

**CITY OF SHORELINE**

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

Monday, April 27, 2009 - 7:30 p.m.  
Shoreline Conference Center  
Mt. Rainier Room

**PRESENT:** Mayor Ryu, Deputy Mayor Scott, Councilmember Eggen, Councilmember Hansen, Councilmember McConnell, Councilmember McGlashan, and Councilmember Way

**ABSENT:** None.

**1. CALL TO ORDER**

At 7:30 p.m., the meeting was called to order by Mayor Ryu, who presided.

**2. FLAG SALUTE/ROLL CALL**

Mayor Ryu led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

**(a) Proclamation of Native Plant Appreciation Week**

Mayor Ryu read the proclamation declaring the week of April 27 - May 3, 2009 as "Native Plant Appreciation Week" in the City of Shoreline. Richard Tinsley, Washington Native Plant Society, Central Puget Sound Chapter, accepted the proclamation and thanked the City for this recognition.

**(b) Proclamation of Arbor Day**

Councilmember Way read the proclamation declaring April 27, 2009 as "Arbor Day" in the City of Shoreline. Boni Biery, Parks, Recreation and Cultural Services Board Member, accepted the proclamation and reported on the results of the 2008 Champion Tree contest. She also explained the benefits of trees in urban areas and the requirements of Tree City USA. Bill Bear, Chair, Sustainable Shoreline Education Committee, presented a certificate of appreciation to Ms. Biery for her efforts in tree restoration and wildlife habitat preservation.

**3. CITY MANAGER'S REPORT**

Bob Olander, City Manager, provided reports and updates on various City meetings, projects, and events. He noted that on April 18 there were a record number of residents at

the "*Earth Day, Every Day*" recycling event at Central Market. He also announced that the Shoreview Off-Leash Dog Park grand opening was on the same day.

Councilmember Eggen reported on the Growth Management Planning Council, which is addressing the issue of projected increased density and where it should be built.

Councilmember Hansen reported on the Local Hazardous Waste Management Committee meeting, which is working on how to cut the budget and postpone a fee increase until 2012. He discussed the drug take-back program and the progress on some bills that were introduced this year. He said the focus is changing from drug-takeback to getting narcotics off the street. Responding to Councilmember Eggen, he explained that one of the main problems is with prescription pain-killers that are out on the streets and pharmacies cannot take them back. He stated that maybe a police program can be started to dispose of them.

Mayor Ryu thanked everyone involved in the "leash-cutting" ceremony for the opening of the new dog park. She thanked ShoreDog, the Parks, Recreation and Cultural Service staff, the subcommittee, and Petco. She reported on the Green Cities Conference and expressed interest in implementing some of the ideas she heard.

## 5. GENERAL PUBLIC COMMENT

a) Laethan Wene, Shoreline, thanked those who attended the Special Olympics and said the state competition will be held in June.

b) Mary Jo Heller, Shoreline, noted that the subject of 10-15 story buildings was raised at the last Council meeting. She said the Westminster Triangle opposed tall buildings in 2007. She said she is surprised Councilmember Way said building high-rises would be good for the community. She discussed "light pollution" and urged the Council to research the "Dark Skies Initiative" in Seattle, which could be an environmental concern for Shoreline if tall buildings are allowed. She urged the Council to keep "high-rise" language out of the City's Vision Statement.

c) Robert Ransom, Shoreline, spoke on item 7(c), gambling taxes. He stated that gambling revenues pay 10% to the City and 2% in Business and Occupation (B&O) taxes to the state. He noted that the upcoming legislation will allow the gambling establishments to have time to pay without penalties.

d) Jane O'Brien, Shoreline, expressed concern about the statements from the Council two weeks ago regarding the elimination of height restrictions. She said it is ironic that at this Council meeting, an Arbor Day proclamation was given out and there is discussion about celebrating trees, which is opposite from the practice that is going on in Westminster Triangle. She expressed concern about the appearance of fairness and said former and current Councilmembers have their own personal agendas. She is also concerned that the Westminster Triangle will be edged out and Aurora Avenue will creep closer and closer. She expressed concern about Planning Commission continuity and that

residents have to restate their stance on issues to them over and over again. She communicated that there is construction happening on this site at 2:30 a.m. with shadows, light, and noise issues. She urged the Council to consider what makes sense on Aurora Avenue.

e) Linda Harkness, Shoreline, said she loves the Westminster Triangle neighborhood, where she lives, and if Aurora Avenue starts to rise up, the quality and value of the neighborhood will plummet. She said she is surprised the issue of high rise buildings was not abandoned a couple years ago.

f) Michele Moyes, Shoreline, commented that the Westminster Triangle neighbors aren't anti-development, but they don't want six to twelve stories in their neighborhood. She said transparency and input is needed. She added that the current builder is violating the City's noise ordinance and work permits. She recognized the seventeen members of the Westminster Triangle Neighborhood Association in the audience.

Councilmember Eggen commented that he hasn't heard about work going on during the night. Mr. Olander responded that he did receive a police report that the property owner allowed trucks to move some dirt to Qwest Field for a motorcycle race. Apparently, the Seattle Police wouldn't let the trucks leave until late at night and they returned the dirt early in the morning. He noted that the property owner has been warned not to allow this occur again. Councilmember Way suggested that neighbors call 911 or CRT if anything like this happens again. Mayor Ryu stated that many Aurora Avenue merchants want to be good neighbors.

## 6. APPROVAL OF THE AGENDA

**Deputy Mayor Scott moved approval of the agenda. Councilmember McGlashan seconded the motion. Mayor Ryu moved to add a Continued Public Hearing on the Vision and Framework Goals as item 8(a) since the Council previously approved the continuation on tonight's agenda. She also moved to continue the public hearing until May 11, which would make the Comcast Cable Franchise Needs Assessment public hearing item 8(b). Councilmember Way seconded the motion, which carried unanimously and the agenda was approved as amended.**

## 7. CONSENT CALENDAR

**Deputy Mayor Scott moved approval of the Consent Calendar, revising pages 13 and 14 of the minutes of March 23, 2009. The motion carried unanimously and the following items were approved:**

**(a) Minutes of Business Meeting of March 23, 2009**

**(b) Approval of expenses and payroll as of April 14, 2009 in the amount of \$926,213.99**

**\*Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
3/8/09-3/21/09	3/27/2009	28420-28620	8640-8679	39741-39752	\$550,938.14
					<u>\$550,938.14</u>

**\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
4/3/2009	39710	39723	\$23,645.22
4/3/2009	39724	39740	\$72,901.79
4/7/2009	39753		\$910.00
4/7/2009	39754	39768	\$78,334.08
4/9/2009	39769	39779	\$111,898.04
4/14/2009	39780	39802	\$68,683.78
4/14/2009	38797		(\$955.47)
4/14/2009	39803	39819	\$18,150.07
4/14/2009	39820		\$1,708.34
			<u>\$375,275.85</u>

(c) Ordinance No. 541 Revising the Delinquency Penalties for Late Payment of Quarterly Gambling Taxes Effective April 30, 2009, and Amending Shoreline Municipal Code 3.30.060, waiving Second Reading per Council Rule 3.5B

(d) Motion to Authorize the City Manager to Execute an Interlocal Agreement with King County and Addendum #15 to the Fiber One Agreement for Fiber Optic Cable Installation on Aurora Avenue

8. ACTION ITEM: PUBLIC HEARING

(a) Continued public hearing to receive citizens' comments on the Proposed Updated Vision Statement and Framework Goals of the City of Shoreline Comprehensive Plan

Mayor Ryu called for public comment on the Vision Statement and Framework Goals. There was no one wishing to provide public comment on this item. She announced that this hearing would be continued until May 11, 2009.

(b) Public hearing to receive citizens' comments on the Comcast Cable Franchise Needs Assessment

John Norris, Management Analyst, provided a brief staff report. He explained that the Federal cable Act requires that the City conduct a needs assessment and hold a public hearing to get citizen input on the Comcast cable franchise. He explained that cities cannot regulate cable rates or channel lineup.

Responding to Councilmember Way, Mr. Norris said the City can do outreach to the Washington State Department of Transportation (WSDOT), the Washington State Department of Social and Health Services (DSHS), and the Fircrest staff to see if free cable access at public facilities can be negotiated. He clarified for Councilmember Way that private schools do not qualify for free cable. He noted that the next steps are for the residents to email him with questions and input. He stated that there will be a couple of weeks left open to receive additional input.

Responding to Deputy Mayor Scott, Mr. Norris stated that Comcast got the survey data and lots of individual comments. He communicated that the franchise needs to be renewed at this time.

Councilmember Eggen commented that the franchise agreement has been executed with Verizon. Mr. Norris clarified that this franchise agreement would not “feed” into the executed one with Verizon and is a separate process.

Councilmember Hansen questioned if the ground rules require that there is a level playing field maintained when negotiating this franchise agreement. Mr. Norris replied that the cable companies ensure the rules are fair for everyone.

Mayor Ryu opened the public hearing.

- a) Bill Bear, Shoreline, commented that there are a lot of studies on the impact of television on children, youth, and teen obesity. He said there should be a warning label across the screen and asked that people consider the full impact of television on society.
- b) Bill Meyers, Shoreline, stated that Comcast is coming out with a new requirement for a digital box and hoped they improve the service issue.
- c) Walt Hagen, Shoreline, questioned if the rates will go up if the franchise fee goes up. Mr. Norris responded that the City doesn't have the ability to increase franchise fees more than what they are now. He noted that the franchise fee will be there when the City renegotiates and will probably ask for the same 5% rate. Mr. Hagen also asked whether the franchise fee goes up as the cable tax goes up. Deputy Mayor Scott added that if the rate goes up, the percentages will stay the same but the overall amount will go up. Mr. Hagen questioned if the cable tax rate will go up. Mr. Norris replied that he would research the issue and communicate back to him.

Mayor Ryu questioned if the franchise agreement public hearing could be left open until May 11. Mr. Olander suggested allowing the receipt of written, phone, and email only. Mayor Ryu agreed and Mr. Norris announced his telephone number and email address.

Deputy Mayor Scott noted that Comcast's customer satisfaction survey indicates that 30% of customers reported being neutral and 21% were dissatisfied. Mr. Norris replied that the City hasn't done a survey like this recently and competition is the key factor that improves performance, but the City will definitely negotiate customer service standards in this franchise agreement. Additionally, he said he hopes the survey numbers improve. Deputy Mayor Scott concluded that he would like to think that Comcast would comment on their surveys in the future.

Responding to Councilmember McGlashan, Mr. Norris explained the structure and operation of the consortium and that it consisted of ten jurisdictions, which hired the same consultant and negotiated both franchises. The consortium leveraged the funds and the expertise. He stated that Snohomish County is the big player on the consortium.

Councilmember Way commented regarding page 105, item #6, page 104, item #3, and page 105, item #4. She said affordability seems to be one of the main concerns. Mr. Norris replied that affordability is a legitimate concern and the inability to control the pricing is the thing people care about the most.

#### RECESS

**At 9:00 p.m., Mayor Ryu called for a five minute recess. The Council meeting reconvened at 9:05 p.m.**

#### 9. NEW BUSINESS

##### (a) Long-Range Financial Planning Citizen Advisory Committee Recommendations

Debbie Tarry, Finance Director, introduced the members of the Long Range Financial Planning Citizen Advisory Committee (CAC), who reported on the result of their work. The committee was appointed to develop a long-term financial strategy to address projected long-term structural operating budget gaps. The City's long-term financial projections show a \$1 million budget gap for 2010 growing to \$3.5 million by 2014. This is primarily the result of the 1% property tax levy limitation, sales tax growth below inflationary levels, and declining gambling and fuel taxes. These resources represent approximately 60% of the City's operating revenues. Over the last 14 months the CAC met numerous times to review the City's budget, the citizen surveys from 2006 and 2008, City services, comparisons to other jurisdictions, and other materials in order to provide an informed recommendation to the City Council. In September 2008, the CAC provided their preliminary recommendations to the City Council. In the months following this presentation the CAC reviewed the City's financial policies, sponsored one of the many Visioning Workshops, received information on the City's 2009 budget, and heard a

presentation by Stan Finkelstein from the Association of Washington Cities on the financial environment and challenges being faced by cities throughout the State of Washington. In February 2009, the CAC sponsored three community forums to present the committee's initial recommendations and receive feedback from those in attendance. In addition to the community forums, feedback opportunities were provided via the City's website. The feedback received from these community forums provided validation that the CAC's recommendations were generally moving in the right direction and allowed the CAC to refine its recommendations. The CAC's final recommendations to the City Council are: 1) Sustain the City's commitment to efficiencies, 2) Maintain services that preserve the quality of life that Shoreline residents and businesses value, 3) Recommend adoption of the Transportation Benefit District (\$20 vehicle license fee) in 2009 and place a tax levy lid lift on the ballot in 2010, or later, to address projected operating budget gaps, 4) Implement the Guiding Principles for Service Reductions if needed in the future, 5) Expand communication and outreach to better inform residents and taxpayers about the City's services, resources and needs.

Councilmember Hansen applauded Bill Clement for his efforts in painting the wall at Richmond Beach Saltwater Park.

Rebecca Partman commented that it is a diverse group of people who held lively discussions which led to consensus on many topics. She discussed the CAC Charter and the committee's consideration of long-term budget gaps. She said the CAC reviewed City services, efficiencies, and the primary revenue options for closing the budget gap. She added that they also reviewed the AWC information they received in response to their request. The committee then drafted options for service reductions and held three community forums in February.

Carolyn Hope reported on the community forums. She noted that the committee looked into efficiencies in contracting for services and technology. She added that the CAC reviewed the survey data which noted that the residents of Shoreline value city services so it was difficult to propose cuts to service levels. The CAC also reviewed funding revenue options, such as a Council-created transportation benefit district which would create a vehicle license fee. Additionally, the group considered a voter-approved fee increase or a property tax levy lid lift. Lastly, the overall sense was that the committee recommendation was favorable. She said 69% agreed that the City needs to maintain the current level of service. However, 97% agreed that the City needs to seek efficiencies. Specific recommendations concerning increasing fees from the CAC are that 48% strongly agreed, 33% undecided, and 18% disagreed with a Council approved \$20 vehicle license fee. Results from having a voter-approved levy lid lift were 48% strongly agreed, 28% undecided, and 26% strongly disagreed. Finally, she stated that 41% strongly agreed with a voter-approved vehicle license fee, 28% were undecided, and 31% disagreed. She noted that the guiding principles for service reduction were that 62% agreed, 34% were undecided, and 3% strongly disagreed.

Bill Clements summarized that the final recommendation was supported by 15 of the 18 committee members and he presented a summary of the recommendations.

Walt Hagen presented the minority opinion, stating that the parameters were too restrictive and the whole budget wasn't considered. He commented that the focus was always on how to increase taxes, but capital budget reductions weren't considered. He stated that the minority is concerned with the unattached tax dollars moved from the operating budget to the capital budget. Meanwhile, he pointed out that the CAC recommendation advocates tax increases. He said the City is still using I-747 as a reason for the shortfall. The minority, he said, also believes the City should spend money smarter. Efficiency improvements happen over time and people learn how to work smarter and more efficiently, he said. He stated that taxes will force some small businesses out of Shoreline. He communicated that citizens must be given the vote on large expenditures and are not given the spending detail.

Mr. Clements outlined some of the final recommendations of the CAC. He highlighted that the City must sustain its commitment to efficiencies, invest in partnerships and economic development opportunities, reduce and limit criminal justice costs, and seek value for Shoreline taxpayers from other taxing districts. The CAC recommended that the City maintain the level of services.

Hiller West elaborated on the revenue-generating options. He noted that the Council can form a transportation benefit district and adopt a \$20 car tab fee which must be used for transportation purposes. Currently, there are some general funds that are used for transportation, and if this is adopted in 2009 that would mean \$600,000 could be put back into the General Fund. He noted that gas tax revenues are lower due to less driving.

Mayor Ryu inquired if there was any discussion concerning taxing per vehicle valuation. Mr. West replied no, that it was a flat fee provided under state law. He continued and stated that the CAC also recommended that the Council place a property tax levy lid lift on the 2010 ballot to be dedicated to specific services.

Councilmember Eggen noted that there are some businesses that are sitting on valuable property. He noted that there has been discussion concerning the impact of these businesses leaving Shoreline and thereby reducing overall revenues. Mr. West replied that the CAC recommendation is that a property tax proposal would be a ballot measure decided by the voters. The overall consensus was that this is a revenue measure that cannot be ignored. He said there wasn't discussion about a special tax treatment on commercial property by zone, but the talk was about identifying more commercial property suitable for larger-scale commercial development.

Councilmember Way questioned if there was any discussion about any development in areas such as Aurora being mid-rise or high-rise. Mr. West said that there wasn't and the issue of Aurora came up in other contexts, such as some discussion about the need for more commercial and retail development and possible sites. Ms. Hope added that economic development came up on several occasions and that there is another committee researching it. Mr. Hagen stated that the City shouldn't increase housing as much as



businesses because housing costs more, but the City can get revenue back from businesses.

Mr. Clements said the CAC came up with eight guiding principles related to service reductions. These principles include: 1) preservation of the community's priorities of safety, parks, and transportation; 2) maintain the quality of those services; 3) maintain the services that benefit the most residents in Shoreline; 4) continue to utilize cost-savings to preserve the core efficiencies; 5) consider operating fund priorities over capital projects; 6) if cuts are necessary, administrative cuts should be made as well as program services; 7) continue to seek technology efficiencies; and 8) continue to seek volunteer opportunities.

Responding to Mayor Ryu, Mr. Clements said the CAC considered whether the cuts would affect short or long-term services. He noted that these principles relate to 60% of the long-term services. He stated that many people don't understand the services the City provides compared with other taxing districts, so continuous education is needed. Therefore, the use of communication modes should be utilized. Polls, he said, should ask about services and the link to costs. He thanked the Council and City staff for giving the members of the CAC the opportunity to come up with recommendations. He also stated that the report includes something about business development and the CAC is enthusiastic that it is being addressed, but it is a long-term effort. Finally, he noted that most of the CAC members attended the Visioning sessions.

#### RECESS

**At 9:50 p.m., Deputy Mayor Scott moved to extend the meeting forty minutes, to 10:30 p.m. Councilmember Eggen seconded the motion, which carried 7-0.**

a) Rick Stephens, Shoreline Chamber of Commerce, commented that the process was fascinating and the committee functioned well. However, he said it was done in a box with parameters, so there were certain conclusions. He said he prefers looking "outside the box" and the Chamber believes this too. He noted that the bigger question is -- what drives Shoreline? He felt everyone needs to keep in mind what is going to grow the City. He stated that retail sales tax will help. He said the City needs to find ways to develop key areas. He suggested having a walkable shopping district along Midvale Avenue. Additionally, he said outlet stores are another option to think about when thinking about sustaining long-term growth.

b) Bill Meyer, Shoreline, commented that he would have been a part of the CAC minority opinion because he is concerned about tax increases because he felt the City doesn't use its revenues wisely. Councilmember Way, he stated, was the only one who proposed a modest budget cut. He said there was a COLA for City employees. He said he isn't comfortable that the City has been managing expenses properly. He noted that his real estate taxes are up 45% in the last three years, even with a 1% cap. He said the City could only deal with \$30M of a \$100M budget and encouraged the Council to find ways to address the entire budget.

c) Laethan Wene, Shoreline, inquired if this interferes with the specialized recreation program. Ms. Tarry commented that specialized programs funding is not affected by the CAC recommendation.

d) Bob Ransom, Shoreline, commented that the meetings were exemplary and they brought in the public. He added that the City staff worked well with them and it was a very good process. He communicated that I-747 resulted in losing \$750,000 in road maintenance, and a \$20 fee would help replace it. He commented that the City has been taking money from the general fund for a long time to make up that loss. He said the real issue is that property assessments have gone from \$1.60 to less than \$1 and that \$.60 represents the loss. The fire district, he explained, is taxing \$1.60 per \$1,000/assessed valuation, but the City isn't doing that. He communicated that the City generally runs very efficiently with 65% as many employees performing the same functions as other cities.

Councilmember Way discussed page 131 and referred to the methodology to describe possibilities. She inquired if the CAC considered providing some objective analysis or alternative views. She felt some outside expertise would be useful. Ms. Partman stated that the CAC spoke about the education portion and that there is lots of expertise in the City. She added that the CAC is committed to having more discussion and is invested so they can provide guidance going forward.

Mr. Hagen questioned if Councilmember Way's comments were about teaching citizens what they ought to know, so they understand why a levy is needed. Citizens want to know where the money is going, he said.

Mr. Clements commented that the CAC reviewed the biannual reports on the citizen survey and a statistically valid sample was used to come up with those results. He said Stan Finklestein from the AWC spoke to the CAC about how other cities are coping with the taxing situation. They had statistical information from other cities of comparable size. This information can be useful in going to the community and showing why we provide good value, he said. He said "*Currents*" included very good summary. Councilmember Way said she would like to see an option of seeking voter approval on the vehicle license fee. Mr. West responded that the CAC talked about that, but there was not consensus on it as a preferred revenue stream.

Councilmember Eggen commented that the City needs to look more closely at revenue generation as well as the affect it will have on other issues in the community. In particular, what it could mean in terms of people and their homes and businesses. He said the City functions as a system, so there are overall impacts when adjustments are made.

Councilmember McGlashan agreed with the minority report in terms of the amount of taxes paid that go out of Shoreline and are never seen again. He gave examples of flood money going to King County and Metro. He discussed the criminal justice expenses and said he sees a balance between the majority and minority report.

Councilmember McConnell commented that a lot of the recommendations have strong, favorable results and contains a lot of information. She commended the committee and the staff for a job well done. She said she is optimistic that the citizens know that they will have to pay a little more to maintain the services they are getting. She added that the minority report also reflects a sector of the community.

Mayor Ryu inquired how the CAC will manage this or what the goals might be. She said she is aware the City is spending a lot on criminal justice and wondered if they discussed how to reduce recidivism or diverting populations. Ms. Partman replied that there were some discussions in terms of preventing crime, but not detailed information. Mr. Clements acknowledged that the budget gaps are here now and most of the approaches are long term; ten year plans aren't necessarily going to help right now. Mr. Hagen communicated that something can be done right now with the capital budgets.

Mayor Ryu wondered if the CAC can take advantage of the citizen survey cycle. Ms. Partman replied that the CAC didn't go into that level of detail. Mayor Ryu said she would love to review a packet of information. Ms. Tarry commented that she can provide that and put the handouts on the City web site.

Deputy Mayor Scott stated that there are still a lot more questions and wondered about next steps. Mr. Olander replied that there will be an additional discussion at a future Council regular or dinner meeting. He added that this is a great group who are dedicated, civil, and very representative of our citizens.

#### 10. ADJOURNMENT

At 10:24 p.m., Mayor Ryu declared the meeting adjourned.

---

Scott Passey, City Clerk

**This page intentionally left blank**