

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, October 17, 2016
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: Councilmembers Salomon and Scully

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 with the exception of Councilmembers Salomon and Scully.

Deputy Mayor Winstead moved to excuse Councilmembers Salomon and Scully for personal reasons. The motion was seconded by Councilmember McConnell and passed unanimously, 5-0.

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

Deputy Mayor Winstead reported attending the Sound Cities Association (SCA) Public Issues Committee (PIC) Meeting. She said the SCA Legislative Agenda was approved, and appointments to the Nominating Committee were made, including the appointment of Mayor Roberts. She reported learning how King County Public Health clinics are in jeopardy of losing funding, and hearing information on Senator Maria Cantwell's low income tax credit proposal.

Mayor Roberts reported that Shoreline Farmers Market Director Brendan Lemkin and Market Manager Teri Wheeler were guests at the Council Dinner Meeting. They reported seeing a phenomenal growth in sales.

5. PUBLIC COMMENT

Jon Friesch, Shoreline Sports Foundation, presented information on the Foundation and said their mission is building community through athletics. He shared that the Foundation was originally created for basketball, and now includes other sports and provides a safe place for kids to go. He listed community activities they participate in and invited Councilmembers to attend their 2nd Annual Fall Party on October 30, 2016.

Spencer Freedman, Shoreline resident, asked what contributes to the Special Olympics Program recreation costs.

6. APPROVAL OF THE AGENDA

Deputy Mayor Winstead moved to remove Agenda Item 9a Executive Session and adopt the agenda as amended. The motion was seconded by Councilmember McConnell, and passed by unanimous consent, 5-0.

7. CONSENT CALENDAR

Upon motion by Councilmember McGlashan and seconded by Deputy Mayor Winstead and unanimously carried, 5-0, the following Consent Calendar items were approved:

(a) Minutes of Special Meeting of September 19, 2016

8. STUDY ITEMS

(a) Discussion of the Proposed 2017 Budget - Department Presentations

Sara Lane, Administrative Services Director, presented the 2017 Budget and CIP Review Schedule, and announced that the Budget is available for review at Shoreline libraries, on the City's website, and at City Hall. She reviewed the department budget section layout, and explained that cost of living increases, personnel benefits, and budget scrapping are budget impacts applied to all departments. She then reviewed the City's continuous improvement efforts and the 2008-2017 Regular Full Time Employee (FTE) Summary.

Ms. Lane presented the City Council Budget totaling \$240,592, 7 FTEs, and said it represents an increase of 3.7% from 2016. She stated that the State of the City Budget was moved from the City Manager's Budget to the Council's.

Ms. Lane presented the City Manager's Office Budget totaling \$2,938,823, and 13 FTEs. John Norris, Assistant City Manager, reviewed the City Manager's Office structure and operational services. He presented the following budget changes for 2017:

One-time 2017 Budget Changes:

- Continuous Improvement Organizational Development - \$60K
- Public Disclosure Extra Help - \$29K
- Website User Experience Analysis - \$29K

- Government Relations Professional Services (due to anticipated extended State Legislature Session in 2017) - \$10K

Mr. Norris reviewed public disclosure request data and projections, and explained why there is a need for an Extra Help position.

Mayor Roberts stated if an Extra Help Employee is hired on a yearly basis that they should become a regular full-time employee, and asked the criteria for transitioning from an Extra Help to a full time position. Mr. Norris responded that the current plan is to track the amount of requests received for one more year, and then evaluate if there is a need for a full time or limited term position.

Ms. Lane presented the Human Resources Budget totaling \$471,496, 3 FTEs, and stated it represents a 3.74% increase from 2016. Mr. Norris shared that the 2017 Budget for Human Resources is status quo, explained the focus last year was on the Class and Compensation Study, and work this year consist of recruitment, performance management, and the Ronald Wastewater Staffing Plan.

Ms. Lane presented the Community Services Budget totaling \$1,721,754, 8.68 FTEs, and stated it experienced an 8.23% decrease from 2016. Rob Beam, Community Services Manager, explained the services they provide, how human services grant funding is distributed, and pointed out human service expenditures shows an increase until 2022. He presented the following budget changes for 2017:

- Diversity Inclusion Program as a separate division.

Ongoing:

- Human Services Increase- \$53K
- Senior Center funding moved to Parks, Recreation, and Cultural Services

One-Time:

- Diversity Inclusion Program - \$20K

Ms. Lane presented the City Attorney's Office Budget totaling \$716,575, 3 FTEs, and stated it experienced a 9% increase from 2016. Margaret King, City Attorney, stated that the increase to the budget is related to legal services and Prosecuting Attorney costs, and presented the following budget changes for 2017:

Ongoing:

- Legal Support professional services - \$20K

One-Time

- Legal Support for Ronald Wastewater and Light Rail Station associated needs - \$15K

Ms. Lane presented the Police Department Budget, totaling \$13,006,803, 52 FTEs, and explained that polices services are contracted through the King County Sherriff's Office. She stated there is a 14% decrease in their budget from 2016 to 2017. Shawn Ledford, Police Chief, reviewed services provided by the department, police contract costs, the 2017 police non-contract services, and presented the following budget changes for 2017:

Ongoing:

- King County Contract: Increased \$0.336 M (3.0%)

One Time:

- Support for Police Station at City Hall Project: Federal Seizure Funds: \$0.785 M
- State Drug Seizure Funds: \$0.195 M
- Federal Forfeiture Funds: \$0.242
- State Drug Seizure Funds for upgrade to Special Enforcement Team's (SET) video equipment: \$18K

Councilmember McGlashan asked if the budget line item for operation expenses for non-contracted services will go away when the Police Department moves to City Hall. Ms. Lane responded that there will be a cost savings but they would not be eliminated completely.

Chief Ledford then reviewed police efficiencies and innovations, and Ms. Lane presented 2015 Police Services City Cost Comparisons.

Mayor Roberts asked about a police presence on the Interurban Trail and at Echo Lake Park, and if the number of needles found in these locations are tracked. Chief Ledford replied that they purchased two pedal bikes, and placed an emphasis on the north and south ends of the trail, and stated they have received positive feedback. He said they are looking into purchasing another pedal bike, and putting an electrical motorcycle patrol on the trail. He stated information is tracked when police do a problem solving project.

Ms. Lane presented the Criminal Justice Budget totaling \$3,068,384. Alex Herzog, Management Analyst, reviewed the services provided and said they are all contracted. He presented the following budget changes for 2017:

- \$207,000 decrease in Jail cost due to jail day trends and facility usage
- \$100,000 Increase in KC District Court Costs
- Forecast anticipating future savings for:
 - Warrant Release Program
 - Expansion of video court

Mr. Herzog reviewed 2016 jail usage data and explained an increase in cost is expected in 2017. He said the 2017 Budget reflects guaranteed bed usage at South Correctional Entity Regional Jail (SCORE) and continued usage of the Yakima County Jail. He reviewed total allocated court costs and revenues, and explained that costs are exceeding revenue. He pointed out that increased traffic infraction revenue can offset court costs.

Ms. Lane presented the Parks, Recreation and Cultural Services (PRCS) Budget totaling \$6,187,175 and 30.60 FTEs. She stated it has a 6% increase from 2016 and that the majority of the increase can be attributed to the addition of the Senior Center funding. Eric Friedli, PRCS Director, shared that PRCS is divided into Recreation and Maintenance Divisions, and reviewed services they provide. He presented the following budget changes for 2017:

Ongoing :

- National Pollutant Discharge and Elimination System (NPDES) required ongoing maintenance
- Expansion of outdoor summer camp
- Transfer Senior Center funding into PRCS
- Street Tree maintenance Position
- Parks Maintenance Worker 1 (Increase from 0.8 to 1.0 FTE)

One-Time:

- NPDES Required remedial maintenance - \$19K
- Senior Center loss of revenue replacement - \$26K

Mr. Friedli recounted the cost recovery fee process completed last year, and explained that the cost recovery goal for the specialized program is 20-50%. He explained that the fees were reduced and includes direct staff, transportation, and facility costs.

Councilmember Hall asked if surface water rates can fund the NPDES regulatory cost requirements, instead of the General Fund. He requested information on Senior Center funding for the past two years and funding provided to them by the City. Ms. Lane responded that the City is a utility customer and the surface water rates are charges the City has to incur.

Councilmember McGlashan asked how revenue is brought in for maintenance of the athletic fields. Mr. Friedli responded that revenue is collected through cell phone tower leases and athletic field rentals. Mayor Roberts asked about the NPDES rent, how it was devised, and how it compares to operational costs of other departments. Mr. Friedli explained the factors and process considered in evaluating and applying rental costs, and said he will get back to Council with the specific formula.

Ms. Lane presented the Planning & Community Development (PCD) Budget totaling \$3,032,284, 22 FTEs, and stated it represents a 1.2% decrease from 2016. Rachael Markle, PCD Director, reviewed services provided, permit volume history and revenue trends. She said there has been a 13% increase over last year and noted that revenue projections have been met. She presented the following budget changes for 2017:

One-Time:

- Update “Forevergreen” Sustainability Website: \$40,000
- Point Wells Geotechnical Review: \$20,000
- Backfill for final phase of implementation of new permit system: \$22,000

Ms. Lane presented the Administrative Services Budget totaling \$5,869,753, 22.45 FTEs, and stated that there is an 11% increase from 2016, primarily due to the replacement of the City’s Finance and Human Resource Information Technology System. She reviewed services provided and presented the following budget changes for 2017:

- Staff Adjustments

One-Time

- Finance & HR System Replacement: \$1.2M
- Microfilming of Payroll Records: \$16K

- Contract Network Support: \$45K
- AV Equipment Replacement & Installation: \$70K
- Ronald Wastewater assumption support: \$193K (revenue backed)

Ms. Lane reviewed the Strategic Technology Plan 2017 Investments, citywide or non-program expenses and contingencies, and presented the following budget changes for 2017:

One-Time:

- Financial HR System Replacement
- GIS Extra Help
- IT Extra Help
- Contract Network Support
- Audio/Visual Equipment

On-Going:

- Office 365

Deputy Mayor Winstead asked why ASD carries some contingency charges like Sound Cities Association costs, and questioned if they should be charged to the City Council. Ms. Lane responded that it is in the citywide budget.

Ms. Lane presented the Citywide Budget totaling \$2,780,060 and presented the following budget changes for 2017:

One-Time:

- RWD Assumption Support: \$192,900 (Revenue Backed)
- One-Time Increases for Upgrades to Vehicles Scheduled for Replacement in 2017

Mayor Roberts asked if the upgrades to the audio/visual equipment in the Council Chambers can be completed over Christmas break, and why the \$7,000 funding for Shoreline Farmers Market is under contingency funding and not allocated to the City Manager's Office Budget. Ms. Lane responded that she will get back to Council on when the upgrades will be installed in the Chambers. She explained that the Market's request was received late and said a budget transfer will be completed to transfer the funds to the City Manager's Budget.

Ms. Lane reviewed the Budget Workshop Schedule and stated that adoption of the 2017 Budget is scheduled for November 21, 2016.

- (b) Discussion of Res. No. 396 - Delegating Authority to Designate Expenditures for Reimbursement from Bonds that may be Authorized and Approved in the Future

Ms. Lane introduced Stacey Lewis, Pacific Law Group Bond Counsel and Fred Eoff PFM Group Director. Ms. Lane reviewed that Resolution No. 396 allows the City Manager, or her designee, to identify expenses that could be reimbursed from future bond issues by executing a "Certificate

of Official Intent”. She reviewed when it would be used, why it is important, and provided the North Maintenance Facility as an example of when a Certificate would be used.

- (c) Discussion of Ord. No. 763 - Amending Surface Water Utility Bond Ord. No. 721 to Revise the Exhibit to Conform to the City Council's Intent to Issue the Bonds in 2016

Ms. Lane explained that Ordinance No. 763 updates Ordinance 721 Attachment A Exhibit A, adopted by the Council on August 7, 2015, to specify an issuance date of not later than December 31, 2016. She said the debt will be issued later this quarter.

Councilmember McGlashan asked what the Bond was issued for. Ms. Lane replied that the majority of the funding was for sewer pipe repair and replacement, and it can fund any Capital Improvement Program project.

- (d) Discussion of Ord. No. 764 - Authorizing the Refunding of Unlimited Tax and General Obligations Bonds (Parks) and Limited Tax General Obligation Bonds (City Hall)

Ms. Lane stated that Ordinance No. 764 explains that there is an opportunity to refinance or refund city debt at a lower interest rate. She said she anticipates a savings of \$510,000 for the 2006 Unlimited Tax General Obligations (UTGO) Park Bonds, and a savings of \$1.8 Million for the 2009 Limited Tax General Obligation (LTGO) City Hall Bonds. She reviewed refunding strategies, method of sale alternatives, and issue parameters. She said staff is recommending an Accelerated Retirement to provide greater impact to taxpayers and a request for proposals for private placement of the UTGO Bonds; and Cross Over Advance Refunding for the LTGO Bonds and a competitive public sale.

Ms. Lewis reviewed the eighteen components of the Delegating Ordinance and explained what the terms mean.

Councilmember Hall recalled that bond refunding was brought up four years ago and it was determined that it was not a good idea at that time. He asked what has changed. Mr. Eoff responded that the interest rate environment has improved and that the bond redemption dates are closer.

Councilmember Hall confirmed that savings from UTGO refunding will be passed on directly to taxpayers and savings from LTGO refunding can be used for general governmental purposes. Mr. Eoff concurred and explained that savings from the LTGO can be applied to the City’s general budget and used where the City sees fit. Mayor Roberts noted that the savings will not be realized until 2020.

Councilmember Hall recommended factoring in other issues voters may be considering when determining timing strategies, and requested that Council be provided a rationale for whatever approach is taken. Mayor Roberts asked when funding strategy decisions need to be made and about the deadline date for Request for Proposals (RFP). Ms. Lane and Mr. Eoff responded that

the decision needs to be made prior to finalizing the RFP. Ms. Lane added that they want to get the RFP in the market in November 2016.

Ms. Tarry stated she is recommending the Accelerated Retirement strategy, explained that the majority of the debt service will be paid, and that timing possibly could coincide with asking the public if they want to support the issuance of a bond to fund a new Community Center or Pool. Councilmember Hall commented that voters need to be informed of what they are currently paying, and the difference of what they would pay if a new bond is issued. Ms. Tarry replied that she anticipates a new bond issuance taking place in 2020.

Mayor Roberts questioned if the item should come back on the Consent Calendar and if additional Council discussion is needed. Councilmember Hall responded that placing the Ordinance on Consent is fine, and Councilmember McConnell added that she is comfortable delegating authority to the City Manager. Ms. Tarry stated she will reiterate, in writing, her recommendation and provide an explanation for that course of action to the Council. She asked for Councilmembers to respond to her by October 31, 2016, and said if there are no concerns expressed, the item will be placed on the November 7, 2016 Consent Calendar.

9. ADJOURNMENT

At 9:06 p.m., Mayor Roberts declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk