

CITY OF SHORELINE

**SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING**

Monday, November 24, 2003
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Councilmembers Chang, Gustafson, Hansen, and Ransom

ABSENT: Deputy Mayor Grossman and Councilmember Montgomery

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

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

Upon motion by Councilmember Gustafson, seconded by Councilmember Ransom and unanimously carried, Deputy Mayor Grossman and Councilmember Montgomery were excused.

(a) Proclamation for "Spirit of Giving" Week

Mayor Jepsen read the proclamation highlighting the charitable activities performed by various City organizations, including the Shoreline Police Department, Fire Department, Shoreline Parent/Teacher Association, and Shoreline Schools. Sarah Ducette of the Shoreline PTA accepted the proclamation and thanked the City for acknowledging this coordinated effort.

3. CITY MANAGER'S REPORT

Steve Burkett, City Manager, commented that the following items had new staff reports and attachments:

- 7(c) Motion to authorize the City Manager to execute a construction contract with the lower bid contractor for the Serpentine Place Storm Drainage Improvements;
- 7(e) Motion to authorize the City Manager to execute the Multifamily Housing Limited property Tax Exemption Agreement with North City Partners, LP for the North City Landing project located in the North City Business District; and.

- 8(b) Ordinance No. 342 adopting the annual budget of the City of Shoreline for the year 2004

He also noted that the City has received the Final Environmental Impact Statement (FEIS) on the Brightwater Project, which staff is reviewing. He said comments are due by December 8. He noted the impacts in Richmond Beach where the outfall will be located, with a portal likely to be located on Pt. Wells.

Mayor Jepsen urged Shoreline residents who provide written comments to King County to also send a copy to the City in order to improve coordination.

Responding to Councilmember Chang, Mr. Burkett outlined the schedule for completion of the south segment of the Interurban Trail.

4. REPORTS OF BOARDS AND COMMISSIONS: none

5. PUBLIC COMMENT

(a) Elaine Phelps, Shoreline, said that Councilmember Montgomery's untimely resignation betrays the trust that citizens put into the electoral process. She asserted that Councilmember Montgomery knew long before now that she would not be able to finish her term. She felt any Councilmembers who try to push through a rapid replacement are complicit in manipulating the process. She suggested that Council adopt new procedures that include a provision for calling a special election if a Councilmember resigns with more than six months left on a term. She said Councilmember Montgomery's values are unethical and dishonest, and she should not be replaced with someone of similar views.

(b) Bill Meyer, Shoreline, had several questions about the proposed process to fill the Council vacancy. He said it does not include selection criteria, nor does it include specifics about disclosure of applications filed thus far. He questioned whether applications filed early would be treated with the same discretion as those filed later. He felt that all Councilmembers should be given the necessary time to review the applications and rank them. He said state law demands that Councilmember Montgomery recuse herself from further activity in the selection process. Finally, he asked Councilmembers to consider whether the proposed process will withstand the scrutiny of an external administrative audit.

(c) Margaret Wahlroos, Shoreline, said she is saddened that the Council no longer listens to citizens' concerns. She said Shoreline no longer addresses the issues that Shoreline citizens care about, including density and housing. She said she worked hard so her neighborhood could become a part of Shoreline, but she regrets the way the Council no longer values public input. She said Shoreline needs new leadership to bring back the old way of thinking.

(d) Janet Way, Shoreline, said the proposed budget does not reflect citizen priorities, which include pedestrian safety projects, trails, street sweeping, speeding, cut-

through traffic in neighborhoods, and surface water management. She commented on the recent flooding in Shoreline and asserted that the City is not providing adequate relief to several Shoreline residents. She asked why expenditures in the Surface Water Management Fund only total \$1,800,000 when the projected revenue totals \$2,500,000. Finally, she commented on a recent pedestrian fatality on Meridian Avenue N.

(e) Dennis Lee, Shoreline, pointed out that recent election results suggest there is no voter mandate in Shoreline, and that long-seated incumbents do not necessarily represent the majority. He expressed concern that the Council does not want to listen to Shoreline citizens, and that there is a potential appearance of unfairness with the Council appointment process. He urged the Council to embrace Councilmember-elect Fimia and include her in all important business relating to the City since she represents the voters.

(f) Shatreen Masshoor and Sia Bartell reported on the activities of the Shoreline-Lake Forest Park Youth Council. They noted that a youth summit held earlier this year identified three primary issues for Shoreline teens: 1) drugs and alcohol; 2) mental health; and 3) appropriate activities for Shoreline youth. Ms. Masshoor noted that mental health, teen suicide, depression and low self-esteem continue to be critical issues in Shoreline. Ms. Bartell discussed ideas to get Shoreline teens involved in positive activities. She urged the audience to participate in a forum for youth and community leaders on December 2. They concluded by thanking the City for its continued support of youth programs.

(g) Maggie Fimia, Councilmember-elect, commented favorably on the progress of the Youth Council. She noted the poor voter turnout in the past election and on the polarization of voters in Shoreline. She suggested that the Council amend the appointment process to require five "yes" votes instead of a simple majority to increase the probability that the appointed person will be able to work with nearly all Councilmembers. She said the only difference between voting on a replacement now, as opposed to January, is that she will be on the Council then. In either case, there will be six Councilmembers making the decision. She proposed that January 17th be established as the decision date. She said delaying the current process will dispel the perception that a decision is already made, and will allow adequate time to consider qualified candidates during a less busy time of year.

(h) Patty Crawford, Shoreline, questioned why the City is amending the State Environmental Protection Act (SEPA) determination for the south site of the Aegis project. She asserted that the City is changing the size and shape of the wetland to benefit Aegis, and that Aegis's measurements are not valid. She said that long before this, the City should have been able to identify the edge of water using the high water mark. She said the only way the City can approve the project is by skewing the matrix. She also commented on the inappropriateness of putting a parking lot in the corner of the building over the water retention vault. She said the City should not be approving projects that violate its own code.

(i) Cindy Ryu, Shoreline, requested that Council postpone adoption of the 2004 budget until its next regular meeting because of inadequate responses to too many outstanding questions. She asked by how much franchise fees are projected to increase next year, and what services the City provides to justify collecting such fees. She questioned why the Council is proposing to spend so much money in 2004 when revenues are not projected to keep up with expenditures. She also questioned the spending of \$8.8 million in reserve funds. She suggested that Council revise its goals and provide adequate funding for more important priorities such as street lights. She said it is more urgent to have adequately lit streets than to spend \$17 million on a new City Hall.

(j) Diane Murray, Shoreline, said she is opposed to the Council limitation on the number of speakers on a given topic. She said limiting public input shortchanges the Council and the community. She said truth is what the opposing views have in common, and that different viewpoints combined together provide a full spectrum of ideas. She said Council can find that middle road by listening thoughtfully to public input and blending it with its own views.

(k) Tim Crawford, Shoreline, distributed a memo he referred to at a prior Council meeting regarding possible installation of a button to cut off public comments that oppose Council's position. He took exception to Councilmember Montgomery's comments last week. He said he is glad that Deputy Mayor Grossman is gone and looks forward to the departure of Councilmember Montgomery and eventually the Mayor.

(l) Richard Tinsley, Shoreline, summarized the results of the past election and said the close races indicate a division in the community. He said the Council is supposed to study and investigate the issues and not act as a "rubber stamp" for staff proposals. He said the public needs more time to comment in public meetings, noting that developers and others get more than adequate time to present their views. He said it shows disrespect for the public if the Council decides to appoint a replacement now.

(m) Donn Charnley, Shoreline, said he is appalled with the apparent haste with which the Council is acting to fill the Council vacancy. He said in the State Legislature he always considered the importance of ethics and propriety in every decision he made. He urged the Council to carefully consider whether its actions are ethical.

(n) Walt Hagen, Shoreline, expressed support for the activities of the Youth Council and urged the City Council to support their agenda. Noting that many underground aquifers were discovered in Lake Forest Park, he urged the City to address the issue of potential underground aquifers in Shoreline as it responds to the Brightwater FEIS. He asked the Council to wait until the new Council is seated in January before filling the vacancy, noting that there is an appearance of fairness issue.

Mayor Jepsen said the Council vacancy process will be added to tonight's agenda. He asked staff to follow up on Ms. Crawford's comments about the Aegis SEPA Mitigated Determination of Non-Significance (MDNS) issued on November 18. He asked for more

information on the measurement of the buffer from the high water mark and the proposed parking lot near the water retention vault.

Ian Sievers, City Attorney, said the determination states there is no significant difference between the prior building design (which received an MDNS approved by the court) and the current building design. Therefore, the MDNS is proposed to be used for the current application.

Mayor Jepsen requested continued progress reports of the Aegis project and expressed appreciation for the efforts of the Youth Council. Mr. Burkett confirmed that staff will provide additional information on the Aegis project at a future time.

Councilmember Gustafson mentioned that consent calendar item 7(d), construction contract for the Serpentine Place Storm Drainage Improvements, is one of several steps that will help address surface water problems in Shoreline.

Paul Haines, Public Works Director, explained the scope, schedule, and costs of the Serpentine Place project, one of a series of actions that will help resolve the flooding situation in the Ronald Bog Basin. He discussed the magnitude of the October 20th storm and commented that short-term improvements prevented Ronald Bog from overflowing. He said the City's strategy is to couple smaller scope projects with larger ones (3rd Avenue NW, Ronald Bog Drainage Improvements) in order to implement quick solutions when possible.

Councilmember Chang asked if City staff will be meeting with the people who experienced flooding problems, and if the planned improvements will permanently resolve the problems there.

Mr. Haines said the proposed improvements will not guarantee a permanent resolution of all flooding issues since the Ronald Bog Basin is a naturally low elevation. However, the improvements will help the current circumstances and will not prevent the City from continuing its long-term strategy with the Surface Water Comprehensive Plan. He said staff meets with property owners at times and provides assistance as necessary.

Responding to public comments, Mr. Burkett pointed out that the increase in expenditures in the 2004 budget is simply the result of using accumulated reserves on pending capital projects. He noted that some expenditures are in the form of Public Works Trust Fund Loans to complete major projects such as 3rd Avenue NW and Ronald Bog.

Councilmember Gustafson commented on the Youth Council's efforts to address many important issues in the community. He suggested the Council invite the Youth Council to a future dinner meeting to discuss its activities in more detail.

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved approval of the agenda, adding “Council Vacancy Process” as the third action item. Councilmember Chang seconded the motion, which carried unanimously, and the agenda was approved as amended.

7. CONSENT CALENDAR

Councilmember Ransom moved approval of the consent calendar. Councilmember Gustafson seconded the motion and the following items were approved unanimously:

**Minutes of Special Meeting of November 3, 2003
Minutes of Dinner Meeting of November 10, 2003
Minutes of Regular Meeting of November 10, 2003**

Approval of expenses and payroll as of November 14, 2003 in the amount of \$714,891.93

Resolution No. 210 approving the Lake City Sewer District System Service Area Comprehensive Sewer Plan of Ronald Wastewater District, King County, Washington

Motion to authorize the City Manager to execute a construction contract with Pivetta Brothers Construction for an amount not to exceed \$652,391.58 to complete the Serpentine Place Storm Drainage Improvements Project

Motion to authorize the City Manager to execute the Multifamily Housing Limited Property Tax Exemption Agreement with North City Landing, LP, for the North City Landing project located in the North City Business District

Ordinance No. 343 revising the City’s policy for paying for medical, dental, vision, life and disability insurance and other benefits for City employees; and amending Ordinance No. 220

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) Ordinance No. 341 levying the general taxes for the City of Shoreline in King County for the fiscal year commencing January 1, 2004, on all property both real and personal, in said city which is subject to taxation for the purpose of paying sufficient revenue**

to conduct City business for the ensuing year as required by law

Debbie Tarry, Finance Director explained that the 2004 proposed budget includes a 1% levy increase from 2003 totaling \$6,770,042. The revenue generated from this proposed levy increase is approximately \$67,000. Staff is projecting an average property valuation increase of 5.7% for Shoreline in 2003. As a result, the City's levy rate is projected to decrease by approximately 3.4% in 2004 from \$1.3562 to \$1.3040. A homeowner of a median priced home could expect that the property tax that they pay to the City will increase from \$355 in 2003 to \$360 in 2004. The homeowner will also pay taxes for other jurisdictions such as King County, Shoreline School District and Fire District, and the State School levy. She noted that the City's property tax collections represent only 10.8% of the total property tax paid by City of Shoreline property owners.

Councilmember Hansen moved to pass Ordinance No. 341. Councilmember Ransom seconded the motion.

Councilmember Ransom pointed out that this 1% assessed valuation will only increase City revenues by \$67,000. He said he supports this modest increase because not doing so will have a compounding effect on tax revenue in the future.

Councilmember Gustafson opposed the measure because he campaigned on the principle of only raising taxes by a vote of the electorate. He felt the loss of \$67,000 could be easily compensated by other cuts in the budget.

Councilmember Chang discussed the losses in revenue the City is experiencing due to the initiatives and said the increase is needed at this time.

Councilmember Ransom and Ms. Tarry pointed out that the rate of assessed valuation continues to drop in response to increasing valuations. Ms., Tarry estimated that the rate will likely drop to \$1.30 per thousand assessed valuation.

Councilmember Gustafson raised the issue of putting a property tax levy to the voters.

A vote was taken on the motion, which carried 4-1, with Councilmember Gustafson dissenting, and Ordinance No. 341 levying the 2004 property tax was passed.

- (b) Ordinance No. 342 adopting the annual budget of the City of Shoreline for the year 2004

Debbie Tarry briefly reviewed the updated 2004 budget ordinance, which appropriates a total of \$58,294,172 to fifteen separate funds. She then explained the changes to the budget made based on previous Council discussions:

- Ongoing funding of \$10,000 to support the Sister Cities Program

- One-time funding of \$20,000 for the Shoreline/Lake Forest Park Arts Council to contribute to the purchase of the Showmobile
- Additional grant funding of \$4,000 for the recycling program

Continuing, Ms. Tarry explained that the 2004 Salary Schedule, as provided in the 2004 Proposed Budget, includes a recommended market rate adjustment of 1.53%. The City's annual survey of comparable cities determined that the median salary adjustment for the cities surveyed was 1.53%. She then explained the reasons for a decreasing operating budget and increasing capital budget. She said monies are being retained in reserves for the Surface Water Fund until the completion of the Surface Water Master Plan, which will provide recommendations for the use of those funds. She noted that a total of \$3.4 million will be spent on surface water projects in 2004 (\$1.8 million in operations and \$1.6 million in the Surface Water Capital Fund). Finally, she said franchise fees are anticipated to increase by 2% for 2004. She explained the reasons that 2003 franchise collections will be below 2002.

Councilmember Hansen moved to pass Ordinance No. 342. Councilmember Ransom seconded the motion.

Councilmember Ransom supported the motion, noting that the budget increase from 2002 to 2003 reflected money that was set aside for capital projects that was not spent. Due to delayed capital projects, the 2004 budget totals \$58 million, compared with \$51 million in 2003.

Responding to Councilmember Ransom, Ms. Tarry clarified that franchise fees are expected to increase 2% over the 2003 level, which is less than the previous year. She said the actual percentage of increase is equal to 6% of gross revenues for all agreements except cable television (5%).

Councilmember Hansen noted that the City's revenue increases when franchise fees increase. Ms. Tarry said the main reason 2004 is increasing is because the Ronald Wastewater District agreement included a \$50,000 increase for 2004. In subsequent years, franchise fees will increase 3% annually.

Councilmember Chang felt the 2004 budget does not allocate enough money for sidewalks, even though this is a high public demand. He suggested that gambling tax revenue from the Hollywood Casino be applied to a sidewalk program, as well as any savings on capital projects due to the current favorable bidding climate. He also agreed with Councilmember Ransom's suggestion that an additional \$100,000 be allocated to human services. He said this money could be garnered by reductions in the travel and registration categories.

Councilmember Ransom agreed that income from Club Hollywood is not reflected in the 2004 budget. He felt the anticipated income from this source would more than fund an additional \$100,000 allocation for human service contracts.

Mayor Jepsen was reluctant to allocate funds that have not yet been received. He said the projected revenues might not result in a net increase because patrons may simply transfer from one business to another.

Mr. Burkett commented that gambling revenue through the third quarter of 2003 was less than projections by \$150,000. He also pointed out that gambling revenue must be spent on law enforcement items.

Councilmember Gustafson said the Council has spent a great deal of time discussing the budget and changes can be considered next year if necessary. He said items in this category might include sidewalks, street lights, and two-tier recreation fees that differentiate between residents and non-residents.

Councilmember Hansen said the budget is conservative and there may be shifts in next year's budget due to an overly optimistic capital projects schedule.

Responding to Councilmember Ransom's question about when the issue of street lighting will be discussed, Mr. Burkett explained that the State Supreme Court recently invalidated the approach that staff had planned to suggest for funding street lighting. Therefore, more time is needed to study the issue and explore alternatives.

A vote was taken on the motion, which carried 4-1, with Councilmember Chang dissenting, and Ordinance No. 342 adopting the 2004 budget was passed.

(c) Council Vacancy Process

Mayor Jepsen reiterated that applications for the Council vacancy will be accepted until 5 p.m. on Monday, December 8. He noted that he will not be in town for the meeting of December 15, at which the applications will be reviewed and the interviews established. He suggested scheduling interviews on Saturday, December 20. Councilmember Gustafson suggested a starting time of 9:00 a.m.

Mayor Jepsen asked staff to respond to the request for a special election. Mr. Burkett and City Clerk Sharon Mattioli commented on the significant costs associated with conducting a special election. Ian Sievers, City Attorney, explained that state law does not include a special election as an option for filling a vacancy in this situation.

Councilmember Hansen said he contacted the Municipal Research and Services Center and learned that vacancies are common and that an election is not an option. He said other entities have taken approximately six to seven weeks to fill a vacancy, noting that the position for water district commissioner was filled in 30 days. He clarified that Council has "up to" 90 days to fill the vacancy. He felt that Council's process reflects current practice and legal requirements.

Councilmember Ransom felt the public should be allowed to comment on the candidates who will be interviewed, either in person or in writing.

Councilmember Hansen pointed out that many people have already commented on potential candidates by e-mail and voice mail. He said he will continue to consider all input he receives from the public.

Councilmember Chang said since the position is not yet vacant, the 90-day time frame has not yet started. He expressed support for waiting until after the holiday season and having Councilmember-elect Fimia participate in the process.

Mayor Jepsen clarified that the December 8 meeting has been cancelled because several Councilmembers will be attending the National League of Cities conference. Responding to comments about the propriety of the selection process, he said he is keeping an open mind and will reserve judgment until all applications are filed.

Responding to Councilmember Gustafson, Mr. Burkett explained that the public will have access to all applications. He noted that the applications will be compiled and delivered to Councilmembers as soon as possible after the deadline. He commented that a Council appointment is a uniquely political process.

Council Gustafson commented that the school board solicited written public comments on potential appointees, which were then provided to board members before their deliberations.

Councilmember Ransom reiterated his preference for a longer process due to the holiday season. He was optimistic the Council would be able to achieve consensus on a candidate either before or after December 31st. He reaffirmed his support for allowing the public to comment on candidates during the interview process.

Councilmember Gustafson clarified that Councilmember Montgomery will not be part of the process and that Deputy Mayor Grossman is not applying for the vacancy.

After a brief discussion on scheduling, **Councilmember Gustafson moved to hold interviews beginning at 9:00 a.m. on Saturday, December 20. Councilmember Hansen seconded the motion, which carried 4-1, with Councilmember Chang dissenting.**

9. ADJOURNMENT

At 9:40 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, City Clerk