

EDMONDS CITY COUNCIL APPROVED MINUTES

April 17, 2012

The Edmonds City Council meeting was called to order at 6:15 p.m. by Mayor Earling in the Council Chambers, 250 5th Avenue North, Edmonds.

ELECTED OFFICIALS PRESENT

Dave Earling, Mayor
Strom Peterson, Council President
Frank Yamamoto, Councilmember
Joan Bloom, Councilmember
Michael Plunkett, Councilmember
Lora Petso, Councilmember
Adrienne Fraley-Monillas, Councilmember
Diane Buckshnis, Councilmember

ALSO PRESENT

Alex Springer, Student Representative

STAFF PRESENT

Al Compaan, Police Chief
Stephen Clifton, Community Services/Economic
Development Director
Phil Williams, Public Works Director
Shawn Hunstock, Finance Director
Carrie Hite, Parks & Recreation Director
Deb Sharp, Accountant
Renee McRae, Recreation Manager
Carl Nelson, CIO
Rob English, City Engineer
Jeff Taraday, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. CONVENE IN EXECUTIVE SESSION REGARDING POTENTIAL LITIGATION PER RCW 42.30.110(1)(i).

At 6:15 p.m., Mayor Earling announced that the City Council would convene in executive session regarding potential litigation per RCW 42.30.110(1)(i). He stated that the executive session was scheduled to last approximately 30 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Yamamoto, Plunkett, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. Others present were City Attorney Jeff Taraday, Parks & Recreation Director Carrie Hite, and City Clerk Sandy Chase. The executive session concluded at 6:38 p.m.

2. MEET WITH CANDIDATES FOR APPOINTMENT TO THE SISTER CITY COMMISSION.

At 6:45 p.m., the City Council met with Joseph Fletcher III and Kody McConnell, candidates for appointment to the Sister City Commission. Mayor Earling, all City Councilmembers and Parks & Recreation Director Carrie Hite were present for the meeting. The meeting with candidates concluded at 6:55 p.m.

Mayor Earling reconvened the regular City Council meeting at 7:02 p.m. and led the flag salute.

4. APPROVAL OF CONSENT AGENDA ITEMS

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

- A. ROLL CALL
- B. APPROVAL OF CITY COUNCIL MEETING MINUTES OF APRIL 3, 2012.
- C. APPROVAL OF CITY COUNCIL MEETING MINUTES OF APRIL 10, 2012.
- D. APPROVAL OF CLAIM CHECKS #131304 THROUGH #131439 DATED APRIL 5, 2012 FOR \$1,876,787.75 (REPLACEMENT CHECK #131434 FOR \$125.00), AND CLAIM CHECKS #131440 THROUGH #131609 DATED APRIL 12, 2012 FOR \$531,533.90 (REPLACEMENT CHECK #131447 FOR \$410.63). APPROVAL OF PAYROLL DIRECT DEPOSIT AND CHECKS #51270 THROUGH #51296 FOR THE PERIOD MARCH 16, 2012 THROUGH MARCH 31, 2012 FOR \$466,337.88 AND BENEFIT CHECKS & WIRE PAYMENTS OF \$198,946.01.
- E. ACKNOWLEDGE RECEIPT OF CLAIMS FOR DAMAGES FROM R. JEANNE STANLEY (AMOUNT UNDETERMINED), EUGENE PARK (AMOUNT UNDETERMINED), KATHRYN UPTON (\$1,012.88), AND KIMBERLEY EMMONS (\$144.43).
- F. APPROVAL OF LIST OF BUSINESSES APPLYING FOR RENEWAL OF THEIR LIQUOR LICENSE WITH THE WASHINGTON STATE LIQUOR CONTROL BOARD, MARCH 2012.
- G. AUTHORIZATION FOR MAYOR TO SIGN THE CONTRACT WITH THE EDMONDS-SOUTH SNOHOMISH COUNTY HISTORICAL SOCIETY FOR THE 2012 EDMONDS MARKET.
- H. AUTHORIZATION FOR MAYOR TO SIGN THE CONTRACT WITH THE EDMONDS ARTS FESTIVAL ASSOCIATION FOR THE 2012 EDMONDS ARTS FESTIVAL.
- I. AUTHORIZATION FOR MAYOR TO SIGN THE CONTRACT WITH THE GREATER EDMONDS CHAMBER OF COMMERCE FOR THE 4TH OF JULY PARADE AND FIREWORKS DISPLAY.
- J. AUTHORIZATION FOR MAYOR TO SIGN THE CONTRACT WITH THE GREATER EDMONDS CHAMBER OF COMMERCE FOR THE 2012 TASTE OF EDMONDS.
- K. AUTHORIZATION FOR MAYOR TO SIGN THE CONTRACT WITH THE GREATER EDMONDS CHAMBER OF COMMERCE FOR THE 2012 CLASSIC CAR SHOW.
- L. AUTHORIZATION FOR MAYOR TO APPROVE ACCEPTANCE AND RECORDING OF A SANITARY SEWER EASEMENT AT 616 MAPLE STREET.
- M. ORDINANCES NO. 3879 AND 3880 – AMENDING THE EDMONDS CITY CODE (ECC) 8.64.060 AND 8.64.065, PARKING PROVISIONS IN THE DOWNTOWN EDMONDS AREA.
- N. QUARTERLY PUBLIC WORKS PROJECT REPORT.
- O. AUTHORIZATION TO ADVERTISE A REQUEST FOR BIDS FOR CONSTRUCTION SERVICES FOR THE WASTEWATER TREATMENT PLANT REROOFING PROJECT.
- P. AUTHORIZATION TO ADVERTISE A REQUEST FOR BIDS FOR CONSTRUCTION SERVICES FOR THE 2012 WATERLINE OVERLAY PROJECT.

- Q. **AUTHORIZATION TO ADVERTISE A REQUEST FOR BIDS FOR CONSTRUCTION SERVICES FOR THE AERATION BASIN #1 MODIFICATIONS PROJECT.**
- R. **AUTHORIZATION TO APPROVE TEMPORARY CONSTRUCTION EASEMENTS FOR THE MAIN STREET (5TH AVE - 6TH AVE) IMPROVEMENT PROJECT.**
- S. **SENIOR CENTER AGREEMENT 2012.**
- T. **QUARTERLY REPORT REGARDING FIBER OPTIC OPPORTUNITIES.**
- U. **LEAKAGE POLICY**
- V. **GENERAL FUND UPDATE - JANUARY 2012**
- W. **GENERAL FUND UPDATE - FEBRUARY 2012**

3. APPROVAL OF AGENDA

Council President Peterson requested Item 15, Adoption of an Ordinance to Adjust the City's General Facilities Charges for Utilities in Edmonds City Code (ECC) Chapter 7.30, be removed from the agenda as the ordinance was not included in the packet. He will reschedule the ordinance on next week's agenda.

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO, TO APPROVE THE AGENDA AS AMENDED. MOTION CARRIED UNANIMOUSLY.

5. CONFIRMATION OF THE MAYOR'S APPOINTMENT OF JOSEPH FLETCHER III AND KODY MCCONNELL TO THE EDMONDS SISTER CITY COMMISSION.

COUNCILMEMBER BLOOM MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO CONFIRM THE MAYOR'S APPOINTMENT OF JOSEPH FLETCHER III AND KODY MCCONNELL TO THE EDMONDS SISTER CITY COMMISSION.

Mayor Earling commented on the great interviews with the two candidates both tonight and when he met with them previously. He commended the Sister Cities Commission for the quality of their commissioners.

MOTION CARRIED UNANIMOUSLY.

6. PRESENTATION - TREE CITY USA

Anna Heckman, Chair, Tree Board, introduced Tree Board Members **Laura Spehar, Sandy Seligmiller** and **Susan Paine**, who displayed the Tree City USA flag and sign. Ms. Heckman explained the Tree Board has accomplished a great deal during its first year including public outreach. Activities included receiving a presentation from the Vegetation Manager from the Public Utilities District who spoke about trees and power lines, the Edmonds Farmers Market, and attending University of Washington Urban Forest symposiums. Their biggest accomplishment was completing the Tree City USA application which was accepted by the Arbor Day Foundation. She presented the City with a Tree City plaque, flag and entrance sign. She explained the City must reapply annually for Tree City USA status and there are also opportunities to apply for growth awards. Further information is available on the Arbor Day Foundation's website.

Mayor Earling recognized the efforts of the Tree Board, commenting receipt of the Tree City USA award was illustrative of the great work they have done.

Council President Peterson also recognized the efforts of the Tree Board, noting the Tree City USA entrance signs are particularly important.

7. AUDIENCE COMMENTS

Dave Page, Edmonds, a new member of the Senior Center Board of Directors, commented on the numerous activities taking place at the Senior Center, summarizing it “is a going concern.” He announced the upcoming Healthy Living Fair at the Senior Center on April 27 from 10:00 a.m. to 2:00 p.m. There will be over 60 vendors and over 600 people attended last year’s fair. He encouraged the public donate to the Senior Center’s thrift store which is their top income producer. He summarized the activities at the Senior Center show how viable and vibrant the seniors in this community are.

Al Rutledge, Edmonds, referred to an announcement regarding Fire District 1’s plans for a levy in 2013 that indicated Edmonds will be the hardest hit. He recalled Fire District 1 will be able to increase Edmonds’ contract amount in 2013. He recommended the Council allow the voters to decide whether to join Fire District 1. Next, Mr. Rutledge expressed concern that the March 22 special Council meeting was not recorded and televised.

Council President Peterson responded the March 22 special meeting was a discussion with Redmond’s Finance Director Mike Bailey regarding a new way of budgeting that was originally scheduled for the Council retreat. This was a preliminary discussion and intended for the Council, similar to the Council retreat which is not televised although both are open meetings and the public is welcome to attend. If the Council decides to move forward with this way of budgeting, more in-depth public presentations will be held. When he asked Councilmembers whether they wanted the discussion televised, Councilmember Buckshnis agreed it was appropriate not to televise it as it was a new concept that the Council has not yet decided to pursue. None of the other Councilmembers asked that it be televised until later.

Mr. Rutledge expressed concern that the Council was holding special meetings to avoid Council meetings that extend after 10:00 p.m. Council President Peterson explained Mr. Bailey was ill and unable to attend the retreat; therefore, the discussion was scheduled for a special Council meeting. The special meeting was held on a Thursday because Redmond’s City Council meetings are also held on Tuesdays and Mr. Bailey needs to attend those meetings. Councilmember Buckshnis offered to meet with Mr. Rutledge to explain budgeting by priorities.

Roger Hertrich, Edmonds, encouraged the Council and the public to attend the Healthy Living Fair at the Senior Center. He pointed out the Senior Center is part of the City’s park system. He commended Parks & Recreation Director Carrie Hite and her staff for the landscaping and trimming they did at the Senior Center this spring.

8. CITY HALL ENERGY STAR AWARD 2011

Mayor Earling explained the City has had a very aggressive energy savings program in place during the last couple years. Last year the City received the Energy Star Award, awarded to cities nationally that meet certain standards. He noted that City Hall is in the upper 20% for energy conservation for a building built in 1979. Only two other cities in the State of Washington have received this award, Bellevue and Seattle. He recognized Dan Housler, Facilities Maintenance, who developed the plaque.

Mayor Earling presented the 2011 Energy Star Award to Council President Peterson who has been very involved in energy efficiency and Councilmembers who have supported that effort.

Council President Peterson recognized staff, especially Public Works, for their energy conservation efforts at City Hall and citywide. He commented on the amount of energy conservation that has been accomplished with a small, dedicated staff. Not only do their efforts save the City money but they are doing the right thing for the environment.

9. RESOLUTIONS FOR RCO GRANTS FOR CITY PARK AND SUNSET OVERLOOK.

Parks & Recreation Director Carrie Hite explained the packet contains two resolutions that will be presented to the State Recreation Conservation Office. One of the requirements of the grant is for the Council to confirm their commitment to submitting the grant and pursuing the projects. Both projects are in the Park, Recreation and Open Space Plan and the Capital Improvement Plan (CIP). When the grants were discussed with Council committee last week, Councilmember Petso requested public comment be taken on the two projects.

Ms. Hite explained staff is in the process of applying for the grants; neither project is in final design. If the City is awarded the grants, there will be a year for a public process and final design concept. The RCO grant cycle is open every even year for funding in the odd year. This year there are significant funds allocated to local parks and both projects are expected to be competitive. Technical review of the grant applications will occur in May and again in July; if the Edmonds projects are recommended for funding, they will be submitted to the governor in November/December as part of the request for the 2013 capital budget. Funding is also dependent on capital funds available from the State in 2013. Washington Recreation and Parks Association has lobbied for maintaining funds that support local parks.

Ms. Hite explained the City plans to submit two grant applications, 1) City Park Revitalization, and 2) Sunset Avenue Overlook. She explained the Park, Recreation and Open Space Plan includes two items for City Park, 1) playground replacement and 2) a spray pad addition. The two playgrounds in City Park have not been replaced since 1995. Playgrounds are typically on a 5-7 year replacement cycle; these are nearly 12 years old. The playgrounds are in safe but tired condition; plywood has been used to replace planks, etc. There is also funding in the 2012 Parks Capital budget funded via Real Estate Excise Tax (REET) for both playgrounds. The Parks, Recreation and Open Space Plan includes demolition of the fenced off wading pool at City Park. She noted wading pools have been closed by public health departments across the nation; reopening the wading pool would require significant upgrades as well as lifeguards. To replace wading pools, many municipalities are constructing spray pads, interactive water features that coordinate well with other play features in parks and encourage active play.

She explained the City must match RCO grants one to one; the shortage of local capital funds is often why the State does not receive a lot of applications for the grants. Combining the playground replacement with the spray pad allows it to be a revitalization project; the funds in the REET capital fund will be used as matching funds.

Ms. Hite explained a recirculating/repurposing water system is planned for the spray feature. Both a recirculating and repurposing water system require space underground for tanks to hold water for recirculation or repurposing to the park for irrigation. The current location of the wading pool does not provide enough depth above the water table to accommodate a recirculating/repurposing tank. Therefore staff proposes to relocate the spray pad near the play equipment and redesign the area to accommodate that feature.

Ms. Hite displayed a conceptual drawing of the playground and spray pad, explaining the footprint is approximately the same with about a 1,000 square foot expansion where the tot lots are located. She highlighted the current path, stairs, tot lot and swings, gathering areas, benches, 5-12 year old play area and swings, and the spray play area with an overlook. She summarized the current program components

for tots and 5-12 year olds will be maintained with the addition of the spray feature and recirculating/repurposing water system.

Councilmember Buckshnis commented the spray feature and recirculating/repurposing water system are a great idea. She recalled Portland had to close theirs because of the cost of the water. She inquired about the cost of a recirculating/repurposing water system. Ms. Hite answered preliminary pricing found a recirculating/repurposing water system is quite expensive, approximately \$300,000; the spray features are another \$100,000-\$150,000. The City is applying for the maximum grant amount of \$500,000 for the spray pad feature and will match it with the playground replacement and labor.

Public Works Director Phil Williams explained the Sunset Avenue Overlook project is included in the City's Capital Facilities Plan, Capital Improvement Plan and Transportation Improvement Plan. He referred to an aerial photograph of the alignment of the project, approximately 2,000 feet between Bell and Caspers on Sunset Avenue and a conceptual layout of future improvements. The project will require a great deal of discussion with the railroad on the design. The intent is a 10 foot-wide pedestrian walkway/trail; the conceptual drawings illustrate a two-lane section on the south end of the project between Edmonds and Bell and one-way northbound for the balance of the distance. The City is applying for a \$500,000 RCO grant from Washington Wildlife Federation Program funds in the trails category; the City Park Revitalization project is applying for funds from the local parks category. He highlighted the importance of the separation between the parking and walkway in the grant application. The total project cost is envisioned at \$950,000. Staff also intends to apply for funds from a new State program, Complete Streets for most of or all of the remaining funds. He summarized this would be a great project for Edmonds as the area is heavily used by citizens and visitors.

Councilmember Buckshnis asked about bike lanes. Mr. Williams responded the project is not yet in design. It has not yet been determined whether bicycles will be accommodated in a sharrow, a combined travel lane and bicycle facility, or a dedicated bike lane. With a 10-12 foot path, it could be a multi-use pathway. He envisioned a parent and child would prefer to use a pathway but more experienced cyclists would likely prefer to travel in a multi-use lane in the street.

Councilmember Buckshnis commented a portion of the trail is quite narrow with a drop off and asked how that would be addressed. Mr. Williams answered the railroad owns a great deal of the property; it is staff's intent to develop the entire facility – the pedestrian walkway, the bicycle accommodation, the existing parking and the travel lane – within the existing footprint of the developed Sunset Avenue. There is no intent to extend water ward of the existing curb due to terrain issues.

Councilmember Buckshnis relayed a comment she has heard, "if it's not broken, don't fix it." Mr. Williams commented it may not be broken but it can be made better. The existing dirt pathway is on the waterside of the curb and is muddy during eight months of the year which causes many pedestrians to walk in the street. He commented that was not particularly safe and should not be encouraged; moving them off the street and onto a dedicated pedestrian facility is the right thing to do.

Councilmember Buckshnis asked about the surface of the trail. Mr. Williams answered it would be a hard surface but it was unlikely to be pervious materials because that precipitation load would then be shifted onto the steep bank. He envisioned the sidewalk would be graded to drain to the existing stormwater facilities in the street.

Councilmember Yamamoto, frequent runner on Sunset, asked whether the intent was to maintain one-way traffic from Edmonds Street north and to retain the bike lane. Mr. Williams answered yes. The pathway will be two-way, the travel lane or sharrow would be pointed north as they are today.

Councilmember Bloom asked if there were plans for fencing along the west side of the 10-foot trail. Mr. Williams answered not if it can be avoided. There is a short metal railing in one section. There may be a couple places where some protection is warranted but that has not yet been designed. It is not staff's intent to have a continuous railing or fence. If the pathway is no further west than the existing curbline, no fence will be required as there is currently no fence. The City partnered with the railroad in 2001 to plant a vegetative natural barrier in key locations to discourage people from walking down the bank. The railroad did not want people on the tracks and the bank is not very stable and sloughing can occur over time. The vegetative natural barrier seems to be working well; it would be difficult to reach the railroad tracks through the blackberries now.

Councilmember Bloom asked if the bike path would be located in the 10-foot wide trail. Mr. Williams explained no final decisions have been made; fitting a 5-6 foot bike lane, a workable travel lane, all the existing parking, a 10-foot walkway within the existing space without expanding to the west will be challenging. Either a sharrow, a MUTCB-approved method for incorporating bicycles in a Complete Streets solution or allowing some bicycles to travel on the multi-use pathway are options that will be considered. Councilmember Bloom asked if that is required to receive Complete Streets funding. Mr. Williams answered assumed it would be.

Mayor Earling invited comment from the public.

Roger Hertrich, Edmonds, commented he has a number of friends who live on Sunset Avenue and he did not think they were informed of the opportunity to speak to the Council tonight. He requested a formal public hearing be held to allow the neighborhood to be involved. He recalled when there was two-way traffic and the decision to convert it to one-way included installing a bike path on the east side to reduce the width of the one-way street. He explained cars are allowed to park along the curb, providing good visibility for the handicapped, elderly or others who park along Sunset. Moving the cars eastward would reduce their view. He summarized the importance of locating the travel lane and parking close to the west side. He suggested the width of the trail be reduced to a 3 foot paved pathway.

Al Rutledge, Edmonds, referred to the Sunset Overlook project, inquiring about the location of the nearest bike rack. He was concerned with the safety of allowing bikes in the travel lane. With regard to City Park, he asked how a grant for these projects would affect state funds for other departments.

There were no other members of the public present who wished to provide comment.

Mayor Earling relayed there is a May 1 deadline to apply for the RCO grants.

In response to Mr. Rutledge, Ms. Hite explained dedicated Parks CIP funding is from REET. The 2012 budget projects \$550,000 - \$600,000 in REET funds; it was previously in the \$3-\$4 million range. The 2012 CIP includes \$210,000 for City Park which is enough to replace the playground and will be used for the RCO grant match. Depending on the total cost of the City Park project, additional funds may need to be included in next year's CIP. Staff also intends to apply for other grants in the community as well as match the grant with labor. She assured the City Park Revitalization Project did not preclude any other projects in the adopted CIP.

With regard to the deadline, Ms. Hite explained a significant change was made this year in the application deadline for RCO grants; previously only the grant application was due on May 1 and there was 1-2 months for a Council confirmation process, supporting letters, technical information, etc. This year everything is due on May 1. If the deadline is missed, the City cannot apply again for two years. The resolution confirms the Council is aware staff is applying for the grant and is committed to the project.

With regard to Mr. Rutledge's question about bike racks, Mr. Williams advised street furniture including a bike rack can be considered in the design. There are currently benches and picnic tables in that area.

Councilmember Fraley-Monillas asked about the location of the trail. Mr. Williams stated the travel lane is wide which encourages speed. There is adequate space to build everything within the current developed footprint of the street; nothing would be built west of the existing curb. He assured the 10-foot walkway, parking, travel lane, etc. would be located within the current curb-to-curb space on Sunset.

With regard to holding a public hearing, Mr. Williams explained if either of the projects is successful in obtaining a grant offer from the state, the Council will be asked to accept the grant. That would be an appropriate time to take additional public comment.

Councilmember Buckshnis observed the resolution is time sensitive due to the May 1 deadline. Mr. Williams agreed. Councilmember Buckshnis asked if the grant application could be submitted and a public hearing scheduled on May 1. Mr. Williams answered that could be done; if the City was not offered the funding, the public hearing may have been a waste of time. Councilmember Buckshnis supported holding a public hearing sooner rather than later.

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE RESOLUTION NO. 1272, THAT AUTHORIZES SUBMITTING AN APPLICATION FOR GRANT FUNDING ASSISTANCE FOR WASHINGTON WILDLIFE AND RECREATION PROGRAM PROJECT TO THE RECREATION AND CONSERVATION OFFICE FOR THE CITY PARK PLAYGROUND & SPRAY AREA REVITALIZATION. MOTION CARRIED UNANIMOUSLY.

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE RESOLUTION NO. 1273, THAT AUTHORIZES SUBMITTING AN APPLICATION FOR GRANT FUNDING ASSISTANCE FOR WASHINGTON WILDLIFE AND RECREATION PROGRAM PROJECT TO THE RECREATION AND CONSERVATION OFFICE FOR THE SUNSET AVENUE OVERLOOK.

Councilmember Petso expressed support for the resolution, echoing the request for a public hearing sooner rather than later. She requested the press inform the public of the project so that citizens' comments can be incorporated into the project design if the City is awarded the grant.

Councilmember Plunkett expressed his enthusiasm for the project. He was reminded of the open space at Old Milltown which some people said was the worst vote the Council ever took and was a waste of money. Someday people will not remember those comments but will love the open space. Similarly, the walkway on 76th Avenue, many people said that would never happen and today 76th has safe walkways along the street. Likewise, a former mayor said there would never be a performing arts center in Edmonds, yet the Edmonds Center for the Arts now exists. Although many may think the walkway from the ferry to the marina has always existed, Mayor Earling was a Councilmember when the Council began purchasing property to create the walkway. The Sunset Overlook will be an improvement to the area that future generations will appreciate.

Councilmember Fraley-Monillas agreed a public hearing was a great idea but preferred to wait until the grant was awarded.

MOTION CARRIED UNANIMOUSLY.

10. ORDINANCE TO ESTABLISH SPECIAL DUTY PAY

Mayor Earling explained the ordinance has been amended since it was presented to the Council previously. The ordinance would allow the Mayor under special circumstances to provide special duty

pay for directors and managers as reorganizations/appointments occur. The Council requested the ordinance be reviewed by the Finance Committee; he participated in the Finance Committee discussion where it was agreed to, 1) change appointments to temporary for a calendar year, and 2) authorize the Mayor to provide special duty pay up to 5% and require Council approval for special duty pay between 5% and 10%.

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO APPROVE ORDINANCE NO. 3881, AMENDING TITLE 2 OF THE EDMONDS CITY CODE TO ESTABLISH SPECIAL DUTY PAY FOR MANAGER AND DIRECTOR LEVEL EMPLOYEES WHO ARE TEMPORARILY OR PERMANENTLY ASSIGNED SPECIAL DUTIES.

Councilmember Plunkett thanked the Finance Committee for their review. When originally proposed, the ordinance was too broad and the amendments are a good compromise between what the administration needs and the Council's accountability and responsibility for the City's finances.

Student Representative Springer referred to the Human Resources Temporary Staffing Proposal, noting the monthly cost is approximately \$5,000. He asked if those funds are included in the budget. Mayor Earling answered a temporary appointment may be caused by another staff member leaving which would free up funds for the special duty pay. There are currently no funds in the budget for special duty pay.

MOTION CARRIED UNANIMOUSLY.

11. DISCUSSION REGARDING TELEPHONE BOOK DELIVERY.

Councilmember Yamamoto explained this agenda item is regarding the elimination of telephone books delivered to residences and businesses. Seattle has an opt-out program and San Francisco has an opt-in program. He suggested following Seattle's program. This is intended as an opportunity for Council discussion followed by further discussion by the Finance and the Planning, Parks and Public Works Committees.

Rather than following Seattle's program, Councilmember Plunkett suggested having someone from the telephone book company speak to the Council about the benefits of telephone books. He recalled the Council passed a resolution opposed to coal trains without hearing from the other side and he wanted to hear from the other side before pursuing a program to eliminate telephone book delivery.

Council President Peterson commented this is very early in the process and it will ultimately come to the Council for further action and perhaps a public hearing. He thanked Councilmember Yamamoto for bringing this issue forward, noting it has been discussed by Sustainable Edmonds. He will schedule further discussion on the appropriate committees' agendas. He encouraged the public to contact Councilmembers with their thoughts.

Councilmember Bloom thanked Councilmember Yamamoto for bringing up this issue. She explained as she has become more internet savvy, the telephone books she receives go directly in the recycle bin. She supported an opt-out program to reduce waste.

12. 2012 APRIL BUDGET AMENDMENT

Finance Director Shawn Hunstock explained this is the first amendment to the 2012 budget. The packet includes a number of changes to most of the funds within the City. Amendments to the General Fund increase the revenue appropriation by slightly under \$8,000 and the expenditure appropriation by \$211,000. Over half the General Fund expenditure increases, \$112,000, are one-time; those items will not be included in the 2013 budget. The summary by fund is included in the Council packet on page 288. The

salary schedule appendix to the budget (page 308 of the packet) is amended to eliminate the Human Resources Analyst position and add the Human Resources Manager position. The salary schedule will be amended in the future when changes are made to permanent staffing.

Mr. Hunstock recognized Accountant Deb Sharp who prepared the information for the budget amendment. Department Directors and staff are available to answer specific Council questions.

Mayor Earling advised the amendment was reviewed by the Finance Committee last week.

Councilmember Buckshnis commented this is the best amendment to date; everything ties and balances and labeling and page numbers are correct. She thanked Mr. Hunstock and Ms. Sharp.

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO APPROVE ORDINANCE NO. 3882, AMENDING ORDINANCE NO. 3861 AS A RESULT OF UNANTICIPATED TRANSFERS AND EXPENDITURES OF VARIOUS FUNDS MOTION CARRIED UNANIMOUSLY.

13. FINANCE COMMITTEE MISSION

Finance Director Shawn Hunstock explained the mission establishes specific duties of the Finance Committee, some of which are codified in the Edmonds City Code. The mission also defines the membership of the committee as two appointed Councilmembers and the Finance Director, outlines expectations for staying current with accounting pronouncements, and appoints the Finance Committee to act as liaison between the State Auditor's Office and serve as the Audit Committee. The process for keeping Councilmembers informed of accounting pronouncements has not yet been determined. His CPA license requires continuing education and he will share that information with the Finance Committee members. The mission is presented for discussion and possible action.

Councilmember Yamamoto commended Mr. Hunstock for developing the mission which clarifies the Finance Committee's duties.

14. PRESENTATION - IMPLICATIONS TO THE CITY OF A 1% LIMITATION ON PROPERTY TAXES.

Finance Director Shawn Hunstock explained in November 2001, voters passed Initiative 747 which decreased the allowable change in property taxes levied from 6% to 1%. Although Initiative 747 was later found to be unconstitutional by the state Supreme Court, the legislature quickly passed legislation enacting the same limitations found in Initiative 747. Based on Edmonds' property tax collections of \$9.4 million, a 1% increase in property taxes equates to approximately \$95,000, a relatively small amount compared to the entire City budget of \$33 million. Property taxes are the single largest revenue source in the City; \$95,000 equates to less than 1/2% increase per year.

The 1% limitation is for the City, not property owners or specific properties. A property's value can increase or decrease independent of the 1% limitation on property tax. He referred to a graph illustrating the relationship between assessed value and levy rates. As assessed values goes down, the property tax levy rate goes up to capture the 1% increase. The opposite can also be true; when assessed values go up, the property levy rate goes down. For example, for a home that with an assessed value of \$400,000 in 2011 that declined to \$337,300 in 2012, taxes increased by \$270 because the average levy rate increased from \$9.9503 to \$10.9980 (due in part to voter approved increases). Overall, property taxes for the City of Edmonds increased by 1.24% in 2011. The City's portion of the property tax rate for 2012 is \$1.66 or about 15% of the total tax rate. The majority of property taxes paid (64%) fund education.

Mr. Hunstock commented on the structural imbalance; revenues are growing at a slower rate than expenditures. At some point that will eat into fund balances and reserves. As indicated in the adopted 2012 budget, an approximately \$800,000 deficit is projected in 2013; that increases to \$2.8 million by 2016. He pointed out the projected \$800,000 deficit was developed before adoption of the state budget which includes at least a \$200,000 reduction in liquor taxes to the City, increasing the \$800,000 deficit to \$1 million. The cumulative impact of that reduction is a deficit of approximately \$6 million by 2016.

Mr. Hunstock explained in 2011 the General Fund had a surplus of \$780,000. That reflects the effort of the Mayor and departments to reduce expenditures, hold vacant positions open, not incur travel expenses, etc. to adapt to the economic reality. During the 2012 budget process, Interim Finance Director Jim Tarte reviewed the budget line by line and trimmed any potential excess. Thus there is less potential for a surplus in 2012 and there is less opportunity to cut expenses.

Councilmember Buckshnis asked whether the Council could pass a resolution to not impose a 1% property tax increase for 3 years if the Council placed a Metropolitan Park District on the ballot. Mr. Hunstock answered that could be done. The 1% increase is not automatic but is a choice made by the Council as part of the budget adoption process.

15. ADOPTION OF AN ORDINANCE TO ADJUST THE CITY'S GENERAL FACILITIES CHARGES FOR UTILITIES IN EDMONDS CITY CODE (ECC) CHAPTER 7.30.

This item was removed from the agenda under Agenda Item 3 and will be rescheduled on next week's agenda.

16. POTENTIAL ACTION AS A RESULT OF MEETING IN EXECUTIVE SESSION.

COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO AUTHORIZE THE MAYOR TO CONTRACT WITH MICHAEL & ALEXANDER FOR LEGAL SERVICES IN AN AMOUNT NOT TO EXCEED \$25,000. MOTION CARRIED UNANIMOUSLY.

17. REPORT ON CITY COUNCIL COMMITTEE MEETINGS OF APRIL 10, 2012.

Planning, Parks and Public Works

Councilmember Petso reported there were 13 items on the committee's agenda, 12 were approved on tonight's agenda. She highlighted the update to Edmonds City Code Title 2 which will continue at the committee's May meeting.

Finance Committee

Councilmember Yamamoto reported most of the items on the committee's agenda were approved on tonight's agenda. The committee discussed exploration of a Metropolitan Park District (MPD); he will take the lead on that effort. An exploratory committee will be formed and meetings will begin in May. The committee also was provided an update on fiber optics; CIO Carl Nelson and he plan to develop a business plan for the fiber optics project. Councilmember Buckshnis commented all Councilmembers are welcome to participate in the MPD exploratory committee.

Public Safety and Personnel

Councilmember Bloom reported the committee discussed a code of ethics related to Councilmembers. Their focus was on Kirkland and Mountlake Terrace's codes of ethics which vary greatly. The committee plans to discuss a code of ethics at their next meeting and will include other cities' codes.

18. MAYOR'S COMMENTS

Mayor Earling reminded Councilmembers to make their appointments to the Economic Development Commission. He distributed information regarding the number of appointments for each Councilmember.

Mayor Earling congratulated Public Works Director Phil Williams for the City's receipt of a \$500,000 grant from the state for the Main Street Project between 5th and 6th.

Mayor Earling reported the City will lose approximately \$211,000 as a result of the legislature's decision regarding liquor tax. Further, the legislature did not take action on any transportation funding that could be used for street overlays.

19. COUNCIL COMMENTS

Councilmember Fraley-Monillas reported on the Snohomish County Public Health District meeting. The whooping cough alert has reached a critical point; Snohomish County has the highest rate of whooping cough in the state. She encouraged the public to visit their regular doctor to get a booster shot to maintain their immunity against whooping cough. There is a free clinic on Saturday, April 21 at Pacific Medical Center at 19401 40th Avenue, Lynnwood, from 9:00 a.m. to 1:00 p.m. It is especially important for those who are around children to be vaccinated.

Council President Peterson extended his congratulations to Fire District 1 Assistant Chief Tom Tomberg on his retirement. His retirement party was well attended, including firefighters from his previous employment in Idaho. That speaks volumes about the quality of the individual he was as the City's Fire Chief and Fire District 1 Assistant Fire Chief. Chief Tomberg will be missed but he remains fully engaged in the community.

Councilmember Buckshnis reported 88 flower baskets have been adopted; 53 remain. She pointed out the \$100 donation is tax deductible.

Councilmember Yamamoto offered his congratulations to Chief Tomberg.

20. EXECUTIVE SESSION REGARDING LABOR NEGOTIATIONS PER RCW 42.30.140(4)(b).

At 8:35 p.m., Mayor Earling announced that the City Council would convene in executive session regarding labor negotiations per RCW 42.30.140(4)(b). He stated that the executive session was scheduled to last approximately 45 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Yamamoto, Plunkett, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. Others present were City Attorney Jeff Taraday, Parks & Recreation Director Carrie Hite, Police Chief Al Compaan, Human Resources Consultant Tara Adams, and City Clerk Sandy Chase. The executive session concluded at 9:05 p.m.

21. RECONVENE IN OPEN SESSION AND ADJOURN THE MEETING

Mayor Earling reconvened the regular City Council meeting at 9:10 p.m.

With no further business, the Council meeting was adjourned at 9:10 p.m.