

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

The purpose of these minutes is to capture a high-level summary of Council's discussion and action. This is not a verbatim transcript. Meeting video and audio is available on the [City's website](#).

Monday, September 19, 2022
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Scully, Deputy Mayor Robertson, Councilmembers McConnell, Mork, Roberts, Pobe, and Ramsdell

ABSENT: None.

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

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

3. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

4. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, reported on various City meetings, projects, and events.

5. COUNCIL REPORTS

Councilmember McConnell reported her attendance to a meeting of the Domestic Violence Initiative. Most members signed a letter to Executive Dow Constantine asking for an increased budget to support advocacy.

6. PUBLIC COMMENT

The Council heard comments from the public from approximately 7:05 p.m. to 7:18 p.m. Written comments were also submitted to Council prior to the meeting and are available on the [City's website](#).

Juli Jones, Lake Forest Park resident, spoke about issues at Boeing Creek Park due to unleashed dogs. She invited Councilmembers to the park to see its condition.

Kathleen Russell, Shoreline resident, expressed dissatisfaction that the 10% tree retention proposal was not approved. She asked that Council approve the parcel purchases on the agenda and protect their tall trees from development.

Nancy Morris, Shoreline resident, raised concern with construction in the City and asked Council to visit development sites to address citizen concerns and respond to climate change needs.

Derek Blackwell, Shoreline resident, highlighted a need for more affordable housing on Linden Avenue. He suggested additional critique is needed on the proposed Modera development.

7. CONSENT CALENDAR

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

- (a) **Approval of Minutes of Special Meeting of August 31, 2022**
Approval of Minutes of Special Meeting of September 1, 2022
Approval of Minutes of Regular Meeting of August 15, 2022
- (b) **Authorize the City Manager to Execute the Extension of the Sewer Use Agreement Between the City of Shoreline and Olympic View Water and Sewer District**

8. ACTION ITEMS

- (a) Public Hearing and Discussion on the 2023 Community Development Block Grant Funding and Contingency Plan and the 2023-2024 Human Services Funding Plan

Community Services Manager, Bethany Wolbrecht-Dunn, explained that the Community Development Block Grant (CDBG) is a fund to provide human services. The fund is made up of federal funds provided by the U.S. Department of Housing and Urban Development and one percent of the City’s net general fund revenue. Ms. Wolbrecht-Dunn noted that the one percent from the City is about \$70,000 higher than previous biannual cycles due to a rise in the net general fund revenue. The City received 44 applications with nearly \$2 million in requests.

The grant is operated through an interlocal agreement with King County to serve approximately 3,000 Shoreline residents. The agreement commits the City to support four categories of services including regional homelessness services, home repair assistance, program administration, and services provided at Council’s discretion. Restricted revenue was outlined to show funding allocated for specific purposes. Staff combined and evenly divided funding across 2023 and 2024 and proposed the following funding plan:

2023-2024 Human Service Funding Categories	2023 Funding	2024 Funding
General Fund Revenue	\$510,601	\$510,601
Restricted/Dedicated Revenue	\$153,048	\$153,048
TOTAL	\$663,649	\$663,649

Although the federal budget has yet to pass, staff estimate \$302,902 will be received for 2023 and the same amount for 2024. Staff broke out the funding into the following allocations: Basic Needs (55%), Counseling (25%), Children/Youth (17%), and Older Adults (3%).

Mayor Scully opened the Public Hearing.

Lorna Holland, Kent resident and representative of King County Sexual Assault Resource Center, urged Council to approve the budget request to support survivors of abuse.

Angela Mercado, Kent resident and Executive Director of the Domestic Abuse Women's Network, asked for approval of the human services funding and support as a grant applicant.

Cindy Donohue, Shoreline resident and a Senior Program Manager for Hopelink, encouraged Council to support funding for human services.

Tanya Laskelle, Lynnwood resident and representative of the Center for Human Services, offered support for the human services budget to sustain vital community services.

Heidi Shepherd, Shoreline resident and Board President of the North Urban Human Services Alliance, shared support for human services funding which helps to create stability in the City.

Lathan Wayne, Shoreline resident, spoke in support of human services for people with disabilities and special needs.

Seeing no additional members of the public wishing to offer testimony, Mayor Scully closed the Public Hearing.

Responding to questions about the newly proposed legal services program, Ms. Wolbrecht-Dunn explained that the legal service will be provided by Eastside Legal Assistance to support residents in eviction situations and other landlord-tenant issues. She added that while residents are now entitled to legal representation for evictions, the program aims to fill service gaps and possibly provide informational and referral assistance.

- (b) Action on the Proposed Purchase of Real Property Located at N 192nd Street, Identified as King County Tax Parcel No. 728390-0532, and Authorizing the City Manager to Take the Necessary Steps to Complete the Property Purchase

Economic Development Program Manager, Nathan Daum, explained that as a part of the Parks Recreation and Open Space Plan (PROS), Parcel No. 728390-0532 is proposed for purchase. The parcel is 0.54 acres and located in the Hillwood neighborhood next to the future King County Park and Ride at 192nd Street. While not currently on the PROS Plan, the purchase will allow the City to prepare for future demand of 15,000 new residents by 2035. To meet the demand, 95 additional acres of park land is needed citywide.

Members of the community recommended the parcel as an opportunity to preserve tree canopy, habitat, and open space. The City attained 100% funding through the Conservation Futures Tax (CFT) to actualize the opportunity, expand trail activities, and support urban forest health. Through the CFT, recreation would be limited but design has not been completed for the project.

The seller rejected two of the City's full price offers for the parcel that was listed at \$1,750,000. The seller accepted the City's offer at \$2 million. An additional \$20,000 is estimated for closing costs. No City dollars are required and the full cost of the purchase is anticipated to be reimbursed by 2023 through the CFT. The City's General Capital Fund has sufficient funds to cover the transaction until the grant is awarded.

Mayor Scully opened the public comment period. Seeing no members of the public wishing to offer comment, Mayor Scully closed the Public Hearing.

Deputy Mayor Robertson moved to authorize the purchase of the property located at N 192nd Street, Shoreline, identified as King County tax parcel number 728390-0532 and authorize the City Manager to take the necessary steps to complete the property purchase. The motion was seconded.

Deputy Mayor Robertson and Councilmembers Mork and McConnell expressed support for the purchase for the benefit of preserving trees and increasing natural space.

The motion passed unanimously, 7-0.

- (c) Action on the Proposed Purchase of Real Property Located at 14534 10th Avenue NE, Identified as King County Tax Parcel No. 663290-0820, and Authorizing the City Manager to Take the Necessary Steps to Complete the Property Purchase

Mr. Daum stated that the purchase of Parcel No. 663290-0820 supports the PROS Plan in similar ways as the previously discussed parcel. The transaction will additionally increase Paramount Open Space in the Light Rail Station subarea, allow the City to restore a stream, and expand wetlands. Negotiations for the parcel began in 2020. The southern property, located at 14528 10th Avenue NE, has been acquired by the City and is being restored as a natural area site. The northern property, located at 14534 10th Avenue NE, has a purchase agreement at about five percent above appraisal at \$968,500.

This parcel was identified in the PROS Plan acquisition strategy and staff have been able to gain funding through park impact fees and the CFT grant. The property was also included in the Parks Bond Measure which allots up to \$1 million for Paramount Open Space acquisition. Park Impact Fees would cover the cost of the acquisition if needed. The total transaction cost is estimated to be \$1 million and will require 50% in matching funds from the City. The estimate does not include funding to make the site available in an interim fashion should Council direct staff to do so.

Mayor Scully opened the public comment period.

Pam Cross, Shoreline resident, asked if the purchased property could be used for needs outside of parks or sold later on for a profit.

Seeing no additional members of the public wishing to offer comment, Mayor Scully closed the public comment period.

Deputy Mayor Robertson moved to authorize the City Manager to purchase property adjacent to Paramount Open Space Park, identified by the tax parcel number as listed on page one of the staff report, for the proposed new park. The motion was seconded.

Councilmember Roberts noted a provision in the City of Seattle that requires property purchased for park space to remain park space or be replaced. He suggested that a similar code may be worth considering for Shoreline. Mr. Daum commented that this particular parcel would be reported as open space on the deed and be required to remain as such.

It was asked if CFT funds can be applied to other properties if this parcel is not approved and Mr. Daum responded that the City would be required to reapply for funds in such a case.

The motion passed unanimously, 7-0.

- (d) Authorize the Mayor to Negotiate a Conditional Employment Agreement with the City Manager Finalist

Mayor Scully introduced the Council initiated item to authorize himself and or the Deputy Mayor Robertson to negotiate an employment agreement with a potential City Manager.

Councilmember Roberts moved to authorize the Mayor to negotiate the terms and conditions of a proposed contract for the position of City Manager with Bristol Ellington. The motion was seconded.

Councilmember Roberts noted that the three finalists for the position were spectacular but in moving forward with one name, he would be enthusiastic to see Mr. Ellington move forward with negotiations.

Councilmember McConnell moved to amend the motion to authorize the Mayor and Deputy Mayor to enter into negotiations. The motion was seconded.

The motion to amend passed 6-1, with Councilmember Ramsdell dissenting.

Deputy Mayor Robertson express disagreement with the proposed final candidate. She felt that another candidate exhibited stronger leadership skills, knowledge of the City, and familiarity with issues facing the region. Councilmembers Mork and McConnell agreed with this statement.

Mayor Scully stated that any of the finalists could make a great City Manager but his choice is Mr. Ellington. He affirmed that council would work with and support whoever ends up in the position.

The motion passed, 4-3 with Deputy Mayor Robertson and Councilmembers Mork and McConnell dissenting.

Councilmember Ramsdell left the meeting at 8:20 p.m.

9. STUDY ITEMS

- (a) Discussion of the 2022 Second Quarter Financial Report and a Preliminary View of the 2023-2024 Biennial Budget and 2023-2028 Capital Improvement Plan

Administrative Services Director, Sara Lane, shared that the proposed budget is based on Council priorities and considerations for delivery of services, maintenance of organizational strength, and fiscal responsibility. At the end of 2022, staff estimates over \$8 million in excess of the budget. After crediting \$7.5 million of that amount towards American Rescue Plan Act (ARPA), the City will be about one percent over budgeted projections. In total, around \$35.6 million is anticipated as the beginning balance for 2023.

From the \$35.6 million, funds are set aside for items such as the City's cash flow reserve, operating contingency, and insurance reserve. In addition to that, \$9 million will be set aside for the City maintenance facility, \$2 million in remaining ARPA funds to be expended, and \$3.4 million for the parks bond. This will leave \$17 million available for one-time investments. Another impact to the budget is a 1.79 full-time equivalent (FTE) increase over the biennium.

Fee schedules are generally increased by the June-to-June percentage change in CPI-U which was the 10.14% this year. Schedules such as the wastewater rate are set and budgeted based upon their policy guidance. Impact fees increase by the construction cost index (CCI). Recreation fees may be based on CPI or a cost recovery model.

In the City's 10-year financial sustainability forecast, assuming the levy lid lift does not pass, staff estimates a small surplus of \$160,000 in 2023 and a \$1.5 million shortfall by 2024. If the levy lid lift does pass, staff estimates a surplus through 2026. Ms. Lane pointed out that this projection detracts from staff's original estimate of a surplus through 2030. This is to reflect the impact of the rise in Consumer Price Index (CPI), including the proposed cost of living adjustment for staff, and other revenue projection changes. Operating revenues are calculated beginning with the yearend estimate and grown based on several factors such as the Puget Sound Economic Forecasters and King County Assessor information.

Staff propose the following investments for 2023 and 2024:

Supplemental Operating Requests

- Implementation of Council Goals
- Address highest priority emerging issues and delivery of priority public services
- Critical Technology Investments

Ongoing Investments

- Expansion of RADAR Program
- Parking Enforcement Program
- Pay for Boards & Commissions

- Parks Maintenance Worker

One-Time Investments

- Major Update of the Comprehensive Plan
- Strategic Technology Plan Implementation
- Implementation of Transportation Master Plan

Utility Operational Investments

- Surface Water Management Business Inspection Source Control
- Wastewater Condition Assessment Program
- Online Payment Portal

City Engineer, Tricia Juhnke, presented on the 2023-2028 Capital Improvement Plan (CIP). She stated that staff forecast an increase in the real estate excise tax (REET) which is the primary revenue source for the General Capital Fund and the Roads Capital Fund. A 0.5 FTE was added to support the urban forestry program. And staff are programming bond revenue for sidewalk rehabilitation and road maintenance, sidewalk expansion, parks bond projects, and surface water projects.

Within the General Capital Fund, estimates for the eight parks bond projects have been budgeted for design and construction. \$12 million from the fund is designated for the maintenance facility, although the total cost for the project is estimated at \$50 million. Staff expect to see the first planned used of new reserves from facilities major maintenance in 2028.

Grants are the number one revenue source for Roads Capital. The 145th Corridor Phase 1 and the 145th Interchange projects are fully funded and scheduled to begin construction in 2023. Funding gaps need to be filled for the 148th Bridge and NE 175th Corridor. The proposed CIP also includes the new sidewalk program projects. Ms. Juhnke noted that the one percent for the arts program is expected to generate \$1.7 million for 2023-2028. The surface water management utility will continue to follow the proactive strategy implemented with the last Master Plan update. The wastewater utility will largely follow the Master Plan developed prior to assumption along with the updated rate study.

Deputy Mayor Robertson commented that compensation for boards and commissions would be a nice incentive. She asked about the service delivery section pertaining to adding contingency development permit support as Council recently approved additional staffing for that area. Ms. Lane responded that the additional staff brought the City to the appropriate staffing for baseline permit processing. With the potential for more and expedited permits, additional support is needed for this department.

The growth in sales tax since 2021 was pointed out as a concern but Ms. Lane stated that staff assume slow growth at this point but certain one-time costs have been accounted for in the plan. Ms. Lane was asked to speak on the rate in which Shoreline tax revenue leaves the City. She said that it has been previously analyzed but staff would need to revisit the topic.

The potential unavailability of grant funding was brought up as a potential issue for capital projects. It was asked if the City is prepared to deal with a lack of grant funding. Ms. Juhnke explained that it is a risk for these projects but the City has historically been successful in

attaining funding from a variety of sources. She noted that the latest infrastructure bill may offer additional revenue in \$4 to \$5 million chunks. If grants are not sufficiently supplemented with other money, then the projects may be delayed which has the potential of increasing the cost of construction. The 185th Street Corridor was the only project brought up to struggle with grant funding but is also a low priority project.

10. EXECUTIVE SESSION

At 8:46 p.m., Mayor Scully recessed into an Executive Session for a period of 15 minutes as authorized by RCW 42.30.110(l)(i) to discuss with legal counsel matters relating to agency enforcement actions or litigation and stated that the Council is expected to take final action following the Executive Session. Staff attending the Executive Session included Debbie Tarry, City Manager; John Norris, Assistant City Manager; and Margaret King, City Attorney. The Executive Session ended at 8:56 p.m. and Mayor Scully called the meeting back to order at 9:01 p.m.

Deputy Mayor Robertson moved to direct the City Manager to finalize and execute a settlement agreement and release with Grease Monkey in relation to City cleanup cost reimbursement for soil contamination remediation. The motion was seconded, and passed unanimously 6-0.

11. ADJOURNMENT

At 9:02 p.m., Mayor Scully declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk