

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Monday, January 7, 2002
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Grossman, Councilmembers Chang, Gustafson, Montgomery and Ransom

ABSENT: None

1. **CALL TO ORDER**

The meeting was called to order at 6:35 p.m. by Mayor Jepsen, who presided.

2. **FLAG SALUTE/ROLL CALL**

Mayor Jepsen led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

- (a) Proclamation of "Shorewood Girls Soccer Week" and "Kings High School Cross Country Week"

Mayor Jepsen presented a proclamation of "Shorewood Girls Soccer Week" to the Shorewood High School girls soccer team and their coach. Coach Joe Hampson accepted the proclamation. Mayor Jepsen also presented a proclamation of "Kings High School Cross Country Week" to the boys and girls cross country teams from Kings High School. Coach Rod Wilcox accepted the proclamation.

- (b) Election of Mayor and Deputy Mayor

Mayor Jepsen turned the gavel over to the City Clerk, who called for nominations for Mayor. Councilmember Grossman nominated Scott Jepsen. Seeing no further nominations, the City Clerk declared the nominations closed. At the vote, Scott Jepsen was elected to a two-year term as Mayor by unanimous vote.

The City Clerk turned the gavel over to Mayor Jepsen, who conducted the election of the Deputy Mayor. Councilmember Ransom nominated Kevin Grossman. Councilmember Gustafson nominated Linda Montgomery. Seeing no further nominations, Mayor Jepsen declared the nominations closed. Councilmembers Grossman, Ransom, Montgomery and Hansen voted in favor of Councilmember Grossman for the position of Deputy Mayor. Mayor Jepsen declared Councilmember Grossman elected to a two-year term as Deputy Mayor.

DRAFT

3. CITY MANAGER REPORT

Steven C. Burkett, City Manager, welcomed John Chang to the Council and congratulated Mayor Jepsen and Deputy Mayor Grossman on their election. He noted that Councilmember Montgomery has been appointed to the Board of Directors of the Association of Washington Cities. He mentioned upcoming Planning Commission vacancies and suggested that Council may wish to appoint a committee to screen applications. He said Council also needs to make an appointment to the Seashore Forum. He said staff will include these items on the agenda of the next Council meeting.

Councilmember Ransom asked if there were upcoming vacancies on the Library Board and the Parks, Recreation and Cultural Services Committee. Mr. Burkett said he would check on this.

Concluding, Mr. Burkett said there will be appointments to Suburban Cities Association committees.

Tim Stewart, Planning and Development Services Director, reported on the permits for the proposed Safeway expansion at 15332 Aurora Avenue N. He noted the project abuts an R-6 residential zone. He listed the permits needed for the project and responded to the issues raised by neighbors:

- public notice—not required for projects of less than 4,000 square feet;
- undergrounding of wires—an engineering variance was granted because certain criteria were met; if the wiring were required to be undergrounded, the residential properties abutting the undergrounding would also have to have services undergrounded because they receive them from the same line;
- the location of the transformer—this is typically placed in the public right-of-way or an easement, as it is in this case;
- private covenants—the City found no evidence that the proposed project violated covenants.

Mr. Stewart advised that the City has issued the permits for which Safety applied.

Responding to Mayor Jepsen's question about buffering, Mr. Stewart said the area of the transformer will have to be screened.

Councilmember Ransom expressed surprise that neighbors oppose this project. He said it appears to be a reasonable use of a property that has been the subject of past code enforcement action involving businesses previously located there.

4. COUNCIL REPORTS

Councilmember Ransom said he would give his report on the Jail Advisory Committee meeting later in the agenda.

DRAFT

Councilmember Gustafson mentioned the Seattle Post-Intelligencer Jefferson Award. He suggested that Council nominate Rod Hemmel for this award. Councilmember Ransom suggested others in the community for consideration, including Connie King and Dwight Stevens. Councilmember Gustafson said it behooves Council to spend some time considering all appropriate individuals to recognize their contributions to the community. Mayor Jepsen directed staff to inform Council about what needs to be done to pursue a nomination. Councilmember Gustafson outlined the reasons for his support of Mr. Hemmel and said he would be happy to pursue the nomination on his own.

5. PUBLIC COMMENT

(a) Les Nelson, 15340 Stone Avenue N, reiterated the concerns he expressed at the December 10, 2001 Council meeting regarding the Safeway project: 1) failure to underground utilities; 2) failure to require Safeway to put up construction fencing; and 3) the location of the transformer in the setback area. He said another property owner will have to be involved in the ultimate resolution of the easement issue, and he noted his understanding that that individual is not willing to grant an easement across his property. He asserted that the City has given Safeway leeway in meeting various requirements. He asked that the City direct Safeway to work with the neighborhood to improve the project.

Mayor Jepsen and other Councilmembers said they would have to view the site.

6. ACTION ITEMS

- (a) Motion to authorize the combination of Paramount School Park, Phase One and Phase Two

Mr. Burkett explained that the suggestion to combine the two phases of the Paramount School Park Project arose during Council discussion of the Capital Improvement Program (CIP). He said staff now recommends this action.

Wendy Barry, Parks, Recreation and Cultural Services Director, provided a chronology of the development of the two phases of the project, as outlined in the memo presented to Council.

Mr. Burkett said one of the advantages of combining the two phases is that the project can then be completed within budget. Completing Phase One by itself will require an additional allocation of \$75,000.

Art Maronek, Interim Public Works Director, mentioned a formerly-undetected area of "waste deposits" left in the ground by the School District which has increased the cost of the project. He outlined other factors that have contributed to additional funding needs. He pointed out that if the City bids Phase Two separately, there could conceivably be two contractors working on the two phases at the same time, causing potential conflicts and increased costs. He said the staff recommendation will save money and time.

Addressing the skatepark, Mr. Maronek explained the need for the soil to be dry and to have certified compaction to build a quality product.

Councilmember Ransom moved to approve Alternative Two and to authorize the City Manager to execute a design contract and any construction change orders necessary for the completion of the combined Phase One and Phase Two of Paramount School Park improvements, up to a combined maximum of \$1,731,000. Councilmember Hansen seconded the motion.

Councilmember Ransom commented that the project was initially phased because it was thought there was not enough funding to do both phases at once. Ms. Barry explained Phase Two is now less expensive because the basketball court has been replaced by the skatepark and the spray pool has also been eliminated. What was a \$2.3 million project in 1999 is now a \$1.7 million project

Mr. Burkett assured Council that the funding is now available to complete the entire project.

Councilmember Hansen noted the option of bringing in pre-manufactured skatepark components, noting there were manufacturers at the National League of Cities Conference that provided this type of product. Mr. Maronek did not believe this option was ever considered.

Councilmember Hansen summarized that if the two phases are combined, it will not be necessary to bid Phase Two. This will result in cost savings. Mr. Maronek said it will also result in a better product for the skatepark.

Councilmember Gustafson supported the proposal because it saves money, gets the job done more quickly and is less disruptive to the community. He sought assurance that staff will not return to Council for additional funding if this action is taken. Mr. Maronek confirmed that he is not making promises that cannot be kept.

Mayor Jepsen asked if any of the park can be opened this summer. He did not wish to see the park closed through August or September of this year.

Mr. Burkett said this has been discussed preliminarily. He expressed his hope that the park will not be completely closed during the summer. He noted that certain areas will have to be roped off.

Ms. Barry said the key issue is "what's torn up at what time." She noted challenges to keeping part of the park open. She said it might be possible to open the skatepark if it is completed before the rest of the park. She explained that this will depend on timing, weather and risk management issues. She said the field will not be usable because the turf must become established.

Mr. Maronek said he will argue against opening the park before it is completely finished. He said the best business practice, from timeliness, cost and liability perspectives, is to complete the entire project. He said staff will work as quickly as possible. He asserted the risk of implementing recreation uses while construction is underway.

Mayor Jepsen asked about the impact to the availability of fields in Shoreline if the Paramount School Park is "off-line" for two summers. Ms. Barry said the field will need a full season to become established after seeding. She explained that staff will phase in use of the field after the late summer or early fall. She said the City has worked with user groups and the School District to distribute demand for fields.

Noting the \$75,000 difference between the two alternatives, Mayor Jepsen asked where the money will come from to make up this amount. Mr. Maronek explained that staff has obtained estimates for all work remaining in the total project and, coincidentally, it appears the City can save enough by combining the phases to keep the total project at budget.

Responding to Councilmember Hansen, Ms. Barry explained the work on the fields that has already been completed.

Councilmember Hansen asked about the proposed parking on 8th Avenue. Ms. Barry explained that staff adjusted the bioswale when preparing the final design from the master plan to address Seattle City Light requirements that nothing be put on the main line there. The final design calls for parallel parking along the street. Councilmember Hansen said this will leave the park short of parking.

Mayor Jepsen said he would oppose the motion because he would like to complete Phase One as planned and open the park.

Councilmember Gustafson said he favored the motion but wanted to have the Parks, Recreation and Cultural Services Advisory Committee investigate opportunities to open a portion of the park (e.g., skatepark, path) before completion of the entire project.

A vote was taken on the motion to approve Alternative Two and to authorize the City Manager to execute a design contract and any construction change orders necessary for the completion of the combined Phase One and Phase Two of Paramount School Park improvements, up to a combined maximum of \$1,731,000. The motion carried 6 – 1, with Mayor Jepsen dissenting.

- (b) Motion to authorize the City Manager to execute change orders up to an additional \$14,500 above the previously authorized project budget to complete the Richmond Highlands Recreation Center Project

Mr. Burkett said the age and construction of the Richmond Highlands Recreation Center building has resulted in many unanticipated costs. He noted that Council approved an

DRAFT

additional \$60,000 for siding. He said staff now proposes \$20,500 worth of landscaping, exterior painting and window protection from the Parks, Recreation and Cultural Services and Public Works operating budgets. He noted the need for an additional \$14,500 to complete the project.

Councilmember Hansen moved approval of Alternative Two to authorize \$57,000 in increased funding for the Richmond Highlands Recreation Center Project in order to complete it. Councilmember Ransom seconded the motion.

Responding to Councilmember Hansen, Mr. Burkett said the project has a current balance of \$22,000.

Mr. Maronek said staff has deleted the landscaping irrigation item. He explained what the irrigation proposal would have done.

Councilmember Hansen clarified that dropping the irrigation would mean that only \$35,000 is needed to complete the project (including the current balance). **He amended his own motion to authorize \$35,000. Councilmember Ransom concurred.**

Councilmember Montgomery said she has been uncomfortable with the amount of money the City has had to invest in such a "sorry building," but there is no alternative to moving ahead.

Councilmember Gustafson commented that the community has always used the grassy play area. He was concerned about eliminating irrigation and putting in drought-tolerant plants instead. He wished to see a landscaping design to be able to visualize what staff has planned.

Ms. Barry clarified how the proposed landscaping would look: drought-tolerant plants will provide landscaping around the perimeter of the building; there will still be grass elsewhere, but it will be hand-watered or allowed to "brown out" during the summer.

Councilmember Gustafson favored irrigating the grassy area and keeping it in usable condition. He questioned if \$35,000 is enough to accomplish this.

Councilmember Hansen noted that the area has stayed green over the years and that no change is planned. Ms. Barry commented that there is modest irrigation at the site but that she did not know how far south of the building it extends. She explained that staff has proposed to delete the irrigation for the landscaping beds.

Mayor Jepsen summarized that the \$35,000, plus the current balance of \$22,000, will fund those items listed under "Necessary Added Construction Work" on page seven of the Council packet, not including the "Landscape irrigation."

January 7, 2002

A vote was taken on the motion to authorize \$35,000 of increased funding for the Richmond Highlands Recreation Center Project to allow needed construction work to be completed. The motion carried 7 – 0.

- (c) Ordinance No. 292 adopting a folio format of the official Citywide Zoning and Comprehensive Plan land use maps

Mr. Stewart explained that this ordinance does not change any of the Comprehensive Plan or zoning designations in the City. He said the ordinance establishes an official set of maps that are more readable and in which staff has eliminated color designations.

Councilmember Hansen moved to approve Ordinance No. 292. Deputy Mayor Grossman seconded the motion.

Councilmember Ransom asked about remaining citizen challenges of any of the zoning designations. Mr. Stewart said no one testified at the public hearing on the proposed maps. He noted the potential for disagreements about zoning and planning, but he said the proposed maps represent the current situation.

Responding again to Councilmember Ransom, Mr. Stewart noted that there are two parts to the Development Code: the maps that show locations and the narrative describing uses.

Councilmember Hansen expressed appreciation for the readability of the proposed maps. He mentioned that Tile 442 shows an R-4 designation on the tidelands in Puget Sound. Mr. Stewart said the maps do not show any overlays (e.g., shoreline district, critical area districts). He explained that staff applies these designations but that they are not part of the official maps. He said being able to represent the overlays is a future work product.

Councilmember Gustafson said the Planning Commission talked about the Pt. Wells annexation area. Mr. Stewart said it is included in the land use map, but it will not be on the zoning map until it is annexed.

Councilmember Gustafson commented on a typographical error on the map legend.

Councilmember Chang wished to ensure that the neighborhoods had had an opportunity to comment. Mr. Stewart explained the extensive public input process for the update of the Comprehensive Plan land use maps. He said the proposed ordinance represents all of the decisions previously made.

Deputy Mayor Grossman advocated that the City post the tiles on the web site. Mr. Stewart said this is the goal. He expressed uncertainty about the timing.

A vote was taken on the motion, which carried 7 – 0, and Ordinance No. 292 was passed.

- (d) Motion to authorize the City Manager to enter into agreements

to take advantage of jail service cost savings with alternate service providers

Mr. Burkett explained that the annual cost of King County jail services is approaching \$1 million. Noting that the County recently proposed termination of the current contract and that the proposed new contract increases rates by approximately 60 percent, he said staff has investigated other options for housing misdemeanants.

Eric Swansen, Senior Management Analyst, presented the staff report and the reasons the City needs to consider alternate service providers. He explained what other cities have been doing, and he proposed Yakima County as an alternate service provider. He said Yakima County is looking to other cities as a means of spreading out its jail service costs. He noted that Shoreline will still require certain services before transporting prisoners, including: booking, identification and classification; health screening and housing. He said the City of Renton has offered to provide these services on a "near- to medium-term" basis.

Mr. Swansen outlined potential risks: health care costs; a long-term commitment to a certain number of beds; and the fairly remote risk that the Legislature will prohibit the transfer of prisoners outside the County. He said Yakima County has not factored health care costs into its proposed rate. He explained the concept of creating a "pool" with other cities to build reserves to cover these costs. He noted that Yakima County wants a fairly long-term commitment (seven-ten years) to a certain number of jail beds. He explained that the seasonal and economic aspects of the demand for jail services makes it difficult to predict. He mentioned a proposal to establish an arrangement with other cities to share the related risks.

Concluding, Mr. Swansen said many details remain to be worked out, but he expressed confidence that processes are in place to address them. He asserted that cities in the region must develop long-term solutions to their needs. He commented that Shoreline does not want to get into the same situation as the City of Lacey, which does not retain misdemeanants for lack of jail space.

Councilmember Ransom reported information from the Jail Advisory Committee. He reminded Council that jail costs have more than doubled in a period of five or six years. He said the committee learned that King County applies administrative overhead to the jail contract. He mentioned that Shoreline does not pay County administrative overhead for police services. He noted that the Cities of Issaquah and Lynnwood have jails but that neither can accommodate Shoreline unless the City commits to a certain amount of space. He identified the Enumclaw jail as a possible alternative. He said King County wants to eliminate the North Rehabilitation Facility program, which is located in Shoreline. He concluded his report by mentioning the Shoreline program in which volunteers call misdemeanor defendants to remind them of scheduled court appearances. He said the program has reduced costs by increasing the rate of appearances to approximately 70 percent.

DRAFT

Councilmember Ransom expressed concern about transporting misdemeanants from Shoreline to Yakima. He said the distance may pose a hardship for families and attorneys.

In response to Councilmember Ransom, Mr. Swansen said video-conferencing is being considered. He noted that Yakima County allows broader visitation rights, as well as telephone calls (which King County does not allow), to inmates. He mentioned video visitation and cooperative weekend transportation of families as other possibilities.

Councilmember Ransom asserted the underlying issue of more people with longer jail sentences. He said judges feel they must "get tough on crime." He noted the difficulty of building new jails or prisons and the escalation of costs. He said legislators must work with judges to deal with this problem.

Mr. Burkett explained that staff seeks Council consensus to continue working in the direction described by Mr. Swansen. He said staff will return to Council for approval upon development of more finalized documents.

Councilmember Hansen said King County has not been willing to negotiate and would have cut Shoreline off in 2001 if it could have done so. He advocated the most efficient program for the City. He stated his preference for the Yakima County alternative over continuing to contract with King County.

Mr. Swansen identified prescription drugs and emergency medical care as two components of health care costs. He said King County cannot provide good information on these costs. He noted that the City of Renton estimates these costs to be \$7 per prisoner at its jail. He said Yakima County has offered to charge \$10 per prisoner for both emergency medical care and pharmaceuticals.

Councilmember Hansen asked when Shoreline will begin using electronic detention. He said this could reduce medical costs by keeping individuals with medical problems out of the system. Mr. Swansen advised that the City is responsible for individuals under electronic monitoring and that the City has some liability if one commits a felony. He said legislation may address this issue or cities may arrange a joint approach.

Councilmember Hansen said north end cities should plan an accumulation point. Mr. Swansen noted the idea to identify and resolve issues using the Renton facility and then to develop a facility in the north end.

Councilmember Hansen said the City has long-term exposure in regard to the number of beds and the length of time of its commitment. He noted that cities could group together to reduce the liability of any one city. He favored moving forward with the project as expeditiously as possible.

Councilmember Montgomery asked about a backup plan if more beds are needed in the future. Mr. Swansen said staff will try to develop flexibility with Yakima County. He

DRAFT

mentioned that facilities in Clark and Okanogan Counties may be available as backups. Mr. Burkett said the final backup is that not all misdemeanants have to be jailed.

Deputy Mayor Grossman raised concerns about transportation, liability and distance. He requested more details about the rate structure, control on services and rates, control of overhead costs, costs of video-conferencing, appropriate access to prisoners, and an exit clause if the Legislature passes legislation prohibiting this option.

Mr. Burkett commented that the proposal does not break new ground. He said he did not want Shoreline to miss out on the option of using Yakima County.

Councilmember Gustafson asked how many cities contract with the County Sheriff's department and whether this proposal will affect that relationship. Mr. Swansen said Maple Valley's use of Okanogan County has not significantly affected its relationship with the King County Sheriff's department. He noted the importance of good coordination. Councilmember Ransom said the County separated jail administration and the Sheriff's Department during the 1970s.

Mayor Jepsen confirmed consensus for developing an exit strategy for jail services and for beginning to develop the approaches discussed this evening.

7. WORKSHOP ITEMS

(a) Discussion of Council Goal #9 (In-Lieu-Of/Impact Fee Program)

Mr. Stewart said Council directed staff to develop a program to coordinate the design and installation of frontage improvements (e.g., sidewalks, surface water management) as an alternative to piecemeal improvements. He noted that impact fees are not legally permissible unless the development results in an increased demand for services.

Sarah Bohlen, Transportation Planner, presented the staff proposal to create a voluntary in-lieu-of construction program. She said the proposal has widespread support among the various stakeholders. She outlined program requirements, which include that funded projects benefit contributing developments. Noting research showing that a half mile is a reasonable walking distance, she said staff recommends allowing in-lieu-of payments for projects within a half mile of the subject development. She said any development could choose to contribute to the Interurban Trail Project, which will be used by the entire City. She said the City can choose whether to allow the developer to participate in the program. She referred to page 33 of the Council packet, which lists program eligibility criteria for developments. She explained that the program is not expected to generate a great deal of revenue and that its benefit lies in a more efficient use of resources, more logical pedestrian facilities and aesthetic improvements to the sidewalk system.

Mayor Jepsen did not agree with requiring a mutual agreement on the payment in-lieu-of project. He favored pooling funds for use for school sidewalks, the Interurban Trail and other projects. He said he did not want to spend time negotiating appropriate projects.

He said he wanted to get away from the half mile radius and stick to listing a few appropriate projects of Citywide benefit. Ms. Bohlen responded that courts do not favor taking the in-lieu-of fee unless the developer knows up front what the money will be spent on. City Attorney Ian Sievers explained that the issue is the combination of the five-year expenditure requirement with the requirement that the project directly benefit the development.

Mayor Jepsen suggested that the City give the developer the choice either to build a sidewalk at the development or to contribute to the pool for the sidewalk program. He asserted that the money collected could then be expended each year.

Ms. Bohlen mentioned the traffic calming program as another Citywide program that might be eligible for the funds.

Mayor Jepsen suggested that the City delineate the program generically without naming specific projects. He said the total amount of the fund would be tacked onto the general program and be spent within two years.

Mr. Burkett reiterated the legal constraints requiring that the improvement reasonably serve or benefit the development.

Deputy Mayor Grossman said many developers would rather contribute to a pool to fund something constructive than create a small improvement for their own development.

Councilmember Hansen said any voluntary contract would have to be written to protect the City from future litigation.

Deputy Mayor Grossman said the chances of a development not being within a half-mile radius of some project are fairly slim.

Councilmember Chang asserted that using the half-mile radius defeats the purpose of the program.

Councilmember Hansen commented that a developer can build improvements at less cost than the City.

Summarizing, Mayor Jepsen said the goals of the program should be to simplify the tracking process and to increase City flexibility to use program funds on projects that make sense for the City (concentrating less on showing a direct relationship of benefit to a developer's project).

Mr. Stewart said staff will prepare a code amendment for Planning Commission consideration based on Council direction.

- (b) Proposal to Create an Interlocal Emergency Management Compact in Shoreline

DRAFT

Mr. Burkett mentioned that Council discussed an Interlocal Emergency Management Compact with the Shoreline Fire District Commission during their joint dinner meeting October 22, 2001.

Assistant City Manager Larry Bauman briefly reviewed the steps that staff has proposed to take during 2002 toward an Interlocal Emergency Management Compact.

In response to Mayor Jepsen, Mr. Bauman explained the intent to create an Emergency Management Council, including the City and the other taxing districts in Shoreline, to share individual and group needs, resources, roles and responsibilities. He noted the goal to coordinate plans to insure that each organization plays a useful role and to prevent duplication of efforts.

Deputy Mayor Grossman commented that emergency preparations are often short-lived. He advocated a sustainable, long-term program that leverages the combined resources of the City and the other taxing districts. He supported the proposal.

Councilmember Gustafson asserted the importance of the City and the districts working together to create an emergency plan. He supported continued progress as outlined in the proposal.

- (c) Discussion of Objectives with the Ronald Wastewater District regarding development of a replacement franchise agreement

Kristoff Bauer, Assistant to the City Manager, reviewed the staff report. He noted that Ronald Wastewater District has phased out the surcharge it previously applied to rates in a portion of Richmond Beach to cover the capital cost of bringing that area up to District standards. He went on to request Council input on the issues of payment, uniform rates, annexation and assumption.

On the issue of payment, Mayor Jepsen advocated application of the Council policy of either collecting a six-percent utility tax or an equivalent franchise fee. He noted the District argument that the County charge for regional conveyance and treatment, which represents more than 73 percent of its monthly rate, should not be included in the definition of "revenue." He said the County intends to ask the Legislature to grant it authority to tax utilities across the County. He asserted his assumption that the County will tax the full bills of District customers, not just the 27 percent attributable to the District.

Mr. Bauer noted the staff recommendation that the definition of "revenue" subject to City fees include the County charge for regional conveyance and treatment. Mayor Jepsen confirmed Council consensus in support of this position.

DRAFT

On the issue of uniform rates and surcharges, Mr. Bauer recommended that the replacement franchise agreement memorialize the District's practice of trying to avoid surcharges unless they represent a real difference in service levels. Mayor Jepsen asserted that uniformity of rates is less important than representation for all ratepayers on the District Board. He said the Board can determine whether to make rates uniform, assuming the Board represents all ratepayers.

Next, Mr. Bauer raised the issue of annexation of the Seattle Public Utilities (SPU) service area to the District. Mayor Jepsen said Council took action to have the District assume the SPU service area in part to insure representation of residents within the service area. He commented that annexation, which will give the residents the right to vote for District Commissioners, is a necessary step toward the Council goal. Mr. Bauer said the District intends to annex the SPU service area, but it wants to wait until the City of Lake Forest Park decides whether to acquire that portion of the service area within Lake Forest Park in order to determine the boundaries of the annexation. He said the City could ask the District to move forward with an annexation vote. Mayor Jepsen suggested a goal of annexation in time for customers within the service area to participate in the next election of District Commissioners. He confirmed Council consensus in support of the goal that customers within the service area be able to vote for District Commissioners.

Mr. Bauer went on to discuss the issue of City assumption of the District. Mayor Jepsen assumed that Council would want its direction on this issue to be consistent with its direction regarding assumption of the Shoreline Water District. He said no one wants to foreclose the option of assumption but no one wants to begin assumption immediately.

Councilmember Ransom said the City entered into an agreement with the Wastewater District long before entering into agreement with the Water District, and the Wastewater District is further along in the tasks of consolidating service areas. Noting that the assumption process will take four to six years, he advocated that the City start the process within one to two years. Councilmember Hansen agreed. He said City negotiations with the Wastewater District should include the transition of the District to the City.

Councilmember Gustafson advocated a ten- to 15-year time frame for City assumption of the Wastewater District. He said Shoreline is a new city with a "lot on its plate," and the District is operating efficiently.

Councilmember Montgomery advocated a middle course. She noted her impression "that the only way the City is going to be able to capitalize on these revenues is ultimately to make assumption of the District." She said Council owes it to the citizens of Shoreline to assume the District in as timely a manner as possible.

Councilmember Hansen said City assumption of the District will likely take five years. He asserted the City's obligation to begin consolidating overhead expenses and coordinating equipment usage and capital projects. He said consolidation of the District and the City is in the best interests of both. He mentioned that the manager of the District

DRAFT

is likely to retire during the next three to five years. He asserted the potential for a naturally progressing, peaceful assumption if the City and the District begin to work on the issue now.

MEETING EXTENSION

At 10:00 p.m., Deputy Mayor Grossman moved to extend the meeting until 10:30 p.m. Councilmember Ransom seconded the motion, which carried 7-0.

Mayor Jepsen advocated the timely, though not immediate, assumption of the District. He said the City could stipulate that it does not intend to begin the assumption process for three years but that it will not preclude the option after three years. He noted that Council has previously sought to reserve the option to become a full-service city.

Deputy Mayor Grossman supported a ten-year timeframe for City assumption of the District.

Councilmember Chang advocated that the City proceed with assumption to achieve the cost savings and coordination that Councilmember Hansen discussed.

Mr. Bauer said the District sees forbearance for some period of time as an important element of what it seeks to accomplish. He explained the District contention that it needs forbearance in exchange for the value of the payment that it wants to give back to the City.

Continuing, Mr. Bauer noted that the City is proceeding with the City Hall project. He suggested that Council could agree to forbear for three to five years provided the District agrees to participate in the City Hall project by becoming a tenant. He said this would ease City and District costs and represent a step toward one-stop service for Shoreline residents. He said foregoing this condition of forbearance may complicate future consolidation of the District into the City for lack of space. Assuming the District occupies part of a new City Hall, he noted potential future opportunities for the District to contract for personnel and legal services from the City, thereby easing the integration of the organizations over time.

Councilmembers Gustafson, Hansen and Montgomery supported this proposal. Councilmember Hansen said the City and the District should work together to accomplish their merger in approximately five years on a friendly basis. Councilmember Gustafson reiterated his support for a ten-year time frame.

Mayor Jepsen confirmed Council consensus in support of eventual City assumption of the District. He acknowledged disagreement about the time frame. He said the District should understand this. He asserted the importance of establishing a relationship in which the City and the District are working together toward eventual consolidation. He attributed Council concern about not precluding assumption to the City responsibility under State law for the availability of utilities.

DRAFT

Councilmember Gustafson said he could support a shorter time frame if it resulted from a logical, sequenced process.

In response to Councilmember Ransom, Mr. Burkett said he will take responsibility for negotiations with the Wastewater District until the City hires Mr. Bauer's replacement.

Mayor Jepsen expressed Council's appreciation for Mr. Bauer's contributions to the City and best wishes for him in his new position as Assistant City Manager in Billings, Montana.

8. CONTINUED PUBLIC COMMENT: None

9. EXECUTIVE SESSION

At 10:10 p.m., Mayor Jepsen announced that Council would recess into executive session for 20 minutes to discuss potential and current litigation.

MEETING EXTENSION

At 10:30 p.m., Mayor Jepsen announced that the meeting and the executive session would be extended for 15 minutes.

At 10:45 p.m., the executive session concluded and the special meeting reconvened.

10. ADJOURNMENT

At 10:46 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk

January 14, 2002

DRAFT
CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF DINNER MEETING

Monday, January 14, 2001
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Jepsen, Deputy Mayor Grossman, Councilmembers Chang, Gustafson, Hansen, Montgomery and Ransom

ABSENT: None

STAFF: Steve Burkett, City Manager; Larry Bauman, Assistant City Manager; Joyce Nichols, Community and Government Relations Manager; Marci Wright, Human Resources Director; Susan Will, Communications Specialist

The meeting convened at 6:05 p.m. All Councilmembers were present.

Mayor Jepsen asked Councilmembers Chang and Montgomery about their preferences for using the compensation for medical insurance that Council recently adopted. He then advised that none of the Councilmembers wanted to enroll in the City's medical insurance plan. He explained that, as a result, the four newly-elected Councilmembers must deposit their funds into one of the two City 457 deferred compensation plans.

Councilmember Hansen mentioned recent public comment about the Aurora Avenue N and N 155th Street Safeway development project. Several Councilmembers said they had visited the site during the past week.

Mayor Jepsen noted the preparation of a draft of the State of the City Address. He read the draft to Council and requested feedback. Councilmembers suggested various changes.

Mayor Jepsen reported on the meeting of the north end mayors group earlier in the day. He identified the proposed County utility tax as one of the main topics of discussion. He said the group discussed the concept of all Washington counties implementing utility taxes. He said other discussion topics included a County proposal to move the North Rehabilitation Facility to southern King County, the 2002 session of the State Legislature and proposed legislation.

Councilmembers discussed whether the Council should take a position on the proposed School District property tax levy.

January 14, 2002

DRAFT

Council concluded the dinner meeting in order to have a group photograph taken.

At 7:05 p.m., Mayor Jepsen declared the meeting adjourned.

Larry Bauman, Assistant City Manager

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, January 14, 2002
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Grossman, Councilmembers Chang, Gustafson, Hansen, Montgomery and Ransom

ABSENT: None

1. **CALL TO ORDER**

The meeting was called to order at 7:30 p.m. by Mayor Jepsen, who presided.

2. **FLAG SALUTE/ROLL CALL**

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

3. **REPORT OF CITY MANAGER**

City Manager Steve Burkett said the report of the Shoreline Water District Executive Director originally scheduled for January will be presented in February. He pointed out that the final draft of the survey of Shoreline residents is in the Council correspondence packet.

4. **REPORTS OF BOARDS AND COMMISSIONS**

(a) Library Board Report

The Chair of the Shoreline Library Board, Evelyn Phillips, reported to Council on the activities of the Board and of the Shoreline and Richmond Beach libraries. She commented on the increased usage of the new Richmond Beach Library and the continued growth in circulation at the Shoreline Library. She outlined various King County Library System (KCLS) programs. She said the Board is examining ways the libraries can provide better service to seniors. She noted that Judge Richard Eadie has been appointed to the KCLS Board of Trustees. Ms. Phillips concluded by outlining the impacts of Initiative 747 on KCLS and by describing Proposition 1, which voters will consider on the February 5, 2002 ballot. She encouraged Councilmembers to support KCLS by voting in favor of Proposition 1, which will increase KCLS property tax revenue by four cents per \$1,000 of assessed property value.

Mayor Jepsen commented on the "amazing" circulation statistics that Chair Phillips outlined. He expressed his pleasure at Judge Eadie's appointment to the KCLS Board.

Councilmember Ransom commended the Library Board for its efforts and thanked Ms. Phillips for her six years of service. He noted two upcoming vacancies on the Board.

Deputy Mayor Grossman commented on the good coordination between KCLS librarians and the Shoreline School District.

5. PUBLIC COMMENT

(a) Charlotte Haines, 831 NE 194th Street, expressed concerns about time and cost overruns for some City Capital Improvement Program (CIP) projects. She suggested that the City focus on its priorities, particularly economic development through improvements to Aurora Avenue and North City. She also expressed concern about the potential assumption of the Ronald Wastewater District. She hoped this would not come up for four or five years, when other City projects have been completed.

Mayor Jepsen noted the diversity of opinion on the Council concerning assumptions. He anticipated much more Council discussion of the issue.

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved approval of the agenda. Deputy Mayor Grossman seconded the motion, which carried unanimously, and the agenda was approved.

7. CONSENT CALENDAR

Councilmember Montgomery moved to approve the consent calendar. Councilmember Ransom seconded the motion, which carried 7-0, and the following items were approved:

Minutes of the Workshop Meeting of December 3, 2001

Minutes of the Joint Dinner Meeting of December 10, 2001

Minutes of the Regular Meeting of December 10, 2001

Approval of expenses and payroll as of December 28, 2001 in the amount of \$5,025,188.35

Motion to authorize the City Manager to execute the contract with North Rehabilitation Facility for landscape maintenance for an amount not to exceed \$124,600

Motion to authorize the City Manager to execute a change order in the amount of \$113,196 with Ohno Construction to complete

habitat mitigation work for the Shoreview Park Improvement Project

8. **ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS**

- (a) Motion to authorize the City Manager to amend the interlocal agreement for Law Enforcement Services with King County to include arson investigation

Larry Bauman, Assistant City Manager, explained that King County no longer provides free Countywide arson investigation services. He said Shoreline and other affected agencies have had to develop a process by which the King County Police can provide these services. He reviewed other options. He said staff recommends an amendment to the interlocal agreement with King County for Law Enforcement Services that identifies costs, costing methods and call-out protocols for arson investigation.

Councilmember Gustafson moved to authorize the City Manager to amend the interlocal agreement with King County for Law Enforcement Services to include arson investigation services. Councilmember Montgomery seconded the motion.

Responding to Councilmember Ransom, Mr. Bauman explained the differences between criminal arson investigation and the preliminary work done by the Fire Marshall to identify the cause and origin of a fire.

Councilmember Chang expressed concern that the County might stop providing other services that it has provided in the past without charge. Mr. Burkett added that Councilmember Chang had asked him if the County could do this with police services. He explained that these services are guaranteed through the contract, but the costs will continue to rise.

Responding to Councilmember Hansen, Mr. Bauman explained that the number of arson investigations has decreased in the past year because of the new call-out protocols. He said the numbers in the proposed amendment reflect this downward trend. He noted that if the numbers of investigations increase the City can pay for overtime. He said this is a better option than having an additional investigator in the contract.

Councilmember Hansen pointed out that the "free" services provided by the County to Shoreline are funded by \$8 million in taxes paid to the County by Shoreline residents.

A vote was taken on the motion, which carried unanimously, and the City Manager was authorized to amend the interlocal agreement for Law Enforcement Services with King County to include arson investigation.

- (b) Motion to adopt the 2002 Statement of Legislative Priorities

January 14, 2002

Noting that the 2002 legislative session began today, Mr. Burkett explained that adoption of the Legislative Priorities provides a basis for staff, Councilmembers and the City's lobbyists to move forward on items under consideration by the legislature.

Joyce Nichols, Community and Government Relations Manager, said the major issues during the session will be the same as last year: transportation and the budget. She noted the projected State budget shortfall of \$1.25 billion. She said one priority for Shoreline will be the restoration of the Initiative 695 backfill funding that has been cut in the Governor's budget. She said this funding, if cut, will probably never be replaced by another source.

Continuing, Ms. Nichols identified gambling tax rates as another major issue. State law currently allows cities to tax cardrooms to a maximum of 20 percent. The City opposes a reduction in this maximum rate. The Governor wants to reduce the city rate to 15 percent and add a State tax of ten percent. Shoreline opposes this plan because this is one of the few flexible sources of City revenue. Ms. Nichols also mentioned Senate Bill 6193, which proposes several changes harmful to Shoreline. She said the bill would expand gambling and affect the use of zoning to regulate gambling activity.

Ms. Nichols said Shoreline supports a balanced transportation funding package to insure funding for major City transportation projects, particularly the Aurora Corridor.

Ms. Nichols said King County may lobby the legislature to grant counties the authority to impose utility taxes. Explaining City opposition to this proposal, she mentioned the "urban subsidy," through which unincorporated areas in King County receive more dollars in services than they generate in tax revenues, and the County's failure to define its role as a provider of regional services. She said a Countywide utility tax would allow King County to spend its way out of its budget problems without addressing the issues of regional services and the urban subsidy.

Concluding, Ms. Nichols said the City is monitoring legislation that would require local communities to identify sites to house released sex offenders and proposed cuts in health and human service programs, which will reduce the safety net for vulnerable City residents and/or shift responsibilities for these program to local governments without providing appropriate funding.

Councilmember Montgomery moved to adopt the proposed 2002 Statement of Legislative Priorities. Councilmember Gustafson seconded the motion.

Responding to Councilmember Ransom's comment that there will be a \$3 billion shortfall in the State budget in the next biennium, Ms. Nichols agreed that budget problems will only get worse with time, unless the revenue stream increases or the economy improves.

Councilmember Ransom said the loss of sales tax equalization money should be a high priority issue. He noted that many new cities counted on this source of income to make their incorporations financially feasible.

Councilmember Ransom commented on the proposed reduction of the maximum gambling tax rate of 20 percent. He said the legislature approved legislation reducing the maximum rate to ten percent three times, but the Governor vetoed each bill. He said the gambling industry spends 80 percent of its revenues to comply with government regulations. He noted that an 11-percent city tax, such as that in Shoreline, leaves nine percent as a return on investment. He said the addition of a 10-percent State tax will reduce mini-casinos' profit margins to zero and put them out of business. He asserted that electronic pulltabs represent the biggest threat to the City budget. He said the State collects tax revenues on electronic pulltabs, but the City does not. He said cardroom revenues are down, which affects the City budget, but electronic pulltab revenue has increased. He recommended that the City strongly advocate for a share of electronic pulltab tax revenues. Ms. Nichols said the most recent legislation she reviewed divided the tax revenue on electronic pulltabs between cities and the State.

Councilmember Ransom recommended being proactive in the area of health and human services by advocating strongly for legislation that protects people. Ms. Nichols said this will definitely occur.

Councilmember Montgomery strongly supported the priorities and advocated keeping the 20 percent rate for the gambling tax rate for cities. She questioned the amount of opposition outside the Puget Sound area to countywide utility taxes. Ms. Nichols said staff is exploring this.

Responding to Councilmember Montgomery, Ms. Nichols said it is always very helpful when Councilmembers respond quickly to requests for contacts with legislators, either in writing or through testimony in Olympia.

Councilmember Gustafson commended Ms. Nichols for the clarity of the Statement of Legislative Priorities. He suggested that the City send them to the federal and State legislators representing Shoreline. He also emphasized the importance of support of youth services.

Responding to Councilmember Ransom, Ms. Nichols explained that the State has the responsibility to house sex offenders but it is pushing the planning for the number of beds to house sex predators in the local communities back on the counties and cities. The goal is to get the State to take back responsibility for the siting decisions that put those individuals in local communities.

A vote was taken on the motion, which carried 7-0, and the 2002 Statement of Legislative Priorities was adopted.

9. UNFINISHED BUSINESS

(a) Information regarding release of grant funding for the Interurban Trail Bridge Project

Mr. Burkett explained that the City has asked the State for more flexibility in terms of the deadlines for acceptance of the grants related to the building of a bridge over Aurora Avenue for the Interurban Trail. He asked Council to take no specific action tonight with regard to this issue. He said this will give staff more time to obtain a better cost estimate for the bridge and perhaps to identify other funding.

Councilmember Hansen pointed out the postponed motion on the floor from the December 10, 2001 meeting to authorize the City Manager to release the grant funds totaling \$534,292 back to the Washington State Department of Transportation and the Washington Traffic Safety Commission Target Zero Grant Program.

Councilmember Montgomery asked to withdraw her motion. Councilmember Hansen withdrew his second. There was no objection, and the motion was withdrawn.

Mayor Jepsen commented that Council has expressed a desire to "keep this alive a little longer" in order to fully review all options.

Responding to Councilmember Ransom's suggestion of using the money now to design the bridge, even if it has to be put "on hold" until later, Mr. Burkett said one of the conditions of the grant is that the bridge be built within three years. He said the State could require Shoreline to pay back the money if this does not occur.

Anne Tonella-Howe, Aurora Corridor Project Manager, said the State now appears to be exploring whether to impose this time deadline. She noted that by holding onto the design the City runs the risk that standards for construction might change in the future.

Councilmember Montgomery commented that no one wants to give the money back.

Mr. Burkett reminded Council of the other issue besides the timing of construction: the City has not identified a source of funding for bridge construction.

Deputy Mayor Grossman strongly advocated that the City keep the bridge in the trail project. He said the City has not substantiated the \$3.5 million cost estimate to build the bridge. He commented that the grant could help to firm up the costs. Ms. Tonella-Howe concurred that one of the purposes of the grant money was to get a more definitive cost estimate.

Councilmember Gustafson said this is a high priority project and he does not want to give any money back until the City has exhausted all possibilities. He requested the confirmation of all information in writing.