

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, April 20, 2020
7:00 p.m.

Held Remotely Via Zoom

PRESENT: Mayor Hall, Deputy Mayor Scully, Councilmembers McConnell, McGlashan, 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. ROLL CALL

Upon roll call by the City Clerk, all Councilmembers were present via Zoom videoconference.

(a) Earth Day Proclamation

Mayor Hall announced April 22, 2020 as Earth Day in Shoreline and encouraged everyone to be good stewards of the environment. He shared the unfortunate news that due to COVID-19, Shoreline's celebration of the 50th anniversary of Earth Day had to be canceled.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided reports, resources and updates on the City's response to the COVID-19 outbreak. She said the Governor's recent briefing reiterated that the County is still in Stage One of response and shared statewide data on the pandemic and described the data elements informing decision making and the capacities needed to change restrictions.

4. COUNCIL REPORTS

Deputy Mayor Scully said he attended a virtual meeting of the All Home Coordinating Board and said the current task is to pick three members who have lived experience to join the Executive Board of the new regional homelessness authority. He said there is a sense that now, more than ever, a flexible and responsive organization is needed. He shared updates on what various entities are doing to support the homeless during the COVID-19 crisis.

Councilmember Roberts reported that the Puget Sound Regional Council Executive Board authorized emergency transit funding allocations to Sound Transit and Metro.

5. PUBLIC COMMENT

Kathleen Russell, Shoreline resident, said in conjunction with the Earth Day proclamation it is important to remember the benefits nature provides to humans. On behalf of Save Shoreline Trees she asked the City to reconsider permitting removal of tall conifer trees.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Scully and seconded by Mayor Hall and unanimously carried, 7-0, the following Consent Calendar items were approved:

- (a) Approving Minutes of Regular Meeting of February 10, 2020
Approving Minutes of Regular Meeting of February 24, 2020

- (b) Approving Expenses and Payroll as of March 27, 2020 in the Amount of \$2,184,157.28

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
2/23/20-3/7/20	3/13/2020	90460-90717	16968-16982	78201-78206	\$732,614.42
					\$732,614.42

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
3/25/2020	1159	\$5,276.10
		\$5,276.10

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
3/10/2020	78061	78076	\$334,573.53
3/10/2020	78077	78084	\$1,069.00
3/10/2020	78085	78085	\$3,681.08
3/10/2020	78086	78114	\$127,433.13
3/10/2020	77170	77170	(\$1,222.20)
3/10/2020	78115	78115	\$1,222.20
3/17/2020	78116	78147	\$185,551.56

3/17/2020	78148	78163	\$3,465.93
3/17/2020	78164	78178	\$158,370.80
3/17/2020	78179	78198	\$126,464.00
3/17/2020	78199	78200	\$75,560.54
3/24/2020	78207	78237	\$305,771.69
3/24/2020	78238	78238	\$1,620.00
3/24/2020	78239	78259	\$122,705.50
			<u>\$1,446,266.76</u>

(c) Authorizing the City Manager to Execute a Joint Use Agreement with King County Fleet Services for Fueling Services at the North Maintenance Facility

(d) Authorizing the City Manager to Execute the First Amendment of the Settlement and Interlocal Agreement Between the City of Shoreline and the Town of Woodway

(e) Adopting Public Emergency Ordinance No. 888 – Extending Public Emergency Ordinance No. 887, Which Temporarily Increased the City Manager’s Purchasing Authority in Response to COVID-19, for an Additional 30 Days

(f) Authorizing the City Manager to Enter into a One-Year Agreement with Sound Generations in an Amount of \$95,708 for 2020 to Provide Programs to Support Health and Social Services at the Shoreline Lake Forest Park Senior Center

8. ACTION ITEMS

(a) Approving Grant Requests from the Dale Turner YMCA in the Amount of \$15,000 and from the Shoreline PTA Council in the Amount of \$15,000 from the COVID-19 Community Emergency Response Grant Program

Colleen Kelly, Community Services Division Manager, delivered the staff report. She reviewed the purpose of the established Community Response Fund and described the eligibility criteria. She said of the 20 grant applications received to date, two have been approved by Council, two are before Council tonight, nine have been approved by the City Manager, and seven did not meet the Council-established criteria.

Ms. Kelly said the Dale Turner YMCA is requesting \$15,000 to cover expenses related to the free/low cost childcare and meals being offered to first responders and others in need of emergency day care. She said the funds would also support the YMCA’s efforts to provide sack lunches to various organizations.

Ms. Kelly said the Shoreline PTA Council is seeking \$15,000 to provide flexible financial assistance, in coordination with the School District Family Advocate Program, to augment the \$20,000 the PTA Council raised to provide food and gas gift cards to families. She stated that the Shoreline PTA Council had already received \$5,000 in City grant money and explained the reason for the second request.

Ms. Kelly said if both applications are approved, the remaining fund balance will be \$6,500. She said staff does not recommend expanding the fund at this time, since the Council goal of meeting immediate and urgent needs has been met and the applications being submitted have tapered off. She said staff recommends that once the current fund is depleted, the Emergency funding information will remain available to the public, but the criteria should be changed so that any additional requests would come before Council for consideration.

Ms. Kelly concluded by stating that staff recommends approval of both funding requests and added that representatives of the YMCA and Shoreline PTA Council were available for questions.

Mayor Hall opened the Public Comment period.

Courtney Whitaker, Lake Forest Park resident and Associate Vice President of Youth Development for the YMCA of Greater Seattle, spoke on behalf of the Shoreline Dale Turner Family YMCA. She said she appreciates the Council's consideration of their application. She explained that the YMCA quickly reacted to create childcare for essential workers and to support hunger alleviation solutions for kids and their families at the onset of the COVID-19 crisis. She shared details of the programming, including that over 75 percent of the children served are Shoreline residents. She said they will continue offering services until June 12, 2020, with a weekly unfunded cost to the organization of \$12,650. She listed the organizations for which they provide more than 1,000 meals a week and said the cost of the meal program is \$5,800 weekly.

Mayor Hall closed the Public Comment period.

Councilmember Robertson moved to approve the grant requests from the COVID-19 Community Emergency Response Grant program for the Dale Turner YMCA in the amount of \$15,00 and for the Shoreline PTA Council in the amount of \$15,000. The motion was seconded by Councilmember Chang.

Councilmember Robertson shared her admiration for the response work both organizations have done and thanked them for their contributions. She said she is excited to have the opportunity to support their efforts by granting emergency funds.

Councilmember Chang said she is thankful these two organizations sprang into action so quickly to provide the type of immediate support to families that the fund is designed to supply.

The motion passed unanimously, 7-0.

9. STUDY ITEMS

- (a) Discussing the 2019 Year End Financial Report

Sara Lane, Administrative Services Director, delivered the staff presentation, and was joined by Rick Kirkwood, Budget and Tax Manager. Ms. Lane said that considering the unprecedented

times, in addition to sharing the 2019 Year End Financial Report she would be sharing early projections about the economic stressors COVID-19 has had on the City.

Ms. Lane reported that citywide revenues came in at 106.4% of budget and the expenditures were significantly lower than budgeted, and ahead of 2018, reminding Council that capital expenditures are contingent on project timing. She shared a chart depicting the revenue performances at-a-glance, and shared details on the results of the first year of Business and Occupation Tax assessment.

Ms. Lane reviewed the General Fund and said collections were 6.8% above budget. She described revenues from both the General and Capital Fund, sharing details on the sales tax receipts by sector, permit revenue by type, the Parks and Recreation revenue, gas tax receipts, Real Estate Excise Tax, and the General Fund Expenditures.

Ms. Lane moved on to the potential 2020 COVID-19 fiscal impacts and the City's research on how to estimate them. She said staff have looked at three potential contingency options, each dependent on the speed of recovery. She labeled the three possibilities as a *little "v"*, with swift recovery; *Big "V"*, with a deeper downturn but rapid recovery; and *"L"*, which reflects a significant decrease and a slow recovery. She said the response to each situation will be different, but the challenge is that which situation we are in is yet to be determined, so estimation is difficult.

Ms. Lane said staff have created a model that includes each of the major revenue sources and allows simulation of what might happen in each of the three recovery scenarios. She displayed a chart with the results of the 2020 COVID-19 Stress Test and said the bottom line is that the City is looking at a forecasted potential decrease in revenue anywhere from \$2.5 Million to \$5.6 Million. She explained that actual data will not be available for a few months and concluded that Shoreline is well positioned with strong financial policies and reserves, strong 2019 performance, and opportunities for one-time savings. She said right now rather than looking at across the board expenditure cuts the City is using a 'scalpel approach' while gathering more information in preparation for deeper discussions with Council in the coming months and during 2021-2022 budget development.

Councilmember Roberts said that the 2020-2026 sales tax revenue collections chart assumes further declines in 2021 and 2022 for both the little 'v' and big "V" models and asked for clarification on the projections. Mr. Kirkwood replied that there is a wide range of thinking, and this is an attempt to paint a picture of how consumers might respond, but not necessarily what might happen to the business industry. He said in his opinion, it depends on consumer confidence and the availability of a vaccine. He said predictions remain anecdotal at this time, but the model illustrates the different shapes of the recoveries.

Councilmember Roberts said the report seems to indicate that the sales tax decline would be greater on the retail, rather than construction, side. Mr. Kirkwood explained that the construction budget forecast is typically conservative, so he is not as concerned with the impact of revenue collections with the loss of a few months of activity because of the activity in the pipeline. He said retail sales tax revenue is easier to predict based on past data, and the shutdowns will have

big impacts in this sector. Councilmember Roberts asked if the City foresees an uptick in online sales tax payments as more people shop online. Mr. Kirkwood said he anticipates so.

Councilmember McGlashan thanked the Administrative Services team for the clear reports. He asked why the City reports being neutral on Gas Tax revenue, while statewide severe hits are being reported. Mr. Kirkwood said fuel tax is based on the number of gallons sold, so if there is a decline on consumption, revenue would also decline. He said the snowstorm in 2019 added to the reductions seen in that revenue area.

Councilmember Chang said she is curious about the “L” scenario, since in the last recession the bottom dropped out of the demand for construction, so while projects may currently be in the pipeline, they may not proceed as planned. She said she was surprised at how small the drop was reflected in the “L” recovery scenario. Ms. Lane said that because the City is so conservative in construction tax estimation the expectation is that the impact will be smaller. Ms. Lane explained that since so much of the construction in the pipeline is housing, the demand for which will continue, the construction impacts will be different since there is a plan for funding to be available. Councilmember Chang observed that if you take in consideration the financial impacts related to the passage of State Initiative 976 the effects on the City budget are even more dire. Ms. Lane concurred and said that this factor will be part of all staff considerations in the budget process.

Mayor Hall added his thanks for this preliminary information on the financial impacts of COVID-19.

- (b) Discussing Ordinance No. 886 - Amending the 2019-2020 Biennial Budget (Ordinance Nos. 841, 852, 854, 855, 861, 872 & 883)

Sara Lane, Administrative Services Director, delivered the staff presentation, and was joined by Rick Kirkwood, Budget and Tax Manager. Ms. Lane pointed out that while this is the typical Spring Amendment, since the City has moved to a biennial budget there are more Ordinances to add to the Budget.

Ms. Lane gave an overview of the \$2.9 Million dollar increase to the budget across all funds and shared a list of the intended uses of general fund reserves as the amendments are made. Ms. Lane said there is approximately \$5 Million dollars in revenues collected beyond what was budgeted and expenditures under budget that are not reflected, so the adjusted number would be higher. She added that the revenue stabilization fund is fully funded. She said staff recommends approval of Ordinance No. 886 to provide budget authority so current appropriations are not adversely impacted.

Mayor Hall said he appreciates the detail in the staff report and the opportunity to ask questions in advance.

Deputy Mayor Scully said he supports moving forward with the Ordinance and added that as the financial impacts of COVID-19 become clearer, the Council may want to review funding designations to avoid program and staff cuts.

Councilmember McConnell thanked staff for their work and recognized the solid financial ground the City is on.

It was agreed that Ordinance No. 886 would return as a Consent item.

10. ADJOURNMENT

Mayor Hall thanked staff for the behind the scenes work to facilitate remote meetings.

At 8:06 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

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