

EDMONDS CITY COUNCIL APPROVED MINUTES

December 2, 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 5th 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
 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
 Rich Lindsay, Parks Maintenance Manager
 Noel Miller, Public Works Director
 Kathleen Junglov, Finance Director
 Doug Fair, Municipal Court Judge
 Rob Chave, Planning Manager
 Debi Humann, Human Resources Director
 Rob English, City Engineer
 Carl Nelson, Chief Information Officer
 Scott Snyder, City Attorney
 Sandy Chase, City Clerk
 Jana Spellman, Senior Executive Council Asst.
 Jeannie Dines, Recorder

Approve
Agenda

1. APPROVAL OF AGENDA

COUNCILMEMBER WAMBOLT MOVED, SECONDED BY COUNCILMEMBER OLSON, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

2. CONSENT AGENDA ITEMS

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

Roll Call

A. ROLL CALL

Approve
Claim
Checks

B. APPROVAL OF CLAIM CHECKS #108380 THROUGH #108484 FOR NOVEMBER 26, 2008 IN THE AMOUNT OF \$679,664.28.

Sr. Ex.
Council
Assistant

C. AUTHORIZATION FOR THE MAYOR TO SIGN EMPLOYMENT CONTRACT FOR SR. EX. COUNCIL ASSISTANT JANA SPELLMAN.

3. **PUBLIC HEARING ON THE EDMONDS SCHOOL DISTRICT CAPITAL FACILITIES PLAN FOR 2008-2013.**

Brian Harding, Property Management, Edmonds School District, explained the proposed Capital Facilities Plan for 2008-2013 did not include any mitigation fees. The Plan has been reviewed by the Planning Board and they recommend approval.

Councilmember Wilson asked why the District was not imposing mitigation fees on new development that increases school enrollment. Mr. Harding responded the Edmonds School District was not eligible to charge mitigation fees because they still had capacity to accommodate increased enrollment. Councilmember Wilson asked how mitigation fees were imposed. Mr. Harding responded the District recommends the City adopt an ordinance that allows for mitigation fees. During this six-year planning period there were no increases in enrollment expected. He acknowledged in a 20-year planning period enrollment may exceed capacity.

Councilmember Wilson inquired about funding for projects such as Lynnwood High School and other capital improvements. Mr. Harding responded leasing the current Lynnwood High School site, the maintenance site near Alderwood Mall and the former administration site would provide capital funds for construction.

Mayor Haakenson opened the public participation portion of the public hearing. There were no members of the public present who wished to speak and Mayor Haakenson closed the public hearing.

COUNCILMEMBER DAWSON MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, TO APPROVE THE EDMONDS SCHOOL DISTRICT CAPITAL FACILITIES PLAN AND DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE TO REFERENCE THE PLAN AS PART OF THE CITY'S COMPREHENSIVE PLAN. MOTION CARRIED UNANIMOUSLY.

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

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

David Thorpe, Edmonds, expressed concern with the worldwide financial situation including the State, City and his own household. He noted his frustration with the Council's lack of leadership and urgency in the handling of the budget. He recalled the Council's discussion earlier this year regarding a survey and environmental study on property the City did not own and that was not for sale during a time when the budget was already \$2.5 million in deficit. He urged the Council to consider what the City needed not what the Council wanted. He expressed concern with increased taxes as a result of the Transportation Benefit District, property tax, utility tax, school levy and EMS levy and cautioned the Council to be cognizant of how often they asked voters for funds. He recognized immediate revenue would likely be generated at the expense of citizens via a levy or Regional Fire Authority and urged the Council to also make major cuts and for citizens to lower their expectations of service levels. He recommended all the suggested cuts be implemented with the exception of the DARE program, Crime Prevention, Yost Pool and fiber optics. He also recommended a 5% across-the-board citywide cut, no additional expenditures and that consideration be given to eliminating projects in the CIP. On another matter, he encouraged the public to give to the food bank throughout the year.

Strom Peterson, Edmonds, a Chamber of Commerce boardmember and member of the Downtown Edmonds Merchants Association, spoke in favor of a Business Improvement District (BID). He explained a BID would allow business and property owners within the District to impose a self-tax. He visualized the tax as an investment in the future; the formation a BID could bring in revenues to promote downtown businesses and Edmonds and fund programs such as the flower baskets. He recognized the

difficulty of relying on strained resources, pointing out a BID was an opportunity for property and business owners as well as the community to create self-sustaining funding that would reduce the pressure on future budgets.

Jeff Draper, Edmonds, reminded the Council of the citizens who spoke last week in support of Yost Pool. He announced anyone interested in Yost Pool could now join a Google Group to share information. He envisioned funding for Yost Pool may be in jeopardy in future years.

Don Hall, Edmonds, expressed support for Councilmember Wilson's amendment #1 (increase economic development advertising by \$25,000). He pointed out Edmonds was competing against many other cities; additional advertising would increase revenue for businesses as well as the City via sales tax. He also supported the formation of a BID which would show businesses interested in locating in Edmonds that the City wanted to support them and help them succeed. He disagreed with Councilmember Bernheim's amendment to cut Youth Services, noting eliminating police support at the high school and the DARE programs sent the wrong message with regard to security and learning right from wrong. He further encouraged the public not to use plastic bags during the holiday shopping season.

Malia Santucci, a sixth grade teacher at Holy Rosary School, Edmonds, urged the Council to retain funding for the DARE program, a vital preventative measure. She commented on the positive and proactive benefits the DARE program provided and the invaluable personal connection the DARE Officer brought to the classroom. The students benefit from receiving accurate information from the DARE Officer about health and safety dangers they face with regard to drugs, alcohol, and tobacco as well as making wise decisions for their future. She summarized eliminating the DARE program would be a tragic loss and urged the Council to retain funding in the budget for the DARE program.

David Arista, Edmonds, a business and property owner in downtown Edmonds, voiced his support for Councilmember Wilson's budget amendment #1 (increase economic development advertising by \$25,000) and #2 (increase economic development professional services for BID in the amount of \$60,000). He noted the BID would be a self-imposed tax and the revenues could be directed to specific purposes that benefited the downtown business district such as co-op advertising, beautification, streets, public restrooms, trash cans, and business recruitment and retention. He expressed his appreciation for the assistance provided by Stephen Clifton who undertook the additional responsibilities of the Economic Development Director. He recognized the City was in a budget crisis and preferred to raise revenue rather than cut expenses. He summarized the cost of forming a BID would be money well spent and an investment in the community. He relayed the Downtown Edmonds Merchant Association's support for the BID recognizing they would bear the primary expense.

Chris Fleck, Edmonds, a business and property owner in downtown Edmonds, echoed Mr. Arista's comments, noting after minimal start up costs a BID would be self-sustaining. He relayed the Chamber of Commerce's support for the BID. He encouraged the Council not to cut funding for programs such as the flower baskets and other beautification efforts that bring customers downtown until the BID was underway. He referred to an article in a 1998 magazine about Edmonds that mentioned the flower baskets and flower beds throughout the City. He noted many of his clients remarked on the City's beauty, something the BID could help fund.

Dave Page, Edmonds, recognized the development of the budget was a lengthy process and complimented the City and its employees. He recalled serving on the committee 20 years ago that discovered the City's Chief Police earned 30% less than Brier's part-time Police Chief and after the Council funded a study, the salary was rectified over a 5-6 year period. He recalled Mayor Haakenson telling him he planned to run the City like a business. He pointed out the free enterprise system was under attack but could carry a great deal of weight if it was evenly distributed. He asked the Council to

reconsider the salary increases approved last week, recognizing staff was well paid and no other businesses were giving raises.

Ronald Clyborne, Edmonds, spoke in support of Councilmember Wilson's budget amendment #1 (increase economic development advertising by \$25,000) and #2 (increase economic development professional services for BID in the amount of \$60,000). He pointed out Edmonds was a unique and special community and had a Chamber of Commerce that supported the community with an amazing series of events. The last thing that should be done now is to jeopardize the community's special position. As Vice President of the Chamber of Commerce and a business person, he urged the Council to approve Councilmember Wilson's amendments.

Bob Rinehart, Edmonds, agreed with Mr. Thorpe's comments regarding the critical situation the City faced. He noted before The Depression, there was a 1-year depression in 1929, again in 1937 and 1939. One of the major reasons for the later ones was the nation closed in on itself. He pointed out the importance of making some cuts but urged the Council to support Councilmember Wilson amendment #1 to ensure the promotion of Edmonds continued. He recalled speaking to the Council as a Chamber of Commerce Boardmember about the Everything Edmonds initiative to encourage residents to shop locally - "put your money where your house is." He noted although many were aware of what the City has to offer, that image must be earned every day because of the ever changing demographics in the area.

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

Adoption of
2009-2010
Budget

5. **ADOPTION OF THE 2009-2010 BUDGET: ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON RELATING TO THE BUDGET FOR THE BIENNIUM COMMENCING JANUARY 1, 2009, ADOPTING A BIENNIAL BUDGET FOR 2009-2010.**

Mayor Haakenson recalled last Tuesday the Council gave staff direction that they wanted to start with Option 1. Option 1 is the first budget presented to the Council and contains no budget cuts. Option 1 was built around surviving 2009 and 2010 and hoping the Council would identify a fix for the long term budget woes which could be a Regional Fire Authority (RFA), parks levy, public safety levy lid lift, or other method. Upon further review, he determined the ending cash balance in Option 1 was frighteningly low in 2010, \$600,000; he preferred an ending cash balance of at least \$1 million although the target ending cash balance would be \$2-\$3 million. Therefore, he prepared a revised Option 1 that removed the new positions in the 2009-2010 budget, the request for equipment to address internet and computer issues, an IT position, and a HR position which increased the ending cash balance at the end of 2010 to \$1.3 million. He pointed out the ending cash balance in 2011 decreased to \$700,000 and to a \$2 million in deficit in 2012 and \$4 million in deficit in 2013, emphasizing the need for a long term fix.

COUNCILMEMBER ORVIS MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, FOR APPROVAL OF ORDINANCE NO. 3711, AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, RELATING TO THE BUDGET FOR THE BIENNIUM COMMENCING JANUARY 1, 2009, ADOPTING A BIENNIAL BUDGET FOR 2009-2010.

The following amendment to the motion was proposed by Councilmembers Orvis and Bernheim:

COUNCILMEMBER ORVIS MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO ADD \$81,520 TO THE BUDGET FOR PURPOSES OF FUNDING THE SNOHOMISH COUNTY HEALTH DISTRICT.

Councilmember Orvis explained cities had historically provided funds to the Snohomish Health District; there was nothing this year that obligated cities to provide funding and he suspected many cities would not. He explained the services the Health District provided kept people from getting sick. He identified some of the cuts the Health District made to their budget including to the Tuberculosis Control Unit, the

Childcare Health program, programs associated with injury prevention and oral health, Healthy Communities program which deals with heart disease, disease investigation, and the West Nile Virus program. He urged Edmonds to be the first city to provide additional funding to the Health District.

Mayor Haakenson asked the funding source for this addition to the budget. Councilmember Orvis stated it would be from the ending cash balance and he would support some other cuts to provide this funding.

Councilmember Bernheim supported this amendment because public health was risky and public health had a record of efficacy. He also supported Edmonds providing a regional example via this funding.

Council President Plunkett recognized public health as a public safety issue.

COUNCIL PRESIDENT PLUNKETT MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO AMEND THE AMENDING MOTION TO REDUCE THE FUNDING AMOUNT TO \$50,000. MOTION CARRIED UNANIMOUSLY.

Councilmember Dawson agreed many of the points made were valid; if the other cities had been interested in participating, it may have been possible to create an Interlocal Agreement to create a sustainable funding source for the Health District. Because that would not happen this year and she envisioned it would only be Edmonds taking \$50,000 from a very tight budget to provide funds that would not solve the Health District's problems, she would not be voting in favor of this amendment. She expressed appreciation for Councilmember Orvis' efforts on the Health District Board to resolve several issues and acknowledged the need to fix the Health District crisis in the County and State. She regretfully was unable to support the amendment although she supported the concept of cities coming together to provide funding.

UPON ROLL CALL, MOTION FAILED (3-4), COUNCIL PRESIDENT PLUNKETT AND COUNCILMEMBERS ORVIS AND BERNHEIM IN FAVOR; AND COUNCILMEMBERS WILSON, OLSON, DAWSON AND WAMBOLT OPPOSED.

The following amendments were proposed by Councilmember Bernheim:

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

Mayor Haakenson advised this reduction would be accomplished by Mr. Snyder not attending the third Council meeting of the month.

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO CUT THE COUNCIL CITY ATTORNEY BUDGET BY \$10,000.

Councilmember Bernheim commented some of the reductions could be realized via spending constraint.

Councilmember Wambolt asked the ramifications of not having the City Attorney at the third meeting of the month and suggested simply cutting the City Attorney budget by \$10,000. Mayor Haakenson answered it would be accomplished by not scheduling public hearings on the third meeting of the month.

MOTION CARRIED UNANIMOUSLY.

Cut Senior Center funding (\$10,000)

Councilmember Bernheim explained the objective of this cut was to demonstrate that all segments of the community were sharing in the belt tightening. As a member of the Senior Center, he believed the members of the Senior Center were willing to put in their fair share. He noted many members of the Senior Center lived through the depression and knew about sacrifice. He emphasized the need for cuts, anticipating the City's revenues would be less than projected.

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WILSON, TO CUT \$10,000 FROM SENIOR CENTER FUNDING.

Councilmember Wilson commented he seconded this motion and would second all of Councilmember Bernheim's motions, not because he supported them but because he felt they warranted debate. He did not support the proposed reduction in the funds provided to the Senior Center.

MOTION FAILED (1-6), COUNCILMEMBER BERNHEIM IN FAVOR.

Cut Youth Services (\$250,000)

Councilmember Bernheim explained the Police Department budget was in excess of \$9 million, nearly 1/3 of the City's budget. He proposed trying a cut to the Youth Services program for one year.

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WILSON, TO CUT YOUTH SERVICES BY \$250,000.

Councilmember Bernheim explained he supported focusing on police priorities. If after one year there was an observable increase in delinquency or dissatisfaction by society with juveniles, the program could be reinstated.

Councilmember Wilson recognized Councilmember Bernheim's intent to spread the sacrifice around but did not support balancing the budget on the backs of kids, which was the reason he supported funding Yost Pool and Youth Services.

Mayor Haakenson asked the Police Chief to describe the impact of a \$250,000 reduction in Youth Services. Police Chief Al Compaan explained there were two FTEs within the Youth Services budget, one responsible for the DARE program at the elementary school level and the other a School Resource Officer at Edmonds-Woodway High School. If forced to choose, he would strongly encourage the Council to retain the Edmonds-Woodway High School Resource Officer position. He explained this was a very proactive position; the officer interacts with students on a daily basis, proactively preventing problems which eliminates the necessity of patrol cars responding to the high school.

The DARE Officer has contact with approximately 450 students in elementary schools in Edmonds annually. The DARE curriculum deals with decision-making, how to choose friends, consequences of actions, drugs, and gang reduction. DARE has been a very positive program that provides an opportunity for an officer to have contact with elementary students. He urged the Council to think hard before cutting the DARE program.

Mayor Haakenson spoke in favor of the DARE program and asked Councilmember Bernheim if he had ever attended a DARE graduation. Councilmember Bernheim indicated he had not. Mayor Haakenson commented he had attended over 100 DARE graduations since becoming Mayor and had seen the benefits of the program. He expressed his support for the DARE program, noting it was not just about drugs but about making good choices, learning how to react to bullying, and how to communicate with parents. He urged Councilmembers to attend a DARE graduation in January/February and see how the kids were affected by the program.

WITH THE AGREEMENT OF THE SECOND, COUNCILMEMBER BERNHEIM REVISED HIS MOTION TO CUT ONLY THE DARE PROGRAM AT \$85,000.

Councilmember Bernheim referred to a U.S. Government General Accounting Office report he provided to the Council that concluded there was no significant difference in drug use by graduates/non-graduates of the DARE program. He emphasized the scientific study that had been done found the DARE program

was not affective. He noted support for the program recognized the feelings students had at the time the course was completed and research agreed most students felt good about the program when it was concluded. What was important to him was whether it had any impact on future drug use when those 5th-6th graders became 8th-9th graders; the scientific answer was it had no effect. He did not deny DARE was a great program that created a lot of great feelings and suggested if the schools wanted it in their curriculum, they pay for it themselves. He also cited a study done by the Washington State Institute for Public Policy that found DARE programs had no effect.

Councilmember Wilson clarified the materials Councilmember Bernheim provided indicated there was no impact on future drug use, not that there was no impact at all. He acknowledged Mayor Haakenson's comment that there were other topics covered in the DARE curriculum that were not addressed in the materials Councilmember Bernheim provided.

Student Representative Warren, a student at Meadowdale High School, stated the School Resource Officer at Meadowdale created a safer environment, built relationships with students and made presentations during classes. As a DARE graduate, he liked the program and felt it was a great experience that followed him into middle school. He was uncertain if the DARE program had as much influence on high school students because people simply made poor choices. He agreed with Police Chief Compaan that the School Resource Officer was vital but suggested the DARE program be put on hold due to the City's budget issues. If the schools like the DARE curriculum, they should fund it themselves.

MOTION FAILED (1-6), COUNCILMEMBER BERNHEIM VOTED IN FAVOR.

Cut Traffic Enforcement (\$25,000)

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WILSON, TO CUT TRAFFIC ENFORCEMENT BY \$25,000.

Councilmember Bernheim explained this was another example of sharing the burden of budget reductions. The Police Department spends \$500,000 per year on traffic enforcement, and a \$25,000 reduction could fund some other program. By reducing traffic enforcement, there may be fewer arrests and fewer bookings on crimes that were not threats to public safety. He noted 22% of misdemeanor bookings in September 2008 and 25% in October 2008 were for marijuana or drug paraphernalia; the City must pay to take these people to jail, book them and incarcerate them.

Councilmember Orvis explained premature death was used by the Health District to measure years of life lost. For example, the difference in the age of someone who died before age 65 equals years of life lost. The primary cause of years of life lost was accidents; therefore, traffic enforcement was also a public health issue. He was reluctant to make any cuts in traffic enforcement, finding it premature.

Councilmember Wambolt reiterated he would never cut traffic enforcement and would prefer to double it.

MOTION FAILED (1-6), COUNCILMEMBER BERNHEIM VOTED IN FAVOR.

Cut City Newsletter (\$20,000)

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WILSON, TO CUT THE CITY NEWSLETTER BY \$20,000.

Councilmember Bernheim clarified his proposal was not to eliminate the newsletter, only to stop printing and mailing it. It would be available on the City's website.

Councilmember Wilson commented this was an appropriate item to consider in times of belt tightening. He noted in the federal government, the U.S. Military and the U.S. Post Office were the only two agencies citizens liked because those were the only ones that spent any money of substance communicating with the public. He noted the direct consequence of this budget reduction was possibly increasing the public's mistrust of government.

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

Cut court security for infraction proceedings.

Ms. Junglov advised Councilmember Bernheim did not provide a dollar amount.

Councilmember Dawson suggested if this did not have a dollar amount, it was not a budget amendment and the merits could be discussed by the Public Safety Committee.

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WILSON, TO CUT \$5,000 FROM COURT SECURITY FOR INFRACTION PROCEEDINGS.

Municipal Court Judge Doug Fair recalled the total budget for court security was \$40,000. The union contract with the Police Department allowed the court to contract with Mountlake Terrace which will reduce the cost by approximately \$5,000. Mayor Haakenson asked him to address the merits of court security. Judge Fair commented he recently arraigned someone who had followed one of the prosecutors home from Lynnwood court on a contested hearing and slashed her tires. He noted that was the type of animosity from a \$144 fine levied in infraction proceedings. He noted during infraction proceedings fines were levied in the amount of \$124 - \$155 but there was often more animosity from a \$124 fine than when someone was sentenced to a year in jail. He advised there were two, 4-hour night courts per month dedicated solely to infractions, mitigations and contested hearings billed at \$40/hour. He noted all courthouses had court security and he felt it was a bad idea to eliminate it in Edmonds.

Councilmember Bernheim asked how long court security had been provided. Judge Fair recalled it was started approximately three years ago shortly after he became the judge as a result of Human Resources Director Debi Humann's efforts. He advised court security was eliminated under Judge White and then reinstated when he became judge because he felt it was a priority. Councilmember Bernheim asked the experience when there was no court security. Judge Fair responded he had people run from the court when told they would be arrested on a warrant, resulting in people with outstanding warrants leaving the court. Now the custody officer arrests anyone with an outstanding warrant.

Councilmember Bernheim noted the person that ran away was wanted on another warrant and appeared voluntarily in the court. He asked if that was the reason for courtroom security, to track people down who escaped on warrants. Judge Fair answered it was that and to ensure people did not get out of control in the courtroom. He noted the push for court security came approximately five years ago when a person shot three people in a King County courthouse. He noted the Council had the benefit of a Police Officer at every meeting and asked in the courtroom where tensions ran easily as high that there be court security for all hearings.

Councilmember Bernheim asked if the Police Chief attended Council meetings for security or as a Police representative. Mayor Haakenson answered there was a Police Officer at every Council meeting for security. Councilmember Bernheim asked how that was accounted for in the budget. Mayor Haakenson answered it was a non-represented salary. Councilmember Bernheim was uncertain that was necessary.

Human Resources Director Debi Human explained there were two reasons for security in the court, 1) the result of an employee survey that revealed the number one concern was security during court, and 2) a survey of municipal courts in the area found Edmonds was the only court that did not provide security.

Legal counsel advised that may not be the best position to be in. She suggested consideration be given to the potential costs if security were not provided.

MOTION FAILED (1-6), COUNCILMEMBER BERNHEIM VOTED IN FAVOR.

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

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO CUT \$80,000 FROM THE OLYMPIA AND WASHINGTON DC LOBBYING EXPENSES.

Councilmember Dawson asked if there was \$80,000 in the budget or less because the Washington DC lobbyist had already been cut. Mayor Haakenson stated Option 1 cut the Washington DC lobbyist but not the Olympia lobbyist. Community Services/Economic Development Director Stephen Clifton advised the cost of the Washington DC lobbyist was \$45,000; the cost of the Olympia lobbyist was \$35,000.

WITH THE AGREEMENT OF THE SECOND, THE MOTION WAS REVISED TO CUT \$35,000 FROM THE OLYMPIA LOBBYIST.

Councilmember Bernheim clarified he was not proposing these cuts because he disliked the programs but because the City did not have sufficient funds. It was his understanding that Department Heads were capable and he hoped they would have enough time to lobby for specific causes. Further, the City belonged to a number of membership organizations that represent the City's interests such as Association of Washington Cities. He suggested trying this for a year to see if the City missed out on anything.

Councilmember Orvis expressed support for this amendment.

Mayor Haakenson advised the reason he cut the Washington DC lobbyist was he did not feel the City was getting its money's worth; the opposite was true for Mike Doubleday, the Olympia lobbyist, from whom the City received more from his lobbying efforts than the City paid him each year. He felt the Olympia lobbyist was well worth the investment, noting his Department heads did not have time to lobby in Olympia and he doubted that anyone in Olympia would listen to them because they wanted to hear from elected officials. He urged the Council to retain funding in the budget for Mike Doubleday's contract.

Student Representative Warren agreed \$35,000 was a small amount to ensure the City's opinion was heard.

Councilmember Wilson relayed that Edmonds had submitted projects in response to the federal government request for cities to identify projects that are ready to go that could be funded via an economic stimulus package. He asked how the City learned of that request. Mayor Haakenson answered he learned about it from the U.S. Conference of Mayors. Councilmember Wilson asked if there was any role from the DC lobbyist in that solicitation. Mr. Clifton answered there was none; the City received notification from the U.S. Conference of Mayors that a list of Public Works projects was being developed and if the City wanted to have projects included, they needed to be submitted by December 3. After speaking with staff, he developed and submitted a list of projects that were ready to construct within 90 days which was one of the criteria.

Councilmember Wilson asked if the DC lobbyist assisted with the receipt of any of the funds provided by the federal government for Edmonds Crossing. Mr. Clifton responded he submitted three requests and received a total of \$6.5 million in federal appropriations without any support from the DC lobbyist.

Councilmember Wilson inquired what funding Mike Doubleday had secured. Mr. Clifton answered there were tangible and intangible benefits; the benefits received from Mike Doubleday's assistance had more

than paid for themselves. With regard to intangible benefits, Mike Doubleday is in Olympia during the session monitoring legislation on the City's behalf, he understands the Council's legislative agenda and speaks with the City's representatives to share the City's position on a variety of issues based on the Council's legislative agenda. One of the tangible benefits was Mr. Doubleday set up a series of meetings with the State House and Senate representatives where Mayor Haakenson, Mr. Doubleday and he made presentations that resulted in securing \$58 million through 2017 for the Edmonds Crossing project.

UPON ROLL CALL, MOTION FAILED (3-4), COUNCILMEMBERS BERNHEIM, ORVIS, AND WILSON IN FAVOR; AND COUNCIL PRESIDENT PLUNKETT AND COUNCILMEMBERS WAMBOLT, DAWSON, AND OLSON OPPOSED.

Cut Parks Maintenance (\$50,000).

COUNCILMEMBER BERNHEIM MOVED, SECONDED BY COUNCILMEMBER WILSON, TO CUT PARKS MAINTENANCE BY \$50,000.

Councilmember Bernheim explained this was another example of shared sacrifice. The Parks maintenance budget was approximately \$500,000/year; this amendment would reduce the funds available for maintenance by 10%.

Councilmember Wilson advised the parks maintenance budget was \$1.3-\$1.4 million; \$500,000 was the amount Mayor Haakenson suggested as a potential cut in the second year of the budget. He explained the first thing that would be cut from the maintenance budget would be seasonal employees who take care of beautification projects in the City. It was his understanding that a cut to parks maintenance would cut those beautification projects.

MOTION FAILED (1-6), COUNCILMEMBER BERNHEIM VOTED IN FAVOR.

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

Observing this did not have an associated cost, Mayor Haakenson suggested this be discussed in Council committee.

Councilmember Bernheim withdrew this amendment.

Continue the fiber project.

Mayor Haakenson advised that was included in the Option 1 budget.

Mayor Haakenson declared a brief recess.

Mayor Haakenson clarified the cuts included in the Option 1 revised budget were the 2008 IT equipment purchase, proposed new positions for HR and IT, a vacant position in Finance, a vacant position in the City Clerk's office, and the Crime Prevention Specialist position. Also included was the elimination of three positions earlier this year, the Administrative Services Director, an engineering position and the Economic Development Director.

Councilmember Wilson inquired about the target ending fund balance. Ms. Junglov responded it was one month's of General Fund expenditures. Councilmember Wilson relayed he learned via MRSC that the recommended reserve level was 50% of the General Fund or \$5.5 million for Edmonds. He asked how the cash flow worked for the City when property taxes were received twice a year. Ms. Junglov answered the fund balance began to get low in October and April, approximately \$1 million; the ending cash had not yet been depleted on a monthly basis.

Councilmember Wilson pointed out in Option 1 Revised, the ending fund balance in 2010 was \$600,000; the original Option 1 had an ending fund balance in 2010 of \$187,000. Ms. Junglov advised the ending fund balance in the original budget was approximately \$600,000 but since then sales tax forecasts have been revised which resulted in the \$187,000 ending fund balance.

Council President Plunkett asked whether the budget notes regarding revenue options, cuts, etc. would be printed on the budget. Ms. Junglov answered they could be. Council President Plunkett suggested they be included on the budget and the Council agreed. Ms. Junglov asked whether the Council wanted the budget notes expanded to include action taken tonight. Council President Plunkett answered yes.

The following amendments were suggested by Councilmember Wilson:

Increase economic development advertising (\$25,000)

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO INCREASE THE ECONOMIC DEVELOPMENT ADVERTISING BY \$25,000.

Councilmember Wilson stated this amendment increased the economic development advertising budget from \$7,300 to \$32,300, an increase of \$25,000. Edmonds, like any city, has two ways to increase revenue - economic development or increase taxes. In the past, the City has not expended a great deal on economic development. Without economic development, the only other option was to raise taxes to cover basic City services. The proposed amendment is an investment with the goal of crafting a budget to define the type of City the Council wanted Edmonds to be. He noted paying for that type of city would be increasingly difficult because following Tim Eyman initiatives, cities lost nearly all their capacity to increase revenues to keep pace with inflation. Observing the City could only raise property tax revenue 1% even when inflation was 5.8%, he emphasized the City could never cut its way out of a budget crisis. The options were to either raise taxes or increase the focus on economic development or both.

He commented on the need for the City to compete for employee retention as well as to attract and retain businesses. For example Renton advertises itself on Comcast On Demand and Port Angeles recently made an investment of \$600,000 in economic development. To attract people to Edmonds, particularly during the 2010 Winter Olympics, Edmonds needs to advertise.

Councilmember Wilson noted the City was unable to fund its current levels of service; in order to fund those levels of service in 2008, the City went into deficit \$2.6 million. That cannot continue. Because of initiatives the Council must at some point in the future seek the public's support for a tax increase. When that action was necessary, he wanted to be able to say everything possible had been done to bring revenue into the City including investing modest amounts in economic development. He pointed out to residents that they could keep their taxes lower by shopping in Edmonds because a great deal of retail dollars were spent outside the City. He concluded \$25,000 was a modest investment for advertising to keep dollars in Edmonds and to compete against other cities.

Councilmember Wambolt expressed support for this amendment, recognizing there was a huge problem. He reiterated Edmonds residents paid more in property taxes because Edmonds' property values were very high. An average home in Edmonds paid 59% more in taxes than a home in Mountlake Terrace, 46% more than in Lynnwood and 35% more than in Everett. Further analysis revealed General Fund revenues per capita were \$758 in Edmonds, \$865 in Mountlake Terrace because they have gambling, \$1,126 in Lynnwood because of sales tax from the mall, and \$1,302 in Everett. His analysis of expenditures found Edmonds spent \$865 per capita, Mountlake Terrace spends more, and Lynnwood and Everett spend even more. He concluded Edmonds highest expenditures were in salaries - 70% of the budget was salary and benefits and this was true for all cities. In the private world, salaries and benefits were 60%. The reason the percentage was so high was the City was paying cost of living increases. In

the 2007 budget, the entire increase was in salaries and benefits; all other expenses went down between the 2007 and 2009 budgets.

He spoke in favor of providing Mr. Clifton and Mayor Haakenson more weapons in their arsenal when trying to attract/retain businesses such as demonstrating to developers that the City was open for development by allowing 1-2 additional stories in certain zones. He recommended the Council consider this early next year. He envisioned either the City would be bankrupt if economic development did not improve or taxes would be increased to a level citizens could not afford.

Mayor Haakenson clarified Edmonds expenditures per capita were less than other cities and other cities also spent 70% of their budget on salaries and benefits.

MOTION CARRIED UNANIMOUSLY.

Increase economic development professional services for Business Improvement District (\$60,000).

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO INCREASE ECONOMIC DEVELOPMENT PROFESSIONAL SERVICES FOR BUSINESS IMPROVEMENT DISTRICT (\$60,000).

Councilmember Wilson explained the reason for a Business Improvement District (BID) was to allow local commercial neighborhoods to tax themselves to spend on projects they found appropriate. He explained there was strong interest now among downtown Edmonds merchants and the Chamber of Commerce in a BID and the \$60,000 would be used to fund an election if an election was needed to create a BID. If a BID was not formed or an election was not needed, the funds would revert back to the beginning balance or the Council could make another appropriation. He envisioned the funds generated by the BID could be used to fund the flower baskets or other capital projects such as decorative lighting.

Council President Plunkett asked whether the property owners could form a BID via a petition rather than an election. City Attorney Scott Snyder offered to review the statute. Community Services/Economic Development Director Stephen Clifton explained a Business Improvement Area (BIA) was typically formed by the property owners within a defined area via submitting a petition to the City Council with 60% of the assessed valuation of the properties within the defined area. The process was being explored and it was unknown whether an election was required. He envisioned the \$60,000 as a placeholder in the event an election was necessary.

Councilmember Dawson was supportive of further exploration regarding the creation of a BID/BIA but found it unnecessary to allocate \$60,000 in the budget when there was not a source and it would simply come from the ending fund balance. She noted it appeared a vote would not be necessary and if a vote were required, it would not be a citywide vote at a cost of \$60,000. She preferred the Council continue to explore the concept and not allocate funding at this time. If necessary, the Council could do a budget amendment next year to provide funds for an election.

Mayor Haakenson asked the amount in the Council Contingency fund for 2009-2010. Ms. Junglov advised there was \$25,000 per year. Mayor Haakenson noted the Council Contingency fund was a potential source if an election were necessary or as Councilmember Dawson suggested, the funds could be allocated from the ending fund balance.

Upon further research, Mr. Snyder advised a BIA may be initiated either via a petition from the property owners or Council resolution which begins a process similar to a local improvement district that includes hearings, establishment of benefits and a vote of the Council; no election is required.

Council President Plunkett expressed support for any area forming an improvement district to tax themselves. He suggested the Council consider the need for funding when a petition was presented.

Councilmember Wilson recalled the City of Seattle indicated the administration cost of a petition to create a BID was \$8,000 - \$10,000. He suggested amending the amount to \$10,000.

Council President Plunkett reiterated if an area needed an incentive to create a BID they were unlikely to succeed; the incentive needed to come from them. The Council would certainly be open to considering any area that was interested in forming an improvement district and likely allocate necessary funding to assist with that process.

Councilmember Wambolt agreed with Councilmember Dawson's comments that the funds were from ending fund balance anyway and therefore it was not necessary to allocate those funds now.

MOTION FAILED (1-6), COUNCILMEMBER WILSON VOTED IN FAVOR.

Increase Mayor's travel budget for Washington, DC travel (\$6,000).

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO INCREASE THE MAYOR'S TRAVEL BUDGET AN ADDITIONAL \$6,000.

Councilmember Wilson commented the Council had cut \$45,000 for the Washington DC lobbyist but there was tremendous opportunity to acquire funds from Washington DC particularly when some of the most senior members of the House represent the State of Washington. In light of opportunities for funding via the fiscal stimulus program, it was appropriate to have Mayor Haakenson represent the City in Washington DC. This \$6,000 would cover two flights for the Mayor and a staff person.

Councilmember Dawson commented it should be the Mayor's decision regarding the valid use of his time. Unless Mayor Haakenson was agreeable to going to Washington DC, she did not support adding this to the budget. Mayor Haakenson responded he was willing to consider traveling to Washington DC if there was a valid cause to lobby for. Councilmember Dawson anticipated Mayor Haakenson could make that happen without allocating these funds.

Council President Plunkett recalled previous administrations traveled a great deal; since Mayor Haakenson has been Mayor, he has not traveled. From that he concluded Mayor Haakenson did not feel it necessary to travel to Washington DC.

Councilmember Bernheim urged the Council to consider resource conservation when considering long distance travel particularly with the availability of computers and internet meetings. Mayor Haakenson commented if the Council identified certain issues that were worthwhile to go to Washington DC to lobby for and a plan and vision was developed, he would support Councilmembers and travel to Washington DC. Funds could be identified at that time.

Council President Plunkett pointed out Governor Gregoire had significantly cut the State's travel budget and one of his acquaintances who owned an engineering firm with 10 offices had also cut travel. Councilmember Dawson commented Snohomish County had frozen out of state travel.

Councilmember Wilson explained he proposed the amendment to highlight a deficit on the part of Edmonds to solicit funds from the federal government whereas several of the surrounding cities gets funding for infrastructure. He noted Senator Murray writes the federal transportation budget and Congressman Dicks writes the budget for the interior, but Edmonds would not be taken seriously unless representatives were in Washington DC. He recognized in times of belt tightening that travel was one of

the first things cut. He stated the City needed to develop solicitations at the federal level particularly since the Council eliminated funding for the federal lobbyist. Without a presence in Washington DC, the City was leaving money on the table.

Councilmember Wambolt commented this was backward, using a budget allocation to drive strategy when the strategy should be developed first. He agreed this amount of money could be identified in the budget without allocating the funds now. Mayor Haakenson agreed other cities such as Lynnwood, Mukilteo and Mountlake Terrace send a delegation consisting of their Mayor and several Councilmembers to Washington DC to the League of Cities and they had been successful in obtaining funds but that was because they had a plan before they went to DC.

MOTION FAILED (1-6), COUNCILMEMBER WILSON VOTED IN FAVOR.

Increase Council travel budget for Washington DC travel (\$2,500).

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO INCREASE THE COUNCIL TRAVEL BUDGET BY \$2,500.

Councilmember Wilson noted just as there was value in attending Association of Washington Cities meetings, there was value in attending the National League of Cities meeting. This amendment would fund two Councilmembers making one trip to Washington DC in each of the two years.

MOTION FAILED (1-6), COUNCILMEMBER WILSON VOTED IN FAVOR.

Increase Human Resources professional services to explore self-funding health insurance 2009 (\$40,000) and 2010 (\$60,000).

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO INCREASE THE HUMAN SERVICES BUDGET \$40,000 IN 2009 AND \$60,000 IN 2010 TO EXPLORE SELF-FUNDING OPTIONS FOR HEALTH INSURANCE BENEFITS OR OTHER STRATEGIES TO ADDRESS THE ELIMINATION OF AWC'S PLAN A.

Councilmember Wilson explained based on meetings with Ms. Humann and former Administrative Services Director Dan Clements earlier this year, City employees would lose their current health plan, there was insufficient staff to undertake the effort to replace the health plan, and the existing staff was unfamiliar with this topic. He acknowledged Ms. Humann was in the process of developing a plan but he felt the Council needed to allocate funds toward developing a plan.

Council President Plunkett agreed this was an issue that needed to be addressed. However, he preferred to wait until the administration presented a plan of action.

For Councilmember Wambolt, Ms. Humann explained staff was aware both insurance plans would be eliminated in 2012. With labor contracts expiring at the end of 2010, it was appropriate to investigate replacement plans in 2009 for 2010 negotiations. Since the meeting with Councilmember Wilson in January, research has been conducted to determine what other cities are doing and she has attended quarterly Human Resources Directors meetings where this issue has been discussed. It was her understanding a labor management group would be formed in mid-2009 to determine what type of benefits employees wanted. For example the current AWC Plan A did not have preventative healthcare, a benefit many employees wanted. She also wanted to wait and see what AWC would propose to replace Plan A and Group Health as well as research the market to see what was available. She noted self-insurance was another option that would be investigated.

Council President Plunkett asked whether staff had investigated how much money would be needed to investigate/review/discover this issue. Ms. Humann answered as of today she had not. Council President Plunkett asked whether that would be done in the near future. Ms. Humann agreed staff would be considering it and would be presenting information to the Council along with any funding request.

Councilmember Wilson noted the Council provided direction to staff a year before negotiations were concluded. If this information was to be included in the 2010 contract negotiations, the analysis needed to be completed by at least the end of 2009 with regard to the costs in order to provide direction for contract negotiations. He anticipated Ms. Humann would feel fully supported in this process if the Council included funds for a consultant in the budget.

Councilmember Dawson commented placeholders were only included in a balanced budget. If the budget was not balanced and the funds were allocated from the ending fund balance, it was not appropriate to put a placeholder in the budget. She did not support allocating \$100,000 in the budget absent a plan. If there was a need for an outside consultant, the Council should consider the merits at that time and decide the amount to be expended.

Councilmember Wilson reiterated the Council first needed to determine what type of city they wanted Edmonds to be and then seek approval of the voters money to fund that city. He noted the 2009-2010 budget, after the cuts identified by Mayor Haakenson, had an operational surplus of over \$320,000. He noted some of the amendments could be adopted and the Council would still not spend more than the revenue collected. He concluded the funds in this amendment offered more opportunity to find significant savings than anything else. He noted one of the reasons there was no plan in place was because the Human Resources Department was very understaffed.

MOTION FAILED (2-5), COUNCILMEMBERS WILSON AND WAMBOLT IN FAVOR.

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, TO INCREASE THE HUMAN SERVICES BUDGET BY A TOTAL OF \$50,000. MOTION FAILED (3-4), COUNCILMEMBERS WILSON, WAMBOLT AND OLSON IN FAVOR.

Mayor Haakenson commented the funding was nearly what he proposed for a half-time person in Human Resources. Councilmember Wilson pointed out a half-time staff person was unlikely to have the same skill set as a consultant.

Fully fund Crime Prevention

Mayor Haakenson advised the cost center for Crime Prevention was approximately \$120,000. The Crime Prevention Specialist was one of the vacant positions proposed not to be filled, a savings of approximately \$80,000. The Crime Prevention Program is continuing, but the Crime Prevention Specialist position has not been filled.

Police Chief Al Compaan explained the Crime Prevention Unit had one FTE and two part-time assistants. Some aspects of the Crime Prevention Program could be maintained with those part-time positions. He explained one of the mainstays of Crime Prevention was Blockwatch and the former Crime Prevention Officer was successful in establishing 152 Blockwatches. There is also a cadre of volunteers who perform the vacation house watch checks. Mayor Haakenson clarified the one full-time position was eliminated from the budget. If the choice was between a non-commissioned Prime Prevention Officer versus a commissioned Police Officer position, Chief Compaan would recommend the non-commissioned Crime Prevention Officer position be cut.

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO ADD \$80,000 TO FULLY FUND THE CRIME PREVENTION PROGRAM.

Ms. Junglov advised revised Option 1 also cut \$20,000 M&O from the position; therefore an additional \$100,000 would be required to fully fund the program.

Councilmember Wilson explained his home was burglarized a few years ago and he heard from citizens who were burglarized recently. He noted it was impossible to determine whether crime prevention was successful. This amendment would fund the Crime Prevention Specialist, the key person who coordinated crime prevention.

Councilmember Dawson noted the Police Department was maintaining this program without filling this position and has indicated that could continue. She noted without a revenue source, this would unbalance the budget in the biennium and unless there was a proposal to make a cut elsewhere, she was unable to support the amendment.

MOTION FAILED (1-6), COUNCILMEMBER WILSON VOTED IN FAVOR.

Fully fund aquatics, fully fund Discovery Program, and fully fund parks maintenance programs

Ms. Junglov confirmed these items were included in budget Option 1. Councilmember Wilson clarified the reason he included these budget amendments was because he was uncertain which budget option the Council would select.

The following amendment was suggested by Council President Plunkett:

COUNCIL PRESIDENT PLUNKETT MOVED, SECONDED BY COUNCILMEMBER WAMBOLT, TO REDUCE THE COUNCIL TRAVEL BUDGET DUE TO THE RETREAT BEING HELD IN EDMONDS BY \$1,600, FROM \$4,100 TO \$2,500.

Council President Plunkett explained the retreat was originally budgeted to be out of town and would now be held in Edmonds. There were still funds in the budget for the Council to travel to Snohomish County meetings, AWC, etc.

MOTION CARRIED (6-1) COUNCILMEMBER WILSON OPPOSED.

Councilmember Wilson referred to the resolution he drafted that committed the Council to going to the voters in November 2009 with a levy or other revenue options. It was his intent that the resolution would be included as an amendment to the budget.

COUNCILMEMBER WILSON MOVED, SECONDED BY COUNCILMEMBER BERNHEIM, TO INCLUDE THE RESOLUTION IN THE BUDGET.

Councilmember Wilson advised the net result of the previously approved cuts and additions was a \$6,600 reduction and there was an operating surplus of slightly more than \$300,000. He pointed out operational deficits arose quickly to \$500,000 in 2011, \$1.1 million in 2012, \$1.8 million in 2013 and nearly \$2.5 in 2014 and the ending fund balance was eliminated by 2012. For the reasons discussed previously, he emphasized the City could not continue to provide services without a concerted effort. Although this budget “stopped the bleeding,” there was a challenge looming because it would be difficult to continue to provide the current services without a new revenue source.

He read the proposed resolution that resolved that the City Council recognized the ending cash balance for the City was precariously low; that the City Council has funded the minimum level of service in the 2009-2010 budget demanded by citizens and believes additional cuts risk undermining the City’s public assets, public safety and sense of community; and that the City Council commits to going to the voters on

the November 2009 ballot with a levy or other revenue option to be approved by the voters to fund City services such as public safety, parks or other items as deemed necessary in order to alleviate the precarious nature of the City's financial status.

Councilmember Wilson noted this resolution committed the Council now, before the politics of the 2009 campaign season, to going to the voters with some funding option. He noted if a levy were passed in November 2009, the funds would not be available until the end of April 2010. The City would have an ending fund balance of \$1.3 million; the standard was 15% or \$5.25 million. He commented running the City like a business meant managing the cash flow challenges by increasing reserves.

Mayor Haakenson urged the Council not just to consider 2009 and 2010 but to look out 5 years. In 2011 the ending cash balance was \$720,000, a \$420,000 deficit in 2012 and a \$2.2 million deficit 2013. The only way to solve this was to go to the voters with some type of revenue option.

Councilmember Wambolt commented he would reluctantly support the resolution because there was no other solution to maintaining City services at the current level. He noted even if there were a special election for a revenue source that generated \$4 million, that would only solve the problem for 1-2 years because expenses continued to increase at the rate of CPI and the City could only raise property taxes 1% annually. He noted AWC was sponsoring a measure in the legislature to allow cities to raise property taxes by the rate of inflation. He also recommended the City reduce their level of expense, possibly the legislature could facilitate regionalizing some services. He noted the Edmonds School District operated in five communities for efficiency purposes.

Councilmember Wambolt commented the Regional Fire Authority was said to provide efficiencies for communities by combining fire service. He suggested there could be efficiencies by combining other services such as forming one city equivalent to the Edmonds School District - Edmonds, Woodway, Brier, Lynnwood, and Mountlake Terrace. He recommended that possibility in addition to a levy lid lift be discussed next year. He noted a tax increase would resolve the City's problems short term but higher taxes would force citizens who were unable to pay increased property taxes out of their homes.

Councilmember Bernheim envisioned revenues would be less than projected and expenses would be higher than anticipated which would compound the budget problems. Rather than commit to doing something later, he preferred to begin working on it. He was inclined not to support the resolution although he recognized the inevitability of proposing some type of revenue measure to the voters.

Mayor Haakenson relayed City Attorney Scott Snyder's advice that a resolution could not be part of the budget ordinance. It could be a budget note or budget amendment or a separate resolution after the budget is approved.

Councilmember Dawson expressed support for the resolution as a budget note. She was not comfortable moving forward with this budget and this level of ending cash balance without having a commitment in place. With regard to the City's inability to raise taxes more than 1%, Councilmember Dawson clarified the voters of Washington State wanted cities to obtain voter approval to raise taxes more than 1% per year. If the City was unable to sell a revenue increase to fund certain levels of service, Edmonds citizens must accept that those services would be cut. She noted the City could request additional revenue for continuing operations, to make investment in parks or facilities or just because inflation increased by more than 1% per year.

The motion was restated as follows:

TO INCLUDE THE RESOLUTION IN THE BUDGET AS A BUDGET NOTE.

Mayor Haakenson cautioned the Council the timetable for a November 2009 vote required that a plan be in place by next spring.

MOTION CARRIED UNANIMOUSLY.

Councilmember Wilson thanked the Council for doing a very good job, particularly making a decision on the resolution, balancing the budget, and having a frank conversation regarding cuts/investments. Mayor Haakenson recognized staff, particularly Ms. Junglov for her efforts.

Councilmember Dawson commented although there had been a great deal of complaining regarding how long this budget process had taken, she envisioned a unanimous adoption of the budget because the Council worked through the process, took a great deal of public comment, Councilmembers had the opportunity to present their points of view, and as the economy continued to change, Mayor Haakenson made additional changes to his proposed budget. Although most would prefer there was a higher ending cash balance and that taxes did not have to be raised, in the end it was a good process.

Council President Plunkett commented this was his tenth budget and he found it a more collaborative process than any of the others. He recognized staff for their availability to respond to questions.

Ord# 3711
Budget for
2009-2010

THE VOTE ON THE MAIN MOTION TO APPROVE ORDINANCE NO. 3711 AS AMENDED CARRIED UNANIMOUSLY.

6. AUDIENCE COMMENTS

Removal of
Unocal Pier

George Whiteside, Shoreline, referred to the removal of the Unocal pier, and although he was glad it was being cleaned up, he requested the deep end section of the pier be retained due to the impact its removal would have on sealife. He explained this location was fairly unique, a sandy, high current substrate that created a tremendous ecosystem supplied by the ebb and flow of the tide. He noted the EIS recognized that a thriving ecosystem would be removed. He circulated photographs of the sealife, some of which was not listed in the EIS. He requested the end T-section be retained, noting the environmental toxins had been removed and there was no overhead danger during low tide.

7. MAYOR'S COMMENTS

Mayor Haakenson thanked the Council for passing the budget, noting the Council had its work cut out in 2009.

8. COUNCIL COMMENTS

City Council
Vacancy
Appointment

Council President Plunkett announced the City Council was accepting applications from qualified Edmonds residents to be considered for appointment to a vacancy on the Edmonds City Council. Applications for appointment are available in the office of the City Clerk. The deadline for submitting an application for appointment is no later than 4:30 p.m. on December 31, 2008 at the City Clerk's office in City Hall. Interviews of candidates are scheduled for Tuesday, January 13, 2009 in Council Chambers. The Council will consider nominations and vote at the January 20, 2009 Council meeting. Only those people who have submitted applications shall be eligible for nomination. He advised additional information was available from the City Clerk at 771-0245.

Councilmember Wambolt noted the term of the appointed Councilmember ended in 2009.

Councilmember Bernheim advised he had been monitoring the temperature in the building tonight and it was 69-70 degrees.

Councilmember Wilson referred to the comments by Mr. Whiteside and asked if there were any options for retaining the pier. Mayor Haakenson responded Mr. Clifton was working with the State.

Councilmember Dawson thanked the public for the numerous emails, cards and telephone calls she had received since she announced her resignation. She recalled she applied for a vacancy on the Council before she was elected and was not appointed. She encouraged members of the public to apply for the vacancy and run for office, noting it had been a very good experience.

Student Representative Warren commended the Council for the good job they did on the budget.

Council President Plunkett noted the December 16 agenda was quite lengthy in an effort to avoid meeting the week of Christmas. The only other option was to hold a meeting following Council committee meetings. He announced a reception in Councilmember Dawson's honor is scheduled at 6:30 p.m. on December 16.

9. ADJOURN

With no further business, the Council meeting was adjourned at 10:13 p.m.