



## AGENDA

### SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, November 5, 2007  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

**TOPICS/GUESTS:** City Hall/Civic Center Project Update

### SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, November 5, 2007  
7:30 p.m.

Shoreline Conference Center  
Mt. Rainier Room

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:30
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. REPORTS OF BOARDS AND COMMISSIONS		
5. GENERAL PUBLIC COMMENT		7:40
<i>This is an opportunity for the public to address the Council on topics other than those listed on the agenda, and which are not of a quasi-judicial nature. The public may comment for up to three minutes; the Public Comment under Item 5 will be limited to a maximum period of 30 minutes. The public may also comment for up to three minutes on agenda items following each staff report. The total public comment period on each agenda item is limited to 20 minutes. In all cases, speakers are asked to come to the front of the room to have their comments recorded. Speakers should clearly state their name and city of residence.</i>		
6. APPROVAL OF THE AGENDA		8:00
7. CONSENT CALENDAR		
(a) Minutes of Workshop Dinner Meeting of August 27, 2007	<u>1</u>	
Minutes of Special Meeting of September 14, 2007	<u>3</u>	

Minutes of Study Session of September 17, 2007	<u>9</u>
Minutes of Business Meeting of September 24, 2007	<u>27</u>
Minutes of Special Meeting of October 1, 2007	<u>39</u>
Minutes of Workshop Dinner Meeting of October 8, 2007	<u>51</u>
(b) Authorizing the City Manager to Sign the Grant Agreement with the State Department of Ecology for the Local Government Stormwater Grants Program	<u>57</u>
(c) Ordinance No. 483, amending the 2007 Budget for Operating Funds and Capital Projects	<u>59</u>

**8. ACTION ITEMS: PUBLIC HEARING**

8:00

*Public hearings are held to receive public comment on important matters before the Council. Persons wishing to speak should sign in on the form provided. After being recognized by the Mayor, speakers should approach the lectern and provide their name and city of residence. Individuals may speak for three minutes, or five minutes when presenting the official position of a State registered non-profit organization, agency, or City-recognized organization. Public hearings should commence at approximately 8:00 p.m.*

(a) Public hearing to consider citizens' comments on the Proposed 2008 Budget	<u>71</u>
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**9. UNFINISHED BUSINESS**

(a) Discussion of the Proposed 2008 Budget	<u>71</u>
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**10. EXECUTIVE SESSION: PERSONNEL**

*The Council may hold Executive Sessions from which the public may be excluded, for those purposes set forth in RCW 42.30.110 and RCW 42.30.140. Before convening an Executive Session, the presiding officer shall announce the purpose of the Session and the anticipated time when the Session will be concluded. Should the Session require more time, a public announcement shall be made that the Session is being extended.*

**11. ADJOURNMENT**

10:00

*The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 546-8919 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 546-2190 or see the web page at [www.cityofshoreline.com](http://www.cityofshoreline.com). Council meetings are shown on Comcast Cable Services Channel 21 Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Council meetings can also be viewed on the City's Web site at [cityofshoreline.com/cityhall/citycouncil/index](http://cityofshoreline.com/cityhall/citycouncil/index).*

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF WORKSHOP DINNER MEETING**

Monday, August 27, 2007  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, and Councilmembers Gustafson, Hansen, McGlashan, Ryu, and Way

ABSENT: none

STAFF: Bob Olander, City Manager; Julie Modrzejewski, Assistant City Manager; Joe Tovar, Planning & Development Services Director; Steve Cohn, Senior Planner

GUEST: Ben Bakkenta, Principal Planner, Growth Management, Puget Sound Regional Council

Mayor Ransom called the meeting to order at 6:20 p.m.

The meeting started with a 13 minute video produced by Puget Sound Regional Council (PSRC). The video focused on the VISION 2040 plan, which discusses how the additional estimated 1.7 million people and 1.2 million jobs can be accommodated while enhancing the environment and the region's quality of life. The PSRC has developed a set of regional growth strategies or scenarios that reflect different growth patterns for the region. Over the last year, a preferred alternative was selected, one that focuses growth into designated parts of the urban area; this alternative is the basis for VISION 2040.

Mr. Bakkenta distributed a presentation handout and reviewed the preferred growth alternative impacts.

Deputy Mayor Fimia commented on the transportation performance measures in the handout, noting that the plan predicts increased congestion and a doubling or tripling of vehicle trip delays. She asked how legislators could possibly approach the public with this news and support the plan.

Councilmember Way questioned the impact to the quality of life factors such as the environmental impacts.

Councilmember Ryu questioned the public process period, stating that is difficult for the public to comment during the summer months.

Mayor Ransom stated that people cannot afford to live in these cities where the jobs are and that people are moving further out. He further questioned the plan having all of the jobs in the "core cities."

Mr. Olander stated that employment growth and density are targeted to the core cities - served by high transit corridors.

Deputy Mayor Fimia said that she didn't believe that the growth would be adequately served by the proposed transit system; it's impractical. She further stated that residential growth doesn't pay for itself, and at best, it breaks even.

Mr. Olander added that for roads, sewer, water, police, fire, schools - revenues from growth go to retail or employment centers and not to Shoreline. He continued by saying that we need a statewide conversation regarding growth and impacts and that should include a reallocation of resources - we need to put together funding packages to support the growth that's coming.

The meeting adjourned at 7:30 p.m.

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Julie Modrzejewski, Assistant City Manager

**CITY OF SHORELINE**

**SHORELINE CITY COUNCIL  
SUMMARY MINUTES OF SPECIAL MEETING**

Friday, September 14, 2007 - 11:00 a.m.  
Shoreline City Hall  
17544 Midvale Avenue North, Room 305

**PRESENT:** Deputy Mayor Fimia, Councilmember Gustafson, Councilmember Hansen, Councilmember McGlashan, Councilmember Ryu, and Councilmember Way.

**ABSENT:** Mayor Ransom

1. CALL TO ORDER

At 11:08 a.m., the meeting was called to order by Deputy Mayor Fimia, who presided.

2. ROLL CALL

Upon roll call by the City Clerk, all Councilmembers were present with the exception of Mayor Ransom.

**Councilmember Gustafson moved to excuse Mayor Ransom. Councilmember McGlashan seconded the motion, which carried 6-0.**

3. GENERAL PUBLIC COMMENT

(a) LaNita Wacker, Shoreline, said this meeting which is being held on a Friday morning in such a small room suggests the same kind of secrecy that residents have been fighting. She said this meeting should have been held on a regular meeting night and televised so the City of Shoreline can be appraised of what is happening.

(b) Elaine Phelps, Shoreline, commented that she doesn't know why this meeting is at this time or in this room, but it is probably because of an urgent desire and need to get this matter settled. She said Councilmember Gustafson's comments at the last meeting are shameful and condemnable because he called his colleagues liars without hearing the evidence or waiting for an outcome. She said he is shameful and is glad he will no longer be a Councilmember.

4. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS, AND MOTIONS

(a) Motion to Approve Settlement Agreement in King et al v. Fimia et al, King County Superior Court Cause No. 06-2-00803-1SEA

(Voting limited to Councilmembers Gustafson, Hansen, McGlashan, and Ryu)

Bob Olander, City Manager, stated that the special meeting was called because of timeliness. There is a concern about rising attorney fees from a fiscal point of view from all sides of this issue. Additionally, Councilmember Ryu will be out of town for the next two Council meetings, and the City would have to wait approximately three weeks for her to return in order to resolve the issue. He said it is somewhat ironic in that since the City has been added to this lawsuit, it allows for a settlement agreement. The City staff believes it is a reasonable settlement and it is likely to cost the taxpayers considerably more if it isn't settled. At this point the City is paying for two sets of attorneys; the defense of the plaintiffs and the defendants. Additionally, since the City was added to the lawsuit, the City had to hire outside defense since the City Attorney is conflicted on this case. He added that he also executed a contingency of \$50,000 within his authority for this. He said the risk factor must be considered and even if the City was found guilty of a technical violation, it could still be found liable for the plaintiff's attorney fees. Even though the settlement amount of \$159,000 is a great deal of money, he recommended that the City enter into this settlement agreement. He said it is likely that it will cost the City more if this case continues. He said if the settlement is not executed the City and the two parties would file for an extension because the City needs more time to defend itself. This, he explained, would lead to more arguments, briefings, analysis, and discovery, which would result in continuing legal fees. He noted that many people outside the City have expressed concern about the City spending far too much taxpayer money.

Ian Sievers, City Attorney, said there is a court-mandated trial schedule which includes preliminary filing dates on a number of legal documents and briefs. If the City doesn't reach a settlement there will be two sets of attorneys that the City is paying for beginning preparation for trial and a risk of the City paying for the plaintiff's attorneys. He added that the City has already been contacted by the Court about missing filing dates and the City can't enter a dismissal based on the civil rules of Superior Court. The agreement has no gag order and no admission of liability clause. Furthermore, there is an additional paragraph #13 which reiterates a section of the Revised Code of Washington (RCW) that states the document must be adhered to if executed. The agreement also states that once the agreement is executed the plaintiffs will dismiss the lawsuit. Additionally, the settlement has already been agreed to by the plaintiffs and the only thing required if the Council agrees to it is that the City Manager has to execute the document.

Deputy Mayor Fimia called for public comment on this item.

#### PUBLIC COMMENT

a) LaNita Wacker, Shoreline, stated that the Open Public Meeting Act (OPMA) is designed to protect the public, and she is a victim. However, she said she isn't a plaintiff in this lawsuit. She stated the people that brought the lawsuit on her behalf did the right thing. She thinks the settlement should be increased to \$240,000 and each plaintiff should be given \$10,000 and another \$40,000 fund should be reserved to

compensate the citizens. She clarified that the amount that was agreed to by the plaintiffs should be increased by an additional \$81,000, or \$240,000 total.

b) Bronston Kenney, Shoreline, clarified that he felt the list of Pro Shoreline representatives includes the supporters and financial contributors of the group. He said the current Council is being held to a higher standard than the previous Council. Secrecy, he felt, is one of the interests of the plaintiffs and they engage in it also. His opinion was that this is a politically-based lawsuit. He expressed concern that the City will have to defend future politically-based lawsuits. He concluded that this was a small issue and it warranted a few angry letters to the editor. He said the lawsuit was preposterous.

c) Bill Bear, Shoreline, supported the motion to settle this lawsuit. He said democracy is "messy and expensive," but he felt it is worth the cost. He said he is encouraged by the settlement. He encouraged the City to move forward and make the City government better. He supported openness in the future.

d) Elaine Phelps, Shoreline, said it is remarkable that the same people who have been against paying for the defense of the innocent persons on the Council now are claiming that the City needs to pay the plaintiffs out of the taxpayer's pockets. She commented that LaNita Wacker wants to pay double the costs. She hoped the names of Grossman, Hollinrake, Rasch, and King live in ignominy. She said the charges were false and petty.

e) Beth O'Neill, Shoreline, said the supporters of Deputy Mayor Fimia, Councilmember Way, and Councilmember Ryu come forth each week claiming that there isn't any evidence against them, but they haven't read the depositions or looked at the evidence. Responding to the charge that the lawsuit is frivolous, she said it's outrageous for anyone to think that someone would file a lawsuit that will inevitably cost them money. She added that there are no "deep pockets" funding this lawsuit, and Pro Shoreline isn't behind it either. She stated that she is not a member of Pro Shoreline. She said the lawsuit was filed because the law was broken. She said she has had an issue with Deputy Mayor Fimia, who used the Council forum three times to lie about her, and Councilmember Ryu, who used the Enterprise newspaper to do the same thing last year. She said they don't work for or appreciate the public. On the other hand, she said the defendants work for the City Council, the Chamber of Commerce, and the 32<sup>nd</sup> District Democrats, which they support and control.

f) Wendy DiPeso, Shoreline, said she is sorry that this case is still being debated in the public when it should be in court where the facts can be established. However, the City has an opportunity to put this behind us once and for all. She noted that this may set the undesirable precedent of people bringing lawsuits and expecting to be paid off with taxpayer money. She pointed out that when the emotion and the rhetoric is set aside, there is a distinct difference between those who represent the City now and those who represented the City before. She said the previous administration didn't allow public comment, and eminent domain was utilized when it came to the Aurora Corridor project. In the current administration, despite the fact that there is a minority pushing for

more democratic process, there is a new citizen advisory council for housing, and one being established for economic development. Additionally, there was consensus on the Aurora Corridor project. She encouraged the public to let go of the rhetoric and decide if it is appropriate for the Council to settle this. She expressed concern that three Councilmembers who are voting also have connections with the people who funded their campaigns and are the same people who brought the lawsuit.

**Councilmember Gustafson moved to approve the Settlement Agreement in King et al v. Fimia et al, King County Superior Court Cause No. 06-2-00803-1SEA. Councilmember Hansen seconded the motion.**

Councilmember Way asked the City Attorney to explain what role the defendant's attorney played in negotiating this settlement agreement.

Mr. Sievers said this settlement was negotiated without the defendant's attorney. However, once a tentative agreement was negotiated, the defendant's attorney was informed of the terms and has an advance draft copy of the settlement agreement for comments. In turn, he has received comments from Mr. Ramerman pertaining to the agreement.

Councilmember Gustafson thanked the plaintiffs for joining the City in the lawsuit so the City can take action to settle it and not cost the taxpayers any more money. He felt the cost of this going to trial would have cost over \$1 million. He said he can't allow this to continue and cost the taxpayers any more money. He supported the motion.

Councilmember McGlashan also favored the motion. He said he would have liked this to go to trial but the "bleeding must be stopped." He said he supports the motion "with a heavy heart."

Councilmember Way clarified that the defendants' attorney are not party to the agreement.

Mr. Sievers stated that the defendants' attorney reviewed the draft agreement after negotiations and neither the Councilmembers nor their attorney participated in the negotiations.

Mr. Olander added that the City didn't ask permission of the defendants or the defendants' attorney to negotiate a settlement.

Councilmember Way said she understands the reasons for the City coming to an agreement with the plaintiffs because of costs. However, she said the agreement feels like blackmail, or a "shakedown." She said even though this permits settlement, the scar on the City will remain for quite a while. She hoped it will heal and that there would be many things the full Council could agree on in the future. She added that she had nothing to do with the settlement and thanked the City Manager and the City Attorney for their work in bringing this to a resolution.



Councilmember Hansen stated he would rather this issue go to trial, but he has to represent the citizens of the City of Shoreline. If this matter is settled today, he calculated that it has cost the residents about \$500,000. However, if it isn't settled and a trial date is set, it will cost another \$500,000. He said he would love to see what the verdict would be, but he can't in good conscience subject the taxpayers of the City of Shoreline to another \$500,000. He expressed support for the settlement.

Councilmember Ryu commented that the settlement amount is too high, but she has to look at what is in the best interest of the City. The City, she added, had an obligation to provide legal defense and that was committed in February 2006. Now, the City of Shoreline has been named as a defendant. In spite of the pressure and difficulties that have been imposed on the Council and the City staff, the City has accomplished a lot. She said the new policies are more sensitive to Shoreline residents. She discussed the Aurora Corridor Project, the Parks Bond, the advisory committees, and other positive things that have transpired in the City. She hoped this settlement would start the healing process.

**A vote was taken on the motion to approve a settlement agreement in the King et al v. Fimia et al, King County Superior Court Cause No. 06-2-00803-1SEA, which carried 4-0 (Voting was limited to Councilmembers Gustafson, Hansen, McGlashan, and Ryu).**

9. ADJOURNMENT

At 11:54 a.m., Deputy Mayor Fimia declared the meeting adjourned.

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Scott Passey, City Clerk

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## CITY OF SHORELINE

### SHORELINE CITY COUNCIL SUMMARY MINUTES OF STUDY SESSION

Monday, September 17, 2007 - 6:30 p.m.  
Shoreline Conference Center  
Mt. Rainier Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, Councilmember Gustafson, Councilmember Hansen, Councilmember McGlashan, and Councilmember Way.

ABSENT: None.

#### 1. CALL TO ORDER

At 6:38 p.m., the meeting was called to order by Mayor Ransom, who presided.

#### 2. FLAG SALUTE/ROLL CALL

Mayor Ransom led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmembers Hansen, McGlashan, and Ryu. Mayor Ransom noted that he expected Councilmembers McGlashan and Hansen to arrive late.

**Councilmember McGlashan moved to excuse Councilmember Ryu. Councilmember Way seconded the motion, which carried 4-0, and Councilmember Ryu was excused.**

#### 3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Bob Olander, City Manager, provided reports and updates on past and future City meetings and events. He said the Interurban Trail has reached completion and that there is a ribbon cutting ceremony on September 22. He noted that the City staff has been working to retrofit its entire fleet of diesel vehicles to reduce emissions. He announced that the new Transfer Station reopening has been postponed until early 2008. He announced the following events:

- Planning Commission meeting, September 19
- Planning Commission/Hearing Examiner meeting, September 20
- Shoreline Business Recycling event, September 20
- South Woods dedication, September 24
- Shoreline Emergency Preparedness Community meeting, September 25
- Cromwell Park meeting, September 26
- Commercial Zone Workshop, September 27

Mr. Olander noted that notices concerning these events and meetings are on the City's website and on Channel 21.

Deputy Mayor Fimia asked about the Commercial Zone workshop.

Joe Tovar, Planning and Development Services Director, stated that it deals with portions of the City already zoned Community Business (CB) and are within 1,300 feet of Aurora Avenue or Ballinger Way.

Councilmember Gustafson arrived at 6:48 p.m.

Mr. Olander stated that the City has received a letter from the Federal Bureau of Investigations (FBI) congratulating the Shoreline Police Department on recent bank robberies. The letter stated the Shoreline Police Department has done outstanding police work and all three of the bank suspects were caught. He said this recognition demonstrates the hard work and professionalism of our police force.

Councilmember Way congratulated Mr. Olander on implementing the biodiesel conversion. Additionally, she asked how the City intends to advertise the recycling event to local businesses.

Mark Relph, Public Works Director, stated they are being informed through direct mailing and the City web page. Councilmember Way inquired about home businesses and if they could participate, to which Mr. Relph responded affirmatively.

Councilmember Way inquired if the Cromwell Park event related to its master plan. Mr. Olander responded that the City staff was beginning the process for Cromwell Park and wants input from neighborhood.

#### 4. COMMUNITY PRESENTATION

##### (a) Washington Public Campaigns

Councilmember Way introduced Sarah Jane Sigfried and provided details on her background, including her work lobbying for Washington Public Campaigns (WPC) in Olympia. She also noted that King County Councilmember Bob Ferguson is exploring the possibility of public campaign funding.

Ms. Sigfried explained that there are three proposals before the legislature. Currently, cities and counties are not allowed to have their own public campaign financing because of the words "and local" that are in Initiative 134 from 1992. If these words are removed in the law, cities could have their own public campaign financing. She said her group thought they were close to passing it last session but it didn't. She played a nine-minute video which highlighted the public campaign financing system.

Councilmember Hansen arrived 7:06 p.m.

Ms. Sigfried highlighted that WPC is a bi-partisan, non-profit organization, and public campaign financing increases the public trust. It is optional and starts with people raising a small amount of qualifying monies from friends and family. She said if the City raises contributions, candidates would qualify for public funding for the primary and general election if needed. She stated that public campaign funding provides funds based on the expenditures of privately-funded opponents depending on how much they spend, but there is a limit. She said that would mean up to \$140,000 if four people were running as publicly funded candidates for City Council. She handed out a copy of Councilmember Bob Ferguson's bill that he introduced to the King County Council.

Deputy Mayor Fimia inquired what the public would do to begin this process.

Ms. Sigfried responded that they would need to contact the City Council, the King County Council, and let their legislators know. She added that this bill is for this session and felt that it is going to take an initiative. She added that it doesn't cost the state anything and they think the House Bill will pass. She highlighted that the organization's website is [www.washclean.org](http://www.washclean.org) and that they are tracking what's going on in other cities.

Councilmember Way appreciated the NOW program and asked about its status. Ms. Sigfried stated that Representative Kagi was a co-sponsor. She added that it will be voted on within the next 30 days in King County Council and is sponsored by Councilmember Ferguson, Councilmember Constantine, and all the district democrats have endorsed it.

Councilmember McGlashan asked how many board members there were.

Ms. Sigfried responded that there are eleven. Councilmember McGlashan clarified whether or not the City can execute this. Ms. Sigfried responded that the state has to enable this by striking the two words from the legislation. She is asking local legislators to study what a local bill would do if it was implemented. She noted that in Seattle and King County it used to be 50/50 matching. An analysis would need to be done to determine if that is the best division of the funds based on the budget. Councilmember McGlashan verified that the monies would go to the City. He asked what the limits were in Arizona. Ms. Sigfried noted that the campaign costs vary depending upon the locality. For King County, she said the cost of mailing, media is expensive. To run a race, she estimated that the cost is currently \$250,000. However, that amount varies based upon the jurisdiction.

Councilmember Hansen said he is curious to see how this program would work. He added that his opponent spent five times the amount he spent.

Mr. Olander asked if the Association of Washington Cities (AWC) or the Association of Washington Counties taken a position on this. Ms. Sigfried said she was not sure.

Mr. Olander asked if people have been able to circumventing this by establishing independent advocacy groups for individual candidates. Ms. Sigfried said it was discussed because there were political action committees or 527s involved in races. However, all the variables cannot be removed due to first amendment rights.

Mayor Ransom asked if the money would be placed into the City's general fund. Ms. Sigfried responded that that is a question for the study because it varies in other states. In some states judges take the funds out of lawyer fees, court fees, and a host of different sources.

Councilmember Hansen referred to the literature handed out, which stated that in Maine, 77% of the House and 83% of the Senate ran publicly funded campaigns with "clean money." He asked what the other 23% and 17% of the funds were made of. Ms. Sigfried responded that the remainder came from private funds. Councilmember Hansen assumed that the others did not run as publicly funded and raised as much money as they wanted.

Councilmember Way asked where this program was used in 1991. Ms. Sigfried responded that it has been utilized in the City of Seattle by Nick Licata and Scott Noble. She said there have been a number of people in city and county offices that have done this. She added that it was a 50/50 match.

## 5. GENERAL PUBLIC COMMENT

a) Dale Wright, Shoreline, said that Mayor Ransom, Deputy Mayor Fimia, and Councilmembers Way, Ryu, and Chang conspired to handle the Steve Burkett matter in secret by: 1) not informing the other three Councilmembers or the public of their intent and plan of action; 2) deciding to terminate Mr. Burkett; 3) negotiating and finalizing with Burkett his termination agreement; 4) deciding to hire political associate Mr. Mauer as City Manager; 5) negotiating and finalizing an employment contract with Mr. Mauer; and 6) deciding to officially terminate Burkett and hire Mauer without conferring with others. This was done without having an official action item on any Council agenda. By these actions, they did not honor the intent of law and ignored the City's protocol for evaluating, hiring, and firing city managers. He said what has troubled him the most is that none of them have shown any remorse and they continue to maintain that their actions were appropriate and acceptable.

b) Virginia Paulsen, Shoreline, commented that this issue of the *Currents* is the very best ever. She said it discussed the preferred alternative for the completion of the Aurora Corridor, including estimated costs and secured funding. This public report is evidence of the integrity of the City Manager, the staff, and the Council. She felt there should be a *Currents* article on the new city hall, since 90% of the citizens say it is their main source of news. She hopes to see more facts and figures in the next issue. She said she is pleased there are several new citizen advisory groups. She felt the whole tenor of the City is beginning to change and said before 2004 it was impossible for people to provide input. She said the new Councilmembers foster input.

c) Gito Olivera, Shoreline, said he attended a neighborhood meeting to introduce a project involving the construction of “air condos” on a stretch of Greenwood Avenue N. He said this neighborhood meeting reintroduced him to the idea that people can buy big lot, extract maximum profit, and impact the neighborhood. Air condos are a way for a contractor to build numerous dwellings close together and watch property values go down. He said these condos are not appropriate or allowed in a single-family neighborhood. He said air condos could be put on the fast-track and asked the City to study the issue and do a full investigation. He suggested that a development should complement and uplift its surroundings rather than profit from and demean them.

d) Dale Simonsen, Shoreline, commented that he lives next door to a proposed air condo development. He said he has several concerns that they circumvent zoning regulations and that developers only care about profit, not impact. This proposal includes the removal of very large, old trees and will impact ambiance, traffic, environment, child safety, and home values. He said that once these changes are made it will never be the same. He was against circumventing the zoning code and ruining neighborhoods.

e) Art Maronek, Shoreline, showed pictures of the property that was discussed by the previous two speakers. He added that there are fifty-eight (58) significant trees on two parcels. He said as long as long as the trees are left in groups, they protect houses and other trees. He said if singular trees are left, they are much more prone to failure. He added that he is one of the four houses that would be impacted. He said he looks forward to working with the Council and the staff to give as much information as possible. He clarified that he is not against the development of these parcels, but he is against lowering of public safety standards. He said the developer doesn't seem to care, noting the developer stated that he only has to replace 20% of what he takes out.

f) Jill Simonsen, Shoreline, said the neighbors behind her and those on Greenwood met with the developer on September 11 concerning air condos. She said an informal vote was taken by the 29 people in attendance, and 27 were against the proposal. However, they would support the building of six or fewer homes that would conform to the character of the neighborhood. She said the consensus was that fewer quality homes could be just as profitable, or perhaps more profitable than a condo development that detracts from the neighborhood. She added that the developer communicated to the residents that they were moving this project along with great speed and this would be a “rubber stamp” process with the first air condo proposal for Shoreline approved. She urged the City Council and staff to consider the impacts of such a development in order to assure a good outcome for all.

g) Helen Maronek, Shoreline, hoped the Council and the City staff remember that: 1) they are against air condos in a single family R-6 zone; 2) they are not against development; 3) they support responsible development; and 4) they would like to see no more than six (6) single family homes on the two parcels in order to save as many significant trees as possible.

h) Dennis Lee, Shoreline, said it is time to define neighborhood character issues. He questioned what housing stock the City was trying to preserve. He wondered if the whole situation needed to be considered under the State Environmental Protection Act (SEPA). He said the City needs to have a rezone moratorium, interim development controls, and other things that will lead to a Comprehensive Plan review. He added that there is a word called "concurrency." He said the City is planning density for landlocked areas, but there should be a moratorium on development until the details are resolved. Developers are scrambling to get a streamlined process, but the neighbors have a say too. He noted that the neighborhoods have character that are easy to identify and suggested exploring the feasibility of pilot projects.

i) Deborah Buck, Shoreline, said she got involved in the primary last month and read in its entirety, the September 17, 2007 Seattle Times editorial entitled "For Shoreline's Own Good; a \$159,000 fine."

j) Judy Allen, Shoreline, read the September 17, 2007, Tacoma News Tribune editorial titled "Shoreline secret meetings suit offers object lesson" in its entirety. Ms. Allen stated that this lawsuit has cost the City \$500,000, and there was another lawsuit when Deputy Mayor Fimia was on the King County Council. She added that there is another lawsuit pending, and radio host Dave Ross stated that if residents don't like what City Council members are doing, they should vote them out of office. She stated that now is the time to "clean house."

k) LaNita Wacker, Shoreline, said that the word "scruples" explains what has happened over the past two years. She said unscrupulous actions led to the events of December 2005 and the ensuing lawsuit. She said the actions were unscrupulous because there was no conscience or principle that hindered the action. She said the e-mail saying "I had meeting with the City Manager and I kept a good poker face" was written by persons acting without a conscience. She also questioned what kind of representative would fire someone 13 days before Christmas. She noted that one Councilmember was only in office seven days before action was taken on December 12. She reiterated that these kinds of actions are unscrupulous.

l) Chris Eggen, Shoreline, expressed support for Shoreline's participation in public financing of elections but was concerned about how money is utilized in public campaigns. He stated that wealthy people give the large proportion of funding and want access. Basically, the money of a wealthy person speaks louder than that of the average person. He announced that he is running as candidate for City Council. He said he knows that Councilmember Hansen won with \$6,500, but he is known citywide and is a long-time incumbent. He said money equates to contact with voters, mailers, etc. Candidates are always trying to raise money, and he knows when his contributors speak he will have to listen, which isn't good democracy. He added that public financing is much cheaper than the current system.



m) David Townsend, Shoreline, said he noticed that the City is talking about transportation, 15<sup>th</sup> Avenue, and neighborhoods. He thinks the past and current Councils that have addressed the Aurora Corridor have done a good job. He noted that there was a meeting when Mr. Olander asked the Council to focus on the neighborhoods, and he thought that was great. He felt 15<sup>th</sup> Avenue NE needs to be three lanes and then go to a five lane configuration. The road needs to be widened further down because four lanes are going to be unsafe. He said he has seen cities develop their roads differently. He urged the Council to not get caught up in arguments and try to find common ground.

n) Wendy DiPeso, Shoreline, said Congress spends 60% of its time fundraising during session and working for lobbyists and special interests that would love to buy access. Clean campaigns would mean a change in land use, she said. She said she has been talking to Terry Scott who is on the Citizen Advisory Committee for Housing, and he is aware that the City has a problem and there is room for improvement. He wants to determine how to change the system so everyone has an equal voice. She said normally a developer comes in and speaks to the City staff about their plans, which puts the community in an adverse relationship with the staff, which has to reshuffle and make things equal. She stated that the lawsuit issue is lingering and there are many "wannabe" lawyers. The City settled for good financial reasons, and it is her opinion that if it was a real case there would have been no way the plaintiffs and supporters wouldn't have let it go to court. She said it would be nice if it all just goes away.

o) Elaine Phelps, Shoreline, said she was hoping after the decision was made to end the lawsuit for financial reasons. She commented that no one should follow the Seattle Times editorial logic. She said it is a fact that the defendants have never admitted to what was alleged. It is hypocrisy when someone advocates for not spending more money in legal defense and then says "give the plaintiffs double the money." She believed the lawsuit has done terrible damage to the City and hoped the legislators look at what it takes to defend extortion and blackmail. She said the plaintiffs wanted to damage the current City Council so they can get their way in the next election.

p) Bronston Kenney, Shoreline, defined "Pro Shoreline camp" as a term of convenience which refers to the organization and its supporters. He stated the Public Disclosure Commission filings can be checked for Progress Shoreline and Pro Shoreline financial payments to candidates. He said in Tallahassee, FL, the severance package for Steve Burkett wasn't found to be illegal by the grand jury there. He added that the residents accused officials of negotiating behind closed doors, which is similar to what happened in Shoreline. He said he still doesn't know who funded the unsubstantiated lawsuit on behalf of Pro Shoreline. He said the term "secret meetings" has been used to invoke an emotional response and doesn't describe the actions. The plaintiffs dropped the lawsuit and in the end, it seemed to be about money. He concluded that no one knows how the case would have ended in court or who wrote the checks.

Joe Tovar, Planning and Development Services Director, responded regarding the concerns about "air condos." He said it is a term of art that has become popular in recent years, but basically it describes a form of ownership. He added that he is unaware of any

particular development application, but did see a letter from the residents. He said he will be speaking with his staff tomorrow, the developer, and the residents and will report back.

Deputy Mayor Fimia commented that the residents heard the developer say that this was "rubber-stamped."

Mr. Olander said before any development takes place there is a requirement to have a neighborhood meeting. He added that he doesn't know the status of the application and will let everyone know what he finds out.

Councilmember Hansen asked that the City staff prepare a memorandum for the Council on air condos.

## RECESS

**At 8:16 p.m., Mayor Ransom called for a ten minute recess. Mayor Ransom reconvened the meeting at 8:26 p.m.**

### 6. STUDY ITEMS

#### (a) 2008 Budget and City Financial Long-Term Projection Update

Mr. Olander said this item signifies the informal start of the City's 2008 budget process. This item will include what the City staff looks forward to as far as expenditures and revenues and updated long-range financial projections. He introduced Debbie Tarry, Finance Director.

Ms. Tarry reviewed the 2008 budget calendar and said the City can expect to adopt the budget on November 26. She discussed the financial policies which guide the budget decisions. She added that the City is focusing on the operating budget now and there will be a \$150,000 gap in the 2008 budget. She said the staff will be refining revenue and expenditure projections. Changes since March 2007 include a decline in gambling tax revenues and decreased natural gas rates by Puget Sound Energy (PSE). This will reduce the residential bill by 13%, but the overall utility tax revenue the City receives will decline. She said the telephone utility tax revenue, both landline and wireless, has continued to grow and the City staff anticipates increased revenues for the 2008 budget. She added that on July 1, the cable utility tax increased and on April 1, 2008 the Seattle City Light contract payment on distribution revenues will be implemented which will reflect a 3% increase, resulting in \$220,000 in revenue. Concerning expenditures, she said inflation is running about .5% higher than anticipated. She added that there is a 30% increase from 2007 to 2008 in retirement contribution rates, which has been built into the City's long term projections. She said health benefits will also be going up from 4.8% to 5% in 2008, but this is lower than anticipated. She said jail costs are stabilizing and the City is projecting that there will be fewer jail days used than in 2006. She said the Senior Center contribution is reflected and there is \$25,000 proposed for a utility assistance

program, which was part of the Council's adoption of the additional contract payment from Seattle City Light. She highlighted that there are significant expenditure increases in election costs based on some new election improvements King County has implemented. She added that the increase has been about \$80,000 which is more than the City expected. She said there will be a cost for street lights because they were assumed by the City. However, Seattle City Light has yet to bill the City for them. The cost for the street lights would be about \$91,000 over what has been budgeted over the past few years. She added that the YMCA contribution of \$40,000 per year for two years has been added to the 2008 budget. Items that are impacting the budget include property tax limitations to 1% and sales tax growth of 4%, which will outpace inflation. Additionally, she stated that gambling tax revenues will remain flat and no revenues are projected. Overall, she said the general fund operating revenues should grow by 6%.

Mayor Ransom stated that Cascade Bingo was a large producer of punch cards and pull tabs. He asked if their closing was a factor in the reduced gambling tax revenues.

Ms. Tarry responded that it wasn't a factor and that all of the gambling revenues are declining. She continued and stated that there has been a large increase in recreation revenues, primarily due to field rentals following improvements to Fields A & B. Part of these funds will go to repay the Capital Fund for the amount that was invested to upgrade the fields.

Councilmember Hansen reported that the citizens' satisfaction with the soccer fields has increased.

Mr. Tarry displayed the property tax levy growth rate and said revenues have not kept up with inflation since 2001. Additionally, she discussed sales tax trends, and 4% growth is projected in 2008. She stated that property and sales tax are the two largest sources of operating revenue. City expenditures are predicted to grow by 6% from 2007 to 2008. This is attributed to personnel costs and salary/benefit changes which reflect a 3.15% market adjustment. This is about 90% of the June Consumer Price Index (CPI). The Public Employee Retirement System (PERS) has the largest benefit change within the budget at this time. The police contract reflects a 6.5% change and jail costs are estimated to increase by 6%, which is a lower rate of increase than previous years.

Ms. Tarry said the operating expenditures per capita have stayed level since 2003 due to Council policy and staff efficiencies. She discussed the 2008 Supplemental Requests from City staff, both ongoing and one-time. Ongoing requests include a need for a geotechnical engineer in the Planning and Development Services Department. The Parks and Recreation Department also has a need for a half-time Specialized Recreation Assistant, which can be partially funded with extra help dollars within the department. She reviewed the City Street Fund and highlighted that it is funded through the gas tax, right-of-way fees, and other tax dollars. The intent, she said, is for the City staff to bring a balanced 2008 budget and to balance the 2009 budget with current revenue sources. She concluded that the City is in good financial condition and the City is anticipating gaps in the long term. However, the 2008 budget will be balanced.

Mayor Ransom called for public comment. There was no one wishing to provide public comment on this item.

Mayor Ransom asked about the natural gas utility tax rate decrease.

Ms. Tarry responded that PSE is requesting a rate reduction effective October 2007. This will result in a 13% decrease on residential bills.

Mr. Olander added that the cost of natural gas has gone down and they are required to file for a rate reduction.

Councilmember Hansen asked if the projections for 2007 have been refined. He questioned if the City will have a surplus in the operating fund for 2007.

Ms. Tarry said that based on the estimates she thinks the City will have a \$500,000 net revenue in 2007.

Councilmember Hansen commended the City staff for this and said they are doing a great job.

Mr. Olander said the Council also authorized a cable tax increase which will further bridge the gap for 2008.

Councilmember Hansen said the operating budget per citizen from 2003 to 2007 only went up from \$252 to a projected \$254 in 2007. He said that is incredible that the City has been able to hold costs down.

Mr. Olander added that compared to other cities Shoreline is doing quite well.

Councilmember Hansen asked how the \$25,000 utility assistance fund would be tracked.

Ms. Tarry said those details will need to be worked out; The first year the City will have those funds available is in 2008.

Councilmember Hansen wondered how much construction value the City has in progress this year and how it compares to other years.

Ms. Tarry responded that \$43 million is included in the 2008 budget, however, timing is critical because the construction has to be substantially complete by June of one year to be included in the next. It is likely that the construction going on now won't appear on the tax rolls until 2009. She added that the City also has to monitor the sales tax.

Responding to Councilmember Hansen, Ms. Tarry said that for the time being the police contract is "open ended."

Councilmember McGlashan thanked Ms. Tarry for the report. He was glad that the health insurance rate was limited to a very modest increase. Noting that jail activity is stable, he asked if the City anticipates an increase in jail days.

Ms. Tarry responded that the staff is monitoring it and will bring changes to Council as soon as they happen. She said she is hoping that they will level off.

Councilmember McGlashan commented on the increase in election costs and asked if having all mail-in ballots will increase costs even more.

Ms. Tarry said she will have to check with King County, but she thinks it is based on how they handle the ballots. She felt it is based on additional personnel and there might be some more changes if more people are needed to count the mail-in ballots.

Councilmember McGlashan inquired about outside factors that impact the City budget. He asked if there are budget impacts resulting from maintenance needs for recently acquired properties such as South Woods or Hamlin Park.

Ms. Tarry replied that there are increases based on the Kruckeberg acquisition and others in 2009.

Councilmember McGlashan requested a status report on the Kruckeberg Garden acquisition.

Mr. Olander explained that the City is getting closer to a negotiated purchase agreement. He added that there are two agreements; one is the purchase and sale, and the other is the operating agreement with the Foundation. The Foundation relates to the operation and maintenance of the gardens, and it appears that they will need financial help the first few years. Basically, the City will have to provide some start-up costs. He said it was never the intent to maintain the gardens with City staff.

Councilmember Gustafson asked for an explanation on gambling activity.

Ms. Tarry said punch boards and pull tabs are declining but the overall card room activity will be level. On the revenue side, one quarter of 2007 had a 7% tax rate and the other three quarters were at 10%. Thus, the 2008 budget will reflect a 10% rate which will signify an increase over 2007.

Councilmember Way thanked Ms. Tarry for the report. She was pleased with the expenditure projections. However, she was concerned with the police contract increase. She was also glad that the additional street crimes officer is budgeted.

Mr. Olander said the funding of that officer was contingent on moving bookings from King County to Issaquah, and it will begin on October 1.

Councilmember Way commented that she would like to see the City consider more pedestrian crossing lights and crosswalks on NE 155<sup>th</sup> Street and 8<sup>th</sup> Avenue NE, Paramount Park, and other places.

Deputy Mayor Fimia thanked Ms. Tarry for what was a clear report. She inquired about the percentage increase the County is charging for jail, elections, district court -- essentially all of the contracts that are increasing and documentation explaining the rationale. She felt the City should be leveraging with other cities to get these costs down. Noting that one of the goals of the Economic Development Committee is to increase revenues, she asked the status of that group.

Mr. Olander said the City received applications and staff is reviewing them in anticipation of presenting to the Council next month.

Deputy Mayor Fimia noted there is an investigation at the state legislature and insurance commissioner regarding allegations that insurance companies are "stashing away" large portions of our premiums and investing them. She wondered if the City is getting any revenue back from the Veteran's tax and if there has been any additional bus service. She commented that the people voted for more bus service, and the City has to provide the infrastructure if there isn't a movement to alternative modes. She was nervous about Kruckeberg Garden and committing operating funds, noting if it is to be funded, then one-time revenues should be used. She felt the City should either not do it at all, build it into the base budget, or develop an enterprise fund so the Garden becomes self-sufficient.

Mayor Ransom expressed concern with increasing the size of City staff. He commented that although the change in per capita costs is negligible, there is a request for more staff. He said things are getting "tighter and tighter" and he wondered how the City is making it fit.

Ms. Tarry said sometimes it is more efficient to utilize in-house staff rather than consultants.

Mr. Olander pointed out that the City took over park maintenance and increased staff in areas where a trade-off of an outside contractor made sense. He said most of them were tied to efficiencies or corresponding revenue increases but admitted that it is getting much tighter.

Mayor Ransom discussed the rationale for the street crime officer and the fact the City was able to save on booking charges. As a member of the Jail Task Force he was concerned because jails will probably be built. These facilities will be built in conjunction with the JAG cities and the City will have to come up with some funding. He added that those facilities are supposed to open by 2012. This will be a very quick timeline and currently there are no cost figures.

Mr. Olander responded that this topic is on the October 1 City Council meeting agenda and the Council will be briefed on the regional jail. He also said a portion of the Yakima expenditure is for the cost of building a new facility.

Mayor Ransom clarified that the City was paying a portion of the new jail cost to Yakima as a part of the jail costs. Mr. Olander replied that that was correct.

Mayor Ransom discussed the General Fund and the Street Fund. He asked if the \$1 million a year for street maintenance would come from the new car tax because he hasn't heard whether or not the County has determined if they are using those funds since they have first right to use them.

Mr. Olander said he hasn't heard anything concerning that issue and it should be a part of the discussion to balance future budgets.

Mayor Ransom said there are two Eyman initiatives that will cut roads funding and perhaps the legislature was trying to help cities recover roads money through other sources. He pointed out that Ms. Tarry suggested that there will be a surplus of \$500,000. He suggested those funds could be expended on a train car for the heritage park. He said the Chamber of Commerce has found one that could be delivered to the City for \$50,000. He added that the Chamber is wondering if the City could contribute.

Mr. Olander responded that the City staff is investigating the cost of procuring a train for the park and has received some preliminary information. Mayor Ransom pointed out that the Chamber is willing to contribute half of the funding for this purpose. Mr. Olander responded that there are some preliminary figures but they need to be analyzed. However, there will be a recommendation made to the Council when everything is received.

Councilmember Way said she sent a memorandum to Vicki Stiles who located this train car. She added that it is in Chicago and is exactly like one of the original grill cars that was in Shoreline. This collaboration would be a great partnership between the City, the Historical Museum, and the Chamber of Commerce. She added that she is very enthusiastic about this and she would love to hear from others about it.

Mayor Ransom said it is one of the original cars which he wanted to be a part of that park, and this is one opportunity to consider.

Regarding Councilmember Way's comments about crosswalks, Councilmember McGlashan said he realizes it is going to be expensive for lights on the sidewalk and signals. However, he asked if there was any money in the budget to put out crossing flags now as an intermediate solution.

Mr. Olander said the City traffic engineers can take a look and agreed that sometimes having unprotected crosswalks can be more dangerous.

## (b) Speed Limit Findings

Mark Relph, Public Works Director, Jesus Sanchez, Public Works Operations Manager, and Rich Meredith, Traffic Engineer, provided the staff report on speed limit findings and the process of setting speed standards. Mr. Relph explained that when a network is properly balanced, neighborhoods should feel safe and the typical standard is the 85<sup>th</sup> percentile. However, it's important for the City to measure the success of the network utilizing the 85<sup>th</sup> percentile standard. The challenge, he explained, is balancing the 85<sup>th</sup> percentile with pedestrians, bicycles, etc., and having a systematic approach of looking at each corridor and what influences a particular speed limit. Factors affecting speeds include road geometry, school zones, number of driveways, spacing, etc. Two approaches to bring down the 85<sup>th</sup> percentile would be enforcement and physical improvements. He believed the 85<sup>th</sup> percentile and the speed limit need to be synchronized as much as possible. Signage should reflect where the City wants traffic to be within the 85<sup>th</sup> percentile and it shouldn't be out of sync. If there is a disconnect, traffic tickets get dismissed. The City starts with the 85<sup>th</sup> percentile to establish an appropriate speed limit, then addresses the other factors.

Mr. Meredith explained that the Transportation Master Plan (TMP) was adopted on July 11, 2005 and it addressed the arterial network and street classifications. The City staff did some reclassification and reviewed the arterial network and speed limits. On July 17, 2006, he said he made his first report to Council and compared the 85<sup>th</sup> percentile speeds with existing volumes and compared them to their roadway classifications. On January 7, 2007, he returned with the first group of roadway revisions which were approved in April. Additionally, on March 5, he said he came back and talked about the rest of the roadways and discussed a process to review those with public input. As a result, there were a series of public meetings. He noted that there were over 120 comment cards, telephone calls, and website responses received, but there were several residents that filled out more than one card. He reviewed the process for speed limits. It begins with the 85<sup>th</sup> percentile and then you factor in accident history, driveway placement, schools, sidewalks, parking, and land use. In the March 5<sup>th</sup> staff report there were a few more roadways added to that list of roadways based on public input. He noted that most of the arterials were operating as expected, but he wanted to look at three more streets for reductions: 1) Dayton Ave from 160<sup>th</sup> Avenue to Richmond Beach Road; 2) N. 155<sup>th</sup> Avenue from Aurora Avenue to 15<sup>th</sup> Avenue NE; and 3) 15<sup>th</sup> Avenue NE north of 196<sup>th</sup> Avenue. He also felt that a classification change would be appropriate on three of these roadways. The first classification change should take place to NE Perkins Way which he felt should be changed from a local street to a collector arterial. The next reclassification should be done at 1st Ave NE between N. 155<sup>th</sup> to N. 145<sup>th</sup> which he felt should be reclassified to a collector arterial. Reclassifying this street, he commented, would make it more eligible for grants to add sidewalks. Finally, he said the final reclassification should take place on NE 168<sup>th</sup> between 15<sup>th</sup> Avenue NE and 25<sup>th</sup> Avenue NE which is currently classified as a local street, but he felt it should be a collector arterial. He found that the Ballinger area isn't listed as 30 mph in the speed limit ordinance, but is posted at 30 mph. He said the speed seems appropriate so the speed limit ordinance needs to be revised.



Mr. Relph pointed out that this is a continuous effort to understand how well the City's speed limits are functioning, and this is staff's suggested approach to speed limits.

Mr. Olander asked Councilmember Way to communicate her question she emailed him this afternoon concerning this item.

Councilmember Way asked for an explanation of the statement on page 20 which said, "Clearly defining arterial routes helps preserve neighborhood integrity."

Mr. Olander responded that it is essentially saying that the arterial network is essential for the safe and efficient movement of traffic. A consistent approach to how the arterials look and feel is important and the further you get away from that, the more drivers will want to cut through residential neighborhoods.

### MEETING EXTENSION

**At 10:00 p.m., Councilmember Hansen moved extend to the meeting until 10:30 p.m. Councilmember Way seconded the motion, which carried 6-0.**

Mayor Ransom called for public comment on this item.

a) Wendy DiPeso, Shoreline, thought these changes are warranted and reasonable. She was glad that there is a way to reclassify and not change the speed on a street, but make it available to more grant funds for improvements. She thanked the Council and the City staff for increasing safety.

Councilmember Gustafson appreciated the City staff's diligence and agreed with the suggested approach. He felt that the issues concerning streets should be left to the experts. He commented that the 85<sup>th</sup> percentile speed from 3<sup>rd</sup> Avenue NW and Carlyle Hall Road is 38.2 mph and the suggested speed limit is 25. He asked if this is a traffic control problem where tickets get dismissed in court because the 85<sup>th</sup> percentile shows people are going 38.2 mph.

Mr. Meredith responded that the study was given to the police department and that is why the enforcement has been increased there. He discussed the geometry of the street and said a revision might be proposed.

Councilmember Way said it makes sense to protect neighborhood integrity through regulation of the arterials. She said this isn't a matter of political opinion to discuss speeds and arterials; it is the Council duty to try and help create these policies. She said this is a topic the public cares about. She said she has heard from neighbors in the Dayton Avenue area and asked how much time is being spent there by the police as opposed to enforcing in other locations.

Mr. Sanchez responded that the officers can see the "hot spots" based on this study. He noted it was an opportunity to provide more safety and enforcement during peak hours.

Mr. Relph added that the police department assigns enforcement to those high priority areas that are discovered from these studies.

Councilmember Way said this study seems like a good use of money and police time.

Mr. Olander commented that another resource of information is the accident reports.

Councilmember Way requested clarification of Mr. Relph's statement about traffic tickets getting dismissed if the wrong speed limit is posted.

Mr. Relph said that he couldn't give specific examples, but his experience is that it was an extensive problem if there was not good justification for having a speed limit that was different than the 85<sup>th</sup> percentile.

Mr. Meredith commented that he felt the speed limits are appropriate, however, as conditions change they need to be reviewed.

Councilmember Way said the speed limit on Aurora Avenue is 40 miles per hour and she suggested it be reduced in the future to improve safety.

Councilmember Hansen concurred with Councilmember Gustafson that these decisions should be left to the professionals. He suggested the City standardize striping because that is how drivers recognize what the speed limit is. He said he can think of one road in the Richmond Highlands area where the road striping suggests "let's go faster."

Councilmember McGlashan concurred. He said the more we regulate arterials, the more traffic we'll see in the neighborhoods. He said he has heard from the Richmond Beach and Innis Arden communities that maintaining a 30 mph speed is difficult going downhill and many residents are being ticketed. He agreed with the suggested changes but urged caution in reducing speed limits too much.

Deputy Mayor Fimia supported most of the changes. She talked about the "complete streets" concept and said City streets need to work for everybody, including cars, pedestrians, and bikes, and there is a need to look at retrofitting them at minimal cost. She felt there are some additional roadways where there is a range that needs to have reduced speed limits. One example, she said, is Dayton Avenue and Westminster Way where people regularly speed. She reaffirmed that she would like the City to go to the lower limit to make it truly pedestrian and bike friendly. She supported the recommendation with some amendments.

Mr. Olander stated that changing the posted speed limit from 35 to 30 will not necessarily change driver behavior. Generally, the City cannot change road geometry. He was concerned about forcing traffic into neighborhoods and creating expectations the City cannot meet. He urged the Council to consider this carefully and asked for consensus to bring back an ordinance with these changes.

Mayor Ransom agreed with the recommendation but said he still has concerns about Meridian Avenue, 15th Avenue NE, and Aurora Avenue. He said the business community on Aurora Avenue wants the speed reduced to 35 mph. As the additional stop lights are planned in phase 1, 2, and 3 the speed will be 35 miles per hour. He added that when he speaks to people what the speed limit is a lot of people use it as the median speed. He commented that if 30 miles per hour is posted, people are driving 35 miles per hour.

(c) Seashore Agreement

Mr. Olander said there has been some compromise language that has come forward and the staff recommendation is to authorize the Seashore representative to support the amended language at the meeting on September 19.

Mayor Ransom said this is the best language the group has come up with in two years.

Mayor Ransom called for public comment. There was no one wishing to provide comment on this item.

Mayor Ransom obtained unanimous consent for the City of Shoreline Seashore representative to endorse the Seashore agreement.

7. ADJOURNMENT

At 10:30 p.m., Mayor Ransom declared the meeting adjourned.

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Scott Passey, City Clerk

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**DRAFT**

**CITY OF SHORELINE**

**SHORELINE CITY COUNCIL  
SUMMARY MINUTES OF BUSINESS MEETING**

Monday, September 24, 2007 - 7:30 p.m.  
Shoreline Conference Center  
Mt. Rainier Room

**PRESENT:** Mayor Ransom, Deputy Mayor Fimia, Councilmember Gustafson, Councilmember Hansen, Councilmember McGlashan, and Councilmember Way.

**ABSENT:** None.

1. CALL TO ORDER

At 7:39 p.m., the meeting was called to order by Mayor Ransom, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Ransom led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Councilmember Ryu.

**Councilmember Way moved to excuse Councilmember Ryu. Councilmember McGlashan seconded the motion, which carried 6-0.**

(a) Proclamation of "Community Planning Month"

Mayor Ransom proclaimed the month the September 2007 as "Community Planning Month" and presented the proclamation to Rocky Piro, Planning Commission Chair. Mr. Piro thanked the City for recognizing the important role that planning plays in the resident's quality of life. On behalf of the Planning Commission, he thanked the Council for attending the extra meetings and said this puts the Commission in good form going into this busy month.

3. REPORT OF THE CITY MANAGER

Julie Modrzejewski, Acting City Manager, provided the City's Manager's report. She congratulated the Parks, Recreation and Cultural Services Department for the dedication ceremony of South Woods. She added that the South Woods Preservation Group (SWPG) deserves a lot of credit for this acquisition. She noted that the Council discussed the Fircrest Master Plan at dinner and the state will hold open public meetings on October 10 and November 8. This announcement will be advertised in the *Currents* and on the City's

web site. She reported on the success of the City's first business recycling event held last Thursday. She also announced there are new Metro service hours in the City. She said the new service hours involve Routes 372 and 373. She said the 2006 State audit has been completed and the City had no significant findings. She commented that residents can be assured the City has enough procedures and practices to ensure there is proper accounting of their tax dollars. She said the third of three Get Ready Shoreline Emergency Preparedness meetings will be held September 25. The Aurora/Ballinger Way Corridor Commercial Zone Workshop will be held on September 27. She commented that the Aurora Project has received two awards. The "Globe Award" was received from the American Road and Transportation Builders Association (ARTBA) for excellent enhancement of the natural environment. Second, the Washington American Planning Association (WAPA) awarded the City with an Honorable Mention. The next Citizen Advisory Housing Committee (CAC) meeting will be held September 25, and the next Parks, Recreation and Cultural Services (PRCS) Board meeting will be held on September 27. There will be a Cromwell Park Master Planning meeting on September 26, and finally there is a Civic Center/City Hall meeting on October 2.

#### 4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember McGlashan stated that he visited the Brightwater portal tunneling machine in Bothell and there were students from the Montessori school visiting too. He said King County Councilmember Larry Gossett spoke. He noted that as a board member of the Northshore Community Services, they launched a Helpful Connections Guide and it will be distributed to schools and human service outlets.

Councilmember Way reported on her attendance at the South Woods dedication and displayed a sign that was given to SWPG members. She said it was a proud moment for the City.

Councilmember Hansen said the Interurban Trail dedication was on Saturday and it was a lot of fun. He said the weather was reasonable and there were kids of all ages in attendance. He spoke favorably of the Trail and said it was the culmination of efforts of lots of people.

Mayor Ransom said he also attended the Interurban Trail dedication and it was delightful. He added that it has taken twelve years as a Councilmember at a cost of \$11 million. He said he also attended the South Woods dedication. He commented that the City originally bought 3 acres, but it has completed the 15.6-acre acquisition for \$7.5 million and now owns the whole parcel. He said over a week ago he attended the National League of Cities Human Development Committee meeting. He said it focused on national health care, human services, and education. He highlighted that Seashore didn't vote on its new contract but it will be voted on next month.

#### 5. GENERAL PUBLIC COMMENT

(a) Virginia Paulsen, Shoreline, expressed her appreciation to Councilmember Way and her work in securing South Woods. She said Deputy Mayor Fimia and others spoke last week. She said there were definitions given for words at the podium over the past months so she wanted to give a definition. She defined “bully” as a person who hurts, frightens, or threatens. She said that is what she has observed here. She said there is additional attention given to workplace abuse, which is a systematic attempt to bully people and it involves group denial that this is occurring and a norm of silence. She said if it isn’t recognized when it occurs, it won’t be addressed. She said it is an inappropriate use of the public forum and it must stop.

(b) Noreen Federow, Shoreline, said she has found discrepancies in the Washington Health Survey for Individual Coverage (WHSIC). She commented that there needs to be reform because there are people trying to get insurance that are being discriminated against. She said there are questions asking if the person filling out the survey was diagnosed ten years ago with cancer. However, there are laws which state that insurance companies aren’t supposed to go back ten years for preexisting conditions. Based on this, insurance companies have been disqualifying people if they have had cancer. She said the people have no recourse and it affects everybody. She said this is a serious issue and the City can help fix it.

(c) Chris Eggen, Shoreline, said he attended the South Woods dedication, and it is a beautiful second-growth wooded area. He thanked the SWPG, the Parks Bond Committee, and the City Council for bringing it into the public domain. He highlighted that Sustainable Shoreline has a wildlife habitat project which includes a Ronald Bog work party this weekend on Sunday. He said more information is available from Bonnie Biery at [birdsbeesfishtrees@gmail.com](mailto:birdsbeesfishtrees@gmail.com).

(d) Fred Klingan, Shoreline, asked if King County has reimbursed the City for the routine maintenance of vehicles. He said the County maintains a 3% reserve fund for major overhauls, which is replenished through a burden rate. He said the Auditor reported the burden rate was incorrect and in 2006 the fund was found to be several million dollars over the 3% limit due to overcharges. The King County Sheriff’s Department is one of the larger fleet operators. The auditor further suggested that a refund of the overcharge to these cities would be appropriate. Lastly, the auditor reported that in the fall of 2006 the Office of Management and Budget transferred \$5.8 million dollars to the County’s general fund. He suggested that the City should take action to obtain a refund through the Suburban Cities Association (SCA).

(e) Stan Terry, Shoreline, commented on the “\$500,000 fiasco.” He said it has cost the taxpayers a great deal of money and fattened the “fat cat” lawyers. He felt the outcome was not satisfactory because the defendants were neither vindicated nor assigned guilt. He said it is left up to people to determine what transpired based on their own feelings. He commented that the money could be used for police, parks, or to benefit taxpayers who provided the money. He said that had the money not been paid by the City, the lawsuit would have been resolved much sooner. He claimed that the “deep pockets” of the City allowed the lawsuit to continue.

(f) Mike Landis, Shoreline, discussed the air condo proposed development at 15208 – 15222 Greenwood Avenue North. He said an air condo limits the amount of yard space with no room for kids to play. He said they are dangerous because there are no sidewalks and no park in the vicinity for children.

(g) Wendy DiPeso, Shoreline, commented that the lawyers were the winners in the Open Public Meetings Act (OPMA) lawsuit, especially the plaintiff's lawyer. She said there is already a lawsuit in Renton concerning the OPMA. She said Mr. Burkett's deposition talked about meeting with multiple Councilmembers regarding City business, which appears to be a violation of the OPMA. She commented that meetings require an action taking place. She said the focus on the lawsuit has been destructive. Even Doris McConnell, who is running against Deputy Mayor Fimia, said it takes energy to be angry and the citizens are tired of it. She said citizens see Deputy Mayor Fimia as a victim. She thinks energy is better spent in something positive. She added that Deputy Mayor Fimia's track record speaks for itself. She suggested that the plaintiff's "put down their arms" and work toward positive ends to start the healing process.

Ms. Modrzejewski said she will discuss Mr. Klingan's comments with the City Manager because he serves on the police oversight committee. She added that the Planning and Development Services department is investigating the air condo issue.

Joe Tovar, Planning and Development Services Director, said a letter dated September 20, 2007 went to the citizens from the City Manager. He has informed the developer that his meeting did not meet the requirement for a neighborhood meeting under the Development Code and that City staff will attend this meeting with the developer. He said City staff is working on a second report concerning air condos. He clarified that air condos are approved in Snohomish County but not in Shoreline.

Deputy Mayor Fimia inquired about the zoning at the subject address. Mr. Tovar responded that the zoning is R-6, or seven homes proposed on slightly over an acre. He explained the term condo denotes that the ownership is different than "one owner per platted lot." Deputy Mayor Fimia asked if it is an administrative decision. Mr. Tovar confirmed that it was.

Mayor Ransom directed the City staff to differentiate how air condos differ from cottage housing.

Deputy Mayor Fimia spoke concerning the potential overcharge from King County. She proposed that the City work through SCA, noting that the potential overcharge could be "the tip of the iceberg" in terms of how taxpayer funds are being spent. She said there needs to be a systematic assessment of return on investment collectively by the cities.

## 6. APPROVAL OF THE AGENDA



**Councilmember McGlashan moved approval of the agenda. Councilmember Gustafson seconded the motion, which carried 6-0 and the agenda was approved.**

7. CONSENT CALENDAR

**Councilmember Gustafson moved to approve the Consent Calendar. Councilmember McGlashan seconded the motion, which carried 6-0, and the following items were approved:**

- (a) **Minutes of Special Meeting of July 16, 2007  
Minutes of Workshop Dinner Meeting of September 4, 2007**
- (b) **Approval of expenses and payroll as of September 12, 2007 in the amount of \$ 989,826.85**

8. NEW BUSINESS

- (a) South Echo Lake Property Discussion

Ms. Modrzejewski highlighted the primary points explained in the staff report. She said a proposal came in April this year from the owner of the South Echo Lake property. The proposal includes a donation of the buffer property which is 66,542 square feet. If this property is accepted, the responsibility for implementing the rezone requirements would shift to the City rather than the current property owner. In addition the property owner has requested the buffer property be named "Rotary Park." In June 2005, the City of Shoreline and the property owner entered into a rezone agreement for the entire South Echo Lake property, which included this buffer property. This agreement included conditions on how it was to be developed. The entire agreement contains 19 conditions, and 8 of the 19 conditions are on the buffer property. She added that the Planning Commission made recommendations concerning the contract rezone which were approved by the Council. She displayed a photo of the property and highlighted that the discussion was about Tract A. She said the property includes 245 feet of the Echo Lake shoreline and it serves as a wetland buffer. Based on the fact that it is in a critical area, the City would be very limited in the types of uses that can go here. This area would have a passive use and be a sensitive area.

Continuing, Ms. Modrzejewski said staff looked at the cost-benefit to citizens and determined what the benefit evaluation criteria would be. She said the City also looked at the costs for building and maintaining the property as specified in the agreement. She explained that public ownership, gratuity, and the security of public access were seen as benefits. She noted that the one-time cost estimate for the property is \$353,000, and the ongoing operational cost was \$24,000 per year. She pointed out that the City has already mandated that the property be open to public access via the contract rezone agreement, and the current property owner would have to bear that one-time and ongoing property maintenance cost. In addition, she said the City would incur no financial costs attributed to restoration and construction conditions. She restated that the only thing the City staff

looked at as a part of this cost benefit is the cost and maintenance of the required conditions and the maintenance of the property. Another point is that the prevailing future use of the property must be aligned with the contract rezone, the Shoreline Development Code, and the critical areas ordinance. She noted that future uses of this site are very limited. She concluded that the City staff recommends rejecting the proposal.

Mayor Ransom explained his reason for putting this on the agenda. He said for 10 years he thought the 8.6 acres at this site would have been a very good potential park for the City. He said the City could have bought it for \$6 million. He felt it would have made a great common area for the proposed City Hall, YMCA, and apartments. He pointed out that if the City owned the entire property, the City would have received some payment from those establishments. He explained that the buffer is twice as large as the North Echo Lake Park and it provides for a dock, a bonus area, and a triangle of 5,000 square feet which is owned by the Inland Group. He said a letter from them says that if the City accepted the property as a park and built a shelter that isn't in the buffer, they would donate the 5,000 square feet area. The idea, he said, was it would be a picnic shelter, a dock, and a park. He also said that the cost of the plantings, which is estimated by the City at \$350,000, is estimated at \$200,000 by their arborist. He also suggested that the Inland Group handle the maintenance instead of the City, thus eliminating the \$24,000 annual operational costs. He restated that there could be a public dock, over 66,000 square feet of property, plus 5,000 for a picnic shelter area. He recommended this item go to the Parks, Recreation and Cultural Services Board (PRCS) for their recommendation since they haven't had a chance to review this proposal.

Mayor Ransom called for public comment.

(a) Harley O'Neill, Shoreline, said he is representing the property owner. He said he has lived in Shoreline over 40 years and has developed properties that have improved the community. In this case, it was his intent to save the Echo Lake waterfront for the community. He said he went into a rezone contract envisioning a city hall there. However, there was a division in the contract rezone negotiations and the City staff process. He hoped the Council would accept the proposal and felt the benefits will be seen in the future. He said he is shocked the City staff doesn't recommend spending any money to preserve it for the community. He said there is a lot of angst between different Council members, but politics must be put aside so the issue can be considered objectively.

(b) Bill Meyer, Shoreline, said he has seen good and bad projects throughout his life in this country. He said the property is available now and if it is passed up, the citizens will lose the opportunity to picnic, fish, and enjoy the property. He said "If you pass this up, you pass up something like South Woods."

(c) Brian Derdowski, Sammamish, on behalf of Echo Lake Buffer Associates, said he filed an appeal against the Echo Lake Development and since then the ownership group has retained him. He said the report was very thorough. However, it is incorrectly based on the assumption that the value of the land is zero. He said the report didn't reflect

the stark difference between public and private ownership. If privately retained, the owner does what the rezone says and the buffer will be restored to the highest standard. There will be no dock, beach, public access to the lake, boat safety, signage, kiosks, or interpretive platforms. Moreover, there will be minimum ADA standards put in place and reasonably limited public access, with no picnic benches or public bathrooms. Additionally, there will be no guarantee about a future rezone coming into the City. On the other hand, under public ownership there is the opportunity for a “win-win” situation. He said there are private and public groups that would be willing to collaborate with the City on the property. Currently, there is a management plan being worked on for an outer buffer area, so the property could have more of an active use. He pointed out that amenities are not possible with private ownership, and the sense of pride of public space is priceless. He said with public ownership the City will be able to integrate this property with the YMCA, the Interurban Trail, and the public trail. He urged the Council not to let this “good-hearted” donation go away.

(d) Ron Zuwanich, Seattle, on behalf of the Echo Lake Buffer Associates, thought the management analysis is “pennywise, pound foolish.” He commented that this is a great thing for the City and it isn’t an “end run” to have the partnership avoid the development costs. He urged the Council to accept this gift and move forward.

(e) Dennis Lee, Shoreline, said at first glance it looks like the developer is trying to give away land that isn’t worth anything. However, the property has possibilities and perhaps after consideration by the PRCS department, there can be an agreement. He asked if the City would need to spend the money right away. He suggested a cooperative agreement involving grant money from neighborhood associations and “sweat equity,” where the stakeholders get involved in restoring the wetland. He believed the community would benefit from a feeling of ownership and he supported the City accepting the property.

(f) Wendy DiPeso, Shoreline, noted that Mr. O’Neill benefited from the original agreement, so there is the appearance that it’d be easier to give it away. She questioned why the developer would want to give it away. She felt it would be better to give it to the public. She felt there should be a third option and was interested in having a public involvement process. She commented that “this is hard to put a price tag on.”

(g) Will Hall, Shoreline, said he is a member of the Planning Commission, but is speaking as an individual on this topic. He said he supports parks and felt that the South Echo Lake site is a good location for one. Once the contract requirements are fulfilled he would support pursuing the area as a park. He pointed out that the conditions of the contract rezone were packaged together. It was done after an extensive amount of public meetings and a SEPA appeal, which led to negotiations which had many tradeoffs. One of which was that the City agreed to waive the tree retention requirements, and buffer enhancement conditions were added. Some of the requirements benefited different parties, but it was a difficult and complex package. He suggested that if the Council is serious about this acquisition, it should take this through the same public hearing process. He encouraged the Council to consider the value of the site as a park, once the terms and

conditions have been satisfied with the developer and the community. He concluded that there are several minor changes that have been made since the agreement and he urged the Council to stick to what was conducted through the public hearings.

(h) Virginia Paulsen, Shoreline, concurred with the staff recommendation to reject this proposal for environmental reasons. She said she spent hours with the Snohomish/King County Environmental Council which assesses environmental impacts. She said millions of birds are being lost due to habitat loss and sensitive area losses. If owned by the public, people will have picnics and leave debris and garbage on the site. She said people generally do not take care of the environment and the City doesn't really need this park at this time. She added that accepting this property will not only cost the City, but it will cost the creatures that utilize it now. She concluded that the animals won't be able to adapt to the environment if the City accepts this property and it is opened to the public. She favored keeping the contract with Mr. O'Neill as it is today.

Councilmember Gustafson asked if the PRCS Board has looked at this information and had a chance to make a recommendation to the Council. Ms. Modrzejewski said the PRCS Board hasn't reviewed this item.

Councilmember Gustafson said it is important to him that it be heard by the PRCS Board. He appreciated Mayor Ransom's presentation and those of the speakers. However, he said one of the groups that the City has is the PRCS Board, and he truly believes that they are critical and can take a look at it. He preferred this item be heard by the PRCS Board and have the Board make a recommendation to the Council.

Dick Deal, Parks, Recreation and Cultural Services Director, replied that the PRCS Board agenda is set for their next meeting on Thursday, but it could be added to their October 25 agenda. He said the Board has not reviewed this project and it wasn't intended to be a park at that time. He briefly discussed what it would take to be designed with parking, which would be very difficult. He added that restroom access is also another critical issue. He commented that the Board will look at the whole set of issues. Concerning the timeline, he said the only urgency is that there will be no certificate of occupancy issued until the project is completed. He said it could possibly take several months.

Councilmember Gustafson said the long-range vision on this property really started with City Hall. However, he still felt the vision would include connectors to the Interurban Trail and he viewed this as a tremendous resource for the City.

**Councilmember Gustafson moved to refer this item to the PRCS Board for review and a recommendation. Mayor Ransom seconded the motion.**

Councilmember Gustafson said that the Council has heard lots of opinions tonight, but the PRCS Board processes all those opinions. He said he still felt the Council will have to make the decision, but would like to have the PRCS Board input and for them to have some discussion.

Councilmember Way agreed that there should be more discussion because she has questions about the outcome. She said there is plenty of room for options, rather than just a “yes” or “no” answer. She would like to know what the process will be when the Council gets a recommendation from the PRCS Board.

Ms. Modrzejewski said she thinks there is a modification to the proposal that has been given to the City by the Inland Group that the Mayor shared tonight that would need to be included in this proposal.

Councilmember Hansen favored directing the staff to work out what they can do to acquire it, but he can't accept the agreement as outlined tonight. He would favor some changes to the agreement, but there is room for more compromise. He said he would like to see the City work out a plan in which the property ends up in public ownership. He agreed with it going through the PRCS Board.

**Deputy Mayor Fimia moved an amendment “to refer the proposal to the City Manager to consult with the PRCS Board, the City staff, and the developers for further consideration, analysis, and recommendation.” There was Council consensus to accept this as the main motion.**

Deputy Mayor Fimia agreed with the comments of Mr. Hall in that “a deal is a deal.” She said she hesitates to bring this to the PRCS Board because they don't have the whole picture with what went on with this rezone and the competing things on the table. She said it is great to eventually have it be a public domain. She commented that Mr. O'Neill stated he wanted the land to be open to the public, but then one of the representatives says it could be restricted. She said she can't support spending the money when it was already in the contract that they were to renovate it and maintain it for public use. She said she doesn't want this to imply that the Council is asking for a recommendation from the PRCS Board; the Council is asking for a recommendation from the City Manager with PRCS Board input.

Councilmember McGlashan agreed that the property should be in public ownership, but there should be a middle ground. He added that there is no discussion about public-private partnership and it seems like the conditions can't be minimized. He said it is a confusing issue and the best thing is to commit it to the City Manager for clarification. He also said tonight is the first time he has ever heard about a 5,000-square-foot park.

Councilmember Way added that in a public-private partnership, sweat-equity has a huge potential in neighborhoods and with non-profits to bring down the costs. She asked why the Rotary isn't putting funds into this since they requested it be named after their organization. She also asked what the public process would entail.

Ms. Modrzejewski highlighted that if the City's financial situation was unlimited the recommendation might be different. She pointed out that the City Hall project is important and reminded the Council that as part of the City Hall project the City is considering a parking garage which is going to cost the City more than the original

projection. The City staff is “being tight on the purse strings” and the reality is that the City staff is looking at earmarking funds. She reminded the Council that the burden for improving the property falls on the property owner, which in this case is good for Shoreline taxpayers.

**A vote was taken on the motion to refer the proposal to the City Manager to consult with the PRCS Board, the City staff, and the developers for further consideration, analysis, and recommendation, which carried 6-0.**

### RECESS

**At 9:31 p.m. Mayor Ransom called for a five-minute recess. At 9:43 p.m. the Council meeting reconvened.**

#### (b) Capital Projects Update

Tricia Juhnke, Capital Projects Administrator and Maureen Colaizzi, Parks Projects Coordinator, provided the Capital Improvement Program (CIP) update. Ms. Juhnke provided an overview of the 2007 capital projects and the stated the total amount for those projects was \$28 million. Capital project spending increases to \$41 million in 2008, as there will be a lot of focus on capital projects. She said the schedule is aggressive and there will be a lot of emphasis on schedules and budgets. She noted that most of the projects are listed on the City’s web site.

Ms. Colaizzi provided updates on the parks projects. She reminded the Council that in May 2006, the citizens of Shoreline approved the Parks Bond levy and there are eight bond-related park improvement projects and three land acquisitions that were approved by the bond funding. She added that there were also two capital improvement projects. She discussed the following projects, including the status and cost for each:

#### Acquisitions - \$10,250,000:

South Woods (NE 150th Street & 25th Avenue NE) – Completed - \$6,000,000

Seattle Public Utilities Property (NE 165th & 16th Avenue NE) – In negotiations - \$3,300,000

Kruckeberg Botanic Garden (20312 15th Avenue NW) – In negotiations - \$950,000

#### Park Improvements and Upgrades - \$5,750,000:

Richmond Beach Saltwater Park (2021 NW 19th Street) - Design phase - \$2,640,000

Cromwell Park (18009 Corliss Avenue) - Design phase - \$1,000,000

Twin Ponds (15401 1st Avenue NE) - Design phase - \$900,000

Hamlin Park (16006 15th Avenue NE) - Pre-design phase - \$750,000

Baseball/Softball Field Improvements (City-wide) - Design phase - \$250,000

Off-Leash Dog Park (site to be determined) - Pre-design phase - \$150,000

Shoreline Center Tennis Court Lighting (18460 1st Avenue NE) - Construction - \$60,000

Trail Corridors - \$2,500,000:

Interurban Trail Pedestrian Crossing at 145th Street - Completed - \$20,000

She also highlighted that there are grants applications pending for the acquisitions listed.

Councilmember Way inquired about the Hamlin Park projects and the transition the project has gone through. She recalled that when the project first started with the Parks bond, there was about \$100,000 more originally planned for this. She added that she thought the purchase would include some of the surrounding area, such as Hamlin Creek, which runs next to it. She looked forward to an analysis that would include the existing areas and hoped the City could find a place to enhance the Hamlin Park budget.

Ms. Colaizzi responded that \$750,000 has been approved for Hamlin Park, and the planning process has just begun. She said there may be more improvements at Hamlin, but there will only be \$750,000 spent. Hopefully, there will be additional grant funding. Hamlin Park will be a part of a general review but the focus will be on specific areas where the City can get the most recreational benefit.

Councilmember Way said funding for Hamlin Park should also be discussed at the trail corridors meeting.

MEETING EXTENSION

**At 10:00 p.m., Councilmember Gustafson moved to extend the meeting to 10:15 p.m. Councilmember Hansen seconded the motion, which carried 6-0.**

Ms. Colaizzi said the City is looking citywide for improvements, but the focus on Hamlin will be slightly different because the bond will be spent on the comprehensive list.

Ms. Juhnke provided an overview of the Roads Capital fund. She stated that the annual road service maintenance repair is completed and 3.5 miles of roadway were done, to include slurry seal on 5.4 miles of roadway. Concerning sidewalks, she said two routes have been funded. The first is on 25<sup>th</sup> Avenue NE and the second is along Dayton Avenue N. She said 25<sup>th</sup> Avenue NE is completed and Dayton Avenue should be completed by the end of 2007. She estimated that in 2008, the Fremont, Ashworth, and 195<sup>th</sup> NW routes should be grant-funded and completed. She highlighted that Dayton Avenue N. should be opened this Thursday. However, there will still be ongoing construction. She discussed the Richmond Beach Overcrossing and said the City is still in negotiations with Burlington Northern. She added that the current agreement will need modification, but the Council should see it on their agenda in the next few months. This project should be advertised in February 2008, but work won't start until 2009. She announced that Ronald Bog South is in the design phase and the City is coordinating with the Washington Department of Fish and Wildlife to see one phase of construction beginning in the summer of 2008. Pan Terra Pond and Pump is at 60% design, and advertisement will go out in March 2008 for a better bidding climate. The N. 167<sup>th</sup> and Whitman Drainage Project is at 60% design and construction should begin in early 2008. She concluded that

the City staff is focused on developing and meeting project schedules. She also said 2008 will be a busy and active year for construction in Shoreline.

Mayor Ransom called for public comment. There was no one wishing to provide public comment on this item.

Deputy Mayor Fimia commented that the City staff is “awesome” and is juggling so many projects at an aggressive schedule. She appreciated the update. She suggested that the trail corridor process include businesses, because she felt the City can do some partnership with them on signage behind their buildings. She asked about the light on 170th Avenue and 15th Avenue.

Ms. Juhnke responded that there is a consultant doing a preliminary assessment on that project and the first step is to come to the Council to authorize the grant.

Deputy Mayor Fimia said in the future she would like to see all the information, including schedule, status, and budget, for each project summarized on one page. She noted this has been provided to the Council in the past.

9. ADJOURNMENT

**At 10:17 p.m., Mayor Ransom declared the meeting adjourned.**

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Scott Passey, City Clerk



## CITY OF SHORELINE

### SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL MEETING

Monday, October 1, 2007 - 6:30 p.m.  
Shoreline Conference Center  
Mt. Rainier Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, Councilmember Hansen,  
Councilmember McGlashan, Councilmember Ryu, and Councilmember  
Way.

ABSENT: Councilmember Gustafson

#### 1. CALL TO ORDER

**At 6:35 p.m., the meeting was called to order by Mayor Ransom, who presided.**

#### 2. FLAG SALUTE/ROLL CALL

Mayor Ransom led the flag salute. Upon roll call by the City Clerk, all Council members were present with the exceptions of Councilmember Gustafson and Councilmember Hansen. Councilmember Hansen arrived at 6:38 p.m.

**Councilmember McGlashan moved to excuse Councilmember Gustafson. Deputy Mayor Fimia seconded the motion, which carried 5-0.**

#### 3. REPORT OF THE CITY MANAGER

Bob Olander, City Manager, provided the following updates and reports. He said the Civic Center/City Hall meeting has been rescheduled to October 25. The following meetings will be held at the following times:

- City Council and Planning Commission Joint Meeting/Public hearing on Aurora Avenue and Ballinger Way Corridors Commercial Zone, October 8
- Council of Neighborhoods meeting, October 3
- Housing Strategy Community meeting, October 9
- Economic Development Summit, October 9
- Fircrest Open House, October 10
- Sustainability Strategy Conversation, October 11
- Candidates Forum, October 4

Councilmember Way discussed the Fircrest Open House on October 10 and said it concerns the master plan process. She encouraged the public to attend.

#### 4. REPORTS OF BOARDS AND COMMISSIONS

Mayor Ransom noted that requests for appointment to the Suburban Cities Association (SCA) committees are due this Friday. He said there are 121 appointments plus the elected positions.

Councilmember Ryu said she attended the Cromwell Park Master Plan public meeting and there are four options that the public could view and comment on. She added that comments are still welcome and she encouraged participation. She also attended the 1<sup>st</sup> Annual Overseas Korean Political Forum and said it was very enlightening. She said despite the different languages, rules, and forms of government, the representatives had a lot in common. She said they took a trip to the NE Asia Investment Base Camp in Incheon. She brought materials from the Incheon Free Economic Zone for the Planning department.

Councilmember Way said she attended the Shoreline Community Wildlife Habitat Project at Ronald Bog which was sponsored by Sustainable Shoreline. She said the Parks, Recreational and Cultural Services Department provided the tools and tarps. She added that this will be conducted over the next three weekends and she encouraged the public to get involved. She said for further information the public can contact Bonnie Biery or herself.

Deputy Mayor Fimia attended the Commercial Zone workshop and said the Planning staff explained the proposed amendments very well. She said the attendance was very good.

Mayor Ransom said he attended the Regional Transit meeting regarding their budget. He added that they haven't voted on it yet. He also said he attended the South Woods dedication, and he presented a proclamation at the Shoreline/Lake Forest Park Youth Court dedication. He said he understands how the court works and it was a very good presentation.

#### 5. GENERAL PUBLIC COMMENT

(a) Paul Grace, Shoreline, discussed the HDR design services item on the agenda. He said it is very encouraging and it is prudent to approve 100% design for Phase 2. He noted that on page 5, the largest bundle of funding is from the Regional Transportation Investment District (RTID) which is on the ballot next month. He highlighted that \$40 million of those funds are earmarked for the Aurora Corridor and another \$40 million is for rebuilding the route over State Route 104, which is at the end of the Aurora Corridor. He said supporting this item is a great opportunity for citizens to

see their tax dollars come back to the City of Shoreline. He said this is the best opportunity for Shoreline to complete the Aurora Corridor Project.

(b) Chris Eggen, Shoreline, announced that he is speaking as a member of the Shoreline Housing Advisory Committee. He encouraged citizens to come out to the October 9 meeting. He said the committee has recommendations for the City Council and they want public input on them. He added that the meeting will be held at 7:00 p.m. at the Shoreline Fire Station on Aurora Avenue.

6. APPROVAL OF THE AGENDA

**Councilmember McGlashan moved approval of the agenda, requesting that Item 7(a) be taken from the Consent Calendar and made Action Item 8(a) under New Business. Councilmember Way seconded the motion, which carried 6-0, and the agenda was approved as amended.**

8. NEW BUSINESS

(a) Motion to Authorize the City Manager to Execute a Contract with HDR for Design Services for the Aurora Corridor Project, N. 165th Street to N. 205th Street

Mark Relph, Public Works Director commented that the depth of the company involved in the Aurora Corridor Project was a critical prerequisite for the City staff. He noted that the proposed schedule includes strict deadlines and the overall plan has a strong emphasis on public involvement.

Kris Overleese, Public Works Engineer and Kirk McKinley, Aurora Corridor and Interurban Trail Project Manager, introduced Rob Gorman and Craig Stanfer, who are senior project managers with HDR. Ms. Overleese reviewed the formal selection process, noting that the Request For Qualifications (RFQ) asked for design work, right-of-way acquisition support, survey, and construction management. She said there were three submissions and the City staff believed HDR was the strongest submittal. She highlighted that HDR's team includes: INCA Engineers, which provides storm water assistance; OTAK, which provides landscape and architecture services; Landau, a geotechnical engineering firm; and KBA, which provides construction management and inspection services. She highlighted that the initial portion of this project is funded, which is N 165<sup>th</sup> Street to N 185<sup>th</sup> Street. She said the environmental work will be done at the end of this year and in 2008 final design and right-of-way acquisition will occur. She said the contract with HDR includes the third phase of the Aurora Corridor, from 185<sup>th</sup> to 205<sup>th</sup> Avenue NE. The staff recommendation is to award the contract to HDR for \$4.2 million dollars plus a 10% contingency, for a total of \$4.62 million.

Mr. Olander asked Ms. Overleese if this engineering contract is in the normal range for this type of project.

Ms. Overleese responded that the Washington Department of Transportation (WSDOT) stated that a design contract that is 12% or less of the total estimated construction cost is the industry standard. Currently, she said the City is currently around 10% or 11% for design services.

Mayor Ransom called for public comment. There was no one wishing to provide comment on this item.

Councilmember Hansen confirmed that the contract was for \$4.2 million plus a 10% contingency. He also said that the construction estimate is \$90 million. He said he wanted to measure the 11% because that will mean that the third section will have design services at 30%.

Mr. McKinley said the contract is set up to have HDR design 100% for Phase 2, and 30% for Phase 3. Staff will return to the Council on the third mile to get a 70% design contract, which is estimated at \$1.5 million.

Councilmember Hansen said he is concerned with how the overpass at SR 104 will be completed. He said if it is done well, it will eliminate the "bottleneck" and make both sides' projects valuable.

Mr. McKinley stated that the SR 104 overcrossing is a part of the RTID proposal and the City will work closely with WSDOT if voters approve the funding.

Mr. Olander commented that even if the RTID doesn't pass, the City has been successful in getting this project on the regional priority list.

Councilmember Hansen added that if the City is going to expedite this, the engineering firm says they can apply the resources to meet our needs.

Mr. Relph said there have been detailed discussions about the scope and schedule so they can meet the City's deadlines.

Councilmember McGlashan asked about status of the discipline reports from Jones & Stokes.

Ms. Overleese said they have finished their environmental analysis and half of the discipline reports have been approved by the State of Washington and are complete. The completed reports have been published on the City's web site for the public to view. The remaining reports are with the State and are in various states of review; the City constantly checks on the status on a daily basis. Once they are finished, the City will move into the SEPA process and issue a SEPA checklist. She said the City is still on schedule to finish the environmental process by the end of this year.

Councilmember Hansen suggested looking into an underpass at N 205<sup>th</sup> Street.

Councilmember Way wondered if \$1.5 million would be enough to complete the design for Phase 3 and asked if the figure included inflation.

Ms. Overleese said that amount wasn't something that HDR agreed to, but the City believed it was a reasonable placeholder, assuming RTID passes and the amendment happens this year or early next year. If there is a delay and funding doesn't come through for a year or two, then the estimate will be adjusted. She stated that this contract for discussion tonight will get the City through 30% design work. Additionally, there is a savings from an economy of scale and this will create momentum.

Mr. McKinley added that one of the advantages of proceeding with 30% design for Phase 3 is that the project will compete well for grants, since it will be primed for construction. Also, as properties redevelop, the City will want to make sure they are built to the correct setback distance. This not only provides them with certainty but also allows for early negotiation with some of the more challenging properties.

Regarding the \$1 million allocation to the surface water portion of the project, Councilmember Way asked what percentage of the contract was going to INCA and if it includes natural drainage.

Ms. Overleese responded that the contract funding to INCA Engineers includes a conventional and natural drainage implementation. She explained that INCA will be doing conventional drainage and HDR will be working on aspects of natural drainage.

Mr. Relph emphasized the importance of the drainage toolkit, noting that both firms are very qualified and have an abundance of resources. He said staff can provide the Council with more information on their past projects.

Ms. Overleese pointed out that all these firms are civil engineers and she is confident they will do a great job.

Councilmember Way said she has been an advocate for doing as much natural drainage as possible in the City. She asked what the percentage of low impact solutions would be as compared to conventional drainage.

Mr. Relph said those considerations would be part of the design process. He said he has conveyed the Council's intent to maximize the natural drainage opportunities with this project. He added that City staff, along with HDR, will be looking for every opportunity to capture on-surface flows for both polishing and infiltration.

Mr. Olander said he would be glad to report back to Council as those points are reached in this process.

Councilmember Way added that there are lots of related projects, like Darnell Park, and it will be interesting to see which funds will be utilized to address the problems.

Mr. Relph agreed, noting that many things will influence the design. He added that there will be a very extensive public process so that all issues can be considered.

**Councilmember Ryu moved to authorize the City Manager to execute a contract with HDR Engineering, Inc. for design and right-of-way acquisition support work for the Aurora Corridor Improvement Project, N. 165th Street to N. 205th Street for an amount not to exceed \$4,200,000 plus a 10% contingency (\$420,000) for a total of \$4,620,000. Councilmember Hansen seconded the motion.**

Councilmember Ryu said she is glad the City staff has done a thorough job because this is a big project that cannot be rushed. She also wanted to make sure KPG is recognized for the important role it played in the process. She pointed out that the RTID package funds many projects besides Shoreline's, so it shouldn't be held hostage or used as a reason for supporting RTID as Councilmembers or as individuals. She said the RTID package is a huge commitment of tax dollars that will indebt our children and grandchildren. She encouraged the public to make an individual decision at the ballot box. She wondered if Seattle City Light (SCL) has worked with HDR in the past.

Ms. Overleese said HDR has worked with SCL to resolve property issues. She noted that SCL recommended hiring HDR to handle the transmission study. HDR finished that study and presented it to SCL, which was very pleased. Again, she said she has a high level of confidence in HDR.

Mr. Relph added that there is a significant amount of undergrounding work. SCL, Seattle Public Utilities (SPU), and other utility providers require an enormous amount of coordination, so the group under this contract needs this kind of experience. He stated that his expectations for a consultant are very high and he has had good discussions with them. He looks forward to the opportunities to strategize and look beyond the issues at hand and into the next phases. This project is extremely complex, and he said he needs a team that the City has full confidence in. He said he believes the City has found that in HDR.

Mr. Olander pointed out that this contract is not contingent on RTID passing. The City staff is circumspect about ballot measures and the City needs to remain neutral.

Deputy Mayor Fimia said she supported the contract and she encouraged the public to ask what they will get with RTID dollars. She said they will be surprised at what little transit service the City will get, especially since the City spends money on bus lanes. She questioned how far the City got on the KPG contract.

Mr. Relph said the contract didn't get awarded and the City staff wasn't comfortable with it.

Deputy Mayor Fimia thanked Mr. Relph for his due diligence and for keeping the interests of the City in mind. She said she heard there is a concern about emergency vehicles traveling against the direction of traffic if traffic in their direction is blocked.

She said it sounds like it could be problematic. Mr. Relph responded that he would look into the issue. Concerning bus rapid transit, Deputy Mayor Fimia said she recently learned that the best design is to use them in the middle lanes. She asked if having them in the current lanes are a fundamental, long-term flaw. She noted that she is seeing drivers use the curb lane without turning.

Mayor Ransom questioned if the April starting date is realistic. Mr. McKinley clarified that the section on the chart refers to April to June. He stated that the starting date will be closer to the May or June timeframe. Mayor Ransom asked about the project contingencies, and that there has been so much in the newspapers about construction costs going up 12% annually. He questioned if this contract allows for that kind of increase.

Mr. Relph said the City estimated a 4% to 5% increase based on WSDOT standards. He believed the City is properly budgeting and attempting to forecast correctly. Mr. Olander noted that large increases have been incorporated into the CIP.

Mayor Ransom said he is very pleased with the proposal but was shocked by the amount that materials have increased in cost.

Councilmember Way inquired if the environmental reports addressed cumulative impacts from Aurora Corridor work and associated developments.

Mr. Olander said that under the national and state environmental policy process, the City is required to consider related projects and what is reasonably known.

Councilmember Way wanted it to be known to the public that any determination would take that into account. She pointed out that people are confused by SEPA determinations because they don't seem to be logical.

Mr. Olander added that there are some significant positive impacts, and any adverse impacts will be mitigated.

Councilmember Way said some of the impacts to businesses and neighbors include noise, light, height, glare, storm water run-off, habitat, etc. She wondered if there was anyone at HDR addressing historic preservation issues.

Ms. Overleese replied that the environmental analysis for cultural resources happens during the NEPA and SEPA process; however, there is some time allotted on an as-needed basis to consider historical preservation.

Councilmember McGlashan commented that there is quite a bit of development occurring in the third mile. He wondered what the City tells those businesses that are already redeveloping in Phase 3, considering that the 30% design is not completed for the third mile.

Mr. McKinley responded that CH2M Hill did some preliminary work on elevations and they tried to figure out where to best match the grades. This was done in an effort to take away the “guesswork.”

Councilmember Hansen inquired if the City staff is keeping track of the construction cycle. He said there are peaks, valleys, delays, etc. He hoped the City staff is using it in capital planning because it can make huge difference financially.

Mr. Relph agreed that proper timing can save the City significant funds. Additionally, the City wants to see who it is competing against.

Mr. McKinley commented that the proposed schedule is a best-case scenario, considering that the right-of-way acquisition process goes smoothly. It can be hampered if there are appeals or if the City has to go to court.

Councilmember Hansen responded that based on the current cycle, a delay could actually save some money depending on where the City is at that point. He added that the Washington State economy and housing market is still expanding rapidly, while the rest of the country has fallen. He added that Washington is likely to have strong economy for a while, which means the bidding environment will be challenging.

**A vote was taken on the motion to authorize the City Manager to execute a contract with HDR Engineering, Inc. for design and right-of-way acquisition support work for the Aurora Corridor Improvement Project, N. 165th Street to N. 205th Street for an amount not to exceed \$4,200,000 plus a 10% contingency (\$420,000) for a total of \$4,620,000, which carried 6-0.**

(b) Regional Jail Update

Julie Modrzejewski, Assistant City Manager, briefed the Council on the regional jail planning efforts. She added that it has been a challenge to provide jail bed space for our City misdemeanor population since King County won't be able to meet that need.

Mr. Olander stated that under State law, King County is responsible for housing felons, and the cities are responsible for misdemeanants.

Ms. Modrzejewski discussed the jail needs and said there are still lots of unknowns. Additionally, Yakima County will be done with its study in mid-2008, and it's estimating that they will only be able to provide 200 beds for cities. She highlighted that the estimated jail bed need for the Jail Administration Group (JAG) cities is approximately 1,000. Additionally, the Ricci Greene group estimated that the need in 2011 would be 1,175 beds and 1,450 beds by 2016.

Mr. Olander discussed the criteria utilized to determine these numbers. He stated that the male/female proportion, number of violent offenders, and other information was reviewed fairly closely during this lengthy process.



Councilmember Way wondered what types of misdemeanor crimes are covered here.

Ms. Modrzejewski responded that generally the officer is making the call. Normally, they include domestic violence and whether there is a need to protect the public or the offender. Additionally, those that include mandatory sentencing or multiple offenses are included in this category. She said the statistics show that Shoreline averages 17 jail beds per day. Mayor Ransom added that traffic offenses such as driving under the influence (DUI) and driving with a suspended license also make up a large number of offenses. Mr. Olander pointed out that domestic violence is also a large portion.

Ms. Modrzejewski said the average daily population (ADP) is rising for Shoreline and in 20 years the Ricci Greene study notes a 72% increase in the City's ADP. She commented, however, that once the City moves into the feasibility study, these projections will be scrutinized because there many things that will drive the City's jail costs in the future. The Jail Task Force (JTF), she said, was assembled to review the Ricci Greene Report and make recommendations. She said a part of the Ricci Greene report studies various jail bed scenarios. She highlighted that the preliminary findings of the JTF are that cities must make a decision on how many beds and how many facilities are needed. She discussed parallel jail planning efforts. She discussed "SCORE", which is made up the cities of Renton, Tukwila, Federal Way, and Des Moines who are planning a new facility in South King County and have made \$175,000 available for a feasibility study. Auburn, she said, is studying the replacement of their own facility with a 150-bed jail to serve their own needs. Seattle is a key player among the JAG cities and projects a 440-bed need in the next 20 years. She highlighted that the City of Seattle makes up 25% of the total bed needs in the JAG and are a key factor on how the feasibility study takes shape. Kirkland, she said, is also planning on satisfying its own jail needs. She said there has been \$100,000 allocated for the feasibility study, but the cost is anticipated to be higher depending upon the study itself. The feasibility study will evaluate and recommend such options as acreage, size, location, capital and operating costs, booking, and transport. Additionally, there will be an evaluation of operating a medical and/or psychiatric facility or contracting out for one. She said the next step is hopefully to present an evaluation of the Ricci Greene options at the Assembly meeting in January.

Mr. Olander commented that currently it is hard to tell which way to proceed and it is critical to determine which way Seattle is proceeding. He said all of this is still somewhat uncertain, but he felt the end result would be some new misdemeanant jail facility built in the region. He said the City staff will work closely with the other suburban cities.

Mayor Ransom commented that Auburn is going their own way, Kent has their own jail, and Seattle can't make up their mind. He said King County wants Shoreline to participate on a gigantic jail facility, and without Seattle the need is only a maximum of 250 beds. However, with Seattle the need is for over 600 beds. He said there is a resistance to building a facility in the JAG cities because the largest facility they can accommodate is

four to five acres. For this reason, the group has considered building four to five misdemeanor jails of around 250 beds each.

Ms. Modrzejewski noted that King County is open to partnerships, but they don't really need to. She added that they can expand the Regional Justice Center (RJC) but the cities are cautious because their experiences with King County have not been good.

Mayor Ransom pointed out that the City was paying 50% administrative overhead and King County didn't want to enter into a contract for that cost.

Mayor Ransom called for public comment. There was no one wishing to provide public comment on this item.

Councilmember Hansen commented that there was a joint piece of property that the City of Bellevue was holding in trust, but he never heard the final resolution.

Ms. Modrzejewski noted that the property is in the appraisal process now. Bellevue would like to buy a portion of the property for some road project or right-of-way project. She added that the money would be available for JAG cities' jail facility.

Mr. Olander stated that years ago, while the RJC was being built, King County bought this other property for a future jail site. When the funding was split with King County on a misdemeanor facility, they decided that property in Bellevue to the JAG cities. He said in the past, the City has been leasing that out on a temporary basis for storage; the lease income has helped fund some of the staff and studies to date. That is why, he explained, our combined cities haven't had to pay us much toward the feasibility studies and staffing. However, there is an obligation that the property either be used for a jail or that the proceeds are used for jail facilities at some point in the near future.

Councilmember Hansen said he understood that if Yakima couldn't provide the beds, there are other jails in Chelan County and Grant County that also have available space. However, it would leave us with the same problem; it's a long distance and we would have to find a way to transport them to and from the jail. He didn't necessarily fault King County for the jail dilemma, considering the many unions they have to deal with, but he was very uncomfortable with entering into an agreement with them. He said there are many factors beyond their control, but they don't do a good job with the areas that they do control. He said he would favor some sort of a joint venture with the suburban cities or the JAG cities. However, with so many unknowns, he felt the City should keep pursuing it.

Councilmember Ryu asked what the current Shoreline average ADP was.

Mr. Olander responded that Shoreline has been exceeding jail bed days in Yakima with 21-22 per day plus an additional 12-14 in King County. Therefore, he stated that the average ADP is approximately 35.

Councilmember Ryu noted that there are five cities doing about 200 bed jails, so it may be a good idea to work with them; however, volatility will have more of an impact.

Mr. Olander pointed out that there is an issue of the economy of scale, transportation, medical, food, and booking. He said he isn't an advocate for lots of small jails or one large facility because of the administrative burden of having too many inmates; it becomes hard for the guards and the administrators to run the facility.

Councilmember Ryu said it seems that lots of inmates have problems "mainstreaming." She said it would be great if the City can reduce the number of beds and somehow have proximity of services.

Mr. Olander said Yakima was chosen because they had better counseling and retraining, but they have overcrowding problems. He said there is also an advantage of having a closer facility because the City could have more local control about the level of job retraining and drug counseling.

Councilmember Way wanted to know what factors are contributing to the King County estimates of 1,450 by 2026. Ms. Modrzejewski said the estimates are based on population growth projections. Councilmember Way was also interested in addressing recidivism and asked what the City can do to address the problems before they happen. Ms. Modrzejewski responded that the City could analyze Shoreline's jail population and have probation services present some information to the Council, since a large portion of counseling is compliance.

Mr. Olander responded that this isn't only about Shoreline residents because a major determinant is how many young men are between the ages of 18-34 in the region.

Councilmember Way stated that it is also the Council's job to look at those factors. She said she didn't hear any fiscal determination and asked what the City is paying for beds. Ms. Modrzejewski said the total amount for 2007 is \$1.2 million per year. Councilmember Way inquired how much each jail day was. Ms. Modrzejewski responded that each jail day is \$100 in King County, \$66 in Issaquah, and \$87 in Yakima County.

Deputy Mayor Fimia thought jails are necessary but that they are also "monuments to failure." She felt that building them won't make that paradigm shift to prevention, intervention, and treatment. She said the shift in funding from jails to human services has to be done slowly. She highlighted that she proposed something similar in King County and asked for them to identify savings and how they would be used in treatment programs. She said the program was passed by the County Council but was vetoed by the County Executive. She said jail-based treatment, similar to the North Rehabilitation Facility, is a program based on a Tucson, Arizona model and is successful.

Ms. Modrzejewski noted that the huge demand for jails centers on mental health and drug dependency. She explained that King County is considering creating a system where

one-tenth of 1% sales tax would go to the mental health and drug dependency population. However, it is a very complicated system, and it is difficult for a judge to determine one's sanity.

Deputy Mayor Fimia said the problem needs to be treated differently. She felt this population could be reduced instead of just building more capital facilities. She said more countries need to be studied, because the United States has one of the highest incarceration rates in the world. She noted that in jail-based treatment, the inmates do all their own food preparation, painting, and maintenance; therefore, costs are greatly reduced. She suggested more investigation of our jail population and developing some alternatives to keep the costs down. She suggested forming a citizen committee to research these issues. She said this needs to address the question of how people get into trouble in the first place, and what needs to happen in our families and in schools. She said there are statistics out there about prevention and what a great investment it is. She summarized that building more jail space just because the population is rising is socially the wrong assumption to make.

Councilmember McGlashan responded that other countries don't have high incarceration rates because they execute severe forms of punishment. He asked if there was discussion about Shoreline not using King County facilities any longer when the City executed an agreement with the Issaquah jail. Ms. Modrzejewski said the City was overbooking King County, and as of October 1 the City shifted its primary booking facility to Issaquah. Councilmember McGlashan inquired if there was talk among suburban cities about building a large facility so they can contract with others. Ms. Modrzejewski said she thought Auburn would do a mixture of building their own facility and contracting it out to other cities. Councilmember McGlashan asked how misdemeanants return to this area, to which Ms. Modrzejewski responded that Yakima provides busing for them.

Mayor Ransom commented that as far as governance, most of the JAG cities want an equal voice and to be a part of the overall government. This also seems to be the way a majority of suburban cities want to proceed. However, there are a few situations in which there would be a weighted vote; for example, Seattle. If four jails are built, the assumption is that it would be run by an umbrella organization of all participating jurisdictions. He said there was also discussion about a treatment-oriented mental health system, but the courts haven't worked out the details yet. However, all of the 37 cities recognize the need.

## 9. ADJOURNMENT

**At 8:55 p.m. Mayor Ransom declared the meeting adjourned.**

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Scott Passey, City Clerk

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF WORKSHOP DINNER MEETING WITH**  
**THE SHORELINE PLANNING COMMISSION**

Monday, October 8, 2007  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, and Councilmembers Gustafson, Hansen, McGlashan, Ryu, and Way

ABSENT: none

STAFF: Bob Olander, City Manager; Joe Tovar, Planning and Development Services Director; Steve Cohn, Senior Planner; Steve Szafran, Associate Planner; Scott Passey, City Clerk

GUESTS: Shoreline Planning Commissioners: Sid Kuboi, Vice Chair; David Harris; Robin McClelland; Michael Broili; Will Hall, David Pyle

Mayor Ransom called the meeting to order at 6:22 p.m. There were introductions around the table.

Bob Olander, City Manager, welcomed the Planning Commission to tonight's workshop meeting to discuss the Planning Commission 2010 Work Program and related items.

Mr. Tovar provided a brief presentation on two regulatory tools that are intended to better enable the City to achieve its community-building objectives – Form-based Codes, and Planned Area (PLA) zones. He commented that Shoreline's development code retains parts of the old King County code, and staff feels more flexibility is needed in the development standards. He advocated for writing our own conditions into the text of the Development Code by creating Planned Area Zones rather than placing conditions on development proposals such as rezones. He used Shoreline Community College as an example where the Council imposed a condition that "no more permits will be issued until it has a completed master plan." He said a PLA zone would be a more appropriate way to impose conditions because it focuses on a specific zone rather than discrete permits.

Mr. Tovar noted that nearly one-third of Kirkland's available land is in a PLA zone of some sort. He said he is not suggesting that this is a "magical" zone, but noted that PLA zones provide more flexibility, precision, and certainty for developers and the public. In essence, the City can make the rules about what is permitted in each zone.

Continuing, Mr. Tovar said the key concept of a Form-based Code is to focus more attention on the building form and design details of both the building(s) and the site, and less on the specific uses within the building envelope. He pointed to the Ridgecrest Visioning Process as an example that focused on form-based characteristics such as shape, setbacks, building heights, massing, texture, buffers, access, and adjacencies. He noted that in such developments, the form, parking, and floor-area ratio determines the number of units. Mr. Tovar said staff proposes to regulate density in the Ridgecrest neighborhood using form-based codes.

Mr. Olander pointed out that Dan Burden and other experts of the "Shoreline 2010 Speaker Series" advocated for form-based codes. He noted that Mr. Burden's work illustrates the fact that if designed correctly, people actually prefer the developments with higher densities.

Deputy Mayor Fimia commented on Mr. Tovar's experience in Kirkland with PLA zones. She asked if they first amended their Comprehensive Plan through a public process, or whether they started with PLA zones.

Mr. Tovar responded that they did them simultaneously, and in some cases did sub-area plans. Mr. Tovar continued by saying that staff intends to focus on the Council's goals when considering how to regulate PLA zones, since Goal #5, #6, #7, and #8 all can be addressed in Planned Areas.

Deputy Mayor Fimia asked if there was a sense that the changes were consistent with the community vision in Kirkland. Mr. Tovar responded that all the changes were the result of legislative processes, and Kirkland's land use issues were very similar to Shoreline's.

Commissioner McClelland noted that form-based codes and PLA zones are simply tools; however, perhaps more focus should be on identifying the objectives. She said if the intent is to make the Ridgecrest area more urban, then the question is whether these tools provide more predictability and consistency with the character of the neighborhood.

Mr. Tovar said it's trying to balance predictability with flexibility by tailoring these areas to fit the specific neighborhoods.

Mr. Olander added that these tools give the public more control over what happens in their neighborhoods. He said a general vision should be established, but a "one size fits all" approach doesn't always work.

Councilmember Way asked how the City of Kirkland established its boundaries for PLA zones, and if a PLA zone would fit in to the Fircrest campus.

Mr. Tovar said the boundaries depended on a number of factors, including existing development, zoning, parcel sizes, and property ownership. Regarding Fircrest, he said a

PLA zone could be established where all the conditions are spelled out so the zoning fits what the Council is trying to achieve.

Mr. Tovar affirmed for Councilmember Ryu that if some neighborhoods wanted to go in a particular direction, they could do so using these tools (a legislative code change adopted by Council).

Councilmember McGlashan asked how these tools would impact building height restrictions, to which Mr. Tovar replied that each zone can be created with its own standards.

Responding to Commissioner McClelland, Mr. Tovar said although there are a few things he would have done differently in Kirkland, he doesn't regret implementing Planned Areas.

Commissioner Pyle asked if the Comprehensive Plan is flexible enough to allow for Planned Areas now. Mr. Tovar responded that PLAs could be implemented in some areas, but others would require a Comprehensive Plan amendment. He noted that some sections are specific and other sections are vague.

Commissioner Hall wondered if it might be difficult for new businesses to locate in Shoreline if there's such a difference in zoning throughout the City. He asked if there is a way to manage it so the zoning is predictable, yet the flexibility doesn't become a disadvantage.

Mr. Tovar responded that a "happy medium is needed," although most developers are so focused on the zoning map that they want to know how many units and square feet are allowed in the subject zone.

Pointing out that parking is one controlling element of a Planned Area, Councilmember Way asked if it would be appropriate to designate sidewalks and pathways as controlling elements in such zones.

Mr. Tovar noted that other sections of the Development Code would control that, not PLAs.

Councilmember McGlashan wondered about the best way to approach the public with these tools. He stated that some people could interpret these changes as "lightening the code to benefit developers."

Mr. Tovar commented that everyone is better served by having more precise development regulations. He then asked Steve Cohn, Senior Planner, to comment on the Planning Commission's Work Plan.

Mr. Cohn highlighted elements of the Work Plan, including the Comprehensive Housing Strategy, Environmentally Sustainable Community Strategy, and Town Center. He then outlined the public outreach effort for the first Town Center meeting.

Mr. Tovar noted that in addition to all the regular avenues for land use announcements, staff proposes dedicating a regular column in *Currents* for this purpose. He said this proposal would have budget implications since it would increase the page-length of the publication.

Commissioner McClelland felt that dedicated space for land use announcements in the new City Hall would help improve the public notification effort.

Commissioner Broili pointed out that the City of Seattle has a DVD document that helps citizens inform themselves on land use proposals. He felt the additional pages in *Currents* would make sense since surveys show that most people get their City information from this source.

Vice Chair Kuboi concurred. He noted that the City received several applications for the Citizen Advisory Committee shortly after the *Currents* article was distributed.

Councilmember Ryu wondered if advertising in other areas could be reduced in order to cover the increased publication costs.

Deputy Mayor Fimia emphasized the need to get direction from the public, the Council, and the Commission. She stressed that the Council gives direction to the Commission; then the issue should go to the public again before the Commission provides a recommendation. She said that the Communications Plan Goal should be clear that it is direction from the community, not the other way around. She felt that there was a communication disconnect with the community regarding form-based codes and the South Aurora Triangle.

Mr. Tovar noted that the South Aurora Triangle has been relegated to a lower priority. He said Ridgecrest is a more appropriate opportunity to look at form-based codes. He briefly discussed ways to also use the web site more effectively.

Deputy Mayor Fimia agreed with the suggestion to increase the page count in *Currents*, making it more of a news source. She suggested that *Currents* also describe the problems and challenges in addition to the successes. She added that while subarea plans can be effective, the community needs to talk about the overall vision.

Mr. Tovar outlined Planning Commission work items, including the SE Shoreline Subarea Planning Process. He said the Commission requests that the Council consider a one-time allocation of funds to PDS to support the development of this Subarea Plan.

Deputy Mayor Fimia suggested holding a symposium with developers to solicit their input.



Councilmember Way noted that King County Councilmember Bob Ferguson is sponsoring an Economic Development Summit for north end cities.

Deputy Mayor Fimia left the meeting at 7:20 p.m.

Commissioner McClelland noted her belief that the South Aurora Triangle had to do with the breakdown of communication; namely, gossip. She said each of us has a responsibility to be well-informed and to squelch rumors and misinformation. She said we owe it to the community to never "fuel the fire."

Mr. Tovar briefly outlined the details of the SE Shoreline Subarea Planning Process, noting that the Plan will dictate whether zoning changes are needed. He said this item should come back through the process in late 2008.

Mr. Olander noted that the fear of increasing densities is shared by many in the community, whether these fears are justified or not. He recommended that tools such as Planned Areas be implemented first. That way, it will give the public examples of what is possible, and it will allay the fears people have about density. He suggested that rather than always reacting, we take a more proactive approach.

Councilmember Ryu agreed, noting that if the Ridgecrest example is successful, then perhaps other areas will be open to these changes.

Councilmember Way said although a proactive approach is good, it is not only about increasing density but also about protecting the residential zone.

Mr. Olander agreed that the key to proceeding successfully is to lead with the concept of preserving the residential character of the City.

Mr. Tovar then outlined the suggested procedure for the joint public hearing later on this evening. He recommended dividing the public hearing according to the two different Development Code amendments in order to clarify the issues.

Mayor Ransom declared the meeting adjourned at 7:33 p.m.

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Scott Passey, City Clerk

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**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the City Manager to Sign a Grant Agreement with the Department of Ecology for the Local Government Stormwater Grants Program
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Mark Relph, Public Works Director Jesus Sanchez, Operations Manager Jerry Shuster, Surface Water & Environmental Services Manager

**PROBLEM/ISSUE STATEMENT:**

The National Pollutant Discharge Elimination System (NPDES) is a Federally mandated clean water program that requires the City to obtain an NPDES Phase II permit from Washington's Department of Ecology (Ecology) to maintain its storm water program in a manner that reduces the discharge of pollutants to the maximum extent practicable; protects water quality; and satisfies the requirements of the Clean Water Act.

On March 3, 2003, Council approved the City's application for an NPDES Phase II permit. The permit was issued on January 17, 2007, and became effective February 16, 2007 for a period of 5 years. The various permit requirements are being phased in over the permit term.

To assist the City with implementation of the NPDES Phase II permit, Ecology is offering funding under the Local Government Stormwater Grants Program to eligible municipalities. The goal of the grant program is to improve stormwater management and water quality protection associated with development and implementation of a stormwater management program.

The grant will be used to update the City's stormwater code, manual, and other administrative documents to match requirements in the NPDES Phase II permit. The grant application was submitted in September 2007 and the City was awarded \$75,000. Ecology has sent the City a grant agreement, it has been reviewed and approved by the City Attorney.

**FINANCIAL IMPACT:**

The \$75,000 is new revenue that will be added to the 2007 budget for Surface Water Operations and will be included in a 2007 budget amendment.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager sign the grant agreement with the Ecology for \$75,000 from the Local Government Stormwater Grants Program.

Approved By:      City Manager  \_\_\_\_\_ City Attorney \_\_\_\_\_

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b> Adoption of Ordinance No. 483, Amending the 2007 Budget for Operating Funds & Capital projects
<b>DEPARTMENT:</b> Finance
<b>PRESENTED BY:</b> Debbie Tarry, Finance Director

**PROBLEM/ISSUE STATEMENT:**

During the development of the 2008 proposed budget, the operating budgets for the current year were reviewed and year-end projections were developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that 2007 appropriations needed to be amended as a result of unanticipated revenues from grants and unanticipated expenditure requirements. Since the adoption of the 2007 budget, the City has been awarded grants to support the Emergency Management, Parks Specialized Recreation, and Traffic Services programs. Other operating programs need to be adjusted to reflect expenditures that have been authorized by Council, but have not been officially adopted in the form of a budget amendment and unanticipated expenditures. Earlier this year, Council approved a group of expenditure reductions as part of the long range financial plan. Those changes are also included in this amendment. The Transfers Out appropriation from the General Fund to the General Capital Fund is being increased to provide additional funding from 2006 and anticipated 2007 budget savings to fund the City Hall/Civic Center project. It has also been increased to include the estimated net rental income from the Highland Plaza. This budget amendment also reflects the required transactions to implement the City's revised reserve policies adopted by the City Council earlier this year.

The following operating programs will be impacted by the amendment:

General Fund - \$5,526,144

- Parks Special Recreation/4 Culture Grant- \$5,000
- Emergency Management/EMPG Grant - \$20,790
- Highland Plaza/Highland Park Center - \$50,000
- City Attorney – Legal Defense - \$187,140
- Citywide – Legal Settlement - \$159,000
- Long-Term Financial Plan Implementation Reductions (reflects half of the annual amount)
  - Government Relations – Lobbyist – (\$2,500)
  - Parks Maintenance Extra Help – (\$5,000)
  - General Fund Transfer Out to City Facility Long-Term Maintenance – (\$20,000)
  - Travel/Training/Dues Reduction (various programs) – (\$6,500)

- Police/Neighborhood Traffic Safety Program Overtime – (\$5,000)
- Human Services/Senior Center - \$18,000
- General Fund Transfers Out to Revenue Stabilization Fund - \$3,712,253
- General Fund Transfer Out to General Capital Fund (City Hall/Civic Center ) - \$1,382,961
- General Fund Transfers Out to general Capital Fund (lease income for City Hall/Civic Center) \$30,000

Street Fund

- Traffic Services/School Zone Flashers - \$38,850

General Reserve Fund

- Transfers Out to Revenue Stabilization Fund - \$2,274,862

General Capital Fund

- Shoreline Center Tennis Courts Lights - \$125,000

Roads Capital Fund

- To correct Ordinance No. 463 – \$20,000

Surface Water Utility Fund

- State Department of Ecology grant – \$75,000 – NPDES Permit Implementation

Equipment Replacement Fund

- Early Replacement of Parks Maintenance Vehicle - \$25,746

**FINANCIAL IMPACT:**

The following table summarizes the budget amendment request for each of the affected City funds and the impact that this has on the City's reserve levels.

Fund	Current 2007 Available Beginning Fund Balance (B)	Budget Amendment Request (C)	Revenue Adjustments (D)	Resulting 2007 Available Beginning Fund Balance (E) (B - C+D)
General Fund	\$7,970,665	\$5,526,144	\$105,790	\$2,550,311
Street Fund	\$960,969	\$38,850	\$38,850	\$960,969
General Reserve Fund	\$2,274,862	\$2,274,862		\$0
Revenue Stabilization Fund			\$5,987,115	\$5,987,115
General Capital Fund	\$15,056,171	\$125,000	\$1,412,961	\$16,344,132
City Facilities-Major Maintenance Fund	\$157,145		(\$20,000)	\$137,045
Roads Capital Fund	\$9,346,953	\$20,000	\$0	\$9,326,953
Surface Water Utility Fund	\$53,586	\$75,000	\$75,000	\$53,586
Equipment Replacement Fund	\$1,396,278	\$25,746	\$0	\$1,370,532
<b>Total</b>	<b>\$37,216,529</b>	<b>\$8,085,602</b>	<b>\$7,599,716</b>	<b>\$36,730,643</b>

**RECOMMENDATION**

Staff recommends that Council approve Ordinance No. 483, amending the 2007 budget.

Approved By: City Manager  City Attorney \_\_\_\_\_

## INTRODUCTION

During the development of the 2008 proposed budget, the operating budgets for the current year were reviewed and year-end projections were developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that 2007 appropriations needed to be amended as a result of unanticipated revenues from grants and additional expenditures approved by Council earlier in the year. A capital project is also requesting additional funding.

## BACKGROUND

### **Budget Amendments for Operating Programs**

#### **General Fund**

**Revenues:** General Fund revenues will be increased by \$105,790. This reflects an Emergency Management Performance Grant (EMPG) from the Washington State Military Department and the Department of Homeland Security totaling \$20,790, a Parks Specialized Recreation Grant from 4Culture totaling \$5,000 and proceeds from the lease of the Highland Park Center and Highland Park properties totaling \$80,000.

**Emergency Management Planning:** The 2007 appropriation for this program will be increased by \$20,790. Funding from the EMPG grant will be used to purchase technology and systems implementations in the Emergency Operations Center.

**City Attorney:** Increase appropriation by \$187,140 to cover the additional expense for outside counsel related to litigation defense and the expense for email backup restoration.

**Citywide Non-Departmental:** Increase appropriation by \$159,000 for the settlement costs as approved by Council.

**Parks and Recreation:** Increase appropriation by \$5,000 to include the proceeds of a 4-Culture grant to provide more opportunities for participation in performance art in the Specialized Recreation program.

**Human Services:** Increase appropriation by \$18,000 to provide funding for the Shoreline Senior Center as previously approved by Council.

**Highland Park Center and Highland Plaza:** Increase the appropriation by \$50,000 to cover all property management activities for the year.

**Long-Term Financial Plan Implementation:** Decrease the appropriation by \$39,000 for various departments as follows:

- Travel, Registration & Dues – (\$6,500)
  - City Manager's Office – (\$750)
  - Human Services - (\$250)
  - Finance – Ops - (\$750)
  - Finance – IT - (\$1,500)



- Human Resources – (\$250)
  - Customer Response Team - (\$250)
  - Police - (\$500)
  - Parks - (\$500)
  - Planning - (\$500)
  - Economic Development - (\$500)
  - Public Works - (\$500)
- Lobbyist Services – (\$2,500)
  - Parks Maintenance Extra Help (\$5,000)
  - Police Overtime for Neighborhood Traffic Safety - (\$5,000)
  - Contribution to Facility Long-Term Maintenance - (\$20,000)

**Operating Transfers Out:** Increase the appropriation for the transfer to the General Capital Fund by \$1,412,961 to provide additional one-time funding for the construction of City Hall (\$1,382,961) and the net lease revenue from the Highland Plaza and Park Center (\$30,000). Also, add an appropriation for a transfer to the Revenue Stabilization Fund of \$3,712,253 to implement the revised reserve policy.

### **Street Fund**

Revenues in this fund will be increased by \$38,850 to include a grant from the Washington Traffic Safety Commission totaling \$37,500 and an increase in Residential Permit Zone program permit fees revenue totaling \$1,350.

**Traffic Services:** Funding from the grant and additional revenues will be used to install a 20 MPH school zone sign with solar powered flashing lights.

### **General Reserve Fund**

Fund balance of \$2,274,862 will be transferred to the new Revenue Stabilization Fund to implement the revised reserve policy.

### **General Capital Fund**

Fund balance of \$125,000 will be used to provide additional funding to complete the Shoreline Center Tennis Court Lights project. These moneys are from the Parks Bond. Due to the Transfers-In from the General Fund, the fund balance will be increased by \$1,412,961 to provide additional one-time funding for the construction of City Hall/Civic Center

### **Roads Capital Fund**

Expenditures will be adjusted by \$20,000 to correct Ordinance 463. The total amount showed on the ordinance when it was adopted by the City Council on March 26, 2007 was understated by this amount.

### **Equipment Replacement Fund**

Fund balance of \$25,746 will be used for an early replacement of a parks maintenance truck. This purchase was originally scheduled for 2008, but due to the operating condition of the current vehicle, it is prudent to purchase a replacement at this time. The parks department has been making annual payments into the replacement fund and will make the final payment during 2007.

### **Impact to the Operating Funds**

The revisions to the 2007 operating budgets result in an increase to the General Fund budget of \$5,526,144, an increase to the Street Fund budget of \$38,850, and an increase of \$25,746 for the Equipment Replacement Fund. The fund balance in the General Fund will decrease by \$5,420,354. The fund balance in the Street Fund will not change. The fund balance will decrease in the Equipment Replacement Fund by \$25,746. In the new Revenue Stabilization Fund, the Transfer-In from the General Fund of \$3,712,253 and the Transfer-In from the General Reserve Fund of \$2,274,862 will result in a fund balance of \$5,987,115. In the City Facility-Major Maintenance Fund the Transfer-In from the General Fund will be reduced by \$20,000, thus reducing the fund balance by \$20,000 as the expenditures will remain at the same level.

### **Impact to the Capital Funds**

The amendment will result in an increase to the General Capital Fund budget of \$125,000, and an increase in the Roads Capital Fund budget of \$20,000. The fund balance in the General Capital Fund will increase by \$1,287,961 as a result of the increased operating transfer-in from the General Fund. The fund balance in the Roads Capital Fund will decrease by \$20,000.

### **Impact to the Surface Water Utility Fund**

The amendment will result in an increase in the Surface Water Utility Fund budget of \$75,000. The fund balance in the Surface Water Utility Fund will not change.

### **Change in Funds**

Staff is requesting Council to approve the creation of a new fund to be called the Revenue Stabilization Fund as described in the revised reserve policy approved by Council earlier this year. An appropriation of \$2,274,862 is being requested in the General Reserve Fund for a transfer out to the new fund. This transfer and the transfer from the General Fund will result in the creation of a new reserve balance of \$5,987,115.

### **SUMMARY**

The following table summarizes the budget amendments to each fund and the resulting 2007 appropriations for each of the affected funds.

<b>Fund</b>	<b>Current Budget</b>	<b>Budget Amendment Request</b>	<b>Amended Budget</b>
General Fund	\$29,016,398	\$5,526,144	\$34,542,542
Street Fund	\$2,556,529	\$38,850	\$2,595,379
General Reserve Fund	\$0	\$2,274,862	\$2,274,862
General Capital Fund	\$35,349,846	\$125,000	\$35,474,846
Roads Capital Fund	\$16,338,554	\$20,000	\$16,358,554
Surface Water Utility Fund	\$6,742,785	\$75,000	\$6,817,785
Equipment Replacement Fund	\$100,000	\$25,746	\$125,746
<b>Total</b>	<b>\$90,104,112</b>	<b>\$8,085,602</b>	<b>\$98,189,714</b>

## RECOMMENDATION

Staff recommends that Council approve Ordinance No. 483, amending the 2007 budget.

## **ATTACHMENTS**

Attachment A: Ordinance 483, Amending the 2007 Budget  
Exhibit 1: Amendment Detail

**ORDINANCE NO. 483**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 449, ORDINANCE NO. 457, ORDINANCE NO. 463, AND ORDINANCE NO. 467, BY INCREASING THE APPROPRIATION FOR THE GENERAL FUND, STREET FUND, GENERAL RESERVE FUND, GENERAL CAPITAL FUND, ROADS CAPITAL FUND, SURFACE WATER UTILITY FUND, AND THE EQUIPMENT REPLACEMENT FUND ;**

WHEREAS, the 2007 Budget was adopted in Ordinance 449 and amended by Ordinances No. 457, 463 AND 467; and

WHEREAS, the City has received grants to support the Emergency Management, Parks Special Recreation, Surface Water Utility, and Traffic Services programs; and

WHEREAS, the City Council has previously authorized the implementation of the long-term financial plan; and

WHEREAS, the City Council has previously authorized additional expenditures in the City Attorney, Human Services, and Citywide programs; and

WHEREAS, the City has received rental income from the Highland Plaza and Highland Park Center which has been designated to be used to fund the construction of a City Hall/Civic Center; and

WHEREAS, the City has estimated savings in the General Fund from the year 2006 and is projecting savings for 2007 that are available to fund the construction of a City Hall/Civic Center; and

WHEREAS, the City Council previously approved revisions to the City's reserve policy including the creation of a new Revenue Stabilization Fund; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1. Amendment.** The City hereby amends Section 1 of Ordinance No. 467 and the 2007 Annual Budget, by increasing the appropriation from the General Fund by \$5,526,144 for a General Fund appropriation of \$34,542,542; for the Street Fund by \$38,850 for a total appropriation of \$2,595,379; for the General Reserve Fund by \$2,274,862 for a total appropriation of \$2,274,862; for the General Capital Fund by \$125,000 for a total appropriation of \$35,474,846; for the Roads Capital Fund by \$20,000 for a total appropriation of \$16,358,554; for the Surface Water Utility Fund by \$75,000 for a total appropriation of \$6,817,785; for the

Equipment Replacement Fund by \$25,746 for a total appropriation of \$125,746 and by increasing the Total Funds appropriation to \$100,293,430 as follows:

General Fund	\$29,016,398	\$34,542,542
Street Fund	\$2,556,529	\$2,595,379
Arterial Street Fund	\$0	
General Reserve Fund	\$0	\$2,274,862
Code Abatement Fund	\$100,000	
Asset Seizure Fund	\$23,500	
Public Arts Fund	\$84,000	
General Capital Fund	\$35,349,846	\$35,474,846
City Facility-Major Maintenance Fund	\$110,000	
Roads Capital Fund	\$16,338,554	\$16,358,554
Surface Water Capital Fund	\$6,742,785	\$6,817,785
Vehicle Operations/Maintenance Fund	\$139,988	
Equipment Replacement Fund	\$100,000	\$125,746
Unlimited Tax GO Bond	\$1,636,228	
Unemployment Fund	\$10,000	
Total Funds	\$92,207,828	\$100,293,430

**Section 2. Amending the 2007 Budget.** The 2007 Budget is amended as set forth in Exhibit 1 and increased the Total Funds appropriation to \$100,293,430.

**Section 3. Amending the 2008 – 2013 Capital Improvement Plan.** The 2008–2013 Capital Improvement Plan is amended as set forth in Exhibit 1 and increases the Shoreline Center Tennis Court Lights project from \$60,000 to \$185,000 by adding \$125,000 from the fund balance of the General Capital Fund.

**Section 4. New Section.** A new section SMC 3.35.190 is adopted to read as follows:

.190 Revenue Stabilization Fund.

There is created a fund to be known as the “Revenue Stabilization Fund” to account for a reserve equal to a three-year level of 10% of economically sensitive operating revenues.

**Section 5. Effective Date.** A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

**PASSED BY THE CITY COUNCIL ON NOVEMBER 05, 2007**

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Mayor Robert L. Ransom

**ATTEST:**

**APPROVED AS TO FORM:**

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Scott Passey  
City Clerk

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Ian Sievers  
City Attorney

Publication Date:

Effective Date:

FINAL 2007 BUDGET AMENDMENT DETAIL

Item	Revenue Source				Revenue		Fund	Total	Explanation
	Fund	Orgkey	Object	Amount	Object	Amount	Balance 3080000	Resources	
<b>General Fund</b>									
Transfer to General Capital Fund									Fund Balance
	001	0001000	5970000	\$ 1,382,961			\$ 1,382,961	\$ 1,382,961	2006 & 2007 Savings - Funding for Civic Center Properties
Transfer to General Capital Fund									Fund Balance
	001	0001000	5970000	\$ 30,000				\$ -	Net 2007 lease revenue from Highland Plaza
Transfer to Revenue Stabilization Fund									Fund Balance
	001	0001000	5970000	\$ 3,712,253			\$ 3,712,253	\$ 3,712,253	Amount of funding required to raise Fund to Council approved level
Transfer to City Facility-Major Maint Fund									Fund Balance
	001	0001000	5970000	\$ (20,000)			\$ (20,000)	\$ (20,000)	Council Approved Facility Reduction
City Attorney Legal Defense									Fund Balance
	001	1500000	5410000	\$ 180,000			\$ 180,000	\$ 180,000	Council Approved Defense
City Attorney - Emails restored									Fund Balance
	001	1500000	5410000	\$ 7,140			\$ 7,140	\$ 7,140	Email backups restored due to Public records request
Citywide Settlement									Fund Balance
	001	1700024	5496000	\$ 159,000			\$ 159,000	\$ 159,000	Council Approved Settlement
Parks General Programs									4Culture Grant
		2410041	5410000	\$ 1,900		3373104	\$ 1,900	\$ 1,900	Drama Instructors for Specialized Recreation
									Fund Balance
	001	2410041	5330000	\$ 3,100		3373104	\$ 3,100	\$ 3,100	Costumes, stes & props, garment rack, storage bins, t-shirts for cast, & IPOD
Human Services									Fund Balance
	001	2400011	5495000	\$ 18,000			\$ 18,000	\$ 18,000	Shoreline Senior Center
	001	2400011	5430000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
Customer Response Team									Fund Balance
	001	1900061	5430000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
Emergency Management									Fund Balance
	001	2005062	5491000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
Citi Manager's Office									Fund Balance
	001	1100001	5430000	\$ (750)			\$ (750)	\$ (750)	Council Approved Travel Reduction
Economic Development									Fund Balance
	001	2506046	5430000	\$ (500)			\$ (500)	\$ (500)	Council Approved Travel Reduction
Government Relations									Fund Balance
	001	1300007	5410000	\$ (2,500)			\$ (2,500)	\$ (2,500)	Council Approved Lobbyist Services Reduction
Finance - Admin, Budget, Purch									Fund Balance
	001	1601016	5430000	\$ (300)			\$ (300)	\$ (300)	Council Approved Travel Reduction
	001	1601014	5430000	\$ (200)			\$ (200)	\$ (200)	Council Approved Travel Reduction
	001	1601144	5430000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
Finance - Information Technology									Fund Balance
	001	1602021	5430000	\$ (650)			\$ (650)	\$ (650)	Council Approved Travel Reduction
	001	1602021	5494000	\$ (850)			\$ (850)	\$ (850)	Council Approved Travel Reduction
Human Resources									Fund Balance
	001	1800026	5491000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
PADS									Fund Balance
	001	2506139	5491000	\$ (200)			\$ (200)	\$ (200)	Council Approved Travel Reduction
	001	2506051	5491000	\$ (300)			\$ (300)	\$ (300)	Council Approved Travel Reduction
Public Works									Fund Balance
	001	2708052	5430000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
	001	2709054	5494000	\$ (250)			\$ (250)	\$ (250)	Council Approved Travel Reduction
Police									Fund Balance
	001	2005031	5430000	\$ (500)			\$ (500)	\$ (500)	Council Approved Travel Reduction
Public Safety Special Support									Fund Balance
	001	2005035	5510000	\$ (5,000)			\$ (5,000)	\$ (5,000)	Council Approved OT for NTSP Reduction
Parks									Fund Balance
	001	2408037	5430000	\$ (500)			\$ (500)	\$ (500)	Council Approved Travel Reduction
Parks Operations									Fund Balance
	001	2409038	5111000	\$ (5,000)			\$ (5,000)	\$ (5,000)	Council Approved Extra Help Reduction
Emergency Management									Fund Balance
									Emergency Management
Performance Grant									Fund Balance
	001	2005062	5350000	\$ 17,841	Performance Grant	3319701	\$ 17,841	\$ 17,841	Small Tools & Equipment (Radios, Laptops, etc.)
	001	2005062	5430000	\$ 457		3319701	\$ 457	\$ 457	Earthquake Exercise food items
	001	2005062	5480000	\$ 1,492		3319701	\$ 1,492	\$ 1,492	Radio Installation
	001	2005062	5493000	\$ 1,000		3319701	\$ 1,000	\$ 1,000	Forms for EOC
Highland Plaza									Fund Balance
	001	2712254	5410000	\$ 20,000	Highland Plaza Leases	3625010	\$ 50,000	\$ 50,000	Professional Services
Highland Park Center									Fund Balance
	001	2712255	5320000	\$ 5,000	Highland Park Center Leases	3625020	\$ 5,000	\$ 5,000	Highland Park Center Leases
	001	2712255	5620000	\$ 10,000		3625020	\$ 10,000	\$ 10,000	
	001	2712255	5630000	\$ 15,000		3625020	\$ 15,000	\$ 15,000	
<b>Total General Fund</b>				<b>\$ 5,526,144</b>			<b>\$ 105,790</b>	<b>\$ 5,420,354</b>	<b>\$ 5,526,144</b>

FINAL 2007 BUDGET AMENDMENT DETAIL

Item	Revenue Source				Revenue Object	Revenue Amount	Fund Balance 3080000	Total Resources	Explanation
	Fund	Orgkey	Object	Amount					
<b>Street Fund</b>									
School Zone Flashers	101	2709168	5630000	\$ 38,850	Traffic Safety Commision	3340351	\$ 37,500	\$ 37,500	20 MPH School Zone signs with solar powered flashing lights
					RPZ program Permit Fees	3699000	\$ 1,350	\$ 1,350	
<b>Total Street Fund</b>				<b>\$ 38,850</b>			<b>\$ 38,850</b>	<b>\$ -</b>	<b>\$ 38,850</b>
<b>General Reserve Fund</b>									
Transfer to Revenue Stabilization	104	1040000	5970000	\$2,274,862				\$ -	
<b>Total Street Fund</b>				<b>\$2,274,862</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue Stabilization Fund</b>									
Transfer In from General Fund					Fund Balance				Amount of funding required to raise Fund to Council approved level
	110	1100000				3970000	\$3,712,253	\$ 3,712,253	
Transfer In from General Reserve					Fund Balance				General Reserve Balance transferred to Revenue Stabilization
	110	1100000				3970000	\$2,274,862	\$ 2,274,862	
<b>Total Revenue Stabilization Fund</b>				<b>\$ -</b>			<b>\$5,987,115</b>	<b>\$ -</b>	<b>\$ 5,987,115</b>
<b>General Capital Fund</b>									
Transfer In from General Fund	301	3010000			Fund Balance	3970000	\$1,382,961	\$ 1,382,961	2006/07 Savings for Civic Center Net 2007 lease revenue from Highland Plaza
Transfer In from General Fund	301	3010000			Fund Balance	3970000	\$ 30,000	\$ 30,000	
Shoreline Center Tennis Court Lights	301	2820239	5630000	\$ 125,000			\$ 125,000	\$ 125,000	Undestimated total project cost
<b>Total General Capital Fund</b>				<b>\$ 125,000</b>			<b>\$1,412,961</b>	<b>\$ 125,000</b>	<b>\$ 1,537,961</b>
<b>City Facility-Major Maint Fund</b>									
	312	3120000				3970000	\$ (20,000)	\$ (20,000)	Council Approved Facility Reduction
	312	3120000				3080000	\$ 20,000	\$ 20,000	Additional Use of Fund Balance
<b>Total City Facility-Major Maint Fund</b>				<b>\$ -</b>			<b>\$ (20,000)</b>	<b>\$ 20,000</b>	<b>\$ -</b>
<b>Roads Capital Fund</b>									
	330	3300000		\$ 20,000					To correct Ordinance # 463
<b>Total Roads Capital Fund</b>				<b>\$ 20,000</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Surface Water Utility Fund</b>									
	401	2709000	5410000	\$ 75,000		To be assigned	\$ 75,000	\$ 75,000	State Department of Ecology to assist with the implementation of the NPDES Phase II permit.
<b>Total Vehicle Operations/Maintenance Fund</b>				<b>\$ 75,000</b>			<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 75,000</b>
<b>Equipment Replacement Fund</b>									
VN# 111 - Truck Replacement	503	1608114	5640000	\$ 25,746	Fund Balance		\$ 25,746	\$ 25,746	Early replacement of Truck - VN# 111- Funds are available
<b>Total Equipment Replacement Fund</b>				<b>\$ 25,746</b>			<b>\$ 25,746</b>	<b>\$ 25,746</b>	
<b>TOTAL AMENDMENTS</b>				<b>\$8,085,602</b>			<b>\$7,599,716</b>	<b>\$ 5,591,100</b>	<b>\$13,190,816</b>



**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** 2008 Proposed Budget Public Hearing & Budget Presentation  
**DEPARTMENT:** City Manager Office  
**PRESENTED BY:** Robert Olander, City Manager

**PROBLEM/ISSUE STATEMENT:** The City Manager presented the 2008 Proposed Budget to the City Council on October 15, 2007. The presentation tonight will focus on interfund transfers and the use of one-time funds for equipment purchases and special projects. Tonight's agenda also includes a public hearing on the proposed budget to provide an opportunity for the public to comment on the proposed budget.

The proposed 2008 budget has been made available to the public and is available at the City Hall, Shoreline Police Station, Neighborhood Police Centers, Shoreline Library and Richmond Beach Library. In addition, the November issue of the Currents is a special 2008 Budget issue that has been sent to all residents within the City.

A final budget workshop is planned for November 19 to review the proposed 2008 fee and salary schedules. Also on November 19<sup>th</sup>, a second public hearing will be held on the budget with a special emphasis on revenue sources and the 2008 property tax levy. The budget is scheduled for adoption on November 26.

**FINANCIAL IMPACT:** The 2007 Proposed Budget totals \$93,928,230.

**RECOMMENDATION**

No action is required by the City Council. The public hearing is an opportunity for public comment on the budget.

Approved By: City Manager  City Attorney \_\_\_\_\_

## **INTRODUCTION**

Tonight's workshop provides another opportunity for the Council to discuss the proposed budget and for staff to provide Council with any additional information that may be helpful to the Council during budget deliberations. Staff's presentation will focus on interfund transfers and the use of one-time funding to purchase equipment and for special projects.

## **BACKGROUND**

The City Manager presented the 2008 proposed budget to the City Council on October 15, 2007. Department presentations were made on October 29. A public hearing on the proposed budget will be held tonight and a public hearing on the proposed 2008 revenue sources and 2008 property tax levy will be held on November 19. The City Council is scheduled to adopt the 2008 Budget at the November 26, 2007 Council Meeting.

## **DISCUSSION**

### **INTERFUND TRANSFERS**

Due to required accounting practices, a single requested expenditure might be budgeted in two funds. For example, if the General Fund is providing support to a capital fund in the amount of \$100,000, this amount will be included in the proposed expenditure budget of the General Fund (transfer out) and the capital fund (project expenditure). The \$100,000 will also be recorded as a revenue source in the capital fund (transfer-in).

The proposed 2007 budget includes a total of \$4,198,284 in transfers to other funds. This includes General Fund support to the Street Fund (\$1,446,006), Equipment Replacement Fund (\$100,000), and the Unemployment Fund (\$5,000). The General Fund also provides significant support to the capital funds to fund various capital projects. The 2008 budget proposes the following transfers from the General Fund for capital purposes: Major Maintenance Fund (\$30,000), Roads Capital Fund (\$780,031) and General Capital Fund (\$580,011).

Transfers to the General Fund are budgeted in the Street Fund (\$588,764), Surface Water Utility Fund (\$561,891), General Capital Fund (\$41,291), and Roads Capital Fund (\$65,290). These transfers represent these funds' share of the General Fund overhead allocation.

The following chart details all Interfund Transfers.

Fund/Revenue	General Fund	Street Fund	General Capital Fund	City Facility Major Maint Fund	Roads Capital Fund	Surface Water Utility Fund	Equip. Replacement Fund	Unemployment Fund	Fund Totals
<b>Transfers-In</b>									
General Fund		588,764	41,291		65,290	561,891			1,257,236
Street Fund	1,446,006								1,446,006
General Capital Fund	580,011								580,011
City Facility-Major Maintenance Fund	30,000								30,000
Roads Capital Fund	780,031								780,031
Equipment Replacement Fund	100,000								100,000
Unemployment Fund	5,000								5,000
<b>Total Transfers In</b>	<b>2,941,048</b>	<b>588,764</b>	<b>41,291</b>	<b>-</b>	<b>65,290</b>	<b>561,891</b>	<b>-</b>	<b>-</b>	<b>4,198,284</b>
<b>Transfers-Out</b>									
General Fund		1,446,006	580,011	30,000	780,031		100,000	5,000	2,941,048
Street Fund	588,764								588,764
General Capital Fund	41,291								41,291
Roads Capital Fund	65,290								65,290
Surface Water Utility Fund	561,891								561,891
<b>Total Transfers Out</b>	<b>1,257,236</b>	<b>1,446,006</b>	<b>580,011</b>	<b>30,000</b>	<b>780,031</b>	<b>-</b>	<b>100,000</b>	<b>5,000</b>	<b>4,198,284</b>

### **ONE-TIME EXPENDITURES**

The 2008 operating budget recommends the use of \$422,500 in one-time resource allocations in the General Fund and an additional \$45,000 that is part of a three year funding package for the Kruckeberg Garden transition plan. The one-time expenditures provide funding for the following:

Department	Item	Budget
Finance	Implement IFAS 7i Application & Architecture - Financial Software	\$ 101,500
Finance - GIS	Digital Aerial Photography and Mapping	75,000
Parks & Recreation	Kruckeberg Garden Operation Funding (1st year of 3 year funding)	45,000
Parks & Recreation	Metal Storage Building - Hamlin Park	40,000
Parks & Recreation	Spartan Recreation Center Weight Room Equipment	40,000
Parks & Recreation	Parks Equipment including Athletic Field ATV, Field Rake/Drag, Field Truck & Trenching Blade	56,000
Planning & Development Services	Construction Inspection Services	35,000
Planning & Development Services	Southeast Shoreline Subarea Plan	75,000
<b>Total</b>		<b>\$ 467,500</b>

The 2008 proposed budget is in compliance with the revised reserve policies, as it reflects a Revenue Stabilization Reserve Fund that approximately 30% of economically sensitive operating revenues (\$6.3 million) and a projected ending General Fund fund balance (reserve) of \$3 million for cash flow purposes. Other funds have ending reserve levels that comply with the City's adopted policies. For further information, refer to the "Ending Fund Balances" report on Page 81 of the Proposed 2008 Budget document.

### **SUMMARY**

The 2008 Proposed Budget totals \$93,928,230 and includes a total of \$4,198,284 in transfers between City funds and the use of \$467,500 million of General Fund fund balance for one-time projects and purchases.

### **RECOMMENDATION**

Continue discussion on the 2008 Proposed Budget and provide City Council input to staff.