

CITY OF SHORELINE

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

Monday, October 12, 2009 - 7:30 p.m.
Shoreline Conference Center
Mt. Rainier Room

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

ABSENT: Deputy Mayor Scott

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 with the exception of Deputy Mayor Scott.

Upon motion by Councilmember Way, seconded by Councilmember Eggen and carried 6-0, Deputy Mayor Scott was excused.

(a) Proclamation of Disability Awareness Month

Mayor Ryu read the proclamation declaring the month of October as Disability Awareness Month in the City of Shoreline. Laethan Wene, City of Shoreline volunteer, accepted the proclamation and thanked the City for this recognition.

3. CITY MANAGER'S REPORT

Bob Olander, City Manager, provided reports and updates on various City meetings, projects, and events. He stated that the City Hall/Civic Center Grand Opening on October 10 was a success with over 300 people in attendance. Additionally, he stated that the City has received another \$1 million in state funds under the Urban Vitality Program for the Aurora Corridor Project from 165th to 185th Street. He concluded by announcing public reminders.

4. REPORTS OF BOARDS AND COMMISSIONS

5. GENERAL PUBLIC COMMENT

a) Bronston Kenney, Shoreline, discussed the campaigning and upcoming election of Shoreline candidates. He noted that the Public Disclosure Commission (PDC) filings are a good guide as it points out who the supporters are of any given candidate and one can tell the platform of a particular candidate based on them. He commented that the City doesn't need a Council that serves the interests of a favored few as was in the past. If developers gain control, he felt the quality of the neighborhoods and life will be threatened. He felt Councilmembers Hansen and McGlashan favor the developers.

b) Michael Pollowitz, Shoreline, commented on the public comments he made last week concerning a Cleanscapes contribution to Mayor Ryu's campaign. He pointed out that a letter of support from the City of Shoreline to the City of Kent from Mayor Ryu regarding Cleanscapes was not endorsed by all of the Councilmembers prior to it being sent. He then paraphrased an email Mayor Ryu sent to Councilmembers about him. He concluded that Mayor Ryu is displaying outrageous behavior in an effort to discredit and harass him.

c) Nancy Moreyra, Shoreline, commented on the Sunset School site master planning process, adding that Cedarbrook and Aldercrest are important, too. She requested that any available funds be provided to other efforts and for the City to look at Shoreline as a whole. She concluded that all parks and open space plans are important.

d) Wendy DiPeso, Shoreline, commented that two Councilmembers complained about using the podium to campaign after she and Chris Roberts made public comments. She stated that running for public office should not bar people from speaking on issues they care about and read City Attorney Ian Sievers' opinion. She noted that there was period of time when public comment was not allowed at City Council meetings. She noted that the Council voted unanimously to renew the Cleanscapes contract because they were doing such a great job.

e) Bob Phelps, Shoreline, reviewed his background and education. He said he can recognize when someone is highly intelligent and commented that Cindy Ryu is bright, thoughtful, and careful in her deliberations. He said she has been an agent for positive change since joining the Council and has also increased the opportunity for public input to the Council. She helped save South Woods, gain support for Aurora Phase II, and create a sustainability plan for the City. He said she also helped balance responsible growth with protection of neighborhoods. He concluded that Mayor Ryu has allegiance with the residents of Shoreline and is the best Mayor the City has ever had.

f) Lynn Hughes, Shoreline, commented on the efforts to discuss the former Sunset Elementary School site. She said it has been a wonderful process and they have worked with Dick Deal and others to work out the details. The agreement will allow the planning process to go forward, she said. She noted that Friends of Sunset Park was created to bring the community together, but it isn't about a particular kind of park.

g) Richard Johnsen, Shoreline, stated that he was quoted by an Enterprise reporter regarding the discontinuation of the Enterprise in Shoreline. He noted that Councilmember Hansen was the one who first announced that the Everett Herald was coming into Shoreline in the form of the Shoreline Enterprise. He noted that it arrived after the Shoreline Post. He said he liked Councilmember Hansen's idea of the Mukilteo Beacon coming to Shoreline. He concluded by displaying a copy of the former Shoreline Post newspaper.

6. APPROVAL OF THE AGENDA

Councilmember Hansen moved approval of the agenda. Councilmember Eggen seconded the motion, which carried unanimously and the agenda was approved.

7. CONSENT CALENDAR

Councilmember Way requested that Consent Calendar item 7(c) be changed to Action Item 8(b) and that item 7(d) become Action Item 8(a). Councilmember Hansen moved approval of the Consent Calendar as amended, including the revised minutes provided in a memorandum from the City Clerk. Councilmember Eggen seconded the motion, which carried unanimously and the following items were approved:

- (a) Minutes of Workshop Dinner Meeting of September 14, 2009
Minutes of Study Session of September 21, 2009
Minutes of Workshop Dinner Meeting of September 28, 2009

- (b) Approval of expenses and payroll as of September 25, 2009 in the amount of \$ 1,794,762.62 as described in the following detail:

*Payroll and Benefits:

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
9/6/09-9/19/09	9/25/2009	31166-31368	9265-9300	41472-41483	\$524,466.25
					<u>\$524,466.25</u>

*Wire Transfers:

Expense Register Dated	Wire Transfer Number	Amount Paid
9/21/2009	1013	\$1,728.15
		<u>\$1,728.15</u>

*Accounts Payable Claims:

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/22/2009	41401		\$35,469.37

9/23/2009	41402	41424	\$27,960.37
9/23/2009	41425	41446	\$322,557.14
9/24/2009	41447	41458	\$12,678.36
9/24/2009	41459	41469	\$129,841.60
9/25/2009	41470	41471	\$635,489.43
9/25/2009	41484		\$104,571.95
			<u>\$1,268,568.22</u>

8. OTHER ACTION ITEMS: ORDINANCES, RESOLUTIONS, AND MOTIONS

- (a) Motion to Authorize the City Manager to Execute a Memorandum of Understanding with the School District Regarding the Sunset School Site Master Planning Process

Julie Underwood, Assistant City Manager, provided a brief report on this item. She explained that the Sunset School is presently closed and the Shoreline School District (SSD) is not going to surplus the facility. This agreement gives the City and a citizen group three years to do master planning for the site because master planning is already needed for the property adjacent to the school. She noted that Parks, Recreation and Cultural Services Director, Dick Deal thought this would be a good opportunity to include the Sunset School in the master plan. She stated that the City has set aside \$35,000 in the City's Capital Improvement Plan (CIP) for this purpose. Mr. Olander added that the citizens have supported this master planning and have raised about \$15,000 in support of it. He said this is the first step in getting started and SSD has already executed the agreement.

Mayor Ryu called for public comment.

- a) Richard Johnsen, Shoreline, commented that this is a wonderful idea. He inquired if the City should look at Cedarbrook and provide assistance to them for the efforts going on in that neighborhood.

- b) Wendy DiPeso, Shoreline, commented that this will set the precedent regarding the City and the residents working together on Cedarbrook and Aldercrest. She noted that she spoke to Ed Sterner from Lake Forest Park about this item and said the City will probably have to go to voters to ask for funding to take care of ongoing issues. She noted that this is an opportunity to work with Lake Forest Park to benefit the region.

Mr. Olander clarified that SSD has closed Cedarbrook, but has not surplused Sunset and it is still their property. Therefore, the model will be similar to Paramount Park and will be master planned, funded by grants, improved, and made available to the public. He stated that if SSD needs it in the future for further growth, then they can have it back. Three years provides adequate time to work with Sunset. He noted that the conditions SSD have put on Cedarbrook are different because they are looking to sell it outright. SSD gave the Cedarbrook group a year to raise funds and buy it, which presents a difficulty. He noted that prior to applying for grants, the property has to be incorporated into the Park portion of the Comprehensive Plan, and grants also require the City to

provide 40-50% matching funds. He concluded that the City would require much more time with Cedarbrook, which it has conveyed to SSD. This, he summarized, is the challenge with Cedarbrook.

Councilmember Way commented that this is interesting because SSD can take the Sunset property back in 18 months if they choose, which leaves an element of uncertainty here. However, that isn't the case with Cedarbrook because it is being surplused.

Councilmember McConnell verified that there is a shorter timeframe to work on Cedarbrook because SSD has surplused the property which means that it is impossible to pursue. The residents won't support opening another school, she said. Mr. Olander commented that this is a relatively small risk investment for the City and it may be feasible to negotiate more time, because one year isn't enough time, to work out the capital issues.

Councilmember Eggen complimented the Sunset group and felt the project they proposed is well worth supporting. He felt that the 18 month "out" that the SSD is giving themselves does not preclude development of the site as a park because the long-term trends concerning the number of children attending school has been down, so the SSD will probably not be wanting the property back for many years. Regarding Cedarbrook and Aldercrest, he said the north and east part of City did not get a lot from the Parks bond and they deserve some consideration because they have the lowest concentration of parks in the City. He suggested that maybe SSD can allow the property to be purchased in increments, or the City can be given more time to acquire the funds.

Councilmember Way noted that having a master plan first in order to apply for grants is worthwhile, but not necessarily the direction that other actions took in the past. For instance, Kruckeberg and Southwoods weren't done in that manner. She commented that the City may need to find a way. She said Cedarbrook is important because there is so little open space over there. She said both of these are possible if the City looks for every possible way to achieve them.

Councilmember McGlashan stated that he is curious about the buildings. Item #7 of the Memorandum of Understanding, he explained, discusses property and structures. Mr. Olander clarified that in previous conversations with SSD, the assumption is that the buildings on the property would be removed.

Mayor Ryu stated that this constitutes a second reading and wanted to know what the deadline was. Mr. Olander replied that this would classify as routine and the Council previously directed the City staff to come up with an agreement with SSD. Mayor Ryu discussed the issue of geographic equity and said Lake Forest Park is willing to work on a potential bond for Aldercrest and they are interested in a playfield there. She inquired if there are any environmentally sensitive areas at Cedarbrook or a potential for land swaps and conservation easements. She noted that Ms. DiPeso said something about setting a precedent which is what Friends of Sunset School has done. She said she is in favor of this and would love to take a look at similar opportunities for the other groups.

Councilmember Eggen agreed and said all of his questions have been answered.

Councilmember Eggen moved to authorize the City Manager to Execute a Memorandum of Understanding with the School District Regarding the Sunset School Site Master Planning Process. Councilmember Hansen seconded the motion.

Mayor Ryu questioned if there needs to be a reference that it will not exceed \$34,950. Mr. Olander replied that the amount is included in the agreement.

Councilmember Way said that the trail from the lower park to the connection is an important part of this master planning process.

Councilmember McGlashan moved to amend the motion to add “not to exceed \$34,950,” Councilmember Hansen seconded the motion, which carried 7-0.

Councilmember McConnell moved to call the question; the motion carried 6-0 with Mayor Ryu abstaining. A vote was taken on the motion to execute a Memorandum of Understanding with the School District Regarding the Sunset School Site Master Planning Process as amended, which carried 7-0.

(b) Ordinance No. 559, Amending Shoreline Municipal Code 20.60.140, Level of Service (LOS) Standards for Public Streets

Steve Szafran, Associate Planner, provided a brief staff report. Kirk McKinley, Transportation Services Manager, explained that LOS measures the operation of an intersection and what the average delay is for an average vehicle to move through an intersection. LOS Level “E” is basically a delay of 55 – 80 seconds. LOS “D” signifies that the delay is between 35 - 55 seconds. Level “A” is a delay of less than 10 seconds. He explained that Level “F” means that it would take two cycles for a vehicle to get through a given intersection.

Steve Cohn, Long Range Planner, stated that there is an LOS average in the Transportation Master Plan (TMP) and the City could have several intersections at “F” and still meet the standards. However, the standard was revised to “E” and it was decided to look at individual intersections. Additionally, this was never added into the Development Code. According to the Growth Management Act (GMA), the City needs to add this language to the City’s regulations to be consistent with the Comprehensive Plan. He added that the Planning Commission adopted this item by a vote of 7-0, with two Commissioners absent.

Mayor Ryu called for public comment. There was no one wishing to provide public comment on this item.

Councilmember Hansen moved to adopt Ordinance No. 559, amending Shoreline Municipal Code 20.60.140, Level of Service (LOS) Standards for Public Streets. Councilmember McGlashan seconded the motion.

Councilmember McGlashan moved to waive the Council second reading policy for Ordinance No. 559. Councilmember Eggen seconded the motion, which carried 7-0.

Mayor Ryu questioned if this action would have any implications on Point Wells. Mr. McKinley replied that adopting the single intersection measure gives the City a stronger position on Richmond Beach Road as it relates to Point Wells.

Councilmember Eggen noticed the LOS is computed using peak evening traffic. He asked if there were any areas where morning traffic is significantly heavier than in the evening and if so, whether there is any reason to use the higher numbers. Mr. McKinley replied that he would like to revisit that during the TMP update. He said morning design is done for areas like Shoreline Community College (SCC) because of certain demands. All time periods are considered, he stated. Mr. Olander added that as a part of the Point Wells requirements, the City will attempt to measure morning and evening peaks in the Point Wells area and mitigations associated with them.

Councilmember Way commented that many people have complained to her about the morning backup east and west on 175th Street with vehicles waiting to get on I-5. She said it would be good if that could be alleviated. She also noted that the light on 175th Street and 5th Avenue changes very quickly.

A vote was taken on the motion to adopt Ordinance No. 559, which carried 7-0.

RECESS

Mayor Ryu called a five minute break at 8:50 p.m. The Council meeting reconvened at 8:56 p.m.

- (c) Resolution No. 291, a Preliminary Formal Subdivision of Five Lots and One Access Tract Located at 14539 32nd Avenue NE

Steve Cohn, Long Range Planner, introduced Brian Lee, Planner, who provided the staff report. Mr. Lee noted that the proposal would create five zero lot line lots and one access tract. He noted that the structures are currently at the site and the permits have already been issued. He provided some background on the site and stated that it complies with zoning, parking requirements, and all other requirements. He noted that the Ronald Wastewater District approved the wastewater disposal system and City of Shoreline Public Works approved the road and storm drainage. Additionally, the Shoreline Fire Department and Seattle Public Utilities (SPU) approved the fire hydrant proximity and water supply system. He highlighted that the proposed plat meets the requirements of Shoreline Municipal Code 20.30.410 and the Revised Code of Washington 58.17.110. He concluded that the Hearing Examiner recommended approval.

Mr. Olander inquired why the plat wasn't approved before the development was completed. Mr. Lee explained that the process of platting after development is fairly

common, but the difference lies in the ownership of the individual units and the lot. He explained that the title transfer has also met all of the requirements and under the City's code they can be built and sold as individual units if the plat is approved.

Councilmember Way stated that there was a neighborhood meeting concerning this. She commented that fairness from the standpoint of the neighborhood would dictate that the developer disclose his intentions at the neighborhood meeting. She wanted to know when the developer's intentions were disclosed and stated that the neighborhood didn't know what they were originally. She also noted that no one showed up at the hearing examiner hearing because no one understood what was being proposed. Mr. Lee clarified the process and said the developer applied for a building permit to construct townhomes and that doesn't require any public notice. However, as soon as the applicant submitted a formal subdivision it turned into a Type C decision. He commented that public notice went out and there weren't any citizens at the neighborhood meeting or at the hearing examiner hearing. Whether the applicant leaves the site with five lots or sells doesn't change anything, he said. Mr. Cohn confirmed that this item went through a public hearing process at the Planning Commission.

Councilmember Eggen moved to adopt Resolution No. 291, a Preliminary Formal Subdivision of Five Lots and One Access Tract Located at 14539 32nd Avenue NE. Councilmember Hansen seconded the motion.

Councilmember Eggen confirmed that if no subdivision had happened, there wouldn't have been a neighborhood meeting, but the rezone triggered the neighborhood meeting and public notice. Additionally, SEPA triggered public involvement. Councilmember Eggen stated that it is difficult to comment on neighborhood impacts when there is nothing on ground, but when there is something, there should be a neighborhood meeting. Councilmember Eggen said that the minimum lot size of 2,500 square feet in the table on page 55 does not make sense for a density of 24 du/acre. He said it looks suspicious to citizens when the City waives regulations like 2,500 square foot minimum lot area down to 1,200 for this project. Mr. Lee clarified that Shoreline Municipal Code Section 20.50.020 includes an exemption which allows zero lot line developments. Mayor Ryu confirmed with Mr. Lee that this could occur from R-24 all the way down to R-6 zones. Mr. Olander replied that the City's Code concentrates on the density. Mayor Ryu noted that the Council allowed properties to be upzoned from R-12 to R-24 in 2006. Mr. Olander emphasized the fact that the density remains the same.

Councilmember McGlashan said this is the same process the Council went through with four units on 185th, west of Linden. Mr. Cohn said that is unlikely because the four units would have gone through an administrative process, but it might have been during a rezone discussion.

Councilmember Eggen discussed the table on page 55 and inquired if there are any criteria on how far the standards can be modified to allow zero lot lines. Mr. Lee replied that there isn't any limit as to how much deviation is allowed. He also wanted to know about the significant tree removal and asked if there is sufficient area for the evergreens

to grow on this site. Mr. Lee responded that there is a perimeter landscaping requirement that has been imposed on the project and there is sufficient room for evergreen trees on the site.

Councilmember Hansen noted that the area is limited to 24 dwelling units per acre and wanted to know if someone calculated this to determine if it is within that requirement. Mr. Cohn responded that this has to do with the ability to round to the next higher number. He added that if the measurement is over .5, then it is feasible to round up to the next unit. Councilmember Hansen inquired how the minimum lot area was determined. Mr. Lee responded that lot size determination is not a minimum that the City imposed on this development. He said this was the size they chose based on the structures. Councilmember Hansen said it is clear to him that the owners are trying to maintain maximum flexibility. He said the buildings are legal and the density doesn't change so he has no objection to the Resolution.

Councilmember Way asked about the drainage, noting that the City Attorney said this property was considered under the new standard. Mr. Lee added that the application originally was based on the previous 1998 standards and that's how it was approved. He pointed out that this formal subdivision was executed under the current Department of Engineering (DOE) standards and meets standards according to the DOE manual flow chart, since there's nothing new added. Councilmember Way commented that this looks like it has a high percentage of impervious surfaces. Mr. Lee responded that the surface water design does not differ from what the City would apply based on the 1995 standards; the only difference is that there may be some low impact development standards, but the site is too small for that. Councilmember Way replied that that is her point -- the developer starts the project, then comes back later and wants to do a preliminary formal subdivision. This illustrates the problem and in theory the developer intended on this and now the Council is faced with the choice of approving this or imposing a condition on it. She felt as if the Council is trying to retrofit sites to undo the damage.

Mr. Olander replied that the basic issue is that the permit was granted under the old manual. He stated that the subdivision process here only entails a change in ownership and it's not in the development regulations. There are no site alterations and they are already vested under the old manual. They were vested, he explained, when they submitted building and site development permits.

Councilmember McConnell stated that these questions don't pertain to what the Council has before them. The developer, she explained, built this under the Code and now the Council is seeing it as something to vote on because of the ownership issue. She noted that the Council needs to stay on topic and even with the regulations this was built under there weren't that many more changes to make. She encouraged the Council to stay on topic and not make accusations. She felt this proposal was completely compliant with the regulations.

Councilmember Way commented that the drainage issue is something that was in the record and felt it is pertinent to discuss.

Councilmember Eggen noted that the questions are legitimate, but there is no reason not to pass this item. Obviously, the City cannot ask someone to wait for a new storm water manual as a condition of development approval. He said he is pleased that although the developer had the option to maximize the use of impervious surface to 85%, their use was much less. He expressed support for this project.

Mayor Ryu stated that there was no public comment and it concerns her. She said the last time something like this happened was when it was rezoned from R-12 to R-24 back in 2006. She noted that zero lot line developments for four units or less would be an administrative decision.

Councilmember Hansen responded that this is built according to Code and is consistent with the philosophy of putting high density near high-density corridors. He said this project works out fine.

A vote was taken on the motion to adopt Resolution No. 291, which carried 7-0.

MEETING EXTENSION

At 9:50 p.m., Councilmember McConnell moved to extend the meeting to 10:15 p.m. Councilmember Eggen seconded the motion, which carried 7-0.

9. NEW BUSINESS

(a) Presentation of 2010 Proposed Budget

Debbie Tarry, Finance Director, discussed key events in the budget development process, the budget schedule, highlights, comparisons, and projections. Mr. Olander translated that the numbers in the budget reflect the Council's strategic objectives. He communicated that this is a balanced "maintenance" budget of \$84.1 million and it utilizes some Revenue Stabilization Funds (RSF). He added that this budget doesn't include any layoffs or furloughs, but there is a modified hiring freeze. Councilmember Hansen inquired if the City is going to cut into the RSF in 2009. Ms. Tarry replied that at least \$300,000 of Council-approved \$595,000 authorized use of the RSF will occur in 2009. Mr. Olander explained the City revenue sources and expenditures.

Councilmember Eggen posed a question concerning surface water and enterprise funds. Ms. Tarry explained that the surface water activity is an enterprise fund and it is reflected on both the revenue and expenditure sides. She noted that surface water taxes are not a part of utility fees.

Ms. Tarry highlighted the operating budget resources. Councilmember Hansen noted that the gambling tax represents 5% of our budget and that it was over 10% at some point and the City is becoming less dependent on those funds, which is healthy. Ms. Tarry added that raising property taxes requires a Council vote. The property tax rate is based on a mathematical computation and is currently at \$1.11. She pointed out that the recession has had a significant impact on sales tax, development revenue and investment interest. She highlighted the \$33 million operating budget by function. Ms. Tarry replied to an inquiry from Councilmember Eggen, stating that the City-wide contingency includes liability and property insurance and election costs. She also provided an explanation of gambling tax projections. Councilmember Hansen inquired about health premiums through AWC and stated AWC is predicting that Regence will increase their rates by 10% in 2010. She also noted that the City's policy has two plans and the City's allowance is based on a lower cost plan.

Mr. Olander outlined the City's per capita costs over time. He noted that the rate has lowered based on position changes and the reduction of three FTEs in the budget. He also noted that there won't be any cost of living (COLA) increases, but there will be merit increases. Responding to Councilmember McGlashan, he reviewed that the benefit decrease of \$357,000 was based on not having to pay benefits and salary of three personnel, and the overall reduction of all employees in the PERS retirement contribution rate.

Mr. Olander reviewed the comparison of City staffing levels to other cities and noted that the City's level is at 2.5 employees per 1,000 residents. Councilmember Way asked if the cities which show a higher percentage of employees include fire districts and police departments. Mr. Olander replied that those were excluded and just City employees were utilized to achieve direct comparisons. He stated that there are major operating budget reductions of about \$250,000 that are scattered and are tied to professional services, training, operating supplies, and other areas. There have been revisions to the public safety contract which have gone up, he said, including a contractual obligation to the police guild. This obligation will see the contract go up over \$500,000 for next year. He stated that one position would be shifted to a contractual position to reduce the hours. Mayor Ryu explained that this was done to have this position managed and integrated more with the police department.

MEETING EXTENSION

At 10:13 p.m., Councilmember McGlashan moved to extend the meeting until 10:30 p.m. Councilmember Eggen seconded the motion, which carried 7-0.

Continuing, Mr. Olander noted that the cost of living increase by contract with the police department is the main driver for the overall increase. He added that the jail expenditures will be about \$150,000 lower in 2009 because of lower activity and fewer jail days being utilized. Additionally, he said the replacement cycle on some equipment has been extended by a year to save some general fund contributions. Councilmember Way questioned what the normal rate of cycle was for equipment. Mr. Olander replied that it

varies based on each equipment lifecycle and explained the facilities replacement cycles. Ms. Tarry explained that in order to foster budget reductions some equipment isn't replaced according to the schedule. Mr. Olander also stated that sometimes equipment is purchased earlier if it is cheaper to replace than repair. He added that there are about \$500,000 worth of reductions which included training, seasonal and temporary personnel, contracts, facility maintenance, economic development, police overtime, office and operating supplies. Councilmember Eggen asked about the salary survey and Mr. Olander replied that it is a standard practice in cities. He also noted that health benefit costs are increasing more rapidly. Mr. Olander clarified for Councilmember Eggen that salaries will not be reduced, but maintained at their current levels.

Ms. Tarry highlighted that the 2010 budget includes the 2010 Capital Improvement Program (CIP) and the largest portion of the budget item is for the Aurora Corridor. Mr. Olander summarized the City's fiscal capacity and stated that revenues are constrained. Additionally, he pointed out that the long range budget forecast shows shortfalls and the Long Range Financial Citizen Advisory Committee will be making recommendations.

MEETING EXTENSION

At 10:27 p.m., Councilmember Hansen moved to extend the meeting to 10:40 p.m. Councilmember Eggen seconded the motion, which carried 7-0.

Mayor Ryu called for public comment.

a) Bill Meyer, Shoreline, commented that the City is spending its rainy day fund. He added that since the City is projecting deficits it is time to look at the long range deficits. He said the City needs a budget that balances revenues and expenses.

Mr. Olander commented that the Council established the revenue stabilization fund for recessionary periods and felt it should be used for 2010. However, it shouldn't be used to balance the gaps, he said.

Ms. Tarry announced that the proposed budget will be posted on the City's website tomorrow and copies will be available at City Hall.

10. ADJOURNMENT

At 10:31 p.m. Mayor Ryu declared the meeting adjourned.

/S/ Scott Passey, City Clerk