

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, October 22, 2018
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: Mayor Hall

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Deputy Mayor Salomon led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Mayor Hall.

Councilmember McConnell moved to excuse Mayor Hall for personal business. The motion was seconded by Councilmember McGlashan 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.

4. COUNCIL REPORTS

There were no council reports.

5. PUBLIC COMMENT

There was no public comment.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

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

- (a) Approving Minutes of Regular Meeting of September 17, 2018**
- (b) Approving Expenses and Payroll as of October 5, 2018 in the Amount of \$2,810,243.06**

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
9/9/18-9/22/18	9/28/2018	80649-80889	15906-15931	71832-71839	\$850,377.98
					\$850,377.98

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
9/25/2018	1138	\$5,620.67
		\$5,620.67

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/26/2018	71687	71688	\$95.00
9/26/2018	71689	71698	\$48,710.87
9/26/2018	71699	71724	\$1,199,448.94
9/26/2018	71725	71759	\$467,477.82
9/27/2018	71760	71768	\$2,102.04
10/2/2018	71769	71769	\$729.85
10/4/2018	71770	71792	\$160,154.64
10/4/2018	71793	71803	\$55,173.95
10/4/2018	71804	71820	\$18,666.99
10/4/2018	71821	71831	\$1,684.31
			\$1,954,244.41

- (c) Authorizing the City Manager to Increase the Janitorial Services Contract with Varsity Facilities Services in the Amount of \$16,989 in 2018 and \$119,130 in 2019 to Clean the Spartan Recreation Center and 14 Park Restrooms**

8. STUDY ITEMS

- (a) Discussing the Proposed 2019-2020 Biennium Budget – Department Presentations

Sara Lane, Administrative Services Director, introduced the Staff Report and said Department Directors would each speak to their individual budgets. She shared the evening’s goal of

covering all Departments with the exception of Public Works. She summarized the format for review and said that all sections of the Budget Book were organized similarly, comprised of Summary Information; Accomplishments and Objectives of Council Goals; Budget by Program, Type, and Fund; Budget Changes; and Performance Measures. She explained the approach to the departmental budget review, which began with incorporating all COLA/Personnel increases, then moved to a scrubbing process that included review of adjustments and actual spending. Ms. Lane reminded Council of the City's commitment to innovation and sustainability and shared ways in which Staff have applied continuous improvement in all departments, with investment in the process at all levels.

Councilmember Scully asked for clarification on how the budget data is being presented in the slides. Ms. Lane explained that Staff combined the 2017 and 2018 budget numbers together to use as a comparison for a biennium budget and called it '2017-2018 as Biennium Budget', and the section titled '2017-2018 Projected' included the actual expenses for 2017 and projected expenses for 2018. Councilmember Scully said the format was confusing. Councilmember Roberts agreed that it was misleading to see a graph that included both one and two-year increments, and said he missed having the data on the 2017 actuals. Ms. Lane said she would explore more helpful formats and update the Council.

Department Budget Presentations:

- City Council: Ms. Lane reported that there were no significant budget adjustments in expenses and no change in staffing.
- City Manager's Office: John Norris, Assistant City Manager, provided a synopsis of the seven programs within the City Manager's Office and said the budget remains at the status quo for the most part. He noted exceptions that include costs associated with the Continuous Improvement Roadmap, and Translation Services. Mr. Norris explained the consolidation of the Code Enforcement and Customer Response Teams created a shift of funds, but no increases.

Councilmember Chang asked for details on the proposed answering service and online research expenses and Mr. Norris said the move to an answering service supports the City's 24-hour response capabilities while maximizing efficiency of staff resources. He explained that the online search tool would facilitate City research and provide an enhanced level of service.

Councilmember Roberts asked why funding for Salmon Safe Certification is being removed, and Ms. Tarry explained that the cost was for a step of the process that has been completed. Councilmember Roberts asked if it was time to reassess the value of surprisedbyshoreline.com, since its website traffic has remained flat. Nate Daum, Economic Development Program Manager, replied that the City is reviewing the impact of the site and will report findings to Council.

- Human Resources: Ms. Lane reported that there were no significant budget adjustments in expenses and no changes in staffing.

Councilmember McConnell commended the City's work to earn the two percent discount in employee health care, and Ms. Lane explained the City's Wellness Committee does a lot of work to help qualify for this savings.

- **Community Services:** Rob Beem, Community Services Manager, described the four functions of community services, with contracted services within Human Services accounting for most of the budget. He informed Council that in addition to the move of the Customer Response Team to the CMO, budget requests include one-time costs for updating the Comprehensive Emergency Management Plan and additional pilot programs. He reminded Council of the intent to increase Human Services funding to one percent of General Fund revenues by 2022 and reported that they are on track to meet this goal. He elaborated that the general trend in Human Services grants is upwards and shared information on the City's grant funding.

Councilmember Roberts asked for clarification on how one-time allocations are programmed in a biennium budget. Ms. Lane explained that they are an anticipated expense that happen once in the biennium, not yearly, with flexibility for the expenditure to occur at any time within the biennium.

- **City Attorney:** Ms. Lane reported that there were no significant budget adjustments in expenses and no change in staffing. Ms. King said she was available to answer any questions.

Councilmember Scully asked about, what he understood to be, a one-time budget increase for specialized outside counsel in 2016-2017 that seems to have carried over, establishing a new baseline. Ms. King said she would follow up with an explanation.

- **Police:** Ms. Lane shared the expenditure comparison and staffing trend, which includes a planned addition of a patrol officer in 2020. Chief Shawn Ledford reported that the bulk of the 53 FTEs were in patrol and reminded Council the City has additional law enforcement resources in partnership with the Sheriff's Office. He said significant changes include the addition of a K-9 unit and electric motorcycles, and the relocation to the new Police Department. He shared that annual revenue increases of approximately 4% were anticipated for the Police Services contract. He said that the dispatched call workload has increased 49% since 2013 and that officers participated in 14,758 self-initiated activities outside of this workload this year. He said their response times have increased, and he reflected that policing has changed in the past few years, with more calls centered on quality of life/social services issues with no decrease in expectation for the department to handle traditional police enforcement issues. He displayed a 2017 City Cost Comparison but clarified that the numbers were not an apples-to-apples comparison.

Councilmember McGlashan asked why the City should wait until 2020 to add an officer, since we are implementing a biennium budget. Ms. Lane explained there was only one year of funding available in this budget period.

Councilmember Roberts asked if there was a more effective way to measure how many officers the City needs, since the Sworn/1,000 model does not take all the variables of City makeup into account. Chief Ledford said they base the assessment on workload and measured increase in response time, which are clear indicators of additional needs. Councilmember Roberts asked if a comparison of workload and response times in other jurisdictions would be a way to get good information, but Chief Ledford replied that the number of variables in each area would require an in depth analysis to get an accurate comparison.

Councilmember Scully commented that while citizen feedback indicates the City is providing quality service, the FTE numbers do seem low. He encouraged Chief Ledford to not feel constrained by the biennial budget, and to let Council know if he felt they needed to discuss adding support.

- **Criminal Justice:** Christina Arcidy, CMO Management Analyst, reported that this division consists solely of contracted services for Jail, Public Defender, and Municipal Court. She said the projections and future forecasts are based on activity trends, with Jail Services accounting for the bulk of expenditures.
- **Parks, Recreation, and Cultural Services:** Ms. Lane shared the expenditure comparison and staffing trend, which includes minor increases in both budget and staffing. Eric Friedli, Director of Parks, Recreation and Cultural Services (PRCS), detailed the one-time programmatic budget changes in his department. One of the major additions to the budget is in landscaping, including contract service increases and the impending transition of bringing this service in-house. Ongoing changes include the conversion of extra-help to benefitted positions, revenue-backed authority to add programs, and the creation of the Unified Landscaping Division. He reported that revenue has predictable and moderate increases primarily due to consumer price index adjustments.

Councilmember Scully asked what the hourly costs were for the budgeted deep cleaning of permeable pavement, and Mr. Friedli said he would research and add the information to the budget matrix.

Councilmember McGlashan asked which department the landscaping employees would be in. Ms. Lane explained they would be in Public Works, but the landscaping costs associated with supporting parks were reflected in the PRCS budget.

Councilmember Scully thanked the Staff for the decision to bring landscaping in-house, and said it is well worth the extra cost to get quality service and assure employees are paid a fair wage. Additionally, he emphasized the importance of keeping our recreation services financially accessible for all residents.

- **Planning and Community Development:** Ms. Lane displayed the expenditure comparison and staffing trend. Rachael Markle, Planning and Community Development Director, explained the department consists of the following teams: Building and Inspection, City Planning, Permit Services, and Administrative Services. She remarked that the budget changes include shifting the Code Enforcement Team to the City Manager's Office, one-

time funding needs focused on evaluating participation in the Landscape, Conservation and Local Infrastructure Program, researching Additional Housing Choices and a creation of Townhome Design Standards. The only ongoing request is for the addition of a part-time extra-help employee to help with increased permitting needs. She shared the permit revenue history and forecasted income and stated 2018 is the highest anticipated revenue year. She reported that permit volume numbers and construction valuations continue to increase.

Councilmember Roberts asked if the need for extra permitting help would be temporary, or permanent. Ms. Markle explained that development has peaked at the same time wastewater permitting was added to the workload. She said she predicts the processing speed will increase as the department becomes familiar with the new permitting system and that development will decrease in the next two years. She added that the City will be adding online permitting, so at this point she does not anticipate a permanent need for support. Councilmember Roberts said that quick processing is important and asked for a comparison of our response rate to that of neighboring jurisdictions and asked that Council be informed if the anticipated duration of need for extra-help changes.

Councilmember McConnell complimented the Planning Department on their careful projections and the increased satisfaction rates from the community. She expressed her opinion that Council wanted to support needed adjustments to maintain the quality of service if needed.

- Administrative Services: Ms. Lane displayed the expenditure comparison and staffing trend, which showed no significant changes. She listed the support services that fall under the domain of the Department and shared the budget changes. One-time requests include support of the Strategic Technology Plan, aerial photography, and extra-help for maintenance catch up work. She shared that FTE staffing will decline as limited term projects phase out in 2020. She updated Council on the ongoing improvements being made in technology assessment, upgrades, and implementation. She detailed the ‘Citywide’ designation of non-program support services, which she said includes expenses and contingencies for categories that involve all departments.

Councilmember Scully asked if the extra-help from 2015 was still in place and Ms. Lane said no.

Ms. Lane reviewed the schedule for the remaining Budget Workshop sessions.

(b) Discussing Ordinance No. 843 – Extending the Expiration Period For the Transportation Impact Fee Exemption For Certain Business Categories

Tricia Juhnke, City Engineer; and Nate Daum, Economic Development Manager, presented the Staff Report. Ms. Juhnke shared the history of the Transportation Impact Fees (TIF) and associated business exemptions. She displayed the list of businesses with exemptions and indicated no changes had been made since the May Council presentation. She reported on the exemptions granted since the TIF was instituted. She reminded Council that Ordinance No. 843 would have a five-year duration, maintain the same list of businesses, and include a Council check-in prior to the sunset date.

Councilmember Chang expressed discomfort with the extent of the list and the associated missed revenue. She said she felt the list included companies that could afford to pay the TIF.

Councilmember Roberts stated that he supported the Ordinance and reflected that Council had decided to base exemptions on land-use codes, which he felt to be an equitable approach.

Councilmember McGlashan stated that he supports the Ordinance as written and appreciates the five-year time period. He agreed with Councilmember Chang's concern about the disparity of business sizes within the designations, but said he understood the rationale behind it. He asked if there would be any updates to Council before the mandatory reporting 6-months prior to sunset. Ms. Juhnke replied that there is an annual report on Transportation Impact Fees that could provide information.

Councilmember McConnell confirmed that the extension would continue through 2023 and, referencing the Staff Report, asked if all jurisdictions have similar exemptions. Ms. Tarry explained that the indicated report provided comparison information on the percentages of TIF assessed by other jurisdictions and did not directly relate to business exemptions.

Councilmember McConnell said she recognized the ongoing net loss and that she would like Council to be aware of the financial impact of the continuing extensions. Ms. King added that the proposal consists of two options, either renewing the extension for 5 years, and then having another sunset, or keeping it in perpetuity. She said Council has the option of taking alternative action sooner if they wish to.

Councilmember Scully reminded Council that qualifying for the Transportation Impact Fee does not exempt businesses from paying tax, rather it is an additional fee for new residences in the City. He said the goal of instituting the exemption was to encourage economic growth. He concluded that while he is willing to revisit this discussion, he does not see the need.

Councilmember Chang thanked him for his perspective and, in light of anticipated upcoming development, said she felt the revenue loss was worth noting.

Deputy Mayor Salomon added that his original concern was that Traffic Impact Fees would mostly discourage the smaller businesses the City would like to foster but would have little effect on chain stores. For that reason, Council chose to level the playing field and applied the exemptions to all businesses, since it was difficult to legally create policy that only advantaged some businesses in similar categories.

Councilmember McGlashan said he feels economic development is important and new businesses should not have roadblocks, which is why he has been a supporter of the exemption.

Councilmember Chang agreed that supporting growth is important and asked what the cost of starting a business in Shoreline was in comparison to neighboring cities. She wondered if there would be a disadvantage to revisiting the metric for determining which businesses qualify for the exemption. Mr. Daum said he would investigate the possibility and share his findings. Deputy

Mayor Salomon said if there are new ideas on how to classify businesses, he would be interested in hearing the alternatives.

Ms. Tarry said her understanding of the conversation was that the majority of Council are fine bringing the Ordinance back for adoption as an action item. She stated that if more information was needed, a temporary extension would have to be granted to allow time for research.

Deputy Mayor Salomon asked if the Ordinance could return for review sooner than in five years and Ms. Tarry and Mr. Daum suggested 2020 would be an appropriate time.

Councilmember McConnell said she would be fine with the Ordinance returning on consent. Councilmember Roberts said it was his understanding that some form of action needed to be taken before the Ordinance expires at the end of the year, and therefore he was comfortable with taking action with the Ordinance as-is and revisiting it in 2020 and hearing options for policy revisions at that time.

9. ADJOURNMENT

At 8:45 p.m., Deputy Mayor Salomon declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk