

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Monday, November 15, 2004
6:30 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 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.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Steve Burkett, City Manager, reported on the installation of additional park equipment at Paramount Park, and on plans to develop a neighborhood park in Richmond Beach using Brightwater mitigation funds. He also reported on the status of the 10th Avenue NE drainage project, pedestrian crossing improvements on 8th Avenue NW, the Planning Commission's consideration of the Critical Areas ordinance, and the Hopelink Food Drive.

Jill Marilley, City Engineer, responded to comments made last week by Mrs. De Bernal regarding storm drainage work done near her home. She stated that the City is continuing to work with Mrs. De Bernal to fully resolve her concerns.

4. COUNCIL REPORTS

Councilmember Gustafson reported on his attendance at the Chamber of Commerce meeting and on its election process.

Mayor Hansen reported on the grand reopening of Sam's Club at 130th and Aurora Avenue N.

DRAFT

Councilmember Ransom commented on the very high turnout for the Chamber of Commerce election and the closeness of several of the races.

5. PUBLIC COMMENT

(a) Janet Way, Shoreline, commented favorably on the 10th Avenue NE drainage project and felt it might have the potential to be developed as a "SEA street" in the future. Seattle's pilot Street Edge Alternatives Project (SEA Streets) is designed to provide drainage that more closely mimics the natural landscape prior to development than traditional piped systems. She said SEA streets enhance neighborhoods and provide for better pedestrian access, storm water infiltration, and more beautiful landscaping. She reiterated her request last week that the draft Critical Areas ordinance be made available to the public as soon as possible.

6. ACTION ITEM

(a) North City Project

Mr. Burkett noted that Public Works has put together several options for proceeding with the North City/15th Avenue Project.

Councilmember Grace suggested that following the staff report and public comment, the Council try to narrow down the alternatives as much as possible.

Paul Haines, Public Works Director, described the three options presented by staff and compared these to the currently proposed design. Option #1 retains the same curb line and includes four lanes through the business district. Option #2 has four lanes but removes the bulb-outs. Option #3 has no bulb-outs and minimal frontage improvements and removes the amenities. Each option has a different schedule for potential construction, with Option #1 occurring the earliest (January 2005), and Options #2 and #3 occurring in February and April respectively. He noted that construction costs range from \$5.5 - \$5.8 million, and Seattle City Light will reimburse the City approximately \$2 million for utility undergrounding.

Councilmember Fimia proposed a fourth option based on the comments heard from all stakeholders. It includes four lanes from NE 145th Street to the northern boundary of the project, sidewalks on both sides and sidewalks on major cross streets. It also includes a possible fifth turning lane at specified intersections, landscaping in the business district, and upgraded crosswalks, streetlights, and traffic signals. It would also involve reducing the speed limit to 25 miles per hour.

Mr. Haines said staff viewed Option #4 as Option #2 for the business district with the additional costs associated with sidewalk construction. He said the estimate for sidewalks is \$743,000 (3,700 linear feet at \$200 per foot). He noted that drainage and right-of-way issues account for the higher-than-average estimate of \$200 per linear foot.

DRAFT

He provided additional estimated costs for other elements included in Option #4. Responding to Councilmember Fimia, Mr. Haines clarified that Option #4 assumes six-foot sidewalk widths plus four-foot amenity zones.

Councilmember Ransom noted that some community members did not feel sidewalks were necessary in front of Hamlin Park and Fircrest. Therefore, it might be possible to reduce the estimate further.

Mayor Hansen called for public comment.

(a) Gary East, North City property owner, expressed concern that the North City project might die as a result of the legislative process. He emphasized the time and effort people have put into the project over the past several years. He invited the Council, City staff and the public to attend a community meeting Thursday evening at the Anderson House to voice opinions about the various alternatives. He clarified that the Council is invited to listen, not necessarily to participate in the debate.

(b) Janet Way, Shoreline, felt a community meeting on the North City project is a good idea, but it conflicts with the Planning Commission meeting held the same evening. She urged the Council to come up with a consensus of public opinion and to seriously consider Councilmember Fimia's proposal. She urged the City to conduct an accurate analysis and ensure that the true costs are reflected in the various plans.

(c) Alan Sharrah, Director of Operations for Frank Lumber, expressed support for the community meeting and urged the Council to attend. He stressed the importance of Councilmember attendance, explaining that one of the original objections to the project was that decision-makers did not receive public input, and that "the flow of information was not complete." He requested a copy of the matrix of options, noting that the public is generally not aware of all the details of the various alternatives.

Responding to Councilmember Grace, Mr. Haines said that all options could utilize the potential savings of utilizing existing signal systems in the current locations. It was noted that the estimated savings on any option could be added to get a range of potential savings for each option. Councilmember Grace wondered if the estimates for Option #4 included design costs. Mr. Haines said the estimates were construction costs only, but design costs could be estimated at 15-20% depending on the scope.

Councilmember Fimia spoke in favor of Option #4, noting that it represents the views of both proponents and opponents. She calculated that sidewalks could be constructed the full length of 15th Avenue NE for about \$2 million, based on linear foot estimates. She expressed the opinion that Option #4 could be constructed within the proposed budget and that the North City portion could be completed for much less than original estimates.

Responding to Deputy Mayor Jepsen, Mr. Haines clarified that the \$9 million figure that some have attributed to the North City project includes the North City improvements, additional traffic signals in 15th Avenue, neighborhood mitigation funding, drainage,

DRAFT

utility undergrounding, and traffic control. He said the project is far more elaborate than just building a sidewalk behind an existing curb.

Councilmember Fimia reiterated her belief that the project could be expanded beyond the North City business district to benefit the entire community. She did not feel Options #1-#3 address any of the concerns expressed by the public, nor do they make sense in terms of cost versus benefit.

Responding to Mayor Hansen, Mr. Haines clarified that the Seattle City Light funding for underground utilities entered the project in late 2003. Based on past figures, Mayor Hansen surmised that the estimated construction costs have remained fairly stable for the past four years.

Deputy Mayor Jepsen noted that subtracting the obligated funds for the design and ROW acquisition, the signal improvements, neighborhood mitigation, and SCL contribution, the construction project costs roughly \$4 million. He expressed a preference for the current design or Option #1. He said although he is not able to attend the community meeting, he is anxious to hear the results.

Mayor Hansen supported the meeting, although he is not able to attend due to a prior commitment. He agreed that the Council should listen to the public and not participate in the discussion.

Councilmember Gustafson expressed support for the original design or Option #1. He described the many benefits the project would provide, including improved safety, beautification, conformity with the economic development strategy, and upgraded infrastructure. He pointed out that many cities are making lane reductions to respond to traffic safety concerns. He said doing the project now would save taxpayer money by consolidating utility projects.

Councilmember Ransom asked several questions about the estimated cost for sidewalks in the North City business district and elsewhere. He concluded that reducing the total linear footage by several hundred feet could make some difference, but that sidewalk construction in the business district alone (approximately 2,200 feet on each side of the street) totals about \$1 million. Mr. Haines confirmed that sidewalk construction in the North City business district costs more than \$200 per linear foot because of the project scope.

Councilmember Ransom concluded that the estimated cost differences between all five options is only about \$400,000, and the additional sidewalks and amenities in Option #4 could add another \$1 million. He expressed support for Option #2, noting that he was not impressed with the curb bulb-outs in the City of Bothell.

Councilmember Grace supported either Option #1 or Option #2. He felt that Option #3 removes too many significant elements of the project, and Option #4 would be too costly

DRAFT

November 15, 2004

because redesigning the project would mean it could not be bid in 2005. He pointed out that the lane configuration was the main element of contention.

Councilmember Chang felt it is misleading to describe the \$2 million in SCL funding as revenue, since Shoreline ratepayers will ultimately end up paying for the undergrounding portion of the project. He said he would like to hear what the public has to say about the options before making a final decision. He requested more information about Option #4, and asked Mr. Burkett to clarify the decision deadline.

Mr. Burkett said the Council would have to make a decision by November 22 if the goal is to construct the project under favorable circumstances in 2005.

Mr. Haines pointed out that the utility companies are anxious to move forward on their own improvements. The water district and sewer district need to build additional capacity to accommodate the needs of expanding businesses. He said they will proceed on their own if the project is not underway soon. He commented on the prolonged inconvenience and traffic congestion if the projects are not consolidated.

Councilmember Chang noted the likelihood that electricity and water rates would increase as a result of the North City project and Aurora Corridor project. He encouraged the Council to consider the whole picture and the effect that increased rates may have on those living on fixed incomes. He felt he could possibly support Option #2 or a modified Option #4.

Mr. Burkett suggested that the community meeting mentioned by the speakers take place on Wednesday evening, rather than Thursday, so that more Councilmembers could attend.

Councilmember Fimia protested that two-day notice for such an important meeting is inadequate. She felt that gathering community input should be a Council-driven process. Mayor Hansen felt the City should not discourage those who want to voluntarily contact stakeholders and conduct a meeting.

Councilmember Fimia requested more accurate information for Option #4. She felt that staff has had the past three months to devise a modest alternative, but all that has come back are the same options. She said money is not the major issue for her, but it is important that people get the most for their money.

Mayor Hansen supported the current design, or Option #1 or #2. He noted there appears to be the most support for Option #2, and that four Councilmembers support Option #1. Councilmember Ransom noted that restriping 15th Avenue to four lanes from 145th to 172nd had a cost of only \$125,000. He wished to ensure that this is considered at the community meeting.

Councilmember Fimia noted that one of the original objections to the project was the proposal to use funding from the road overlay program and the Neighborhood Traffic

DRAFT

Safety Program. She asked Councilmember Grace if he still had this objection. Councilmember Grace said he still has that objection but is hopeful that potential cost savings will make that funding unnecessary.

Mr. Haines noted that the estimates include contingency money that might not be used, which could be used to displace money set aside from street overlays and the NTSP. He said Option #3 is really a “bare bones” project that shows the true cost of what it takes to build sidewalks, curbs and drainage systems, and traffic signals. The North City portion of Option #3 totals about \$3.3 million, which is reasonable considering the extra efforts that will be taken to ensure businesses remain open during construction.

Councilmember Ransom asked how long the construction would affect businesses. Mr. Haines responded that the contract has a 240-day performance period, and this includes undergrounding.

There was Council concurrence to bring this item back next week and discuss the input from the community meeting.

7. WORKSHOP ITEMS

- (a) Interurban Tail – Pedestrian and Bicycle Crossing 60% Design Update

Kirk McKinley, Project Manager, reviewed the alternatives analysis done for the Interurban Pedestrian and Bicycle Crossing between N 155th Street and approximately N 158th Street. He described the three options provided at the 30% design stage, noting that Council chose a loop-ramp design and directed staff to move forward with Alternative #2. Staff was also directed to use additives to potentially upgrade the missile barrier and other features if the City received additional funding. Since the last update, approximately \$400,000 in federal funding was approved for this project. Now that the 60% design stage has been achieved, it is clear that the 155th Street bridge can be as wide as the Aurora bridge for approximately the same price. However, the sky garden on the west loop-ramp of the Aurora bridge is more expensive than was originally anticipated.

Continuing, Mr. McKinley described the base designs, various additive elements, and their associated costs. The base design for the bridges would include the structural elements that will enable the City to add structural elements that can support upgraded missile barriers or an arch in the future. Instead of a missile barrier for the 155th Street base design (which is not required by state law), staff has included a decorative handrail to replicate an Interurban streetcar. The base budget for the Aurora bridge includes a mesh barrier, which could be upgraded to glass in the future. Potential additive elements include: 1) replacing the handrail with a mesh missile barrier on the 155th Street bridge; 2) glass missile barrier on the Aurora bridge; 3) non-structural arch on the Aurora bridge; 4) end panels; 5) modified amenity replacing the sky garden; and 5) form liner design.

DRAFT

November 15, 2004

He explained that the art jury continues to consider designs on the missile barrier and end panels, and that 90% design completion is expected by next week. He emphasized that staff is striving to stay within the construction schedule and budget, and staff expects the project to be built when the first mile of Aurora is constructed next year.

Bill Clements, a member of the Art Jury and the Parks, Recreation and Cultural Services Board, emphasized that the City is bearing only 14% of the total cost of the project. He urged the Council to consider upgrading the missile barrier for the N 155th Street bridge and include an arch on the Aurora Avenue bridge.

Mayor Hansen called for public comment.

(a) Janet Way, Shoreline, inquired about the issue of unsuitable soils that was discussed previously. She felt the project would be a good opportunity to enhance downstream drainage. She wondered if businesses were able to provide input on the design, and who comprised the art jury. She said although she supports a beautiful project, she does not want a situation where “the tail is wagging the dog.” She emphasized the need for adequate public involvement and building an affordable project appropriate for the site.

(b) Ros Bird, Lake Forest Park, said the art jury was made up of a diverse group from the Park Board, Arts Council, business community, and adjacent residents. She said this group put a lot of thought and consideration into all elements of the project, to make it a truly usable, positive asset for the City. She said the project will enhance the physical, economic, and aesthetic health of the community, and entice businesses and residents alike to explore new areas. She encouraged the Council to move forward with the project to the highest extent possible.

(c) Richard Johnsen, Shoreline, appreciated the efforts to date on this project, but felt the Council should reconsider a single bridge concept such as the Cottingham proposal. He felt a single diagonal bridge would be more appropriate than two bridges so close together. He felt the form liner artwork should be more reflective of elements in the original wetland environment. He wondered how high the bulkhead at 155th Street would need to be raised to meet the trail grade, and how far south the bridge would extend. He felt the City could partner with SCL in moving the power lines to accommodate a single bridge design.

Responding to Ms. Way’s comments, Mr. McKinley described the efforts to address water quality through the use of plantings and furrows. He said the original proposal was modified to relocate the bridge to run parallel to Aurora Avenue, thereby avoiding the unsuitable soils. This change will allow the creation of a “rain garden” along N 155th Street. Responding to Mr. Johnsen’s comment, he said the new bulkhead would be almost twice as high as the existing bulkhead (to maintain 18.5 feet of clearance between the bridge and street surface).

DRAFT

November 15, 2004

Councilmember Grace asked if Alternative #2 included lighting, either in the base budget or as an additive element. Kris Overleese, Capital Projects Manager, said the N 155th Street bridge would have ambient light provided by the Aurora corridor project. The base budget for the Aurora bridge includes lighting for the mesh panels.

Councilmember Fimia expressed concern about the magnitude of the project and the fact that the City seems to have “champagne tastes on a beer budget.” She felt that aside from a small portion of new sidewalk, the bridges do not have good access from the adjacent neighborhoods and businesses. She felt the bridges would not be fully utilized without such access. She expressed support for a more modest design, noting the lack of funding for higher City priorities such as more sidewalks. She noted that the City could have pursued grants that were applied to other projects.

Councilmember Chang asked about the possibility of acquiring more grant funding for the project. Mr. McKinley said staff continues to look for grants, and potential cost savings in the Aurora Roads Fund could provide flexibility to pursue additive options.

Mayor Hansen commented on the possibility of receiving up to \$2 million in federal funding through Senator Murray or Congressman Inslee.

Councilmember Gustafson expressed support for the project, noting that it achieves the long-range vision for the City.

Deputy Mayor Jepsen said one of the reasons the City incorporated was to produce high quality projects. He thanked those involved in helping establish the vision and felt the project is moving in the right direction.

Councilmember Chang commented on the importance of having adequate lighting on the bridges.

(c) Discussion of Proposed 2005 Budget

Mr. Burkett noted that the Finance Director was out of town for a family emergency.

Councilmember Ransom asked what was included in the \$750,000 line item for parks master plans. He also inquired about the possibility of acquiring additional park space next to Hamlin Park and on the south end of Echo Lake.

Dick Deal, Parks, Recreation and Cultural Services Director, outlined the expenditures for three parks master plans in the current 2005-2010 CIP: Richmond Beach Saltwater Park (\$166,000); Ronald Bog (\$72,000); and Cromwell Park (\$455,000). He explained the \$1.5 million placeholder for potential acquisition of parkland next to Hamlin Park, currently owned by Seattle Public Utility. He said the project would be a good opportunity for a Conservation Futures Trust (CFT) grant, or possible Interagency Committee for Outdoor Recreation (IAC) grant. Either grant would require a match by the City.

DRAFT

November 15, 2004

Councilmember Ransom asked about the timeline for the grant process and whether the area identified near Echo Lake might qualify for funding. Mr. Deal estimated that the City could receive an IAC grant within 15 months from the time of application. The CFT grant process is much shorter. He said the City could apply for grant funding to acquire the Echo Lake property. However, successful attempts to receive grant funding are limited to one or two opportunities per year.

Councilmember Chang commented on the possibility of increasing City revenues through expanded use of parks facilities. He felt the City should reach out to the community more and advertise the great facilities available in Shoreline. Mr. Deal commented on the growing pattern of use in parks facilities. He was confident that usage would continue to grow following the completion of the Spartan Gym Phase 2 improvements next year.

Councilmember Ransom requested performance data on parks and facilities before the Council vote on the budget next week. He felt that the data could be used to compare Shoreline's performance with other jurisdictions. He noted that generally, adult recreation programs are not only self-supporting, but they help subsidize other programs such as special recreation, seniors, and the teen program, which are not self-sustaining. He said a 1996 study found that it cost \$7,000 per acre to maintain ball fields, but the fees for field use did not come close to recovering the actual cost. He felt the public should be aware that the City heavily subsidizes many programs. He said he is interested in knowing what the field cost figures are today.

Mr. Deal said he could provide performance data and statistics on parks usage, but this data would not include a comparison to other jurisdictions. He explained the challenge of trying to make an accurate comparison with other cities when each has a different emphasis and philosophy. He noted the 2005 budget proposal to raise field rates incrementally, and to let the public know it can expect future increases.

Councilmember Fimia commented on the lack of performance data for 2004 in several areas. Mr. Deal said staff is still gathering the information for 2004, so it will not be available until 2005.

Mr. Burkett then outlined the major changes to the Planning and Development Services budget for 2005, which include the elimination of the Development Services Fund (DSF) and the proposal for a new capital projects planner. This new position, which would work with business and property owners along the Aurora Corridor, would have no net budget increase because it would be funded by the Aurora Corridor project. Eliminating the DSF would eliminate transfers from the operating budget that have taken place in the past.

Councilmember Fimia wondered why it seems the budget does not reflect the Council goal of increased code enforcement, noting that Council approved that goal over nine months ago. She felt the changes could have been made in time to include in the 2005

DRAFT

budget. She also wondered why the budget for building and inspection did not necessarily reflect a proportional decrease in activity.

Tim Stewart, Planning and Development Services Director, said staff expects to present alternatives for enhancing/strengthening the code enforcement program in early 2005. He outlined department changes to improve customer service, which include moving some technical staff from building and inspections into the permit services team. He said the same thing has occurred in planning resources so that more resources are shifted to direct customer service.

Responding to Councilmember Grace, Mr. Stewart explained that a one-time allocation for consultant services for the Comprehensive Plan in 2004 accounts for the \$244,000 reduction in "Other Services and Charges."

Councilmember Ransom asked about the cost recovery rates for planning and permitting. He recalled that the department used to have an 80% recovery rate on permits.

Mr. Stewart explained that the City recovers 100% of the direct costs for plan review and building permits, but not on land-use permits, which are very labor-intensive. He said the fees for land use permits are nowhere near the recovery level, and generally do not cover the customer service costs. He indicated that the recovery rate has not decreased.

Responding to Councilmember Chang, Mr. Stewart said staff is optimistic there will be increased development activity in 2005 as the Aurora Corridor project moves forward, but recently there has been a slight decrease in permit activity. He commented on the volatile nature of permit activity, noting that staff monitors it on a monthly basis.

Referring to page 374 of the proposed budget, Councilmember Fimia asked for an explanation of the 65% increase in the line item for travel. Patty Rader, Senior Management Analyst, explained that it is not a 65% increase, but the result of merging travel expenditures contained in the Development Services Fund and the General Fund.

Mr. Burkett then outlined the proposed changes to the Public Works budget. He said in general, the department is shifting away from contracting for services with the County in favor of adding new staff. The 2005 budget proposes a new position of associate traffic engineer, which staff believes will increase productivity and better respond to the City goal related to neighborhood streets. The budget includes an overall increase of \$82,000 in lease costs and \$35,000 for the Pavement Management Study. The department made a reduction of \$80,000 by recalculating its overhead charges to the Street Fund and Storm Water Fund. The 2005 budget also includes a new cost of \$340,000 for debt service on the \$4.1 million in outstanding loans for storm drainage projects.

Responding to Mayor Hansen, Mr. Burkett affirmed that the City would begin repaying the Public Works Trust Fund loans starting in 2005. He clarified that the loan proceeds are recorded in the Surface Water Management fund, but the actual funds are invested

DRAFT

until the project progresses to the point where the City must pay for the construction. This is permitted under the Public Works Trust Fund loan program.

Responding to Councilmember Grace, Ms. Rader clarified that the 2005 reduction in Street Operation and Pavement Resurfacing is due to a large carryover in the 2004 budget for the pavement management program. The major reduction in the Public Facility and Vehicle Maintenance & Operations is due to the distribution of those costs to the actual programs within other department budgets.

Councilmember Grace wondered where the costs for maintaining new facilities is reflected in the 2005 budget. Mr. Burkett explained that the future operating costs of new capital improvement projects are included in the City's six-year Capital Improvement Plan.

Councilmember Fimia supported the reduction in consulting fees, but expressed continued concern about the budget reduction in the NTSP. She asserted that if there is sufficient demand for the program, then it makes sense to allocate more money to it. She expressed concern that there are 42 active residential areas and only two projects completed in 2003. She wondered if there were updated statistics for the program.

Mr. Haines explained that the reduction in the NTSP is not a true reduction in the program because 2004 included a carryover from 2003. He said the number of completed projects is not due to a lack of effort, but to the nature of the overall program, which is neighborhood-driven. He explained that neighborhoods have an extensive responsibility to move their projects forward, and there is a certain amount of delay associated with that effort. He said the City is working on ways to help the neighborhoods become more effective and proactive. He clarified that the NTSP looks at "spot needs" as opposed to the needs of an entire neighborhood.

Mr. Burkett said the City would provide additional statistics, but anecdotally he knows the program is much more effective than it used to be. He noted the pedestrian crossing flags that are currently in use on 8th Avenue NW.

Mayor Hansen surmised that there really has not been a reduction in the NTSP. Referring to page 270 of the proposed budget, Mr. Burkett noted that NTSP funding has increased each year since 2002.

Councilmember Fimia commented on the continued unmet need, noting that Shoreline has "30 years of catching up to do." She pointed out that other jurisdictions have started building medians instead of full traffic circles in order to calm traffic at entrances to residential streets. Acknowledging the proposal to hire an associate traffic engineer, she wished to ensure that there are also adequate capital resources to fill the need.

MEETING EXTENSION

DRAFT

At 9:59 p.m. Deputy Mayor Jepsen moved to extend the meeting until 11:30 p.m. Councilmember Ransom seconded the motion, which carried unanimously.

Councilmember Fimia spoke in support of more capital funding for sidewalks, noting there are 26 arterial miles in Shoreline without walkways or sidewalks. She said citizen surveys have identified sidewalks as a high priority, and the Bond Advisory Committee estimated a need for \$4-6 million for sidewalk construction, particularly near elementary schools. She supported increasing the budget for sidewalk construction by \$1 million annually.

Mr. Burkett provided an overview of the 2005 portion of the six-year Capital Improvement Plan and its associated projects.

Mr. Haines explained that approximately 58% of arterial roads lack traditional concrete sidewalks, and a far higher percentage of residential streets also lack sidewalks.

Councilmember Fimia felt the Council should have a future discussion on City priorities related to sidewalk construction, both on arterial streets and residential streets. She said a related issue involves the debate about whether to remove street trees to build sidewalks.

Mr. Haines said the Council would have an opportunity early next year to discuss sidewalk priorities as a part of the Transportation Master Plan. He outlined the current plan to build sidewalks in Shoreline, both as stand-alone projects and as parts of other capital facilities projects such as the Aurora Corridor and Interurban Trail. He estimated that development would build a half-mile of new sidewalks annually as a mitigation requirement.

Councilmember Gustafson asked if the City still has the "in lieu of" fund to build sidewalks in high priority areas. Mr. Haines responded affirmatively, but said the relatively small balance in the fund reflects the lack of residential development in Shoreline.

Councilmember Gustafson felt it might be a good time for the Bond Advisory Committee (BAC) to revisit the issue of sidewalks. Mayor Hansen noted the past BAC recommendation that the timing was not right for a bond issue on sidewalk construction. Mr. Burkett noted that staff had planned to reconvene the BAC in the next few months in response to Council's recent request.

Mayor Hansen said the point of the BAC is to get the community "on board" to sell these projects, otherwise they will not pass.

Councilmember Fimia noted that the CIP ties up money for projects that have not been identified as high citizen priorities. She felt bonds should be used for amenities rather than essential items such as sidewalks, traffic congestion mitigation, road maintenance,

DRAFT

and surface water management. She said the public has already expressed its priorities through the citizen surveys.

Councilmember Chang proposed that \$1 million be set aside in the General Fund for sidewalk construction starting in 2005, since it will take time for the BAC to prepare a bond issue.

Mr. Burkett noted that Councilmember Fimia made the same proposal earlier. He said potential funding options include reducing other capital projects, general fund reserves, or a long-term approach using bonds.

Councilmember Fimia noted that sidewalk funding could come from reductions in the parks master plans, Aurora Avenue pedestrian bridge, and 15th Avenue NE. She said surveys indicate that the public is mostly satisfied with parks facilities.

Mayor Hansen expressed interest in exploring the City of Auburn's SOS (Save Our Streets) legislation, which allocates a portion of property taxes collected to a roads fund. He felt this could provide a dedicated revenue source for specific capital projects such as sidewalks. Mr. Burkett said staff would provide information on the Auburn legislation.

Councilmember Fimia distributed proposed budget amendments on behalf of herself and Councilmembers Chang and Ransom related to human services funding and sidewalk construction.

Continuing the staff report, Mr. Burkett noted that the proposed 2005 budget includes a 2% market adjustment in the salary schedule and that some job classifications are proposed for change. He briefly discussed interfund transfers, reserves, and the creation of a Facilities Maintenance Fund. He then outlined the proposal to implement a utility tax on the surface water fee that would generate approximately \$150,000 in annual revenue.

Councilmember Grace requested more information on human service needs in order to make an informed decision about the proposal by Councilmembers Chang, Fimia, and Ransom to increase funding by \$100,000.

Mayor Hansen called for public comment.

(a) Cindy Ryu, Shoreline, expressed concern about the projected use of reserves in the 2005 budget. She said although the reserve balance exceeds the minimum amount adopted by Council, reserves should only be used for essential services, such as sidewalks. She noted that reserve funds are allocated to the City Hall project, despite the fact that citizens did not rate the City Hall project a high priority. She pointed out that the current budget projection for 2004 is \$65.5 million, but the 2004 projected budget was only \$51 million. She wondered if the \$77.4 million budget for 2005 would increase in a similar way. Referring to a City chart, she noted that Kent and Auburn are the only two cities that have higher property tax rates than Shoreline. She commented on the

DRAFT

likelihood that Shoreline residents' property tax rate would increase if the City passes an SOS bill.

(b) Janet Way, Shoreline, commented on the cost shifting between surface water, roads, and parks, noting she does not want to see parks considered as "dumping grounds" for storm water runoff. She said if parks are used for runoff, the City must ensure there is no discharge of runoff into wetlands. She concurred that people are most interested in issues such as neighborhood traffic safety, sidewalks, and parking. She said she would like the City to pay for the light in the Paramount Park parking lot, which she has been funding for years. She also expressed concern about a homeless camp that has been established in Paramount Park.

(c) Richard Johnsen, Shoreline, pointed out that many neighborhoods located on arterial streets, such as Meridian Park, are not part of the NTSP. He suggested that the program be modified to include arterial streets because some neighborhoods are being neglected. He said he has asked the City several times to stripe the lanes on Meridian Avenue and to enforce the speed limit, but to no avail. He expressed support for the proposal to broadcast Planning Commission, PRCS Board, and Library Board meetings on Channel 21. Responding to Councilmember Ransom, Mr. Johnsen said he would like Meridian Avenue to be delineated by travel lanes and parking lanes, as was originally intended.

Councilmember Fimia asked if the NTSP includes arterial streets. Mr. Haines clarified that arterials are not part of the NTSP since they traditionally have been eligible for grants and other funding that neighborhood streets cannot achieve. He said the NTSP is specifically reserved for non-arterial roadways.

Councilmember Fimia wished to ensure that the NTSP addresses neighborhood traffic as a whole and doesn't just move the problem from one neighborhood to the next. She felt the NTSP should also include arterials.

Mr. Haines said that arterials do not lend themselves to calming in the same way neighborhood streets do, so the solutions are generally more comprehensive and more expensive. He said the Planning Commission is likely to provide a recommendation about Meridian Avenue, and that the Transportation Master Plan would be a good opportunity to establish policy guidance.

Councilmember Fimia said if arterials are excluded and treated differently when there are speeding/traffic issues, there is a greater chance of ending up with a major project that can cause problems. She emphasized the need to find a middle ground between neighborhood calming solutions and major capital projects.

Deputy Mayor Jespen said the chart Ms. Ryu referred to describes the total property tax rate, which can be misleading when you consider all the various taxing districts in Shoreline. He clarified that the City only receives about 10% of the total property tax collected. Given the City's efforts to enhance public participation in City government, he

DRAFT

found it unusual that none of the meetings of these junior taxing districts are broadcast in Shoreline. He proposed adding \$75,000 to professional services to cover the cost of videotaping their public meetings. He clarified that participation by the various districts would be voluntary. He felt this proposal would allow the community to see all of its elected officials and facilitate better understanding about taxes in Shoreline.

Councilmember Ransom supported the proposal, but felt that the school district should pay for its own videotaping services.

Councilmember Gustafson expressed support for the general concept, but felt that the City should discuss it first with the agencies to see if they would be interested. He said he would like the City to pursue more partnering opportunities, but felt they could be accomplished without expending so much money.

Councilmember Fimia felt the proposal could be part of a larger process in which a committee could analyze many different options and make recommendations on funding priorities.

Councilmember Chang supported having a dialogue with the various districts before making such a proposal. He felt the City could also pursue other options that may be less costly and possibly more effective. He agreed that voters should be educated about how their tax dollars are spent.

Councilmember Grace said the City could move forward with videotaping the Planning Commission and other City boards because those are City functions. However, it is up to the districts to decide whether they want to broadcast their meetings, and some must do that in consultation with their stakeholders. He felt it would be worthwhile to have some level of funding so the City could explore possibilities for enhancing existing services, perhaps \$25,000. He suggested that other jurisdictions might decide to videotape their meetings as a result.

Deputy Mayor Jepsen noted that the fire district and school district have looked into videotaping meetings and decided against it. He argued that since the special taxing districts spend a high percentage of the property tax paid by Shoreline residents, the City should facilitate showing the citizens how this money is spent. He argued that the City has a total budget of \$77 million, while these districts spend \$112 million without providing the general public with easy access to their decision-making process. He said if it is not worth the cost to provide this additional service, then it might not be worthwhile for the City Council to broadcast its meetings.

Councilmember Gustafson proposed that the Council appropriate \$10,000 to \$15,000 as a placeholder to pursue this opportunity.

Councilmember Ransom explained the proposal to appropriate an additional \$100,000 to the human services funding. This includes allocating the \$33,000 of unmet needs identified by the Human Services Advisory Committee, \$25,000 for dental services, and

DRAFT

allowing the committee to make recommendations on the remaining funds. He identified certain budget items, such as professional services, staff dues, subscriptions, and food and travel that could be reduced to make this additional funding available. He pointed out that Shoreline only spends \$3.90 per capita on human services, whereas Kirkland spends \$8.11 and Bellevue spends \$15. He favored a \$2 increase in the per capita support to human services.

Mayor Hansen expressed concern about the potential transfer of responsibility for human services from the County to the City, and on the unlimited amount of need for such services.

Councilmember Grace asked for clarification of the proposal to allocate \$25,000 for dental services. He wondered how they would be provided and how to ensure that Shoreline citizens would benefit from it.

Councilmember Gustafson emphasized the importance of human services funding, but agreed that the County should assume more responsibility. He felt the City should work with its legislators to enhance human services funding.

Councilmember Ransom explained that the Human Services Advisory Committee could provide a recommendation on who provides the services, which could be contracted with King County Public Health.

Councilmember Fimia commended staff for the report on unmet human service needs, noting that dental care is the greatest unmet health need in Shoreline. She outlined her largely unsuccessful efforts on the King County Council to try to allocate more money for human services. She agreed that while some services are a regional responsibility, the City could provide more funding for local needs through modest reductions in non-essential items such as consultants, dues, registration and training, food and travel, and subscriptions. She felt the Human Services Advisory Committee could consider various uses for the additional funding, including housing, a potential health clinic, a permanent food bank, and domestic violence.

Deputy Mayor Jepsen said he could support \$33,000 in additional funding, since the need and service providers have been identified.

Councilmember Ransom proposed a budget amendment to reduce the gambling tax by 2% from 11% to 9%. He said this would have no impact on the operating budget and probably no impact on the existing capital budget because the overall revenues are increasing. He argued that casinos are some of Shoreline's biggest employers and the biggest source of revenue. Owners have indicated that the 11% tax has become an increasing burden and risks putting them out of business. He pointed out that after expenses and payment to the City and State, casinos are left with only 7% of their revenues. He felt the City should do something to ensure that they remain in the community and keep people employed since casinos have paid Shoreline a rich benefit of

DRAFT

November 15, 2004

\$2.5-\$3 million annually. He also mentioned the possibility that the Aurora Corridor project could have an adverse impact on casino revenue.

Mayor Hansen conceded that some jurisdictions have lower gambling tax rates, but some have higher rates, and yet some are considering raising the tax rate. He did not support a decrease in the gambling tax rate.

Councilmember Ransom noted that the state legislature passed a gambling tax reduction four times, but the Governor would not sign it into law. He reiterated that the City owes the casinos some consideration since they are major taxpayers in Shoreline.

Mr. Burkett concluded that these proposals would be voted upon next week.

8. ADJOURNMENT

At 11:30 p.m., Mayor Hansen declared the meeting adjourned.

Sharon Mattioli, City Clerk

This page intentionally left blank.