

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF BUSINESS MEETING

Monday, September 17, 2012
7:00 p.m.

Council Chamber - Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: Councilmember Salomon

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 with the exception of Councilmember Salomon and Councilmember McConnell. Councilmember McConnell arrived shortly thereafter.

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

3. REPORT OF THE CITY MANAGER

Julie Underwood, City Manager, provided reports and updates on various City meetings, projects, and events.

4. COUNCIL REPORTS

Councilmember Hall reported on the King County Regional Policy Committee meeting and said they discussed solid waste issues and fees. He added that they also discussed cities' concerns with the interlocal agreement. He noted that at the RPC meeting there was discussion concerning the King County Conservation District (KCCD) work plan and a perception that they are not taking the Suburban Cities Association's concern about WRIA funding seriously.

Deputy Mayor Eggen said he attended the Municipal Solid Waste Advisory Committee (MSWAC) meeting and there was discussion about an interlocal agreement to resolve two large issues, insurance and mitigation. He pointed out that MSWAC is frustrated that KCCD wants to get out of funding WRIsAs and still get their maximum funding. He also stated he attended the Richmond Beach Committee Association (RBCA) meeting and there was discussion about coal trains. Ms. Underwood added that one of the RBCA board members asked if the Council is

planning to hold a study session concerning coal trains. She added that the scoping period has not begun and the City staff will solicit comments for submittal as a part of the scoping process. She continued and responded to Mayor McGlashan that she would investigate and report to the Council on whether there is a proposition about coal terminals on the ballot this year.

5. PUBLIC COMMENT

There was no one wishing to provide public comment.

6. APPROVAL OF THE AGENDA

Upon motion by Councilmember Roberts, seconded by Councilmember Winstead and carried 6-0, the agenda was approved.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Eggen, seconded by Councilmember McConnell and carried 6-0, the following Consent Calendar items were approved:

- (a) **Minutes of Workshop Dinner Meeting of August 13, 2012**
Minutes of Business Meeting of September 4, 2012
- (b) **Motion to Authorize the City Manager to Enter into an Agreement for the 2012 Emergency Management Performance Grant Funds**

8. STUDY ITEMS

- (a) Update Council Goal No. 3 - Prepare for Two Light Rail Stations

Rachael Markle, Planning & Community Development Director, and Alicia McIntire, Senior Transportation Manager, provided the progress-to-date on light rail station planning in the City of Shoreline. Ms. McIntire discussed the Sound Transit (ST) Draft Environmental Impact Statement (DEIS) process and timeline.

Ms. Markle discussed the Planning Commission's review of the Comprehensive Plan (CP) and related elements. She stated that the staff is looking for direction concerning having more defined boundaries as recommended by Councilmember Hall. She discussed the station area planning budget supplement of \$250,000 and ST's offer to assist with station area planning. Ms. Markle noted that the DEIS should be released in June 2013. She discussed the formation of interest groups and school district coordination, adding that the staff and Councilmember Winstead have been participating in the Puget Sound Regional Council (PSRC) Growing Transit Communities initiative meetings. She discussed the grants process, explained the stakeholder outreach, and reviewed the schedule with the Council.

Deputy Mayor Eggen verified that Ridgecrest is interested in light rail and that the Paramount Park neighborhood has not contacted the City about it yet. He also noted that there is a small PSRC grant available to neighborhoods.

Councilmember Roberts asked about timing and how the initial draft is splitting the process between 185th Avenue North and 145th Avenue North. He expressed concern that the neighbors in the N 145th Street area may not want to be involved in the early process with N 185th Street. Ms. Markle responded that there is a six (6) month gap between the two areas because it makes sense for the City to wait for the DEIS to be released prior to soliciting comments.

Councilmember Hall shared Councilmember Roberts concerns about how the City involves all affected parties up front. He encouraged having more specific boundaries for the scoping of potential transit-oriented community development. He stated the City should consider everyone affected by this, not only the commuters, but the car drivers, and those having more walkable choices. He stated that light rail will benefit businesses and produce more jobs. He summarized that there will be a lot of benefits that affect everybody and there will be positive impacts to adjacent neighbors. This, he said, may cause some residents to want to live in their single family homes for as long as they can; some who don't want the changes might sell their homes and move early. He expressed interest in working on the circles on the map so that this gets advanced further. The circles on the map, he said, don't make sense and they cut through houses and divide the City in a confusing way. He concluded that it would help the City to look to ST in the public outreach process because ST pushed the City to take a position on alignment.

Councilmember Winstead agreed that the circles are not helpful and most people are not used to looking at maps like this. She stated that having definitive borders make sense at this point in this process.

Ms. Markle noted that the public has seen this since July at the public meetings and that the Planning Commission will review the final draft on Thursday. She added that a reworked map at this stage would frustrate the public process, delay the adoption of the CP, and lead to delays for the public hearing and presentation to the Council.

Councilmember Roberts said he would like to move forward with Councilmember Hall's suggestion but is concerned about finishing the CP. He questioned if a walk radius could be added to the map.

Deputy Mayor Eggen stated that he has seen Metro utilize a more realistic walking distance map. He confirmed with Ms. Markle that the Commission is not discussing zoning, height, and density in their station area planning. She further noted that the assumption is that it would be a plan which would include zoning. It should be narrowed to define and determine where the higher densities would make sense and get the future land use for the circle, then look at what zones would be appropriate based on the land uses. She noted that the subarea plan will amend that future land use map which will have defined areas with future land use categories. It will be consistent with the other CP land use categories, which are changing.

Councilmember Hall stated that when the PC met with the Council the PC pushed the Council to put lines on a map and define the study area. Deputy Mayor Eggen commented that he supported the City doing as much as possible prior to the DEIS being done.

Councilmember McConnell noted that she is leaning toward the City staff recommendation to keep the radius instead of lines. She added that the City has not gone out to the public and heard from them. She noted that she is not sure she sees the difference between a walking and a driving radius.

Mayor McGlashan stated that ST knows the City is serious and agreed that due diligence needs to be done to get to a map with boundaries. However, he pointed out that he does not want to have the circles included yet. He favored the City staff recommendation and letting the PC begin their work. Ms. Markle stated that the entity responsible for the lines would be established after the public process, adding that the decision will have to be based on the input of the public.

Ms. Underwood clarified that the Council desires the City staff to work with the PC to identify a study area prior to June 2012. However, Councilmember Hall noted that by June there will be a several hundred page DEIS established and the likelihood of adding any City input to it would be little to none. Ms. Underwood noted that the City staff is working on the CP with fewer planners and budget constraints. She said there will be impacts if the Council wants station area planning and the CP done simultaneously. Mayor McGlashan expressed concern about approving a format for the maps with receiving public input.

Councilmember Hall noted that he is hearing Council consensus for keeping the circles. He said he wants to see another tool done to communicate that the City is serious about this and has advanced this from the drawing of circles to something that the City has defined for ST. He added that the data shows all of the City's major planning efforts take twice as long as the initial work plans drawn up by the City staff. He noted that the City needs to exhibit strong leadership and tell people these stations are coming. He said there is a need to continue to push, but not trade the timely adoption of the CP update. He suggested that the station area planning proceed after the CP update. Councilmember Roberts agreed.

Ms. Underwood summarized Council consensus to continue to get the CP adopted by the end of the year, then target June of 2013 to have the ST defined study areas done for Council review and adoption. Councilmember Winstead pointed out that the final station locations have not been determined, so the study areas may have to be revised.

(b) Discussion of State Environmental Policy Act (SEPA) Regulation Changes

Joined by Rachael Markle, Planning and Community Development Director, Steve Szafran, Senior Planner, discussed recent changes to state law regarding SEPA. He gave a brief background to Senate Bill 6406 (SB 6404) and said it raises the SEPA threshold for minor new construction. He explained the specific provisions of SB 6406 and noted that the City is currently utilizing the updated policy unless the Council directs the City staff to lower the standards set by this policy.

Mr. Szafran confirmed for Deputy Mayor Eggen that the City is utilizing the interim rules and the thresholds will be raised in the final adopted rules. He stated that after those rules are adopted the staff will be coming back to the Council. Ms. Markle added that the Council has the option to lower the thresholds. Ms. Underwood confirmed that the State is looking for feedback from urban growth areas and counties. Mr. Szafran explained for Mayor McGlashan that the City has lower thresholds, adding that when the final rules are released they will be higher.

Ms. Underwood added that if the Council wants to adopt this the City would need to modify the Development Code and return to the Council with a code change. Ms. Markle stated that the City staff is not recommending the City move to the lower thresholds at this point in time.

(c) 2013 Preliminary Budget Update

Julie Underwood, City Manager, provided an introduction and stated the City staff is looking for Council input on the supplemental elements of the budget. Bob Hartwig, Administrative Services Director, provided the staff report.

Mr. Hartwig stated that this is a preliminary estimate for 2013. He reviewed the Capital Improvement Program (CIP) projects and noted that the City Manager's proposed budget will be presented to the Council on October 15. He discussed the projected ending fund balances and the favorable and unfavorable variances. He then highlighted the 2013 revenue forecast of \$33.2 million and explained the transfers in and out of the General Fund in response to an inquiry from Deputy Mayor Eggen. He presented the property tax, sales tax, permit revenue, and expenditure forecasts which equate to \$33.6 million. He noted that the forecast is for an \$88,000 net increase in revenues and a \$600,000 net increase in expenditures in 2013. He noted that the City is holding a surplus contingency of \$188,000. Mr. Hartwig summarized the City's full time equivalent (FTE) makeup and noted the budgetary supplemental requests total \$358,000. He discussed the unfunded or underfunded needs, which include indigent defense standards and street tree management/maintenance.

Ms. Tarry noted that the City requests direction from the Council on the community grant program and police storefronts. She stated that the City staff requests Council direction in revising the grant program to open it up to make it more of a community grant program. She noted that historically the City has not utilized the full \$20,000 of the assigned grants. Additionally, she noted the idea of consolidating the two police storefronts at City Hall and possibly create a mobile unit. She added that this will need some community input and possibly the establishment of a focus group.

Mr. Hartwig discussed the 2013-2018 Capital Improvement Program proposed projects, which include a City Hall emergency generator, Saltwater Park Pedestrian bridge repairs, Shoreline Pool repair or replacement needs analysis, and the maintenance facility. Mr. Hartwig confirmed that a funding source for the maintenance facility is needed for 2013.

Mr. Hartwig outlined Roads Capital fund items such as the Hidden Lake Bridge road improvement, the 145th Corridor, and the NE 195th Separated Trail project. He noted that under the Goheen Revetment repair project and stormwater pipe replacement are a part of the Storm

Water Utility Fund proposed project list. He noted that unfunded items in the CIP are sidewalks and a police station.

Deputy Mayor Eggen inquired if the funds identified in the presentation for the route development plan for the 145th Corridor project has come from the State. He stated that he didn't think anything was being done until the City has some more concrete agreements with the City of Seattle, Sound Transit, and King County. Ms. Underwood replied that the City staff anticipated finding grant funding for the 145th Corridor.

Mr. Hartwig discussed long-term projections and noted that deficits will begin in 2017 if changes are not made. He discussed the long-term financial sustainability project and said its purpose is to develop optimistic, pessimistic, and moderate (best estimate) scenarios to bridge budget gaps as part of the 10-year Financial Sustainability Plan.

Councilmember Hall emphasized the need to grow the tax base as part of the financial plan. He stated that the City will fall off a financial cliff if the City remains with the status quo. He felt that increasing the tax base should be a top goal. Mr. Hartwig added that the City is below average in sales taxes collected. Councilmember Roberts concurred with growing the City's tax base and helping local businesses. Deputy Mayor Eggen agreed that the City needs to do whatever it can to improve the sales tax base and support businesses. He added that the 1 percent levy limit is beyond the City's control. There are difficult times ahead, he said, but he felt the City has managed resources conservatively. Councilmember McConnell concurred with previous comments, adding that there is a need to tighten the City's belt even more.

Mr. Hartwig provided a summary of the 2012 General Fund projected savings of \$469,000 and stated that the use of fund balance is \$1.2 million for 2013.

Councilmember Roberts suggested having quarterly or semi-annual deadlines for the community grant program. Responding to Mayor McGlashan, Ms. Tarry stated there should be a future Council discussion on the grant program with the possibility of revising the criteria. Councilmember Winstead discussed opening up the mini-grant program to businesses. She also supported the cost of living adjustment (COLA). Mr. Hartwig replied that there is a new proposal in the budget for a \$10,000 business mini-grant program. Councilmember Hall concurred with the COLA. He noted that the City's sales tax revenue per capita is at the bottom of the list when compared to comparable cities. He calculated that the businesses in Shoreline need more customers. Councilmember McConnell concurred on the COLA.

Deputy Mayor Eggen expressed that the reason for zero COLA was that the CPI was zero. He noted that citizens are not getting wage increases and are paying the taxes. He supported the COLA but wondered what the total cost would be. Ms. Underwood replied that the market adjusted COLA would be \$270,000 and the projection for salary and benefit study increases would be about \$30,000.

9. ACTION ITEMS: ORDINANCES, RESOLUTIONS, AND MOTIONS

- (a) Offer of Judgment - O'Neill vs. City of Shoreline

Flannary Collins, Assistant City Attorney, and Ramsey Ramerman, representing former Deputy Mayor Maggie Fimia, provided an update on the O'Neill legal matter. Ms. Collins stated that this legal action commenced in 2006 and it is a public records act case involving metadata. She provided an explanation of metadata and noted that the City staff recommends the City make an offer of judgment to the O'Neill's to avoid further costs to the City.

MEETING EXTENSION

At 10:00 p.m., Councilmember Roberts moved to extend the meeting thirty (30) minutes. Councilmember Hall seconded the motion, which carried 5-1, with Deputy Mayor Eggen dissenting.

Ms. Collins continued and noted that the amount and structure of the offer of judgment would be decided in executive session. She added that the City plans to meet the Thursday deadline to appeal the summary judgment. Councilmember Roberts clarified his understanding that metadata is akin to a stamp on an envelope, and cities are not required to keep them. He also confirmed that metadata changes every time you open a record.

EXECUTIVE SESSION

At 10:05 p.m., Mayor McGlashan announced that the Council would recess into an Executive Session for a period of 20 minutes to discuss litigation, per RCW 42.30.110(1)(i). At 10:23 p.m., the Executive Session concluded and the Council meeting reconvened.

Deputy Mayor Eggen moved to authorize an offer of judgment in the amount of \$100,000 in penalties, with the Court to decide attorney fees and costs. Councilmember McConnell seconded the motion, which carried 6-0.

10. ADJOURNMENT

At 10:26 p.m., Mayor McGlashan declared the meeting adjourned.

Scott Passey, City Clerk