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CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF WORKSHOP MEETING

Monday, September 20, 2004
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Hansen, Councilmembers Chang, Fimia, Grace, and Ransom

ABSENT: Deputy Mayor Jepsen and Councilmember Gustafson

1. **CALL TO ORDER**

The meeting was called to order at 6:30 p.m. by Mayor Hansen, who presided.

2. **FLAG SALUTE/ROLL CALL**

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

Upon motion by Councilmember Fimia, seconded by Councilmember Grace and unanimously carried, Deputy Mayor Jepsen and Councilmember Gustafson were excused.

(a) Proclamation of Shoreline/Lake Forest Park Arts Council Month

Mayor Hansen read the proclamation recognizing the Shoreline/Lake Forest Park Arts Council's fifteen-year anniversary and proclaiming September 2004 as Arts Council Month. He mentioned that the showmobile purchased through a fundraising drive by the Arts Council has added immensely to the quality of productions in the community. Cindy Goddard-Woods, Chair of the Arts Council, accepted the proclamation and thanked the City for its continued support of the arts.

3. **CITY MANAGER'S REPORT AND FUTURE AGENDAS**

Steve Burkett, City Manager, reported that the City has again been awarded the Government Finance Officer's Association (GFOA) Distinguished Budget Presentation Award for the 2004 budget. He commended finance staff for this achievement. He commented that two Eagle Scout projects resulted in a horseshoe pit in Hillwood Park, and new swings at Twin Ponds Park. He reminded Council of the Brightwater meeting tomorrow evening and commented on the Westminster Triangle Gateway meeting held last week. He said staff would bring forward a proposal on the gateway

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project following the public process. Finally, he noted that the 90% plans for the Aurora Corridor Project have been received and will be distributed to all stakeholders.

4. COUNCIL REPORTS

Councilmember Fimia asked for information on the two eagle scouts who improved the City parks. She noted that there is still no resolution on the design of the Aurora Corridor Project because the Washington State Department of Transportation has not responded to Council's request for a WSDOT representative to speak directly to the Council.

Mr. Burkett said staff contacted WSDOT reminding them of the invitation to address the Council on this issue.

5. PUBLIC COMMENT

(a) Tom Ruhlman, Shoreline, described the severe flooding problem experienced by the residents in the vicinity of 10th and 11th Avenue NE and NE 175th Street. He said his home has never flooded in the fifty years prior to the \$1 million project the City completed on NE 175th Street and 10th Avenue NE. He said three residents have vacated their homes because of flooding, and more are likely to leave if nothing is done. He said the City refused to pay his claim for damages. He said although he is pleased with the City's desire to fix the problem, the solution has exacerbated it. He said he is willing to work with the City to come up with a long-term solution that will allow his family to continue to reside in Shoreline. He urged the Council to find a solution to help the affected families in the neighborhood.

(b) Troy Harvey, Shoreline, concurred with the previous speaker, noting that the past two minor storms resulted in severe flooding in his home. He described the severe damage to his home and said his family cannot continue to live there with five floods per year. He urged the Council to find a real solution, noting that the 18-inch overflow pipe to his property should be shut down and redirected north. He suggested that the City purchase the abandoned homes to construct an adequate catch basin, similar to those at NE 170th and NE 185th Street.

(b) Terry DeLavallade, Shoreline, also commented on the ongoing flooding problem. She noted that her former neighbors had to abandon their home because the City denied their claim for damages and they could not afford the ongoing repairs. She described the social and financial impact the flooding has had on this working family. She noted that both King County and Otak engineers have recommended the purchase of their property to build a retention pond to solve this flooding issue. She strongly urged the City to buy the property in order to save the family from financial ruin.

(c) Jane Ryan, Shoreline, described the extensive flooding damage that Ms. Delavallade's property suffers each time it rains heavily. She noted that the Delavallade's claim for damages was recently dismissed as a "frivolous" lawsuit. She

said that a “fountain of water” gushes from a nearby manhole cover each time it rains. She urged the City to do something to resolve the problem.

(d) Sally Granger, Shoreline, expressed support for the North City Project and the proposal to restripe 15th Avenue. She cited Rainier Avenue S. as an example of a successful lane reduction project. She noted that drivers now obey the speed limit and traffic flows smoothly. She said the project has been so successful that King County plans to extend the lane reduction for an additional mile.

(e) Ken Cottingham, Shoreline, commented on the recent theft of his automobile from his driveway. He pointed out that auto theft has increased 14% in Shoreline in the past six months. He estimated that the total economic cost of auto thefts in Shoreline could exceed \$1 million annually. He felt it would be helpful if the police department would describe crime statistic in terms of economic costs and benefits. He suggested that the police department publish more practical advice for protecting personal property rather than telling people to “take their car registration out of their vehicles.”

(f) Diane Cottingham, Shoreline, said she does not feel safe since the auto theft, and she is much more wary about her belongings and property. She said crime is something that all citizens should be concerned about.

(g) Richard Miller, Shoreline, wondered how the City would address the adverse impacts to Dunn Lumber as a result of reconfiguring Midvale Avenue N. He asked who would be legally liable for accidents at N 155th Street and Aurora Avenue, since the proposal is to widen it 24 feet and there are no provisions for a pedestrian island. He said following retirement he would probably move out of Shoreline because he cannot afford the high property taxes.

(h) Clark Sandford, Shoreline, also addressed the previous speakers’ flooding problems. He said people would be out helping each other if it were a river that was rising, but since it is a storm drain nobody seems to care. He said some have lost their homes, and others are on the verge of doing likewise. He said that, despite the court ruling, the City should consider doing the right thing.

Mayor Hansen asked for a full report on the flooding problem. He specifically wanted to know what has changed in the recent past that has caused the increased problem.

Mr. Burkett noted that staff has studied the flooding problem for a long time, and there are no easy or quick solutions. He said staff would prepare a report that details the problem and available options.

Councilmember Grace said he would like to know what legal means the City has to help the affected families.

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Councilmember Ransom was under the impression that the City's construction project on 10th Avenue had resolved the flooding problem. He was surprised to hear that the problem may have been intensified, and that staff did not inform the Council of the problem. He agreed the City should explore its options for helping the families.

Councilmember Fimia said she dealt with such issues on the King County Council. She said it is within the City's authority to purchase private property to alleviate flooding problems. She felt the Council should exercise care in providing direction to legal staff about how to handle such cases.

Councilmember Chang was also surprised to hear that the flooding problem seems to have gotten worse. He said it would make sense to meet with the affected residents so the City can understand how to fix the problem. He concurred with previous speakers that the City should explore the option of purchasing the abandoned homes. He felt the City should make this issue a high priority.

Mayor Hansen pointed out that in the City's early years, over two hundred properties were flooding, but now it seems to be limited to fifteen to twenty properties. He said that now the easier cases have been dealt with, it is time to address the more difficult ones. He agreed that something should be done since the recent storm water project does not appear to have resolved the problem.

Responding to Mr. Miller's comments, Mr. Burkett pointed out that the vacation and reconfiguration of Midvale Avenue N would not impact Dunn Lumber. He noted that the crossing at Aurora Avenue at N 155th Street would feature audible pedestrian signals and have a pedestrian bridge for safety.

6. WORKSHOP ITEMS

(a) Update on 2003 Crime Statistics (SEA Report)

Tony Burt, Shoreline Police Chief, reviewed the 2003 Service Efforts and Accomplishments (SEA) report, which included several crime categories that had significant increases in total number of occurrences. In addition, there was a slight increase in the response time to Priority X calls (life threatening situations). In 2003, there were four crime categories that had fairly significant increases in total number of occurrences:

- Burglary: 324 reported--the average number is 281.
- Thefts: 1,544 reported--the average number is 1,262.
- Car Prowls: 841 reported--the average number is 497.
- Auto Thefts: 325 reported--the average number is 225.

He then provided a snapshot of "where we are today," comparing the first half of 2004 with 2003. He noted that the number of residential and commercial burglaries have increased this year. Statistics for 2004 (through July) show the City is ahead of 2003 by a

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count of 234 to 193. He said the department continues to work with storefront officers, block watch groups, business watch, and media outlets to educate citizens and provide safety tips. He noted that the department now has the ability to process both fingerprint and DNA evidence at crime scenes. He said auto theft is another crime category that has become a regional problem of epidemic proportions. Shoreline auto thefts increased from 180 in 2003 to 206 in the first half of 2004. He said that 96-97% of stolen cars are recovered, and most cars are stolen for transportation reasons. The department has been working with regional task forces, the King County Police Chiefs' Association, and prosecutors on strategies to curb this trend.

Continuing, Chief Burttt reported that overall thefts (larcenies) and car prowls have decreased in 2004. Total thefts have declined from 958 to 922 (through July) and car prowls are down from 458 to 394. The department has also reduced response times to Priority X, Priority 1, and Priority 2 calls. He pointed out that overall number of traffic accidents has declined in the first half of 2004. There were 592 accidents in 2003 and there have been 550 reported in 2004. He noted that the department developed density maps for the four crime categories in order to target resources more effectively. He concluded by saying that while the City has seen increases in some crime categories, the general level of crime in the City of Shoreline is quite low compared to other cities. As detailed in the staff report, the City enjoys one of the lowest crime rates in the region.

Councilmember Ransom said burglary was a significant problem when Shoreline first incorporated. He said crime statistics at that time suggested that 70-75% of burglaries were drug-related. He said the City effectively reduced the crime rate, but now it seems to be increasing again. He asked if the burglary statistic was based on King County or on Shoreline, and wondered if illegal drugs still drive most burglaries.

Chief Burttt clarified that the number of burglaries is a Shoreline average over the previous three years. He was reluctant to express any firm conclusions on the correlation between drugs and burglary, noting it is a difficult relationship to substantiate.

Councilmember Fimia wondered if the department had done any analysis of causes for the increase in crime. She said nothing could be done about the problem until we know the reason why.

Chief Burttt said the Shoreline police department has not conducted a specific analysis, but there are theories and national studies that try to explain crime trends. He said a number of factors may contribute to the rise in crime, including the economic situation and unemployment.

Councilmember Fimia wondered what resources the police department would need to undertake such analysis. Chief Burttt responded that it would require a professional with a background in psychology and sociology to conduct the necessary research and statistical analysis to explain why crime has increased.

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Councilmember Fimia said part of the solution is to compare Shoreline's crime rate with others to see if there are any specific trends or patterns, such as demographic changes. She felt the police department might be the best place to start because police officers take the initial crime reports. She said it is difficult to devote or change resources to law enforcement if the Council does not understand why crime is increasing.

Chief Burt commented on the difficulty of explaining why crime has increased when there are no visible patterns or trends occurring. He noted that Shoreline's crime rate, as compared to comparable cities, is low and the level of increase is lower than what other cities are experiencing.

Councilmember Fimia pointed out that more resources could be devoted toward young people if it were determined that crime had increased among that age group. She said the City should not be complacent with the crime level just because Shoreline is doing well relative to other cities. She said she is willing to budget more resources to determine the causes of crime rather than just speculating about them.

Mr. Burkett noted that crime experts are often at a loss to explain crime trends, especially when crime has decreased. He said using demographic information is very popular because there is a correlation between age and crimes committed. He said statistics show that there are no strict consequences for stealing automobiles. He concluded that without consequences, people would likely continue the same behavior.

Councilmember Grace stressed the importance of investing in resources that will best achieve the City's safety goals. Although he did not feel hiring a researcher would be a good investment, he felt the City could benefit by studying Seattle and King County's crime statistics. Citing the high statistic for commercial theft, he wondered if the police department is partnering with business organizations to help address this issue.

Chief Burt said he would welcome any invitation to participate in an ongoing relationship with businesses. Councilmember Grace suggested that the police department take the first step in approaching the business community. Businesses could provide useful suggestions and anecdotal information.

Mayor Hansen called attention to the fact that the police sponsor many programs in the community to reduce crime. He felt the most cost-effective approach to crime prevention is to get citizen volunteers and businesses involved through programs such as Block Watch and Business Watch.

Councilmember Ransom pointed out that the City was successful in reducing street crimes by organizing a special street crimes unit. He said the City could create such specialized task forces again if it knows what type of crimes to pursue. He noted that the schools used to monitor which students were involved in shoplifting. This, in turn, assisted the police in solving shoplifting crimes. He asked that the police department compare Shoreline's crime rates with the following three types of cities to try to determine the causes of crime: 1) large cities, such as Seattle; 2) smaller, adjacent cities,

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such as Edmonds and Lynnwood; and 3) cities of comparable size, such as Kirkland, Renton, and Auburn.

Councilmember Chang asked if burglary, theft, and other lower level crimes lead to more serious crimes such as robbery and homicide. He did not want to see a growing trend in more serious crimes.

Chief Burtt said it was not his experience that such crime progression typically occurs, but added that those committing lower level crimes could be involved in other types of crimes.

Councilmember Chang suggested that in addition to public outreach through the business community, neighborhoods and media, the police could attend Council meetings on a quarterly basis to provide crime updates. He felt the more that people understand the crime issues, the more cooperative they will be.

Chief Burtt emphasized public education and the importance of citizens taking personal safeguards such as locking doors, window, and autos. He stressed the need for citizens to report suspicious activity in their neighborhoods, and to be the “eyes and ears” of the police department.

Councilmember Fimia acknowledged that cities with large populations like Shoreline will always have problems with crime. However, the main issues are what is causing the problem; and what the City is doing about it. She suggested that the City approach the crime problem in a team-oriented, problem-solving way. She suggested at least six potential reasons for crime: 1) the “broken window effect” (degraded conditions that suggest no one cares); 2) economics; 3) involvement of neighborhoods; 4) demographics; 5) lack of follow-through/consequences; and 6) transportation. She requested that the police department and Customer Response Team (CRT) consider these reasons, provide their own insights, and analyze regional crime statistics to arrive at some conclusions about the causes of crime. She concurred with Councilmember Chang’s suggestion to have the police department provide quarterly crime updates to the Council.

Mr. Burkett said Shoreline’s low crime rate is partly due to the police department’s problem-solving approach. He stressed the importance of working with the community, determining the causes of crime, and identifying which causes the City can control.

At the conclusion of Chief Burtt’s report, Mayor Hansen recognized the presence of several members of Boy Scout Troop 332 in the audience.

- (i) 2005 Budget and City Financial Long-Term Projection Update

Debbie Tarry, Finance Director, reviewed the City’s long-term financial projections and some of the primary policy issues that will need to be addressed during the 2005 budget deliberations. She noted the established Council policy of balancing ongoing

expenditures with ongoing revenues, since state law prohibits ongoing deficit spending. She said as of this evening, the City's proposed operating budget is out of balance by approximately \$50,000. The baseline 2005 proposed budget includes approximately \$163,000 in expenditure reductions (one percent from each department). However, the police department was not reduced since this is a public safety contract. She also outlined the 2005 budget review schedule.

Ms. Tarry explained that the budget gap is projected to grow to \$3.4 million by 2010, based on current assumptions. She then reviewed gambling tax trends, health insurance premium increases, a higher than expected Public Employee Retirement System (PERS) employer contribution rate increase, increased growth in sales tax, and the tentative agreement with Yakima County for jail services. She said although jail service fees would increase, the increase is still below projections for 2005. Medical premium increases are expected to be lower than anticipated; however, state retirement system contributions will increase at a higher rate than originally anticipated. Gambling tax revenues continue to increase, with sales tax trends somewhat stronger over the previous year. Lease increases will be greater than expected, as leases are scheduled to expire in the near term.

She explained that expenditures are expected to increase slightly, although 2005 per capita operating budget expenditures are less than they were in 1999. Expenditures are expected to increase in personnel, police services, jail costs, and liability insurance. Responding to Councilmember Fimia, Ms. Tarry noted that the liability insurance increase totals \$69,000.

Councilmember Ransom expressed his hope that other cities would use more bed days at Yakima County Jail in order to limit Shoreline's costs. Ms. Tarry noted that only two cities are actually using their quota of beds, although most cities expect they will need all those bed days in the future. Mr. Burkett added that jail use for misdemeanor prisoners has decreased for most cities over the past few years.

Continuing, Ms. Tarry highlighted the anticipated changes to the proposed 2005 budget. She noted that City departments have been instructed to identify ongoing revenue sources or reductions to fund any long-term proposals for service changes/enhancements. She said an administrative sergeant is proposed to replace a deputy police position to allow more time for street patrol. Staff also proposes creation of an additional traffic engineer position (to be funded through a reduction in professional services) and a planner to assist with Aurora Corridor and Interurban Trail projects. Staff also recommends creation of a facility repair/replacement fund to be funded by one-time revenues. She said City reserves continue to exceed the required minimum, even with the \$1 million transfer to capital for the City Hall Project in 2004.

Ms. Tarry then described the outside factors that are contributing to the funding gap, including limits to property tax growth, marginal sales tax growth, a reduction in state funding (I-695 backfill), declining investment interest rates, higher contributions to state retirement funds, and elimination of local vehicle license fee. Then she reviewed the

possible methods of closing this gap, including limiting expenditures, a utility tax on the surface water utility, increases in recreation fees, a revenue-generating business licensing program, increasing the Seattle City Light franchise fee on the distribution portion of the electric utility fees, and a property tax levy lid lift. She concluded that the City is in good financial condition with adequate budget reserves, but the Council should begin considering how to address long-term deficit issues. She clarified that staff would present a balanced budget to the Council on October 25.

Mayor Hansen pointed out that the original projected budget deficit for 2005 has decreased substantially, and Council has always been able to make adjustments to balance the budget. He strongly opposed a business license tax or a surface water tax. He considered it unreasonable to impose a surface water tax on residents because it resembles a property tax. However, he would support increasing the franchise fee on the distribution portion of utility fees.

Councilmember Ransom suggested that some of the unexpected increase in gambling revenue could be used to close this year's \$50,000 budget gap. He said some estimates suggest that gambling revenue could reach \$600,000 over last year, while others estimate a nearly \$1 million increase.

Mr. Burkett noted the Council's fiscal policy of using ongoing revenues for operations expenditures.

Councilmember Ransom said he has advocated for a business registration program so the City can track the number and types of businesses operating in Shoreline. He felt such a program could be self-sustaining through a modest registration fee of \$50-60 per business. He felt most businesses would object to a \$150-\$200 registration fee. He noted that such a program would likely reveal many businesses that operate in Shoreline but are registered in Seattle. He suggested that the Council begin exploring the possibility of a levy lid lift in the future, noting it would be difficult to pass in the current economy.

Mayor Hansen felt the City would eventually have to consider a levy lid lift, but not for a few years.

Referring to page 29 of the Council packet, Councilmember Grace asked if staff specifically identified any low priority services for potential elimination. Ms. Tarry clarified that the \$290,000 figure is a target. At this point, staff has not wanted to enforce the \$70,000 cut for the Police Department because it would require a reduction in personnel. No other specific reductions have been identified elsewhere beyond the 1% department cuts.

Councilmember Fimia pointed out that most people must reduce costs in their personal budgets if their expenditures exceed revenues. She appreciated the attempts to reduce expenses but felt the Council should also review administrative costs that may be considered lower priorities. Referring to a list of operating budget line items provided to Council, she suggested that Council view administrative costs in terms of line items, such

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as “professional services” and “intergovernmental professional services.” She said she would not consider reducing human services and other high priority needs until administrative costs had been reviewed. She inquired why salaries and benefits are expected to increase 5% annually.

Ms. Tarry said the increase is due to merit increases, rising health benefit costs, and increases to the retirement contribution rate. She clarified that the increase does not reflect any new personnel.

Councilmember Ransom concurred with Councilmember Fimia that the Council should review administrative costs in order to be accountable to the public. He requested a breakdown of costs under professional services and intergovernmental professional services. Mayor Hansen noted that the police contract and road projects account for the majority of costs in those two items.

Councilmember Grace also felt that administrative costs should be broken down and considered, but he did not want to give the impression that there would necessarily be significant cost savings among these line items.

Mayor Hansen agreed that the Council and staff should continually look at the numbers, but he felt that staff has done a good job analyzing where savings could be achieved. He said a detailed analysis could possibly lead to a recommendation for more funding in certain areas, not less.

Councilmember Fimia suggested that the City could reduce the amount it spends on consulting fees by contracting with neighboring jurisdictions like Lake Forest Park, Lynnwood, and Edmonds. She emphasized that the City Council has the responsibility to do a detailed analysis to ensure it is doing due diligence for Shoreline residents.

Councilmember Chang did not support a business registration program, and did not think it was the right time to discuss a levy lid lift. He agreed that the City should be more accountable and efficient, but he also wanted more emphasis on ways to generate additional revenue.

Ms. Tarry clarified that in addition to consultant services, the professional services line item includes contracts for landscaping, janitorial services, and recreation instructors. Mr. Burkett said it is more economical to outsource some services rather than hiring staff.

Councilmember Ransom noted that there has been no discussion of the negative impact that electronic pulltabs could have on revenue. He explained that if the state legislature passes the electronic pulltab bill, it would likely reduce the amount of revenue Shoreline receives from paper pulltabs because people would shift to electronic pulltabs. He noted that the state receives all revenue from electronic pulltabs.

Mr. Burkett said it is not yet clear what impact electronic pulltabs will have on Shoreline, noting that casinos and card rooms could experience increased business.

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There was a brief discussion regarding the City of Auburn's proposal to freeze its property tax rate in an effort to increase revenues. Mr. Burkett noted that many special districts are proposing similar measures.

Councilmember Fimia said the Council's position on a future levy lid lift might affect the actions it takes on the current budget.

Mr. Burkett concluded that there are no easy solutions to the financial challenges facing the City in the years to come. He noted that the Bond Advisory Committee and the public would be invited to participate in the prioritization exercise that Council performed in April. Councilmember Fimia wished to ensure that the public is given the opportunity to review the Operating Budget by Line-Item list.

7. CONTINUED PUBLIC COMMENT

(a) Richard Miller, Shoreline, commented on the City's high cost of living, noting that people working for the City might not be able to afford to live in Shoreline.

(b) Heather Moody, Shoreline, and Karen Hauger, Seattle, introduced themselves as representatives of a new chapter of the Shoreline Junior Jaycees. The Junior Jaycees is an international organization made up of adults between the ages of 18 and 40, which strives to teach leadership and management through community service. They announced a kickoff fundraising event to bring awareness to breast cancer research. They said they are currently working with the Shoreline Chamber of Commerce and the business community to help sponsor this chapter.

Mayor Hansen commended the Jaycees for their contributions to the community. Councilmember Fimia felt the Jaycees represent the type of community organizations that the Council would invite to Council meetings as part of an enhanced public participation program.

8. ADJOURNMENT

At 9:27 p.m., Mayor Hansen declared the meeting adjourned.

Sharon Mattioli, City Clerk

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