

**CITY OF SHORELINE**

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

Monday, November 14, 2005  
7:00 p.m.

Shoreline Conference Center  
Mt. Rainier Room

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

**ABSENT:** Councilmember Chang

1. **CALL TO ORDER**

The meeting was called to order at 7:03 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 except for Councilmember Chang who was ill. Councilmember Gustafson had notified the Mayor earlier that he would arrive late.

**Upon motion by Councilmember Fimia, seconded by Councilmember Ransom and carried 5-0, Councilmember Chang was excused.**

**Councilmember Gustafson arrived at 7:05 p.m.**

(a) Proclamation of "Recycling Day"

Mayor Hansen read the proclamation, which designated November 14, 2005 as "Recycling Day" in the City of Shoreline. He encouraged residents to participate in recycling programs and set an example to the next generation of good stewardship of the environment.

Paul Haines, Public Works Director, accepted the proclamation and thanked the residents of Shoreline for their recycling efforts. He encouraged all residents to take advantage of the City's recycling events.

3. **CITY MANAGER'S REPORT**

Steve Burkett, City Manager, announced that the Annual Holiday Crafts Market on November 5<sup>th</sup> was attended by over 500 people and was an overwhelming success. The event generated some net revenue for the Parks budget. A new pedestrian crosswalk will

be installed at 180<sup>th</sup> and Aurora Avenue N. located just south of the Highland Ice Arena. There will be a pedestrian activated stop light at the location and the projected cost for the crosswalk is \$140,000, with \$90,000 being paid by a federal grant.

Continuing, Mr. Burkett described City staff's visit to a 30-acre urban forest park on Vashon Island. The group asked questions and learned the steps Vashon Island took to regenerate their urban forest. He commented on recent work on the Aurora Corridor/Interurban Trail Projects and said the Public Works Director is willing to provide tours to any interested Council members.

#### 4. COUNCIL REPORTS

Councilmember Ransom announced that the Richmond Beach librarian was removed without any discussion with the Board or the Council and then later forced to resign from that location. Recently, she has been reassigned to Bothell without any input or discussion with the City or the Council. The Richmond Beach community is concerned and he expressed his concerns, as the Library Board liaison, to Judge Eadie, who is a member of the King County Library Board of Trustees. He said he would be willing to attend the King County Library Board of Trustees meeting on Wednesday.

Mayor Hansen said he is also concerned and intends to give his input to the King County Library Board of Trustees. He encouraged Councilmember Ransom to attend the meeting.

Deputy Mayor Jepsen pointed out that Yoshiko Saheki from the Library Board was in attendance and has signed up for public comment. He wanted to hear her comments before he comments on the issue.

#### 5. PUBLIC COMMENT

(a) Yoshio Saheki, on behalf of the Shoreline Library Board (SLB), commented the Board met last week and invited Mr. Ptacek from the King County Library System Board (KCLSB) to attend and address the reorganization of the King County Library System (KCLS). She referred to the reorganization as "clustering". There are 40 libraries in the system and KCLS is "clustering" them into groups of 2 - 5 libraries. Each "cluster" has a cluster manager, thus there will not be a manager at each library. The staff within a cluster will be moved within the libraries of their prospective cluster. The net result, she explained, is that there will be cluster-specific staff instead of library-specific staff. KCLS chose to join the two Shoreline libraries, Richmond Beach and Shoreline, into one cluster. She said Judy Weathers, the current manager at the Shoreline Library, will be the Shoreline cluster manager. With that, Anina Sills could not stay at the Richmond Beach library and was assigned to the Bothell/Lake Forest Park cluster. She pointed out that the Shoreline Library Board did not have any input on this decision before it was implemented. In response to her inquiry, Mr. Ptacek stated that none of the city library boards had any input because it was an urgent King County operational matter. She questioned whether this decision benefits the community.

Generally, she said the sentiment is that the residents do not like the decision and they would have wanted to give their input before a decision was made. She said the decision was made by the five KCLSB trustees. She said according to Judge Eadie, a KCLSB trustee, it is more a policy matter than an operational matter.

Mayor Hansen asked if the librarian position at the Richmond Beach library was eliminated.

Ms. Saheki replied that there is a reorganization going on so they will be in a cluster with one manager, instead of having one manager at each Shoreline library.

Mayor Hansen added that he has many questions about this and is not ready to take a position on the issue because he needs more facts.

Councilmember Ransom inquired if there will be a professional librarian or only library assistants at the Richmond Beach Library once Ms. Sills is transferred.

Ms. Saheki replied there will be professional staff at each library. Presently, the staff at both libraries is professional and the cluster of both the Shoreline and Richmond Beach libraries will share all of them.

Councilmember Fimia felt that this choice is better than cutting hours and staff. This way the staff is protected and direct service does not falter.

Ms. Saheki stated that Judge Eadie said a regular restructuring would “flatten” the organization and “clustering” provides cross-training opportunities. KCLS is considering expanding the hours of operation in Shoreline.

Councilmember Gustafson agreed with Councilmember Ransom that there should be a process for the Council to be notified. He would like to know the details and is disappointed that the Shoreline Library Board was not included in the decision-making process.

Deputy Mayor Jepsen stated he would go back further into the annexation language and remind KCLS what the Shoreline Library Board does. Additionally, he said he would have the Mayor write a letter to Mr. Ptacek reemphasizing and reminding him what the library board was intended for.

Councilmember Ransom confirmed with Ms. Saheki that the next King County Library System Board of Trustees meeting is in Shoreline next Wednesday.

Ms. Saheki said the meeting next Wednesday is the annual budget meeting and they will be discussing their preliminary budget for 2006.

(b) Gretchen Atkinson, Shoreline, commented on the legal challenges to some people's signatures or place of residence in the past election. She said her husband was

one of the people who had to have his signature verified. She felt that the signature verification offices were too far away from the City of Shoreline. She urged the Council to request that King County Elections have the courthouse in Shoreline be the designated venue to signature verification.

6. APPROVAL OF THE AGENDA

**Councilmember Gustafson moved to approve the agenda. Councilmember Grace seconded the motion. Item 7 (a) was pulled from the consent agenda for approval at the next meeting. Items 7 (c) and 7(d) were pulled from the consent agenda and moved to Items 9 (b) and 9 (c). A vote was taken on the motion to adopt the agenda as amended, which carried 6-0.**

7. CONSENT CALENDAR

**Councilmember Ransom moved approval of the consent calendar. Councilmember Grace seconded the motion, which carried 6-0 and the following consent items were approved:**

**Approval of expenses and payroll as of November 3, 2005 in the amount of \$4,377,032.83.**

There was Council consensus to hear Item 9 (b) at this time.

9. UNFINISHED BUSINESS

- (b) Motion to authorize the City manager to execute Telecommunication Facilities Lease Agreements and Memorandums of Lease for Twin Ponds Park and Shoreline Park with Clearwire Corporation

Dick Deal, Parks and Recreation Director, noted that Clearwire Corporation approached the City regarding installation of telecommunications equipment in two parks. He described the details of the proposed installation and said the agreement provides the City with \$1,000 compensation per month with a 30% annual escalation clause.

Councilmember Fimia referenced page 61 of the Council packet and commented on the \$2 million dollar comprehensive general liability insurance that the City is requiring Clearwire to have. She asked why the City is requiring that much.

Ian Sievers, City Attorney, explained that Kitsap County has many of these sites and the language was copied from their agreement. Typically, he said, comprehensive liability insurance for franchisees is much higher than \$2 million.

Mr. Deal stated he is not aware of any issues with any other municipalities regarding these sites.

Mr. Sievers added that he is not aware of any existing claims concerning these types of facilities.

**Councilmember Grace moved to authorize the City manager to execute Telecommunication Facilities Lease Agreements and Memorandums of Lease for Twin Ponds Park and Shoreline Park with Clearwire Corporation. Councilmember Gustafson seconded the motion.**

Councilmember Gustafson appreciated the photo of what the pole looks like and said he sees nothing wrong with it.

Councilmember Ransom said there used to be vegetation requirements to obscure the view of the pole. He asked if the City is dropping the requirement for existing vegetation.

Mr. Deal replied that this would replace an older pole and the vegetation already covers the existing pole.

**A vote was taken on the motion, which carried 6-0.**

- (c) Ordinance No. 401, revising the 2005 Capital Improvement Plan to increase the project budget for the North City Business District/15<sup>th</sup> Avenue Improvements; and amending Ordinance Nos. 376 and 381

Jill Marilley, City Engineer, stated this item is specifically related to Seattle City Light (SCL) work on the North City Project. There were some revisions made in the original design and this covers the cash flow issue caused by those changes.

**Deputy Mayor Jepsen moved to adopt Ordinance No. 401, revising the 2005 Capital Improvement Plan to increase the project budget by \$210,000 for the North City Business District/15<sup>th</sup> Avenue Improvements; and amending Ordinance Nos. 376 and 381. Councilmember Gustafson seconded the motion.**

Councilmember Ransom asked why the City is paying for the increases if they were caused by Seattle City Light and the City has a 10% contingency. He inquired if the City had exceeded the 10% contingency for the project.

Ms. Marilley clarified that the project has not exceeded the 10% contingency. She pointed out that this is only to have the spending authority to be able to pay the contractor ahead of backbilling Seattle City Light. This is a cash-flow issue and these funds will fully be reimbursed by Seattle City Light.

**A vote was taken on the motion, which carried 5-1, with Councilmember Fimia dissenting.**

8. ACTION ITEMS: PUBLIC HEARING

- (a) Public hearing to receive citizens' comments on the 2006 Proposed Budget including the 2006 Proposed Property Tax Levy and Other Budget Resources

Debbie Tarry introduced the item and stated the City's resources for the 2006 budget is \$78.9 million. She added that 9% of the total revenues come from property taxes and another 9% is derived from sales taxes. Utility tax, utility contract payments, franchise fees, and gambling taxes make up another 11% of the revenues. The property tax rate in Shoreline has been dropping since 2000. Overall, 25% of the revenues are from taxing sources, 33% from grants and loans, and the remaining revenues come from fees for services, investment interests, revenues received from the State, and money in the reserves which are for capital expenditures for 2006. She pointed out that based on inflationary increases the amount of money the City collects in property taxes is decreasing. The City is projecting increased sales tax revenues for 2006 compared to 2005. She discussed City fee increases to some recreation programs, land use, non-building permit, and surface water rates based on inflation. Approximately 36% of the 2006 City budget is allocated for general operations, 53% is for capital improvements, and 10.6% is for internal transfers. The largest operating expenditures are jail, public defense, and police related which are about 28% of the amount. Capital improvements are related to the Aurora and Interurban Trail projects.

**Mayor Hansen declared the public hearing open.**

(a) Mark Deustch, Shoreline, stated he is pleased the budget is balanced without having to ask residents for a tax increase. He expressed support for a bond issue and economic development and asked if the City can learn why Federal Way is doing well even amidst limited resources. He commented that Shoreline is looking for an economic development bond and the debt level is getting close to \$200 per capita. He said the City should separate South Woods from the bond issue. This is an opportunity, he said, to balance the needs, preserve the forest, and derive some economic benefit. He concluded that he is glad to see the City expanding its economic development programs.

(b) Janet Way, Shoreline, stated that the value of South Woods would be weighed by what citizens get for their dollar. Many communities derive enormous environmental value from the property. It protects water quality, habitat, air quality, and also provides passive recreation. For all that South Woods provides, the cost of owning it is a bargain, she stated. She felt the school district needs help in maintaining it for future utilization and there is true community need and desire to preserve it.

**Deputy Mayor Jepsen moved to close the public hearing. Councilmember Gustafson seconded the motion, which carried unanimously.**

Deputy Mayor Jepsen pointed out that while the stated per capita rate for the bond issue is \$288 per year per resident (\$15 million divided by 53,000), that figure is incorrect because the \$15 million should be divided by the number of residents who pay property taxes.

9. UNFINISHED BUSINESS

(a) Discussion of 2006 Proposed Budget

Councilmember Grace inquired about the City's proposed business registration program.

Debbie Tarry, Finance Director responded that the list of businesses needs to be completed. Information is also needed from the Department of Revenue prior to a proposal going to the Council. The City, she added, needs to determine how to best use the resources received and allocate that balance towards economic development. The City is currently reviewing the State of Washington Master Business Licensing Program to determine if they should administer the program. She concluded that staff is still researching the goal for implementation in the second quarter of 2006.

Councilmember Ransom asked if staff has determined an approximate amount for the licensing fee.

Tom Boydell, Economic Development Manager, outlined that the task force and the concerned parties have communicated that the amount of the business license fee is not the key issue, but it is how and what the money is used for.

Ms. Tarry outlined that the issue is deciding what fee is reasonable and what to do with the funds.

Councilmember Ransom pointed out that the Council wanted to include home businesses in the licensing program. There may be over 4,000 of these type businesses, he added, and as many as 1,000 that would actually have an impact on the amount of revenue collected. The primary purpose of this would be to register all the business in the City. He felt the fee should be about \$25 for home businesses. A fee of \$75 is high and it would dissuade home businesses from participating in the program.

Councilmember Grace inquired about the business loan program and its anticipated revenue sources.

Mr. Boydell stated there are three business assistance programs underway on at least a pilot basis. One is the Community Capital Development Program, which aims at making businesses more successful through various strategies. One strategy is to establish a portfolio of loan funds to service a number of businesses. When these loans get repaid, it generates money for the loan pool which becomes self-sustaining over a period of time.

Councilmember Fimia felt this program is heading "in the right direction," but wanted to make a distinction made between businesses needing general assistance and those that

have been displaced by City projects. She inquired about programs that provide zero-interest or low-interest loans for displaced businesses.

Mr. Boydell outlined that there is a separate program for businesses displaced by the Interurban Trail, and there will be a "hand-off" to Community Capital for relocation assistance. He responded that he is not aware of any zero-interest loans for displaced businesses.

Councilmember Fimia said the City needs to have some revolving funds to help small businesses relocate. She inquired about Forward Shoreline's written work product and if their contract could be terminated at will.

Mr. Boydell stated that the current 18-month contract is for \$25,000 per year and ends in 2006. Forward Shoreline has assisted with economic development in terms of public forums and shaping a list of ideas for businesses in North City. Forward Shoreline has also assisted with attempting to recruit national retailers and have been a part of the overall comprehensive effort to bolster economic development in Shoreline.

Mr. Burkett replied that the contract provides that the City receive a monthly report of its progress and accomplishments. Additionally, he said the contract has language that states either party can terminate the contract with reasonable notice.

Councilmember Gustafson questioned what secondary needs would be addressed by the pilot project and what partnerships could be formed to address environmental issues.

Mr. Boydell commented that the primary need addressed is helping businesses reduce costs and learn about programs and new technologies. Secondary needs include building partnerships, acquiring knowledge of resources, and how to conduct open discussions to determine what other needs may exist.

Deputy Mayor Jepsen disagreed with Councilmember Fimia, noting that all of the businesses displaced along the Interurban Trail were located on the public right-of-way property owned by Seattle City Light. All of them held 30-day leases and did not pay any property taxes to the City. He felt this was a different situation and a different philosophy as a result of the Interurban Trail. He requested that the City staff investigate what the value of new construction is each year and how it has affected the City's property tax rate. Secondly, he said he would like the City to prepare a proposal for a hotel/motel tax.

Mayor Hansen inquired about surveys for businesses to assist them in reducing their expenses.

Mr. Boydell stated he has conducted a lot of outreach. He said he has visited over 200 Shoreline businesses. The ECOSS group has visited about 50 businesses and the Community Capital group has visited about 100 businesses. Ideas for businesses that have been shared with business owners include energy-savings for lighting and electric usage. The overall cost savings per business has been between \$100 and \$1,000.

Councilmember Fimia commented that the feedback she has received from all of the programs has been very good. She commented, however, that the future economic impact is difficult to assess when businesses are displaced, but the programs are good and they need to be expanded. She felt the problem was in determining the impacts our projects have on existing businesses.

Ms. Tarry presented the Parks, Recreation and Cultural Services (PRCS) Department budget. Overall, the budget is increasing by \$242,000. The increase is based on adding an additional parks maintenance worker to the department, \$50,000 for a forestry assessment, adding a Parks and Recreation Coordinator position, and the purchase of a handicap-accessible van.

Referring to page 195 of the proposed budget, Councilmember Ransom outlined that revenue is athletic field maintenance and operation program revenue is identified as 47% of the total program expenses. He commented that this figure is new. He asked if this means that rental fees are covering 50% of all maintenance overhead for the fields.

Dick Deal, Parks, Recreation and Cultural Services Director, responded affirmatively. He explained that the youth rental rates for the fields have been raised significantly over the past few years to cover costs. Repair costs for a baseball/softball field are \$35 under our current maintenance contract. He commented that the maintenance budget has been supplemented by \$20,000 in the last two years for additional athletic field maintenance staff.

Councilmember Ransom requested the dollar cost breakdown for the passive and athletic field maintenance.

Councilmember Gustafson said he is pleased with the program and its expansion. He said he has received several compliments about the high level of maintenance and care of the facilities but wanted to look at the fee structure. He felt there is little difference between the resident/non-resident rental rates. He added that the residents of Shoreline should get better discounts; however, non-resident rates should be higher to increase revenues. He felt the City's loyalty should belong to those residents in the City and should be reflected in these fees.

Mr. Deal noted that a rate adjustment and a recommendation for priority scheduling will come back to the Council. He agreed that the focus should be on Shoreline residents. He discussed the urban forestry assessment development plan for the inventory of vegetation, the analysis of the tree canopy, and the removal of invasive species in the parks system. The Ivy-out program has started but some parks are sterile because they only have one species in it. Mr. Deal discussed ways of repairing the health the forests in Shoreline.

Councilmember Grace said he would like to see a forestry education program for property owners who have land adjacent to public property.

Referring to page 191, Councilmember Fimia asked why the 2005 current budget is being used instead of the 2006 projected budget for assessing the differences.

Ms. Tarry responded that the City measures the difference between the current budget to the budget next year and that has been the standard for a number of years. She said this is the best way of conducting an “apples-to-apples” comparison. She defined the current budget as being the adopted budget plus any amendments that have taken place throughout the year.

Councilmember Fimia felt that the City can get assistance from non-profit groups and volunteers to assist with the urban forestry assessment project, and there should be a fund established to carry out the implementation of this project. She outlined that before she can support this she would like to explore the possibility of using volunteers to do the assessment. Once the inventory is complete the City can utilize the funds saved for the actual implementation of the plan.

Mr. Deal agreed and said the City has two licensed arborists on the Parks staff that can help with the inventory work. However, he clarified that there will be plenty of opportunity for volunteers to assist. Mr. Deal pointed out that the City has over 200 acres to analyze and will require some support from professionals to conduct this labor-intensive work.

Mr. Burkett responded that funds should go to the long-term plan to maintain the urban forests in Shoreline; however, Council will look at the priorities and decide.

Councilmember Fimia said if the City is not prepared to put money into a fund to implement it then there is no sense in starting this in the first place.

Mr. Deal disagreed and said there are opportunities for volunteers in many areas, including trail repair and inventory of trees. However, it would take a small amount of funding to do this.

Referring to page 202 regarding cultural service programs, Councilmember Ransom felt that some people would be concerned there is no cost of living (COLA) increase for the Arts Council or the Museum. He also asked that some of the programs be identified by Mr. Deal.

Mr. Deal responded that there is a 3% COLA in the amount of \$63,800, and that his department works closely with the Museum and the Arts Council. He went on to describe the various cultural service programs within the City.

Ms. Tarry discussed the 2006 Planning and Development Services (PDS) proposed budget. This program reflects a 1% (\$27,000) decrease in funds from 2005 – 2006, partly due to \$126,000 in carry over monies from 2004 that were included in the 2005 budget. Other revisions to the 2006 PADS budget include the implementation of electrical permitting in conjunction with the Washington State Department of Labor and Industry.

Providing this service would require a 0.5 FTE technical assistant position, which would be fully funded by the revenue from the program. Additionally, she commented that there was some shifting between actual PDS programs that was noted in the Council packet.

Mayor Hansen asked if there were cities that handle their own electrical permits.

Ms. Tarry responded that there are a quite a few cities issuing their own electrical permits. Auburn just recently implemented the same method that staff is proposing to use.

Ms. Tarry discussed the 2006 Public Works budget. She announced a decrease of \$134,000 based on a \$450,000 carry over from 2004. Enhancements to the department include surface water engineering technician to be funded by the surface water fees. She pointed out a recommendation for the department to take over the mowing of 35 miles of slopes in the City from King County, which will save \$22,000 in the budget. City staff also recommends the standardization of street lights throughout the City. Currently, some are paid by the neighborhoods and some are paid by the City. This would entail restructuring of street light fees so that the City would assume the cost of operating all them. This revision would take an additional \$77,000 from the street operating budget.

Councilmember Grace inquired when the street light program would take effect.

Paul Haines, Public Works Director, responded that the program would take place soon after the budget is executed, at the beginning of the year.

Councilmember Grace asked if any of the traffic counts/investigations are paid for by capital project funds, or if all of them come from the street operating budget.

Mr. Haines replied that it depends where the time is billed. Most of the time for traffic counts is billed to the operating budget. There are two funds: the Neighborhood Traffic Safety Program (NTSP) and the Overlay Program, that are in the operations budget that are shown in the capital budget. Most traffic counts are billed to the NTSP. The operating budget is our main billing source for traffic counts and investigations. The Aurora Project will be evaluating the streets affected by the project, and there will be more focus after Neighborhood Traffic Action Plans are created.

Councilmember Fimia said the problem is there is not enough money to implement any programs. She felt this is an area of the budget that needs to grow faster. If the Council wants more traffic calming, engineering, enforcement, and education, then the City must budget for it and make amendments to the budget to do it. There is more cut-through traffic off of 15<sup>th</sup> Avenue NE and people are getting frustrated, she commented.

Councilmember Gustafson said once North City and the Aurora Project are completed there will be a completely different transportation picture in Shoreline. He felt the Council needs to wait until those projects are completed before taking action.

Councilmember Ransom commented that in every neighborhood meeting he has attended, residents request traffic calming in their neighborhoods. During the "National Night Out Against Crime" there were eight areas identified throughout the City that need to be revisited and discussed more.

Mr. Burkett clarified that residents feel there are too many cars on their neighborhood streets, and many of them are speeding. Therefore, the problem entails traffic volumes and speeding.

Mr. Haines stated the Council has accelerated funding over the past few years. However, the need continues to increase based on the number of calls received.

Mr. Burkett mentioned that one of the Council goals on safe and friendly streets includes several elements, and one of them is reexamining the arterial speed limits in Shoreline. In 2006, staff will make a recommendation to the Council on the revision of arterial speed limits in the City.

Mayor Hansen concurred that speed control is the main complaint he hears. Although he said he has had specific requests from residents for more traffic enforcement on their streets.

Deputy Mayor Jepsen recommended putting stop signs at each intersection in the neighborhoods, which slows traffic and diverts traffic back to arterials. Regarding street lights, he said he prefers a policy of equity because he is concerned about the logic the County used to determine where street lights were located. If street light make sense, then the City should pay for it. However, if residents want them on their own private property, then they should pay for it themselves. He wished to ensure the City would not pay for street lights located on private property.

Mr. Haines stated that the street lights are all on public property and the \$77,000 would give the City a small capacity to add some lights to the system. The current system is reflective of people asking Seattle City Lights for street lights not based on safety issues. Risk management requires that lighting is installed for safety reasons, and the City inherits the overall liability.

Councilmember Ransom commented that drivers are speeding on neighborhood streets with two solid lines dividing the lanes. He felt there should probably be stop signs on streets like this.

Mr. Haines said the subject of stop signs, lights, and striping issues will be brought back to the Council for discussion at a later date.

Continuing her presentation, Ms. Tarry presented the 2006 Capital Budget changes. She said there were two areas that were revised, and the first includes setting aside \$150,000 for traffic signal rehabilitation. The second is a recommendation to add a maintenance

worker to the PRCS budget. She commented that the construction projects under the CIP remain basically the same.

Councilmember Ransom asked for clarification about the \$600,000 line item for City Hall and the \$100,000 for a City gateway.

Mr. Burkett said the \$600,000 is the estimated cost for the acquisition of property for a new City Hall for 2006. The design and construction phases are slated for 2007. He continued that the gateway has not been identified yet since the Council will decide what will be done in 2006.

Councilmember Fimia stated that gateways were not in any of the master plans and not identified as a Council goal in 2004. She added that \$400,000 has been spent and she is not sure where the gateways idea came from.

Mr. Burkett stated that two or three years ago gateways were a part of the Council goals and the CIP included about \$100,000 per year to be spent on them.

Deputy Mayor Jepsen outlined that this was a Council goal that is incomplete and it was added to the six-year CIP prior to Councilmember Fimia joining the Council.

Mr. Burkett said there are two gateways that have been completed and the City has been trying to reduce the maintenance costs of them.

Councilmember Fimia conveyed that the capital priorities need to be for traffic mitigation, South Woods, and the Richmond Beach Master Plan.

Mr. Burkett pointed out that the annual budget process includes a period for prioritizing projects and spending.

Ms. Tarry discussed interfund transfers. She said \$8.6 million will be transferred from the general fund to the street fund in 2006. For example, the supplementing of operating dollars in the street fund for capital projects occurs.

10. ADJOURNMENT

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

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Scott Passey, City Clerk

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