

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, November 2, 2020
7:00 p.m.

Held Remotely via Zoom

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

ABSENT: Councilmember Chang

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 with the exception of Councilmember Chang.

Councilmember McGlashan moved to excuse Councilmember Chang for personal reasons. The motion was seconded by Councilmember McConnell and passed unanimously, 6-0.

(a) Native American Heritage Month Proclamation

Mayor Hall proclaimed November 2020 as Native American Heritage Month, and said it is important to honor Native Americans and repair the injustices done to them.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided an update on COVID-19 and the recent uptick in cases. She shared reports and information on various City meetings, projects and events.

Mayor Hall reinforced the need to do everything possible to reduce the spread of COVID-19.

4. COUNCIL REPORTS

Mayor Hall said the recent Puget Sound Regional Council General Assembly was well-attended and the new Vision 2050 was adopted.

5. PUBLIC COMMENT

Derek Creisler, Shoreline resident and member of Diggin' Shoreline, thanked the Council for funding the environmental mini grant program, and shared the ways his organization has used their grant. He suggested a parcel for consideration as an extension of the parks system.

Nancy Morris, Shoreline resident, clarified that neighborhoods located near the proposed Enhanced Shelter are concerned about the concentration of people with addictions close to a residential area and that the City has no actual plan for mitigating negative spillover effects. She stated that shelters should require drug/alcohol treatment and thanked the Councilmembers who brought forward amendments to the regulations.

Jackie Kurlle, Shoreline resident, shared her concerns related to the Enhanced Shelter and the adopted amendments, specifically regarding the safety of children.

Margaret Willson, Shoreline resident, expressed frustration with the Council's decision regarding the low-barrier Enhanced Shelter and shared her response to comments made by other members of the public at last week's meeting.

Ed Jirsa, Shoreline resident, thanked the Councilmembers who made efforts to steer the Shelter in the right direction. He said it needs to have safeguards in place, and the Interlocal Agreement will be better than nothing.

Diane Pfeil, Shoreline resident, thanked the Councilmembers who recognized the need for caution and forethought in siting the Enhanced Shelter. She said King County plans to build permanent supportive housing in this location and Shoreline needs to be proactive, so it does not bring down the neighborhood.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor 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 19, 2020**
- (b) Authorizing the City Manager to Execute a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace for an Annual Amount Not to Exceed \$150,000**

8. ACTION ITEMS

- (a) Public Hearing on the 2021-2022 Proposed Biennial Budget with Special Emphasis on 2021 Regular and Excess Property Tax Levies, to be Set by Ordinance No. 902, and Other Revenues

Sara Lane, Administrative Services Director, delivered the staff presentation. Ms. Lane gave an overview of the budget and Capital Improvement Plan (CIP) process and timeline. She stated that tonight the Council will hold a public hearing on the 2021-2022 revenue sources and 2021 property tax levies and she displayed a breakdown of the budget sources. Property tax is one of the primary revenue sources for the City, and Ordinance No. 902 covers the regular and excess property tax levies. She added that the property tax levy includes an excess levy of 1.1 Million dollars, which covers the payments on the 2006 Parks Bond. Ms. Lane explained that Proposition 1 allows the City to increase the property tax by the changing Consumer Price Index (CPI) annually and State law limits the increase to one percent, but because this year the CPI is below one percent, the Council must adopt a Resolution of Substantial Need to take the full amount available by law. She stated that staff recommends this action for adoption on November 16, 2020.

Ms. Lane displayed a graphic breakdown of the \$96,464,833 of the General Fund's resources, and said this revenue is used for general operating expenses and some budgeted use of fund balance. She shared details of the major operating revenue sources and the status of the General Reserves ending fund balance by year. Ms. Lane described the revenue sources of the Street Fund, shared historical data of the fuel tax revenue, and pointed out the decrease in revenue this year due to COVID-19 restrictions. She displayed details of the Surface Water Fee revenues and said all proposed rate increases are in line with the Surface Water Master Plan. She stated that the wastewater contract fee is only for the operating and maintenance of the sewer utility, with capital and treatment costs retained by Ronald Wastewater District until the City assumes the utility. Ms. Lane said the Capital Funds are primarily funded by real estate excise tax revenue and grants and said there would be additional discussion later on this restricted revenue source.

Mayor Hall opened the Public Hearing. Seeing no one wishing to testify, he closed the Public Hearing.

Mayor Hall pointed out that since the community supported Proposition 1, authorizing the Council to maintain basic services by allowing annual levy increases up to the rate of inflation, adopting a Resolution of Substantial Need would be consistent with the voter's intent.

Councilmember Roberts agreed with Mayor Hall, and added that the City is projected to use some of the Revenue Stabilization Funds and other reserves to meet City needs, so it makes sense to try to meet financial needs by using existing authority rather than dipping into reserves.

The Councilmembers agreed that staff should bring a Resolution of Substantial Need forward for consideration.

(b) Public Hearing on Ordinance No. 903 - 2021-2022 Proposed Biennial Budget and the 2021-2026 Capital Improvement Plan

Sara Lane, Administrative Services Director; and Rick Kirkwood, Budget and Tax Manager; delivered the staff presentation. Ms. Lane stated that Ordinance No. 903 adopts the 2021-2022 Proposed Biennial Budget and 2021-2026 CIP. She gave a high-level overview of the City's

expenses, stating that most of the \$245 Million budget is spent on City Services and the CIP, and then she introduced the departmental presentations.

Public Works: Ms. Lane reviewed the financial and staffing trends for the Public Works Department. Randy Witt, Public Works Director, shared specifics on this year's continuous improvement efforts, both process and equipment related. He displayed a graphic of the expenditures by program and listed the services provided by the operations, engineering, and transportation services departments within Public Works. He highlighted the budget changes associated with aligning staff to areas of workload, primarily in the areas of inspections, traffic services, transportation, and utility operation. He pointed out two additional FTEs driven by the CIP. Mr. Witt described the Public Works programmatic changes in order to move the durable pavement marking maintenance and installation work in-house, and he listed the associated costs and estimated ongoing financial savings for this change. He concluded with a review of the proposed ongoing and one-time budget change requests.

Surface Water Utility: Ms. Lane reviewed the financial and staffing trends for the Surface Water Utility and pointed out the significant increase in the 2021-2022 budget due to the capital projects that are funded through the Surface Water Master Plan. She displayed a graph of the budget distribution and Mr. Witt listed the proposed one-time budget change requests and listed the Capital Fund Capacity and Repair and Replace projects.

Wastewater Utility: Ms. Lane reviewed the financial and staffing trends for the Wastewater Utility operations and Mr. Witt listed the proposed one-time and ongoing budget change requests, done in coordination with, and funded by, Ronald Wastewater District.

Ms. Lane detailed the General Fund transfers to the following funds: General Capital, City Facilities – Major Maintenance, Roads Capital, Debt Service, Street, and other miscellaneous areas. She reviewed specifics of the Debt Service Fund, sharing the timing and balances of existing bonds and bond anticipation notes, as well as listing the expenditures in other fund areas.

Tricia Juhnke, City Engineer, delivered the staff presentation on the 2021-2026 proposed Capital Improvement Plan, which focuses on the General Capital Fund, the City Facilities Major Maintenance Fund, and the Roads Capital Fund. She shared a breakdown of funding allocations in the CIP and listed the Parks, Facilities, and Major Maintenance Fund projects within the General Capital Fund. She said it is worth noting that the CIP was developed prior to the Supreme Court decision striking down Initiative-976, so it does not include Vehicle License Fee (VLF) revenue, but since the funding is now restored the affected programs will adjust their programming to include the new revenue. She displayed a list of the projects included in the Roads Capital Fund.

Mayor Hall opened the Public Hearing. Seeing no one wishing to testify on the budget, he closed the Public Hearing.

Councilmember Roberts confirmed that the budget does not have to be amended to collect the Transportation Benefit District funds until it is time to appropriate them for use. He asked staff to

research the impacts of funding approximately 160 feet of sidewalk on 200th Avenue between 25th Avenue Northeast and the Aldercrest Campus and to prepare an amendment to add this to the CIP. Deputy Mayor Scully asked that the report list the projects that were originally proposed to be funded with the VLF funds and whether this amendment would mean that some of the original projects would not be done. Ms. Juhnke said the funds were split equally between annual roads surface maintenance and sidewalk rehabilitation. She added that there is currently enough revenue remaining for the 2021 program, so there is time to consider funding allocations for the programs for the next CIP. Councilmember Roberts said he would be willing to use one-time savings to fund this potential project.

Mayor Hall suggested that staff address the impacts of transferring funds with any amendment.

Councilmember Roberts said the Council may wish to have a future conversation about bonding against the Transportation Benefit District revenues in case another Initiative is proposed. Mayor Hall agreed that this would be a valuable conversation.

Mayor Hall observed that the City routinely has ongoing vacancies in the police department, which results in overtime for officers and the possibility of an inconsistent police response. He identified one possible approach could be to authorize a higher number of officers, knowing that the vacancies would still decrease the number actually allocated to the City by King County, and he asked for other suggestions. Deputy Mayor Scully said he is concerned that there are not enough officers available to meet the City's staffing needs, but questioned the possible ramifications of this strategy, and said he would want Chief Ledford's opinion. Mayor Hall asked staff to provide data on police overtime costs because he wants the level of service provided to be done in the most financially responsible way. Ms. Lane said she would have staff research the options to get to the desired staffing levels in the Police Department. Councilmember Roberts said that rather than measuring community safety on the number of sworn officers, a larger conversation should be had to determine what the community wants from public safety.

Mayor Hall confirmed that requests for amendments are due from Council to staff by Wednesday.

9. STUDY ITEMS

- (a) Discussing Ordinance No. 904 – 2019-2020 Biennial Budget Amendment

Sara Lane, Administrative Services Director, delivered the staff presentation. She stated that this is the final budget amendment for the 2019-2020 biennium. She displayed a list of funds and their budget allocation amendments, totaling approximately \$3 Million, and said this Ordinance is scheduled to return for adoption on November 16, 2020.

It was agreed that Ordinance No. 904 would return as a Consent Item.

- (b) Discussing Park Improvement and Acquisition Priorities for Potential Bond Measure

Christina Arcidy, Management Analyst, delivered the staff presentation. She shared the background on the PROS Plan and said prior to the COVID-19 public health emergency Council had directed staff to put together a funding package for parks improvements for consideration, but then decided to hold off on further discussion until the impacts of the pandemic were clearer. She said during this time the Parks, Recreation, Cultural Services (PRCS)/Tree Board's Parks subcommittee revisited the Board recommendation and updated it based on previous public engagement, equity and geographic considerations, balancing investments in current and future parks, and the potential cost of a bond; and that the revised recommendation was unanimously accepted by the PRCS/Tree Board.

Ms. Arcidy reviewed the policy questions for Council and shared the staff recommendation on each one:

Question One: Should the City move forward with the ballot measure for the April 2021 Special Election?

Ms. Arcidy described some of the economic impacts of COVID-19 and stated that the City's overall economic picture is more positive and stable than earlier in the year. She listed the other potential ballot measures that are likely to be in front of voters in the next two years as a reference for competing interests. She stressed the importance of the approval and validation requirements for bond measures and said the upcoming general election will set the bar for voter turnout for all elections in 2021. She concluded that staff recommends moving forward with a funding measure in the 2021 April Special Election.

Question Two: What is the overall bond measure cost?

Ms. Arcidy said staff recommends a \$38,500,000 bond and she displayed calculations of the net property tax increase or decrease to households, taking the expiring bond into consideration.

Question Three: What park improvements and park land acquisitions should be included in a bond measure?

Ms. Arcidy said staff recommends investments in park improvements, park amenities, park land acquisition, and park land acquisition improvements; and listed the recommended improvements.

Question Four: What should the duration of the bond be?

Ms. Arcidy said staff recommends a 20 year bond, which would create a \$36 annual increase over the expiring bond cost for a median price home.

Ms. Arcidy stated that there are four alternatives to consider, and described them as follows:

Alternative 1a includes the staff recommendations as described in her responses to the policy questions; *Alternative 1b* is the PRCS/Tree Board recommendation, which differs from the staff recommendation in the funding allocations to priority parks and park amenities, park acquisition, and does not include as many improvements to newly acquired park land; *Alternative 2a* is a 20 year, \$26 Million bond, which would not change the amount property owners are currently paying for the expiring bond and includes funding for priority parks, park amenities, and park acquisition but eliminates improvements to acquired park land; *Alternative 2b* (the PRCS/Tree

Board recommendation if Council opts for the \$26 Million bond level) includes different allocations for priority parks, park amenities, and decreases allocations for property acquisition.

Ms. Arcidy reviewed the next steps should the Council choose to move forward with a bond measure and reiterated the recommendation to direct staff to prepare to place a funding measure on the 2021 April Special Election for \$38.5 Million for park improvements and park land acquisition.

The majority of the Councilmembers expressed concerns about the validation requirements stemming from high voter turnout for the current election.

Councilmember Robertson said the proposal from the PRCS/Tree Board subcommittee was phenomenal, and she praised their work. She said she would like to move forward in April 2021 with either Alternative 1a or 1b, with a 20 year bond duration. She asked about the timing of the art installation at the Park at Town Center. Ms. Tarry said it is in process now, and the ground has been prepared. Councilmember Robertson said it would be nice to do the park improvements in conjunction with the installation. She said if Alternative 1a is selected she would like to redirect some funding to get James Keough Park closer to the vision presented by the Parks Board.

Deputy Mayor Scully said he is concerned with heavily investing in James Keough Park, since the significant noise pollution from the nearby freeway reduces its appeal, but agreed that some improvements are needed, and that it might make a good dog park.

Councilmember Roberts commented that his first priority is to make sure that the Levy Lid Lift passes in 2022, and he urged the Council to keep the impact of this in mind as they consider a bond measure. He recalled conversations indicating that the second baseball field at Richmond Highlands Park could be saved but that he did not see the field in the designs for the Richmond Highlands improvements. He asked that the field continue to be considered.

Councilmember McGlashan said he prefers Alternative 1a but could also be comfortable with 1b. He would like to have money available to do some trail repair in Boeing Creek Park. He suggested that Sound Transit focus some tree replacement at James Keough Park, which would help buffer the freeway noise. He said he does not see the value of putting a lot of money into Rotary Park.

Councilmember McConnell said she agrees with the PRCS/Tree Board recommendation because of the respect she has for the work they did. She echoed the importance of baseball fields at Richmond Highlands Park and seconded the idea that a tree buffer for both sound and aesthetics would be of value at James Keough Park. She said parks are an important aspect of the community, and park acquisitions should always be at the table, because the opportunities are few and far between.

Mayor Hall asked the Council if they are comfortable waiting at least a year to bring this ballot measure forward due to validation requirement concerns. He noted that by then the previous bond will have expired. Councilmember Roberts said he does not think presenting the bond

measure as a renewal of the expiring bond will influence voters' decisions. Deputy Mayor Scully said he would feel safe with placing the bond measure on the November ballot, but asked if the decision could be made after the validation requirements are determined. Ms. Arcidy said there would be time to revisit in December.

Mayor Hall thanked the PRCS/Tree Board and staff for the efforts made to move closer to consensus. He said he favors Alternative 1a and concurs with the staff recommendation of bond duration and amount. He said because of the disadvantaged location of James Keough Park he does not think it could ever be raised to an activity level equal to some of the other Shoreline parks. He thinks it is a perfect location for an off leash dog park and commented that although not an effective noise buffer, he likes the idea of adding trees. He said he would be comfortable presenting the ballot measure in April.

Councilmember Robertson reminded Council of the public interest in a pump track at James Keough Park.

Councilmember Roberts said he is leaning toward the staff recommendation but prefers the improvements to James Keough Park recommended by the PRCS/Tree Board.

Mayor Hall said he does not want to miss a deadline and lose the ability to act, so he would prefer this return for discussion at the end of November or the first meeting in December.

10. ADJOURNMENT

At 8:52 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk