

DRAFT

CITY OF SHORELINE

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

Monday, May 22, 2006
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

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

ABSENT: none

1. CALL TO ORDER

The meeting was called to order at 7:40 p.m. 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.

(a) Proclamation of "Armed Forces Appreciation Week"

Mayor Ransom read the proclamation and declared the week of May 22 – 29, 2006 as "Armed Forces Appreciation Week" in the City of Shoreline.

Tom Hamilton, Vice Commander for the Shoreline American Legion Post 227 invited the attendees for a Memorial Day luncheon at the Post that day.

Virginia Harvey presented Mayor Ransom with a poppy. She noted that the poppy program has been going on for 70 years to remind America that millions of servicemen have lost their lives for our country. She explained that the poppies were first recognized on the battlefield by World War I soldiers and it became a symbol of their efforts and a silent memorial to those who had lost their lives. Every year in May this program is carried on and the donations received are used for the rehabilitation and assistance for veterans and their families.

Bob Nelson, Adjutant and Shirley Nelson, Treasurer, were also in attendance for the presentation.

(b) Recognition of Citizens for Shoreline Parks

Mayor Ransom read a proclamation and declared May 22, 2006 as “A Day to Honor the Citizen’s For Shoreline Parks Committee.” He congratulated the Citizen for Shoreline Parks Committee for their hard work and thanked the citizens of Shoreline.

Mr. Bill Clements thanked the Council and the citizens of Shoreline. He thanked the volunteers and acknowledged Mayor Ransom and Councilmember Gustafson for their support of the trails and parks in Shoreline since 2003. He thanked Assistant City Manager Julie Modrzejewski and Parks, Recreation and Cultural Services Director Dick Deal for their support.

Shari Winstead-Tracy thanked and congratulated the citizens and volunteers of the City. She presented LaNita Wacker with a bouquet of flowers for her efforts in helping pass the bond. She thanked Councilmember Way, Deputy Mayor Fimia, Betty Lennon, Charlie Brown, and Vicki West for their assistance in getting this bond passed. Ms. Winstead-Tracy announced there would be a celebration party at the Shoreline Museum on May 24th from 7:00 – 8:30 p.m.

3. CITY MANAGER’S REPORT

Julie Modrzejewski, Assistant City Manager, thanked the citizens for their support of the bond and outlined that the projects will be implemented in the next 3 – 5 years. She also highlighted that any land acquisition proposals would involve a public process. She reported on the following items:

- Hidden Lake Sewer Project Open House will be from 6:30 p.m. – 8:30 p.m. on May 24th at Sunset Elementary School for all residents.
- Aurora Corridor Project Update – bridge girders were installed the night of May 19th with approximately 200 spectators in attendance. The next bridge installation is estimated for the month of July.
- North City Business District Update – 48 trees have been planted along 15th Avenue and an additional 16 trees will be placed in the near future. Work continues on the stamped concrete, utility connections, and private property restoration with substantial completion projected to occur at the end of June.
- City Hall offices will be closed on May 29th in observance of Memorial Day and the next City Council meeting will be held June 5th.
- Based on the concerns about the winery in Shoreline, the applicant has requested that the liquor control board remove her application. As requested by the Council, the City Manager sent the board a letter voicing the City’s disapproval of the application.

Councilmember Way added that she attended the girder installation event and asked if there were going to be any other large items being brought in at that location. She also inquired if there was some day other than Friday this type of work could take place.

Kirk McKinley, Aurora Corridor and Interurban Trail Project Manager, said that there are 30-foot glass panels that will be delivered in sections of three. This, he said, will not shut

down Aurora Avenue but 155th Street NE will be closed for the installation of the panels; however, a detour is planned.

4. PUBLIC COMMENT

(a) LaNita Wacker, Shoreline, noted that she worked on the Forward Thrust bond issue about 39 years ago. She highlighted the efforts of Bill Clements, Sheri Winstead-Tracy, and many others who all have worked hard to get the parks bond adopted. Additionally, the students at Shorecrest High School collected over 300 signatures in support of the bond measure. She added that 82-year-old Audrey Jacobsen is a great volunteer who has logged over 300 phone calls to residents in support of the bond.

(b) Wendy DiPeso, Shoreline, said she went to the Planning Commission meeting on Friday and one of the subjects discussed was whether or not the original intent of the Innis Arden (IA) Covenant was to include the right to cut trees in critical areas. She noted that these covenants were established prior to the adoption of the Growth Management Act. She added that there are Innis Arden residents who believe that the City is taking from them and are ready to sue the City. However, if the City changes the Critical Areas Ordinance (CAO) to appease IA then the City will be held liable by the State. She felt that the laws of the State take precedence over the covenants. Additionally, she noted that if the CAO is changed it will affect several other areas in the City, not just Innis Arden.

(c) Gretchen Atkinson, Shoreline, announced that the North City Business Association (NCBA) is hosting its 4th Annual Corvette Car Show. In addition, the NCBA and the businesses of North City have decided to have a "Chalk Art" festival with a music walk and a sidewalk sales event.

(d) Vance McElmurry, Shoreline, agreed with Deputy Mayor Fimia's comment at the last Council meeting about the book "Don't Tell Us What To Do, Just Send Us Money." He noted that the City of Shoreline has over 53,000 residents, 20,000 are adults, 10,000 voted for the bond, and only 7,100 voted in favor of the bond issue. He said that doesn't demonstrate what the people want in the City. Continuing, he said the interior maintenance code outlines what fences should look like, what your cars should look like, and he is opposed to any legislation that dictates what your houses should look like. He said Shoreline is a great place to live so sometimes there isn't anything that needs to be fixed.

Mayor Ransom inquired if the City has received a letter from the Innis Arden Club (IAC).

Ian Sievers, City Attorney, said the IAC members feel that restricting cutting conflicts with their covenants and is subject to legal challenge. He said he and the Planning Director are preparing a formal letter which will be forwarded to the Council when finished. He announced that no legal action has been received by the City at this point.

Mayor Ransom asked the Planning Director to respond to the interior code question.

Joe Tovar, Planning and Development Services Director, said he would be free to discuss the issue with the residents and report back to the Council.

Mr. Sievers said this was addressed months ago and they were rejected by the Council for now. However, they will be reviewed in the future.

Deputy Mayor Fimia added that the scope of the interior codes would be narrow and cover related safety and health issues only.

Mr. Sievers added that there may be some aesthetic standards, i.e., cracked windows, chipped paint, etc. He said if the City adopts the full interior code standards there would be some language about aesthetics included.

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved approval of the agenda, pulling the minutes from April 10, 2006, and items 7(d), 7(e), 7(g), and 7(h) from the consent calendar.

Councilmember Hansen seconded the motion, which carried 7-0.

7. CONSENT CALENDAR

Councilmember Hansen moved approval of the consent calendar as amended.

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

Minutes of Workshop of May 1, 2006

Minutes of Dinner Meeting of May 8, 2006

**Approval of expenses and payroll as of May 10,
2006 in the amount of \$1,072,963.42**

**Approval of Ridgecrest Neighborhood Association Mini-Grant
Project**

**Authorizing the City Manager to Execute a Discretionary
Work Request with King County for the 2006 Road
Overlay Program**

**Resolution No. 245, approving the Final Subdivision for
Cedar Heights Town Homes at 19021 15th Avenue NE**

**Approval of Integra Telecom Holdings, Inc.'s purchase of
ownership interests of franchisee Electric Lightwave, LLC**

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) Authorizing the City Manager to Execute a 3-Year Contract with Community Capital Development

Ms. Modrzejewski introduced Economic Development Director Tom Boydell and Jim Thomas from Community Capital Development (CCD), who would present this item utilizing PowerPoint slides.

Mr. Thomas outlined that CCD supports those businesses who normally cannot obtain regular commercial loans through banks. He noted that CCD is flexible and looks at every aspect of the businesses to assist them. He said they also coach and mentor the businesses who secure loans to ensure they are profitable. The key to CCD's success over the past nine years, he said, is their organizational structure, the involvement of their board of directors, their training program, their underwriting, and their economic development partners. Accomplishments include 388 loans to "non-bankable" businesses and providing technical assistance to almost 7,000 small business owners. He noted that 80% of their loans have been given to minority and women-owned businesses.

Mr. Boydell outlined that the City has developed a lower-cost contract than other municipalities. The goal of the contract is for this program to be self-sustaining after three years. He translated that this means the cost of the program would be between \$75,000 - \$100,000 per year. Every year the City would reduce its commitment while CCD acquires more clients. The role of the City funding is not to provide loan capital, it is to subsidize the cost of dedicated staff to bring into play various programs in the area. Currently, this program is active in Seattle, Edmonds, and Everett.

Mayor Ransom called for public comment.

(a) Mark Deutsch, Shoreline, stated he is in support of the program. He said it seems that the program is supporting neighborhood business districts. He added that the program has a good model and does a good job at measures and looking at outcomes. He encouraged CCD to connect with other groups, including Shoreline Community College and Cascadia.

Councilmember Gustafson moved to authorize the City Manager to execute the three-year contract with Community Capital Development. Councilmember Hansen seconded the motion.

Councilmember Hansen inquired if CCD worked with SCORE.

Mr. Thomas responded that the CCD does work with SCORE. He added that SCORE provides a significant amount of CCD's management expertise for start-ups or new business owners.

Councilmember Hansen inquired what the term “self-sustaining” referred to.

Mr. Thomas replied that in the three years there should be enough loans out in Shoreline that a person can be kept here at a small business development center funded by the interest from the loans. All of the other cities who have executed contracts with CCD currently have the business centers that are self-sustaining. He said CCD borrows from the banks with some level of interest and CRA credits. Eventually, these businesses are graduated to the banks and CCD sells the loans.

Councilmember Hansen expressed support for the program, adding that \$150,000 should fund employees for the three year period and then they will be funded out of the interest income revenue from the loans.

Councilmember Gustafson supported the program and is extremely excited that it involves the neighborhood businesses, which is important to the Council. He also inquired if the partnerships can be extended to the University of Washington, North Seattle Community College, Seattle Pacific University, and Cascadia.

Mr. Thomas responded that those institutions are involved and the Director of Business Economic Development Center at the University of Washington is on the CCD Board of Directors.

Councilmember Gustafson felt it would be prudent to advertise the partnership with the University of Washington. He supported the program and said the Council should proceed.

Councilmember Ryu thanked Mr. Boydell for addressing her questions. She stated that the pilot program has been in place for five months and has cost \$3,000 per month. She inquired about the survey results.

Mr. Boydell stated that there were 100 surveys done in North City and over 200 in all. For reasons of confidentiality, he explained, they look at the results and summarize them for program planning.

Councilmember Ryu inquired if there is a way of obtaining more survey results.

Mr. Boydell said the survey solicits general information and that is how proprietary information is kept confidential for the businesses.

Councilmember Ryu appreciated the focus on minority and women-owned businesses. She inquired about a particular loan that is scheduled to close in the next few days.

Mr. Thomas said it is not a minority business that has that particular loan. He said the loan is in the \$30,000 - \$50,000 range and that particular business employs three minority employees.

Councilmember Ryu inquired about training sessions for small business owners.

Mr. Boydell replied that they have set up a program called "Tools for Success" that feature two training programs that are specifically tailored for businesses that were impacted by the Interurban Trail implementation. The program was also available for a few other businesses. Both classes had moderate success and it was decided to pay more attention to one-on-one assistance, which covered initial relationship-building and becoming known in the Shoreline community.

Councilmember Ryu asked if the target audience was the non-bankable portion of the business community. She inquired if the six banks that are providing the funding for this program are in the City of Shoreline.

Mr. Thomas replied that the banks are Key Bank and Wells Fargo. Currently, the Bank of America is looking at a proposal from the CCD also. He added that the CCD has not approached the Shoreline Bank for loan funds.

Mr. Boydell said the Shoreline Bank is not a fund provider, but it is aware of the program and supports the proposal.

Councilmember Ryu inquired why the Council should provide money to CCD when there are banks that are "hungry" for the business.

Mr. Thomas replied that banks cannot loan money to people who have bankruptcies. The CCD has this ability, once they analyze a person's ability to run a business.

Mr. Boydell added that banks look at what is on the books for a business, not the business owner as a person and their financial situation and resources. He said the expandability of services that CCD offers cannot be offered by banks.

Councilmember Ryu noted that in the first mile of the Aurora Avenue Corridor Project there were several businesses that went out of business. She wished more had been done for those businesses. She questioned whether doing five months of the pilot project was enough time.

Mr. Boydell said there was some misinformation distributed in the community about the CCD. In order to inform the community, he said there is a training session scheduled for City staff at the end of June, and there have been discussions about going door-to-door to inform the community about CCD. They will also develop brochures as well as a full marketing and training piece.

Councilmember McGlashan wanted to know if this funding will be for existing businesses only.

Mr. Boydell clarified that it is for both existing and start-up businesses.

Councilmember McGlashan inquired when the loan gets sold and when does a business “graduate” out from the program.

Mr. Thomas replied there is no set formula, but once CCD determines they are ready, they are offered the opportunity to obtain a loan at a lower interest rate from a local bank. He characterized CCD as the “farm team” for the banking industry. Their job is to train business owners and move them off to commercial banks.

Councilmember Way said she is excited about “incubator businesses,” noting that this concept should be brought to the Renewable Energy Fair this summer. She inquired how jobs are created through this program.

Mr. Thomas said operational capital is loaned so the businesses can hire employees and train them.

Ms. Chi Chen, a loan officer for CCD, added that there is a lot of “hand-holding” and cash flow projections done for these businesses.

Councilmember Way stated that it would be interesting to see how well this program will do in the long run. The Council wants CCD to be self-supporting in Shoreline, she said. She inquired about their ability to be self-sufficient in the future and whether or not CCD would have an office in Shoreline soon.

Mr. Thomas replied that CCD will be developing enough business in the future to cover the costs of a staff person and after three years no contract should be necessary. The equilibrium to execute this based on the loan portfolio is \$1 million to \$1.5 million dollars worth of loans. He added that there would be a business community center located in Shoreline, run by the CCD in partnership with the community college or with one of the other economic development groups.

Mr. Boydell added that the first goal would be to create a small office and a training space, perhaps along the Aurora Corridor.

Councilmember Ryu asked if there would be additional costs that the Council must provide for the office space.

Mr. Boydell replied that it will be a part of the equity development program budget.

Deputy Mayor Fimia questioned if CCD has had any experience assisting businesses that have been impacted by construction. She also inquired if there was a fee for the business technical assistance and whether or not there is assistance for non-English speaking owners.

Mr. Thomas responded that they did have experience with businesses that have lost revenue because of construction. He continued that there is no fee for entrepreneurs and

they have people who speak Mandarin, Cantonese, Vietnamese, and Spanish who are ready to assist customers.

Deputy Mayor Fimia asked if there was a model for interest-free revolving loans and what role the Chambers of Commerce plays in other jurisdictions. She also expressed concerns for project target goals, noting that they seem low.

Mr. Thomas replied that this model is not available in the State of Washington. He said Chambers from other jurisdictions provide significant referrals and meeting space and seminar locations for the organization. He stated that the project target goals were set at the minimum acceptable levels.

Mayor Ransom inquired if CCD was a non-profit organization.

Mr. Thomas responded that it is a non-profit Washington State chartered organization which is certified by the United States Department of Treasury and regulated by the Washington State Banking Institution.

Mayor Ransom asked for pertinent information concerning CCD, including its total asset value and the number of employees.

Mr. Thomas replied that CCD has 21 employees in Western Washington in three locations (Seattle, Edmonds, and Marysville). He continued that there are five different loan programs, one of which is statewide. The CCD has combined assets of \$12 million, of which \$7 million is in outstanding loans.

Mayor Ransom asked if the \$75,000 budget for the Economic Development Program was approved for 2006.

Mr. Boydell replied that it was approved and budgeted and CCD knows that every year this program is contingent on budget approval.

Councilmember Hansen asked what the loan loss ratio was for the CCD.

Mr. Thomas stated that they presently collect on 95% of their loans.

Councilmember Hansen stated that the figures are slightly larger than what was quoted and clarified that they were eight months old. He referred to Deputy Mayor Fimia's inquiry about fees for management and accounting classes and concluded that there weren't fees charged to entrepreneurs.

Mr. Thomas added that there are QuickBooks classes that are given for approximately 25-35 dollars per student.

Councilmember Hansen asked if CCD did Small Business Association (SBA) guaranteed or direct SBA loans.

Mr. Thomas replied that they issue both types. He added that the average loan amount is \$35,000 - \$50,000 and the smallest loan is for \$3,000.

Councilmember Ryu is concerned about the five-month deliverables where the City paid out \$15,000 per month as part of the pilot project. She added that the first five months were critical and some businesses had to close. She asked if there were any alternative programs with a proven track record.

Mr. Boydell said the City “dove into the idea” to set up programs to help small businesses, and he reached out to different contractors within the City budget. He noted that he had to stretch the \$15,000 and needed time to make connections and relationships. However, he said the results needed to be done quickly in order to procure additional funding from the Council. He said the CCD is a unique creation in the Puget Sound region and there are five other cities attempting to recreate their model.

A vote was taken on the motion to authorize the City Manager to execute the three-year contract with Community Capital Development which carried 7-0.

(b) 2006 First Quarter Financial Report

Debbie Tarry, Finance Director, noted that the Council is reviewing this information to keep the Council up-to-date on the financial status of the City after the first quarter of activity. She added that there are a number of items that the Finance Department does not get information about during the first quarter. For example, a number of revenue sources such as gambling tax are not reported until April 30th each year. She presented the following information:

General Fund

- Actual Revenues 0.35% above projected revenues
- Actual Expenditures 2.83% above projected expenditures

Street Fund

- Actual Revenues 4.1% above projected revenues
- Actual Expenditures 22.41% above projected expenditures

General Fund Highlights

- Revenues 0.35% or \$12,401 just slightly above projections
- Sales Tax below projections by 0.53% or \$5,477 and Utility Tax/Fee above projections by 11.37% or \$72,347

(There are currently 135 people enrolled in the City’s utility tax exemption program)

- Park/Recreation fee revenue over projections by 21.33% or \$41,170
- Permit revenue above projections by 24.07% or \$59,371
- Overall General Fund Revenues are tracking at projected levels
- Expenditures 5.63% or \$232,732 below projections

- Delay in billing for contracted services
- Lower than expected utilization of professional services agreements
- Jail costs projected to exceed budget by \$400,446, if current trends continue
- Jail costs increased rapidly in the first half of 2005 and have continued into 2006
- Number of jail days used has increased dramatically in 2006
- Gambling Tax projected to receive \$732,625, actual revenue equaled \$468,713. The reason is that Goldies did not remit their estimated payment of \$181,000 and their overall card room receipts are down by 14.27% (\$70,000)
- All but one casino experienced a drop in gross gambling receipts

Summary

- Overall operating revenues are right at projections and expenditures are tracking under projections
- Watch List:
 - Jail Costs
 - Gambling Tax Revenue
 - Sales Tax Revenue
- Too early to adjust 2006 projections

Mayor Ransom commented that there is one judge in the King County system that issues longer sentences.

Ms. Tarry stated that the City's numbers do not reflect any changes, however, there are more people being incarcerated based on increased enforcement.

Councilmember Way inquired if the delayed franchise fee payment from Seattle City Light (SCL) is related to the reduction in the 1st quarter franchise fee receipt numbers.

Ms. Tarry responded that the payment is delayed and this reflects a reduction in revenue for the quarter.

Councilmember Ryu inquired if this is related to the 6% franchise fee that SCL is authorized to charge ratepayers.

Ms. Tarry explained that SCL charges ratepayers a 6% excise tax which goes to the City of Seattle General Fund. In addition, the City's contract with SCL allows them to pay the City a contract payment of 6% of the power portion of the electric fees.

Deputy Mayor Fimia noted that the potential overage on jail costs could be \$400,000, and the reason this is happening must be determined. She thought it may be the time for some prevention and treatment in order to reduce crime. She also suggested that this be added as a part of the Council's adopted goals. First, she said there needs to be a team brought together to focus on why this is happening and then, based on what the problem is, develop a set of solutions.

MEETING EXTENSION

At 9:58 p.m., Deputy Mayor Fimia moved to extend the meeting until 11:00 p.m. Councilmember Ryu seconded the motion, which carried 7-0.

Ms. Tarry continued by discussing the declining card room revenues in the City, noting the gambling industry is blaming the decline on the state smoking ban.

Mayor Ransom added that the City of Everett is seeing a decline also, noting that three of their casinos have closed due to the revenue losses.

Ms. Tarry pointed out that cardroom revenues were not a major part of their budget and they weren't aware the casinos were closing, so they did not conduct any research on the declining revenues. She stated if the losses become an ongoing trend into the second quarter, then staff would consider the need for a budget adjustment.

Responding to Mayor Ransom, Ms. Tarry said she would investigate the cause of the State's \$1.6 billion dollar surge in revenue.

Regarding permit revenue, she said the City is issuing the same number of permits as last year, but they are mostly residential, as opposed to commercial. Therefore, there is less revenue.

Councilmember Hansen asked if the buyout of the previous City Manager was represented in the First Quarter documentation.

Ms. Tarry responded that it was reflected in 2005 and not included in these numbers.

- (c) Authorizing the City Manager to Execute a Discretionary Work Request with King County for the 2006 Road Overlay Program

Councilmember Hansen moved to authorize the City Manager to Execute a Discretionary Work Request with King County for the 2006 Road Overlay Program. Councilmember Ryu seconded the motion.

Councilmember Way noted that there was a pothole along Paramount Park.

Mr. Jesus Sanchez said that pothole would be repaired during the week.

Councilmember Gustafson said he has called Public Works at (206) 546-1700 and they will respond.

Councilmember Hansen concurred with Councilmember Gustafson and thanked Public Works for the job they are doing.

A vote was taken on the motion, which carried 7-0.

- (d) Resolution No. 245, approving the Final Subdivision for Cedar Heights Town Homes at 19021 15th Avenue NE

Councilmember Hansen moved to adopt Resolution No. 245 approving the Final Subdivision for Cedar Heights Town Homes at 19021 15th Avenue NE.

Councilmember McGlashan seconded the motion.

Councilmember Way inquired why this item is coming back to the City Council after it has been approved by the Planning Commission and the City Council two years ago.

Paul Cohen, Senior Planner, responded that the developer has built some structures without getting the subdivision legal and it has taken him one to two years to get where he is now. He added that there are numerous permits and issues with this subdivision.

Councilmember Way inquired what would prevent them from getting subdivision approval now that everything is built.

Mr. Tovar responded that the developer chose to go the subdivision route to get this project done. The subdivision route makes sure there is a preliminary and a final subdivision plat reported.

Deputy Mayor Fimia questioned if the final drawings are done when a preliminary subdivision is submitted.

Mr. Cohen responded that the preliminary subdivision is needed to “weed out” anything in the project that is not feasible.

Ms. Modrzejewski added that the benefit of subdividing would be to sell individual townhomes.

Mr. Tovar detailed the differences between subdivisions and townhomes.

A vote was taken on the motion, which carried 7-0.

- (e) Neighborhood Meeting Process Improvement

Mr. Tovar highlighted that the staff report reflects that the staff cannot change the text of the code without a code amendment by the Council. Specifically, he noted that the 500-foot rule in 20.30.090 needs to be revised.

Councilmember Way said a common complaint from residents is that they are not getting enough notice of neighborhood meetings. She inquired if there was a way to notify members of other organizations in area that there is a neighborhood meeting.

Mr. Tovar responded that the City would have to come up with a list of organizations and residents that are not being notified. He added that the City could suggest and advise, but if the Council wants this required then a code amendment would need to be adopted.

Councilmember Way pointed out that she is concerned with the way this process is run. She said this is not new and she has brought it up before. She appreciated the changes that were made because they are positive, she said.

Councilmember Gustafson added that the Council of Neighborhoods is an instrument for the Council and it would be prudent for them to bring this up in their meetings to ensure they act as a conduit for carrying this type of information. He added that the staff person that administrates these meetings could conduct outreach with the neighbors.

Councilmember Way noted that there have been two development project proposals in her neighborhood in the past, but nothing was sent out in her neighborhood.

Councilmember Gustafson felt that more formalized processes and administrative procedures could be created in the Council of Neighborhoods.

Mayor Ransom pointed out that Meridian Park doesn't meet at all. He wondered how notification could occur in an inactive neighborhood.

Councilmember Gustafson responded that the Council of Neighborhoods Coordinator should appoint someone to be a representative in each neighborhood and ensure they meet. He added that every neighborhood should have a council.

Councilmember Ryu felt the Council should review the Council of Neighborhoods program and the way it's organized. She said the Council of Neighborhoods need to become more of a technically-oriented resource for the neighborhoods.

Councilmember McGlashan said he would not support revising the 500-foot rule because there are people who don't think what they say will matter. He said that his Council of Neighborhoods only got three people to attend their meeting when they were soliciting for input on the Comprehensive Plan. He said there must be a better way to notify residents rather than increasing the 500-foot radius rule.

Using Councilmember McGlashan's example, Councilmember Way stated that perhaps the lack of public attendance was because no one opposed the Comprehensive Plan changes.

Councilmember Ryu stated that the problem may lie in the integrity of the 500-foot radius list.

Mr. Tovar said the list, which comes from the King County Assessor's Office, is used to notify residents that the permit application has been filed and their comments are being

solicited. He said getting people to comment on projects is a chronic problem, because they often receive what is an official-looking letter and simply throw it away. He added that perhaps the City should purchase and display a sign.

Mayor Ransom added that he is concerned about these meetings because he received a flyer once that had false information on it. He said a City staff person should always attend these meetings.

Councilmember Way inquired how the comment form at the Council of Neighborhood meetings would be handled.

Mr. Tovar said the forms the Planning Department has created can be "beefed up" with the requirements needed and resource implications for having staff at Council of Neighborhood Meetings.

Deputy Mayor Fimia felt that the issue is improving since she has not gotten any calls from residents lately. She wanted the issue brought back to the Council for further discussion at a workshop in the future.

Councilmember Hansen asked if the City of Kirkland requires a staff person to attend all meetings of a development proposal. He questioned what the staff hours were for this and how much it would cost.

There was Council consensus to bring this item back to a future workshop meeting for discussion.

(e) Resolution No. 244, amending the Council Rules of Procedure

Councilmember McGlashan moved to postpone action on Resolution No. 244, amending the Council Rules of Procedure to the next meeting. Councilmember Hansen seconded the motion.

Councilmember Gustafson said he has five to seven amendments, and he would vote against it tonight if a vote is taken at this meeting.

Deputy Mayor Fimia said she would like to keep working and get it done at this meeting. She said that the community presentation language was done and needs to move forward. She added that Council worked on this during the retreat and she is willing to stay to get it done rather than delay it for two more weeks.

Councilmember McGlashan said he also would be opposed to this tonight. He said he received several calls today concerning the rules relating to public comment at Study Sessions. He felt they are confusing, and there is also no consensus on the community presentations topic.

Councilmember Ryu did not support postponing this item. She said it can always be revisited in the future and the Council has done its best in putting together a pretty good mechanism to balance and move meetings along. She commented that the current process is less open to the public, and that needs to be addressed immediately.

MEETING EXTENSION

At 11:00 p.m., Deputy Mayor Fimia moved to extend the meeting until 11:20 p.m. Councilmember Ryu seconded the motion, which carried 4-3, with Councilmembers Gustafson, Hansen, and McGlashan dissenting.

Councilmember Hansen noted that he would be voting against the passage of this item.

Councilmember Gustafson said that he disagrees with eliminating the public comment period during business meetings after each action item and at the beginning of study sessions. He said the Council is limiting opportunities for the public comment. He said he has no problems with streamlining meetings, but limiting public comment is wrong. He disagreed with changing the public hearing start time, noting they should start at 8:00 p.m. He said people need to know a specific time when the public hearing will begin. He also said the business meetings should start at 7:00 p.m. Groups, he said, that may have an opposite viewpoint need time soon after to present their side. He added that groups need to present minutes that show they representing a group, or some other evidence to show how they came to their position. He felt that abstentions should be recorded as a vote and they should be recorded as a vote for the prevailing side. He concluded that he is in favor of postponing the vote on this item at this time.

Councilmember Way moved to call the question. Councilmember Ryu seconded the motion, which failed 3-4, with Deputy Mayor Fimia, Councilmember Way, and Councilmember Ryu voting in the affirmative.

Deputy Mayor Fimia pointed out that the revisions to the procedures were proposed in the spirit of trying to accommodate the three Councilmembers who were concerned about the length of Council meetings. She noted that language can be added on page 6 to address Councilmember McGlashan's concerns. She asked him to make the amendments to get the item passed.

MEETING EXTENSION

At 11:20 pm, Councilmember Ryu moved to extend the meeting until 11:30 p.m. Deputy Mayor Fimia seconded the motion, which carried 4-3, with Councilmembers Gustafson, Hansen, and McGlashan and dissenting.

Councilmember Hansen stated that last year, both cottage housing and the Comprehensive Plan were continually postponed, and he is amazed that the majority is not willing to postpone this item until June 5.

Mayor Ransom noted that despite Councilmember Gustafson's recent absences, every Councilmember should have the opportunity to participate, so he will support the motion.

A vote was taken on the motion to postpone action on Resolution No. 244 to the next Council meeting, which carried 6-1, with Councilmember Ryu dissenting.

9. ADJOURNMENT

At 11:17 p.m., Mayor Ransom declared the meeting adjourned.

Scott Passey, City Clerk

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