

EDMONDS CITY COUNCIL APPROVED MINUTES

November 18, 2008

The Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Haakenson in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

ELECTED OFFICIALS PRESENT

Gary Haakenson, Mayor
Michael Plunkett, Council President (arrived 7:29 p.m.)
Peggy Pritchard Olson, Councilmember
Steve Bernheim, Councilmember
D. J. Wilson, Councilmember
Deanna Dawson, Councilmember
Dave Orvis, Councilmember
Ron Wambolt, Councilmember

STAFF PRESENT

Tom Tomberg, Fire Chief
Mark Correia, 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/Economic
Development Director
Brian McIntosh, Parks & Recreation Director
Noel Miller, Public Works Director
Kathleen Junglov, Finance Director
Debi Humann, Human Resources Director
Doug Fair, Municipal Court Judge
Rob Chave, Planning Manager
Rich Lindsay, Park Maintenance Manager
Scott Snyder, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. APPROVAL OF AGENDA

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY. (Council President Plunkett was not present for the vote.)

2. CONSENT AGENDA ITEMS

Councilmember Wambolt requested Item E be removed from the Consent Agenda and Councilmember Bernheim requested Items G and J be removed.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO APPROVE THE REMAINDER OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. (Council President Plunkett was not present for the vote.) The agenda items approved are as follows:

A. ROLL CALL

B. APPROVAL OF CITY COUNCIL MEETING MINUTES OF NOVEMBER 3, 2008.

C. APPROVAL OF CLAIM CHECKS #107937 THROUGH #108084 FOR NOVEMBER 6, 2008 IN THE AMOUNT OF \$696,287.52, AND #108085 THROUGH #108171 FOR NOVEMBER 13, 2008 IN THE AMOUNT OF \$335,755.02. APPROVAL OF PAYROLL DIRECT DEPOSITS AND CHECKS #47408 THROUGH #47452 FOR THE PERIOD OF OCTOBER 16, 2008 THROUGH OCTOBER 31, 2008 IN THE AMOUNT OF \$843,634.08.

- D. **ACKNOWLEDGE RECEIPT OF CLAIM FOR DAMAGES FROM CHARLOTTE J. LIKKEL (AMOUNT UNDETERMINED).**
- F. **FAIR AND ACCURATE CREDIT TRANSACTION ACT (FACTA) RED FLAG GUIDELINE POLICY.**
- H. **ADOPTION OF ORDINANCE NO. 3704 OF THE CITY OF EDMONDS, WASHINGTON AMENDING THE PROVISIONS OF CITY CODE SECTION 8.48.330 MONTHLY PARKING PERMITS TO INCREASE THE MONTHLY FEE FOR SPACES AT THE FOURTH AVENUE LOT.**
- I. **ADOPTION OF ORDINANCE NO. 3705 OF THE CITY OF EDMONDS, WASHINGTON, AMENDING THE PROVISIONS OF EDMONDS COMMUNITY DEVELOPMENT CODE 19.25.020, PERMITS (A), TO PROVIDE THAT THE PERMIT FEE ESTABLISHED BY THE INTERNATIONAL FIRE CODE SHALL BE SET ANNUALLY BY THE CITY COUNCIL BY RESOLUTION.**
- K. **PROCLAMATION IN HONOR OF FINDING AN END TO POVERTY WEEK, NOVEMBER 17 - 23, 2008.**

ITEM E: AUTHORIZATION FOR MAYOR TO SIGN SUPPLEMENTAL AGREEMENT NO. 1 WITH KPF CONSULTING ENGINEERS, INC. FOR UNDERGROUND UTILITIES UPGRADES WITH RESPECT TO THE BNSF DOUBLE TRACK PROJECT

Councilmember Wambolt explained he pulled this item to bring to the public's attention the expense the City was incurring as a result of Burlington Northern's decision to install a second set of tracks. This item was approximately \$90,000 for a consultant; additional work would then be required that would cost the City approximately \$500,000. He summarized Burlington Northern's decision to install a second set of tracks would cost the City nearly \$600,000.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO APPROVE ITEM E. MOTION CARRIED UNANIMOUSLY. (Council President Plunkett was not present for the vote.)

ITEM G: FINAL 2008 BUDGET AMENDMENT - ORDINANCE NO. 3703 OF THE CITY OF EDMONDS, WASHINGTON, AMENDING ORDINANCE NO. 3613 AS A RESULT OF UNANTICIPATED TRANSFERS AND EXPENDITURES OF VARIOUS FUNDS.

Councilmember Bernheim referred to the \$5,000 transfer for the Mayor's salary increase and asked what period of time that represented. Finance Director Kathleen Junglov answered it was July through December. Councilmember Bernheim inquired about the \$20,000 transfer for Doubleday and Salzer Joyce. Ms. Junglov answered funds budgeted in non-departmental were transferred to the Community Services budget. Councilmember Bernheim asked about the \$100,000 for increased legal fees due to lengthy labor negotiations and LUPA appeal. City Attorney Scott Snyder responded the LUPA matter was the continuing series of appeals on the Burnstead project; the legal fees for labor negotiations were primarily for the SEIU negotiations. He estimated of the \$100,000, it was a 2:1 ratio LUPA to the labor negotiations. Councilmember Bernheim asked when labor negotiations would occur again. Mr. Snyder answered two years, the contracts were three years.

Councilmember Bernheim inquired about \$130,000 for higher fuel costs in the equipment rental fund. Ms. Junglov answered all fuel was paid from the equipment rental fund and via an allocation process, the costs were charged to individual departments. She pointed out when the 2007 budget was prepared, the increase in fuel costs was not anticipated. Councilmember Bernheim asked whether higher fuel costs had been factored into the 2009-2010 budget. Ms. Junglov answered they had.

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, TO APPROVE ITEM G. MOTION CARRIED UNANIMOUSLY. (Council President Plunkett was not present for the vote.)

ITEM J: ADOPTION OF RESOLUTION NO. 1184 OF THE CITY COUNCIL OF THE CITY OF EDMONDS, WASHINGTON, AMENDING THE FEE SCHEDULE FOR THE CITY'S PLANNING, PUBLIC WORKS, BUILDING AND OTHER FEE STRUCTURES, INCLUDING A SAVINGS CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

Councilmember Bernheim was not convinced of the need to raise planning fees and stated he would vote against this resolution. He preferred to review this matter over the next year and not penalize applicants even though the fee did not cover the cost, pointing out it provided a service to the community. If the increases were approved, he expressed his strong disapproval for increasing appeal fees.

COUNCILMEMBER WAMBOLT, MOVED, SECONDED BY COUNCILMEMBER WILSON, TO APPROVE ITEM J.

COUNCILMEMBER BERNHEIM MOVED TO AMEND THE MOTION TO RESTRICT APPEAL FEES TO THEIR CURRENT LEVELS. MOTION DIED FOR LACK OF A SECOND.

Councilmember Bernheim expressed concern that the increased appeal fees would discourage citizens from filing appeals. He assured mistakes could be made and he did not want a high appeal fee to send the wrong signal.

Councilmember Wilson pointed out the General Fund currently subsidized the building department; the process of reviewing an application cost more than the fees an applicant paid. He noted the fee for one type of appeal would increase from \$230 to \$365 which was still a modest fee and would not deter someone from filing an appeal. Base building permits process fee would increase from \$85 to \$100 and building inspections would increase from \$50 to \$60. He noted taxes were being increased nearly across the board and it was appropriate for developers to pay their fair share rather than be subsidized by taxpayers.

MOTION CARRIED (5-1), COUNCILMEMBER BERNHEIM OPPOSED. (Council President Plunkett was not present for the vote.)

3. PUBLIC HEARING AND POTENTIAL ACTION ON ORDINANCE NO. 3706 OF THE CITY OF EDMONDS, WASHINGTON ADOPTING A NEW CHAPTER 5.60 ECC, EMERGENCY MEDICAL SERVICE TRANSPORT CHARGES, TO RECOVER FROM USERS CERTAIN COSTS OF PROVIDING EMERGENCY MEDICAL SERVICES TRANSPORT.

Fire Chief Tom Tomberg recalled the Council discussed user transport fees at the February retreat and again at the August retreat. On September 12 the Council was provided a white paper entitled EMS Transport User Fees that described a program for EMS transport fees based on successful programs throughout Snohomish County. On October 16 a financial assistance policy was added to the program. The budget presentation, workshops and public hearings were held on September 30, October 7, October 21, October 28, November 3 and again tonight. Staff received two questions over those months; both were answered in an email sent to the Council on October 16. A series of comments and observations were received from a citizen that staff responded to on October 14; that letter and staff's response may be in the *Edmonds Beacon* this week.

Mayor Haakenson opened the public hearing. There were no members of the public present who wished to provide testimony and Mayor Haakenson closed the public hearing.

Councilmember Wambolt stated it was his understanding that if the transport fee was implemented, insurance companies would be billed for transport and if the insurance did not pay or the person did not have insurance,

the bill would be forgiven. However, that did not appear to be the case in the proposed program. Chief Tomberg responded the insurance information would be obtained and provided to the billing company who would bill the insurance company. For those without insurance, staff would discuss a payment plan with them which could vary from an installment plan, adjusted balance or even no payment if they were unable to pay.

Councilmember Wambolt inquired if that was different than what was originally proposed at the retreat. Chief Tomberg pointed out the difference between Edmonds residents and non-residents; for an Edmonds resident with insurance, any percentage of the transport fee the insurance company did not pay would not be billed to the resident. Councilmember Wambolt pointed out a User Class 3 (Persons, regardless of residence; who refuse to sign or are unable to sign a City-approved form containing an assignment of insurance benefits to the City, together with an appropriate release of medical information; refuse to provide any insurance information; and/or who state that they have no insurance), could be an Edmonds resident. Chief Tomberg responded a person who states they have no insurance should not necessarily be allowed not to pay. Everyone who is transported must be given the opportunity to pay their bill. The financial assistance policy provided a way to work with those who do not have insurance. He noted some people chose not to have insurance and elected to pay out-of-pocket.

Councilmember Wambolt reiterated that was not his understanding when this program was originally discussed. Chief Tomberg commented all providers made a good faith attempt to recover the cost of providing the service. Councilmember Wambolt noted there would be times when the transport fee could not be collected. Chief Tomberg agreed, acknowledging all medical service providers experienced a percentage that was unrecoverable.

City Attorney Scott Snyder pointed out the need to avoid the gift of public funds, thus the reason for making a good faith attempt to recover the cost. He pointed out the clause in the ordinance that ability to pay was never a condition of service. Unlike other City billings which were turned over to a collection agency pursuant to State statute, the transport fee was handled internally to avoid any added fees.

Councilmember Dawson expressed her thanks to Chief Tomberg for developing this policy, commenting he had done his homework and taken the best of the neighboring cities' policies and created a workable policy that also allayed a lot of fears about a transport fee. She noted other cities were already billing insurance companies for transport fees.

Councilmember Wilson echoed Councilmember Dawson's comments, noting he also recalled the policy the way that Councilmember Wambolt did. He read from the ordinance, "It is City of Edmonds' policy that ability to pay is never a condition of service. All aspects of pre-hospital service shall be provided to all patients without discrimination toward those with no ability or inadequate means to pay." He assured everyone would receive transport regardless of their ability to pay. Chief Tomberg agreed. Councilmember Wilson commented billing for the transport fee would effectively eliminate subsidy of insurance companies. Chief Tomberg responded the City was doing what was legally allowable, asking insurance companies to pay all or a portion of the user transport fee for which their client was paying a premium.

COUNCILMEMBER DAWSON MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, FOR APPROVAL OF ORDINANCE NO. 3706.

Councilmember Orvis commented he planned to vote no because although he understood the reasons for instituting a transport fee, he had some disagreement with Mr. Snyder over the initiative process. He did not support initiating the fee via a majority vote of the Council and preferred the voters be allowed to decide.

Councilmember Bernheim commented he would support the motion because most of the revenues would be from insurance policies.

MOTION CARRIED (5-1), COUNCILMEMBER ORVIS OPPOSED. (Council President Plunkett was not present for the vote.)

4. **PUBLIC HEARING AND POTENTIAL ACTION ON ORDINANCE NO. 3707 OF THE CITY OF EDMONDS, WASHINGTON, AMENDING THE EDMONDS CITY CODE TO ENACT A NEW CHAPTER 3.65, EDMONDS TRANSPORTATION BENEFIT DISTRICT (TBD), ESTABLISHING A TBD, SPECIFYING THE BOUNDARIES FOR THE TBD, SPECIFYING THE MAINTENANCE AND PRESERVATION OF EXISTING TRANSPORTATION IMPROVEMENTS, AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.**

Community Services/Economic Development Director Stephen Clifton provided an overview of a TBD. He explained Washington State engrossed Senate and House Bill 1858 authorized cities and counties to form a TBD. A TBD serves as the funding mechanism to help provide necessary financial resources to help maintain and preserve transportation infrastructure.

As discussed on several occasions, the City has limited revenue to pay for basic preservation, maintenance and construction of the City's transportation infrastructure. Over the years, funding dedicated for these purposes have been decreasing. Due to the passage of Initiative 695 in 1999 and Initiative 776 in 2002, the City experienced an approximate loss of \$1,200,000 in Motor Vehicle Excise Taxes, and \$320,000 in Snohomish County Local Vehicle License fees.

While dedicated revenues have decreased, the ongoing annual costs to preserve and maintain the City's transportation infrastructure continue to rise, leaving the City unable to adequately fund this need. As indicated in the 2009 – 2010 Budget, annual subsidies or transfers from the General Fund to the Street Operations Fund continue to increase. In 2008, the General Fund subsidy is expected to reach approximately \$472,550. In 2009 and 2010, this subsidy is expected to reach approximately \$700,000 and \$770,000 respectively. This increasing subsidy impacts the City's ability to pay for basic public services using General Fund revenue and the City now needs to make decisions between preserving and maintaining its transportation infrastructure or providing basic parks maintenance, public safety, and other City services.

Mr. Clifton explained a TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. A TBD Board has several revenue options, some of which are subject to voter approval. The legislative authority of a county or city may create a TBD by ordinance following the procedures set forth in Chapter 36.73 of the Revised Code of Washington. Members of the legislative authority, the City Council, establishing the TBD shall serve as governing body of the TBD, in an ex-officio and independent capacity.

A TBD may fund transportation improvements contained in any existing State or regional transportation plan that is necessitated by existing or reasonably foreseeable congestion levels. A TBD may also fund operations, maintenance and preservation of programs and existing facilities. He noted the 2007-2026 Washington State Transportation Plan and Puget Sound Regional Council (PSRC) Destination 2030 highlight the number one priority is to preserve and extend prior investments in existing transportation facilities and services, that there is no more fundamental transportation investment than in infrastructure in a safe and efficient operating condition, and preserving and maintaining City streets is a matter of Statewide significance.

Although the TBD has powers similar to a city, it is a separate taxing district. The creation of the fees should be by separate ordinance after the TBD Board has been created and seated. If the City wishes to form a TBD the Council must:

- Publish notice of a public hearing; notice was published on October, 26, 2008.
- Hold a public hearing. A first reading of an ordinance enacting a TBD occurred on November 3, 2008 and tonight is the required public hearing
- Adopt an ordinance creating a TBD. The ordinance must include:
 - A finding that the creation of a TBD must be in the public's interest
 - The boundaries of the TBD
 - The functions and powers of the TBD
 - Description of the transportation improvements proposed by the district

The governing board of the TBD shall be the Edmonds City Council and serve as a separate government, much like a water district. The TBD Board shall conduct business independent of a City Council meeting and have the authority to exercise the statutory powers set forth in Chapter 36.73 RCW. The treasurer of the Transportation Benefit District shall be the City Finance Director.

The boundaries of the City TBD as proposed would be comprised of the corporate limits of the City as they currently exist or as they may exist following any future annexations.

He explained the TBD has several revenue options subject to voter approval:

1. Property taxes, (a 1-year excess levy or an excess levy for capital purposes).
2. Up to 0.2% sales and use tax.
3. Annual vehicle fee of \$20 and up to \$100 per vehicle registered within the district.
4. Vehicle tolls.

The TBD also has several revenue options that are not subject to voter approval:

1. Annual vehicle fee up to \$20 per vehicle registered within the district. (The option proposed in the ordinance.)
2. Transportation impact fees on commercial and industrial buildings.

Revenue rates, once imposed, may not be increased, unless authorized by voter approval. The TBD must issue an annual report to include the status of project costs, revenues, expenditures, and construction schedules. The vehicle license fee is administered by the Department of Licensing (DOL). The fee cannot be collected until 6 months after the fee is authorized by voters or the TBD governing board. Several vehicle types such as snowmobiles, farm equipment, off-road/non-highway vehicles are exempt from the fee. The fee is collected by DOL on vehicle renewals, remitted to the State Treasurer who will then remit the proceeds to the TBD monthly.

The non-voted funding option being considered by several jurisdictions is an annual \$20 per vehicle license fee. If a TBD were created for the City of Edmonds, and a funding mechanism such as a \$20 vehicle license fee was adopted by early January, 2009, the City could expect to receive approximately \$353,000 - \$357,000 in 2009 for six months of revenue receipts (July-December). The City may expect to receive up to \$706,000 - \$715,000 for a full-year in 2010. He cautioned this was only an estimate and subject to change based on actual numbers from the DOL at the time fees are collected.

Mr. Clifton described the two methodologies used to estimate revenue using an annual \$20 vehicle fee.

1. Number of households within the City of Edmonds (18,046) x an average of 2 cars per household x \$20 vehicle license fee.
2. Association of Washington Cities methodology - Ratio of people to total vehicles countywide ($609,178 / 696,600 = .875$) x city population (40,760) x \$20 vehicle license fee.

Mr. Clifton reviewed benefits of forming a TBD:

- Creates a funding mechanism with a clear nexus between a user group (drivers and vehicles) and use of the roadway network.
- Revenues from a \$20 vehicle license fee significantly reduce the annual General Fund subsidy of street maintenance and operation expenditures.
- Funds from a citywide TBD will be dedicated to maintain, preserve and/or construct City of Edmonds transportation infrastructure. Revenue generated from a \$20 fee is not projected to be sufficient to fund any capital project(s) listed on the City's 6-year Capital Improvement Program
- Assists in maintaining current level of service for transportation infrastructure maintenance and preservation.
- The establishment of an annual \$20 vehicle license fee is a flat rate and will not increase, unless approved by voters.

- The TBD must issue an annual report to include the status of project costs, revenues, expenditures, and schedules, thus providing accountability.
- Vehicle license fee program is administered by the Washington State Department of Licensing.
- The State Treasurer will remit proceeds to the TBD on a monthly basis.

He noted Lake Forest Park recently approved the formation of a TBD; Edmonds' ordinance was modeled on the ordinance adopted by Lake Forest Park who also intends to use the revenue generated by a TBD for maintenance and preservation. The City of Olympia is also considering an ordinance similar to Edmonds' ordinance.

Mr. Clifton concluded the improvement, maintenance, protection and operation of public ways requires preserving existing transportation improvements to avoid both catastrophic failure of the improvements which would require significant additional funds to reconstruct, as well as their gradual deterioration. Unless the City establishes a TBD or other funding mechanism, the City will not be able to sustain current levels of service related to transportation infrastructure maintenance and preservation. If the Council formed a TBD and the TBD levied a \$20 license fee, the City will begin to replace in part transportation funding that has been lost to the City, reduce the General Fund subsidy and help preserve and maintain the City's transportation infrastructure.

Councilmember Orvis asked if the Council formed a TBD and levied a \$20 license fee, could the TBD ask the voters for a higher vehicle fee for capital projects in the future. Mr. Clifton answered yes. City Attorney Scott Snyder explained a process very similar to the process used to establish the TBD would need to be followed.

Councilmember Bernheim inquired whether consideration had been given to a modest fee on commercial and industrial buildings. He also asked how many commercial and industrial buildings there were in Edmonds. Mr. Clifton answered a transportation impact fee relates only to new construction. Applicants are currently required to perform a transportation impact analysis and if they trigger a certain threshold, they are required to pay a transportation impact fee. He noted an applicant could not be charged twice for a transportation impact fee; therefore, an applicant would receive a credit for an additional transportation impact fee.

Councilmember Orvis observed the Council was considering whether to form the TBD, the TBD would decide what fees to levy. Mr. Clifton agreed, noting the Council was authorizing the TBD to impose an up to \$20 fee. Councilmember Orvis observed the Council would hold a separate meeting to conduct TBD business. Mr. Clifton agreed, noting the TBD Board must keep minutes, and follow procedures similar to a Council meeting.

Councilmember Wilson referred to language in the legislation that the TBD dissolves once the projects on the project list are completed. He commented the City's use of the funds for maintenance and preservation would meet that requirement as long as ongoing maintenance remained a priority in the State Transportation Plan. Mr. Snyder explained the statute required the TBD terminate when its purpose was fulfilled. In an effort to adhere to the language in the statute, the ordinance sunsets on the same date as the adopted State Transportation Plan. If the Plan were amended to delete preservation and maintenance as a priority or the Legislature prohibited funding, he recommended the TBD be dissolved and either form a new TBD that targeted individual projects, or have an election as the statute provides that transportation improvements were presumed to be valid if validated by a vote of the people. He summarized if the purpose or intent of the TBD were in peril, he would recommend terminating it and starting over.

Councilmember Wilson noted the TBD would need to remain in existence until the funds collected were expended.

Ashley Probart, Association of Washington Cities, explained preservation and maintenance have always been the top priority for the Transportation Commission that developed the Washington Transportation Plan and for the Washington State Department of Transportation. He noted much of the discussion regarding a federal

stimulus plan was maintaining and preserving what exists as well as new projects. He pointed out the legislation allows a TBD to fund transportation improvements contained in any existing State or regional transportation plan; the PSRC also identifies preservation and maintenance as a priority.

Mayor Haakenson opened the public hearing.

Natalie Shippen, Edmonds, asked why and why now? She noted the TBD had an array of taxes and fees which the City could already do. She anticipated a TBD would incur costs including holding meetings independent of Council meetings for which she assumed Councilmembers would be paid, paying City staff, etc. She questioned why the Council was forming a TBD now, anticipating when the new federal administration took office there would be a vast Public Works program.

David Thorpe, Edmonds, asked the projected cost of staff time to facilitate the TBD, how that would add to the Council's and staff's current workload, and whether additional staff would need to be hired to facilitate the TBD. He referred to the description of the boundary of the TBD, as they currently exist or as they may exist following future annexations, and asked whether that referred to Esperance. He referred to language in the ordinance that if a transportation improvement exceeded its original cost by more than 20% as identified in the Plan, public comment must be solicited, and suggested the percentage be 10% or 15%. He asked whether a vote was required to implement a vehicle fee of over \$20.

Barbara Tipton, Edmonds, expressed her support for creating a TBD within Edmonds city limits. She stated she was a member of the Citizens Advisory Committee on Transportation as well as a member of the Walkway Committee. The Walkway Committee developed a list of sidewalk and walkway projects as part of the update of the Comprehensive Walkway Plan, and the City's Bikeway Committee developed a list of projects to update the Comprehensive Bikeway Plan. She noted Jones & Stokes has been working with City staff and the Transportation Committee to update the Transportation Element which will include specific recommendations for intersection and roadway improvements, signals, turn lanes, asphalt overlays, traffic calming, etc. She favored a yearly \$100 fee per vehicle which would require voter approval. Observing the TBD also had the ability to accept gifts; she asked the Council to evaluate the possibility of allowing a vehicle owner to make a voluntary contribution at the time of registration. She commented on recent initiatives that have resulted in the loss of funds for transportation maintenance and improvement.

Roger Hertrich, Edmonds, asked whether a percentage of the funds could be allocated to maintenance and a percentage to specific projects. He inquired about additional staff time/cost to administer the expenditure of TBD funds on projects. He referred to the 18 year duration of the TBD, anticipating the \$20 per vehicle fee would need to be increased. In the event the TBD asked for an additional amount, he asked whether the \$20 fee and the additional amount would continue for 18 years. He opined \$20 was reasonable but anticipating the fee would increase in the future. He envisioned staff would identify more projects than were needed.

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

In response to Ms. Shippen's question about why form a TBD, Mr. Snyder assured this was a new revenue source not currently available to the City. In response to Ms. Shippen's question about why form a TBD now when there was the possibility of a stimulus package, Mr. Clifton explained it was anticipated the funds in a stimulus package would be used for capital projects. The funds generated by the TBD would be used for maintenance and preservation of the existing infrastructure.

In response to the question about additional staff, Mr. Clifton answered it was not anticipated a great deal of staff time would be required. Once the TBD was established, he envisioned semi-annual TBD meetings and providing the Council/TBD Board a closeout report at yearend. Mayor Haakenson clarified no new staff would be added. Mr. Snyder commented this was a function of the Governmental Accounting Act that does not allow one agency to supplement another. The new costs would be staff time to develop a plan and someone to take the

minutes of the meeting. Any other staff time would simply be charged to the TBD rather than the City's General Fund.

In response to the comment regarding project cost exceeding 20%, Mr. Clifton did not anticipate that would occur. He noted the \$472,550 transferred from the General Fund to the Street Operations Fund was a 33% subsidy of a \$1.399 million 2008 expenditure, a 47% subsidy in 2009 and a 50% subsidy in 2010. He did not anticipate enough would be collected from a TBD to cover street operations, maintenance and preservation; therefore, costs would never exceed expenditures.

Regarding a public vote, Mr. Clifton agreed a public vote would be required for a vehicle license fee of over \$20 up to \$100. Regarding the boundary, Mr. Clifton agreed Esperance was within the City's annexation area; if Esperance were annexed, the residents would be subject to the TBD vehicle license fee. With regard to the timeframe for dissolution of the TBD, Mr. Clifton explained unless the language was changed in the PSRC document and the Washington State Transportation Plan, the use of the funds for maintenance and preservation could continue for 18 years.

Mr. Snyder commented the language regarding annexation was included to avoid reconstituting the district in the event of an annexation; the City had no current annexation plans. With regard to the 20% requirement on cost overruns, Mr. Snyder explained the statute required a minimum of 20%; the Council could lower the percentage.

With regard to Mr. Hertrich's comment about new projects and the TBD expanding, Mr. Snyder explained the TBD was limited to the functions specified in the ordinance; any other projects would require a new process and new ordinance reconstituting the District. The only non-voter approved function in the ordinance was levying up to a \$20 vehicle license fee. Any other fees and functions would require voter approval.

Councilmember Bernheim referred to Ms. Shippen's comment that the City already had the ability to impose a vehicle license fee. Mayor Haakenson clarified the question was whether the City could require a \$20 vehicle license fee without establishing a TBD. Mr. Snyder answered no, the TBD was a new taxing authority, the City did not currently have that authority.

Councilmember Wilson clarified there were no capital projects envisioned in the next 20 years that would be funded via the TBD unless the District were reconstituted. Mr. Snyder agreed. Councilmember Wilson asked if the public approved a fee of over \$20, would those funds be restricted to preservation and maintenance. Mr. Snyder stated the projects could be changed but the same process used to establish the TBD would be required.

Councilmember Wilson asked whether the City could bond against these funds. Mr. Clifton answered yes, the City could use the funds collected on an annual basis for debt service.

COUNCILMEMBER PLUNKETT MOVED, SECONDED BY COUNCILMEMBER WILSON, TO APPROVE ORDINANCE NO. 3707.

Councilmember Bernheim commented he would support the motion. Although it was an increase in taxes, it was a dedicated fund and required car owners to pay a fraction of their impact on the City.

Councilmember Orvis concurred with Councilmember Bernheim's comments, explaining the Council was creating an entity devoted to transportation; all funds collected were guaranteed to be used for transportation. In the future when voters were asked to approve a higher fee, that guarantee would add credibility.

MOTION CARRIED (6-1), COUNCILMEMBER DAWSON OPPOSED.

5. **PUBLIC HEARING AND POTENTIAL ACTION ON ORDINANCE NO. 3708 OF THE CITY OF EDMONDS, WASHINGTON PROVIDING FOR THE ANNUAL TAX LEVY BY INCREASING THE REGULAR PROPERTY TAX LEVY BY THE CURRENT 101% LEVY LIMIT, THEREBY LEVYING AN ESTIMATED REGULAR PROPERTY TAX LEVY OF \$9,265,000, BY RESTORING THE EMS LEVY TO \$0.50 PER \$1,000 OF ASSESSED VALUATION, THEREBY LEVYING AN EMS LEVY OF \$3,865,000 AND LEVYING \$839,084 FOR VOTED INDEBTEDNESS FOR THE PUBLIC SAFETY COMPLEX.**

Mayor Haakenson opened the public hearing. There were no members of the public present who wished to provide testimony and Mayor Haakenson closed the public hearing.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, FOR APPROVAL OF ORDINANCE NO. 3708. MOTION CARRIED UNANIMOUSLY.

6. **PUBLIC HEARING AND POTENTIAL ACTION ON TWO ORDINANCES:**

(1) **ORDINANCE NO. 3709 OF THE CITY OF EDMONDS, WASHINGTON AMENDING THE PROVISIONS OF ECC 3.20.050 TO SET CERTAIN UTILITY TAXES.**

(2) **ORDINANCE NO. 3710 OF THE CITY OF EDMONDS, WASHINGTON AMENDING THE PROVISIONS OF ECC 4.72.040 TO SET CERTAIN BUSINESS LICENSE FEES.**

Mayor Haakenson opened the public hearing. There were no members of the public present who wished to provide testimony and Mayor Haakenson closed the public hearing.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER WILSON, TO APPROVE ORDINANCE NO. 3709.

Councilmember Dawson commented the Council was moving through the ordinances quickly and she wanted the public to be aware there would be impacts on citizens. She supported the ordinances with some hesitation, recognizing the cost of operating the City as well as running a household was increasing. She supported providing assistance to citizens to reduce their utility costs.

Council President Plunkett commented the only reason the Council was moving through the ordinances quickly was because the public was not present to speak to the Council although the hearings have been noticed for several weeks. He summarized the Council had been open, ready and available to listen to any citizen comments.

Councilmember Wambolt agreed the Council was moving through the ordinances quickly tonight but the subject matters had been discussed several times previously.

MOTION CARRIED UNANIMOUSLY.

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER WILSON, FOR APPROVAL OF ORDINANCE NO. 3710. MOTION CARRIED UNANIMOUSLY.

7. **PUBLIC HEARING ON THE PLANNING BOARD RECOMMENDATION REGARDING REVISIONS TO ECDC 17.60 - PROPERTY PERFORMANCE STANDARDS. THE STANDARDS ESTABLISH STANDARDS FOR THINGS SUCH AS NOISE, LIGHTING, PARTICULATE MATTER, OPEN STORAGE, AND THE NUMBER OF VEHICLES PARKED ON PRIVATE PROPERTY INCLUDING RECREATIONAL VEHICLES.**

Development Services Director Duane Bowman recalled originally property performance standards and nuisances were combined in one chapter; at the direction of the City Attorney they were separated and the

nuisance regulations were adopted earlier this year. The Planning Board held a series of public hearings and developed the proposed ordinance taking into consideration public testimony.

He noted the key issues in the ordinance recommended by the Planning Board allowed storage in only one side yard, requiring screening of recreational vehicles in side or rear yards, requiring vehicles be parked in a driveway or improved parking surface, allowing parking in side or rear yards and establishing habitation regulations for recreational vehicles. The proposed ordinance also contained language making the property performance standards more enforceable including adding a waste disposal section, modifying the open storage section, removing the open storage section requiring a roadway to open storage of lumber coal or other combustible materials, and added a clause regarding vibration.

Mr. Bowman reviewed the additions to the ordinance contained in 17.60.040, Vehicles in Residential Zones. He read the language contained in this section, which was included in the Council packet. He also referred to 17.60.050, Habitation Uses Prohibited, and also read the language contained in this section.

Council President Plunkett asked whether this would impact motorhomes or boats. Mr. Bowman answered yes, they were recreational vehicles. For example a property owner could have one boat and one motorhome. Council President Plunkett clarified the proposed regulations did not eliminate the ability to store an RV or boat. Mr. Bowman acknowledged the ordinance limited where they could be parked. Council President Plunkett inquired about the canopies some people put over RVs or boats. Mr. Bowman answered the Planning Board would be forwarding a recommendation to the Council soon regarding temporary structures.

Councilmember Dawson questioned the number of vehicles requirement and the lack of exceptions. She recalled talking with a classic car collector who owned a large lot and stored his cars in a large barn and questioned why the City wanted to limit the number of cars on a large lot with a large garage. Mr. Bowman referred to Section 17.60.040A.1.b that states this regulation did not apply to motor vehicles parked inside of a lawfully permitted and constructed building. Councilmember Dawson clarified a person could have as many cars as they wanted if they were parked inside a garage or barn. Mr. Bowman answered technically they could but they would need to have a very large lot because they would also need to meet the lot coverage requirements. Councilmember Dawson clarified a person could not have more than five cars in public view.

Councilmember Orvis observed the regulations would not allow cars to be parked on the front lawn unless it was on an approved parking surface. He asked whether grasscrete would be considered an approved parking surface. Mr. Bowman answered it would.

Councilmember Wilson referred to Section 17.60.030.F.1 that states the emissions shall not exceed the allowances set forth by the Environmental Protection Agency, the Washington State Department of Ecology and/or the Puget Sound Clean Air Agency, noting those agencies likely had different definitions of pollution. City Attorney Scott Snyder suggested staff analyze which agencies controlled what particulate matter.

Councilmember Wilson asked why Section 17.60.030.F.3, smoke emission rates, was deleted. Mr. Bowman answered that was addressed by 17.60.030.F.

Councilmember Bernheim referred to Section 17.60.030.B, lighting, that states lighting shall not be used in such a manner that produces glare on public streets, highways and neighboring property and asked whether this would regulate a residential spotlight shining on a park bench. Mr. Bowman answered yes. Mr. Snyder commented a neighbor's yard light shining onto someone's property was a frequent complaint. Councilmember Bernheim suggested adding a definition of glare or light intensity. Mr. Bowman answered a standard could be added. He acknowledged the proposed language was broad but would provide staff the ability to address lighting issues that arise. Mr. Snyder commented one option would be to use a standard similar to the City's noise ordinance, a certain number of lumens at the property boundary. Councilmember Bernheim summarized

he would like to have the issue of light shining from a residential property onto a park bench addressed. Mr. Bowman suggested that would be best addressed via establishing a standard at the property line.

Councilmember Bernheim asked if the ordinance contained a definition of RV. Mr. Bowman answered the ordinance did not include a definition. Previous versions of the ordinance contained the following definition: recreational vehicle means any motorhome, travel trailer, folding tent trailer, motor vehicle trailer, camper on or removed from a truck/pickup, boat, boat trailer, snowmobile, snowmobile trailer or other similar conveyances and their trailers. A boat or snowmobile or other similar conveyance on a trailer or a truck are considered one.

Councilmember Bernheim observed there were no restrictions in the current draft regarding parking vehicles in setbacks. Mr. Bowman answered they could be parked in the side or rear setback; in the front yard it must be in the driveway or approved parking surface.

Council President Plunkett questioned the City's interest in ensuring vehicles were parked on an approved parking surface. Mr. Bowman answered there was aesthetic reasons as well as the ability to control fluid runoff into the ground. The most frequent complaint was aesthetics. Council President Plunkett recalled a resident with cars in his driveway and lawn that were well screened. Mr. Bowman answered the Council could add a requirement for screening.

Councilmember Wilson referred to Section 17.60.030.B regarding lighting, and requested that any changes not limit the ability to light ballfields, particularly new fields or an upgrade to the Civic Center playfield lighting.

Councilmember Orvis commented parking on lawns can also damage underground pipes.

With regard to the lighting section, Councilmember Dawson commented she was uncomfortable with a standard that required security lighting to end at the property line. From a public safety standpoint, she was not opposed to a spotlight that lit the street in front of her house. She cautioned staff to be careful about limiting the ability to have security lighting extend off a property. Mayor Haakenson answered the reason the regulation was broad was to allow staff to work with the neighbors. Mr. Bowman suggested returning the ordinance on the Council agenda to allow the Council to review the edits and to conduct another public hearing if the Council wished.

Mayor Haakenson opened the public hearing.

Jim Wilkinson, Edmonds, questioned the logic of the revisions and enforcement. He explained the owner of the Windermere building informed them the authorities had apprehended the teens who graffitied their building and other buildings in downtown Edmonds but that the authorities would do nothing because of the cost. He questioned if the City did not have the funds to address vandalism downtown, whether they had the manpower, willpower and wherewithal to enforce RVs parked in the wrong place on a lot. Mayor Haakenson clarified the graffiti artists were caught and because they were juveniles, they went to Everett for court. The teens were cited but what the prosecutor's office, who is laying off prosecutors, did with them was out of the City's control.

Roger Hertrich, Edmonds, read from the July 23, 2008 Planning Board minutes regarding vehicles in a residential zone, the City has received a number of complaints regarding vehicles being parked on residential properties particularly vehicles stored in the yards. These complaints are primarily related to junk vehicles which has now been addressed. The intent of the proposed language was to establish vehicle standards for outdoor storage. He pointed out there was nothing in the Planning Board's discussion that there was an issue with the number of vehicles. He referred to the definition of RV read by Mr. Bowman and expressed his objection to the proposal to limit RVs to two per property. He pointed out the problem was not the number of vehicles but what was visible to the public. He suggested removing the section regarding the number of vehicles and adding a provision for screening.

Brook Evans, Edmonds, commented citizens preferred to store their motorhomes on their property as it was expensive and inconvenient to store it elsewhere. With regard to the number of vehicles, he pointed out not everyone has a large lot and a large garage to store their vehicles. As a car hobbyist, he may have a parts car as well as the car he was working on.

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

In regard to Mr. Evans' comments regarding working on a car, Mr. Bowman advised there was a section that addressed that. With regard to parking a RV, Mr. Bowman explained a RV could be parked on property and if it was parked in a garage or structure, a person could have more than two RVs on their property. In regard to Mr. Hertrich's comments regarding the number of vehicles, he noted that was for the Council to decide and staff could include a requirement for screening. The proposed language was taken from other cities' codes.

In regard to Mr. Wilkinson's comments, Mr. Bowman explained all the City's code enforcement was done by complaint. If a complaint was received, the proposed regulations provided standards to assist with bringing the property into compliance.

Mr. Bowman summarized the Council wanted staff to provide language regarding glare and work with Mr. Snyder regarding which agencies to include regarding particulate matter.

Councilmember Dawson asked why the City cared about the number of vehicles if they were not visible from the street. She suggested language regarding the number of vehicles visible from the public right-of-way or adjacent properties. Mr. Bowman answered adjacent properties was problematic because a yard could be very visible from an adjacent 2-story house. He referred to a code enforcement action where a resident collected 10,000 bicycles that he was restoring and shipping overseas.

Council President Plunkett suggested language such as all vehicles shall be on approved surface or maintained surface and/or except where motor vehicles are screened from public view or right-of-way. Mr. Bowman suggested staff provide alternatives for Council consideration.

COUNCILMEMBER DAWSON MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO DIRECT STAFF TO BRING BACK AN ORDINANCE IN LINE WITH THE PLANNING BOARD RECOMMENDATION WITH OPTIONS REGARDING SCREENING, LIGHT GLARE AND WHETHER PARKING CAN BE ON THE GRASS OR ON A MAINTAINED SURFACE.

Councilmember Bernheim expressed his opposition to pursuing performance regulations. He preferred not to regulate issues of aesthetics and to error on the side of property owners in issues of taste or aesthetics. He feared if the regulations were tightened too much, enforcement would be a nightmare. He objected to increasing the hours noise was allowed from 10:00 p.m. to 11:30 p.m., to the exception for unusual or isolated incidences as it was too vague, and to limiting the number of days a person could work on their car outside to only 30 per year. He supported allowing anything that was screened, allowing vehicles to be parked on lawns, noting there was no environmental benefit to parking on an improved surface because rain would wash any fluids into the ground.

Councilmember Wambolt commented Councilmember Bernheim may object to the number of vehicles if they were idling. He noted it may be easier for Councilmember Bernheim not to object to the number of vehicles because it was not possible for residents to park that many vehicles on their property in the area where Councilmember Bernheim lived. He agreed with the proposed ordinance and with staff providing options on the topics requested. He suggested residents abide by the codes without enforcement.

Councilmember Wilson echoed Councilmember Wambolt's comments, referring to manners such as not talking with your mouth full, curse in public or park three RVs on your front lawn, finding it appropriate to determine a number of RVs that could be stored on a property such as proposed by this ordinance.

Councilmember Bernheim pointed out the difference between anti-idling and these performance standards was idling controls were health and environmentally based. There were many good reasons to restrict semi trucks idling such as occurs in the vacant lot next to the 76 station on SR104. He summarized that was a health hazard, not an aesthetic issue.

MOTION CARRIED (6-1), COUNCILMEMBER BERNHEIM OPPOSED.

8. AUDIENCE COMMENTS

Jim Wilkinson, Edmonds, explained his partner Jeff Coe and he owned the Sunset Apartments which they sometimes use as short term rentals for people who needed a furnished apartment but did not want to look out on a parking lot, local homeowners between houses, spouses of people seeking medical treatment at facilities in the area, retired people visiting family, traveling nurses and contract workers. He noted short term renters typically stayed 1-3 weeks and did what other people in the neighborhood did, eat, sleep, watch TV, read, look at the view, stroll downtown and spend money at local merchants. He referred to Mr. Snyder's comment that the Council was regulating the impact of the activity on the neighborhood and not the use of the property, questioning how his renters were negatively impacting his neighborhood. He referred to Council President Plunkett's inquiry of Mr. Snyder regarding the impact of the ordinance on a person such as he and Mr. Snyder advised he would not be able to continue renting his property as he does. Mr. Wilkinson opined it appeared the City was regulating the use of his private property which seemed like a taking which required a property owner be compensated. He summarized the interim ordinance was a knee jerk reaction to the problem with renting a property on Cyrus Place and did not address the issue of noise and disturbance. He objected to Mr. Snyder's comment that renting a home and a sound system constituted a commercial enterprise, noting private parties often include rented sound systems, bands, catering, etc.

David Thorpe, Edmonds, observed the Council had approved several tax increases including the transport fee, the TBD, property tax increase, and increased utility taxes. He questioned why the Council approved a feasibility study for Yost Pool with a 39% increase, recalling similar increases with the skate park and sewer hookups on 220th. He pointed out little dollars add up to big dollars. He referred to Councilmember Bernheim's proposed amendments to the budget, noting eliminating Council stipends was voluntary. He agreed with reducing the City Attorney budget by \$10,000, cutting traffic enforcement, eliminating the City newsletter, eliminating the lobbyist, continuing the fiber project, and reducing park maintenance. He did not agree with reducing the Mayor's salary, cutting Senior Center funding, cutting the Mayors repair and maintenance budget, or funding a full-time grant writer. He hesitantly agreed with cutting the Youth Services budget and was unsure regarding the closure of Yost Pool.

Don Hall, Edmonds, referred to cuts in economic development and eliminating Park Rangers and the Bird Fest which bring people to the downtown activity area to spend money in the shops and restaurants. He supported the City spending more on economic development, pointing out eliminating advertising in tough times eliminated market share. As a member of the Downtown Edmonds Merchant's Association, he expressed support for a local improvement district to raise funds from downtown properties to promote the City. He questioned whether Edmonds would be one of a few to give money to the Snohomish Health District and whether those funds would be used for Edmonds residents only.

Roger Hertrich, Edmonds, agreed with Mr. Hall's comment that the City needed to spend money to make money. He welcomed Mayor Haakenson back and agreed with his comment that it was time to move the municipal court system. He suggested the Council make the decision to move the municipal court during their budget deliberations which would provide approximately nine months of savings. He observed the Yost Pool needed an \$80,000 boiler and questioned why the Council would fund an aquatics center study when it was simple to determine a pool should be located at the former Woodway High School site. He suggested budgeting \$80,000 to purchase a boiler and keep the best thing in Edmonds in the summer, noting mothballing the pool would cost money.

Mayor Haakenson explained he did not say it was time to move the court system, he asked the Council to take the balance of next year to study the pros and cons of moving the court system, changing from a municipal court to the district court. Councilmember Dawson pointed out if the City discontinued its municipal court, the City would have to contract with the district court and pay for prosecution services. She noted cities in South Snohomish County that contract with the district court have the same prosecutors and public defenders so those costs would likely remain the same. She recommended the City also consider contracting with other cities in South Snohomish County for municipal court services together.

With regard to Mr. Wilkinson's comments, Mr. Snyder explained the limitation on the use of a property under the zoning laws was an exercise of the City's regulatory powers, not a taking under either state or federal law. He suggested amortizing a non-conforming use be discussed at the public hearing on the interim ordinance. He urged Mr. Wilkinson to testify at the public hearing on the interim ordinance. In referring to the one night rental situation, he clarified he was referring to advertising a house for sale for one day with a sound system and catering was clearly a commercial enterprise and no additional ordinances were required to regulate that aspect.

9. WORKSHOP ON THE 2009-2010 BUDGET; PROPOSED BUDGET AMENDMENTS AND DISCUSSION

City Attorney Scott Snyder referred to the proposed amendments to reduce the Council salary and the Mayor's salary, explaining the Washington State Constitution prohibits both reductions; Article 11, Section 8 states the salary of any county, city, town or municipal officer shall not be increased except as provided in Article 1, Section 30 or diminished after its election or during its term of office. He explained the Constitution was created in a way that prohibited any game-playing with local officials' salary and prevents reducing salaries even for sound economic reasons.

Finance Director Kathleen Junglov outlined the budget options. She reviewed Option 1, the budget as originally proposed by Mayor Haakenson that included all the revenue options approved tonight and no cuts. Option 2 was the first cut option provided by Mayor Haakenson; this options includes all the revenue options approved tonight and cuts beginning in 2009 and 2010. Option 3 contains all the revenue options approved tonight and the same cuts proposed in Option 2; the difference was the timing of implementation. The 2009 cuts were new positions proposed and the vacant positions; the bulk of the other cuts begin in 2010 and the final cut, \$500,000 in park maintenance, would begin in 2011.

Ms. Junglov provided a list of the revenue options approved tonight, a detailed list of the cuts proposed in Option 2 and 3 and a list of amendments suggested by Councilmembers Orvis, Bernheim and Wambolt.

Council President Plunkett advised this workshop was scheduled for 30 minutes, 90 minutes was scheduled at next week's meeting, a 30 minute public hearing on the budget was scheduled on December 2 and 90 minutes for final budget deliberation, and if necessary 2-3 hours could be scheduled after committee meetings on December 9. With the amendments received to date, he anticipated the Council could conclude its discussion on December 2. He noted Councilmember Wilson also had three amendments that would be added to the list.

Add funding for the Snohomish County Health District \$81,520

Councilmember Orvis referred to a list of cuts that had been made at the Health District, advising some of the cuts had been restored based on information from the Snohomish County Council. The First Steps Home Visiting program was completely restored, 2.1 FTEs were restored to the Childcare Health Program, the STD clinic was fully restored and it was decided to wait six months before cutting a Disease Investigator in the Communicable Disease Program in hopes other funding would be available. He advised the other cuts remained. He planned to make a motion to add \$80,000 to the City's budget to provide funds for the Snohomish County Health District.

Council President Plunkett asked how the \$80,000 would be funded. Councilmember Orvis suggested, 1) from ending cash, 2) the funds that were originally allocated in Option 1 for extra positions that have now been cut, or

3) funds from the cuts suggested by Councilmember Bernheim. He planned to make a specific funding recommendation at the time he made a motion.

Councilmember Wambolt asked whether any other cities planned to provide funds to the Health District. Councilmember Orvis agreed Edmonds would be the first. Councilmember Wambolt commented that was his concern.

The following amendments were suggested by Councilmember Bernheim:

Cut Council stipends (\$5,000)

Councilmember Bernheim withdrew this amendment in light of Mr. Snyder's comments.

Councilmember Orvis commented although the Council's salary could not be cut, they could do more for the same pay. He suggested Councilmembers could go to Olympia to do the lobbying that had been cut from the budget.

Councilmember Dawson pointed out Councilmembers could donate a portion of their salary to the City and it was her understanding that it would be tax deductible as if the donation were made to a charity.

Councilmember Wilson commented Councilmember Dawson was in Olympia last year as part of her job and he was there as a volunteer and brought back \$200,000 for the City.

Cut Council City Attorney budget (\$10,000)

Councilmember Bernheim observed this was one of Mayor Haakenson's suggestions. Mayor Haakenson clarified the savings would be realized by having the City Attorney attend two instead of three Council meetings per month.

Rescind Mayor's Salary increase to amount when elected (\$25,000)

Councilmember Bernheim explained the principal was making do with less, setting priorities, making cuts, being fiscally conservative and joint sacrifice. He withdrew this amendment in light of Mr. Snyder's comments.

Councilmember Wilson commented because of the way this Council talks about funding non-represented staff, those staff members were in the process of filing to form their own union. He opined there was no better way to provide incentive for the formation of a union than to treat non-union employees differently than union employees.

Cut Senior Center funding (\$10,000)

Councilmember Bernheim commented this was appropriate in times of belt tightening and had been suggested by some members of the Senior Center.

Councilmember Wambolt commented it was not an appropriate time to cut funding to the Senior Center as there had been a great deal of change at the Center recently including a number of new Boardmembers and more new Boardmembers in January. He would not support this cut as it was his understanding the Senior Center was in dire financial condition.

Council President Plunkett advised he would not support this amendment.

Cut Mayor's Repair and Maintenance budget (\$40,000)

Councilmember Bernheim withdrew this amendment after learning this could not be cut as it funded computer license fee consolidation.

Cut Youth Services (\$250,000)

Councilmember Bernheim commented if this was not a priority, it should be considered for a cut. He noted Youth Services which includes the DARE program and the School Resource Officer was nice to have if the City

had the money. He was not convinced a police presence at schools was a high priority. With regard to the DARE program, he did not agree with police education on drug use and preferred anti-drug programs be conducted by health experts.

Mayor Haakenson clarified Councilmember Bernheim's suggestion was to cut the entire Youth Services Department. The Mayor stated that his budget proposal, although it pained him greatly, was to cut the DARE program in the amount of \$90,000. The balance of \$160,000 was for the two School Resource Officers. He recalled the Edmonds School District subsidized the cost of the Resource Officers. He did not support eliminating the School Resource Officers.

Police Chief Al Compaan explained there were two officers in Youth Services and the total projected budget for 2009 for the officers, benefits and vehicles was \$262,000; 50% of one of the officer's salary was paid by the Edmonds School District. He noted the Resource Officer was money well spent because the officer on campus could defuse situations and reduced 911 calls from the school. The other position was the DARE Officer; DARE is offered in nine elementary schools in the Edmonds School District to nearly 500 students. He noted the DARE program was more than about drugs, it was about decision making skills, dealing with bullies, and an opportunity for positive contact between police officers and students. Mayor Haakenson asked how much of the cost center was paid by the School District. Chief Compaan estimated approximately 25%.

Councilmember Wambolt commented there were no substitutes for the DARE program. He expressed support for Option 3 which did not eliminate the DARE program in 2009.

COUNCIL PRESIDENT PLUNKETT MOVED, SECONDED BY COUNCILMEMBER DAWSON, TO EXTEND THE MEETING FOR 30 MINUTES. MOTION CARRIED UNANIMOUSLY.

Cut Traffic Enforcement (\$25,000)

Councilmember Bernheim explained his intent was to make cuts in the budget to provide excess cash to carry over into the next year. He referred to page 97 of the budget which indicated the City expended approximately \$500,000 annually on traffic enforcement. His proposal was an across-the-board cut of 5%.

Councilmember Wambolt preferred to double the traffic enforcement budget, commenting there was inadequate traffic enforcement in the City. He described several locations where cars speed, noting he was often nearly run over during his daily four mile walk.

Councilmember Wilson commented when considering this cut as well as the others, the Council needed to consider what type of city Edmonds wanted to be.

Cut City Newsletter (\$20,000)

Councilmember Bernheim asked whether eliminating the City newsletter was in all the budget options. Mayor Haakenson answered it was in Option 2 and 3. He advised the newsletter would be provided online.

Transfer Municipal Court Services to South District Court

Councilmember Bernheim stated transferring municipal court had not been a topic of discussion until Mayor Haakenson suggested Council study that option in 2009. He clarified this was not an amendment but he supported studying the issue with the hope that transferring municipal court services would result in a budget cut.

Cut court security for infraction proceedings

Councilmember Bernheim suggested eliminating court security for adjudication proceedings for non-violent and non-domestic offenses such as traffic. He questioned the need for security when the Police Department was across the hall.

Judge Doug Fair advised security was available for all court proceedings which was the industry standard. He explained night court was for infractions only, but in his experience more people became upset over a \$100 fine than being sentenced to 6 months in jail. He noted many of the people at infraction hearings had criminal histories and often were taken out of the courtroom in custody on warrants. He summarized security served a twofold purpose; to ensure no one got out of control in the courtroom and to take people with outstanding warrants that were extraditable into custody. He concluded security provided a safer, more secure courtroom experience for the average citizens contesting a traffic citation.

Councilmember Dawson concurred with Judge Fair's comments. She recalled the Public Safety Committee considered this several years ago after the risk management team expressed concern with the risk to City employees due to a lack of court security. She agreed with Judge Fair that people became extremely agitated on minor infractions. She acknowledged there were several courts in the State that were considering eliminating court security due to budget issues but she did not recommend it particularly due to the limited expense. Judge Fair advised Edmonds Police did not provide court security; court security was provided by Puget Sound Detective Services and the court hoped to contract with another city to perform those services, further reducing the cost. Councilmember Dawson recalled a great deal of effort was put into making the court security as cost effective as possible when it was implemented.

Councilmember Bernheim commented he did not disagree that a security service provided added security; he only questioned the need. He was often in court and believed at some point people needed to stop presuming that there was a "nut with a gun" standing in front of them.

Cut Olympia and Washington DC lobbying expenses (\$80,000)

Councilmember Bernheim commented he did not like the practice of lobbying and would rather rely on Councilmembers' powers of persuasion and dedication to lobby for issues they believed were important. The City was also a member of AWC, a lobbying organization. When the City was raising taxes, it should also reduce the level of consumption even though there was some potential for return on this investment. Mayor Haakenson pointed out Options 2 and 3 cut the Washington D.C. lobbyist and the remaining \$40,000 in the budget was for Mike Doubleday, the Olympia lobbyist. He pointed out none of the Council or his staff could do the work Mr. Doubleday did over the past few years. He advised the budget also included \$7,000 for Salzer Joyce, the environmental firm.

Cut Parks Maintenance (\$50,000)

Councilmember Bernheim commented this was an example of an across-the-board cut of 10% of the \$500,000 parks maintenance budget. He acknowledged parks may look a little shabbier and some parks would get 10% less attention.

Councilmember Wilson pointed out the parks maintenance fund was \$1.3 million. It was his understanding the first cuts in parks maintenance would be the flower baskets. He asked staff to identify the impact on the parks maintenance budget of a \$50,000 cut and whether the \$50,000 would be in addition to the \$500,000 cut proposed in Options 2 and 3. Councilmember Bernheim commented this cut was in lieu of the \$500,000 cut as he favored a smaller cut. Parks & Recreation Director Brian McIntosh responded the first thing to be cut would be part-time summer labor and the immediate affect would be in the flower program which utilizes three part-time maintenance staff.

Councilmember Wilson pointed out although a \$50,000 cut was better than a \$500,000 cut, it was a question of what kind of city Edmonds wanted to be.

Councilmember Dawson pointed out the Council could direct staff not to cut the flower program but cut \$50,000 elsewhere in the budget. Mr. McIntosh responded the reduction would be in part-time seasonal labor. A \$500,000 cut would be full-time staff. Councilmember Dawson asked if there was a way to cut \$50,000 from

the park maintenance budget and retain the flower basket program. Mr. McIntosh answered it would be five part-time seasonal positions which would impact the flower basket program.

Councilmember Dawson reiterated the cut could be made without impacting the flower program. Mayor Haakenson pointed out the park maintenance budget was primarily labor; whether the cut was \$50,000, \$100,000 or \$500,000, parks would not be maintained and the reduction in maintenance would be spread out throughout the city. Mr. McIntosh explained the City typically hired eight seasonal maintenance staff; if there were only three, the person that previously picked up garbage five times a week would only pick it up three times a week. Councilmember Dawson summarized it was a question for the Council to decide whether to fund park maintenance at a lower level in order to save \$50,000.

Councilmember Wilson recalled a discussion with Mr. McIntosh that during tough economic times there was greater utilization of parks as illustrated by the increased amount of garbage. Mr. McIntosh commented staff monitors park usage by the amount of garbage collected. Park usage spikes during difficult economic times; for example following 9/11 people stayed home and used parks more. That was also the experience this past summer due to high gas prices. Councilmember Wilson commented picking up garbage half as often at a time when park usage was up would result in "dirty, garbage filled parks."

Add full-time grants writer (effective 1/1/2010)

Councilmember Bernheim referred to a list of grants the City had received since 2003 and although it was a substantial amount, most were related to Edmonds Crossing, the 220th Street improvement and the acquisition of parkland at old Woodway Elementary. He envisioned hiring a grant writer to aggressively pursue grants. Mayor Haakenson responded staff did an excellent job writing/applying for grants. He cautioned it was not as simple as just applying; often grants were given granted on the economic viability and the perception of the community. Edmonds was perceived as a well-to-do community and did not score well in grant processes. The City has applied for numerous grants that were not shown on the list of grants the City received. Further, the amount of grants dollars available at the federal levels has dropped 75-80% since 9/11. Mayor Haakenson preferred to fund the School Resource Officer or the DARE program over funding another full-time position that he did not believe was necessary.

Continue fiber project

Councilmember Bernheim viewed this as an economic opportunity and did not want the hundreds of thousands of dollars that had already been invested to be wasted.

Councilmember Dawson asked whether it was an option to delay for a year.

CTAC member Rick Jenness answered it could be delayed although some of the expenditures would lead to future opportunities. Councilmember Dawson asked if the window of opportunity would close if the project were delayed. Mr. Jenness anticipated there would be some closure/less opportunity. Councilmember Dawson suggested identifying the risk of delaying one year if the Council were committed to funding in 2010. Mr. Jenness answered if the project continued, it was anticipated five more customers would be acquired by this time next year, \$100,000 of ongoing revenue that would be lost in exchange for saving \$139,000.

Council President Plunkett commented Phase 1, government customers, was in place to a great extent and the City was waiting to reap the benefits. At some point, the revenue would pay for the infrastructure investment. The more difficult decision would be Phases 2 and 3. Mr. Jenness acknowledged there was a modest investment to complete Phase 1, a fiber link between two buildings in downtown Seattle which would create an immediate demand and opportunity for approximately 18 new customers. Council President Plunkett asked when Phase 1 would pay for itself. Mr. Jenness anticipated it would be cash flow positive by late 2009 or 2010. Council President Plunkett commented delaying the project simply delayed when it would be net positive.

Councilmember Wambolt commented the funds in the budget were for Phase 1. He did not support delaying the project, fearing it would be difficult to retain the expertise on the current CTAC Committee. He supported Councilmember Bernheim's recommendation to continue with the fiber optic project.

Mayor Haakenson referred to the Mr. Jenness' comment about the potential for 5 new contracts in 2009 which would provide \$100,000 in new revenue and asked the cost to the City to obtain that revenue. Mr. Jenness answered if the 5 included SnoCom and some derivatives of SnoCom, there was a one-time cost of approximately \$30,000 for a connection between the Westin and the Melbourne buildings downtown as well as approximately \$5,000 in recurring costs. There was also a connection to SnoCom; in the past the City fronted the money for the connections and allowed a three year payback from the customer. The cost to connect SnoCom would be net zero over a three year period. Mayor Haakenson asked the cost of the connection. Mr. Jenness answered it would depend on mileage; he estimated SnoCom would be a \$60,000 connection. He noted SnoCom could be asked to front the \$60,000 cost. Mayor Haakenson was doubtful the SnoCom Board would approve spending \$60,000 as the users would actually pay that.

Mayor Haakenson explained he put the fiber optic project on the delay list because the cost was approximately \$90,000 for a \$100,000 return in revenue and he anticipated there would be additional costs. He acknowledged a lot of money had been invested, but questioned whether in this environment the City could afford a \$100,000 investment to get \$100,000 in revenue. He noted Phase 2 and 3 involved a test case.

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO EXTEND THE MEETING FOR 30 MINUTES. MOTION FAILED (3-4), COUNCILMEMBERS OLSON, WILSON AND ORVIS IN FAVOR; AND COUNCIL PRESIDENT PLUNKETT, COUNCILMEMBERS WAMBOLT, DAWSON, AND BERNHEIM OPPOSED.

COUNCIL PRESIDENT PLUNKETT MOVED, SECONDED BY COUNCILMEMBER DAWSON, TO EXTEND THE MEETING FOR 15 MINUTES. MOTION CARRIED UNANIMOUSLY.

Councilmember Wilson observed the 2008 investment was approximately \$242,000; the Mayor's budget for 2009 included \$197,000 and \$113,000 in 2010. He recalled Mr. Jenness indicated the cost would be \$139,000. Mr. Jenness answered \$139,000 was what Mayor Haakenson left in the budget; the original budget was \$190,000. He noted there were certain contracts that the City must honor. If the City stopped the project completely, there would be \$139,000 in savings. Mayor Haakenson clarified there were ongoing costs before revenue was generated.

Councilmember Wilson asked how much more needed to be budgeted to have a "full speed ahead" approach with Phase 1. Mr. Jenness answered Mayor Haakenson's original budget was full speed ahead. Mr. Jenness explained Phases 2 and 3 would extend the core backbone into neighborhoods and connecting individual locations. Mayor Haakenson commented that also assumed there was a test case and a favorable ruling that the City could be in that business.

Councilmember Wambolt pointed out Option 3 fully funded the fiber optics project in 2009.

10. REPORT ON CITY COUNCIL COMMITTEE MEETINGS OF NOVEMBER 10, 2008

Due to the late hour, this item was postponed until the next Council meeting.

11. MAYOR'S COMMENTS

Mayor Haakenson thanked and complimented his staff for their presentations on revenue streams/options, noting they had worked very hard over the last month to develop those options and likely were very thankful the Council approved them.

12. COUNCIL COMMENTS

Council President Plunkett requested City Clerk Sandy Chase prepare an updated amendment list that included Councilmember Wilson's amendments and the items deleted by Councilmember Bernheim.

Councilmember Wilson commented the work group was informed Edmonds had the lowest tax rate of any city in Snohomish County and unincorporated Snohomish County. Mayor Haakenson advised a report on the tax rates in surrounding cities that Finance Director Kathleen Junglov and he prepared would be provided to the Council next week.

Councilmember Orvis complimented Councilmember Bernheim on his amendment ideas. He also thanked the Development Services Department for their assistance with applying for a permit for a detached garage.

13. ADJOURN

With no further business, the Council meeting was adjourned at 10:49 p.m.