

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, July 19, 2010
7:30 p.m.

Council Chamber - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor McGlashan, Deputy Mayor Hall, Councilmember Eggen, Councilmember McConnell, Councilmember Roberts, Councilmember Scott, and Councilmember Winstead

ABSENT: None

1. CALL TO ORDER

At 6:32 p.m. the meeting was called to order by Mayor McGlashan, who presided.

2. FLAG SALUTE/ROLL CALL

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

3. CITY MANAGER'S REPORT & FUTURE AGENDAS

Bob Olander, City Manager, provided reports and updates on various City meetings, projects, and events.

4. COUNCIL REPORTS

Councilmember Winstead reported on a Suburban Cities Association (SCA) Public Issues Committee meeting. Councilmember McConnell reported on a Regional Water Quality Committee meeting. Councilmember Eggen reported on a Regional Transit Task Force meeting and a WRIA-8 meeting.

5. APPROVAL OF THE AGENDA

Councilmember Eggen moved approval of the agenda. Councilmember McConnell seconded the motion, which carried 7-0 and the agenda was approved. There was Council consensus to reverse the order of items 7(b) and 7(c).

6. CONSENT CALENDAR

Councilmember Eggen moved approval of the Consent Calendar. Councilmember Roberts seconded the motion, which carried 6-0, with Deputy Mayor Hall abstaining, and the following item was approved:

(a) Motion to File a Petition to the Growth Management Hearings Board to Appeal the Snohomish County Urban Center Development Regulations of the Point Wells Site

STUDY ITEMS

(a) Property Tax Ballot Measure

Debbie Tarry, Finance Director, provided the City staff report and recommendation to propose a levy lid lift ballot measure on this year's General Election ballot. Ms. Tarry explained that it would increase the regular 2011 property tax levy by \$0.28, which restores the City's property tax levy rate to approximately \$1.48 per \$1,000 assessed valuation. She noted that the levy period is six years and will not exceed inflation during that period of time.

Mr. Olander emphasized that the City staff has implemented departmental budget cuts, formulated a plan to reduce employee medical costs, and left non-essential City staff positions vacant. He added that the Council established adequate reserves and has been able to avoid layoffs and furloughs.

Mayor McGlashan called for public comment.

- a) Tammy Smith, Shoreline, expressed support for the senior program.
- b) Beratta Gomillion, Executive Director, Center for Human Services (CHS), expressed support for the property tax ballot measure.
- c) Hiller West, Shoreline, expressed support for the property tax measure as recommended by the City's Citizens Advisory Committee (CAC)
- d) Judith Enich, Shoreline, noted that the Shoreline/Lake Forest Park Senior Center urged the public to support the property tax measure.
- e) LaNita Wacker, Shoreline, urged the Council to increase the legal limit to \$1.60 per \$1,000 assessed valuation in order to maintain the services that the residents want.
- f) Karen Kessinger, Shoreline, said she is a Volunteer Coordinator at the Shoreline Senior Center and said she supports the property tax ballot measure.

g) Arthur Peach, Shoreline, questioned whether there have been COLA and health benefit increases for City employees. He also questioned whether the programs identified would still be cut if the property tax levy lid lift passed.

h) Patti Price, Shoreline, said she works at the Senior Center and expressed support for the levy lid lift.

i) Wendy DiPeso, Shoreline, said the state of the economy impacts Shoreline and a levy lid lift will not solve the problem. She encouraged taxing the very wealthy and lobbying for tax fairness.

j) Dick Pahre, Shoreline, said he is a CAC member and agreed with the recommendation of the City staff, noting that citizens are generally satisfied with City services.

k) Dan Mann, Shoreline, commented that the City is taxed substantially higher than neighboring jurisdictions and the tax rate of growth has been 6% per year.

l) Carolyn Hope, Shoreline, encouraged the Council to vote to place the levy on the ballot so the citizens can decide.

m) Judy Parsons, Shoreline, thanked the Council for allowing the residents the opportunity to continue their quality of life by maintaining public safety and senior services.

Mr. Olander responded regarding COLA increases for City employees. He added that the City receives about 10% of the total property tax revenues and the property tax rate is higher in Shoreline because residents have been very supportive of schools, fire, and emergency medical services.

Deputy Mayor Hall questioned the information on the City's general property tax levy rate compared to other cities and Ms. Tarry replied that the City's portion of the entire tax is on the low side.

Councilmember Winstead said she served on the CAC and noted that residents want quality of life services and suggested the levy amount be \$0.30 to cover programs in the future.

Councilmember Roberts confirmed that the Seattle Consumer Price Index (CPI) average increase was 2.4% over the last six years. He verified that the revenue stabilization fund is 3% of the entire budget and can only be used for short-term economic downturns and unexpected emergencies.

Mr. Olander added that the revenue stabilization fund needs to be replenished and addresses recessionary periods, not long-term structural gaps. He highlighted that the City's good bond rating is partially due to the revenue stabilization fund and its conservative financials. This, he explained, translates to projects costing less because of the lower interest rates.

Councilmember Roberts determined that the levy lid lift could not be used to replenish the revenue stabilization fund and the impact on the average Shoreline home would be \$133 per year.

Deputy Mayor Hall said he would like to see a comparison of our new construction compared to other cities.

Councilmember Eggen said Shoreline taxes are high due to the passed bonds and levies. However, Shoreline has no B&O tax and the business license fees are minimal. He agreed that the wealthy have a decreased tax burden. He inquired if the City's average expenditures align with the CPI and Ms. Tarry replied that they are higher than the CPI. She specifically highlighted that the cost of asphalt, the police contract, and gasoline have increased 4% each year and the CPI is closer to 3%.

Councilmember Roberts expressed concern about the potential impact on businesses if property taxes were increased. He also discussed the revenue stabilization fund.

Deputy Mayor Hall stated that revenue stabilization fund needs to be reviewed. He said the Council shouldn't deprive the residents of their choice so this needs to be moved forward. He noted that the City staff eliminated three positions in 2010, but more costs and expenses need to be cut.

Councilmember McConnell favored maintaining services and said it is important to give the residents a choice.

Councilmember Roberts commented that the 1% limitation means current growth rates are unsustainable. He noted that there haven't been any programs specified to keep or cut and at this time he said there is no way of knowing how the budget will be balanced and what will be cut.

Deputy Mayor Hall concurred, noting that there are programs that the City would prefer to have. He said it will depend on whether the measure is adopted by the residents.

RECESS

At 8:17 p.m. Mayor McGlashan called for five minute break. The meeting reconvened at 8:23 p.m.

(b) Shoreline-Lake Forest Park Arts Council Presentation

Lynn Cheeney, Recreation Superintendent, introduced Nancy Frey, Executive Director, Shoreline-Lake Forest Park (SL-LFP) Arts Council who provided a PowerPoint presentation highlighting the various programs of the SL-LFP Arts Council.

The Council expressed their support for the SL-LFP Arts Council.

Mr. Olander said he is impressed by the emphasis on children and youth.

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

(c) Shoreline Historical Museum Presentation

Lynn Cheeney, Recreation Superintendent, introduced Vicki Stiles, Executive Director, Shoreline Historical Museum, who provided an overview of museum information and programs. Ms. Stiles introduced Bob Phelps and Henry Reed of the Historical Museum Board. Mr. Phelps discussed facts about the museum building, services, funding, volunteers, and pointed out that half of its operating budget comes from the City of Shoreline.

Mayor McGlashan called for public comment.

a) Boni Biery, Shoreline, stated that the Shoreline School District (SSD) is kicking out the museum and asked if the City can issue a SEPA to ensure the Museum stays where it is.

b) Wendy DiPeso, Shoreline, stated she heard the Museum land is an historical landmark. She said the Museum negotiated in good faith and requested the Council assist in the negotiations.

c) Lois Harrison, Shoreline, said she is disturbed by the SSD position on the Museum. She urged the Council to preserve the Museum.

d) Jan Stewart, Shoreline, said she would like to see the Council show some leadership on this issue and support the community vision for a Town Center with the Museum as the anchor.

e) Vicki Westberg, Shoreline, said the Museum is priceless and an asset to the community.

f) Julie Houff, Lake Forest Park, said she hopes the Council intends to defend the Museum to keep it in the Ronald Building.

g) Afia Menke, Shoreline, hoped the Council would intervene to heal the impasse.

h) Donna Eggen, Shoreline, urged both the SSD Board and the Museum Board to keep an attitude of mutual respect as they continue to work out this difficult problem. She thanked the Council for mediating for an outcome beneficial for all.

i) LaNita Wacker, Shoreline, said the resolution was publicly proclaimed and encouraged residents to vote for the bond issue. Now, she said she is hearing it wasn't resolved and doesn't know what has changed.

j) Barbara Nelson, Shoreline, said she is mad that SSD is fooling around with historic property. She said the Council should do everything it can to protect the Museum.

Mr. Olander explained that SSD does their own SEPA and the City cannot do a separate SEPA, but it can comment on their review.

Deputy Mayor Hall clarified that an appeal is underway from the Museum. He added that there was an agreement in principle and part of it was that the school would move the building to the east, but that was contingent on the Museum being able to purchase the building. Deputy Mayor Hall noted that the location of the Museum in the future is a serious issue.

There was a brief discussion about the placement of Museum signage on I-5.

Councilmember Eggen commented that this is an emergency because SSD has decided they will incorporate the current building into the Shorewood design. He felt that if the City waits, it will be too late.

Deputy Mayor Hall commented that the City met with the Museum Board and SSD back in January and at some point the agreement in principle broke down. He strongly encouraged the Museum board, City staff, and SSD staff to sit down and talk to each other. Mr. Olander noted that the City staff is looking at alternate sites.

Councilmember Scott said the Museum is a treasure and the community went to the polls and supported the levy. He said he heard that something has put that in jeopardy. He also encouraged both parties to go back to the table and live up to the commitment that was agreed to in principle.

Councilmember Roberts expressed support for the Museum and the School District.

Councilmember Eggen said the School District is now engaged in the planning stage and there isn't much time to impact this process. He encouraged the City staff to do everything possible.

Vicki Stiles thanked the Council for its 15 years of support.

8. ADJOURNMENT

At 9:45 p.m., Mayor McGlashan declared the meeting adjourned.

Scott Passey, City Clerk