

CITY OF SHORELINE

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

Monday, September 27, 2010
7:00 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 7:00 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. REPORT OF THE CITY MANAGER

Debbie Tarry, Acting City Manager, provided reports and updates on various City meetings, projects, and events. Councilmember Eggen congratulated the City staff for nine consecutive years of good audits.

4. COUNCIL REPORTS

Deputy Mayor Hall reported on his attendance at the Enterprise Seattle Board Meeting.

Councilmember Eggen reported on his attendance at the WRIA-8 meeting and the Cedarbrook Task Force meeting to preserve open space at the old Cedarbrook School.

5. PUBLIC COMMENT

a) Ralph Sanders, Shoreline, commented on quality of parks, schools, and the City's fiscal responsibility and urged the audience to support Proposition 1.

b) Kelsey Beck, on behalf of Food Lifeline and the North Urban Human Services Alliance, announced upcoming events and commented on the need to build capacity in order to respond to ever-increasing human needs.

6. APPROVAL OF THE AGENDA

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

7. CONSENT CALENDAR

Councilmember Scott moved approval of the Consent Calendar. Councilmember Eggen seconded the motion, which carried unanimously and the following items were approved:

- (a) Minutes of Study Session of September 7, 2010
Minutes of Workshop Dinner Meeting of September 13, 2010
Minutes of Business Meeting of September 13, 2010
- (b) Approval of expenses and payroll as of September 16, 2010 in the amount of \$2,097,286.78 as described in the following detail:

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
8/22/10-9/4/10	9/10/2010	36343-36551	10194-10230	44786-44794	\$418,260.09
					<u>\$418,260.09</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
9/9/2010	1025	\$58,280.00
		<u>\$58,280.00</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/9/2010	44653	44653	\$600.00
9/9/2010	44654	44654	\$1,299.48
9/9/2010	44655	44675	\$109,068.29
9/10/2010	44676	44694	\$47,269.25
9/10/2010	44695	44716	\$56,781.51
9/15/2010	44717	44746	\$1,026,844.19
9/16/2010	44747	44758	\$13,524.59
9/16/2010	44759	44785	\$365,359.38
			<u>\$1,620,746.69</u>

- (c) Motion to Authorize the City Manager to Obligate \$1.9 Million in Surface Transportation Program (STP) Grant Funds for the Aurora Corridor Project**
- (d) Motion to Authorize the City Manager to Execute a Memorandum of Agreement (MOA) Between the City of Shoreline and King County Metro to Transfer Funding for the Aurora Corridor Project between N. 185th and N. 205th Streets**

8. NEW BUSINESS

- (a) 2010 and 2011 Budget Update

Debbie Tarry, Finance Director/Acting City Manager, explained that the purpose of this item is to provide the City Council with a recap of the current 2010 budget and any year-end recommendations, give a preliminary briefing on the status of the 2011 budget, an update on any changes to the City's long-term financial projections and some of the primary policy issues that will need to be addressed during the 2011 budget deliberations.

Beginning with the 2010 operating budget, Ms. Tarry stated that there were significant increases in jail activity/expenditures due to judges requiring more prisoners serving jail time because of failures to appear. Thus, the jail cost projections have increased by \$500,000. She stated that the City departments have \$600,000 in projected savings mainly derived from employee vacancies and the City Hall project. Furthermore, an additional \$60,000 in savings in departments is projected. The City Staff, she said, recommends increasing the Revenue Stabilization Fund usage at a level of \$220,000. If it is utilized the remaining balance on the fund would be \$4.95 million.

She reviewed the 2011 Budget Calendar, noting that the budget will be delivered to the Council on October 18 with a proposed adoption date of November 22. She said the current status is that the 2011 budget is \$670,000 out of balance and the City is working to close the gap. Potential impacts that could change the budget outlook are Initiatives 1100 and 1105, which will be derived from the loss of liquor profits and the repeal of excise tax on liquor. If one or both of them pass, the impact could be \$200,000 in 2011. Ms. Tarry noted that both the King County sales tax measure and Shoreline Proposition 1 could impact the 2011 budget, yet the 2011 proposed budget reflects both measures passing. She also noted that the long range operating budget also assumes passage of Proposition 1.

Deputy Mayor Hall confirmed with Ms. Tarry that there have been \$340,000 in efficiencies, but there is still a \$670,000 gap. Furthermore, if voters reject Proposition 1 it will lead to another \$1 million gap; if the liquor initiatives also pass there will be about \$1.9 million in uncertainties, which is close to 6% of the City's budget.

Councilmember Roberts inquired how the uncertainties affect the budget adoption schedule. Ms. Tarry responded that if things change the City Manager will make recommendations and the Council will discuss them. Also there may be a need to add a couple of weeks to the budget process. Ms. Tarry noted that she is anticipating increases in parks and recreation fees, which can be increased by 90% of the CPI, unless Council takes alternative action.

Councilmember Eggen raised a number of issues and said it seems the City should continue in its present course of not filling vacancies until the budget process has stabilized. Ms. Tarry commented that there is a modified hiring freeze.

Councilmember Eggen asked if the Revenue Stabilization Fund is mostly paid out of gambling tax revenues. Ms. Tarry replied that they mostly come from reduced expenditures or large construction projects where the City gets large revenues from sales tax. She added that the Revenue Stabilization Fund doesn't have to be paid back the very next year. Councilmember Eggen also confirmed that the review of staff compensation is a part of the budget process.

Councilmember McConnell noted that she didn't think the budget gaps would be filled through raising parks and recreation fees. Additionally, she stated that this City is much leaner than most comparable cities and the ratio of staff per 1,000 citizens is low.

Deputy Mayor Hall discussed the innovative steps the City is taking, such as approving a contract with a new jail provider to save money. He clarified that the new contract with Snohomish County will save the City \$700,000. He announced that past Councils and City Managers have done a great job, but this is a serious challenge. He suggested the Council: 1) continuing to cut costs/find efficiencies; 2) keep its promise to the community to preserve services if Proposition 1 passes, or find permanent cuts if it fails; and 3) get the local economy moving. He added that the City needs to get the message out that reinvestment in the City is needed.

Councilmember Roberts confirmed with Ms. Tarry that the Seattle increase in utility taxes will not lead to much revenue for the City, though that there may be some funds derived from the franchise fees. He also discussed the King County proposed cuts and Ms. Tarry noted that the Center for Human Services is already making reductions in staffing levels and programs. Councilmember Roberts questioned if the City has a policy for re-awarding those services, to which Ms. Tarry replied that the City does not, but the Council can always make changes. He agreed with Deputy Mayor Hall on budget proposals and encouraged the City Manager and the budget team to focus on finding efficiencies even if Proposition 1 passes. He added that the Economic Development Program Manager is important in building the local economy. Councilmember Eggen concurred and said Shoreline's economic development is critical.

Councilmember Scott felt that it is important to make communities conducive to small business. He noted that Shoreline has a history of running a lean organization and hopes citizens will think about what we have in the community when they go to the ballot box. He pointed out that the region has judged Shoreline as an ideal place to live.

Councilmember Winstead said she has learned things about the City tonight concerning its responsiveness to developers. She highlighted that last week she heard good things about the Parks, Recreation and Cultural Services Director and tonight she heard positive comments about the Public Works Director and his effectiveness. She said the City Staff is making due with less and agreed with the comments of the Council.

Mayor McGlashan confirmed that Parks and Recreation user fees are reviewed annually.

9. ADJOURNMENT

At 8:00 p.m. Mayor McGlashan declared the meeting adjourned.

Scott Passey, City Clerk

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