

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

Monday, October 12, 2015  
7:00 p.m.

Council Chambers - Shoreline City Hall  
17500 Midvale Avenue North

PRESENT: Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: Mayor Winstead

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Deputy Mayor Eggen, who presided.

2. FLAG SALUTE/ROLL CALL

Deputy Mayor Eggen led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Mayor Winstead. Councilmember Hall moved to excuse Mayor Winstead for personal reasons. The motion was seconded by Councilmember McConnell and passed unanimously, 6-0.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

Amy Tousley, said she is a Municipal Manager with Puget Sound Energy, but is here on behalf of the Washington Chapter of the American Planning Association and the Planning Association of Washington to recognize the Shoreline City Council for the outstanding work completed on the 185<sup>th</sup> Street Station Subarea Plan. She read comments made by the award jurors and presented Councilmembers with the 2015 Outstanding Planning Award.

Deputy Mayor Eggen congratulated the City Manager and Planning Staff for their great work on the 185<sup>th</sup> Street Station Subarea Plan.

4. COUNCIL REPORTS

Deputy Mayor Eggen reported that the Puget Sound Regional Council Transportation Policy Board did not fully certify Comprehensive Plans of three more cities, and said this is important because certification is required to receive grant funding. He reported that the King County Municipal Solid Waste Advisory Committee is still deciding if they are going to make a recommendation to the King County Council for another Transfer Station.

**5. PUBLIC COMMENT**

Alice Lawson, Ballinger Neighborhood Association Boardmember, thanked Council for the significant investments being made in the Ballinger neighborhood. She said long term concerns and interests of the Association include the Ballinger Park Area, Bruggers Bog, the North Maintenance Facility, pedestrian safety issues, and surface water and flooding. She thanked City Staff for being proactive and for meeting with them, specifically Eric Friedli, Parks Recreation and Cultural Services Director and the Transportation Department Staff.

Tom McCormick, Shoreline resident, commented that it is important to review what the City's Comprehensive Plan and Transportation Master Plan say about Richmond Beach Road. He said roadway improvements are described in the Plan and he believes the City should perform activities accordingly. He then read from the Revised Code of Washington regarding Comprehension Plan statutes. He said the Memorandum of Understanding does not address if Richmond Beach Road should be three or four lanes, and said there is a huge difference between three and four lanes. He said it is imperative that Council direct staff on what to present to Snohomish County in the Traffic Corridor Study, and said the Study should not include a four lane alternative.

Gretchen Atkinson, Shoreline resident and Past Chairperson for the Shoreline Neighborhood Council, introduced current boardmembers. She thanked Councilmembers for attending their meetings, and presented attendance data from several neighborhood sponsored events. She announced the launch of a new project called "Leaders Learning Together". She explained that it is a bi-monthly training session to assist with finding ways to strengthen neighborhoods and recruit more volunteers. She said Councilmember McConnell attended the first meeting and it was a huge success. She commented that walking safety, sidewalks and street lighting; finding more volunteers; and communications were the three themes that emerged from the discussions. She said training workshops will continue in December, February, April and June and she invited Councilmembers to participate.

**6. APPROVAL OF THE AGENDA**

**The agenda was approved by unanimous consent.**

**7. CONSENT CALENDAR**

**Upon motion by Councilmember Hall, seconded by Councilmember McGlashan and unanimously carried, 6-0, the following Consent Calendar item was approved:**

**(a) Minutes of Business Meeting of September 14, 2015**

**(b) Approval of expenses and payroll as of September 25, 2015 in the amount of  
\$7,416,972.66**

**\*Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
8/2/15-8/15/15	8/21/2015	62448-62698	14009-14031	61035-61042	\$649,576.50
8/16/15-8/29/15	9/4/2015	62699-62924	14032-14048	61155-61160	\$490,922.91
8/30/15-9/12/15	9/18/2015	62925-63145	14049-14068	61222-61229	\$643,784.86
					<u>\$1,784,284.27</u>

**\*Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
8/26/2015	1097	\$17,883.30
		<u>\$17,883.30</u>

**\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
8/27/2015	60969	61012	\$57,706.36
8/27/2015	61013	61034	\$1,687,348.11
9/2/2015	61043	61086	\$1,295,118.38
9/2/2015	61087	61110	\$220,700.36
9/10/2015	61111	61130	\$13,883.25
9/10/2015	61131	61154	\$183,170.03
9/16/2015	61161	61200	\$200,054.18
9/16/2015	61201	61213	\$59,389.01
9/17/2015	61214	61217	\$47,015.21
9/18/2015	61218	61219	\$58,222.21
9/18/2015	61220	61220	\$349.59
9/22/2015	60263	60263	(\$800.00)
9/22/2015	61221	61221	\$800.00
9/24/2015	61230	61262	\$1,722,154.94
9/24/2015	61263	61286	\$10,990.94
9/24/2015	61287	61314	\$58,702.52
			<u>\$5,614,805.09</u>

**8. STUDY ITEMS**

- (a) Presentation of the 2016 Budget and 2016-2021 CIP

Debbie Tarry, City Manager, introduced the 2016 Proposed Budget. She said the budget allocates financial and staffing resources for the delivery of exceptional public service to meet organizational goals, maintain organizational strength and fiscal sustainability, and to achieve Council Goals. She reported that the Proposed Budget totals \$77.9 Million, has an Operating Budget of \$43.5 Million and a \$10.6 Million Reserve Balance. She said she will be recommending the allocation of some of the Reserves to address high priority needs. She shared

that the City enjoys a good financial position as verified by the Unqualified Financial Statement Audit Opinions and the Government Finance Officers Association.

Ms. Tarry reviewed one-time operations budget contributions to Capital Funds totaling \$2.65 Million are funding for the Police Station at City Hall, Shoreline's Pool Long-Term Maintenance, the 185<sup>th</sup> Corridor Study, Grant Match Funding, and the Westminster and 155<sup>th</sup> Improvements. She said she is recommending the addition of four fulltime positions, two supported in the Capital Budget, and two in the Operating Budget. She reported that one time supplemental requests total \$1.2 Million. She reviewed the requests and explained that the new positions return the City to 2008 staffing levels. She said two of the positions will be backed by revenue income and expenditure reductions, and will fund a Capital Project Manager and a fulltime position to staff the front desk at the Spartan Pool. She also stated that she is recommending a limited term Information Technology Project Manager.

Sara Lane, Administrative Services Director, reported a Proposed Budget of \$78.210 Million. She reviewed revenue sources and allocations, and said 50% of revenue is allocated to City Services. Councilmember Salomon asked clarifying questions about city services. Ms. Lane replied city services are all the direct service operations.

Ms. Lane reviewed Operating Budget Resources and said Property Tax is the City's largest revenue source. She explained that Proposition 1 allows growth by Consumer Price Index (CPI) plus new Construction, and said the 2016 CPI is 1.61% and new construction is \$51 Million. She presented a diagram displaying Property Tax Revenue with and without Levy Lift projections. She reviewed the Operating Budget Expenditures by function and said they total \$43.11 Million. She said that the cost to provide services per capita is \$743, and when adjusted for inflation, \$528. She shared that the City has increased the level of services to residents in past years at a cost of \$16 per capita. She reviewed personnel cost changes and city staffing level comparisons. She presented recommended fee changes for Development, Traffic Impact, License and Public Records, Parks and Recreation, and the Surface Water Utility. She spoke about the City's improving financial condition, the 10 Year Financial Sustainability Plan, and reducing the expenditure growth rate by 0.2%. She shared that Salaries and Benefits, Police, and Jail costs are the notable exceptions. She reviewed revenue strategies and targets, and presented the 10 Year Sustainability Model. She pointed out that the Budget Gap occurs in 2019, and said if all the financial strategies are implemented the Gap could be pushed out to 2024.

Ms. Lane presented the \$20.822 Million Capital Improvement Budget, and Surface Water Utility Resources and Expenses. She concluded by reviewing the Budget Workshop Schedule. She said the review of Department Budgets is scheduled to start on October 19, and continue on October 26 along with review of the 2016-2021 Capital Improvement Plan. She said Public Hearings are scheduled for November 2 and 9, and final Council Discussion for November 16. The final adoption of the Budget is scheduled to take place on November 23, 2015.

Councilmember Roberts asked about the timing of jail discussions and said he wants to see the pros and cons of policy decisions regarding jail options. Ms. Tarry responded that the budget discussion is on October 19 and that the Proposed Budget assumes jail costs will remain the same. She said the jail policy discussion is scheduled to come back in November.

Deputy Mayor Eggen asked about the \$8 Million 2015 fund balance and if it is a result of costs incurred in 2015 that have not been paid, or if the overall fund balance is being reduced in 2016. Ms. Lane replied it is the latter, and said this speaks to the use of fund balance for Capital Investments as well as one-time costs. Deputy Mayor Eggen asked if the one-time funding of \$5 Million in operating revenues is from the beginning fund balance. Ms. Lane responded that it includes a transfer to the Capital Budget and one-time investments. Deputy Mayor Eggen asked for a description of laddering of investment. Ms. Lane responded that it entails investing smaller amounts at different times so they mature at different times, and it allows you to take advantage of market movements.

Councilmember McConnell asked if reserve spending will be replenished. She said she wants to assure the public that the City is in a good place regarding reserves. Ms. Lane replied if revenues come in higher and expenditures come in lower, the reserves will build back up. She explained that the reserves were built to allow the City to make these investments. She said the City is well within 20% over the reserve policy level requirement.

Councilmember Salomon asked about the 30% Traffic Impact Fee increase, and said he supports using the three year escalator. Ms. Lane responded that the increase is from the standard escalator commonly used by the Washington State Department of Transportation. Councilmember Salomon suggested reviewing Shoreline jail sentencing policies as a way to reduce jail days and implementing other methods to still hold people accountable. He explained that Shoreline tends to sentence more people to jail for like crimes than other jurisdictions. He said he wants to look at this holistically. He said he is interested in providing one time funding for the Senior Center, Hopelink, and the Center for Human Services. He stated he would like the City to also address ways to filter stormwater runoff to increase salmon survival. He asked how many stormwater issues can be addressed in this budget cycle, and said that he would like to discuss this topic at the next Council Retreat.

(b) Update from the City of Shoreline/Ronald Wastewater District Committee of Elected Officials

John Norris, Assistant City Manager, provided background on the Ronald Wastewater District (RWD) Assumption Committee of Elected Officials (CEO) and reviewed the Assumption Timeline. He reported that the Assumption Transition Implementation Plan is being finalized and he anticipates that it will be reviewed by the CEO in December, prior to making its way to Council for review and approval. He said the CEO has reviewed the following Papers: Financial Policies, Assumption Communication Plan, Personnel Policies, Budget-CIP Policies, Facility, and the Financial Systems. He commented on receiving good feedback so far. He said CEO Papers presented in tonight's update include Asset Management and Public Records; Purchasing and Contracts; Equipment, Furnishing and Fixtures; City Municipal Code; and the Utility Advisory Board. He provided highlights of the policy papers and asked for Council feedback. He said next steps include continued review of the Papers, writing and review of the Transition Plan, development of a Citywide Work Plan, and presentation to Council for adoption on March 14, 2016.

Councilmember McConnell asked for Council's input on a Transition Utility Advisory Committee. She said she sees it as a short term transition committee, and that right now there is a split discussion among the CEO on whether to have one. She explained that the original timelines were pushed back to provide time for the RWD Officials to take items back to their Board for review and input. She recognized and thanked Staff for doing the heavy lifting for document preparation and coordinating meetings.

Councilmember Roberts said CEO's next step includes drafting the narrative for the Transition Plan. He stated that he does not anticipate any new changes to the Plan. He asked if the Plan would be incorporated into the City's 2016 or 2017 Work Plan, and if the 2017 Budget will include RWD. Mr. Norris replied the Plan will be included in both the 2016 and 2017 Budgets. He said the code work will take place in 2016, the employee transition in 2017, and stated the City will be budgeting for RWD in 2017 and 2018. He then spoke about the strong working relationships that have been developed as a result of this process.

Deputy Mayor Eggen asked what issues the CEO needs Council input on. Councilmember McConnell responded that they are seeking Council's feedback on the Transition Utility Advisory Committee and a timeline for reporting back. Councilmember Roberts added that the direction does not need to be given tonight.

Councilmember Hall said he appreciates the extra work Councilmembers and staff have been putting towards the CEO. He agrees that decisions do not need to be made tonight and shared that he is leaning towards a short term Advisory Committee comprised of wastewater experts. He suggested if the City realizes the Committee is a tremendous value, then it can be made permanent. He said he sees value in completing the Plan by early next year because the actual implementation will take a while.

Councilmember McGlashan agrees on having an Advisory Committee during the transition.

Councilmembers expressed concern over RWD employees' wellbeing before and after transition and asked to have something in the Plan that focuses on making them feel welcomed and a part of the City. They discussed the relocation of the employees to City Hall and asked the Committee to figure out the best time to ensure a smooth transition. Mr. Norris responded that the Plan will include strategies to help employees integrate into the culture of the City, and said that this work will continue this year.

Councilmember Salomon said an Advisory Committee might serve a role on a temporary basis to assist Council.

Councilmember Roberts said they advocated having RWD employees attend City events and suggested having them co-locate to City Hall prior to the assumption date. He shared that there was push back from RWD, and therefore, they did not pursue it. He said a top concern from the beginning has been the integration of RWD employees into City.

Ms. Tarry commented that the RWD employees have been invited to attend City events and stated the City will continue that effort to help them get acquainted with the City.

Deputy Mayor Eggen reminded Council that until October 2017, RWD is an independent organization and that its Board has its own ideas on how to run the District in the best interest for ratepayers, and on what needs to be accomplished. He stated that the CEO process is a negotiation and not a Council choice. He added that rate studies can be controversial and a Utility Commission can serve as an additional venue for citizen/ratepayer input. He said he believes a good case has been made for a temporary Advisory Committee.

9. ADJOURNMENT

At 9:02 p.m., Deputy Mayor Eggen declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk

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