

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

Monday, July 25, 2016  
7:00 p.m.

Council Chambers - Shoreline City Hall  
17500 Midvale Avenue North

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

ABSENT: None

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

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

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

Mayor Roberts shared that he spoke at Dr. Kruckeberg's memorial service and more than 200 people were in attendance. He reported that the Shoreline/Lake Forest Park Art Council, Shoreline Historical Museum, Kruckeberg Botanic Garden, and Shoreline/Lake Forest Park Senior Center presented their 2015 accomplishments, short and long term plans for the future, and events and activities scheduled for 2016 at tonight's Dinner Meeting.

5. PUBLIC COMMENT

Mayor Roberts explained that Agenda Consent Calendar Item 8c - Adoption of Ordinance No. 748 - Amending the Zoning Map at 1540 NE 175th Street from Residential 12-units Per Acre (R-12) to Residential 24-units Per Acre, is a quasi-judicial action, and therefore, no public comment will be taken on this item.

Dick Pahre, Richmond Highland Neighborhood, said he was a member of the 2008 and 2014 Financial Sustainability Committees. He commented that the City is well managed, compares favorably with other cities, and is effective as compared to other cities. He said public safety and

parks are important to him, and that they are also favorable and effective as compared to other cities. He commented that citizens claiming that their property tax will increase by 14% are incorrect.

Mike Nielsen, Crisis Clinic, thanked Council for supporting the organization. He reviewed the number of calls received from Shoreline residents and described the nature of calls. He said he appreciates the amount of financial support received from the City, and shared that it is still not enough to cover all the services.

Leslie Frosch, Shoreline resident, recommended that 5% and 8% be used as a starting point to increase 2016 and 2017 home values, with a levy rate of 1.4, and subsequently implement yearly increases to see if the funding the City needs is covered. She said she supports Human Services in the community.

Dan Jacoby, Shoreline resident and 10 Year Financial Sustainability Committee Member, talked about Greek mythology's *The Flight of Icarus* and compared it to having a levy lid lift rate that is too high. He recalled that two weeks ago, over 20 people spoke to Council saying they will distribute flyers against a \$1.48 levy lid lift renewal rate. He said he has since put together a petition that now has 107 signatures and that thousands of flyers will be distributed. He suggested a rate of between \$1.22 and \$1.31, and said \$1.31 is on the high side.

6. APPROVAL OF THE AGENDA

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

7. CONSENT CALENDAR

Mayor Roberts asked if any Councilmembers have had any ex-parte communications regarding the quasi-judicial Consent Calendar Item 7c, Adoption of Ord. No. 748. No Councilmembers indicated that they had any ex-parte communications about this item.

**Upon motion by Councilmember McGlashan and seconded by Deputy Mayor Winstead and unanimously carried, 7-0, the following Consent Calendar items were approved:**

- a) Minutes of Regular Meeting of June 13, 2016
- b) Approval of expenses and payroll as of July 8, 2016 in the amount of \$1,413,734.06:

**\*Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
6/5/16-6/18/16	6/24/2016	66827-67015	14390-14415	63837-63844	\$651,840.45
					<u>\$651,840.45</u>

**\*Wire Transfers:**

<b>Expense Register Dated</b>	<b>Wire Transfer Number</b>	<b>Amount Paid</b>
5/26/2016	1109	\$1,848.58
		<u>\$1,848.58</u>

**\*Accounts Payable Claims:**

<b>Expense Register Dated</b>	<b>Check Number (Begin)</b>	<b>Check Number (End)</b>	<b>Amount Paid</b>
6/27/2016	63783	63783	\$1,800.00
6/28/2016	63784	63784	\$504.00
6/29/2016	63785	63798	\$13,650.16
6/29/2016	63799	63816	\$132,730.41
6/29/2016	63817	63836	\$195,947.98
7/1/2016	63812	63812	(\$864.00)
7/6/2016	63845	63850	\$3,400.00
7/6/2016	63851	63856	\$19,036.02
7/6/2016	63857	63880	\$23,966.23
7/6/2016	63881	63885	\$17,046.85
7/7/2016	63886	63898	\$239,489.23
7/7/2016	63899	63911	\$113,338.15
			<u>\$760,045.03</u>

- c) **Adoption of Ord. No. 748 - Amending the Zoning Map at 1540 NE 175th Street From Residential 12-units Per Acre (R-12) to Residential 24-units Per Acre (R-24)**
- d) **Adoption of Ord. No. 749 - Increasing the Appropriations in the 2016 Equipment Replacement Budget**
- e) **Authorize the City Manager to Execute the Expedited Permitting and Reimbursement Agreement with Sound Transit for the Lynnwood Link Project**
- f) **Authorize the City Manager to Enter Into a Contract with Woolpert, Inc. in the Amount of \$156,476 for the Implementation of Cityworks for Parks and Recreation and Ronald Wastewater**

8. **ACTION ITEMS**

- a) **Adoption of Res. No. 389 - Levy Lid Lift Renewal**

Sara Lane, Administrative Services Director, reviewed that the levy lid lift voters passed in 2010 maintained basic services, restored the levy rate to \$1.48, and allowed growth by Consumer Price Index (CPI). She stated the City will return to a 1% property tax level rate if there is no renewal. She explained that the cost of doing business is increasing at a higher rate than property

taxes, certain costs have increased higher than CPI, and the revenue needed to pay for basic city services is not keeping pace. She reviewed the property tax levy forecasting process and explained that Council can set the property tax rate lower than what voters approve, but not higher. She pointed out that the proposed renewal rate has changed from \$1.48 to \$1.39 per \$1,000 assessed home valuation, and showed how the same revenue would be achieved at the \$1.39 renewal rate. She reviewed the citizen proposed levy lid lift renewal rate at \$1.31 and shared that a budget deficit would occur two years earlier at this rate than if it was set at \$1.39. She then reviewed the draft ballot language, summarized the process, and presented the schedule.

**Councilmember McGlashan moved adoption of Resolution No. 389 placing renewal of the property tax levy lid lift on the November 8, 2016 general election ballot to set the City's property tax levy rate to \$1.48 per \$1,000 assessed valuation in 2017, setting the annual maximum increase for property tax levies for 2018 through 2022 at the Seattle Consumer Price Index for all Urban Consumers (CPI-U), and using the 2022 levy as the base for future year levies. The motion was seconded by Deputy Mayor Winstead.**

Councilmember McGlashan commented that the rates are estimates which can be reduced but not increased, and the actual assessed valuations are unknown and to meet city services costs, he supports renewal at \$1.48.

**Councilmember Salomon moved to amend the motion to replace all references to \$1.48 in the Resolution with \$1.39, beginning after the fourth recital; strike the words "which was the 2011 property tax levy rate" from the seventh recital; and replace all references to fifteen cents (\$0.15) in the Resolution with six cents (\$0.06). The motion was seconded by Councilmember McConnell.**

Councilmember Salomon confirmed that the \$1.39 renewal would maintain the base level of taxes that property owners have paid for the past six years. He stated there needs to be a balance between the renewal rate increase and income levels, and said all the revenue should not come from the levy. He said if additional revenue is needed the City should look into other options. He said \$1.39 is a continuation of what has been paid and it is the right move.

Councilmember Scully commented that only the first year of the rate is based on an estimate, and subsequent years can be more accurately determined. He said now that data has been received from the King County Assessor's office, the \$1.39 renewal rate will meet the current level of city services. He cautioned over setting a rate too low and putting the City at risk of having to cut services. He said \$1.39 is more accurate and that he will be supporting this rate.

Deputy Mayor Winstead said she will be supporting the \$1.39 rate based on the recent information received from the King County Assessor's Office and staff research. She recalled that the 2010 Levy Lid Lift passed in a bad economy and speaks volumes as to how citizens value city services.

Mayor Roberts stated he has gained a solid understanding of what goes behind estimates and why a levy lid lift is necessary. He said he will also support the \$1.39 rate. He shared that city services will be preserved throughout the course of the levy, and pointed out there will also be other impacts to the City's Budget that are outside the city's control.

Councilmember McConnell thanked staff for coming back with the new figure. She shared if the levy does not pass, Council will need to look at making drastic cuts to city services, like police and parks maintenance staff. She stated the rate can be reduced if it is too high and that she hopes the City will be able to assist human services. She said she will be supporting the \$1.39 rate.

Councilmember Salomon commented that this is a choice that voters have to make, but if the levy lid lift does not pass, Council would be looking at pretty dramatic cuts to the Senior Center, the Shoreline Historical Museum, police, city staff, parks, and potentially permanently closing the pool.

**The amendment to the main motion passed unanimously.**

Mayor Roberts shared that if the levy passes, Council has the authority to set the rate lower than \$1.39 and seniors, persons with disabilities, and very low income households can apply for a tax reduction/exemption through the King County Assessor's Office.

**The main motion, as amended passed unanimously.**

Mayor Roberts announced that the City is accepting applications for the Pros and Cons Committee and applications are due by 5:00 p.m. on Wednesday, July 27, 2016.

9. STUDY ITEMS

a) Discussion of Right-of-Way Landscape Services

Lance Newkirk, Utilities and Operations Manager, reviewed why the City provides landscape services. He explained that the four areas of service are the Aurora Avenue Corridor, Beautification Areas, various streets, and neighborhood traffic circles. He presented current landscape statuses, cost drivers, service delivery alternatives, and said the cost of service for 2016 is \$215,000, and that \$315,000 is estimated for 2017. He presented the landscape options as: Option 1 – Outsource; Option 2 – Provide Services In-house; or Option 3 – Combination Outsource and Seasonal Labor. He said staff is recommending Option 3.

Councilmember McGlashan asked about the pedestrian bridge being rebuilt across Interstate 5 and if the end points on each side would be different; if the City is responsible for maintaining the area on Linden Avenue behind Fred Meyer; and why Saltwater Park requires mowing services when there is nothing to mow. Mr. Newkirk answered that the contract could be increased or decreased for what is ultimately built across Interstate 5, and that Fred Meyer has provided landscaping services in the past and that he expects them to continue to provide that service. Ms. Tarry explained that there are two separate contracts for Parks and Right-of-Way landscaping. She said a contracted service provider is mowing the grass at Saltwater Park.

Councilmember McGlashan stated the he will be supporting Option 3, as well as filling in the median on Aurora with concrete so it does not require servicing.

Councilmember Scully talked about the benefits of keeping landscaping services in-house. He said he would like to see costs associated with City workers providing the service and the terms of employment for contractors.

Deputy Mayor Winstead commented that she is favoring Option 3, recalled the Levy Lid Lift discussions, and said bringing services in-house requires equipment, and that those and other costs need to be kept in mind. She likes having the City involved more but not enough to make it more expensive. She agreed with Councilmember Scully on wanting to see the numbers.

Councilmember Salomon asked questions on costs comparison of contractors versus in-house services and asked if the contract laborers are paid a prevailing wage. Ms. Tarry confirmed that the in-house estimate is \$315,000 but said it does not include the Aurora Avenue Corridor work. Mr. Newkirk added that the estimate does not include in-house labor and that the laborers are paid a prevailing wage. Councilmember Salomon said his preference is to continue to contract out if it is cheaper, but he is also open to further discussion.

Councilmember McConnell said she does not want to see an increase in costs or staff and that she supports Option 3.

Mayor Roberts said he is leaning towards Option 3 and evaluating in-house and a hybrid approach. He suggested continuing to push for traffic circle maintenance to be done by neighbors and for service levels to be three times a year. Mayor Roberts and Councilmember McGlashan asked about the maintenance of the right-of-way. Mr. Newkirk responded that the responsibility consists of the sidewalk bandwidth and that it is defined in the Shoreline Municipal Code and the Engineering Design Manual.

a) Aurora Corridor Project Update - Budget Savings

Nyasha Sowers, Transportation Services Manager, and Tricia Juhnke, City Engineer, provided the staff report. Ms. Sowers reported that the project was completed on time, under budget, and the total estimated final cost is \$41,116,975. She said only four percent of the funding was from the City's Roads Capital Fund, that there is \$800,000 remaining in unspent funds. She then presented options for the use of the remaining funds. She said staff is recommending contributing \$212,871 (1% of the Budget) to the City's Art Fund and returning the remaining \$587,000 to the Roads Capital Fund with direction that it be used in the development of the 2017-2022 Capital Improvement Plan (CIP). Ms. Juhnke presented the top four recommended projects as: retrofitting streets lights on Aurora from N 145<sup>th</sup> to N 185<sup>th</sup>; replacing cobble stone median treatments in Aurora with stamped concrete; overlaying/resurfacing segment of NE 175<sup>th</sup> St. from I-5 to 15<sup>th</sup> Ave. NE; and adding new sidewalk on N 195<sup>th</sup> St. from the Interurban Trail to Ashworth Ave. N.

Councilmember McGlashan asked questions about the 175<sup>th</sup> Street project and if it will extend to 15<sup>th</sup> Avenue. Ms. Juhnke responded that a grind and overlay could be implemented, that it would not qualify for grant funding, and that it would extend to 15<sup>th</sup> Avenue. Councilmember Hall said he supports staff's recommendation, and stated his preference that discussion on how to spend the savings occurs when Council discusses the CIP. He shared that when considering

cobblestones versus stamp concrete, he wants to find ways to reduce maintenance costs and improve safety on Aurora.

Councilmember McConnell said she thinks median changes are imperative for safety issues. She said she is not excited about spending \$200,000 on the Arts when there are other projects that need to be funded. She acknowledged that art makes people happy and can define a City, and said she will support it if other Councilmembers want it. She added that 175<sup>th</sup> Street should be dealt with as a whole and not in pieces.

Deputy Mayor Winstead congratulated staff for finishing the project ahead of schedule and under budget. She said she is happy to put the funds back in the Arts Fund, and that art is a significant part of what makes Aurora special. She said she would also like to see the other projects as part of the CIP.

Councilmember Scully agreed with Councilmember McConnell on her hesitancy to choose art over infrastructure; but said he would not oppose it. He shared that he wants to see sidewalks included in the CIP, and questioned the cost of the use of cobblestones and the length of time for a return on the investment.

Councilmember Salomon commented that light replacement could be the best cost savings and that he also struggles with the art funding. He said he wants to know what citizens think about art versus sidewalk funding, and said any remaining funds should go into sidewalks.

Mayor Roberts commented that art helps make a community, and he wants to restore the 1% to the Arts.

#### 10. ADJOURNMENT

At 8:43p.m., Mayor Roberts declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk