEs are proposed in the budget. He questioned why there appear to be employees who have extra time to take on these new duties. He said his biggest concern is the ratio of FTEs in engineering services to operations. Mr. Burkett said he will be looking at the CIP to see if there is the right balance of workload to staff.

Councilmember Lee concurred with Mayor Jepsen about the wisdom of adding a right-of-way supervisor. She also questioned why the City cannot use King County records regarding the location of the drainage infrastructure. Mr. Sanchez responded that staff has no confidence in the reliability of these records. He said the inventory will also provide a condition assessment.

Turning to the CIP, Mr. Burkett distributed the answers to questions submitted earlier by Council.

Mayor Jepsen commented that Phase 2 of the Paramount School Park Project in the proposed CIP differs from that Council discussed previously.

Ms. Barry explained that the changes are the result of not having enough money to complete all of the items in the original Phase 2. She said the revised proposal is "pared back" from the total master plan, but it will finish the park—irrigation, picnic facilities, restroom, frontage improvements, the skate park, fully developed ball fields and the trail.

Mayor Jepsen questioned why this additional work was not done as part of Phase 1. He asserted the inefficiency of completing Phase 1 and then going back to begin again. He said he wanted to see the park open and in use. He said he would need to be convinced that the "mini-Phase 2" is an efficient and valuable use of funds at this park.

Mr. Burkett said this is a good question in terms of the small amount involved (\$325,000).

MEETING EXTENSION

At 10:30 p.m., Councilmember Gustafson moved to extend the meeting until 10:45 p.m. Councilmember Lee seconded the motion, which carried 6 – 1, with Councilmember Montgomery dissenting.

Regarding the swimming pool project, Mr. Burkett recommended reduction of the \$100,000 allocation to repair the roof to \$10,000. This will pay for the analysis of the deficiencies and the preparation of options. He noted that the roof was not constructed to the building code standards when it was built in 1970.

DRAFT

November 19, 2001

Mr. Burkett responded to Council concerns about project schedules slipping. He said he is not comfortable providing specific dates on some of the projects at this time. He confirmed the following dates:

- the Interurban Trail is projected to begin construction in early 2002;
- environmental review is not completed on the Aurora Corridor Project, and is now anticipated to be complete in the spring of 2002; and
- the North City project will not begin in the summer of 2002, because the contract for the work needs refining to reflect what has been learned from the pool contract.

Mr. Burkett said he wants to return with a CIP schedule he can commit to keeping. He suggested that Council adopt the proposed CIP on December 10 and that staff will then return with new schedules and a prioritization of projects.

Councilmember Ransom commented that in future budget discussions he wants to discuss funding for senior citizen programs and social service programs. He also wished to increase funding to the Shoreline Historical Museum and the Shoreline-Lake Forest Park Arts Council to reflect cost-of-living increases the City has not previously provided. He estimated this to be \$5,000 for each organization. He pointed out that this year's allocation will be a baseline for future spending. He expressed concern about County cuts to human services programs. He said \$100,000 is a small amount, and he asserted the availability of gambling tax revenue and other surplus revenue to address quality of life issues in Shoreline.

Mayor Jepsen said Council will discuss human services funding in the future. He said the Council should strive to come to consensus about what the budget should look like by next week. He added that one of his issues is the number of park master plans that should be undertaken.

8. CONTINUED PUBLIC COMMENT: None

9. EXECUTIVE SESSION

Mayor Jepsen announced that the executive session would be deferred to another meeting.

10. ADJOURNMENT

At 10:48 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk

November 26, 2001

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF DINNER MEETING

Monday, November 26, 2001
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: Steve Burkett, City Manager; Larry Bauman, Assistant City Manager; Joyce Nichols, Community and Government Relations Manager

GUEST: Carolyn Browne, consultant

The meeting convened at 6:10 p.m. All Councilmembers were present with the exception of Councilmember Montgomery.

Steve Burkett, City Manager, introduced consultant Carolyn Browne, explaining that she has been contracted to conduct an opinion survey for the City. She is joining the Council tonight to solicit Council input regarding the development of the questionnaire.

Councilmember Lee asked whether the purpose of the survey is to focus on current services or future needs.

Mr. Burkett responded that the goals of the survey include understanding the level of satisfaction with City services, and also "keeping tabs" on what issues are important to our customers. In other words, are they getting their money's worth in services; and if they want additional services, are they willing to pay for them?

Joyce Nichols, Community and Government Relations Manager, described the background of the City's Citizens Involvement and Communications Task Force and its initial City survey.

Ms. Browne asked Councilmembers what they would like to learn from the survey.

Mayor Jepsen stated that he wants to know how people get their information about the City. Councilmember Grossman added that it is also important to know how they want to get information about the City.

November 26, 2001

DRAFT

Mayor Jepsen said he would like to know how citizens view their quality of life since incorporation and what their views are on Shoreline's becoming a full-service city.

Councilmembers suggested which services should be rated to determine the priorities of the citizens.

Ms. Browne discussed the results of the focus group she conducted.

Mayor Jepsen wondered if customers know about the 546-1700 number for the Customer Response Team.

Ms. Browne asked Councilmembers their perceptions about issues people are likely to discuss.

Mayor Jepsen suggested development density, identity and community image, and opportunities for public involvement.

Deputy Mayor Hansen suggested public safety.

Councilmember Gustafson suggested park facilities and recreation programs, and a possible bond issue—and if a bond issue is supported, for what services?

Councilmember Lee suggested gauging the quality of interactions with City staff.

Ms. Browne concluded the discussion by addressing the types of demographic information that should be gathered in the survey.

At 7:25 p.m., Mayor Jepsen declared the meeting adjourned.

Larry Bauman, Assistant City Manager

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF REGULAR MEETING

Monday, November 26, 2001
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

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

Police Chief Denise Pentony highlighted:

- the King County Sheriff Public Safety Award to Shoreline resident Scott Calvert;
- Project Homesafe, which distributes free gunlocks;
- new curriculum for schools regarding gun violence;
- the December 4 Citizens Academy graduation;
- distribution of the remaining 100 of 400 citizen satisfaction surveys; and
- a photograph of the donated Volkswagen described in Item 7(e).

4. REPORTS OF BOARDS AND COMMISSIONS: None

5. PUBLIC COMMENT

(a) Richard Decker, 16037 Burke Avenue N, thanked the Council for the mini-grant for plantings in Meridian Park. He described the work done there by volunteers from both the Meridian Park and Parkwood neighborhoods, school children, and staff. He invited Councilmembers to visit the park next spring to see the new plants in bloom. He introduced some of the volunteers in the audience who helped with the project.

Councilmember Montgomery arrived at 7:40 p.m.

DRAFT

(b) Janet Way, 940 NE 147th Street, asked Council to investigate the clearing of undergrowth at the former Department of Natural Resources property now owned jointly by the Shoreline School District and the Shoreline Water District. She questioned the lack of public process before this "drastic action." She opposed the removal of the understory in this type of habitat, and she asked if the City has any jurisdiction over the action. She asked for a moratorium on further clearing.

Mr. Burkett said the City is aware of this issue. He recommended that Ms. Way contact the owners of the property. He noted concern about smoking and drug use adjacent to Shorecrest High School.

Tim Stewart, Director of Planning and Development Services, said the clearing performed does not require a clearing and grading permit. He said the Customer Response Team investigated the complaint filed last week. Mr. Burkett said the concerns expressed to the City will be passed on to the School District and the Water District.

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved that Council approve the agenda. Deputy Mayor Hansen seconded the motion. Councilmember Grossman asked that Item 7(c) be pulled from the consent calendar and made a new Item 9(a). Councilmember Ransom asked that Item 7(d) be pulled from the consent calendar and made a new Item 9(b). A vote was taken on the motion, which carried unanimously, and the agenda was approved as amended.

7. CONSENT CALENDAR

Councilmember Montgomery moved that Council approve the consent calendar as amended. Councilmember Grossman seconded the motion, which carried unanimously, and the following items were approved:

Minutes of Workshop of November 5, 2001

Approval of payroll and claims as of November 16, 2001 in the amount of \$ 532,681.64

Motion to accept the proposed donation of a vehicle to the Police Department for use by City volunteers

8. ACTION ITEMS: PUBLIC HEARINGS

(a) Public hearing to consider citizens' comments on the proposed 2002 budget

DRAFT

Mr. Burkett briefly reviewed the proposed 2002 budget. He said three changes have already been identified through Council review: 1) removal of \$100,000 in one-time money from the Planning and Development Services budget for funding of a basin plan; 2) elimination of the right-of-way position in Public Works, saving \$70,000 of ongoing funding; and 3) removal of \$20,000 in the Community and Government Relations budget for web site improvements (these will be accomplished through the Technology Plan). He stressed the challenges of the new economic climate and shortfalls in State and County budgets. He concluded that the City maintains a strong long-term financial plan that takes capacity and the current economy into account while providing adequate resources to continue to improve parks, roads and drainage systems. He emphasized the use of conservative revenue projections.

Mayor Jepsen opened the public hearing.

(1) Mark Deutsch, 19715 Ashworth Avenue N, commended the Council for its fiscal management. He agreed that these are challenging times. He said the Council will have to prioritize services. He supported police service and community policing, but he said it is important to look at the other levels of prevention. He said the senior center or human service agencies provide other ways to reach out to citizens.

Upon motion by Deputy Mayor Hansen, seconded by Councilmember Gustafson and unanimously carried, the public hearing was closed.

(b) Public hearing to consider citizens' comments on the proposed 2002 – 2007 Capital Improvement Program

Mr. Burkett reviewed the Capital Improvement Program (CIP). He acknowledged that the schedules for several of the capital projects have slipped. He recommended adoption of the proposed CIP with his commitment to return to Council early in 2002 with revisions. He said he wants to look at the capacity of staff and the number and complexity of projects. He noted the possibility of a reduction in State revenues and highlighted his concern that the revenue projections for the Surface Water Fund may not support all of the proposed projects.

After Mr. Burkett reviewed the list of capital projects proposed for 2002, Mayor Jepsen opened the public hearing.

(1) Mark Deutsch, 19715 Ashworth Avenue N, said he did not recall that the discussion of a new City Hall had proceeded to the point of adding it to the CIP. He understood the desire of staff for a new facility, but he said he would need to be convinced that it is appropriate to go into debt and/or raise taxes to provide a new City Hall.

Upon motion by Deputy Mayor Hansen, seconded by Councilmember Lee and unanimously carried, the public hearing was closed.

DRAFT

Mayor Jepsen explained the intent of the 2003 funding for City Hall to pay expenses, not through debt service or tax increases but through the use of what the City currently spends to lease space. Councilmember Grossman added that Council has agreed that it does not wish to increase costs or approach the community for bonds. Councilmember Ransom concluded that the City is a large business, with a budget of \$65 million last year. He said the City must contract out for some services because it cannot provide space for employees and/or equipment. He asserted that the City needs its own building to grow properly.

Mayor Jepsen summarized that the City Manager has proposed changes to the operating budget totaling \$190,000.

Councilmember Grossman commented on King County funding reductions for services to Shoreline citizens. He suggested the transfer of \$100,000 in gambling tax revenue to the operating budget from the capital budget. He said human service agencies are not seeking a long-term commitment. He suggested asking Rob Beem, Health and Human Services Manager, to develop a "plan of attack" for distributing this money, with backfill funding to programs previously funded by King County as a first priority. He said he agrees with those who say the County should be paying for these services. He explained that he wants to protect those who might be "falling through the cracks."

Deputy Mayor Hansen said the Fremont Public Association has been funded by King County. The County also covered \$17,000 of \$34,000 for adult day care.

Councilmember Grossman pointed out that the Center for Human Services lost \$48,000 in funding for family services.

Deputy Mayor Hansen argued that, if the City starts "backfilling," it will send a message to the County that cities will take over funding these services.

Councilmember Ransom concurred with Councilmember Grossman's concept. However, he advocated the allocation of \$5,000 each to the Shoreline Historical Museum and the Shoreline-Lake Forest Park Arts Council. He said neither has received a cost of living increase in funding for five years. He suggested the other \$90,000 be made available to human services and the Shoreline-Lake Forest Park Senior Center. He also mentioned that the historical museum needs a new roof. He said his proposal does not compete with King County because these are contractors already providing quality of life services in Shoreline.

Councilmember Montgomery said the Council must be vigilant in an economic downturn. She concurred with Mr. Deutsch's comments about monitoring the growth in police services costs. She noted the correlation between a downturn in the economy and rising crime rates. She questioned the correlation of increasing human services and decreasing crime rates. She said she does not want King County to receive a message that the cities will take responsibility for services that, "morally and ethically," the County should provide.

DRAFT

Mayor Jepsen clarified that the police services budget increased eight percent, basically because of labor costs. He mentioned that he once advocated increases in human services funding of the same amount as increases in the police budget. He said he does not want anything the City does to appear to be in response to what King County does. He suggested that transporting prisoners to eastern Washington rather than using the King County jail will generate cost savings which could be dedicated to human services.

Councilmember Lee pointed out that Shoreline always allocates less to human services than comparable cities. She said this is a time when people need help. She wondered how soon the savings proposed by the mayor would be available. She supported one-time funding for 2002. She said the City has a responsibility to assist its agencies and citizens.

Councilmember Gustafson said he is sympathetic to the problem but he does not want simply to allocate additional money to human services without a concrete proposal to consider.

Councilmember Ransom pointed out that the City has an allocation process for human services funding. He supported increasing the amount of money allocated.

In answer to Council questions about block grant funding, Mr. Beem said the City receives a block grant allocation of approximately \$350,000. He explained that the City uses a portion of the money for direct services, a portion for administration, a portion for the Home Repair Program, and the City allocates a portion to capital. The City allocated the direct services funds in a two-year funding cycle at a rate of \$60,000 per year. He estimated administrative costs at \$50,000 per year. He said the Center for Human Services received capital funding for remodeling this year. He explained that the City allocates the capital and home repair funding but it does not enter the City budget.

Debra Tarry, Finance Director, clarified that of the \$470,181 proposed for the Health and Human Services and Grants Administration budget for 2002, approximately \$111,000 comes from external sources. She said the remainder comes from the General Fund.

Mayor Jepsen said the City could do a lot more with block grant funds, particularly through capital economic development projects.

Councilmember Grossman expressed support of Mayor Jepsen's proposal to dedicate savings from the jail contract for human services in future years. However, he expressed concern that programs will be discontinued without immediate funding. He said it is more difficult to restart agencies that have had to close for lack of funding. He supported the idea of benchmarking increases in human services funding to increases in police services funding.

Mayor Jepsen said the eight percent increase in police services funding would translate to an increase in human services funding of approximately \$24,000.

DRAFT

Mr. Burkett added that the jail contract will continue to be discussed early next year, so there will be a lag in the appearance of the savings predicted by a new contract. Mayor Jepsen wished to pursue this idea.

Councilmember Ransom supported the long-term proposal to use jail contract savings, but he said it will take time to finish the negotiations. He referred to the savings created by the City's phone notifications of misdemeanor defendants of court dates. He referred to the existing surplus. He said the City could allocate a little money for human services, the historical museum and the arts council. He said \$5,000 would make a substantial difference for each of the latter agencies, whereas this amount is insignificant in terms of the overall City budget.

Councilmember Montgomery supported the status quo.

Mayor Jepsen supported a \$24,000 increase in human services funding and the use of the jail services savings when they appear. He did not support increased funding for the arts council or the historical museum.

Deputy Mayor Hansen said he did not mind spending \$100,000, but he reiterated his concern about the message to King County and whether this is a City responsibility. He supported the status quo, but he said he would consider a budget amendment early next year.

Councilmember Gustafson also supported the staff quo. He expressed his willingness to consider changes at a later time.

Councilmember Lee said it is a City responsibility to address the needs of its citizens. She suggested putting aside at least \$64,000 (\$16,000 for adult daycare and \$48,000 for the Center for Human Services) and as much as \$100,000 for human services. She said the City does not have to distribute all of these funds, but it should at least reserve them. She noted that the City has spent millions on baseball fields and parks.

Mayor Jepsen summarized that three Councilmembers support setting aside \$100,000.

Responding to Deputy Mayor Hansen, Mr. Burkett said even with the removal of the \$100,000 for the drainage study, there is still \$278,000 budgeted to do a variety of studies and work. He said he wants to look at all City needs and priorities.

Deputy Mayor Hansen said he was comfortable with the deduction if the City is not ready to conduct the study, but he emphasized the need at some point for a complete drainage assessment.

Responding again to Deputy Mayor Hansen, Mr. Burkett said the right-of-way position was deleted because he wants to look at the Public Works operation, particularly as it

DRAFT

relates to the CIP. He said the management of the right-of-way is an important City responsibility.

Deputy Mayor Hansen said he is concerned about future budgets, but he has no concerns about the current budget. He commented that Council budgeting policies have put the City in a position to be able to weather both the economic downturn and the passage of tax initiatives. He said the City has always had conservative revenue forecasts and the budget shows a \$1,353,000 surplus. He attributed the City's strong economic position in large part to the passage of the utility tax in 1999. In conclusion, he commended staff for the "Budget at a Glance" and for preparing a budget he can wholeheartedly support.

Councilmember Ransom concurred with Deputy Mayor Hansen. He said the City has put away reserves, of which he felt \$100,000 should be spent on human services, the arts council and the historical museum. He mentioned the park master planning process and the schedule for park improvements. He said he worried last year that the City was moving too fast. He said he was assured timetables could be met, and now projects are behind schedule. He explained that this is why he wants to talk about park master plans and to set priorities. He suggested that the City should move more slowly but stay on time and meet commitments to the public.

Continuing, Councilmember Ransom mentioned the Police Negotiation Committee. He said the Suburban Cities Association has become a "rubber stamp, along for the ride." He said Shoreline must be an active member of the Police Negotiations Committee and have a stronger role in jail contract negotiations. He asserted that cities have lost control of the process and that they need a stronger role in the decision making.

Mayor Jepsen disagreed. He said the cities are monitoring the jail contract, and they can always "vote with their feet." He said this will send a strong message to King County that cities will explore options when they can.

Councilmember Ransom said he supports the elimination of the right-of-way position at this time. He suggested that the City fund the position from capital projects budgets. Mr. Burkett said the City could fund a portion of the position in this way, but the majority of the work represents ongoing operational activities. Mayor Jepsen added that right-of-way should be managed like the permitting process. He asserted the importance of insuring that franchisees abide by franchises in making use of City right-of-way.

Responding to Councilmember Ransom, Mayor Jepsen said Council will discuss the Arts Council proposal to devote "One Percent to the Arts" at its December 10 dinner meeting with the Arts Council. He said this option does not require a change in the budget.

Mayor Jepsen summarized Council support for the operating budget and Council acceptance of the City Manager's changes. He identified human services funding as an outstanding issue.

Turning to the CIP budget, Mr. Burkett summarized priority capital projects:

DRAFT

- Roads: Aurora Corridor, Interurban Trail and North City Business District
- Surface Water: Ronald Bog and 3rd Avenue NW
- General: Completing current parks projects and agreeing on future priorities

Mayor Jepsen reviewed the projects in the proposed General Capital budget: Hamlin Park storage facility; City gateways; Richmond Beach Saltwater Park; Spartan Gym; neighborhood parks; Paramount Park Phase 2; Cromwell Park; swimming pool; and master planning. He reiterated Mr. Burkett's recommendation that Council adopt the CIP as proposed and then reconsider it in a couple of months for possible amendment. He said Council agrees with the Roads and Surface Water projects moving forward.

Mayor Jepsen made the following comments to facilitate staff reconsideration of the General Capital projects:

- Council supports the Hamlin Park and gateways projects;
- The Richmond Beach Saltwater Park project involves both an engineering solution to beach erosion—which must be addressed—and a master planning process—which should be considered in terms of available funding and Council priorities; the Parks, Recreation and Cultural Services Advisory Committee should assist in the process;
- The Spartan Gym is a precommitment;
- Phase 2 of the Paramount School Park Project is a concern;
- Cromwell Park is related to the Ronald Bog project, as are improvements to Ronald Bog Park;
- The swimming pool project has already been reduced to \$10,000; and
- Park master planning may require more than \$30,000.

After a discussion of the components of Phases 1 and 2 of the Paramount Park project, Mr. Burkett said he will return with a list of projects proposed in Phase 2 and a determination of whether these could be consolidated as one project.

Councilmember Ransom emphasized the importance of installing the backstop to make the second ball field usable.

Mayor Jepsen concluded that Council is generally in agreement with adopting the CIP as proposed. He requested a commitment on when staff will return with proposed amendments.

Mr. Burkett said he plans to propose a change in the timing of the CIP adoption process so that it does not occur at the same time as the operating budget.

Mayor Jepsen asked that the priority projects be listed out for Council on December 10 so that everyone is clear on which projects will continue to move forward.

MEETING EXTENSION

DRAFT

November 26, 2001

At 9:55 p.m., Deputy Mayor Hansen moved to extend the meeting until 10:15 p.m. Councilmember Gustafson seconded the motion, which carried 7 - 0.

9. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) Resolution No. 181 adopting policies related to the utilization of the Education Channel

Deputy Mayor Hansen moved to adopt Resolution No. 181. Councilmember Gustafson seconded the motion.

Councilmember Grossman moved to strike the word public from the definition of "Authorized Educational Programmer" in section 2(a). Councilmember Montgomery seconded the motion.

Councilmember Grossman expressed concern about the exclusion of private schools from the policies. He noted his understanding that previous discussions never limited use of the educational channel to public educational institutions.

Kristoff Bauer, Assistant to the City Manager, said the franchise with AT&T only allows public agencies to access the channel. He said this is standard franchise language. He did not know whether standard practice or federal law is the source of the restriction. He explained that AT&T is required to provide a government channel, educational channel and public access channel. He offered to raise this issue with AT&T if directed to do so by Council.

Mayor Jepsen said other sections of the policy will require amendment if Council wishes to pursue this change.

Mr. Bauer said the involvement of more users in a television channel increases the difficulty of administrative and technical coordination among them. He suggested that he discuss with the community college and the School District whether they are interested in moving in this direction.

Councilmember Ransom said the City tried to encourage other districts to use the government channel. He supported the exploration of Councilmember Grossman's suggestion.

Mr. Burkett said the School District and the community college have been anxious to have the policies established. He suggested approving the policies and then looking at the genesis of the prohibition against private school use of the educational channel. He said there may be other options to consider.

Councilmember Grossman reiterated that he understood previous discussions to indicate that all educational institutions would be included in the use of the education channel. He

DRAFT

asserted that the issue should not be forgotten. **He withdrew his amendment. Councilmember Montgomery withdrew her second.**

A vote was taken on the motion to approve Resolution No. 181, which carried unanimously.

Councilmember Gustafson said he had some concerns about private and public "being intertwined."

Mayor Jepsen directed staff to return with background information on this issue at the first workshop in January.

- (b) Ordinance No. 290 amending the City of Shoreline 2001 budget to delete the Recreation Superintendent classification, reclassify the Health and Human Services Manager to Assistant Director, reclassify an Administrative Assistant III to Administrative Supervisor and add positions the Parks, Recreation and Cultural Services Department; and amending Ordinance No. 279

Councilmember Montgomery moved to adopt Ordinance No. 290. Deputy Mayor Hansen seconded the motion.

Mr. Burkett explained the proposal to reorganize the Parks, Recreation and Cultural Services Department by: creating an Assistant Director position (to be filled by Mr. Beem); eliminating the now vacant position of Recreation Superintendent; eliminating the Health and Human Services Manager position; and adding a half-time human services position to handle some human services needs. No budget amendment is needed to accomplish the changes.

Councilmember Ransom stated his concern with the continual upgrading of positions for higher salaries. He began by noting that the current Administrative Assistant III is to be reclassified as an Administrative Supervisor, supervising a new Administrative Assistant II and administrative staff at the Spartan Gym. He said the top of the annual salary range is \$47,000. Equating the Administrative Supervisor position to an office manager, he asserted that the salary is too high. He questioned whether the additional duties justify a salary increase of ten percent.

Councilmember Ransom noted that the Recreation Superintendent (in pay range 49) supervised the recreation programs, including a number of Recreation Coordinators (in pay range 42). He said the difference between these two pay ranges represents the typical 15-percent differential between a supervisory position and the positions supervised. He noted that the Health and Human Services Manager (in pay range 55) supervises the Grants Specialist (in pay range 45). He questioned the differential between the Recreation Coordinators and the proposed Assistant Director (in pay range 61) who will supervise them.

DRAFT

Councilmember Gustafson moved to postpone this item until January 14, 2002. Councilmember Montgomery seconded the motion.

Councilmember Gustafson said he would like to see detailed job descriptions for each of the classifications involved.

Addressing the postponement, Mr. Burkett stated that staff would like to see this matter resolved as quickly as possible.

MEETING EXTENSION

At 10:17 p.m., Deputy Mayor Hansen moved to extend the meeting until 10:30 p.m. Councilmember Ransom seconded the motion, which carried 5 – 2, with Mayor Jepsen and Councilmember Montgomery dissenting.

Councilmember Gustafson withdrew his motion and Councilmember Montgomery her second. Councilmember Gustafson moved to postpone this item to the December 10 meeting. Deputy Mayor Hansen seconded the motion.

Councilmember Lee expressed concern that moving the Grants Specialist position and Health and Human Services into the Parks, Recreation and Cultural Services Department will diminish their visibility and send a message that human services are not important. Councilmember Gustafson concurred.

A vote was taken on the motion, which carried 7 – 0 and the motion to approve Ordinance No. 290 was postponed to December 10, 2001.

Mr. Burkett said the mission of health and human services and the grants position will not change, no matter where they are located. He explained that he wants to erase walls and lines between departments and focus on missions instead.

10. CONTINUED PUBLIC COMMENT: None

11. ADJOURNMENT

At 10:21 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk