

# EDMONDS CITY COUNCIL APPROVED MINUTES

## October 21, 2008

Following a Special Meeting at 6:30 p.m. for an Executive Session regarding negotiation of purchase of real estate, the Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Haakenson in the Council Chambers, 250 5<sup>th</sup> Avenue North, Edmonds. The meeting was opened with the flag salute.

### ELECTED OFFICIALS PRESENT

Gary Haakenson, Mayor  
Michael Plunkett, Council President  
Peggy Pritchard Olson, Councilmember  
Steve Bernheim, Councilmember  
D. J. Wilson, Councilmember  
Deanna Dawson, Councilmember  
Dave Orvis, Councilmember  
Ron Wambolt, Councilmember

### ALSO PRESENT

Leif Warren, Student Representative

### STAFF PRESENT

Tom Tomberg, Fire Chief  
Mark Correira, Assistant Fire Chief  
Al Compaan, Police Chief  
Gerry Gannon, Assistant Police Chief  
Jim Lawless, Assistant Police Chief  
Duane Bowman, Development Services Director  
Stephen Clifton, Community Services Director  
Brian McIntosh, Parks & Recreation Director  
Noel Miller, Public Works Director  
Kathleen Junglov, Finance Director  
Debi Humann, Human Resources Director  
Douglas Fair, Municipal Court Judge  
Rob Chave, Planning Manager  
Frances Chapin, Cultural Services Manager  
Ann Bullis, Building Official  
Rob English, City Engineer  
Debra Sharp, Accountant  
Scott Snyder, City Attorney  
Sandy Chase, City Clerk  
Megan Cruz, Video Recorder  
Jeannie Dines, Recorder

Approval of  
Agenda

### 1. APPROVAL OF AGENDA

Mayor Haakenson relayed Council President Plunkett's request to move Item 9 to Item 3B.

**COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER OLSON, TO APPROVE THE AGENDA AS AMENDED. MOTION CARRIED UNANIMOUSLY.**

### 2. CONSENT AGENDA ITEMS

Councilmember Bernheim requested Items E and K be removed from the Consent Agenda.

**COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER OLSON, TO APPROVE THE REMAINDER OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:**

Roll Call

### A. ROLL CALL

Approve  
10-07-08  
Minutes

**B. APPROVAL OF CITY COUNCIL MEETING MINUTES OF OCTOBER 7, 2008.**

Approve  
Claim  
Checks

**C. APPROVAL OF CLAIM CHECKS #107347 THROUGH #107532 FOR OCTOBER 9, 2008 IN THE AMOUNT OF \$312,528.33, AND #107533 THROUGH #107675 FOR OCTOBER 16, 2008 IN THE AMOUNT OF \$410,660.86.**

Claim for  
Damages

**D. ACKNOWLEDGE RECEIPT OF CLAIM FOR DAMAGES FROM ERIC THUESEN (\$750.00).**

Senior  
Center  
Kitchen

**F. AUTHORIZE AWARD OF THE CONTRACT FOR THE SOUTH COUNTY SENIOR CENTER KITCHEN UPGRADES CONSTRUCTION PROJECT TO THE LOWEST RESPONSIBLE BIDDER (CONSTRUCTION SPECIALTIES LLC) AS DETERMINED OCTOBER 6, 2008.**

Surplus City  
Vehicle

**G. AUTHORIZATION TO CONTRACT WITH JAMES G. MURPHY TO SELL A SURPLUS CITY VEHICLE, UNIT #15, A 1995 CHEVROLET VAN.**

Fire Dept.  
Work Plan

**H. 2007-2008 FIRE DEPARTMENT WORK PLAN UPDATE #3.**

Automatic  
First  
Response

**I. AUTHORIZATION FOR MAYOR TO SIGN INTERLOCAL AGREEMENT FOR AUTOMATIC FIRST RESPONSE AND MUTUAL ASSISTANCE.**

International  
District  
Enhancement

**J. AUTHORIZATION TO PURCHASE LIGHT POLES AND ELECTRICAL COMPONENTS FOR THE SR99 INTERNATIONAL DISTRICT ENHANCEMENT PROJECT THROUGH US COMMUNITIES INTERLOCAL COOPERATIVE PURCHASING AGREEMENT.**

Police  
Support  
Agreement

**ITEM E: POLICE SUPPORT COLLECTIVE BARGAINING AGREEMENT**

Councilmember Bernheim inquired about the fiscal impact of the agreement. Finance Director Kathleen Junglov responded the fiscal impact for 2008 was \$10,000, \$40,000 in 2009 and \$40,000 in 2010. Councilmember Bernheim questioned where those funds would come from.

**COUNCILMEMBER DAWSON MOVED, SECONDED BY COUNCIL PRESIDENT PLUNKETT FOR APPROVAL OF ITEM E. MOTION CARRIED (6-0-1), COUNCILMEMBER BERNHEIM ABSTAINED.**

Capital  
Project  
Manager

**ITEM K: COUNCIL APPROVAL OF CONTRACT WITH SRI TECHNOLOGIES, INC. FOR A PART TIME CAPITAL PROJECT MANAGER.**

Councilmember Bernheim pointed out the supporting materials referred to a \$55,000 cap but that was not in the contract. City Engineer Rob English responded the cost was anticipated to be \$50,000 - \$55,000 to complete the construction contracts this year; a \$55,000 cap could be added to the contract. City Attorney Scott Snyder suggested doing a contract addendum to include a cap.

**COUNCIL PRESIDENT PLUNKETT MOVED, SECONDED BY COUNCILMEMBER WAMBOLT TO APPROVE ITEM K WITH A \$55,000 CAP. MOTION CARRIED UNANIMOUSLY.**

Friends of  
the Library

**3A. PUBLIC SERVICE ANNOUNCEMENT - FRIENDS OF THE LIBRARY**

**Judith Works, President, Friends of the Edmonds Library**, announced the 28<sup>th</sup> annual book sale at the Frances Anderson Center on October 25 which corresponds with National Friends of the Library Week, October 19-25. She assured there was a great selection of books and most items were \$1.00. She expressed the Friends' thanks to PCC who donated a large number of reusable bags. The proceeds of the book sale are used to support the library, particularly children's and teen programs as well as to sponsor a

scholarship for a graduate student attending the University of Washington School of Information Science. In honor of Edmonds Reads Month, she presented a copy of “The Whistling Season” by Ivan Doig to Student Representative Leif Warren.

As has been done in previous years, she invited Councilmembers to report on the last book they read. Councilmember Orvis reported he had recently read “How to Pour Cement Foundations,” and concluded he would hire someone to do the work. Councilmember Wambolt reported he recently read a book about Nortel Networks that also described the history of the telephone industry. Councilmember Dawson recently read “Life is Elsewhere” and was looking forward to reading Richard Russo’s new book.

Mayor Haakenson recently read “Eat This and Not That” which describes what a person should and should not eat in restaurants. He also recently read “The Hits Just Keep on Coming” about the top 40 hits and disk jockeys in the 60’s and 80’s. Council President Plunkett reported the last book he read was “Blood and Thunder,” the history of the southwest, centered around Kit Carson.

Councilmember Bernheim advised he recently read “Child Life in Colonial Days” and relayed a passage about trapping wild turkeys. Councilmember Wilson reported in addition to reading “Brown Bear Brown Bear” to his son numerous times, his company has developed a book on healthcare reform. Councilmember Olson reported she has been reading books via the Kindle, an electronic reading device that can store approximately 250 books.

Prosecutor  
Contract

**3B. CONTRACT FOR PROFESSIONAL SERVICES - PROSECUTOR**

Human Resources Director Debi Humann explained the term of the last Prosecutor agreement was three years commencing in 2005 through April 1, 2008. The contract had a renewal clause for two, one year extensions without action by either party. The contract was currently in one of the extensions while new services and associated costs were being negotiated. Due to the significant increase in caseload as well as adding a court date, the proposed costs with the new agreement are significant. The previous contract included a monthly retainer of \$6,000 and an hourly rate of \$75 for any work outside the scope of the agreement. The new contract includes a monthly retainer of \$9,500 from April 1 through August 31 and beginning September 1 it increases to account for the additional court date.

Ms. Humann explained the caseload had increased significantly over the past few years while the prosecuting attorney’s average pay per case has dropped significantly. In 2005 they handled 1,078 cases; in 2006 they handled 1,310 and 1,433 in 2007. As of July 1, 900 cases have been filed, which when extrapolated over the remainder of the year would equate to 1,800 cases in 2008. In addition, with the added court date, the amount of court time required of the prosecuting attorneys has increased effective September 1.

Councilmember Wambolt explained the Finance Committee reviewed this contract and several questions were addressed. Questions staff was unable to answer at the Committee meeting included, 1) why was the City charged for each case rather than an hourly rate, and 2) how did the proposed fees compare with other municipalities.

Prosecuting Attorney Jim Zachor referred to the sequence of letters as negotiations progressed that were provided to Council. He explained negotiations originally began in March 2007 and due to events in the Police Department, negotiations were postponed until July and then again until the end of their contract in April 2008. It was not until August that the final figures were arrived at.

With regard to why the City was charged for each case rather than an hourly rate, Mr. Zachor responded if an hourly rate were used, the City's costs would be well over \$18,000/month. He explained in Edmonds they not only negotiated and prosecuted cases, they talk with the Police Department, handle forfeiture cases, represent the South Snohomish County Narcotics Task Force in forfeitures, and provide officer training. He advised the cost beginning in September equated to approximately \$72 per case but did not take into account forfeitures, meeting with officers, making charging decisions, or dealing with the media on their decisions as well as Police Department decisions.

Mr. Zachor reported in Mill Creek they did not do forfeitures but did conduct training every 90 days; their fee was \$132/case in 2006, \$79/case in 2007 and \$70/case in 2008. Mill Creek's filings have also increased substantially and they are in the process of negotiating an increase. In Mountlake Terrace where they do not do forfeitures, the cost was \$76/case in 2006, \$85/case in 2007 and \$89-\$90/case in 2008. He summarized the prosecuting attorneys were on call 24 hours a day for officers. He also represents Lynnwood, Arlington and Lake Stevens but did not provide figures for those cities but assured they were higher than Edmonds.

**Melanie Thomas Dane, Zachor & Dane**, agreed charging on an hourly basis would be substantially more than proposed, noting they typically average 35 hours a week for Edmonds for the prosecuting attorney's time, staff time, discovery, etc. She noted that cost would be burdensome on cities as well as burdensome on them to track all the hours. They also prosecute infractions, abatement nuisance cases, animal cases and appeals.

Councilmember Wambolt pointed out the Court was extending its hours from 1 day to 1½ days. Ms. Thomas Dane explained they used to conduct all court business on Wednesdays and trials on Fridays. The pretrial calendars increased to more than 100 defendants per 4 hour period which ran into the noon hour as well as the custody time that began at 1:00 p.m. which created a backlog in officers' time as well as a security issue with in-custody and out-of-custody defendants. As a result, arraignments were moved to Tuesdays, leaving Wednesday mornings for pre-trial calendars, the largest calendar with the most defendants. She summarized the additional ½ day was a positive change but has an impact on the Court, the Prosecutor's office as well as the Public Defender's office.

Councilmember Bernheim asked if the prosecuting attorney contract was typically put out for bid. Mayor Haakenson responded typically when the City was receiving good service from the Prosecutor, Public Defender or Judge, staff would renegotiate their contract. Councilmember Dawson commented she was on the team that selected Zachor & Thomas and they did an extensive search a couple years ago including interviewing a number of people. They found Zachor & Thomas was only one with a full staff of attorneys and support staff.

Councilmember Bernheim questioned the increase in cases from 1,078 in 2006 to more than 1,800 today, and asked whether there were twice as many crimes being committed. Mr. Zachor answered there were more crimes being committed, the Police Department had expanded, more suspects were being arrested and the reporting of domestic violence had increased. Councilmember Bernheim pointed out there were eight domestic violence arrests in 2008; his question was in regard to the increase of 800 cases in the past 2½ years. Mr. Zachor explained they did not make the charging determination on a majority of the cases; they were filed directly by the Police Department because a crime had been committed. He acknowledged they did charging reviews but they amounted to less than 20 cases a month.

Councilmember Bernheim commented he did not understand the basis for concluding the City was safer merely because more crimes were being prosecuted. Mayor Haakenson suggested Councilmember Bernheim pose the question to the Police Department. Councilmember Bernheim clarified his question

was why were so many more cases were being prosecuted when Edmonds was a nice place and suggested prosecuting fewer cases and paying less for the prosecuting attorney.

Councilmember Dawson asked if 2005 was the time period when Driving with License Suspended was in abeyance which may account for the discrepancy in cases. Mr. Zachor explained the Supreme Court stopped all Driving While License Suspended in the third degree (DWL3) until the Department of Licensing established a protocol for notifying people. He noted DWL3 was the primary misdemeanor crime in the State of Washington and led to a substantial number of drug cases as well as other infractions such as driving without insurance.

Councilmember Dawson commented she had worked with both Mr. Zachor and Ms. Dane as well as observed them in court and found they did a very good job for the City. She agreed the cost would be substantial if billed on an hourly basis. She noted the cost of the contract was approximately \$130,000/year; not very much for the amount of attorney and staff time. She compared the cases handled by Zachor & Thomas to the number handled by the District Court, concluding Zachor & Thomas handled twice as many cases with half as much staff and had a higher conviction rate. She asked if they were confident they could handle the heavy caseload with existing staff. Mr. Zachor answered they hired a new attorney and 2 staff members for a total of 7 individuals in court. They have the staff to respond to discovery requests and any other requests as well as act as Special Prosecutor for Snohomish County for cases on which the Snohomish County Prosecutor has a conflict.

Councilmember Dawson commented Zachor & Thomas was also processing paperwork now that the Police Department previously processed. She concluded even though the cost had increased, it was still a good value. Councilmember Dawson asked how much the Public Defender's office was paid. Mr. Zachor answered the cost averaged over \$10,500/month over a six month period with the highest month \$11,270 in July. Councilmember Dawson pointed out the Public Defender's office handled approximately 80% of the cases handled by the Prosecuting Attorney because there were some private counsel cases. Mr. Zachor agreed, commenting although the Public Defender's office had a difficult time meeting with their clients, after the Public Defender met with them, his office must negotiate a settlement. Councilmember Dawson concluded with this increase, the Prosecuting Attorney would be paid roughly what the Public Defender was for being in court the same hours.

Council President Plunkett inquired whether prosecuting attorney costs were increasing in other cities. Mr. Zachor answered everyone's costs were increasing; Lynnwood's prosecuting attorney costs had increased substantially. He noted after a recent meeting with the Snohomish County Prosecutor's office, they indicated they may be rejecting felony cases and sending them to be prosecuted as misdemeanors. Councilmember Dawson responded the Snohomish County Prosecutor assured her today that would not happen; the cases they filed as misdemeanors would be handled via the Prosecuting Attorney's office.

**COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO APPROVE THE CONTRACT FOR PROFESSIONAL SERVICES - PROSECUTOR. MOTION CARRIED (6-1), COUNCILMEMBER BERNHEIM OPPOSED.**

2009-2010  
Budget

**4. 2009-2010 BUDGET PUBLIC HEARING**

**A. POTENTIAL BUDGET CUTS IN LIEU OF FORMING A REGIONAL FIRE AUTHORITY**

Finance Director Kathleen Junglov recalled as was presented to Council at the August 18 retreat, the City's General Fund was facing serious deficits. To balance the 2009-2010 preliminary budget, several new revenue sources were included to keep the ending cash balance in the black without cutting services.

Additionally, the long term forecast anticipated the formation of a Regional Fire Authority as of January 1, 2011.

Since the initial presentation of the preliminary budget, staff received updated sales tax revenue forecasts and as a result reduced the 2008 sales tax expectation by another \$300,000 and by \$150,000 for 2009. Additional revenues for the 2009-2010 budget include the following:

- Regular property tax levy was increased by 1% and the EMS levy increased by the voters to the statutory limit of \$0.50/1,000 AV.
- Utility Tax on water, sewer and storm was increased from 6% to 10% which will provide an additional \$405,000 revenue. Annual average impact to a residential customer would be \$26. The City does offer a low income discount program.
- Cable TV Utility Tax was increased from 1% to 6% which is estimated to generate \$416,000 revenue. The estimated annual impact to a residential customer is \$60/year.
- The increase in Business License Fees will provide an additional \$87,000.
- Increased Development Service Fees will provide an additional \$67,000.
- Formation of a Transportation Benefit District (TBD); revenues would begin collection July 1, 2009 which would provide \$350,000 in 2009 and \$700,000 per year thereafter. The cost to taxpayers would be \$20/vehicle. A separate process and public hearing is required to form a TBD.
- Implementation of EMS Transport Fees is estimated to generate an additional \$700,000/year.

Mayor Haakenson recalled when he presented the 2009-2010 budget on September 30 it included new revenue sources as described by Ms. Junglov, no budget cuts and the possible creation of a Regional Fire Authority (RFA) in 2011 if approved by the Council and a vote of the people. During the meeting of October 7, Councilmembers Dawson and Wilson asked him to identify budget cuts as alternatives to the proposed RFA to balance the budget and not reduce the services provided to the citizens of Edmonds. The Council packet included a list of those budget cuts and their associated loss of services. Staff assumed all projected new revenues for 2009 were acceptable to the Council as no opposition had been voiced.

Mayor Haakenson explained the estimated revenue collections for 2008 and 2009 have been reduced making the deficit even worse. Also for 2008, \$157,000 in needed computer hardware purchases has been eliminated. The affect of this cut would be if the City's system went down, and it would be down for a significant amount of time as there was not adequate protection for a computer hardware failure. He also withdrew the requests for three new IT staff and a half FTE in the Human Resources Department. This cut will not allow for needed upgrades to our website and will not allow citizens to do additional business with the City online and Human Resources staff will continue to fall further behind in their workloads.

And for 2009 and 2010, if the Council prefers these cuts over the RFA recommendation, the following will no longer be included in the budget: The Economic Development cost center totaling \$75,000. The City would no longer perform any economic development work or advertising with the Chamber. This cost center also pays for the printing and mailing of the "Update on Edmonds" quarterly citywide newsletter which would be eliminated. The entire Crime Prevention cost center, totaling \$120,000, would be eliminated from the Police Department budget. The DARE program would also be cut from Police at a reduction of \$85,000. The Police Chief has also withdrawn his plan to add a third Assistant Chief, along with dropping a sergeant position. Mayor Haakenson noted the loss of Crime Prevention spoke for itself. The DARE program has been a great addition to the local schools; both the youth and greater community have benefited from it. The Chief's reorganization plan would not happen.

From the Parks Department, cuts would be made in the Discovery Programs, eliminating Beach Rangers, BirdFest, and other environmental programs at a reduction of \$41,000. Yost Pool would be closed at a savings of \$108,000. The loss to the community of the Discovery Program and Yost Pool will be felt across many ages of Edmonds residents. In Development Services, a Planning position would be cut, saving \$85,000; the result would be a slow-down in review times. He remarked although permit applications have slowed due to the economy, the department was short-staffed during the busy time and may now be correctly staffed.

In Finance, an Accounting position would be cut, saving \$66,000, and a position in the City Clerk's Office would also be eliminated, saving \$60,000. In Public Works the Engineering Tech position would be eliminated, saving \$61,000 which will also slow down permit review times. The City Attorney will attend Council meetings only on the first and third meetings of the month, a cost savings of \$10,000. In 2009, the fiber-optic cable project would be scrapped, reducing costs by \$139,000. Mayor Haakenson commented he believed in the eventual success of the project, but it was not something the City could afford in these tough times.

Mayor Haakenson summarized these cuts total \$1,041,000 for 2009 and would carry on into 2010 and into the future. For the 2010 budget there would be one additional reduction, a one-third reduction in the Parks maintenance budget, resulting in a savings of \$500,000. The result of this cut would be no maintenance performed in the City's 31 neighborhood parks. Only the ballfields would continue to have work performed because field rentals and joint agreements with the School District necessitate ongoing maintenance and are a revenue source. Users will be asked to clean up their own trash in neighborhood parks and hopefully neighbors would form their own maintenance crews for beautification.

Mayor Haakenson relayed he would also ask the Council President to set up a Council committee for 2009 to look at the possibility of eliminating the Municipal Court in 2010 and signing an agreement with the County court system. Although no appreciable savings were evident when this was considered several years ago, a cursory look indicates there may be savings from such a move. Although no cuts were made from the Fire Department, Mayor Haakenson pointed out the Fire Marshall position had not been filled while he was on active duty and the cost savings been significant.

Mayor Haakenson summarized with the reduction of \$157,000 in 2008 purchases and the elimination of new position requests adding up to \$240,000, there was still a need to cut over \$800,000 for 2009. He referred to additional cuts he had identified totaling \$800,000 in 2009 which would be made if the RFA was rejected. For 2010 there was another \$500,000 in cuts. The budget cuts and reductions for 2009-2010 identified to be made if the Council rejected a RFA total nearly \$2.7 million over the two-year budget period. Those cuts allow the ending cash balance to meet the GFOA recommended level through 2012; however, in 2013, the ending cash balance begins to fall below the threshold, and would continue to decline. That would not be the case with the approval of a RFA. He summarized new revenues sustain operations on a permanent basis while budget cuts were only a temporary fix. The Council's choices were new revenue streams or budget cuts that provide less service to citizens.

Mayor Haakenson explained it occurred to him this weekend there was a way to balance the 2009-2010 budget by moving the budget cuts from 2009 and 2010 to 2010 and 2011. He explained an informational meeting was held last week regarding formation of a RFA. The meeting was well attended and including representatives and elected officials from Everett, Mukilteo, Lynnwood, Brier, Woodway, Mountlake Terrace, Edmonds, Mill Creek, Fire Districts 1 & 7, North County Fire, Stanwood Fire and Shoreline Fire. His feeling as a result of that meeting was the formation of a RFA, especially one potentially as large as this, could easily take a year to organize. The consultants at the meeting reported it could be done in 6-8 months but Chief Tomberg and he feel that is optimistic.

The draft budget presented on September 30 contained new revenues that would allow the City to operate through 2010 while awaiting potential action on the creation of a RFA, option 1. Option 2 was the budget cuts he identified at the request of Councilmembers should a RFA not materialize. Over the weekend he identified the third option. If the Council approved the revenue streams in the draft budget the proposed budget cuts from 2009 and 2010 could be moved out to 2010 and 2011 respectively. This would allow for sufficient ending cash through 2013 and allow the work on a potential RFA to take place throughout 2009 culminating in a decision by the Council to either go to the voters with a RFA proposal or not to pursue a RFA. He summarized Option 3 provided the Council another year to consider the proposed budget cuts, to hear from their constituents about the proposed loss of services and consider either alternative revenues or alternative budget cuts. Ms. Junglov distributed the ending cash statement with budget cuts pushed out to 2010 and 2011.

## **B. CITY COUNCIL COMMENTS**

Councilmember Wambolt observed unfortunately a lot of the cuts Mayor Haakenson identified would be needed regardless of whether a RFA was formed simply to put money back in the bank. He explained over the past two years the ending cash balance had been depleted by \$5 million; \$2 million in 2007 and \$3 million in 2008.

Councilmember Dawson asked which of the FTEs proposed to be eliminated were currently filled. Mayor Haakenson answered there were four vacant positions and another eight currently filled that would be cut. In addition, 2 part-time positions would be cut and 30+ summer positions would be cut. Councilmember Dawson requested information identifying which of the positions were filled/vacant and, possibly in Executive Session, how eliminating those positions might affect other positions in bargaining groups. Mayor Haakenson advised the positions were listed on page 1 of the budget packet.

In response to Mayor Haakenson's comment that staff had not heard from the Council and assumed they agreed with the proposed revenue options, Councilmember Wilson pointed out this was the first opportunity the Council had to make comment. After reviewing the budget as a member of the Budget Review Team, he assured there was no waste, fraud or abuse to cut; cuts were now being made to the bone. His expectation was that economic development funding, the DARE program, the Crime Prevention program, Yost Pool, Beach Rangers, BirdFest and neighborhood park maintenance would not be cut. Without maintenance, the City would be required to close many of the neighborhood parks. He relayed that Councilmember Wambolt and he were prepared to move the motions to adopt the ordinances to increase business license fees, Development Services fees, and utility taxes and set a public hearing for the TBD, pointing out the importance of taking action rather than having impending cuts loom over staff.

Council President Plunkett referred to a suggestion he received that the City immediately renegotiate existing union contracts, recognizing that employee labor was the highest cost in the budget. He advised, after consulting with the Police Officers' representative Steve Harbison, they were in complete agreement there should be no Council discussion on renegotiating the existing union contracts.

Councilmember Dawson commented it was premature for the Council to take action on the ordinances tonight as the agenda did not indicate the Council planned to take action. She preferred to allow the public process to continue to ensure citizens were aware when action would be taken.

Councilmember Bernheim agreed with not renegotiating union contracts. However, when the contracts are up for renegotiation in the future he suggested considering the City's policy of paying the midpoint of a group of Washington cities. He also suggested the community agree to impose a \$30-50 TBD vehicle

license fee and wished there was the flexibility to adjust the fee based on the type of vehicle. With regard to increasing the cable TV utility tax, he suggested minimizing the tax on citizens with basic cable and maximizing the tax on citizens with a large amount of television service. He requested staff provide information regarding options for imposing a B&O tax, suggesting businesses in the city should pay some kind of tax.

City Attorney Scott Snyder clarified the maximum TBD vehicle license fee the Council could impose without a vote of the people was \$20 per vehicle. Mayor Haakenson pointed out the budget he presented assumed a \$20 Council-approved TBD vehicle license fee.

Mr. Snyder suggested the Council pass the resolution to set the TBD public hearing, explaining formation of a TBD required a public hearing, notice published in the newspaper and two readings. If the Council passed the resolution tonight, the earliest the public hearing could be scheduled was November 18.

Councilmember Wambolt did not support a B&O tax because he feared the car dealerships on Hwy. 99 would be less competitive than dealerships in neighboring cities of Shoreline and Lynnwood who did not have a B&O tax.

### **C. PUBLIC HEARING ON 2009-2010 BUDGET AND REVENUE SOURCES**

Mayor Haakenson opened the public participation portion of the public hearing.

**Dave Page, Edmonds**, asked if there would be other opportunities for public comment. Council President Plunkett responded it was uncertain whether another public hearing would be scheduled; comment could always be made during the Audience Comment portion of the agenda. Mr. Page commended the budget document, remarking Edmonds was a wonderful City. He commented the average household in Edmonds had earnings of \$79,000; the highest in the State for a city of its size, yet citizens act like they are extremely poor. He suggested asking the public to fund the City in a way that would make everyone proud, recalling citizens had stepped up to fund good causes in the past.

**Don Hall, Edmonds**, commented a reduction in advertising and promotion of the City during difficult economic times resulted in lost sales tax, particularly with the opportunity presented by the Winter Olympics in Vancouver in 2010. He recommended the City advertise itself in travel magazines next year as a place to stop on the way to/from the Winter Olympics. He pointed out the Downtown Edmonds Merchants Association raised over \$20,000 to fund a monthly generic Edmonds ad. He recommended the City contribute more to promote Edmonds which would also increase revenue. He suggested additional revenue could be raised via naming rights for City parks and playfields. He did not support Councilmember Bernheim's suggestion regarding a B&O tax, fearing it would drive car dealerships out of the City. He suggested a new beautification and maintenance tax on service businesses such as lawyers, brokerages, realtors, banks, etc. He also recommended citizens and/or businesses be invited to maintain garden areas.

**Roger Hertrich, Edmonds**, asked if the budget was reduced by a percentage and if each department was cut by the same percentage. Mayor Haakenson responded there was not an across-the-board percentage reduction; the cuts represented approximately 10% of the entire budget. Mr. Hertrich commented the Parks Department produced income and it was his understanding Yost Pool broke even. He suggested a percentage reduction in the Police and Fire Department overtime, management salaries be cut including the Mayor's salary and that Councilmembers attend fewer outside committee meetings. He suggested the Council reconsider the no bail policy that resulted in domestic violence suspects being held in jail several days. He questioned whether the police motorcycles were as effective as officers in cruisers. He

questioned Councilmember Wilson's comment about eliminating the entire Parks Department. He disagreed with raising utility taxes to 10% as that hurt the citizens who could least afford it. He suggested response to 911 calls be reduced from three vehicles to one. He disagreed with Councilmember Wilson's suggestion to pass the ordinance in the Council packet without further public hearings.

Hearing no further public comment, Mayor Haakenson closed the public participation portion of the public hearing.

Council President Plunkett supported passing the resolution setting a public hearing for the TBD. He suggested scheduling a public hearing on the TBD and on the EMS transport fees on November 18.

Councilmember Wambolt pointed out increasing the cable TV utility tax from 1% to 6% would generate \$460,000. Comcast recently increased their fees and the standard fee was now \$60, further increasing the cable TV utility tax for the average citizen. Increasing the City's sewer, water and stormwater utility tax from 6% to 10% would generate \$405,000. He suggested approving those ordinances tonight or in the near future along with the ordinances increasing Development Service fees and business license fees.

For Mayor Haakenson, Mr. Snyder advised formation of the TBD required a public hearing; the EMS transport fee, the utility tax increases, the increase in the development service fees and business license fees did not require a public hearing. Council President Plunkett suggested scheduling a public hearing on all the new revenue sources either on November 3, following committee meetings, on November 10 or on November 18. Mayor Haakenson suggested scheduling the public hearing as part of the workshop at the October 28 meeting. City Clerk Sandy Chase advised there was not sufficient time to notice a public hearing for next week.

Councilmember Orvis supported holding a public hearing on the EMS transport fee and the TBD. He preferred to delay adoption of the utility tax increases as he planned to adjust the utility tax increases if further cuts were identified. He spoke in favor of increasing property taxes by 1% and the increase in Development Service fee increases.

Councilmember Wilson explained the Council had six ordinances; three were completely academic - raising business license fees, a 1% property tax increase and setting a public hearing on November 18 for the TBD. He agreed it was appropriate to schedule a public hearing regarding the EMS transport fees and was uncertain whether a public hearing regarding the utility tax increases was necessary. He pointed out all the cuts Mayor Haakenson outlined assumed all these revenues sources. The biggest, most complex, time-consuming, controversial, challenging decisions were yet to come such as whether to create a RFA, whether develop a levy to present to the voters, or whether to make substantial cuts to the budget; Council leadership on those issues would be essential to garner the voters' supports. He estimated the creation of a RFA would require voters support for \$1.50/\$1,000 AV which for a house valued at \$450,000, the median home price in Edmonds, would be \$675.

In response to Mr. Hertrich's comment about closing the entire Park's Department, Councilmember Wilson clarified the scope of the problem was like closing the entire Park's Department.

Mayor Haakenson commented if the Council rejected any of the proposed revenue streams, particularly the EMS transport fee that generated \$700,000, another round of cuts of approximately \$1 million would be required.

Councilmember Dawson asked whether scheduling public hearings on November 18 would require the Council to delay action on the budget ordinance until November 25. Ms. Junglov advised staff could

present a draft ordinance that Council could amend or provide different versions of the budget ordinance for Council consideration. She pointed out the property tax ordinance must be provided to Snohomish County by November 30.

Councilmember Dawson suggested public hearings would give the public an opportunity to weigh in on these issues. Council President Plunkett suggested scheduling a public hearing on the property tax ordinance, utility tax increases, business license fee increase, and EMS transport fee on November 18 and take action on the budget ordinance on November 25.

Councilmember Wambolt disagreed a RFA would require voter approval of funding in the amount of \$1.50/\$1,000 AV, recalling the cost to be approximately \$4 million which would equate to a levy of \$0.50/\$1,000 AV or \$250/year for a house valued at \$500,000. Mayor Haakenson cautioned the formation of a RFA would be a long process and was too early to cite a cost.

Councilmember Orvis commented he was not in a hurry and would support holding additional Council meetings if necessary to adopt the budget by yearend, recalling the Council typically held a Saturday workshop. He remarked it took him awhile to digest the budget information.

Councilmember Wilson reiterated the most difficult discussion was yet to come - expenditures. Council President Plunkett pointed out a 2-hour budget workshop was scheduled for the October 28 meeting.

Mayor Haakenson commented while he appreciated the Council's willingness to digest the budget they and the public had the budget for three weeks, yet no citizens had contacted him about any part of the budget other than to make positive comments about revenue sources. He expressed frustration that the Council was postponing action for four weeks when there were employees whose jobs were hanging in the balance, commenting the Council could even make the situation worse on November 18 if they chose not to accept the proposed revenue streams. He urged the Council to keep in mind when delaying action until November 18 that they were dealing with real people and real jobs. He questioned what the Council planned to discuss between now and November 18.

Councilmember Dawson responded that was why the Council must be careful in its deliberations. The Council had only been aware of the proposed cuts since Saturday and only tonight the Council heard those cuts could be moved out to 2010 and 2011 even if a RFA did not pass. She summarized there was a great deal for the Council and the public to digest. She explained understanding the ramifications of not taking action on the proposed revenue options helped inform the Council when discussing the revenue options. She envisioned next week's budget workshop would include discussion on the revenue options as well as expenditures. She supported considering the revenue streams together at a public hearing on November 18. She noted the Council appeared to support most of the revenue recommendations; the question was whether the Council wanted to make cuts in the budget in 2009 or 2010 or assume a RFA or other levy would pass.

**COUNCILMEMBER DAWSON MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, TO APPROVE RESOLUTION NO. 1181 SETTING A PUBLIC HEARING ON THE ESTABLISHMENT OF A TRANSPORTATION BENEFIT DISTRICT ON NOVEMBER 18. MOTION CARRIED UNANIMOUSLY.**

Councilmember Wambolt pointed out the Council had more than adequate time to digest the proposed revenue options, recalling they were presented at the Council mini-retreat in August. If any of the proposed revenue sources were not approved, even deeper cuts to the budget would be required. He questioned why a separate public hearing was necessary on the 1% property tax increase, finding it a waste of the public's time because the Council would pass that increase regardless of public comment.

Council President Plunkett commented on the importance of the public process; the more the Council included the public, the better everyone felt. He asked Mr. Snyder whether a public hearing on the property tax increase was required. Mr. Snyder answered the 1% property tax increase was part of the budget; the Council just held a public hearing on the budget this evening.

Council President Plunkett recommended holding a public hearing on the EMS transport fee, utility tax increase, business license fee increase and the property tax increase on November 18.

Councilmember Bernheim commented the purpose of a public hearing was to learn from the public. He was inclined to support the proposed revenue options but was willing to listen to the public's input. He recalled asking Mayor Haakenson to have the budget documentation prior to September 30 and was told it would be available on September 30. He has been using the time since the budget was presented on September 30 to learn more.

**COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, FOR APPROVAL OF ORDINANCE NO. 3699, INCREASING THE BUSINESS LICENSE FEE. UPON ROLL CALL, MOTION FAILED (3-4), COUNCILMEMBERS WAMBOLT, OLSON AND WILSON IN FAVOR, AND COUNCIL PRESIDENT PLUNKETT AND COUNCILMEMBERS BERNHEIM, ORVIS AND DAWSON OPPOSED.**

Council President Plunkett commented if the Council adopted the budget on November 25 that was right on target. Mayor Haakenson commented the Council might be on target in a normal budget year but this was a year when employees' jobs were hanging in the balance; the sooner the Council adopted the budget the better. With regard to Councilmember Bernheim's request for a budget document before anyone else received the budget, he explained the practice in Edmonds and other municipalities was to distribute the budget to all Councilmembers at the same time. As Councilmember Wambolt pointed out, the Council was told at their February retreat that these were the revenue options staff planned to propose; the Council had eight months to digest these revenue options.

Councilmember Wilson expressed frustration that there was no plan to discuss any of the more weighty topics. He expressed concern with deferring decisions that most of the Council found acceptable for one month. He suggested scheduling a public hearing regarding forming a RFA or a levy as an alternative funding source. Mayor Haakenson responded no one was prepared to make comments on the formation of a RFA, there had only been one meeting and there was a great deal to learn. He envisioned it would be at least a 6-8 month process and he did not expect the public to be able to provide feedback when staff was not able to provide any information yet.

Mr. Snyder reiterated tonight's public hearing was advertised on the 2009-2010 budget and revenue sources and the ordinances referred to were included in the Council packet. He asked what additional notification should be provided to the public regarding actions that were a typical part of the budget such as the property tax ordinance. Councilmember Dawson pointed out the EMS transport ordinance was just provided to the Council tonight and the Council must hold a public hearing regarding the creation of a TBD. Although it was not necessary to hold another public hearing on the other revenue options, it would not do any harm to hold a public hearing at the same time as the public hearing on the TBD. She reiterated she did not want to take action on the ordinances tonight because it was not advertised that the Council would take action.

Councilmember Bernheim commented the Council's discussion tonight had informed the public.

Mayor Haakenson declared a brief recess.

5. **PUBLIC HEARING ON THE PLANNING BOARD RECOMMENDATION REGARDING CODE CHANGES RELATED TO THE BD1 ZONES.**

Planning Manager Rob Chave explained the Planning Board's discussion was summarized in the Planning Board minutes on pages 29-30 of the Council packet. He explained this issue arose as a result of a challenge to a staff interpretation regarding how the ground floor rules were interpreted. The Council voted to affirm what staff understood to be the intent of the code, that the ground floor was completely devoted to commercial uses in the BD1 zone. There was some question raised in the discussion and the Council referred the issue to the Planning Board. He summarized the Planning Board's recommendation as follows:

1. Clarify that the 15-foot ground floor height requirement in BD1 only applies to the first 30 feet of commercial space. Commercial uses or parking are still required on the ground floor, but the 15-foot floor-to-floor requirement does not apply behind 30 feet.
2. Clarify that only those commercial spaces within 30 feet of the street front must have direct access to the street.
3. Clarify that the 30-foot depth exception mentioned in 16.43.030(B)(e) was for unusual properties in the BD2 and BD3 zones, not BD1.
4. Clarify that parking is allowed on the ground floor in BD1, if it is located behind the first 30 feet.
5. Clarify that for corner lots, the 30-foot requirement would not apply to street fronts of buildings when they are located on side streets at the edge of the BD1 zone district. However, all street fronts along Main and 4th will always have the 30-foot requirements applied, corner or not. A map identifies the designated street front of each lot in the BD1 zone.
6. Clarify that existing space can be occupied by permitted commercial uses, regardless of whether it meets the other 'ground floor' requirements.

Councilmember Orvis pointed out in BD2 and BD3 the 12-foot requirement extended 60 feet and the proposal was to change BD1 so that the 15-foot requirement extended back only 30 feet. Mr. Chave agreed.

Councilmember Wambolt noted staff preferred a 45-foot depth. Mr. Chave explained staff's concern was if the depth was too low, there was potential over time to erode commercial space. Staff's survey of 40 retail locations downtown found the average was 60 feet and the literature indicates 60 feet was an appropriate depth. The Planning Board was concerned that a depth of 45 feet might preclude smaller retail spaces and were persuaded that even with a smaller depth, over time most people would provide larger spaces. The Planning Board agreed if there was evidence that that was not happening, it could be revisited and the code could be modified.

Councilmember Orvis observed parking was required for commercial spaces in BD2 and BD3 and not in BD1. Mr. Chave answered parking was not required on the ground floor. He recalled the property owner at 555 Main want to provide parking in their building for the retail uses as well as the office spaces above.

Mayor Haakenson opened the public participation portion of the public hearing.

**Roger Hertrich, Edmonds**, commented an average lot was 120 feet long and if a row of 20-foot parking spaces was provided along the back, 100 feet remained. He preferred the deeper commercial spaces as they met the original intent and the smaller depth would allow a developer to achieve a third floor more readily by stepping down the space. He suggested requiring a 45-foot depth. He noted there were businesses with parking in the alley and there could even be businesses that faced the alley. He concluded a 30-foot depth was not enough.

Hearing no further public comment, Mayor Haakenson closed the public participation portion of the public hearing.

**COUNCIL PRESIDENT PLUNKETT MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE TO IMPLEMENT THE PLANNING BOARD'S RECOMMENDATION.**

Councilmember Bernheim questioned the rationale for the 30-foot depth, noting that was a significant change.

Councilmember Wambolt explained 30 feet was the minimum, it could be extended to the depth of the building. He was willing to give deference to the Planning Board's recommendation.

Councilmember Orvis stated he would not support a 30-foot depth and preferred to 60 feet. He recalled the reason the depths were changed was because quality commercial spaces were not being constructed downtown. He acknowledged one of the issues was the ceiling height but the depth used to be 30 feet. Further, if the Planning Board's recommendations were adopted, the commercial standards in BD2 and BD3, areas outside the core, would be stronger than within the core.

Councilmember Dawson commented she was willing to try 30 or 45 feet. She pointed out the recommendation was for a 15-foot ceiling to a depth of 30 feet, envisioning a store could have space behind their commercial area with a ceiling height of less than 15-feet such as dressing rooms. She agreed with Councilmember Wambolt regarding giving deference to the Planning Board's perspective.

**COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO AMEND THE MOTION TO CHANGE THE 30 FOOT DEPTH TO 45 FEET. MOTION FAILED (2-5), COUNCILMEMBER ORVIS AND BERNHEIM IN FAVOR.**

**MAIN MOTION CARRIED (6-1), COUNCILMEMBER ORVIS OPPOSED.**

**6. AUDIENCE COMMENTS**

Senior Center

**Alan MacFarlane, Edmonds**, commented there were important concepts to be studied before anything was done to the Senior Center. This was likely the worst time in the past 78 years to be involved in this very complicated proposal; it was the wrong proposal at the wrong time. He recalled the Depression when everyone "made do" which was followed by World War II when because of shortages, everyone again had to make do. He referred to the two proposals, 1) spend over \$4 million to bring the Senior Center into the 21<sup>st</sup> century, and 2) Bob Gregg's proposal to demolish the existing Senior Center and construct 22 condominiums on top of a Senior Center. He concluded neither proposal was the direction the City should take. He recommended that for much less money, minor repairs could be made to shore up the worst portions of the building and extend its life a few years. Further, the Senior Center parking lot was inadequate for its membership and could not accommodate parking for the 22 condominium units. He asked if the Senior Center membership had been contacted regarding Bob Gregg's proposal and whether the Senior Center building was old enough to qualify for historic preservation.

Budget

**Roger Hertrich, Edmonds**, agreed with Mayor Haakenson's suggestion to move the municipal court out of the City. He recommended the Council eliminate the domestic violence no bail policy, which was an action that would save the City money. He admonished Mr. Snyder for questioning the Council's desire for additional public hearings.

National  
Leaders

**Dave Page, Edmonds**, commented leaders have let the public down in a big way financially and the ramifications will be felt for a long time. The American people were let down by people who pretended to be on their side and who pretended to have integrity and ethics and were socially moral. This was a wonderful opportunity to identify the phonies at the top. He concluded the free enterprise system could not operate with people pretending to be honorable.

Building  
Height  
Exceptions

**Mike Perry, Dimensions Architecture and Planning, Bellevue**, relayed when speaking to staff about height restrictions in the City, staff interprets the definition of a structure to also include most rooftop equipment. Height exceptions are identified as church steeples, elevator penthouses, chimneys, vent pipes and standpipes but do not include HVAC units, generators, or kitchen hoods which he noted were substantial in height. He concluded this in effect lowered the building height in order to accept the HVAC equipment that could be 6-7 feet in height. He was hopeful the Council could ask the Planning Board to consider that issue.

**COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER DAWSON, TO EXTEND THE MEETING FOR 30 MINUTES. MOTION CARRIED UNANIMOUSLY.**

Senior  
Center  
Proposal

7. **REPORT ON SENIOR CENTER PROPOSAL (BOB GREGG)**

**Bob Gregg, Edmonds**, explained his intent was to describe the opportunity regarding the senior center, noting he had been approached a few times over the years regarding structural issues with the Senior Center and what could be done there. He assured the only thing that had occurred to date was he spoke with Mayor Haakenson about the concept and was asked to make a presentation regarding the concept. An acquaintance from Mithun Architects who was working with him on LEED certification on the Skipper's property looked at the site and they met recently with Senior Center Board President Cantwell and Executive Director Hallie Olsen to introduce themselves and inquire about their wish list.

**Jim Bedeau, Mithun Architects, Seattle**, explained their firm believed in bringing a high level of sustainability to every project and were very involved with urban place-making and opportunities to weave together art, science and architecture in a project that was the best it could be. A week ago Mr. Gregg contacted him to discuss this concept; a public-private partnership that would create a much better facility for the seniors and take advantage of the real estate that was not needed for a first class Senior Center. He noted the existing Senior Center building was tired, had been added on to over the years and was never designed to take advantage of the spectacular site on the water. He noted much of the senior center's income was derived from weekend rentals for weddings; a facility designed to accommodate those uses could generate top revenues and be booked years in advance.

Mr. Bedeau envisioned the senior programs would be located on the first floor and a portion of the second floor with a developer using the air rights for the remainder of the building for senior housing and market rate housing. He envisioned a series of charettes with representatives of the senior community and staff to discuss a wish list. That information would then be used to create a number of options. He commented on sustainability features that could be incorporated into the building such as improved energy and water efficiencies, a design that utilized natural ventilation so that air conditioning was not required, and taking advantage of daylight to minimize lighting requirements.

Mayor Haakenson asked how a public-private partnership could be accomplished when the City was required to solicit bids. City Attorney Scott Snyder envisioned a process could be developed. Because large portions of the construction would be subject to Washington bid laws, a competitive process would be advisable. He noted the primary question was whether the Council wanted to proceed with reviewing how this could happen. He advised Ogden Murphy Wallace worked with Issaquah on a similar project where Gilman Village built a fire station; they were currently working with Monroe on a project where a portion of their City Hall on public property was being constructed as part of a development project.

Council President Plunkett asked whether, if the developer agreed, the City could write the CC&Rs for the condominium units so that the City could control the residency. Mr. Snyder answered typically the City was not involved in CC&Rs other than to determine financial responsibility. In a project such as this the Council could impose a variety of restrictions such as some of the units being available for low income housing. However it was structured, one of the primary considerations would be to ensure the deed and the product had a public part and a private part and when construction was completed, no public funds were used to support the private portion and visa versa.

Council President Plunkett envisioned the City being very involved such as writing the CC&Rs. Mr. Snyder answered external requirements could be imposed if the intent was to ensure the use of the private portion was compatible with the City's use. Mr. Gregg commented this was a role reversal for him; typically he built mixed use buildings, retained the commercial level and sold the residential space. He typically was very involved in the CC&Rs for the residential space as it affected the commercial space of which he retained long term ownership. In this scenario, the City would retain long term ownership of the Senior Center and he recognized they would want to ensure the CC&Rs for the residential uses were written and/or approved by the City. He noted there were other examples of senior center projects in the country with housing above.

Council President Plunkett observed Mr. Gregg did not appear to object to the City being the ultimate decision-maker with regard to a package of CC&Rs. Mr. Gregg agreed.

Councilmember Wambolt pointed out one of the biggest issues was parking and asked how that would be addressed. Mr. Gregg answered he did not have all the answers or even all the questions yet. He recognized the existing parking was inadequate and the senior center would only get busier.

Councilmember Bernheim stated the public comment at the senior center this afternoon and here at the Council seemed to presume this project would proceed. He pointed out the shoreline uses in this area did not permit residential uses and the purpose of the Commercial Waterfront Zone was to reserve areas for water dependent and water related uses, to protect and enhance the natural features of the waterfront and to ensure visual access to the waterfront, purposes he found inconsistent with residential construction on public property. Residential construction was also prohibited in the Commercial Waterfront Zone which would require changes to be made to the purpose statements, the Comprehensive Plan and the zoning. He thought it a huge mistake to sell public property in this area. He noted there was also a 30 foot height limit in that area and Mayor Haakenson's budget message did not specifically say the 30-foot height limit would be maintained, only that any construction would not be as tall as the building next to the Senior Center. Councilmember Bernheim pointed out there was a 50-foot building on the waterfront now.

Councilmember Bernheim recalled the Police or Fire Chief recommended a roadway be constructed over the train tracks to provide access west of the tracks in an emergency. He did not support residential development on the west side of the tracks and preferred to place development on the east side of the tracks, envisioning a senior center on the top floor of a new development on the Antique Mall property. The result would be City-owned, gold mine waterfront property without sharing any of it with private developers. He concluded the City should not consider trading an irreplaceable asset such as the air rights of public parks on the waterfront for financial gain.

Councilmember Bernheim questioned how Mr. Gregg's proposal was consistent with the Comprehensive Plan. Mr. Gregg envisioned it would be difficult to relocate the senior center to another site. Councilmember Bernheim commented he had talked with many seniors and they were open doing whatever was best for the Senior Center. Mr. Gregg commented there were exceptions for senior and low income housing. His goal was what the seniors wanted, what was best for the seniors and for the Senior

Center. He suggested his attorney and the City's attorney discuss what could be done. He remarked this concept had been proposed to him via suggestions from a few people and while it had a great deal of merit, he was certain there were numerous issues to be resolved.

Councilmember Wilson commented it was estimated \$4 million in renovations would be needed to bring the senior center up to an acceptable level. He asked how much it would cost to rebuild the existing building. Mr. Gregg answered he would not get involved with a renovation again.

Councilmember Wilson asked if 22 condominiums were planned for the site. Mr. Gregg answered that was the first he had heard of a number of units. In his experience seniors typically want smaller units, 700-100 square feet; however, Edmonds seniors want larger units such as 2,000 square feet. Although a market study would need to be done, he anticipated unit sizes would range from 700 to 2,000 square feet which equated to 10-20 units. Councilmember Wilson asked if the concept was a three story building with the senior center on the first story, condominiums on the third floor and combination of Senior Center uses and residential units on the second floor. Mr. Gregg agreed that was the preliminary concept.

Councilmember Wilson asked if the intent was to retain the same foundation footprint. Mr. Gregg answered the City owned the property, the building and the air rights and controlled the codes and zoning. The City could provide direction such as stay within the height and footprint or let the seniors work with the architect to develop design alternatives. He commented terracing the building would be an option and having the building all one height would be another option. He noted a number of senior centers had been constructed in recent years and they tended to be a standard size; if the building was too big, the facility was more expensive to operate. He recommended letting the seniors work with the architects to develop design alternatives. Councilmember Wilson agreed.

Councilmember Wilson assured there were no secret negotiations between the Council and Mr. Gregg. Councilmember Bernheim, Council President Plunkett, Mayor Haakenson and he attended today's Senior Center Board meeting where there was a lot of talk but not a lot of clarity. He encouraged Mr. Gregg to get buy-in from the Senior Center. Mr. Gregg agreed the Senior Center was their ultimate client. He did not expect the Council to take any action and envisioned the next step would be for the City's and his attorney to discuss how a private-public partnership could be structured. Councilmember Wilson urged Mr. Gregg to do his homework with the Senior Center first.

Mayor Haakenson asked how much the Senior Center would cost the City. Mr. Gregg answered there would be no cost to the City and hopefully they could reimburse the City Mr. Snyder's time. Mayor Haakenson envisioned a new building that belonged to the City that housed the Senior Center, property and a beach that belonged to the City and condominiums above that belonged to the condominium owners and Mr. Gregg was no longer involved once the project was complete.

**COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER DAWSON, TO EXTEND THE MEETING FOR 10 MINUTES. MOTION CARRIED UNANIMOUSLY.**

Time  
Limitations  
on Permit  
Applications

8. **PROPOSED ORDINANCE AMENDING ECDC 19.00.005 MODIFYING THE TIME LIMITATIONS ON PERMIT APPLICATIONS**

Building Official Ann Bullis explained staff had identified a way to assist permit applicants by modifying current code language relating to current time limits on permit applications. Some projects that are in the review stage or ready to issue have been temporarily put on hold by developers and homeowners due to the current lending issues. Currently permit applications are good for six months and applicants can request a six month extension for a total of one year. If the applicant wishes to continue the project after one year, they must submit a new application and pay for plan review. The proposed ordinance would

make permit applications good for one year and applicants can request a one year extension for a total of two years. Increasing the application timeframe will assist applicants while nationwide lending issues are being resolved.

Mayor Haakenson commented the reason this was before the Council was a call he received from a mortgage banker concerned about clients who had gone through the City's process, their permit was ready to be issued and now were unable to proceed with their project and would have to refile in the future. If an applicant's plans have been approved, staff would prefer to allow them to be put on hold until the environment was more conducive to building, saving the applicant permit fees and review time for staff. He commented this was a way to assist applicants who have not yet had their permits issued.

Councilmember Bernheim asked how this affected permits that had already expired. Mayor Haakenson answered it would not affect permits that had already expired. Councilmember Bernheim observed this would only assist people who were caught by the current situation. Ms. Bullis advised there was discussion of a two year sunset period.

Council President Plunkett suggested staff return in 6-9 months with a report regarding any issues or problems that arose.

Councilmember Bernheim expressed support for a 2-year sunset. He inquired about the rationale for the current time limitations. Ms. Bullis answered it was intended to ensure projects were built to current codes in affect at the time.

**COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER DAWSON, TO APPROVE THE ORDINANCE AMENDING ECDC 19.00.005 MODIFYING THE TIME LIMITATIONS ON PERMIT APPLICATIONS WITH A TWO YEAR SUNSET. MOTION CARRIED UNANIMOUSLY.**

Mr. Snyder advised he would add an automatic sunset provision and place the ordinance on the Consent Agenda for adoption.

**10. REPORT ON CITY COUNCIL COMMITTEE MEETINGS OF OCTOBER 14, 2008**

Public  
Safety  
Committee

Public Safety Committee

Councilmember Dawson reported the Committee reviewed the 2007-2008 Fire Department Work Plan Update which she encouraged the public to read. The second item was an Interlocal Agreement for Automatic First Response and Mutual Assistance which was approved on the Consent Agenda. Next, the Committee discussed anti-idling signs and agreed this topic should be scheduled for discussion by the full Council. The final item was a discussion regarding potentially dangerous dogs; no action was taken and staff will provide further information at a future meeting.

Finance  
Committee

Finance Committee

Councilmember Orvis reported the Committee discussed the contract for professional services with the Prosecutor and requested the Prosecutor attend tonight's meeting to respond to questions. The Committee also discussed surplus police property which will be placed on a future Consent Agenda.

CSDS  
Committee

Community Services/Development Services Committee

Councilmember Wilson reported the Committee discussed voluntary expansion of the fiber optic network via development. The Committee also continued their discussion on the Community Sustainability Element of the Comprehensive Plan. Next they discussed the metal pole in Seaview and recommended draft language to be forwarded to the City Council for approval requiring that any future poles be

constructed of wood. The last item was a discussion on commercial uses in residential zones related to short term rental of single family homes that was disruptive to the neighborhood. He invited residents to contact the City if they were renting their home on a short term basis.

**11. MAYOR'S COMMENTS**

Mayor Haakenson had no report.

**12. COUNCIL COMMENTS**

Private-  
Public  
Partnership

City Attorney Scott Snyder commented there were several ways to structure a private-public partnership. He could make a presentation regarding the options which would require approximately 5-10 hours to prepare.

Budget  
Adoption

Council President Plunkett suggesting moving consideration of approval of the budget from the November 25 meeting to the December 3 meeting due to Thanksgiving Week and the absence of one Councilmember from the November 25 meeting.

Senior  
Center

Councilmember Bernheim commented pursuing the proposal for the Senior Center would be a waste of City resources. He was opposed to selling City park areas even air rights as he felt park property should be preserved for citizens rather than private residents. He requested staff report on how the Senior Center could be converted to City park land making it eligible for REET funds as well as grant funds.

ALS  
Fundraiser

Councilmember Olson expressed her appreciation to everyone who came to the ALS movie night, reporting they raised over \$5,000.

REET Funds

In response to Councilmember Bernheim, Councilmember Wambolt pointed out there were limited REET funds due to the slow real estate market.

Health  
District

Councilmember Orvis provided an update on the Health Board, advising they met last week and determined cuts would be necessary. He volunteered to serve on a committee to review and recommend potential budget cuts of approximately \$2 million.

Senior  
Center

Student Representative Warren commented that residents may be upset if the Council changed the zoning to pursue Mr. Gregg's proposal. He suggested purchasing the Antique Mall or Skippers property for a Senior Center.

**13. ADJOURN**

With no further business, the Council meeting was adjourned at 10:50 p.m.