

CITY OF SHORELINE

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

Monday, August 15, 2005
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Hansen, Deputy Mayor Jepsen, Councilmembers Chang, Fimia, Grace, and Ransom

ABSENT: Councilmember Gustafson

1. **CALL TO ORDER**

The meeting was called to order at 6:30 p.m. by Mayor Hansen, who presided.

2. **FLAG SALUTE/ROLL CALL**

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

Upon motion by Deputy Mayor Jepsen, seconded by Councilmember Chang and carried 6-0, Councilmember Gustafson was excused.

(a) Proclamation of Celebrate Shoreline

Mayor Hansen read the proclamation and stated the City created "Celebrate Shoreline" after incorporation as an annual event to bring together residents, community leaders, agencies and businesses to celebrate all of the things that make Shoreline a great place to live and work. He outlined the events that were going to take place during the three day celebration which will take place from August 19 – 21 and presented the proclamation to Mary Anne Kelly.

Mary Anne Kelly, Shoreline Parks Department, accepted the proclamation and thanked the City for the recognition. Ms. Kelly invited everyone to attend Celebrate Shoreline, noting there are 94 entries in the parade this year.

(b) Shoreline Star – Herb Bryce

Mayor Hansen presented the twelfth Shoreline Star to Shoreline resident Herb Bryce and outlined his many contributions to the community through his involvement in the Shoreline School Board, City of Shoreline Parks and Recreation Cultural Services Parks Board, Shoreline/Lake Forest Arts Council, Shoreline Chamber of Commerce, Friends of

Science Education, and the American Chemical Society. He stated Mr. Bryce's accomplishments include twelve years of elected service on the Shoreline School Board. Mayor Hansen concluded that Mr. Bryce will be the 2005 Grand Marshal for the Celebrate Shoreline Parade. He thanked him for his dedication and accomplishments in the community.

Mr. Bryce thanked the Council, the residents of Shoreline, and his wife for this recognition and commented on the importance of recognizing the many opportunities for positive change in Shoreline.

3. CITY MANAGER'S REPORT

City Manager Steve Burkett commented that there is an Open House on August 17th for the Aurora Corridor Phase II Project, which will consist of one-on-one meetings with business owners and property owners. This is the first of several meetings that will take place over the next five or six months as part of the Council approved pre-environmental phase of the project. He reported on the status of current construction work along Aurora Phase I.

Mr. Burkett commented that the City reviewed proposals from 10 different firms concerning the Richmond Beach Master Plan, and the City intends to conduct three interviews. The work will be done, with public involvement, this fall and the Master Plan for the park should be completed by next spring. This will be a long-range plan that will provide some guidelines and concepts for the development of the park. The park itself is unique because it is a saltwater park with a view of Puget Sound. He stated the bridge which leads to the beach in the park has been repaired by Public Works and now has wheelchair access.

Mr. Burkett stated there has been an abundance of construction activity with the North City Project. The primary underground utilities have been installed on the east side of 15th Avenue NE and service connection work will be completed in the next few weeks. In addition, curb, gutters, and sidewalks will be installed south of NE 175th Street and construction of additional sidewalk, curb, and gutters will progress north. The contractor will be working to prepare 15th Avenue NE for the Celebrate Shoreline Parade on Saturday. Mr. Burkett then outlined the various activities planned for Celebrate Shoreline.

Mr. Burkett concluded his report by providing background on two new City employees: Ronald Moore, Deputy City Clerk, and Nora Smith, Neighborhood and Public Outreach Coordinator.

4. COUNCIL REPORTS: None.

5. PUBLIC COMMENT

(a) Virginia Paulsen, Shoreline, questioned the validity of the summary report generated from the community priorities exercise. She stated that the demographic characteristics are not representative of Shoreline residents because of the lack of attendance at the March and May sessions. The purpose of the May long-range planning session focused on what capital budget resources were available to fund various capital projects, but it did not include any data on a new City Hall building. The financial options were limited to tax levies, bonds, taxes, and LIDs with no mention or discussion of the \$10.6 million for City Hall. She concluded that full information is required to make rational decisions, but citizens were not provided with that. She felt this process was a waste of the City's time, energy, and money.

6. WORKSHOP ITEMS

(a) 2005 2nd Quarter Financial Report

Debbie Tarry, Finance Director, provided the following statistics for the City's main operating funds:

- General Fund revenues are 3.2% ahead of projections, about \$384,000. General Fund expenditures are at about 3% below projections, about \$359,000. General Fund revenue projections have been revised to \$838,000 for the year. Thus, the 2005 budgeted revenues have been added into the \$838,000.
- Street Fund revenues are near projections at 0.82% above while expenditures are about 14.6%.
- Surface Water revenues are slightly ahead of projections at \$23,000 or 1.7% while expenditures are below at \$33,000.

Ms. Tarry stated sales tax revenue projections were increased based on a growing local construction and retail economy. Revenue projections have been increased in utility and franchise fees. Natural gas revenue projections have increased, directly related to rate increases that were not approved when the budget adoption took place last fall. Therefore, projections were raised by \$174,000 for this year. For electricity, there was speculation that Seattle City Light would lower their rates in 2005, so the City anticipated the rates would go down. However, that has not been the case and Seattle City Light is conducting a rate analysis to be completed in 2006. Thus, electricity revenue projections were increased by \$150,000. Water utility revenues went up because the City received a payment of approximately \$500,000 from Seattle Public Utilities based on an error in the methodology they were using to assess their contract to us. The funds were distributed into the Capital Fund and the General Fund and projections were increased by \$111,000. Permit activity accounted for increased revenues in the General Fund and projections were increased by \$118,000 based on an increased level of permits issued (up by 8%). Additionally, the average cost per permit issued this year (\$2,000 per permit) is higher than in 2004 (\$1,600 per permit). Ms. Tarry stated the investment interest on the General Fund projection has been increased by \$98,000 based on rising interest rates, diversification of the City's portfolio, and lengthening the maturity duration of key investments. Gambling tax collections of \$803,246 are just slightly above the projected

revenue by \$7,271 or 0.091%. However, she said, in comparison to 2004, gambling revenues are down by \$89,001 and card room revenues are down by \$81,350. Nonetheless, despite the decline in revenue from the previous year, gambling revenue is still tracking to meet budget targets.

Ms. Tarry stated that expenditures are about 3.2% below the budget based on a late police contract invoice from King County which hasn't been paid yet. General Capital Fund and Roads Capital Fund revenues are above projections and expenditures are below expectations, partly due to a 25% increase in real estate excise tax funds in 2004. Expenditures are not occurring at the same rate as originally projected so the expenditure level is below projections. Roads capital revenues are ahead of projections and expenditures are below but we expect significantly higher expenditures in the 4th Quarter with the North City Project and Aurora Corridor Project contract payments occurring during that time period. The Surface Water Capital Fund revenue is close to projections and expenditures are slightly elevated because the projects are ahead of schedule and payments are occurring slightly sooner than anticipated.

Ms. Tarry summarized that operating fund revenues are generally ahead of projections and expenditures are tracking close to projections. On the capital side the City is able to identify why there are some differences and will monitor them during the third and fourth quarters, especially the Roads Capital Fund, because there will be some significant activity during that time period.

Councilmember Fimia asked whether or not the recent franchise fee lawsuit against Seattle City Light, the City of Shoreline, and other cities is retroactive to fees collected this year.

Ian Sievers, City Attorney, responded that the statute of limitations for claims to seek reimbursement is three years. However, the City's first franchise with Seattle City Light was in 1999. So, he concluded, the worst case would be that the City would have to go back to 1999.

Councilmember Fimia asked Mr. Burkett if there has been any analysis of what the potential reimbursement would be and how the City would pay for it.

Mr. Burkett said staff has concluded that the City would likely end up paying a significant amount if it loses the case. He assured the Council that the City plans to vigorously defend itself against the suit. Mr. Burkett concluded that the Seattle City Light situation is not unique to others that pay a franchise fee to operate within the City.

Councilmember Fimia commented that she requested a quarterly breakdown on how the money was being spent with each major capital project. She also asked whether or not she was reading page 6U of the 2005 2nd Quarter Financial Report correctly, as it says the City has nearly \$50 million dollars in investments.

Ms. Tarry responded that the invested amount includes all operating and capital funds.

Mr. Burkett stated that any funds the City does not immediately need are invested. The total also represents grants the City has received, as well as monies set aside for capital projects or operations.

Responding to Councilmember Fimia, Ms. Tarry confirmed that the City receives a total of \$4.5 to \$5 million dollars per year in utility tax and franchise fee revenue. This revenue source has experienced some growth over the past few years.

Councilmember Paul Grace asked if there is progress on the City's effort to obtain tax information from the casinos.

Ms. Tarry stated the department has tried to obtain all the financial statements, but the Hideaway and the Golden Nugget are the only two businesses that have not responded as of yet. Staff intends to have the preliminary information to the Council by the September 12th meeting.

Councilmember Ransom asked for information on the State Investment Pool. Ms. Tarry explained that the State Investment Pool is the State's method for government agencies to invest monies collectively.

Councilmember Fimia inquired how much money would be spent on Moss Adams and staff time to do the analysis.

Ms. Tarry said the contract with Moss Adams is limited to \$10,000; to-date expenditures total \$3,500. She was confident the City would stay below the budgeted amount.

Councilmember Ransom asked whether or not the lawsuit for electric franchise fees applied to those fees received for water and sewer franchise fees as well.

Mr. Sievers responded that the statute which covers this issue limits the lawsuit to electrical, gas, and telecommunication franchise fees.

Deputy Mayor Jepsen stated there are a number of other cities who will be effected by this lawsuit, and the City did a significant amount of negotiations on the behalf of several cities to try and reach an agreement. At present, the City anticipates a surplus of \$800,000 in its budget. He said ever since he became a Councilmember the City has always maintained a surplus of close to \$1 million a year. He said the surplus is due to the efforts of the Finance department and the Council's conservative budget approach. He said the amount of construction going on in North City and Aurora and the economic development and permit activity is very good news.

Councilmember Chang expressed gratitude for Ms. Tarry and the staff, noting that they are doing an excellent job. He stated the third and fourth quarter reports will be interesting because of all the construction and retail activity going on. He said he is anticipating a good outcome.

Mr. Burkett emphasized the need to view construction sales tax revenues as one-time, non-recurring revenues. He added that the return on the State Investment Pool is 2%, while the return on other City-invested funds is almost 3%. This is about \$400,000 more than if all of the funds were invested in the State Pool.

Responding to Councilmember Fimia, Ms. Tarry explained that while there have only been 11 more real estate sales transactions over the previous year, the value of those transactions is significantly higher than those in 2004.

Councilmember Ransom noted that \$5 million of the projected \$32 million in revenue is carried over from last year. There is \$25 to \$27 million is new revenue, and the remainder is prior savings.

Ms. Tarry stated that this represents the amount of reserves that the City plans to use in 2005 for one-time capital expenditures.

(b) Update on 2004 Crime Statistics

Mr. Burkett noted that the Council discussed the 2004 Service Efforts and Accomplishments Report (SEA) at the June 27 meeting. At that time, the Council requested City staff to analyze the data from 2004 against the data from the first half of 2005 and compare Shoreline's statistics to other local cities.

Police Chief Tony Burt reported that crime categories showing increases included burglary, arson, auto theft, robbery, and rape. The data used to compare Shoreline with other jurisdictions in the area, namely Mountlake Terrace, Mukilteo, Brier, Edmonds, Bothell, Lake Forest Park, Kenmore, and Woodinville, came from the 2004 FBI Uniform Crime Report. Overall, he stated, these crimes are regional in scope, as opposed to being specific to Shoreline. During the first seven months of 2005, arsons in Shoreline are down 63%, robberies are down 53%, rapes are down 42%, burglaries are up 21%, and auto thefts are up 31%. He outlined crime reduction strategies for auto theft, which include primarily public involvement/education. He said the department utilizes the public as "the eyes and ears" of the police department. Additionally, being diligent on where cars are stolen from and where they are recovered also assists in the reduction of auto theft. At present, City data does not identify a particular area in the City from which cars are being stolen. The identification of high-impact offenders is also an important part of the auto theft crime reduction strategy. The department is also targeting enforcement and working with the King County Prosecutor's Office to ensure that auto thieves receive enhanced sentencing. He outlined the details of King County's new car theft initiative, which should help streamline the judicial process for this particular crime. He said the police are also working to improve in the areas of evidence collection (fingerprinting, DNA analysis, and interviewing) in order to reduce the auto theft rate.

At 7:48 p.m., Councilmember Grace left the meeting.

Continuing, Chief Burt outlined the strategies for combating residential and commercial burglaries. These include public education/awareness and working with Block Watch captains, neighborhood community councils, and the Chamber of Commerce. He emphasized the need for citizens to report suspicious activity in their neighborhoods. The police department also conducts complimentary security inspections for business owners and educates business owners on ways to safeguard their businesses. Chief Burt concluded his presentation by saying that he is pleased with the statistics he has seen thus far for 2005. He noted the reductions in some crime categories, pointing out that 95% of surveyed residents feel safe in the City during the day, and 73% feel safe in the City at night.

Councilmember Hansen asked who has investigating authority when a car is recovered in a City the theft did not originate in. Chief Burt stated the recovering agency is responsible for processing the crime scene.

Councilmember Ransom expressed concern about the increase in auto thefts. He stated his opinion that the citizen survey was largely based on past performance. These numbers, he concluded, are tied to the fact that 185 drug houses were closed in the 1990's, which led to the 50% decrease in the burglary rate. Based on the report, he said it appears that Lake Forest Park has approximately half the increase in auto thefts that Shoreline has experienced. He also felt crime has increased due to the reduction of the street crimes unit. He suggested adding more staff to the street crimes unit and conducting more proactive street crime investigations. While he is pleased with the decreases in rape and other major crime categories, burglaries and auto theft are still areas of major concern.

Deputy Mayor Jepsen questioned the comparison of Shoreline's auto theft statistics to Lake Forest Park. Councilmember Ransom clarified that Shoreline has a 44% increase, whereas Lake Forest Park had only a 24% increase.

Chief Burt did not feel Lake Forest Park accurately compares to Shoreline because it does not have the higher crime rates associated with a major traffic corridor such as Aurora Avenue. He felt Edmonds and Lynnwood would be more accurate comparisons because they both include the Aurora corridor in their jurisdictions.

Councilmember Chang wondered if there was a correlation between the areas the crimes occur and the age and race of auto theft and burglary offenders. He asked whether the auto thefts are occurring in the same areas where the burglaries are occurring. He also asked what age groups were involved in these burglaries and auto thefts.

Police Chief Burt summarized that he believes the 15 – 25 year-old age group is responsible for most of the auto thefts.

Councilmember Chang stated if most offenders fall into the 15 – 25 age group, then the emphasis needs to be in the schools. He felt teaching students to have respect for other people's property is essential, and parents need to be more involved. Community

policing and having approachable police officers, he stated, are crucial to decreasing crime. He asked if community policing was occurring, and if it was, what the objective is for the program.

Chief Burt responded that he is proud of the community policing efforts in Shoreline. The term community policing, he stated, refers to working in a partnership with the community and being responsive to community needs. The Shoreline Police Department has become a model for other law enforcement agencies in terms of community-oriented policing. Storefront officers are very involved in community policing initiatives. The City has many effective programs, including Block Watch, Business Watch, the Neighborhood Traffic Safety Program (NTSP), the Senior Intervention Program, the School Resource Officer, Anti-Bullying, and the Motel Trespass program. He said his objective is to continue enhancing an already excellent community-based police department and to further develop relationships that have been forged over the last 10 years.

Councilmember Ransom stated that the key to community policing in Shoreline is the accessibility of the police officers to the public. More reports, he stated, are coming into him saying officers are not available to the public and are indifferent and not approachable. He said this is the reason there are less calls made to the police to report illegal activity in the City.

Councilmember Fimia appreciated the additional information but was hoping for more analysis of the crime problem. She said the Council and the City staff should be alarmed about the rise of crime in Shoreline and not turn to citizen surveys or anecdotal evidence for answers. She stated her opinion that the report is not complete and is internally inconsistent. She said if crime levels continue to rise, the City will lose its standing as a great place to live. She requested King County's statistics for murder, aggravated assault, and domestic violence so she can see what the tendency is for those crimes in Shoreline. She is also hearing from children and parents who are very concerned about the increase of drug use in schools. A summit, she stated, needs to occur with the schools and the City's Human Services Department, the Prosecuting Attorney, and the Attorney General's Office. She asked if personal identity thefts, burglaries, and car thefts relate to methamphetamine use.

Chief Burt responded affirmatively, noting the connection between the rise in identity theft and methamphetamine use.

Councilmember Fimia emphasized the need to hold a summit to discuss why crime is increasing, noting that the City should study other cities that have reduced their crime rates. She reiterated her interest in reviewing domestic violence statistics. She concluded that possible reasons for the increased crime rates include poverty, age demographics, lack of solid Block Watch programs, drugs, and/or lack of penalties.

Deputy Mayor Jepsen expressed interest in knowing who is buying stolen property and what is being done about them. He felt the police should look at not only pursuing the

thief, but also pursuing the buyers. He expressed interest in knowing how much property is being stolen in Shoreline and being recovered in Shoreline, versus how much of it ends up in other jurisdictions.

Councilmember Chang commended the police department for the difficult and stressful job they have. He reiterated the need for community policing and collaboration.

Councilmember Ransom stated he would like to know what percentage of the cars stolen are refurbished and sold, as opposed to those abandoned and recovered.

Chief Burtt stated that about 95% of all stolen cars in the City of Shoreline are recovered. He said they are usually recovered within a week and are used primarily for transportation.

Councilmember Hansen asked if speed measuring devices are being used in the City of Shoreline. He considered them to be very effective enforcement tools and felt the City should encourage residents to use them if they are available.

Councilmember Ransom pointed out that Aurora Avenue, Ballinger, and North City are problem traffic areas in the City.

7. ADJOURNMENT

At 8:34 p.m., Mayor Hansen declared the meeting adjourned.

Scott Passey, City Clerk