

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, March 19, 2007 - 6:30 PM
Shoreline Conference Center
Mt. Rainier Room

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

ABSENT: None.

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Deputy Mayor Fimia led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present with the exception of Mayor Ransom, who arrived shortly thereafter.

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Bob Olander, City Manager, provided the following announcements and reports:

- The first Civic Center/City Hall Workshop will be held on March 20 at the Meridian Park Elementary School.
- The Richmond Beach Saltwater Park Design Workshop will be held on March 22 at the Spartan Recreation Center.
- The City of Shoreline received \$300,000 from the King County Conservation Futures Fund.
- The next meeting of the Aurora Business and Community (ABC) Team will be March 21 at the Shoreline Fire Station Headquarters.
- The next regular meeting of the Parks Board will be March 22 in the Cascade Room at the Spartan Recreation Center.
- The Shoreline Solar Project will hold their next meeting on March 22 at the Meridian Park Elementary School library.

(a) Cascade Agenda Cities Program - Gene Duvernoy

Joe Tovar, Planning and Development Services Director, provided introductory comments and explained the purpose of the 2010 speaker series, which is to bring in expertise within the context of land use issues in the community. He introduced Mr. Duvernoy, President of the Cascade Land Conservancy.

Mr. Duvernoy gave a PowerPoint presentation on the goals and objectives of the Cascade Agenda. He said the approach involves 100-year planning through thinking broadly, sustaining a strong regional economy, promoting livable communities, and ensuring healthy ecosystems. He explained the strategy of saving landscapes through conservation and enhancing communities through intelligent planning. He said the strategy starts by establish grassroots or civic leadership, creating a city vision that encompasses the goals of the Cascade Agenda, and developing an action plan and formal partnership with Cascade Land Conservancy (CLC) as a Cascade Agenda City. He noted that partner cities are actively involved in open space planning and acquisition, establishing and enhancing Transfer of Development Rights (TDR) programs as well as "Green City" programs to restore and steward urban parks. CLC supporters include:

Futurewise, Audubon Washington, Trust for Public Land, Washington Farm Forestry Association, American Planning Association, Washington REALTORS, Building Industry Association of WA, Association of Washington Cities, Washington Association of Counties, Puget Sound Regional Council, and WA Dept. of Natural Resources.

Alison Van Gorp, CLC, elaborated on the CLC work plan of creating partnerships with cities. She reported that a TDR Marketplace Bill is being considered in the State Legislature, which would establish a more regional TDR program. The goal of the "Green Cities" initiative is to encourage cities to adopt programs to remove invasive vegetation and restore healthy urban forests.

Mr. Duvernoy concluded the presentation by emphasizing the need to take on these new initiatives and save our cities and the region from continuing degradation.

Councilmember McGlashan noted that there is some opposition in Shoreline to planting trees in medians and asked about the CLC opinion on this subject. Mr. Duvernoy said it is difficult to opine without knowing the specific circumstances, but generally such amenities make a community more livable. He also responded to Councilmember McGlashan about the extensiveness of "ivy deserts" in some municipal parks.

Councilmember Way commended Mr. Duvernoy for his valuable work and on the Green Cities partnership. She asked Ms. Van Gorp to elaborate on the problem of ivy in urban forests. Ms. Van Gorp outlined the types and stages of urban forest degradation, explaining that the response to this problem was based on the medical triage system in which needs are assessed and resources are placed on the highest priority projects.

Mr. Duvernoy added that the urban forest partnership is really a focus on parks and how to

make them accessible and "points of pride" for neighborhoods. CLC strives to work with cities to help volunteers invest the community in their parks system.

Councilmember Ryu pointed out that Shoreline is already engaged in many park improvement projects, including invasives removal and open space acquisition. She asked about the costs and staff commitment associated with entering a formal partnership with CLC. She asked if there is any role in keeping a diversity of farms within Washington State, noting that a small number of huge farms are producing most of the produce for consumers.

Mr. Duvernoy noted that a partnership with CLC is not onerous and all costs and expectations would be fully articulated in advance. He said although the 300,000 acres of farmland in Western Washington is not counted as part of the national agricultural inventory, those lands need to be preserved for several reasons, one of which is to keep farmers' markets alive.

Deputy Mayor Fimia agreed with Mr. Duvernoy's presentation and analysis of the issues relating to density and conservation. She noted that one potential area of cooperation between the City and CLC is on the Fircrest Master Plan. She pointed out that even with the PSRC and Sound Transit plans, congestion is expected to increase over 60% in the east, north and south corridors. Therefore, even if citizens approve of increased densities in their communities, the current transportation plans do not support these added densities.

Mr. Duvernoy said he is happy to work with the City on its agenda, but emphasized that the "heavy lifting" is really accomplished by the elected officials.

Mayor Ransom thanked Mr. Duvernoy for the presentation and said he expects the City's Parks Department to work with CLC on their initiatives.

Mr. Olander also appreciated the presentation and stressed the need to ask the important questions of growth in the correct order. He emphasized that establishing a vision of the desired quality of life must come before accommodating growth, rather than vice-versa. He said Shoreline will pursue becoming a formal member of the Cascade Cities Agenda.

(b) Suburban Cities Association Special Recognition

Karen Goroski, Suburban Cities Association, presented Councilmember Hansen with the Recognition of Service and Outstanding Leadership Award as the outgoing president of the Suburban Cities Association. She outlined his contributions during his tenure, which included creating a revenue committee, amending the bylaws, and expanding the membership.

Councilmember Hansen accepted the award and thanked the SCA for this honor. He noted

that although he led the meetings and provided some general direction, others built a wonderful foundation for growth, so the credit really goes to the entire team.

4. COMMUNITY PRESENTATION

(a) Shoreline/South County Family YMCA

The South County YMCA was represented by Steve Dunn, Capital Campaign Chair, past board chair and current board member; Pearl Noreen, past board chair and current board member; Courtney Whitaker, Executive Director; and William Hubbel, board member.

Mr. Dunn described the YMCA's efforts to acquire a new facility, which culminated in securing the Echo Lake property. He explained the process the YMCA underwent and noted that construction is expected to start this summer.

Ms. Noreen outlined the variety of programs offered by the YMCA and provided statistics on participation by teens, adults, and families. The goal of the programs includes building strong kids, strong families, and strong communities. She pointed out that the YMCA has the potential to touch one in five households.

Ms. Whitaker discussed the design features of the new facility. It will feature an open floor plan complete with an aquatic center, a youth development center, exercise space, a climbing pinnacle, and a "reflection room." The YMCA has retained an environmental consulting firm to advise on sustainable building practices, and the building will include energy efficiency elements such as a light dimmer system, low-flow plumbing fixtures, and hot water capture.

Mr. Hubbel discussed the positive impacts that the YMCA will have on the Shoreline community. Among the many benefits include: successful youth, strong families, lifestyle transformation, access to services for children, and assistance for moderate to low-income youth and families. The economic impacts include job creation and an increased tax base. He noted that the new Auburn YMCA facility has a proven track record of economic benefit to the local community, and the Echo Lake facility will provide similar benefits for Shoreline.

Mr. Dunn said the hope is that the facility becomes a community hub and make the lives of many Shoreline residents much better. He requested that the Council consider waiving the permit fees associated with the project, which were estimated at \$127,893 in the fourth quarter of 2005. He also requested that the City enter into a \$1 million service agreement payable to the YMCA over the next 20 years. Program/community needs could be determined by the City and the YMCA in future meetings, and possible opportunities include:

- Monthly Teen and 'Tween Nights
- Family Community Open House Nights
- Reduced membership fees to city residents who qualify for financial assistance
- Free access to community members

- Joint facility usage opportunities
- On-going recognition of the City's financial partnership

Councilmember Gustafson encouraged the Council to consider a partnership with the YMCA and view it as part of an overall youth master plan. He said their goals of strong families and youth fit in very well with the City's vision.

Councilmember McGlashan concurred and urged Council to consider what the City can do to help.

Councilmember Way asked a number of questions relating to the design of the access points, fee structure, programs for developmentally disabled, and whether the YMCA's programs would compete with City programs. She also asked if the project will include natural drainage and connections to open space.

YMCA representatives responded and described the general design features and plans for parking stalls, bicycle racks and access to and from the Interurban Trail. They outlined the fee structure, noting that the YMCA is a membership organization and there are a variety of memberships available, from free memberships to adult family memberships. Staff and YMCA representatives commented that YMCA programming is not meant to compete but to be complementary to City programs. They responded that the project can accommodate the needs of natural drainage, adding that they are striving for the best ecologically friendly project possible. They said the Inland Group could provide information on impervious surface.

Councilmember Hansen pointed out that the YMCA's plans for a new facility started 15 years ago. He congratulated them on their work and said he views the YMCA as a collaborator, not as a competitor.

Deputy Mayor Fimia said she appreciates this project and the work involved, but the City is currently grappling with its own financial problems. She pointed out that the City is facing a \$700,000 budget shortfall next year, and the City must meet the essential public needs first.

Councilmember Ryu added that next week's public hearing will include public comments on proposals to increase the cable utility fees and electric fees, which most people consider a tax. She asked if there was room in the budget to absorb the nearly 1,000 hours of staff time that is proposed to be waived.

Mr. Olander responded that the City does not have the legal authority to waive fees, and that more analysis of the particular proposal and options is needed.

Mayor Ransom said his experience with the YMCA since his youth has always been good, however, he is concerned about the request for \$1 million over 20 years. He noted that the original request was in the range of \$50,000 - \$60,000. He said in light of future budget

deficits and proposals to raise taxes, it is a very difficult time to be asking for funding. He suggested postponing a decision on this request until after the Council Retreat on April 20.

Mr. Olander said the intent of Community Presentations is to inform the Council and the public of programs, plans, and progress of various organizations. He suggested stepping back and accepting the information for now, and then having additional budget discussions later.

5. GENERAL PUBLIC COMMENT

(a) Virginia Paulsen, Shoreline, asked about the purpose of the Council trip to Washington D.C. for the National League of Cities Conference. She hoped that the Councilmembers would give a full accounting of what they did and what was accomplished.

(b) LaNita Wacker, Shoreline, spoke on behalf of Sweet Adeline's Barbershop and invited the community to a free concert on April 13 at Prince of Peace Lutheran Church. She announced that Sweet Adeline's will be performing at the 400th anniversary of Jamestown this summer, and it is the only barbershop chorus invited to the festival. She listed the honored guests and dignitaries that are scheduled to appear at the event. She concluded her comments by saying that anyone is welcome to join Sweet Adeline's, and they practice on Tuesday nights.

(c) Patty Crawford, Shoreline, speaking on behalf of Twin Pond Fish Friends, asserted that the City waived the permit fees for Aegis Assisted Living, and the City spent millions of dollars fighting her regarding Thornton Creek. She maintained that the Ronald Bog Project is flawed and that daylighting the creek will not result in lawsuits because it follows Washington Department of Fish and Wildlife's recommendations. She said the City has exercised scare tactics regarding pulling her vested rights and questioned the amount of spending on all the City's watershed projects. She said the City has tried to change the definition of a piped stream, and putting in new pipes as part of the Thornton Creek Project will not reduce flash flooding. She said the City must make sure the project is permissible before wasting the taxpayers' money.

Mr. Olander responded to public comments and explained the purpose of the NLC trip, noting that more details will be provided later. He said the City is working closely with WDFW on the Thornton Creek Project, and that the final project will be legal and an improvement.

6. APPROVAL OF THE AGENDA

Mayor Ransom requested that item 7(b) be pulled from the Consent Calendar and made Action Item 8(b). Deputy Mayor Fimia moved approval of the agenda as amended. Councilmember McGlashan seconded the motion, which carried 7-0.

7. CONSENT CALENDAR

Deputy Mayor Fimia moved approval of the Consent Calendar as amended.

Councilmember McGlashan seconded the motion, which carried 7-0 and the following items were approved:

- (a) **Minutes of Special Meeting of November 6, 2006**
Minutes of Special Meeting of February 5, 2007
Minutes of Workshop Dinner Meeting of February 12, 2007
Minutes of Special Meeting of February 12, 2007
Minutes of Special Meeting of February 20, 2007
Minutes of Workshop Dinner Meeting of February 26, 2007
Minutes of Business Meeting of February 26, 2007
- (b) **Surface Land Use Easement with King County for Richmond Beach Pump Station Site**
- (c) **Amendment to Interlocal Agreement with King County Animal Control Services for Continued Leash Law Enforcement in the Shoreline Parks System**

8. ACTION ITEM: PUBLIC HEARING

(a) Public hearing to receive citizens' comments on Ordinance No. 464 increasing the cable utility tax to 6% of gross receipts and amending Shoreline Municipal Code 3.32.030; and a motion to authorize the City Manager to notify Seattle City Light that the City intends to collect a 3% contract payment on the distribution portion of electric revenues effective April 1, 2008, and an additional 3% contract payment on the distribution portion of electric revenues effective January 1, 2009

Debbie Tarry, Finance Director, provided the staff report on this item. She outlined that the City's long-term financial projections indicate that there will be budget deficits starting in 2008. This is a structural problem resulting from a revenue growth rate of 2% and an expenditure growth rate of 4.2% over the next six years. In order for the City to continue to provide the same level of services in the future, additional resources will need to be approved. If additional resources are not approved then the City will need to reduce services through the reduction of City programs. During the Long-Term Financial Strategy Retreat on January 29, 2007, the City Council considered a number of ideas on how to close the projected future budget gaps. These included:

- Providing opportunities for both employees and citizens to identify ways that the City could gain efficiencies and therefore reduce on-going operating costs.
- Reducing the General Fund contribution to capital projects. Some Council members specifically did not want this reduction to reduce funding for the priority sidewalk program.
- Sponsoring budget town hall meetings.

- Increase grant opportunities or use grants to off-set the reduction in capital contribution.
- Increase sponsorship revenues for community events such as Celebrate Shoreline and/or increase advertising revenues by allowing advertising on benches or backstops.
- Increase fees of revenue generating programs to reduce the tax subsidy of the programs.
- Reductions to the existing budget in the areas of travel, memberships and dues, special events, and contributions to the arts and museum.
- Develop more intergovernmental partnerships that may reduce costs.
- Implementation of a business registration program.
- Increasing sales tax revenues through enhanced business retention and economic development efforts.
- Implementing additional revenue sources such as cable utility tax and SCL contract payment on the distribution portion of the electric revenues. Long-term consideration of a property tax levy lid lift.

In examining the possibilities to close the projected budget gap for both the short-term and the long-term there was consensus to pursue the following:

Short-Term

- Increase the cable utility tax rate from 1% to 6%
- Implement the Seattle City Light distribution contract payment at 3% in 2008 and an additional 3% in 2009
- Reduce the General Fund contribution to capital
- Review the existing budget for any further cost savings
- Provide opportunities for employees and citizens to identify additional budget efficiencies
- Develop a citizen communication plan regarding the City's long-term financial strategy

Long-Term

- Pursue with a citizen committee the possibility of a levy lid lift (election in 2009)
- Implement the business registration program
- Review the possibility of impact fees

Ms. Tarry noted that two short-term resource options (2008-2009) that were discussed with the City Council are an increase in the cable utility tax from 1% to 6% and a 6% contract payment on the distribution portion of the Seattle City Light (SCL) electric revenues. She explained that a 5% increase in the cable utility tax would generate approximately \$500,000 in annual revenue. The average residential monthly cable fee is \$57. Implementing an additional 5% of utility tax would cost the average residential customer approximately \$34 annually. It is estimated that a 6% contract payment on the distribution portion of SCL rates would generate approximately \$550,000 of revenue annually. Assuming an average residential electric charge of \$70 per month, the implementation of

the 6% contract payment on the distribution portion of the charge would increase the rate payer's overall bill by approximately \$1.35 per month or slightly more than \$16 per year. Since the full 6% rate would not be in effect until 2009 the rate payer would have an impact of half this amount, \$0.67 per month or slightly more than \$8 annually in 2008.

Ms. Tarry noted that in order to close the projected gaps the City needs to identify approximately \$1.2 million in additional revenue sources, expenditures reductions, or a combination of these, for 2008-2009. She outlined the staff recommendation to adopt Ordinance No. 464, increasing the cable utility tax to 6% of gross receipts and amending Shoreline Municipal Code 3.32.030. Additionally, staff recommends a motion authorizing the City Manager to notify Seattle City Light that the City intends to collect a 3% contract payment on the distribution portion of electric revenues effective April 1, 2008, and a 6% contract payment on the distribution portion of electric revenues effective January 1, 2009.

Mr. Olander noted that staff has been making reductions over the past few years, and the long-term strategy includes continually looking for opportunities to implement efficiencies.

Mayor Ransom opened the public hearing on Ordinance No. 464.

(a) LaNita Wacker, Shoreline, expressed support for the proposal because she felt it is appropriate to raise taxes to offset future deficits. She pointed out that people who don't subscribe to cable will not be assessed the increased tax. However, she wondered if the 6% tax would be assessed on cable TV, telephone, and internet service if all of those services are provided by the same cable company. She noted that her cable bill is \$76, so a 6% tax on that would total about \$4.50. She commented that she cannot find the 3% tax on her SCL bill. She felt the actual costs in real dollars should be more explicit on the SCL bill so people know exactly how much they will be assessed.

Ms. Tarry explained that the cable utility tax would be on the gross revenue generated by the utility company, so it would be an additional 5% on the cable-related charges. On a basic monthly cable bill of \$57, the actual increase is about \$2.83, or \$34 annually. The tax is only on the cable portion and would not apply to internet or phone service. Regarding the SCL bill, she explained that the contract payment is a component in determining the rate structure. The City collects on the power portion of the bill, which comprises approximately 65% of the electric charges. The new tax would be implemented on the distribution portion of the bill, which comprises the remaining 35%. Because it is part of the rate component and not a utility tax, it cannot be itemized on the bill.

Mr. Olander clarified that under the current franchise agreement, a 6% tax is already built-in on the power portion, which is 65% of the bill. Ms. Tarry estimated that for a \$70 monthly bill, a 3% tax on the distribution portion would amount to about 67 cents; a 6% contract payment would be approximately \$1.35 per month.

Councilmember Hansen moved to close the public hearing. Councilmember Gustafson seconded the motion, which carried 5-2, with Deputy Mayor Fimia and Councilmember Ryu dissenting.

Deputy Mayor Fimia moved to leave the public hearing open until the Council meeting of March 26. Councilmember Ryu seconded the motion. After brief discussion there was unanimous consent to leave the public hearing open until March 26.

Deputy Mayor Fimia said while she understands the budget gap and generally supports the tax increases, the Council can reduce budgets related to travel, dues, memberships and transfer funds from economic development in order to acquire another street crimes officer.

Councilmember Way asked staff to clarify the reduced rates for low-income and elderly/disabled residential rate payers as stated on page 123 of the meeting packet. Ms. Tarry explained that SCL offers reduced rates for people who meet certain income thresholds. She noted that the City has done some outreach in order to increase participation, and the public can call 546-1700 for more information on this program.

Mr. Olander pointed out that the staff recommendation includes an extra \$25,000 for emergency utility assistance. Staff responded that more detailed information regarding the income thresholds can be provided.

Councilmember Way requested that the City use all its available resources, including the City web site and Channel 21 to advertise the utility assistance programs. She suggested providing a link from the City web site to these programs.

Councilmember Ryu said she would like to see a breakdown of the overall tax burden on somebody who doesn't quite qualify for SCL's reduced utility rates but who would be considered a low income resident under Shoreline's standards.

Ms. Tarry said that staff is currently compiling information, and although it is based on average household as opposed to income threshold, staff hopes to complete it this week.

(b) Ordinance No. 446 Revising Purchasing Policies and Amending Chapter 2.60 of the Shoreline Municipal Code

Mayor Ransom stated that he pulled Ordinance No. 446 from the Consent Calendar because of his concern that the new purchasing policy could result in inequity in contract awards. Under the provisions of the proposed ordinance, the City Manager can waive the Request for Proposal (RFP) requirement for contracts above \$50,000. He felt this could result in using the same companies over and over again to the exclusion of eligible contractors. Although he understands why the low bid process is not always the best method, the City should at least require a Request for Qualifications (RFQ) process. He recommended modifying the policy to require at least an RFQ for service

contracts over \$50,000.

Ms. Tarry clarified that the current policy states that the City can issue RFPs for professional services contracts exceeding \$50,000, but this is not a state requirement. Under the proposed ordinance, the department could ask the City Manager to waive this policy. She said that this is primarily a need relating to contracts for recreational services (sports camps), and staff anticipates that the waiver would be used infrequently. Certain criteria would need to be met in order to waive the requirement. Staff realizes the importance of conducting a competitive process; however, the option for Council to approve contracts over \$50,000 still provides some incentive to use the waiver judiciously.

Mr. Olander affirmed that the waiver would be used only when circumstances warrant. He added that in certain situations the City can avoid the expenditure of time, effort, and money associated with an RFQ.

Councilmember Ryu asked about the mechanism for documenting the benefits of waiving a given RFP. Ms. Tarry responded that the department submits a request to the City Manager, and the rationale for the waiver is included in the staff report that comes before the City Council. The City Council ultimately makes the decision whether or not to authorize the City Manager to waive the RFP.

Ian Sievers, City Attorney, noted that the waiver provision already exists for other kinds of professional contracts.

Deputy Mayor Fimia moved Ordinance No. 446, revising Purchasing Policies and amending Chapter 2.60 of the Shoreline Municipal Code. Councilmember Gustafson seconded the motion.

Councilmember Gustafson said while he understands Mayor Ransom's opinion, he feels the City is prudent in awarding contracts, so he supports the ordinance as written.

A vote was taken on the motion, which carried 6-1, with Mayor Ransom dissenting, and Ordinance No. 446 was adopted.

Referring to comments made earlier by a member of the public, Councilmember Hansen said he would like to know whether any permit fees were waived for the Aegis project.

9. ADJOURNMENT

At 9:05 p.m., Mayor Ransom declared the meeting adjourned.

Scott Passey, CMC
City Clerk

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