

CITY OF SHORELINE

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

Monday, November 26, 2007 - 7:30 p.m.
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 7:35 pm., 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.

3. REPORT OF THE CITY MANAGER

Robert Olander, City Manager, provided reports and updates on the following City meetings, projects, and events:

- Planning Commission Public Hearing on the Ridgecrest Commercial Area Zoning, November 29
- North City Tree Lighting Ceremony, December 1
- Breakfast with Santa, December 8
- Draft Westminster Triangle Traffic Action Plan Open House, November 27
- Annual Council of Neighborhoods Training, December 5
- Ronald Bog South Drainage Improvement Project Meeting, December 6
- Hamlin Park Improvement Project Community Meeting, December 6
- Christmas Ships arrival at the Richmond Beach Saltwater Park, December 10.

4. REPORTS OF BOARDS AND COMMISSIONS

Councilmember Gustafson stated his report on the National League of Cities (NLC) Conference is prepared but he will postpone his presentation until the December 3rd City Council meeting.

Councilmember Hansen stated he also has a number of materials from the NLC concerning solar initiative programs, parks programs, etc. He added that there were some good work sessions and demonstrations at the conference.

Mayor Ransom commented that SeaShore still has not executed a contract and it has been postponed until December.

5. GENERAL PUBLIC COMMENT

(a) Ann McFarlane, Shoreline, said she is a founder of the Shoreline Curriculum Group, a group that was concerned about the school district finances and curriculum. She commended the Council and City staff for the November issue of *Currents* newsletter. She said the information concerning the City's financials was very readable.

(b) LaNita Wacker, Shoreline, commented that the Council is elected to represent the residents, and the City didn't support Initiative 747. She commented that the elected Supreme Court struck the Initiative down and the Council has the primary duty to look after City's fiscal health. She said the City's Finance Director gave the Council several options, however, she felt the City should send a message that Shoreline isn't bound by the dictates of Tim Eyman. She urged the Council to keep in mind that there is a Governor's special session on November 29th. She urged the Council to direct the City Manager to communicate the City's needs to the State Legislature.

(c) Pat Murray, Shoreline, said he supported Tim Eyman and Initiative 747. He believes in fiscal responsibility and requested that the Council not bank taxing authority. He said citizens are losing properties and their homes already and there is no need to exceed a true 1% levy. He concluded that the City can still provide fiscal responsibility without funding every cause.

(d) Gary Batch, Shoreline, said Economic Development Advisory Board is far-sighted and he thanked the citizens for volunteering. He noted that the North City Tree Lighting ceremony on December 1 is free and open to the public.

(e) Joseph Fugate, Seattle, said the current world economic system is dead. He read a statement for Council endorsement and said federal and state chartered banks should be under central control.

Mayor Ransom commented that Ann McFarlane is a parliamentary procedure instructor and a good resource for the community.

6. APPROVAL OF THE AGENDA

Councilmember Ryu moved to postpone item 8 c) until the February 4, 2008 City Council meeting and postpone the application deadline for two more weeks. Councilmember Hansen seconded the motion.

Councilmember Ryu said she is concerned with the lack of representation from Shoreline residents in the applications for the Economic Development Advisory Committee. She said she would like to get more applications and review them closer. She hoped that more residents submit applications to work on the committee.

Councilmember Gustafson disagreed, stating that there were 29 total applicants and the City Manager recommended those which represent a cross-section of the Shoreline community.

Councilmember McGlashan concurred, adding that the City staff recommended a well-balanced group for the committee.

Councilmember Way felt the Council needed more time to review the applications and have more applications from Shoreline residents considered.

Deputy Mayor Fimia supported the motion and said most of the people on the list are not Shoreline residents. She also said no minority-owned business owners are on the list and more community outreach needs to be done.

Mayor Ransom commented that most of the work on this will be done for the new Council, so he supported the motion.

Councilmember McGlashan highlighted that in previous Council discussions it was specifically stated that committee members didn't have to reside in Shoreline.

Councilmember Hansen commented that the recommendation is made by the City Manager. He questioned if there is a reason why the City Manager would change his recommendation next year. He also pondered how the makeup of the Council would affect the committee.

Councilmember Gustafson commented that the community has had plenty of time to sign up and felt the Council should make decisions and not continually delay.

A vote was taken on the motion, which carried 4-3, with Councilmember Gustafson, Councilmember Hansen, and Councilmember McGlashan dissenting.

Mr. Olander clarified that the motion included reopening the application deadline for two additional weeks.

Councilmember Hansen moved to add the City Council Minutes from the November 19, 2007 City Council Meeting to the Consent Calendar. Councilmember McGlashan seconded the motion, which carried 7-0.

Councilmember Hansen moved to approve the agenda as amended. Councilmember Gustafson seconded the motion, which carried 7-0.

7. CONSENT CALENDAR

Deputy Mayor Fimia moved approval of the Consent Calendar. Councilmember Ryu seconded the motion, which carried 7-0, and the following items were approved:

(a) Approval of expenses and payroll as of November 13, 2007 in the amount of \$ 3,504,996.04 specified in the following detail:

***Payroll and Benefits:**

Payroll	Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
9/23/07-10/06/07		10/12/2007	21026-21209	6962-7009	34266-34275	\$370,656.43
10/07/07-10/20/07		10/26/2007	21210-21395	7010-7053	34431-34443	\$474,548.21
						<u>\$845,204.64</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
10/10/2007	34192	34197	\$849.63
10/11/2007	34018		(\$24,236.06)
10/11/2007	34198	34210	\$28,596.07
10/11/2007	34211		\$782.13
10/16/2007	34212		\$7,778.60
10/17/2007	34213	34236	\$84,717.00
10/17/2007	34237	34238	\$14,565.40
10/17/2007	34239	34264	\$28,500.70
10/18/2007	34265		\$25,460.55
10/23/2007	34276	34289	\$2,933.68
10/23/2007	34290	34298	\$30,142.66
10/23/2007	34299	34325	\$397,026.98
10/24/2007	34326	34346	\$44,036.08
10/24/2007	34347	34375	\$809,531.39
10/25/2007	34376	34388	\$80,231.03
10/25/2007	34389	34398	\$101,431.77
10/30/2007	34030		(\$607.04)
10/30/2007	34399		\$607.04
10/30/2007	34400		\$4,061.58
10/31/2007	34401	34408	\$31,652.90
11/1/2007	34409	34420	\$46,075.95
11/1/2007	34421	34423	\$26,044.13
11/1/2007	34424	34430	\$20,307.03
11/2/2007	34444	34453	\$52,956.82
11/5/2007	34454	34463	\$97,393.48
11/5/2007	34464	34482	\$341,560.19
11/6/2007	34483	34503	\$275,161.59

11/7/2007	34504	34512	\$38,998.09
11/8/2007	32515		(\$5.00)
11/8/2007	34513	34535	\$16,885.06
11/9/2007	34536	34545	\$2,176.76
11/13/2007	34546	34560	\$61,438.91
11/13/2007	34561	34569	\$12,736.30
			<u>\$2,659,791.40</u>

(b) Authorization to Award Contract for 15th Ave NE and NE 150th Street Traffic Signal Construction Project

(c) Approval of amendment to the City Manager's Employment Agreement

**(d) Minutes of Business Meeting of October 8, 2007
Minutes of Study Session of October 15, 2007
Minutes of Workshop Dinner Meeting of October 22, 2007
Minutes of Business Meeting of October 22, 2007
Minutes of Special Meeting of October 29, 2007
Minutes of Special Meeting of November 5, 2007**

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

(a) Ordinance No. 489 adopting the 2008 Property Tax Ordinance No. 485 adopting the percentage increase for the 2008 Property Tax Levy Resolution No. 265 finding Substantial Future Need, allowing the City to Reserve Unused Levy Capacity for Future Use

Ms. Tarry provided the staff report. She highlighted that Ordinance 489 institutes a 1% proposed levy and will generate a little over \$71,000.

Councilmember Hansen moved approval of Ordinance No. 489. Councilmember Gustafson seconded the motion.

Ms. Tarry explained the proposed legislation as allowing the City to make tax authority available in the future, but not levying taxes prior to needing them. She added that the ordinances assume that the base is what the City levied in 2007. She said the City staff is recommending the revised base be reserved for future use in Resolution No. 265.

Mr. Olander highlighted that the Association of Washington Cities (AWC) is urging cities to retain future banking.

Mayor Ransom called for public comment.

(a) Leandra Bernstein, Lake Forest Park, asked each Councilmember to support the homeowner and bank protection act as described by Lyndon Larouche. She commented that if their constituency doesn't have the value in their homes or wages to pay taxes, then raising taxes will put the City out of business. There is a crisis facing the entire country, and the City's budget crisis is not limited to the local economy. She concluded that the federal government needs to set up an agency to intervene.

(b) Steve Brewer, Shoreline, said he understands the property tax structure in Shoreline. He added that the values have kept up since 1980. The mills, he outlined, go up and down and property values go up. He said the cost-of-living allowance (COLA) isn't keeping up with taxes. He said the residents were told by the Council in 1995 that taxes wouldn't go up. He added that both North City and the Aurora Corridor look great, but there have been extra expenditures for them. He commented that he doesn't know how anyone can live in Shoreline and retire here.

(c) Pat Murray, Shoreline, commented that he enjoyed watching meetings on television. However, he asked that another slide be added noting the meeting times prominently displayed in large print.

(d) LaNita Wacker, Shoreline, supported the concept of banking and compared it to having a savings account but not in actual dollars. She said it reserves the right for future Councils to meet the budgetary crisis the City will have to face in 2010. She said the Council should adopt the implicit price deflator (IPD) or 2.084% for the levy amount and the new balance. She said the Legislature could rescind it this week, but adopting it now would ensure the City has a fiscally sound long-term budget. She stated that the IDP only requires a simple majority to adopt.

Councilmember Way asked Ms. Tarry to address Mr. Brewer's concerns regarding property taxes.

Ms. Tarry highlighted that the City only receives 11% of the total property taxes the residents pay. She agreed that there have been increases in levies, but some have been voter-approved. As far as the levy and assessed valuation, she has seen the assessed valuation go up much faster than the levied valuation. Therefore, the levy rate has gone down due to the overall 1% cap.

Councilmember Way questioned if the additional levies are increasing the burden rather than the actual impact by the City. Ms. Tarry responded that her statement was especially true since 2001. She added that back in 1980's the cap was at 6%.

Mr. Olander stated that every few years the school district and the fire district revise their levy rate. King County, he highlighted, added \$.20 for special purpose districts and most of the increases were voter-approved. He added that the levy rates here in Shoreline have dropped to \$1.02.

Councilmember Way noted that the Legislature is considering ways to help low-income homeowners. Ms. Tarry responded that the AWC informed cities that there is a property tax exemption proposal from the Governor. She commented that she hasn't seen the proposed legislation.

Councilmember Hansen added that there is an exemption approved at the state level and the proposal is to increase the exemption. He added that the deferral would be a separate program.

Mr. Olander commented that the Council should be leery of any legislation promises concerning making cities "whole."

Councilmember Ryu asked if Ordinance No. 489 and Ordinance No. 485 set the levy rate at 1%, adopt the property tax levy, and approve the City's budget for 2008. Additionally, she questioned if Resolution No. 265 is optional or a stand-alone decision. Ms. Tarry responded that both of the ordinances adopt the property tax levy.

Councilmember Hansen wondered if there are two ordinances for technical reasons and said they do exactly the same thing. He questioned why both of them can't be combined into one ordinance. Ms. Tarry responded that the language in Referendum 47 and the clarification from the Department of Revenue (DOR) requires two ordinances. One of the ordinances must clearly state the percentage of the levy increase.

Councilmember Gustafson questioned if there was any interest in making sure the City is financially sound and amending the property tax limit to match the IPD at 2.084%. Mayor Ransom had the same question because the cost of living is going up faster than the funds the City is receiving. Mayor Ransom also stated that the City staff recommended the Council do the banking process and reserve the option.

Ms. Tarry calculated that the difference between 1% and 2.084% would average an additional \$45 per homeowner. She said if the IPD base is chosen the City's portion would increase by 12-13%.

Councilmember Hansen said the City isn't in financial trouble yet and a 1% increase in property taxes will have to be dealt with at some point. He commented that the 1% rate doesn't cover the fact that the City's expenses are going up at a rate of 5-6%. He said this question may have to be referred to the public to raise taxes or cut services. He isn't in favor of going to the IPD rate.

Councilmember Way agreed with Councilmember Hansen that the City isn't in a dire situation yet. She commented that there are residents that value the services the City provides and there are things worth paying for and investing in. She said the impression she is getting is that legislature is going to reinstate the 1% cap.

Councilmember Gustafson called for the question. Deputy Mayor Fimia seconded the motion, which carried 7-0.

A vote was taken on the motion to approve Ordinance No. 489, which carried 7-0.

Councilmember Hansen moved to approve Ordinance No. 485. Councilmember Ryu seconded the motion, which carried 7-0.

Councilmember Hansen moved to approve Resolution No. 265. Councilmember McGlashan seconded the motion.

Ms. Tarry explained that Resolution No. 265 reserves excess capacity in the property tax levy for future use. She communicated that it doesn't levy any additional taxes and only captures the difference between the 1% levy the Council adopted and the IPD with a majority vote. She added that a majority vote +1 would allow the City to capture the difference between 1% and 6% that could have been levied for 2008.

Councilmember Way asked for an explanation on the difference between the bases. Ms. Tarry said this only reserves the capacity for future use, which is basically the new base amount.

Councilmember Way questioned the process the Council would undertake if this is passed. Ms. Tarry responded that it is the same process being done now and if this is adopted with a majority +1, it is subject to the public hearing and budget process.

Councilmember Ryu speculated that the impact on the average homeowner would be \$40.60 if the City reserved all the banked capacity in 2008.

Councilmember Hansen said he understood that the banking capacity was going to be based on the IPD which might be up to a \$40 increase, but it is up to the Council. He added that the \$40 figure is the maximum. This, he felt, is just keeping the next Council's options open. He felt it would be prudent and something they should be able to consider.

Deputy Mayor Fimia stated that the legislature may say that cities can't bank funds.

Mr. Olander added that it is highly probable that legislature will approve 1% as the limit, but he isn't sure they will adopt banking.

Deputy Mayor Fimia clarified that this is the only time the Council will have the opportunity to bank funds.

Ms. Tarry replied that unless the legislature allows some future banking in their ruling, we don't really know.

With that clarification, Deputy Mayor Fimia said she doesn't support this measure. She felt the school district got into trouble because they didn't look at expenditures and make cuts. She said Shoreline doesn't have a large tax base, and 20% of the residents are considered low income. The City is collecting substantial amounts in utility taxes which

present an additional burden to its residents. She said the City needs to look at other jurisdictions that are collecting taxes and not providing services back to Shoreline residents, such as Sound Transit, Metro Transit, and the Port of Seattle. These districts are getting a lot of taxpayer money but aren't providing services. She added that the City's sales tax base isn't going up as high as it could and felt as long as there is some kind of escape, these kinds of increases shouldn't happen.

Councilmember Ryu expressed interest in dividing the question and voting striking section 2, thereby eliminating the possibility of banking 6%. **She moved to divide the question and strike Section 2 from Resolution No. 265. Councilmember Way seconded the motion.**

Deputy Mayor Fimia added that there is an option to take the levy to the public. She commented that voting for this bypasses the public.

Councilmember McGlashan said he was told by the City staff that the levy lid lift can be raised by up to \$1.60. He added that this is giving the City a safety net that would be used in a time of emergency.

A vote was taken on the motion to strike Section 2 from Resolution No. 265, which carried 5-2, with Councilmember Gustafson and Councilmember Hansen dissenting.

A vote was taken on the motion to approve Resolution No. 265 with Section 2, which failed 4-3, with Deputy Mayor Fimia, Councilmember Way, and Councilmember Ryu dissenting.

A vote was taken on the motion to adopt Resolution No. 265 with Section 1 only, which carried 5-2, with Deputy Mayor Fimia and Councilmember Ryu dissenting.

There was Council consensus to hear the Kruckeberg Botanical Garden item next.

(b) Approval of Kruckeberg Garden Purchase and Sale Agreement

Dick Deal, Parks, Recreation and Cultural Services (PRCS) Director provided the staff report on the proposal to acquire the Kruckeberg Botanic Garden (KBG). He explained that Dr. Kruckeberg will lease the house and cottage from the City. He added that in the 2008 Capital Improvement Plan funding has been identified for a master site plan that will guide the short and long-term development of the garden. The purchase price is \$895,000, and a conservation easement limits the development value. He said there is \$950,000 in the Parks bond for Kruckeberg and \$895,000 of those funds will be used for the acquisition. There is an additional \$150,000 from the state and \$300,000 in the King County budget. This means there is over \$480,000 to help with the Master Site Plan and for improvements.

Mayor Ransom called for public comment.

(a) Richard Olmstead, Lake Forest Park, President of the KBG Foundation, said the City is on the verge of fulfilling a dream for many Shoreline residents and the KBG Foundation. He said the KBG has grown to be one of the premier gardens in the region and the citizens of Shoreline deserve credit for approving the bond issue. He noted that David Berger put the proposal forward to the state for the \$150,000 in funding. He said the KBG Foundation has developed a group of people called the "sustaining stewards" who have supported the gardens for five years. He added that the board has reviewed the service agreement and is pleased with it.

(b) Art Kruckeberg, Shoreline, said it is wonderful that the City wants this garden and applauded the City for taking on this enterprise. He urged the present and future Councils to visit the garden.

Councilmember Way asked for an introduction of the members of the board and staff. Dr. Olmstead introduced David Berger, Matt Loper, Al Brooks, and Roland Adeniyi.

Councilmember Ryu calculated the amount as \$903,700 for purchasing expenses. She said the funds will come from the bond and capital fund. She highlighted that there is \$75,000 for the master plan and another \$100,000 for unexpected costs. Therefore, the City is committing \$1,078,700 and there is \$420,000 that isn't committed yet. She stated that funding is available because of the bond, but the City is limited on the operating side. Therefore, she wondered if it was possible to take \$100,000 out of operating and embed it into the purchase price of the property.

Mr. Deal replied that the state funding and the Conservation Futures Trust (CFT) money must be used for the acquisition of the property only and the bond issue money is for the capital only.

Councilmember Ryu added that in any capital purchase you can put in the future services as part of the purchase price. Mr. Deal responded that it wasn't negotiated and no funding can be moved into the operations side. During negotiations, he said the City realized that the foundation was going to need some City support in order to make this successful. He commented that there is \$100,000, no more than \$40,000 at a time, established in the contract as a reimbursable amount for the first few years for the foundation to get up and running. He felt this is an opportunity, through the master site plan and additional marketing and promotion, which will generate revenues that haven't been identified or considered.

Mr. Olander commented that the City couldn't pay \$100,000 more to assist the Dr. Kruckeberg in the maintenance of the property because the City would have to justify the sale price to the state auditor. He added that the City tried to make the service agreement as detailed as possible, but wanted to create a long-term partnership so the garden is successful. There is a need to begin this partnership by trusting each other and this will help us do that. He commented that the details are important but the overall vision is more important.

Councilmember Ryu asked if it was possible to put a termination clause of three years from the date of execution on the agreement. Mr. Olander said the proposal is simply for \$100,000. Mr. Deal explained that the other properties the City has acquired will add to the City's expenses and will take additional staff time. These properties and all others like it require ongoing maintenance. He commented there will be ongoing maintenance; however, he said he can't promise that it will be self-supporting after three years.

Councilmember Hansen moved to approve the Kruckeberg Botanic Garden Purchase and Sale Agreement. Deputy Mayor Fimia seconded the motion.

Councilmember McGlashan asked why the agreement has Dr. Kruckeberg leasing the home when the original agreement called for a life estate. Mr. Deal responded that the life estate created a deduction from the sale price and by giving Dr. Kruckeberg the lease agreement he will be in the house working in the garden. Dr. Kruckeberg, he explained, will be charged fair market value rent for the house and will work off the rent at \$25 per hour. He will keep track of his time and this keeps him on site and retains his expertise.

Councilmember Way called for the question. Councilmember Gustafson seconded the motion, which carried 5-2, with Councilmember Gustafson and Councilmember Hansen dissenting.

A vote was taken on the main motion to approve the Kruckeberg Botanic Garden Purchase and Sale Agreement, which carried 7-0.

(c) Approval of Kruckeberg Botanical Garden Foundation Service Agreement

Councilmember Hansen moved to approve the Kruckeberg Botanic Garden Service Agreement. Councilmember Way seconded the motion.

Councilmember Hansen thanked Dr. Kruckeberg for a great garden and agreed it is a "feather in the cap" for the City of Shoreline. He added that parks come with maintenance obligations and the City would be foolish not to put a maintenance agreement in the contract. This is going to be a "gem" for Shoreline and for the Puget Sound area, he said.

Councilmember McGlashan felt that self-sufficiency within three years should not be made a requirement for this property. He added that he is nervous about "not to exceed" clauses in this contract.

Deputy Mayor Fimia said she generally supports this. She assured Dr. Kruckeberg that the Council absolutely supports working this out. She said parking is going to be an issue and felt funds should be reserved to address it. She asked if the public is going to be able to access this park.

Mr. Deal responded that a schedule has not been set, but three to four days a week the gardens will be open to public for classes, docent tours, and special events. He added that public hours will be posted because the conservation easement requires public access. He said the City staff will have to sit down with the foundation to build the budget and the foundation will take ownership of the operations later this year. He also stated that there are no hours set but the park will be open at least three to four days a week and the public will be informed.

Deputy Mayor Fimia expressed concerns about the garden and grounds maintenance language.

MEETING EXTENSION

At 10:00 p.m., Councilmember Hansen moved to extend the meeting until 10:30 p.m. Councilmember Ryu seconded the motion, which carried 7-0.

Deputy Mayor Fimia said there needs to be a mechanism in place to protect existing parks so all of them have adequate maintenance coverage.

Mr. Deal replied that some of this has to do with equipment and staff sharing. The Parks Maintenance staff will have to learn how to maintain Kruckeberg and understand how to operate it first.

Deputy Mayor Fimia commented that the public wouldn't want the existing parks to pay the cost of that. She added that if it doesn't work out there should be another mechanism so the City can run the facility with less input from the foundation.

Councilmember Way moved to amend the motion to have the Kruckeberg Foundation Board include a Shoreline City Councilmember as an advisory member. Councilmember Ryu seconded the motion.

Councilmember Way added that having a member on their board will help monitor the progress and it would be smart for the Council and City to be represented as part of this board.

Mr. Deal replied that the meetings are publicly held at the Richmond Beach Library. He said their meetings will be posted and there will be City staff present at them. He also encouraged the citizens to come and participate in them.

Mr. Olander commented that Councilmember Way's motion would require the Kruckeberg Foundation to amend their bylaws and their board membership rules. He felt uncomfortable with this kind of City mandate.

Councilmember Ryu agreed with Councilmember Way's suggestion because the City is providing a large amount of tax money for this to occur. She is confident the City staff

DRAFT

will report back to the Council and this will provide representation from the Council on their board.

Deputy Mayor Fimia asked Dr. Kruckeberg and Dr. Olmstead for their response.

Dr. Olmstead welcomed and invited all of the Council to become members of the foundation because it is open to all of the public. However, the foundation does have bylaws that require all members to be foundation members. Given that, he said if the foundation had a Councilmember that wanted to be a board member they could be nominated and elected. He is concerned that there may be some conflict of interest between the foundation and the City.

Deputy Mayor Fimia thought there wouldn't be any conflict if the Councilmember was an ex-officio, or non-voting member.

Mayor Ransom added that someone could be appointed as a liaison to the Kruckeberg Board.

Councilmember Way amended the motion to create a Councilmember liaison position on the Kruckeberg Foundation Board. This motion carried 4-3, with Councilmember Hansen, Councilmember Gustafson, and Councilmember McGlashan dissenting.

Mr. Deal acknowledged City Attorney Ian Sievers and Assistant City Attorney Flannary Collins for their hard work in getting this agreement finalized.

A vote was taken on the motion to approve the service agreement as amended, which carried 7-0.

RECESS

At 10:15 p.m., Mayor Ransom called for a ten minutes break. The Council meeting reconvened at 10:25 p.m.

MEETING EXTENSION

Councilmember Hansen moved to extend the meeting until 11:00 p.m. Councilmember Ryu seconded the motion, which carried 5-0 (Councilmember Gustafson and Councilmember McGlashan were not present for the vote).

(d) Ordinance No. 486 adopting the Annual Budget for the City of Shoreline for the year 2008

Debbie Tarry, Finance Director explained that Ordinance No. 486 adopts the 2008 City of Shoreline budget in the amount of approximately \$94 million.

Mayor Ransom called for public comment. No public comment was given.

Deputy Mayor Fimia moved to adopt Ordinance No. 486. Councilmember Ryu seconded the motion.

Councilmember Gustafson called for the question. Councilmember Hansen seconded the motion, which failed 3-4, with Councilmember Hansen, Councilmember Gustafson, and Councilmember McGlashan voting in the affirmative.

Deputy Mayor Fimia asked if the budget includes a special needs camp and if there were funds to start a program for about ten children.

Mr. Olander responded that there is possibly \$10,000 to \$20,000 available for this program. However, the number of children this would provide for would have to be determined.

Deputy Mayor Fimia moved to reduce the travel, lodging, registrations, membership and dues budget by 13% or approximately \$60,000. Councilmember Ryu seconded the motion.

Deputy Mayor Fimia said the budget is higher this year and training is essential, but there are other needs in the City. She commented that the public isn't in favor of these expenditures. She added that her second amendment would utilize the \$60,000 in savings for a School Resource Officer (SRO) at the middle schools.

Councilmember Gustafson opposed the amendment because the school district has not come to the City and asked for our assistance. He said the school district doesn't feel there is a need. He felt the reduction in the travel, lodging, registrations, membership and dues budget is of great value to the City staff.

Councilmember Ryu supported the motion. She said Deputy Mayor Fimia is not directing the City Manager and the City staff to reduce a certain portion of this budget item. She said they will have to decide where the reductions take place within that item. She felt that 13% isn't a huge amount, especially if that provides an SRO which benefits the students. She said this sends a message to the community that the Council values the youth and need good role models in the schools.

Councilmember Hansen stated this has been discussed several times before and he isn't in favor of these adjustments in the budget.

Councilmember Way agreed with the amendment and said the Council can take a vote to show it cares about City schools. She commented that Council trips are worthwhile, but everyone can learn to economize in order to provide this opportunity for the schools. She said the specifics can be left to the City Manager and City staff as far as where the specific reductions take place in this budget item.

Mr. Olander highlighted that in the past the school district had one full-time SRO with \$50,000 being allocated for overtime funds. Last year, he stated the school district could not fund their portion. In the past, he said the school district and the City split the cost half and half. However, last year the Council agreed to increase the City's responsibility from 50% to 70%. He concluded that the school district is not in a position to provide matching funds.

Mayor Ransom said everyone forgets that the SRO is in the classrooms teaching and if there isn't cooperation with the teachers and the principal, the City would be intruding. He said the school district has indicated that they aren't ready at this time. He urged the Council not to push its way into the school district affairs when the City isn't welcome yet. He said when compared to private industry, the City's training budget is low. This budget item keeps our people efficient and our City staff gets by with only 2/3 the personnel of other comparable cities. He added that the travel budget hasn't increased in years, and it was cut \$800 this year and actual travel costs continue to go up with the cost of living. He highlighted that the Council does extensive lobbying for this jurisdiction in Washington, D.C. and has received over \$60 million and another \$80 million in applications being processed. He commented that it would be foolish for the Council to take that money out of the budget.

Deputy Mayor Fimia commented that if her amendment passes she will move to fund the SRO in the school district. She said if these reductions aren't done they will fuel Mr. Eyman and create a tax revolt. She urged the Council not to vote for this and felt Councilmembers are very vulnerable. She concluded that it is a small reduction and it can go a long way in the public eye.

A vote was taken on the amendment, which failed 3-4, with Deputy Mayor Fimia, Councilmember Way, and Councilmember Ryu voting in the affirmative.

**Mayor Ransom moved to increase the Sister City budget to \$15,000.
Councilmember Hansen seconded the motion.**

Mayor Ransom commented that the City Manager and the Mayor were the only people to go to Boryeong for the last Sister City trip. He commented that the City of Federal Way and other local jurisdictions allow any Councilmember to go on their Sister City trips.

Deputy Mayor Fimia said several Councilmembers asked for a work plan and some idea what the return was for the investment. She commented that this is a great organization; however, there is no accounting for anything and not much planning. She asked if there was any three-year or five-year plan developed.

Mayor Ransom responded that John Chang is in Korea now talking to their mayor about the trip. He will return next week. He added that Mr. Chang is also meeting with their Chamber. He said that during his trip to Boryeong he extensively toured the city and

visited businesses, schools, the chamber of commerce, and different groups. He added that there is already a relationship established with Shoreline Community College.

Deputy Mayor Fimia moved to fund the increase in the Sister Cities budget (\$9,000) from the travel, lodging, registrations, membership and dues budget. Councilmember Way seconded the motion.

Councilmember Gustafson opposed the amendment and said the City staff has done a great job with budget; it can be adjusted later if needed. He supported the budget as proposed.

Deputy Mayor Fimia withdrew her amendment.

Councilmember McGlashan said it is more expensive when the Boryeong delegation visits Shoreline. He commented that the Council should probably look at increasing this budget the following year. He said the delegation who went just recently didn't spend that much and were well taken care of. He didn't support the motion.

A vote was taken on the motion to increase the Sister Cities budget to \$15,000, which failed 1-4, with Mayor Ransom voting in the affirmative and Councilmembers Hansen and Ryu abstaining.

Councilmember Way asked if Mr. Olander can execute a graffiti removal program without affecting the budget.

Mr. Olander felt that a program can be started if the City utilizes the existing neighborhood resources.

A vote was taken on the motion to adopt Ordinance No. 486, which passed 7-0.

9. ADJOURNMENT

At 10:53 p.m. Mayor Ransom declared the meeting adjourned.

Scott Passey, City Clerk