

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF REGULAR MEETING

Monday, November 8, 2004
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Hansen, Deputy Mayor Jepsen, Councilmembers Chang, Fimia, Grace, Gustafson, and Ransom

ABSENT: none

1. CALL TO ORDER

The meeting was called to order at 7:30 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.

(a) Proclamation of Veterans Day

Mayor Hansen read the proclamation acknowledging the Veterans Day holiday this week. Representatives of the Chamber of Commerce, President Diana Stephens and Executive Director Cindy Easterson, and Commander Rick Grenier of the Shoreline American Legion Post, and Col. Sonny Alvarez, of the Veterans of the Vietnam War, Inc. of Shoreline accepted the proclamation and thanked the City for this recognition.

3. CITY MANAGER'S REPORT

Steve Burkett, City Manager, commented on the Forward Shoreline meeting that several Councilmembers attended on Friday morning.

Tim Stewart, Planning and Development Services Director, responded to questions about the review schedule for the Comprehensive Plan and master plans and the status of the appeal period for State Environmental Protection Act (SEPA) referenced in Resolution No. 226. He said that after the final action on adoption next spring, the Comprehensive Plan could still be appealed to court under SEPA.

Councilmember Fimia said there is an issue about notice of the appeal period and asked how individuals will be notified of the appeal period. She asked for copies of the

information provided to the Planning Commission regarding the Critical Areas Ordinance.

4. REPORTS OF BOARDS AND COMMISSIONS: none

5. PUBLIC COMMENT

(a) Janet Way, Shoreline, asserted that although she has tried to follow the Comprehensive Plan update and master planning process in the Planning Commission, she was not aware that the SEPA appeal deadline was September 27 (the day before the Planning Commission hearings began). She viewed the process as “confusing and backwards.” She also noted that the Thornton Creek Watershed Oversight Council has not yet received a draft of the proposed Critical Areas Ordinance, so there will be no opportunity to provide input prior to Planning Commission consideration. She asked that the City extend the SEPA comment period on the Comprehensive Plan, release the draft Critical Areas Ordinance, and let the citizenry work on this project without keeping it “a big, dark secret.”

(b) Pam Gates, Director of Teen Hope and President of the National Urban Human Services Alliance, thanked the City for its past support of local social service programs. She urged the Council to consider social service needs as it deliberates the current budget, noting that many people need help due to the high cost of living in this area. She said people using social services are not necessarily “victims,” but are people who have tried their best.

(c) Vicki Stiles, Director of the Shoreline Historical Museum, invited the community to visit the museum its most recent exhibits. She reported that next year the museum will feature the 75th anniversary of the opening of Playland, and the 10-year anniversary of the City of Shoreline. She concluded by thanking the City and all those who have supported the work of the museum.

(d) Ofelia DeBernal, Shoreline, described the negative impact that the Serpentine Street storm drainage project has had on her home. She said she was not notified about the duration of the project, nor was she told about the inconvenience and problems she would suffer, which include: deep holes in her yard; destroyed fence; destroyed plants; noise; vibration; and the installation of large electric panels near the entrance of her house. She said her house shakes when large trucks pump water from underground storage tanks. Moreover, the City plans to place a “no parking” sign in front of her house, which will prevent her family from parking there. She said she feels harassed and that the changes will reduce the value of her property.

(e) Daniel Mann, Shoreline, urged the Council to support the formation of an economic development advisory committee. He said this committee could hopefully help the economic development manager “do a better job than has been done in the past.” He said economic development would be more successful if there were more two-way communication with local business and property owners. He suggested that the North

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City project was a wasted effort because of a lack of communication. He said if the position has the proper mandate, and if the Council is “willing to hear things it may not want to hear,” there is the possibility of creating meaningful economic policy. He urged the City to employ professional consultation on its economic projections, because the Aurora Corridor project will have a much greater impact on the City’s tax revenue and job loss than the City predicts.

(f) Gretchen Atkinson, North City Business Association, and Charlotte Haines, North City Neighborhood Association, invite the community to a North City holiday tree-lighting event on Saturday, December 4.

6. APPROVAL OF THE AGENDA

Councilmember Fimia asked that Item 7(c) be pulled from the consent calendar. Deputy Mayor Jepsen asked that the minutes of the Workshop of October 18, 2004 and Regular Meeting of October 25, 2004 be pulled.

Councilmember Grace moved to approve the agenda as amended. Councilmember Gustafson seconded the motion, which carried unanimously and the agenda was approved as amended.

Councilmember Ransom moved to further amend the agenda by adding an Executive Session at 9:00 p.m. Councilmember Gustafson seconded the motion, which carried unanimously.

7. CONSENT CALENDAR

Councilmember Grace moved approval of the consent calendar as amended. Councilmember Gustafson seconded the motion, which carried 7-0, and the following consent calendar items were approved:

Minutes of Dinner Meeting of October 25, 2004

Approval of expenses and payroll for the period ending October 29, 2004 in the amount of \$936,579.76

Resolution No. 227 establishing a schedule for the Council review of the update to the Critical Areas Protection Standards

8. ACTION ITEMS: PUBLIC HEARING

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- (a) Public Hearing to consider citizens comments on proposed 2005 revenue sources and property tax levy

Debbie Tarry, Finance Director, provided an overview of the revenue sources for 2005 and the proposed property tax levy. Her presentation included the following points:

- The proposed 2005 budget totals \$77.4 million and is funded through a variety of sources, including property taxes, sales taxes, utility tax and franchise fees, gambling taxes. Grants and loans make up the City's largest source of funding.
- Property tax, at \$6.8 million, provides the largest source of operating revenue for the City. The City projects a preliminary 2005 tax rate of \$1.23 per \$1,000 assessed valuation, a decrease from \$1.28 in 2004. The proposed 2005 budget includes a 1% levy increase and \$34.9 million in new construction.
- Staff anticipates 2% growth in sales tax collections for 2005 compared to 2004.
- Recommended revenue and fee changes include: inflationary adjustment for land use and non building permit fees; market adjustments in recreation fees; and a 6% surface water utility tax projected to generate \$150,000 annually.
- Seattle City Light (SCL) surcharges on electric power in 2002 resulted in growth in contract payments to the City. SCL planned to remove surcharges in late 2004, but it has recently indicated they might not be removed. This revenue is considered one-time money that is used for the Capital Improvement Plan. If franchise fee revenues decrease as a result of rate restructuring, this adjustment would be made to the 2006-2010 CIP.
- Real Estate Excise Tax (REET) revenue is projected at \$1.4 million for 2005. Collections in 2004 and 2003 were unusually high due to an increased number of real estate transactions.
- Proposed expenditures for 2005 include: Capital Improvements (\$41.6 million, or 54%); Operating Expenditures (\$26 million or 34%); Internal Transfers (\$9.5 million or 12%); and Internal Service (\$.2 million or 0%).

Mayor Hansen opened the public hearing.

(a) Janet Way, Shoreline, asked if the City planned to impose the 6% surface water utility fee on those adversely affected by storm water issues, including Ms. DeBernal, the residents of 10th Avenue NE, and residents of the Paramount Park area. She also wondered if the City is going to pay more money to Seattle Public Utility for increased flows into Thornton Creek. She said the City should think carefully about how it spends this money and who will be impacted, noting that storm water ultimately ends up in the creeks.

Upon motion by Councilmember Gustafson, seconded by Councilmember Grace and carried 6-1, with Councilmember Fimia dissenting, the public hearing was closed.

Mr. Burkett asked Council to address Resolution No. 226 before starting the departmental budget presentations.

- (b) Resolution No. 226 establishing a schedule for the Council review of the Comprehensive Plan update, Transportation Master Plan, Surface Water Master Plan, and Parks, Recreation and Open Space Master Plan

Mr. Stewart reviewed the purpose for establishing an adoption schedule for these items, since the City will miss the original adoption date in early December. He explained that although the state-mandated deadline for adoption of these plans is early December, the State of Washington has offered cities guidance on how to handle the extension of the deadline, which includes passing a resolution setting out the adoption schedule. He suggested that the City extend the adoption schedule to early 2005 to allow adequate public notice and review prior to adoption. He said the City has made great progress toward adoption of the updates and noted that many cities are in a similar situation.

Councilmember Fimia moved to approve Resolution No. 226. Councilmember Gustafson seconded the motion.

Councilmember Ransom felt it is better to keep the SEPA appeal period open. He noted that Ms. Way is very informed party but she was unaware of the comment deadline. He asked if it is possible to keep the comment period open.

Mr. Stewart said comments would be encouraged throughout the Council's public process. He said the SEPA comment period was closed prior to Planning Commission review so the Planning Commission would have comments before deliberations started. He said since this is a legislative action, it can still be appealed upon final action by the Council.

Mr. Burkett described the extensive public process to-date and stated that the appeal process begins if Council takes action. Mr. Stewart added that state law mandates a 60-day appeal period under the Growth Management Act.

Councilmember Grace supported the resolution, noting that he does not want to presume that Council has made a decision at this point.

Councilmember Fimia moved to strike "Whereas the appeal period on the SEPA threshold determinations for the four plans ended on September 27, 2004 and no appeals were filed; and." Councilmember Ransom seconded the motion.

Councilmember Fimia felt this clause is confusing and misleading to the public. She felt people would assume it is an approved plan rather than a recommendation from the Planning Commission.

Mayor Hansen noted that Resolution No. 226 simply adopts the calendar for plan review.

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Councilmember Fimia said this change would ensure that the resolution reflects accurate information. Ian Sievers, City Attorney, concurred, noting that this deletion makes the recitals more accurate.

A vote was taken on the amendment, which carried unanimously.

A vote was then taken on the motion to adopt Resolution No. 226 as amended, which carried 7-0.

9. UNFINISHED BUSINESS

(a) Department presentations on the proposed 2005 budget

Debbie Tarry, Finance Director, reviewed the proposed 2005 budgets for Criminal Justice and Parks, Recreation and Cultural Services. The Criminal Justice budget totals over \$1 million and represents a 5.7% increase compared to 2004. The City anticipates an 8% increase in jail costs in 2005, primarily due to the City's commitment to bed days as part of its agreement with Yakima County Jail. In addition, municipal court costs will increase slightly due to a renegotiated contract with King County. The contract states that the court will retain 86% of revenues in 2005, which is an increase of 11% over 2004 revenues.

Councilmember Chang wondered how much money is represented by the 86% of district court revenues collected by King County. Mr. Burkett said the City is aware of how much the County receives for district court services, which is part of the overall equation about cost-effectiveness. He said Shoreline works in a consortium with many other cities to evaluate that question. So far, it is determined that it is more cost-effective to contract for services than to establish a municipal court.

Ms. Tarry then reviewed the Parks, Recreation and Cultural Services budget and key changes proposed for 2005. The total budget for 2005 is \$3.4 million, which represents a 14.5% increase compared to 2004. Major changes for 2005 include:

- Increase in recreation fees, which will result in increased revenues in aquatics and facility rentals.
- Accounting for gross revenues of athletic camps instead of net revenues and paying contractors via contract agreements. These changes are anticipated to result in increased revenues and expenditures for 2005.
- \$20,000 of one-time funding for anticipated costs related to the City's 10-year anniversary celebrations.
- The decentralization of utilities/janitorial costs from Public Works back into the Other Services and Charges Category of specific Parks programs. This change should more accurately reflect the true costs of the programs.
- Increase in Extra Help salaries and benefits in the aquatics program due to expanded costs, programs, and activity levels.

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Referring to the Parks Revenue/Expenditure Comparison, Councilmember Ransom said it is difficult to compare Shoreline's performance to other jurisdictions when revenues/expenditures are related to total operations rather than to specific categories such as recreation programs and park/field maintenance. He wondered if the data could be related back to more standard programs used by other cities to get a more accurate comparison of Shoreline's costs.

Ms. Tarry noted that the proposed budget includes a comparison of actual costs to revenues for various programs. However, it does not provide a comparison to other cities.

Councilmember Ransom said statistics for the past few years would allow Council to identify any trends and budget accordingly. Ms. Tarry indicated that staff could provide statistics for previous year's activity levels.

Mr. Burkett said staff could also provide statistics from other cities in terms of the ratio of fees to general fund support. However, these ratios vary from city to city because cities place different emphasis on parks and recreation. In terms of trends, he noted that general fund support is projected to decrease for General Recreation Programs in 2005.

Councilmember Ransom said his long-held concern is that the City only recovers a small percentage of its costs related to City ball fields. He noted that recreation programs have at least a 50% recovery rate, but the fees for field rental only cover 10-15% of the actual costs. He said although there is a limit to what the City can charge, the City should reconsider its fee structure for ball fields. He requested more detailed statistics relating to athletic field maintenance and operations, noting that the figures seem too low.

10. EXECUTIVE SESSION

At 9:00 p.m. Mayor Hansen announced that the Council would recess into executive session for 30 minutes.

Mr. Sievers explained that two topics would be discussed: litigation and potential litigation, as provided for in RCW 42.30.110(i) and to receive and resolve complaints regarding Councilmember communications, as provided for in RCW 42.30.110(f).

At 9:30 p.m. Mayor Hansen announced that the executive session would continue for another 30 minutes.

MEETING EXTENSION

At 10:00 p.m. Mayor Hansen announced that the meeting and the executive session had been extended for 20 minutes. At 10:20 p.m. the executive session concluded and the regular meeting reconvened.

November 8, 2004

11. ADJOURNMENT

At 10:20 p.m., Mayor Hansen declared the meeting adjourned.

Sharon Mattioli, City Clerk