

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, November 18, 2019
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Hall, Deputy Mayor McConnell (via telephone), Councilmembers McGlashan, Scully, Chang, Robertson, and Roberts

ABSENT: None.

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Mayor Hall led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmember Roberts. Deputy Mayor McConnell joined telephonically.

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

Councilmember Chang reported that she met with King County Metro to talk about its mobility framework, which focuses on how to include technology in Metro's work. She said the discussions included a Metro Equity Cabinet that is dedicated to centering equity in all decisions. Metro is focusing on its priority populations, and that the allocation of transit dollars is calculated by using census data. She emphasized the importance of census reporting for Shoreline's transit funding. It was stated that if State Initiative 976 passes the funding loss and associated cuts to services will be at the center of Metro's decision-making. Additionally, she said the recent Puget Sound Regional Council Transit Oriented Development Committee meeting included a short briefing on the research into creating a regional public entity to align affordable housing strategies.

Mayor Hall said that many Councilmembers attended the Veterans Appreciation Day Celebration jointly coordinated with the Shoreline Veterans Association and the American Legion Starr Sutherland Jr. Post 227. Additionally, he said he attended the Seattle Film Summit to foster partnerships to promote filmmaking in Shoreline.

5. PUBLIC COMMENT

Melissa Irons, Shoreline resident, reminded Council of Irons' Brothers Construction's process compliance in relation to their rezone application. She said she would like Council to find a solution for small businesses to continue to operate in their home-based locations, even as they grow. She asked the Council to support proposed Comprehensive Plan Amendments Nos. 1 and 3.

Bruce Amundson, Shoreline resident, addressed the issue of financing for public arts. Dr. Amundson said proposed Ordinance No. 874 could stabilize the public art program in Shoreline and described the improvements that would be seen should the changes be implemented.

Joseph Irons, Shoreline resident, asked for the Council's support for Comprehensive Plan Amendments Nos. 1 and 3, which would allow his company to continue operations at its current location. He said if the Amendments are not acceptable to Council, he would like to work with staff to find a solution that would allow his business to continue serving Shoreline. He referenced the community support behind the application.

Tom McCormick, Shoreline resident, thanked Pam Cross for her community involvement and summaries of Council meetings in the Shoreline Area News. He said he opposes charging fees for the submission of non-site specific Comprehensive Plan Amendments and referenced an email he sent to Council specifying his reasons.

Tom Mailhot, Shoreline resident, stated that he does not understand the intent behind charging fees for submitting a non-site-specific Comprehensive Plan Amendment and elaborated on the reasons why the addition of the fee would be a detriment.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

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

- (a) Approving Minutes of Regular Meeting of October 21, 2019
Approving Minutes of Workshop Dinner Meeting of October 28, 2019
- (b) Adopting Ordinance No. 870 - Amending Chapter 3.22, Business & Occupation Tax, and Chapter 3.23, Tax Administrative Code, to Conform with Association of Washington Cities' Model Ordinance for Business & Occupation Tax
- (c) Authorizing the City Manager to Execute a Local Agency Agreement with the Washington State Department of Transportation for the Richmond Beach Road Mid-Block Crossing and Citywide Rectangular Flashing Beacons & Radar Speed Signs Project

- (d) Authorizing the City Manager to Execute a Local Agency Agreement with the Washington State Department of Transportation for the Meridian Avenue N Safety Improvements Project
- (e) Authorizing the City Manager to Obligate \$225,000 in King County Flood Control District Flood Reduction Grant Funding for the Storm Creek Erosion Management Project
- (f) Authorizing the City Manager to Execute an Amendment to the Contract with Jacobs Engineering Group for the Design and Right of Way Services for the SR-523 (N/NE 145th Street) – Aurora Avenue to Interstate-5 Project in an Amount Not to Exceed \$1,876,114

8. ACTION ITEMS

- (a) Adopting Ordinance No. 873 – 2020 Regular and Excess Property Tax Levies

Sara Lane, Administrative Services Director; and Rick Kirkwood, Budget Supervisor; delivered the staff presentation. Ms. Lane stated that this Ordinance reflects the latest information from King County on both new construction and the 2020 regular levy increase. She said the ordinance includes the adoption of the excess levy, which supports the 2006 Parks Bond. She shared a graphic depicting the property tax levy allocation and drew attention to the portion of the revenue that is the City's share.

Councilmember McGlashan moved to adopt Ordinance No. 873 establishing the City's 2020 regular and bond (excess) property tax levies. The motion was seconded by Councilmember Robertson.

Councilmember McGlashan said it is great news that residents will pay a little less in taxes this year. He recognized that the 2006 Parks Bond will retire in 2021 and urged Council to support this Ordinance.

The motion passed unanimously, 6-0.

- (b) Adopting Ordinance No. 872 - Amending the 2019-2020 Biennial Budget by Increasing Appropriations in Certain Funds

Sara Lane, Administrative Services Director; and Rick Kirkwood, Budget Supervisor; delivered the staff presentation. Ms. Lane reviewed the process to date and said the budget includes changes to the City's Salary Table and Fee Schedules. She displayed data on the impact of the proposed amendments on revenues and expenditures and showed the projected impact on the amended ending fund balance. She pointed out the decrease in funds to the Roads Capital Fund that stems from the passage of State Initiative 976 (I-976). Ms. Lane displayed the actual financial impact by fund of the proposed amendments on the 2019-2020 Biennial Budget.

Ms. Lane shared information on the impact of I-976 on Shoreline's Sidewalk Rehabilitation Program and on the annual Road Surface Maintenance Program. She revealed the recommended short term action for both programs and the planned evaluations for long term adjustments.

Ms. Lane listed the two potential amendments proposed by Councilmember Roberts and said she has slides prepared to discuss options to reduce proposed amendments/budgeted items for future I-976 response, if Council wished to do so.

She said that while adoption of Ordinance No. 872 is scheduled for tonight, depending on the result of the discussion, Council could either incorporate amendments and adopt the Ordinance tonight or direct staff to return an updated Ordinance for further discussion and potential adoption at the next Council meeting.

Councilmember Scully moved to adopt Ordinance No. 872 amending the 2019-2020 Biennial Budget, adopting the 2020 Fee Schedule, and 2020 Range Placement Tables. The motion was seconded by Councilmember Chang.

Councilmember Robertson moved to increase general fund appropriations and the use of fund balance by \$7,700 dollars to provide resources for a citywide mailer related to the 2020 Census. The motion was seconded by Councilmember McGlashan.

Councilmember Robertson said the 2020 Census is important, and while there is already scheduled outreach, the benefits of an accurate count need to be clearly communicated to residents.

Councilmember Chang said she supports the amendment because the census numbers affect how resources are distributed.

Councilmember Scully said he does not believe another piece of mail about the census is necessary and described the comprehensive information about the census he has seen to date.

Councilmember McGlashan said he is leaning toward opposing this amendment. He agreed that it is important to get an accurate count for the census, but said another mailing is unlikely to make a difference.

Deputy Mayor McConnell said she will support the amendment, as it is a worthwhile addition to the effort.

At 7:46 p.m. Councilmember Roberts arrived.

Mayor Hall said he agrees with the intent to count as many residents as possible in the census, especially as the numbers drive state and federal funding. He asked if a mailer would be the best use of additional resources, or if there are recommendations for alternatives. Ms. Lane said no other suggestions had been offered. He expressed the opinion that a mailer would duplicate efforts already being done through traditional forms of outreach. He said due to the passage of I-976 he is likely to be conservative with expenditures.

Councilmember Roberts said the mailer could highlight, in several languages, the availability of computers and assistance for completing the census at City Hall. He said even if it only garners five additional responses it is a net gain for the City, revenue-wise.

The amendment passed 5-2, with Councilmembers McGlashan and Scully voting no.

Councilmember Roberts moved to Strike the Non-site Specific Comprehensive Plan or Development Regulation Amendment fee (3.01.010(G)(22) from Attachment A, Exhibit A. The motion was seconded by Councilmember Chang.

Mayor Hall, Deputy Mayor McConnell and Councilmembers Chang, Robertson, and Scully said they would be supporting the amendment.

Councilmember Roberts stated that public outreach and accessibility to submitting Comprehensive Plan Amendments is more important than the small amount of revenue the City might receive through fees.

Councilmember Chang said that when she thinks about the Comprehensive Plan amendments that have been submitted to the City, most of them are a result of hard work by community members, and she does not want to stifle citizen participation.

Councilmember McGlashan asked how the fee rate was established. Ms. Lane said that PCD estimated the general cost of staff time associated with processing these amendments to achieve cost recovery.

Councilmember McGlashan moved to amend the motion to strike the proposed fee for Non-site specific Comprehensive Plan or Development Regulation Amendment fee to instead strike the \$6,000 fee and insert a \$3,000 fee. The motion died for lack of a second.

Councilmember Robertson said she recognizes that establishing a nominal fee creates personal involvement for applicants, and she would be open to revisiting the topic in the future.

Deputy Mayor McConnell said she agrees with Mr. Mailhot's rationale for not charging fees and will be supporting the amendment.

Mayor Hall said he thinks there is an opportunity to address modest application fees in the future. He said historically the City has not received frivolous submissions that would be a burden on staff. He added that the decision to adopt Comprehensive Plan Amendments should be based on the overall legislative benefit for the whole community, not the single applicant. He said once the application was approved for the Docket by the Council, he would not want the applicant to bear any further costs of processing an amendment that would be in support of the needs of the entire community.

The motion to Strike the Non-site Specific Comprehensive Plan or Development Regulation Amendment fee (3.01.010(G)(22) from Attachment A, Exhibit A passed unanimously, 7-0.

It was added that while the City Manager is not proposing budget reductions at this juncture in time, she provided a memo of her recommendations for potential delays to proposed budget amendments and identification of other possible savings for Council consideration. It was clarified that Ms. Tarry has indicated that the City can get through the year 2020 with the original modifications listed in the Ordinance. Ms. Tarry said there are some items on the list that, even if it passes, she will hold off on even if she is given the appropriation authority.

Ms. Lane reminded the Council that even if the snow removal equipment is approved and ordered, there is no guarantee it will be available immediately.

Councilmember Scully said he appreciates the efforts to find short term solutions to supplant a funding gap, as exhibited in the holds the City Manager has suggested, but it is his opinion that the City has been making good progress on roads maintenance and repair, and he does not want that to backslide. He said he is unlikely to support financing the snow response package without being presented with a counterproposal for alternative solutions for snow removal. He said it is his preference for the maintenance facility planning to be delayed. In general, he said he supports some, but not all, of the recommended holds.

Mayor Hall recalled the 2008 recession and the work of the Financial Sustainability Citizen Advisory Committee to look at structural gaps in funding. He said it is difficult to find a lot of money in the City budget. He explained that it is important to take care of existing assets but that he is hesitant to add new expenditures when there is a \$10 Million deficit over the next six years. He said his inclination is to hold off on investments until additional conversations have been had, bearing in mind that these increases could be approved at a later date.

Councilmember Roberts said he agrees with the points Mayor Hall and Councilmember Scully made. He added that since I-976 is being challenged in court, he would like to know the repercussions if the existing law is reinstated and Council has already zeroed out the budget. Ms. Lane said that since the revenues are not adopted in this Ordinance, but an Ordinance does exist to impose those fees, the action would not be rescinded. It was confirmed that there is no estimate of the timeline for the legal action against I-976.

Councilmember Chang said there are tough decisions ahead, she would like to see these items put on hold until there is a better idea of whether or not I-976 will be overturned. She said with the state of the pool and costs of boiler repair, there will likely be painful conversations next year. Ms. Tarry gave an update on the state of the boiler.

Deputy Mayor McConnell said she supports the City Manager's recommendation.

Councilmember Roberts said that the City Manager has historically made good decisions in taking fiscally appropriate action and he trusts her judgement. Councilmember McGlashan agreed with this perspective. Councilmember McGlashan added that the staff did an admirable job managing the street plowing during last February's snowstorm with the existing resources.

Deputy Mayor McConnell said she trusts the City Manager to spend money wisely. She said she looks forward to a robust discussion on the ramifications of I-976 at the upcoming Council Strategic Planning Workshop, since drastic budget cuts will need to be made.

Mayor Hall said he is inclined to put some of the expenses on hold. He said that he agrees completely that Ms. Tarry is an excellent financial steward of the City, but that he sees budget adoption as one of the fundamental duties of the Council. He says when the Council approves a budget, his expectation is that the City Manager and Staff will implement the budget. He added that there will be extensive discussions on how to handle the deficit in funding.

Mayor Hall summarized the perspectives expressed in the evening's conversation and said that if the Council delays decision-making until next week, he wants to limit the amendments that staff is asked to prepare. It was agreed that staff would prepare one amendment that would place a hold on items as suggested in the City Manager's memo, and the Council could amend the list as desired.

Councilmember Scully moved to postpone consideration of Ordinance No. 872 amending the 2019-2020 Biennial Budget by increasing appropriations in certain funds until November 25, 2019. The motion was seconded by Councilmember McGlashan.

The motion passed unanimously, 7-0.

Deputy Mayor McConnell left the meeting at 8:40 p.m.

9. STUDY ITEMS

- (a) Discussing Ordinance No. 874 - Amending Shoreline Municipal Code Section 3.35.150 – Establishing the Municipal Arts Fund and Providing for Funding from 1% of Capital Improvement Plan Funding for Certain Capital Improvement Plan Projects

Eric Friedli, Parks, Recreation, and Cultural Services Director; delivered the staff presentation. He gave background on the Municipal Art Fund and described its purpose. Mr. Friedli shared financial data on the recent history and projections for the funding for the program from the Capital Improvement Plan (CIP). He described the current funding system for the Municipal Arts Fund as fluctuating and uncertain.

Mr. Friedli stated that the City worked with the University of Washington School of Public Policy to conduct a study of how other jurisdictions fund their public art programs. He said the key finding is that the vast majority of comparable jurisdictions use some variation of the percent of the CIP to fund public art programs. He said after review of the study and conversation with the Parks, Recreation, and Cultural Services Board, staff is recommending continuing with the City's historic practice of allocating one percent of construction costs of Capital Improvement projects to support public art.

Mr. Friedli said Ordinance No. 874 would make some changes to the types of projects that are included in the qualifying projects and the way the contribution tied to constructions costs is

calculated. He reviewed the key proposed changes and described how they would positively impact the fund. Mr. Friedli listed the projects included for the remaining years of the current CIP for 2020-2022, and then reviewed the projects that would be included as contributors to the Public Arts Fund if the Ordinance is adopted, noting the allocation would increase from \$91,300 to \$302,500. He described the follow up steps the staff would take if the Ordinance is adopted. Mr. Friedli concluded by sharing that the Parks Board recommended a 50 cent per capita City contribution to the Art Fund, and that the Public Art Coordinator position be moved from part-time to full-time. He said the Ordinance is scheduled to return as an Action Item on December 2, 2019.

Councilmember Robertson said she supports the expansion of the definition of which projects contribute to the Fund. She shared that in her experience on the Parks Board Public Art Committee, the Public Art Fund bottomed out year after year and there was a lack of understanding which CIP projects contribute to the 1% fund. She asked for an explanation on how the revenue is generated, and Mr. Friedli said it is an additional cost included as part of the construction budget of a project. Councilmember Robertson said that she would like to see a shift so that the money allocated for Public Art is all dedicated to acquisitions instead of a portion going towards the salary for the Public Arts Coordinator, as it does now. She pointed out that the proposed changes would increase funding significantly, but some of the projects that would have been contributors may not happen because due to the passage of I-976.

Councilmember Chang said that as much as she would like the City to support Public Art, she has a hard time adopting increases when taking into consideration the upcoming difficult budget cuts. She said that although she has not had luck so far in cultivating philanthropy and private partnerships for the arts, they are options that should continue to be explored.

Councilmember Scully said he thinks this is a terrible way to fund an arts program. He said his understanding of the dedicated 1% is to put art in a new facility that generated the funding, and that it is not to be used for staff salaries. He observed that it is difficult to run a program with such volatile numbers, and he would like to see a revamp of the program in the next budget cycle with an expanded budget in the Parks Department budget that includes an Arts Coordinator and ongoing programs. He would like the 1% dedicated to acquiring art for the facilities that generate the income. Councilmember Scully added that the qualifying project distinctions seem arbitrary, and for that reason he favors expanding the definitions of eligibility, but with the caveat that he would hate to have to delay or cancel Capital projects because the cost is increased.

Councilmember Roberts said he agrees with Councilmember Robertson's comments on the value of public art to the community and that as a Council they have made a commitment to make investments into the public arts program. However, he recommends not moving forward with the Ordinance and said any big changes to funds and funding should be done as part of a larger Capital Improvement Plan discussion.

Councilmember McGlashan said he visits the parks frequently and he loves the art in Shoreline. He agrees that the changes should be part of the budget cycle and that he likes the idea of having a line item for art in the Parks Department budget. He said he supports the Ordinance but thinks the majority of the art acquired should be installed in the facilities that funded the purchase.

However, he added that they should hold off on discussing how to sustain arts funding until larger budget conversations occur.

Mayor Hall asked where the money would come from for the 50 cent per capita funding increase. Mr. Friedli said it would come from an existing source of revenue as determined by Council. Mayor Hall reminded Council that it was Council that directed a portion of the 1% pay for the staffing of the program. He said he recommends postponing this decision until after the Council goal-setting workshop so it can be balanced against other priorities.

10. ADJOURNMENT

At 9:14 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk