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CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF REGULAR MEETING

Monday, October 28, 2002
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

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

ABSENT: Mayor Jepsen and Councilmember Chang

1. **CALL TO ORDER**

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

2. **FLAG SALUTE/ROLL CALL**

Deputy Mayor Grossman led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exceptions of Mayor Jepsen and Councilmember Chang.

Upon motion by Councilmember Gustafson, seconded by Councilmember Montgomery and unanimously carried, Mayor Jepsen and Councilmember Chang were excused.

(a) Report by King County Councilmember Carolyn Edmonds

Councilmember Edmonds presented an overview of the County Executive's proposed 2003 budget. In addition to providing written materials, she highlighted the following points:

- There is a \$52 million deficit in the 2003 budget due to a combination of factors, including passage of Initiative 747, loss of Motor Vehicle Excise Tax backfill funds, and the State vs. Ridgeway case.
- Assuming no other changes occur, the County expects to cut \$24 million next year and \$24 million the following year.
- The primary source of the budget problem is the \$495 million General Fund portion of the overall budget.
- The proposal increases the Law, Safety & Justice budget from 68% to 73% of the General Fund. If this trend continues, the General Fund will be used solely for Law, Justice & Safety.

- The budget calls for a 54% reduction in the Parks Department. The County will encourage the department to be more entrepreneurial by allowing it the freedom to engage in concession and leasing agreements, as well as manage its own fee structure.
- The budget calls for a 42% reduction in Human Services. Closure of the North Rehabilitation Center will affect Shoreline considerably.
- The Council is carefully scrutinizing the adult/juvenile detention budget because there is a reduction in jail population but no corresponding reduction in jail costs.
- The budget assumes passage of the jail contract, which unanimously passed out of the Law Justice & Human Services Committee.
- While human service reductions are dramatic, there is little direct impact to Shoreline because of its relatively small appropriation.
- The juvenile intervention program at the Center for Human Services was funded, but the Adult Day health program was cut. Chore Services was retained in the budget.
- Councilmember Edmonds affirmed her commitment to the Adult Day program and funding for the Northshore Senior Center and Shoreline Senior Center.
- There are dramatic reductions to public health, with community health centers sustaining a \$1 million cut. Many low-income residents will no longer receive services.
- Closure of North rehabilitation Facility will save the county a considerable amount of money.
- The capital budget includes funding for Highway 99 Transit Corridor Improvements, Transit Oriented Development, and renovation of the transfer station.

Responding to Councilmember Hansen, Councilmember Edmonds said she will provide more detailed information on the transfer station renovation plan.

Councilmember Gustafson asked for clarification on the Food Lifeline program and NRF programs. Councilmember Edmonds clarified that the budget provides for a work crew to transfer from the NRF program to the Food Lifeline program, noting that costs for street cleanup done by NRF crews will increase.

Steve Burkett, City Manager, said these costs will be increasing approximately 40%. Councilmember Edmonds noted that the City of Kenmore has expressed a serious concern about this.

Responding to Councilmember Montgomery, Councilmember Edmonds reported that the Executive's budget includes a workforce reduction of approximately 350 people, noting that most reductions will be in Parks and Public Health. Responding to Councilmember Gustafson, Councilmember Edmonds explained that Chore Services works with the Fremont Public Association to provide basic, in-home services to the elderly and disabled. She described it as a valuable program to which she is committed.

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Mr. Burkett explained that part of the Executive's budget distinguishes between incorporated and unincorporated areas. He noted that the vast majority of revenues come from incorporated cities, which are used to provide services to both incorporated and unincorporated areas. He said the County needs to address this issue and rethink what local services it will provide.

Councilmember Edmonds explained that the County intends to approach the state legislature to request utility tax authority in unincorporated areas. She noted that the County could generate nearly \$30 million, which will free up much General Fund money that is currently used as a subsidy in unincorporated areas. She said that while a utility tax would create an infusion of income, it will not solve the structural problem of the county budget.

3. CITY MANAGER'S REPORT

Mr. Burkett said there Council meeting of December 2nd will be cancelled.

4. REPORTS OF BOARDS AND COMMISSIONS: none

5. PUBLIC COMMENT: none

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved approval of the agenda. Councilmember Hansen seconded the motion, which carried unanimously, and the agenda was approved.

7. CONSENT CALENDAR

Councilmember Gustafson moved adoption of the consent calendar. Councilmember Hansen seconded the motion, which carried 5-0, and the following item was approved:

**Approval of payroll and expenses as of October 15, 2002
in the amount of \$1,208,217.76**

8. ACTION ITEMS: PUBLIC HEARING

- (a) Public hearing to consider citizens comments on the proposed 2003 budget and departmental budget presentations

Debra Tarry, Finance Director, provided an overview of the proposed 2003 budget, recapping what was presented at the October 21st meeting. Her presentation included the budget adoption schedule, revenue sources, expenditures by category, proposed fee adjustments, and major operating budget changes.

Deputy Mayor Grossman opened the public hearing.

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(a) Maia Bauman, Shoreline, asked Council to reconsider its decision to eliminate funding for the Teen Link Program. She explained the many services Teen Link provides to the community, noting that without continued funding it will be unable to provide adequate suicide intervention/prevention training.

(b) Aaron Reichgott, Shoreline, also opposed the Teen Link funding cut, noting that although the phone line will still function, Teen Link will not be able to teach teens about suicide intervention and prevention. He mentioned a recent teen suicide and said lives could be saved if the funding is preserved.

(c) Mark Deutsch, Shoreline, expressed support for using reserve funds for current human service needs. He felt it inappropriate to transfer funds to reserves during an economic downturn. He asked whether the \$1 million transfer from reserves to the City Hall Project will have some payback in future years.

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

Ms. Tarry briefly explained how the 2003 budget is organized, noting that department representatives can answer any specific questions Council may have.

City Council Budget

No significant change from 2002 to 2003.

Councilmember Ransom asked if there were any cost-of-living adjustments applied to the Council budget. Ms. Tarry said the City traditionally does not make cost-of-living increases on general line items unless a department can show justification through a supplemental request process.

City Manager Budget

No significant change from 2002 to 2003.

City Clerk Budget

The proposed 2003 budget is less than 2002 due to one-time funding for microfilming and savings in advertising.

Communications & Intergovernmental Relations Budget

The proposed 2003 budget is less than 2002 due to one-time funding from carry-overs in the mini-grant program and one-time funding for the City website. The budget reflects a change in how administrative support is allocated between Human Resources and CIR. The need for support is increasing in CIR due to workload and enhanced two-way communication. Human Resources can shift \$15,000 in line items to CIR for administrative support.

Councilmember Ransom asked if the budget change reflects a lack of funds for neighborhoods. Ms. Tarry explained that carry-overs from 2001 and 2002 ensure that mini-grant funds are still available to neighborhoods. She said the intent is to budget \$30,000 each year for neighborhoods.

City Attorney Budget

The 2003 budget includes both a prosecuting attorney and domestic violence program. The City recommends adding a .75 FTE Assistant City Attorney for 2003.

Ian Sievers, City Attorney, highlighted features of the City Attorney budget. His presentation included the following points:

- The 2003 budget includes a .75 FTE Domestic Violence Coordinator. The City was able to add 5.5 hours/week at less cost than previously under the King County contract.
- .75 FTE proposed for a civil Assistant City Attorney.
- The insurance risk pool provides good coverage but does not provide defense for land use actions, contract disputes, declaratory judgement actions, and actions for injunctive relief.
- The budget proposes to partially pay for .75 civil attorney through a \$27,000 reduction in \$138,000 line item for professional services.
- The City intends to reserve professional services contract for high-end legal work.
- The cost of civil legal services is economical in comparison to other cities.

Mr. Burkett commented that the costs for City Attorney are among the lowest in the area.

Finance Budget

Ms. Tarry made the following points in her budget presentation:

- The 2003 budget is lower than 2002 due to carry-over in the Technology Plan and other one-time costs.
- Projected expenditures are slightly higher than the budget due to the unanticipated costs of utility tax audits; however, the audits will result in additional revenue that will more than cover these additional costs.
- Although projected expenditures exceed projected revenues, this does not present a problem because the budget is adopted at the fund level. No budget amendment will be required.
- The department plans to focus on several key objectives: a department strategic plan; development of a mission statement; innovation of work programs with a longer-term vision; updating investment policy; implementing approved cash management program.
- New requirements on the 2004 financial statement will be implemented using the software budgeting module.
- 64% of the budget relates to Information Services, and over 1/3 is related to the Technology Plan.

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- 2003 expenses include infrastructure management/inventory, records management, recurring costs in technology oversight and training, and website maintenance.
- Parks, Recreation and Cultural Services will be implementing its recreation management software this year, which will include online registration.
- The City will continue to look for ways to create integration, communication, and transfer between various city systems and departments.

Councilmember Gustafson complimented the Finance staff that there were no findings by the State Auditor. He asked about the possibility of implementing a biennial budget in the future.

Ms. Tarry said the City has considered a biennial budget, noting that 2005 would be the first opportunity to implement one.

Citywide Services Budget

These are expenditures that are not department-specific but support overall city operations. The 2003 budget is less than 2002 due to one-time expenses and funding in the organizational contingency. The budget continues to support the Council's emergency contingency policy of \$250,000 per year.

Human Resources Budget

This budget reflects a change in FTE allocation.

Customer Services Budget

No significant changes from 2002 to 2003.

Mr. Burkett reported that CRT is developing a customer services plan that will enhance the delivery of customer service.

Police Department Budget

Although there is a minimal increase in the 2003 budget, Mr. Burkett noted that Shoreline compares well with other cities in terms of per capita expenditures.

Denise Pentony, Police Chief, made the following points in her budget presentation:

- There is an increased emphasis on traffic safety in Shoreline.
- Traffic will be a major factor for citizens due to the North City redesign and Aurora Corridor project.
- The block watch program is proposed to increase by 40%, which will ensure greater ability to reduce/prevent crime in neighborhoods.
- The budget provides for a School Resource Officer, who implements curriculum and the anti-bullying program.
- The department will continue to be accountable and measure performance through its annual report card.

Changes to the 2003 police budget include the following:

- One FTE will be moved from the Crime Unit to the Traffic Unit to enhance traffic education and enforcement. Remaining resources in the Street Crime Unit should be adequate to address drug and vice problems.
- Emergency operations has been moved into the Police Department, a transference of \$50,000 from Public Works.
- A change in the delivery of canine services will result in a savings of approximately \$115,000. However, it is anticipated that response time will increase.

Councilmember Hansen asked whether pedestrian sting operations have an effect on net revenues. Mr. Burkett said the sting operations do not generate revenue because the district court costs exceed the revenues generated.

Councilmember Hansen suggested that the City consider a municipal court for traffic citation matters because there is a growing demand for traffic enforcement.

Councilmember Gustafson asked if the increase in the block watch program results in increased costs. Chief Pentony replied that since storefront officers organize and train the volunteer citizens, there are no additional costs.

Councilmember Gustafson requested an update on emergency planning at a future meeting.

Councilmember Gustafson asked about the implication of increased health insurance premiums. Mr. Burkett noted that the City gets the best possible rates and chooses the least expensive plans, although costs continue to increase.

Councilmember Hansen called attention to the fact that the City has won the Government Finance Officers Association (GFOA) budget award for three consecutive years. He commended the Finance Department for this accomplishment.

Mr. Burkett noted that departmental presentations will conclude next week.

9. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) Hollywood Casino Special Use Permit (File #2002-201148) to expand a gambling use to construct a 19,359 sq. ft. casino at 16716 Aurora Avenue N.

Rachael Markle, Senior Planner, reviewed the project application, which expands a legal non-conforming gambling use at Club Hollywood. The project includes consolidation of five parcels, demolition, and construction of a new building containing a restaurant, bar, and cardroom. The project includes 214 parking spaces and it is estimated that the

establishment will employ approximately 200 people. The Special Use Permit (SUP) is required because legal non-conforming uses can expand or intensify as a result of an approved permit.

Ms. Markle emphasized the following points relating to the project:

- Traffic studies determined that construction would likely result in increased traffic on N. 167 Street, a residential street. In response, the City has conditioned the proposed project under SEPA authority as follows: 1) Fund the neighborhood traffic safety program for the N. 167 Street neighborhood from Aurora Avenue to Meridian Avenue; 2) Construct curb, gutter, sidewalk and amenity zones on N. 167th Street from Aurora Avenue to the Seattle City Light right-of-way; 3) the project must have its own loading space, and deliveries are required to be made from Aurora Avenue N. as opposed to N 167th Street; 4) the project is required to have 176 parking spaces/valet service, and access/parking will be shared by Debbie's Drift On Inn.
- Based on limited parking studies, staff recommends certain conditions as a fail safe measure: 1) City will conduct a second parking study to be completed within 4-6 months of the opening, at the owner's expense. If parking is determined to be inadequate, the property owner will have 120 days to secure the required number of parking spaces; 2) If any long-term lease is revoked, the owner will procure that number or greater parking spaces within 45 days. The result of non-compliance is code enforcement action; 3) Owner is required to shield outdoor lighting fixtures to reduce glare; 4) An additional fire hydrant may be needed based on the final layout of the parking lot and building.
- Staff concluded that the application as conditioned meets SUP criteria.
- The Planning Commission voted 7-0 to recommend approval of the SUP, with the condition that right turn only signs and physical barriers be installed to address traffic considerations on Aurora Avenue.
- The Planning Commission stressed the desire to promote economic development with the caveat that neighborhoods must be protected from impacts.

Councilmember Ransom expressed concern that a barricade would prevent people traveling west on N. 167 Street from accessing Aurora Avenue.

Councilmember Gustafson noted the Planning Commission's recommendation to allow right-turns only onto N 167th Street. He expressed interest in having the Neighborhood Traffic Safety Program evaluate the merit of that condition, although he supports the overall recommendation. He noted that while he is generally against expanded gambling, this project is a legal non-conforming use.

Councilmember Montgomery was surprised that only five citizens submitted written comments, noting that many people are concerned about gambling. She said the project will greatly improve on existing conditions, but noted that some could argue the use is a detrimental over-concentration. She asked what kind of Hollywood memorabilia would be included in the plan.

Councilmember Ransom said the project includes items such as Marilyn Monroe's car and historical pictures of Hollywood actors and actresses inside the building.

Ms. Markle clarified that Hollywood memorabilia will be located inside and outside the building.

Councilmember Montgomery raised the concern that some material may be inappropriate for outside display.

Councilmember Gustafson noted Planning Commission comments that the adjacent cemetery should be buffered from the Interurban Trail.

Councilmember Ransom noted the project benefits and recommended approval of the permit.

Councilmember Gustafson moved to approve the Hollywood Casino Special Use Permit as conditioned by the Planning Commission and SEPA based on the findings of fact and conclusions contained in the October 28, 2002 Council packet staff report (Attachment D). Councilmember Ransom seconded the motion, which carried 5 – 0.

(b) Motion to authorize recruitment of a Bond Advisory Committee

Bob Olander, Deputy City Manager, briefly reviewed the staff report. He noted Council's preference for Option A, proposing a bond issue sooner rather than later, with more focus on Parks & Recreation, sidewalks, and having a larger, broadly-based committee. He outlined the schedule if Council approves the motion, which would allow ample opportunity for citizens to form a bond committee preparatory to a potential election in the spring of 2004.

Councilmember Gustafson moved to authorize the City Manager to initiate recruitment of a Bond Advisory Committee. Councilmember Ransom seconded the motion, which carried 5 – 0.

Mr. Burkett said he envisioned that Council would be directly involved in recruitment of committee members.

Councilmember Ransom expressed the importance of using experienced people who are familiar with the issues and the process.

Councilmember Gustafson expressed support for using a facilitator to keep committee members focused on the task. Councilmember Ransom concurred, adding that a facilitator could be effective if the committee lacks experience. Given that there are six positions to fill, he said Council should be able to find experienced people.

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Councilmember Gustafson commented that he has already discussed the issue with members of the community.

Mr. Olander emphasized the importance of acquiring a facilitator due to the large number of future projects. He noted the difference between a Bond Advisory Committee and a Bond Committee, adding that some committee members may transition to a Bond Committee, which is a separate, non-governmental process.

A vote was taken on the motion to initiate recruitment of a Bond Advisory Committee, which carried 5 – 0.

10. PUBLIC COMMENT

(a) Anthony Poland, Shoreline, suggested that the Bond Advisory Committee include one representative from each Neighborhood Association to eliminate any potential for impropriety.

(b) Richard Johnsen, Shoreline, expressed appreciation for Council's decision to approve the permit for Club Hollywood Casino. He noted that the community has mixed feelings about gambling, but it will provide much needed economic development. He raised the possibility that other businesses may upgrade their establishments due to increased quality and competition. He emphasized the importance of attracting tourism revenues and asked Council to consider creative ways to generate revenues in the future.

11. ADJOURNMENT

At 10:00 p.m., Deputy Mayor Grossman declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk