

EDMONDS CITY COUNCIL APPROVED MINUTES

October 21, 2014

The Edmonds City Council meeting was called to order at 6:00 p.m. by Mayor Earling in the Council Chambers, 250 5th Avenue North, Edmonds.

ELECTED OFFICIALS PRESENT

Dave Earling, Mayor
Diane Buckshnis, Council President
Kristiana Johnson, Councilmember
Lora Petso, Councilmember
Strom Peterson, Councilmember
Joan Bloom, Councilmember
Adrienne Fraley-Monillas, Councilmember

ELECTED OFFICIALS ABSENT

Thomas Mesaros, Councilmember

ALSO PRESENT

Noushyal Eslami, Student Representative

STAFF PRESENT

Al Compaan, Police Chief
Phil Williams, Public Works Director
Carrie Hite, Parks & Recreation Director
Scott James, Finance Director
Shane Hope, Development Services Director
Doug Fair, Municipal Court Judge
Patrick Doherty, Econ. Dev & Comm. Serv. Dir.
Frances Chapin, Arts & Culture Program Mgr.
Brian Tuley, IT Supervisor
Deb Sharp, Accountant
Rob English, City Engineer
Kernen Lien, Senior Planner
Carolyn LaFave, Executive Assistant
Jeff Taraday, City Attorney
Scott Passey, City Clerk
Gerrie Bevington, Camera Operator
Jeannie Dines, Recorder

1. **CONVENE IN EXECUTIVE SESSION REGARDING A REAL ESTATE MATTER PER RCW 42.30.110(1)(c) AND COLLECTIVE BARGAINING PER RCW 42.30.140(1)(a)...**

At 6:00 p.m., Mayor Earling announced that the City Council would meet in executive session regarding a real estate matter per RCW 42.30.110(1)(c) and collective bargaining per RCW 42.30.140(1)(a). 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. No action was anticipated to occur as a result of meeting in executive session. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Johnson, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. Others present were City Attorney Jeff Taraday, Finance Director Scott James, Parks & Recreation/Human Resources Reporting Director Carrie Hite and City Clerk Scott Passey. The executive session concluded at 6:30 p.m.

2. **MEET WITH PLANNING BOARD ALTERNATE CANDIDATE MICHAEL NELSON FOR CONFIRMATION TO THE PLANNING BOARD**

At 6:30 p.m., the City Council met with Planning Board Alternate candidate Michael Nelson. The meeting took place in the Council Chambers, located in the Public Safety Complex. All City Councilmembers were present for the meeting with Mr. Nelson and the meeting was open to the public.

Mayor Earling reconvened the regular City Council meeting at 7:00 p.m. and led the flag salute.

3. **MEET WITH ARCHITECTURAL DESIGN BOARD CANDIDATE TOM WALKER FOR CONFIRMATION TO POSITION #4 OF THE ARCHITECTURAL DESIGN BOARD**

Mr. Walker was unable to attend the meeting.

4. **ROLL CALL**

City Clerk Scott Passey called the roll. All elected officials were present with the exception of Councilmember Mesaros.

COUNCIL PRESIDENT BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO EXCUSE COUNCILMEMBER MESAROS. MOTION CARRIED UNANIMOUSLY.

3. **APPROVAL OF AGENDA**

COUNCIL PRESIDENT BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

4. **APPROVAL OF CONSENT AGENDA ITEMS**

Councilmember Petso requested Item I be removed from the Consent Agenda and Councilmember Bloom requested Item A be removed so that she could abstain from the vote due to her absence from the October 14, 2014 Council meeting.

COUNCIL PRESIDENT BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER PETERSON, TO APPROVE THE CONSENT AGENDA AS AMENDED. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

- B. APPROVAL OF CLAIM CHECKS #211018 THROUGH #211133 DATED OCTOBER 16, 2014 FOR \$645,141.91 (REISSUED CHECK #211078 \$118.31)**
- C. ACKNOWLEDGE RECEIPT OF A CLAIM FOR DAMAGES FROM DYLLIS G. WILEY-CHASE (AMOUNT UNDETERMINED)**
- D. FISHING PIER REHABILITATION DESIGN**
- E. UNSCHEDULED IT EQUIPMENT REPLACEMENT**
- F. CIGNA LIFE, LONG TERM DISABILITY (LTD) AND ACCIDENTAL DEATH & DISMEMBERMENT (AD& D) INSURANCE PLAN(S)**
- G. APPROVAL OF THE MUNICIPAL COURT JUDGE JOB DESCRIPTION & CONFIRMATION OF POSITION SALARY AND BENEFITS INFORMATION**
- H. CONFIRMATION OF MICHAEL NELSON TO THE PLANNING BOARD ALTERNATE POSITION**
- J. ACCEPTANCE OF STREET DEDICATION FOR SAFFOLD 3-LOT SHORT PLAT LOCATED AT 19327 88TH AVE W (FILE PLN20100018)**
- K. REPORT ON FINAL CONSTRUCTION COSTS FOR THE 2013 WATERLINE REPLACEMENT PROJECT AND ACCEPTANCE OF PROJECT**

L. REPORT ON FINAL CONSTRUCTION COSTS FOR THE LIFT STATION REHABILITATION PROJECT AND ACCEPTANCE OF PROJECT

ITEM A: APPROVAL OF CITY COUNCIL MEETING MINUTES OF OCTOBER 14, 2014

COUNCILMEMBER PETERSON MOVED, SECONDED BY COUNCIL PRESIDENT BUCKSHNIS, TO APPROVE ITEM A. MOTION CARRIED (5-0-1),COUNCILMEMBER BLOOM ABSTAINED.

ITEM I: MAYOR EARLING RECOMMENDS TOM WALKER'S CONFIRMATION TO POSITION #4 OF THE ARCHITECTURAL DESIGN BOARD

Mayor Earling advised that Mr. Walker was unable to attend tonight's meeting. The meeting with Council and Council confirmation will be rescheduled.

7. NATIONAL ARTS & HUMANITIES MONTH PROCLAMATION

Mayor Earling read a proclamation declaring October as National Art & Humanities Month in Edmonds. He presented the proclamation to Edmonds Arts Commission Chair Suzy Maloney. On behalf of the Arts Commission, Ms. Maloney thanked the City Council and Mayor for their continued support and this acknowledgement.

8. AUDIENCE COMMENTS

Val Stewart, Edmonds, Planning Board Member speaking as a citizen, referred to Item 13, and expressed her support for a 50-foot vegetative buffer within a 100-foot setback in the Urban Mixed Use IV jurisdiction. A 150 foot setback is too much to impose on property owners and she has been unable to find any documentation that confirms the need for a 150-foot buffer setback for salmon recovery grant funding. Ecology agreed in a recent communication that the new federal laws initiated by the Native Americans require a minimum of 100 feet. With regard to nonconforming status of existing buildings, she suggested Mt. Vernon's approach, retain the nonconforming status but allow a nonconforming building damaged to 100% of replacement cost to be reconstructed in same footprint. This could alleviate insurance and financing issues. She referred to information provided by a Tribal Biologist during the October 4 marsh tour video available on My Edmonds News., that the City has an obligation to the Tribes to honor the treaty of Pt. Elliott where Tulalip Tribes were granted rights to half the harvestable fish but also to sustain the natives' way of life which includes providing environment and habitat to support fish. Best Available Sciences continues to change; the City's baseline for BAS is a 2007 document. Tulalip Tribes are doing cutting edge research tracking juvenile salmon go before they go into Puget Sound. Daylighting Willow Creek will get Coho spawning again. There are multiple resources to help restore the marsh including sustainable redevelopment or remodeling, state, federal and Tribal funding, and private dollars. She urged the Council to set an example for other municipalities and not just do the minimum to meet no net loss of shoreline ecological functions.

Roger Hertrich, Edmonds, said after reviewing the Capital Facilities Plan he was confused with how funds are being allocated. He recommended the Council review each item to determine whether they agreed with the projects and how funds are allocated. For example, \$2 million is proposed for Sunset Avenue, but it is a walkway, not a recreational pathway. He suggested the project could be scaled down once it was realized bicycles and pedestrians do not mix. He referred to the mini roundabout or restriping for 9th Avenue. With regard to the Woodway High School Playfields, he expressed concern the Edmonds School District (ESD) was contributing very little to that project yet they will likely want a great deal for the Civic Center Playfields. He suggested negotiating with ESD to share costs more equally as well as provide space for a pool on the Woodway Playfields site.

Rose Cantwell, Edmonds Senior Center (ESC) Board of Directors, a member of the ESC for 15 years, explained the non-profit corporation that operates the Center has a tremendous volunteer workforce who perform many necessary duties as a gift to the community. Volunteer service is an excellent way to hold down property taxes. The ESC building is old and a new building is sorely needed. She is Co-Chair of the newly formed Capital Campaign Committee formed to raise the funds needed for construction of a new building at the current site which is owned by the City. The ESC's Executive Director Farrell Fleming will make presentation regarding the land lease with the City. The Capital Campaign Committee is working diligently and is very positive about raising sufficient funds for a new joint senior and community center, another gift to the community.

9. PRESENTATION OF THE EDMONDS SISTER CITY COMMISSION 2014 STUDENT EXCHANGE PROGRAM HEKINAN, JAPAN TRIP

Karyn Heinekin and Phil Onishi, chaperones on the Hekinan, Japan trip, introduced three of the ten student delegates Jason, Dee and Patrick. Ms. Heinekin explained the trip was an amazing experience for her and a wonderful opportunity for the students who built lasting relationships and bonds with the Japanese community during the two weeks students were in the Hekinan and two weeks the Hekinan students were in Edmonds. She commented on the culture they experienced, Hekinan's generosity and the goodwill established between the two cities. They provided a slide show of their stay in Hekinan.

Mr. Onishi commented this was a fantastic opportunity to travel and see Hekinan and to enjoy their hospitality and the opportunity to live in their culture. He appreciated the way the Edmonds Sister City Commission (SCC) has embraced the opportunity to meet people from Hekinan. Hekinan has a great love for Edmonds; he, Karyn and the ten students had a life-changing trip. He appreciated the support the City has provided the SCC over the years and hoped it would continue.

Patrick said his favorite part of the trip was going to the city, visiting temples and exploring with his own exchange student. Jason's best memory was making new friends; the people in Hekinan were very nice and the food was good and interesting. Dee's favorite part was meeting all the people. She recalled playing soccer at a BBQ and how easy it was to connect with the Japanese students even when they did not speak the same language. Ms. Heinekin described a memorable trip they took to Kyoto, summarizing the trip was an amazing experience for which she thanked the SCC and the City.

Mayor Earling recognized current and former members of the SCC in the audience and acknowledged the efforts of Executive Assistant Carolyn LaFave.

10. EDMONDS SENIOR CENTER PRESENTATION ON AN "OPTION TO LEASE AND DRAFT GROUND LEASE" REQUEST

Edmonds Senior Center Executive Director Farrell Fleming said the resolution the Council on March 18, 2014 established the foundation to proceed with the goal to build a new state of the art senior and community center on the waterfront site. It will be a multigenerational activity center taking full advantage of the magnificent views.

He described their model:

- Partnership between the City and the Nonprofit
- Senior Center, a 501(c)3 charitable organization, raises the money, builds, owns and maintains the building
- City owns and maintains land (regional park) and leases it to the senior center
- Monroe followed this model in 1994

He described progress since March 18, 2014:

- 3/18/2014: City Council resolution unanimously supporting new senior/community center.
 - First critical piece of our feasibility study
- 6/3/2014: Snohomish County Joint resolution unanimously supporting new senior/community center.
 - Will assist with state and foundation funding

Mr. Fleming and Phil Lovell reviewed results achieved:

- Senior Center Board decision to proceed (May 2014)
- Established Capital Campaign Committee with Co-Chairs Rose Cantwell and Diane Buckshnis
- Community College Reports
- Task Force Subcommittee undertook architect selection process
- Conceptual drawings completed by two architects (Zervas Group – Bellingham and Environmental Works – Seattle)
- Each architect created a design for a conceptual building placed in a different location on the site
- Cost estimates based on the two conceptual designs
- Two independent third-part cost estimators reviewed the designs
- Timeline schedule refinement
 - Complete, refine program
 - Use materials from architects to create brochures/graphics to accompany fundraising
 - Successful fundraising efforts likely in two phases
 - Establish milestones for moving ahead with selecting a designer, executing lease with the City and ultimately entering into a building program

Mr. Fleming explained the ESC needs documentation of sufficient site control to pursue State funds. He reviewed the Option to Lease and Ground lease:

- Requesting tonight that the City and Senior Center enter into a process of negotiation to come to agreement on the terms and conditions of the Ground Lease. Ground lease takes effect at time reach significant milestone, such as raising a significant amount of needed funds.
- Once that agreement is reached, the City and Senior Center will enter into an Option to Lease Agreement
- The lease option specifies at what time and under what conditions the Ground Lease becomes active. The major condition is the Senior Center reaching a certain fundraising goal that will enable it to begin construction. The terms of the option are also to be negotiated.
- The present lease will remain in effect until the Ground Lease becomes the governing document.

Mr. Fleming commented on the timeline:

- Hope to complete negotiation by the end of 2014 or early 2015
- Important this is finished by the time the legislature gets to the capital budget process
 - Seeking promise from the State of \$2 million based on the ESC raising the remainder
- Suggestion for negotiation teams: two from each entity plus legal assistance
- Look forward to working with the City to complete this phase of making the new Edmonds Senior and Community Center a reality.

Councilmember Petso asked when the conceptual designs will be made available to the public for comment/input. Mr. Lovell answered it will be early in the design process. The first priority is to ensure the ESC and the City agree on a matrix of uses for the building, the size, adjacencies, space allocation, etc. Once that is completed and a fundraising milestone is reached, a design firm can be hired to proceed with a conventional design process which will include design development, schematic design, and construction documents. He expected to bring drawings and information to the City at the schematic design phase, optimistically sometime next year. There has been some interface with City Planning related to code issues and the Shoreline Management Plan.

Councilmember Petso commented it would be easier for the Council to engage in negotiating a lease if the public was aware of the existing concepts and had had an opportunity to comment. Mr. Lovell relayed his understanding of Councilmember Petso's comment that it would be best to have the public look at what might become the permanent design before a lease is executed, relaying that could be done. Mr. Fleming advised there could be a public process to look at the current conceptual design. Actual drawings are prepared when sufficient funds have been raised to move the project forward. He anticipated this would be an asset for the entire community and said "exciting" is the word often used to describe the project. The ESC is tasked with turning that excitement into money; this is the first step.

Council President Buckshnis asked what direction was being sought from the Council. Parks & Recreation Director Carrie Hite sought direction from Council whether they wanted staff including the City Attorney to work with ESC on the request they made tonight. Council President Buckshnis asked whether Ms. Hite had any objection to their suggestion of a team comprised of two members from each entity and attorneys. Ms. Hite said she did not.

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCIL PRESIDENT BUCKSHNIS, TO PROCEED WITH NEGOTIATIONS.

Councilmember Peterson asked who will be on the City's negotiating team. Ms. Hite recommended Parks and Recreation take the lead with the City Attorney and the Mayor and possibly include Public Works at some point because they maintain the current building. She suggested she be the City's representative that meets with the ESC and staff vet the terms and conditions internally before presenting it to Council for approval.

Councilmember Johnson requested options include the South County Senior Center Restoration proposal in the Shoreline Management Plan with regard to the existing parking lot and restoration. She asked who would pay for that portion of the proposal. Mr. Fleming answered the negotiation for the ground lease will consider that. The ESC has said they will pay for the building; the parking lot and grounds have not yet been discussed. He commented one of the great things about the partnership is there are grant and processes the non-profit can pursue that the City cannot such as a capital campaign and there are things like the shoreline and extension of the walkway to the south for which the City is in a unique position to apply for state and federal grants. The initial negotiations likely will address the parking lot and grounds; it could be a joint responsibility between the City and Senior Center or entirely the City but likely not entirely the ESC because the City owns the land.

MOTION CARRIED UNANIMOUSLY.

11. ECONOMIC EVALUATION OF REGIONAL IMPACTS FOR THE PROPOSED GATEWAY PACIFIC TERMINAL AT CHERRY POINT

Shawn Ardussi, Senior Planner, Puget Sound Regional Council (PSRC), explained staff was asked by the PSRC Executive Board in March 2014 to conduct an economic evaluation of the proposed Gateway Pacific Terminal at Cherry Point. He displayed a map of the operational and proposed crude-by-rail facilities and coal export facilities in Washington. He reviewed the project purpose and scope of the study:

- Purpose: To provide an objective analysis of the economic effects of the Gateway Pacific Terminal project proposal for the four-county region
- Scope of Study:
 - Project background information and previous studies
 - Regional rail profile
 - Impacts of the Gateway Pacific Terminal proposal on the four-county region

- Opportunities for mitigation
- Topics outside scope of study
 - Crude oil train safety
 - Coal dust and public health

He provided an overview of the proposed Gateway Pacific Terminal:

- SSA Marine proposed the development of Gateway Pacific Terminal, a full-service dry bulk commodity export-import facility at a naturally occurring deep-water location in Cherry, Point, Washington, approximately 60 miles north of Snohomish County
- Current plans call for the project to be operational at full capacity by 2019
- Terminal’s total export capacity would be approximately 54 million metric tons of dry bulk commodities per year

	Full Build-Out
Annual Tonnage	54 million metric tons
Additional trains from baseline	18 (9 to terminal, 9 from terminal)
Train Length	1.6 miles

He described the environmental process, advising the National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA) processes are being done concurrently with drafts anticipated to be available sometime in 2015, a major opportunity for comment for PSRC membership. He provided an overview of the major findings:

- Development and operation of the proposed Gateway Pacific Terminal would lead to new jobs, mostly during the construction phase and mostly in Whatcom County
- The proposed Terminal may have an impact on rail capacity in the central Puget Sound region – depending on whether BNSF responds to the increase in demand for service by increasing capacity
- Rail freight traffic is already projected to grow in Washington State and in the central Puget Sound region – even without the proposed Terminal
- The most direct economic impacts on the central Puget Sound region will be due to increased rail traffic through cities and counties
- Economic impacts directly related to gate down - time vary greatly from location to location within the region
- Mitigation is possible in most if not all cases, but may be costly

Mr. Ardussi commented on projected freight rail growth

- Annual tons of freight moved by rail in Washington State (does not include proposed new terminals):
 - 64 tons in 1991
 - 116 tons in 2010
 - 238 tons projected in 2035
- Statewide rail freight is forecast to grow anyway
- State projections for increased rail freight volume do not include service to a series of proposed new or expanded terminals in the Pacific Northwest, nor export of Bakken oil

He commented on other proposed coal terminals and provided a map of the locations:

- Multiple coal export terminal expansion or new construction proposals
- Energy companies with ready supplies of Powder River Basin coal
- Two active proposals in WA/OR
- Four active proposals in British Columbia

He provided a table of coal volume that could move through Central Puget Sound Region by rail if all projects approved and operated at full capacity:

Terminal	Annual Million Metric Tons
Gateway Pacific Terminal	54.0
Fraser Surrey Docks	8.0
Ridley Terminal (current contract volume potential)	2.5
Westshore Terminal (current contract volume potential)*	0.75
Millennium Terminal (Longview)	0.0
Port of Morrow	0.0
Total	65.25
Without Gateway Pacific Terminal	11.25

*Assuming 25% of increased capacity

He reviewed regional impacts – domestic and international trade:

- Potential benefits:
 - Rail capacity expansion could allow the region’s ports to move more goods and increase the region’s economic activity.
 - The region’s ports may become more economically attractive to shippers.
- Potential Risks
 - Current rail traffic could be constrained, costs could increase, there could be delays in shipments at the region’s ports
 - Passenger rail service could be disrupted, cost more, or both
 - Current commodities and passenger rail services could get “priced out,” “squeezed out,” delayed, or face increased costs due to a lack of capacity.

He displayed a table of the the annual economic impact of increased gate downtown by community; the following table illustrates the total impact on all communities and impact on only Edmonds, Marysville and Stanwood:

City	Scenario 1 BNSF Mainline Travel Only	Scenario 2 BNSF Mainline + Stevens Pass for Empty Trains	Scenario 3 BNSF Mainline + Stampede Pass for Empty Trains
Edmonds	\$138,000	\$69,000	\$138,000
Stanwood	\$45,000	\$45,000	\$45,000
Marysville	\$1,651,000	\$1,651,000	\$1,651,000
Total Impact	\$3,853,000	\$3,260,500	\$3,547,500

He described impacts on residential and commercial property values:

- Residential

City	Aggregate Property Value in Buffer (\$ million)	Property Value Impacts	
		5%	7%
Edmonds	\$595	\$30	\$42
Stanwood	\$47	\$2	\$3
Marysville	\$433	\$22	\$30

- Commercial

City	Aggregate Property Value in Buffer (\$ million)	Property Value Impacts (5%) (\$ millions)
Edmonds	\$71	\$4

Stanwood	\$15	\$0.8
Marysville	\$254	\$13

He provided the methodology for calculating the impact of increased gate downtime. He provided a map of regional impacts on transportation:

- Study Area: 101 Mainline BNSF at-grade crossings in Puget Sound Region, 77 crossings in cities and towns.
- Regional gate-downtime: Gate downtime in 2013 with Gateway Pacific Terminal trains would increase on average by 65% compared to 2035 without the terminal

The study took a community-based approach, examining most highly impacted crossings in detailed profiles for each community.

- 15 communities identified on or near potential freight route based on criteria.
 - Stanwood, Marysville, Edmonds, Seattle, Kent, Auburn, Sumner, Puyallup, Steilacoom, Tacoma, Everett, Monroe, Snohomish, Covington, Maple Valley

Other regional impacts include:

- Environmental Justice
 - Study found in some locations, low income and minority population in Kent and Seattle would have impacts from train operations. In some locations, low income and minority populations in Everett, Auburn, Alcona, Pacific and Fife would also be impacted by the additional trains travelling to and from the proposed terminal.
- Emergency Response
 - Study identified 21 crossings in the region where additional waits for trains could impact the delivery of emergency response service due to close proximity to fire stations or emergency medical facilities.
 - There could be a 2 - 6 minute delay per crossing event for emergency response vehicles
- Transportation Access
 - Access to transportation facilities (bus stops, park and rides) could also be delayed by 2 - 6 minutes per crossing event.

Mitigation options include:

- Grade separation of highly impacted crossings (\$50m - \$200m)
- Other mitigation measures could include
 - Crossing consolidation
 - Signal timing
 - Intelligent Transportation Systems (ITS)
 - Crossing improvements
- Policy measures to assist in mitigation could include:
 - Scheduling train traffic
 - Use of different freight routing
 - Work with state lawmakers and Congress to expand funding for grade crossing improvements

What PSRC has heard:

- Concerns about public safety
- Uncertainty about environmental effects
- Questions about who will pay if mitigation is necessary • Funding is needed for local mitigation
- Many potential impacts are local, but are driven by issues beyond local control
- Concern that rail service should continue to serve best economic interests of the state and region
- Tribal issues need to be considered

He reviewed next steps:

- Draft EIS is anticipated to be finished sometime in mid-2015
 - Opportunity for public comment
- Continuously inform transportation planning (FAST, Regional Freight Mobility Roundtable, Transportation 2040)
- Listening to feedback from PSRC boards and membership

Councilmember Fraley-Monillas commented there was nothing about the human health impacts or environmental impacts in the study. Mr. Ardussi advised this was an economic study. The Executive Board asked for an economic study because the EIS which will be released next year will consider health and environmental impacts; economic impacts will not be addressed by the EIS. Councilmember Fraley-Monillas commented the economic impact includes spills and/or health issues. Mr. Ardussi advised once the EIS is available, the economic impacts of environmental impacts could be considered. There is no way at this time to identify the environmental impacts.

Councilmember Petso observed unless the train trench idea is adopted, the solution to at-grade crossing issues either places vehicles above the train or the train above vehicles. She asked whether the decrease in property values from that view blockage had been considered in study. Mr. Ardussi advised this economic study was related to new trains added by the Gateway Pacific Terminal and utilized research elsewhere in the country on economic devaluation due to proximity to freight rail facilities. It did not consider the incremental impact on views from properties in the proximity.

Councilmember Petso asked whether the at-grade crossing needed to be addressed and a grade separation achieved as train traffic increased. Mr. Ardussi answered this information can help inform that discussion. Councilmember Petso emphasized that unless the train trench idea is adopted, view blockage will be a significant concern with regard to the two at-grade crossings in Edmonds. She inquired about PSRC's familiarity with the train trench proposal. Mr. Ardussi answered he had heard it was being discussed but had not seen a specific project proposal.

Councilmember Peterson asked if studies were being conducted regarding how many trains would carry either coal or back-in-crude if a facility is built at Cherry Point. Mr. Ardussi answered this study did not consider back-in-crude. This study began in March 2014; crude oil shipments were just beginning at that time. There are currently three coal trains per day north to Canada; this proposal would add nine trains traveling north and up to nine traveling south. The direction the trains take southbound depends on whether they go over Stevens Pass through Seattle or over Stampede Pass.

Councilmember Peterson relayed growing concern that commodities from Eastern Washington are not being transported. He asked if there was any coordinated effort between PSRC and similar organizations to discuss how nine new coal trains would affect capacity for shipping commodities from Eastern Washington. Mr. Ardussi advised there is a lot of concern about rail capacity even under current conditions. The railroads will say they are working to increase capacity and that they have a track record of finding capacity to meet projects like this. Shippers and businesses are uncertain because their businesses depend on access to rail. There is a lot of discussion but not necessarily agreement on an approach.

Councilmember Peterson asked if there were organizations similar to PSRC looking at this issue. Mr. Ardussi agreed there are including Freight Mobility Strategic Investment Board and other metropolitan planning organizations in the State.

Councilmember Johnson asked the current thinking about mitigation. Mr. Ardussi answered some projects in the long range plan are already in the works. A study like this can look at opportunities for mitigation if there is increased freight rail traffic through the State regardless of whether the terminal

built. He suggested City Councils begin to think about what they need in their community. PSRC is not developing a project list but is beginning to have that conversation with communities.

Councilmember Johnson referred to his comment that rail is outside local control, noting cities have control over land use. It would be in the Council’s best interest to have a better understanding about future traffic, delays, number of tracks and impacts on emergency response time. Mr. Ardussi advised each of the community identified would do well to have a more in-depth examination of the impacts of this type of increase in freight volume.

Councilmember Petso asked whether there were any projects currently in the works or in the Transportation Improvement Plan or other plans for Edmonds. Mr. Ardussi noted the trench has been mentioned but it is not fully developed as a project in PSRC’s long range plan; at this time there is not a mitigation project for the at-grade crossings in Edmonds. He distributed copies of the staff summary.

12. PUBLIC HEARING AND DISCUSSION REGARDING THE 2015 PROPOSED CITY BUDGET

Mayor Earling opened the public participation portion of the public hearing. There was no one present who wished to provide comment and Mayor Earling closed public participation. He advised another public hearing is scheduled in two weeks.

Finance Director Scott James identified where the budget can be found on the City’s website (2015 Budgeting on the home page). He reviewed changes made to the budget since it was presented:

Budget Book Page #	Description	Cash Increase (Decrease)
General Fund		
39	Executive Assistant Schedule Salary Step Increase	(\$4,314)
43	Advertising Expense	(\$4,200)
Impacts to General Fund		(\$8,514)
Fund 112 Street Construction		
163	Construction (DP #36)	(\$100,000)
163	Interfund Services (DP #36)	(\$6,000)
Impacts to Fund 112 Ending Cash		(\$106,000)
Fund 126 REET 1		
166	Construction	\$200,000
166	Land	(\$200,000)
Impacts to Fund 126 Ending Cash		\$0
Fund 132 Parks Construction		
168	Land	\$1,300,000
168	Construction	(\$1,300,000)
168	Construction	\$200,000
Impacts to Fund 132 Ending Cash		(\$200,000)

City Clerk

City Clerk Scott Passey explained the City Clerk’s Office is a small but effective division. The 4.5 FTE (City Clerk, Deputy City Clerk, Business Licensing Clerk, Senior Office Specialist and part-time Public

Disclosure and Records Management Specialist) make up the bulk of the Clerk’s budget. He reviewed the following:

- 2014 accomplishments
 - New City Clerk transition
 - New Senior Office Assistant recruited
 - Public Record Requests
 - New Liquor/Marijuana License Notice Review Process
 - New incentive-based fee system to encourage timely business license renewal
 - Other Efficiencies
- Challenges
 - Staffing/leave issues
 - Resources for Public Records Disclosure
 - Email Management - Citywide
 - Continued implementation of Laserfiche
 - Management of Archive Centers

Expenditures	2013 Actual	2014 Budget	2015 Estimate	Discussion
Total	588,355	537,273	588,956	2015 Estimate includes Decision Packages #2 and #3

- Decision Packages:
 - DP #2: Adds \$16,625 to 2015 costs by increasing public disclosure/records management specialist from 0.5 FTE to 0.75 FTE
 - DP #3: Adds \$3,675 to 2015 costs for agenda management software

Councilmember Peterson referred to DP #2, commenting Edmonds has been fortunate in avoiding any legal fines from delayed public record requests that some other cities have encountered but the City is still vulnerable. He was leaning toward a full-time FTE for that function, envisioning the extra funds might keep the City out of harm’s way. Mr. Passey agreed a full-time FTE devoted to public disclosure and records management was reasonable for most cities. Most cities have large archives and they continue to build particularly with email. The current 0.5 FTE cannot handle all the requests so he and the deputy city clerk assist with the various requests. It would be preferable to have that position handle more of the workload and allow staff to focus on other priorities.

Council President Buckshnis observed there is an approximately \$18,000 increase the salary budget. She asked whether it reflected only the .25 increase in the public disclosure/records management specialist or also step increases. Mr. Passey answered it includes step and COLA increases in addition to the .25 increase in FTE.

Councilmember Fraley-Monillas observed there have been IT improvements in recent years to post more information online. She asked whether that has helped reduce records requests. Mr. Passey answered Laserfiche allows all permanent, essential documents such as ordinances, resolutions, minutes, etc. to be scanned and posted online. Those are typically not the records that the public requests; they are asking for the behinds the scenes work such as email, etc.

Councilmember Petso remarked she was not aware the City’s website offered the capability to search minutes. Mr. Passey agreed it did not. There was \$40,000 in the 2013 budget to acquire the Laserfiche software and train staff to scan records. Staff began scanning ordinances, resolutions and minutes which are now in the archive and ready to be made public in a searchable format. As staff has time, they will continue to scan ordinances to continue building the archive. Those documents are currently not searchable on the website. Councilmember Petso commented that would really save time.

Mayor's Office

Mr. James reviewed the following:

- 2014 accomplishments
 - Reinstated street paving program
 - Maintained strong financial program
 - Continued success in achieving major grants in Parks, Engineering and Public Works
 - Expanded public communication program with Town Halls and regular media columns
 - Progress made in economic development
- Challenges
 - Continued vigilance of Edmonds long term financial health
 - Access to and from waterfront
 - Resolution of Fire District 1 contract
 - Creating new revenue streams
 - Strategy to maintain long term street repaving needs

Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm.	Discussion
Total	251,085	250,100	257,312	

Council President Buckshnis commented all departments' benefits are up 15-17%. Mr. James advised all departments' budgets include a 15% increase for medical. PERS also increased a couple percentage points. A 2% COLA was included in the budget although contracts have not been settled. Some departments' budgets also include step increases.

Human Resources

Human Resources Reporting Director Carrie Hite reviewed the following:

- 2104 accomplishment
 - Settled two union contracts - EPOA (Commissioned Officers) and Law Support (non-Commissioned).
 - Started negotiations for SEIU & Teamsters unions for 2015.
 - Hired a new medical insurance broker and re-formed a Health Benefits Committee to review insurance plan options for 2015.
 - Completed the City's Accident Prevention Program (APP) draft.
 - Created and implemented the City-wide Wellness program.
 - Completed City-wide Cultural Diversity training for all employees.
 - Transitioned to a new L & I claims management process.
 - Started ongoing internal HR audit process.
 - Hired and trained the part-time HR Assistant
 - Offered a City Health & Benefits Fair
 - Had a successful MEBT audit
 - Completed a recruitment and screening process for: Finance Director, Development Services Director and Community Services/Economic Development Director.
 - Started the recruitment process for RFQ/RFP for Public Defender and Municipal Court Judge
- Challenges
 - Legislation/regulation considerations – Legal mandates, the Affordable Care Act (ACA) implications, Department of Labor (DOL) audits.
 - Labor relations issues- grievances/arbitration
 - Applications (loss of data and applicant tracking system configuration).
 - Ongoing Training costs and needs
- 2015 projects
 - Completing SEIU & Teamsters Negotiations
 - Completing the 2015 Non-Represented Salary Survey

- City-wide Anti-Harassment Training
- Working on training programs at the City
- Updating City Personnel Policies
- Implementing the Accident Prevention Program (APP)
- Working through ongoing internal HR Audit

Expenditures	2014 Modified Budget	2014 YE Estimate	2015 Recomm.	Discussion
Human Resources	326,758	323,528	326,958	DP#1 Wellness Program

Savings	2014 Modified Budget	2014 YE Estimate	2015 Recomm.	Discussion
Medical Benefits	150,000	150,000		
LEOFF Benefits	106,189	137,345		
L & I Claims	154,239	112,130	120,000	

- Decision package
 - DP #1: \$3,000 for Wellness Program

Councilmember Petso observed there was an increase in professional services; she had hoped the need to hire consultants/expert advice would be declining. Ms. Hite answered the \$3,000 increase from \$48,000 in 2014 to \$51,000 in 2015 is for the Wellness Program.

Economic Development & Community Services

Economic Development & Community Services Director Patrick Doherty reviewed the following:

- 2014 Accomplishments
 - Community Services*
 - Employed services of Cynthia Berne (Long Bay Enterprises) and established SAP Working Group. Together achieved substantial completion of implementation plan for Strategic Action Plan. Final product to be presented to Council First Quarter 2015.
 - Drafted and presented to Council social media usage policies. Facebook page created and ready to launch post Council approval.
 - Employed services of Carolyn Douglas to assist with press relations, community outreach, communications, social media oversight, etc.
 - Economic Development*
 - Employed services of Ellen Hiatt for arts/culture/tourism marketing and communications. Results:
 - New tourism website (launch by December)
 - New arts/culture/events calendar (launch by December)
 - Refined/updated ads; creation of tourism strategic marketing plan
 - Arts/culture/tourism social media presence
 - Provided input in refinement of Westgate Plan.
 - Worked with BID on new initiatives, especially small grants program, marketing/outreach, finances.
 - Worked with BID on increased Holiday 2014 offerings/activities
- Challenges
 - Community Services*
 - Transition from planning to full-fledged implementation of Strategic Action Plan
 - Substantially enhance/improve communication with public, stakeholders, press, et al
 - Economic Development*

- Recruitment of new business/investment and retention/expansion of existing business
- Diversification of tax base
- Strengthening of Downtown and Waterfront
- Investment in Westgate, Highway 99 Corridor

Expenditures	2014 Modified Budget	2014 YE Estimate	2015 Recomm.	Discussion
Comm. Services	397,654	362,090	391,785	Less professional services
Econ. Development	110,370	105,850	50,870	Less professional services
Total	508,024	467,940	442,655	

- Decision Packages
 - DP #14 - \$30,000 for press relations/community relations/social media oversight professional services
 - DP #15 - \$5,000 carry-forward for completion of SAP implementation plan
 - DP #16 - \$20,000 for Council-approved small matching grant program
 - DP #48 - \$2,500 for SAP project management software
- Proposed 2015 Tourism Promotion Program
 - Lodging tax revenues are used to fund the City’s Tourism Promotion Program
 - Only permissible use of these funds (RCW 67.28.1816)
 - Revenues are up in 2014 (approximately \$90,000) and 2015 is anticipated to yield the same
 - City’s Tourism Promotion Program consists of:
 - Support of arts, culture and other events that attract visitors
 - Marketing and promotion (ads, website, rack cards, etc.)
 - Use of Funds - Arts/Culture-related (25% of revenue)
 - \$12,000 to grants for ECA tourism-promotion awards
 - 2,000 Cascade Symphony
 - \$1,000 – Art Studio Tour
 - \$1,500 – Sno-King Chorale
 - \$2,000 – Demiero Jazz Fest
 - \$2,000 – Olympic Ballet Theater
 - \$2,000 – Driftwood Players
 - \$1,500 – Phoenix Theater
 - \$7,200 – Promotion of “Write on the Sound” Writers’ Conference
 - \$2,000 – Promotion of public art in Edmonds through printed brochure
 - Use of Fund - General tourism promotion
 - \$6,000 – Snohomish County Tourism Bureau’s Visitor Information Center
 - \$2,500 – Edmonds Chamber of Commerce for the Edmonds Visitors Center
 - \$12,500 – Edmonds two-page tourism ad in Edmonds Center for the Arts Season Brochure
 - \$6,000 – Printing/distribution of rack card
 - \$500 – Miscellaneous ad design work as needed
 - \$2,500 – Promotion/support of Bird Fest
 - \$4,000 – Promotion of Edmonds arts/culture events in Snohomish County Visitors Guide, CRAZE recreation guide and “Arts Access” (Snohomish Countywide)
 - \$21,000 – General advertising/promotion program for Edmonds tourism (ads, professional services, website, etc.)

Council President Buckshnis referred to DP #15, observing the \$5,000 was carryover from the \$40,000 budgeted in 2014. Mr. Dougherty agreed. Council President Buckshnis asked whether DP #14 was in last year’s budget. Mr. Doherty explained the 2014 budget included an ambitious public outreach/social

media/tourism/arts/culture person. Ms. Hiatt started at the end June; at that time it became obvious with the focus on the arts/culture/events calendar, tourism, the strategic marking plan, refining/updating ads, the tourism website and social media, there was not enough time left for general government press relations and social media. Only \$23,000 of the \$40,000 allocated for Ms. Hiatt’s work will be spent in 2014; some of the savings will be used in 2015 for a contract person who serves as a public information officer to engage the community, provide press relations, oversee Facebook, etc.

Council President Buckshnis asked how the cost of \$30,009 was determined. Mr. Doherty answered it is \$2500/month.

Finance and Information Services

Mr. James expressed his appreciation for staff’s professionalism and superior work ethic. He reviewed the following.

- Accomplishment
 - Received a clean 2013 audit
 - Quality of the work done during the year is a reflection of the professionalism of the staff
 - We started 2014 with \$3.5 million in investments outside the State Pool. Today we have just over \$23 million
- Challenges
 - A goal for 2015 will be to document operational procedures and guidelines within the Finance Department and for our internal customers
 - We will be upgrading our automated budgeting software to improve the efficiency of our budget process
 - We will also be working with upgraded financial statement generation software
- Expenditures

Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm.	Discussion
Total	808,429	766,566	853,049	

- Decision packages
 - DP #5: \$12,000 for Finance Intern
 - DP #6: \$7,500 for Finance Department Remodel

Information Services

IT Supervisor Brian Tuley reviewed the following:

- Accomplishments
 - Removed Windows XP from City (35% of workstations)
 - Replaced core network switches and server
 - Implemented backup procedures
 - Systems/off site
 - Upgraded telephone system ad VM
 - Improved security by building network zones
 - Thank City Council for approving expenditure. Once implementing, other equipment failing.
- Challenges
 - Security and Compliance
 - Physical security, training, awareness, policy & procedures
 - Replacement policy
 - Strategic Plan
 - Disaster Recovery – Business Continuity
 - Fiber Redundancy
 - Fiber Review
 - Continue to improve city communication with the public

- Expenditures:

Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm.	Discussion
Fiber Budget	72,035	33,950	59,200	-18%
Information Services	893,756	923,988	765,513	-19%
Total	965,791	957,938	785,713	

- Decision Packages
 - DP #7: \$14,020 for repairs & maintenance
 - DP #8: \$30,000 for afterhours support and IT supplement

Councilmember Johnson expressed her appreciation to Mr. Tuley for providing afterhours IT support this year and the extra time and effort he provided to keep the system band aided through year.

For Council President Buckshnis, Mr. Tuley explained fiber and redundancy are two separate issues. Redundancy is needed to ensure internet access is available for City business. During the decade Edmonds has been discussing what to do with fiber, other technologies have emerged such as cable modems and gigabit wireless. Consideration needs to be given to how much to invest in fiber when there is new, emerging technology.

Non-Departmental

Mr. James reviewed the following

- Non-Departmental is used to segregate all costs not directly identifiable to departments and those expenditures and services that are required by law or contract that are beneficial to all citizens.
- Finance Department provides oversight to the Non-Departmental budget. He:

Key Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm.	Discussion
Liability & Prop Ins	379,784	383,900	423,600	WCIA Rates
Fire District Contract	6,500,000	7,022,800	8,067,700	Reviewed later
Prisoner Care	486,050	480,000	650,000	Booking and Housing
Debt Service	3,024,120	3,024,120	280,387	2014 Refunding
Interfund Transfers	5,137,373	3,401,723	3,012,785	Reviewed later
Other ND Expenditures	2,289,231	2,237,426	2,455,210	Contact with any questions
Total Expenditures	17,816,558	16,549,969	14,889,682	

- Fire District 2014 Contract
 - When we built the 2015 Proposed Budget, we estimated that we would pay the district a total \$7,022,800 in 2014
 - This includes the scheduled payment of \$6,222,700
 - We added \$800,000 for the first portion of the \$1,667,000 “Retro” payment
- Fire District 2015 Contract
 - The 2015 Proposed Budget includes a base payment of \$6,222,700
 - Plus Mayor’s “placeholder” of \$978,000
 - These two amounts bring our estimated new on-going FD1 contract to \$7,200,700
 - Lastly, we added \$867,000 for the remaining “Retro” payment
 - To pay for the “Retro” payment we are recommending we transfer the funds from Contingency Reserve Fund
- Transfers within General Fund

Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm.	Discussion
Low Enforcement Medical (009)	594,646	375,000	275,000	Target balance

Risk Mgmt (011)	903,798	636,000	--	Target balance
Contingency Reserve (012)	522,313	--	--	Target balance
Historic Preservation (014)	7,000	7,000	--	
Building Maint (016)	589,800	379,800	266,600	\$210,000 carryforward
Total	2,617,559	1,397,800	541,600	

- Transfer to other funds

Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm	Discussion
Firemen's Pension (617)	179	179	15,000	Continue Funding
LTGO Debt Serv (231)	214,163	214,272	169,875	Scheduled payment
2014 Debt Serv (232)	966,286	966,286	925,310	Scheduled payment
Cemetery Fund (130)	40,186	40,186	40,000	Operating transfer
Street Fund (111)	400,000	400,000	400,000	Operating transfer
Street Construction (112)	679,000	363,000	706,000	\$550,000 Streets and \$156,000 carryforward
Municipal Arts (117)	20,000	20,000	15,000	Per City policy
Parks construction	200,000	--	200,000	Carryforward
Total	2,519,814	2,003,923	2,471,185	

- Decision Packages

- DP #9: \$250,000 – Reserves for Council Designated Projects
- DP #10: \$2,500 – Economic Alliance of Snohomish County
- DP #11: \$1,000 – Washington Aerospace Partnership
- DP #27: \$200,000 – Carry Forward for Edmonds Marsh/Daylighting Willow Creek
- DP #33: \$550,000 – Street Preservation Funding
- DP #34: \$50,000 – Trackside Warning System
- DP #35: \$210,000 – ESCO IV Funding
- DP #36: \$106,000 – SR 104 Transportation Corridor Study

- Other Finance Managed funds

- LEOFF Medical
- Risk Management
- Contingency Reserve
- Employee Parking
- LID and Debt Service Funds
- Fireman's Pension

Councilmember Fraley-Monillas referred to DP #10 and asked whether the City had paid that in the past. Mr. James responded the City has paid \$7,500/year in the past; the Economic Alliance is asking the City to contribute up to \$10,000. DP #10 is the \$2,500 difference. The Alliance has ongoing costs they must meet and have not requested an increase in recent years.

Council President Buckshnis referred to DP #27 and suggested setting up a fund similar to the Flower Program to allow tax-deductible donations and to avoid carrying forward the funds.

Council President Buckshnis commented she was not in favor of a 16% increase for Fire District 1 and found that amount extremely disturbing and atrocious. Mr. James advised the numbers are placeholders acknowledging the City received the bill and that there will be increases in the future.

Development Services

Development Services Director Shane Hope explained Development Services handles permitting, provides information to the public about property, and does code enforcement and long range planning. She reviewed the following:

- Accomplishments
 - Permit & inspection activity continues to be at high level
 - Positive feedback from most customers
 - Permit valuation and revenue—significant increases in 2014
 - GMA- Major Comp Plan Update—in progress (due mid-2015)
 - Westgate Zoning proposal—prepared
 - Development Code Update—products from legal consultant submitted; other work in progress
 - Tree Code Proposal –initial draft prepared (final by end of year)
 - Critical Area Code—Consultant selected (project to be completed by mid-2015)
 - Green Resource Center—design being finalized; major expenditures to be completed by end of year
- Challenges
 - Schedule for 2015 Comp Plan Update is tight
 - Code Update project is proceeding
 - Legal consultant work completed
 - RFQ for remaining work issued
 - Approval of carryforward (DP # 17) will help reach project completion
 - Permit activity per employee continuing at very high level
 - Limits ability to support longer range planning and code initiatives
 - Department has huge inventory of paper files, maps, plans that need to be input into a well-organized database
- Graph of building permits and revenue for January through September 2001 – 2014
- Graph of Building Permits per Development Services Employee
-

Expenditures	2014 Budget	2014 YE Estimate	2015 Recomm	Discussion
Salaries	1,273,306	1,143,200	1,312,415	No new FTEs
Benefits	465,402	416,300	459,602	No new FTEs
Total Department	2,219,366	1,958,802	2,261,629	

Revenue	2014 Budget	2014 YE Estimate	Discussion
Building Permits	503,000	550,000	Healthy economy & interest in Edmonds
Dev Services Surchg (Technology)	38,500	38,500	Relates to DP #18
Other Permits/Approvals (excl. Engineering)	439,790	494,200	Healthy economy & interest in Edmonds

- Decision packages
 - DP #17: Development Code Update Carryforward
 - For professional services to complete project - \$85,000
 - DP #19 – GMA Temporary Extra Help - for 2015 Comp Plan Update to meet state deadline
 - One-time only- \$25,728
 - DP #18 – Digitization & Archiving of files, maps, plans
 - \$57,000 in 2015; \$32,100 in 2016; \$5100 annually thereafter

Councilmember Bloom asked whether \$85,000 was sufficient to complete the development code rewrite. Ms. Hope answered it would accomplish a significant amount of the rewrite but not the entire development code. Councilmember Bloom asked how much would be needed to complete the entire development code. Ms. Hope answered that would depend on which chapters are considered the entire code. She estimated \$300,000 in addition to the \$85,000 to do the entire development code. Councilmember Bloom asked for an update during the budget process of what has been done so far. She felt it was time to deal with this and allocate additional funds to accomplish it. Council President Buckshtnis offered to schedule the update on progress to date at a study session.

Mayor Earling declared a 5 minute recess.

Parks, Recreation and Cultural Services

Parks & Recreation Director Carrie Hite reviewed the following:

- Accomplishments
 - Installation of new play area at Edmonds City Park with first community build
 - Marsh Feasibility Study
 - Fourth Avenue Cultural Corridor, Stages of History
 - PROS plan completion
 - Community Cultural Plan completion
 - Yost boiler replacement
 - Begin Marina Beach Master Plan
 - Received Conservation Futures grant for waterfront acquisition
 - Begin Dayton Street Plaza
 - Replaced Fitness Room equipment
 - Concessions Agreements in parks
 - YMCA Yost Partnership
 - Petanque courts
 - Pickleball courts
 - Outdoor fitness equipment
 - Health & Fitness Expo
 - Puget Sound Bird Fest
 - WOTS Conference
 - Street Scramble
 - Park Impact Fees
 - Public art project for 5 Corners Roundabout
 - Student Conservation Association
 - 5,349 volunteer hours, or 2.5 FTE's
- Challenges
 - Staffing capacity, seasonals
 - Yost Pool: YMCA
 - Park projects
 - Director's time with HR
-

Expenditures	2014 Modified Budget	2014 YE Estimate	2015 Recomm	Discussion
Administration	408,211	312,050	351,028	Decrease in professional services
Recreation	1,129,326	1,156,120	1,231,582	Increase in professional services due to success of beach camp, has corresponding revenue
Programs	591,832	511,836	540,907	2014: Aquatic savings w/ YMCA partnership. Reorganized camp staffing.

				Late tennis start. 2015: school-age day camp eliminated
Parks Maintenance	1,647,336	1,510,501	1,637,054	2014: Delay in staff hiring. 2015: staff at full capacity. Increase in seasonal staff benefits, utilities and interfund rental.
Flower Program	50,211	39,306	66,135	Increase to seasonal staff benefits and interfund rental
Total Budget	3,826,916	3,529,813	3,826,706	

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Revenue	2014 Modified Budget	2014 YE Estimate	2015 Recomm	Discussion
Aquatics	134,250	133,238	134,010	
Program Fees	877,000	878,750	935,000	2015: Maximums increasing in summer camps and added camps
Rentals	153,200	98,565	120,000	Fewer shelter rentals at City Park due to closure of playground (April – July)
Leases	159,335	161,156	166,772	
Park Donations	10,400	12,200	12,200	
Total	1,334,185	1,283,909	1,367,982	

- Decision Packages/Changes
 - Ballfield Groomer - \$13,800
 - Green House Seeding Machine - \$4800
 - Reorganization: Reclassification of Recreation Manager to Assistant Director, 5% increase already in budget. No additional cost for this year.

Ms. Hite thanked the Parks & Recreation team and described the Day at the Beach scarecrows on display in front of Frances Anderson Center.

Municipal Court

Municipal Court Judge Doug Fair reviewed:

- Accomplishments
 - Restructured staff to add a lead clerk position.
 - 2014 was a foundation year. We did not complete any new projects but built a base for the following projects to occur in the next year or two
 - Online payments slated to commence by late 2014 or early 2015 to coincide with the City’s updated website
 - New audio/visual upgrade to the court/council chambers
 - Electronic filing. Staff members will be attending a conference on successful implementation of electronic filing
- Challenges
 - Caseload increase/decrease depending on police staffing and injuries.
 - Can the court integrate with laserfiche software as the platform for an electronic file management system?
 - Integrating new public defender standards.
 - New judge

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Expenditures	2014 Modified Budget	2014 YE Estimate	2015 Recomm	Discussion

Interpreter Expense	18,000	10,000	14,000	Caseloads down for 2014, probably rise in 2015
Miscellaneous	36,000	10,000	11,000	Electronic File Management System (DP) was not implemented

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Revenue	2014 Modified Budget	2014 YE Estimate	2015 Recomm	Discussion
Public Defender Recoupment	35,000	33,000	39,000	Public defender assessment went from \$130 to \$200 during 2014 and will be \$200 during 2015
Infractions	310,000	273,000	293,000	Traffic infraction filings were down significantly in 2014 and we anticipate some increase in 2015

• Decision Package

○ Electronic File Management System

- City receives funds from “Washington State Court Improvements Account.” Funds are restricted and must to be used only for improving the court's efficiency. Balance in this account as of today is \$59,851

Mayor Earling advised Item 14 would be delayed to next week’s study session. He announced the Council would hold a 5 minute executive session at the end of the meeting regarding potential litigation per RCW 42.30.110(1)(i).

COUNCIL PRESIDENT BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER PETERSON, TO EXTEND THE MEETING FOR 25 MINUTES. MOTION CARRIED UNANIMOUSLY.

13. INTENT TO APPROVE SHORELINE MASTER PROGRAM (SMP)

Senior Planner Kernen Lien reviewed the City approval process:

- Assemble complete draft SMP
- Complete SEPA review and documentation
- Provide Growth Management Act 60-day notice of intent to adopt
- Hold public hearing
- Prepare a responsiveness summary
- Approve SMP and submit to Ecology
- Demonstrate compliance with Guidelines

He explained Ecology’s approval process generally takes six months to complete. To prepare the final SMP for submission to Ecology, Mr. Lien requested direction from the Council regarding:

- Urban Mixed Use IV setback
- Physically separated and functionally isolated provisions

The provisions for Urban Mixed Use IV in the current draft SMP are:

- No residential
- 150-foot setback
- 50-foot vegetative buffer
- Interim designation (2 years)

Mr. Lien explained both the buffer and setback are measured from the Ordinary High Water Mark (OHWM) which basically is the edge of wetland around the Edmonds Marsh. The total setback is the current draft SMP is 150 feet; within the 150 setback is a 50-foot vegetative buffer requirement for a total of 150 feet from the edge of the marsh.

He reviewed staff recommendation for the Urban Mixed Use IV:

- 50-foot setback
 - Consistent with BAS and no net loss requirement
 - Department of Ecology supports
 - Opportunity of enhancement
 - 150 foot setback creates nonconforming situation
- Interim designation

Council President Buckshnis apologized for all the work Mr. Lien has done and the discussions they have had; her intent has always been to have a 100 foot setback which she noted is part of the NOAA Appendix L requirements. Mr. Lien displayed images of the 100-foot setback and the 150-foot setback the 50-foot vegetative buffer within the setback.

Councilmember Petso asked about the Appendix L that Council President Buckshnis referred to. Mr. Lien explained it is funding guidance for three water quality grant programs, Section 319 grants, Centennial Clean Water Fund grants, and the Water Pollution Control State Revolving Fund loans. He read from Appendix L, *“In July 2011, Western Washington Treaty Tribes released the “Treaty Rights at Risk” paper. The paper stated treaty-reserved rights to harvest salmon and steelhead are being impaired by ongoing salmon habitat loss. To address concerns outlined in the paper, tribes approached federal government agencies that fund environmental work to improve salmon habitat and restore sustainable salmon fisheries to levels that meet treaty rights.”* As a result of the Tribes approaching the federal government, minimum buffer widths were established to obtain funds from those three grant programs; the minimum for Willow Creek and Shellabarger Creek is 100 feet.

Councilmember Petso commented the discussion was about the marsh as well as stream buffers; she asked whether the setback for federal funding for the marsh was a 100 feet or 150 feet. Mr. Lien answered he was unsure how it would apply in this situation. He identified the locations of Willow and Shellabarger Creeks, noting they are intricately intertwined with the marsh. He assumed the federal funding would consider whether a 100-foot setback was provided. The minimum buffer width for intertidal and estuarine streams and channels in Appendix L is 35-75 feet. A link in the appendix to specific stream buffers identifies a 100 foot buffer for Shellabarger Creek channel outlet. He would need to conduct further research to confirm the buffers.

Councilmember Petso asked how difficult it would be to correct the setback in the future if the Council got it wrong tonight. Mr. Lien answered six months; Ecology’s approval process for a minor amendment is the same as a complete SMP update.

Councilmember Johnson asked when the two year interim period would start; the day the SMP is submitted to Ecology of the date it is approved by Ecology. Mr. Lien advised the SMP becomes effective 14 days after Ecology grants approval; the 2 year period would start from then.

Council President Buckshnis expressed support for the interim designation, noting it would provide time for the City to have discussions with the Port, WSDOT and Unocal.

Mr. Lien provided information regarding physically separated/functionally isolated provisions:

- 24.40.020.F.2.g – Physically Separated and Functionally Isolated Buffers
 - g. Physically Separated and Functionally Isolated Buffers.

- i. Areas which are both physically separated and functionally isolated from a wetland and do not protect the wetland from adverse impacts due to preexisting public roads, structures, or similar circumstances, shall be excluded from the buffers otherwise required by this subsection.
- ii. A critical area report prepared by a qualified professional is required to determine whether the buffer is functionally isolated.

He displayed a lidar map and identified areas east of the railroad tracks. The marsh becoming a shoreline of the state expanded the shoreline jurisdiction into Harbor Square and Unocal properties on the north and south sides of the marsh as well as made other areas with shoreline jurisdiction. A buffer provides protection to a critical area; it does not provide that function when it is physically separated and functionally isolated. In this case, the railroad separates a portion of the Port property from the marsh and does not provide any protection or function to the marsh.

Councilmember Petso recalled previous discussion about the application of physically separated and functionally isolated to situations through the City such as a road in City Park separating the spray park from a wetland. She asked whether there was a way to limit the SMP to only this one example. Mr. Lien answered the SMP impacts shoreline jurisdictions; City Park is not in shoreline jurisdiction and none of the other streams in the City are within shoreline jurisdiction. Councilmember Petso asked whether it would apply to the path or tennis courts between the north end of the marsh and some areas of Harbor Square. Mr. Lien advised that determination is made by a qualified professional. He displayed the map, identifying the 50-foot vegetative buffer and the 100-foot setback. The physically separated and functionally isolated provision is in the critical areas section of the SMP and applies specifically to wetland buffers.

Mr. Lien advised the resolution in the packet was a draft and would be returned to Council for approval on the Consent Agenda at a subsequent meeting.

COUNCIL PRESIDENT BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE A 100 FOOT SETBACK, NO RESIDENTIAL AND AN INTERIM DESIGNATION.

Councilmember Petso asked for clarification whether the motion included a 50-foot vegetative buffer. Mr. Lien explained the draft SMP has a 150-foot setback with a 50 foot vegetative buffer; the motion would change that to a 100-foot setback with a 50-foot vegetative buffer. Council President Buckshnis agreed that was the intent of her motion.

For Councilmember Peterson, Mr. Lien advised the current draft SMP did not allow residential development in the Urban Mixed Use IV. Councilmember Peterson said he was not completely comfortable with excluding residential but likely could move forward.

MOTION CARRIED UNANIMOUSLY.

Councilmember Fraley-Monillas asked Mr. Lien for his recommendation regarding physically separated and functionally isolated. Mr. Lien recommended retaining it.

COUNCILMEMBER PETERSON MOVED, SECONDED BY COUNCIL PRESIDENT BUCKSHNIS, TO RETAIN PHYSICALLY SEPARATED AND FUNCTIONALLY ISOLATED.

Councilmember Johnson asked how that would have been interpreted for the American Brewing Company silo and the Jacobsen's Marine project. Mr. Lien displayed the image of a 100-foot setback and 50-foot buffer. He identified the location of silo, explaining under the SMP it would not have been allowed because it added new structures within the setback area. The Jacobsen's Marine project is

physically separated and functionally isolated from the marsh; that project was approved when the interim CAO was in place and they were allowed to build under the physically separated and functionally isolated provision.

Mr. Lien explained the interim CAO had a physically separated and functionally isolated provision and it allowed development within the previously developed footprint. The American Brewery silo was constructed within the impervious surface area defined as the previously developed footprint. Both the American Brewery and Jacobsen's Marine project were required to provide enhancement and some buffer enhancement in the marsh is occurring as a result of those two projects.

Councilmember Petso asked how many other projects came in during period the interim ordinance was in effect. Mr. Lien answered those two and the City Park spray pad.

MOTION CARRIED (5-1), COUNCILMEMBER BLOOM VOTING NO.

14. PRESENTATION AND DISCUSSION OF THE PROPOSED 2015-2020 CAPITAL FACILITIES PLAN/CAPITAL IMPROVEMENT PROGRAM

This item was delayed to a future meeting via action take at the conclusion of Item 12.

15. MAYOR'S COMMENTS

Mayor Earling thanked the Council for approving the judge's job description and confirming the position's salary and benefits. The search will begin search tomorrow and he hoped to have a new judge in place by mid-December.

Mayor Earling announced his reappointment of Darlene Stern and appointment of Jamie Reece to the Economic Development Commission.

16. COUNCIL COMMENTS - None

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

At 10:25 p.m., Mayor Earling announced that the City Council would meet in executive session regarding potential litigation per RCW 42.30.140(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. No action was anticipated to occur as a result of meeting in executive session. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Johnson, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. Others present were City Attorney Jeff Taraday, Finance Director Scott James and City Clerk Scott Passey. The executive session concluded at 10:30 p.m.

18. RECONVENE IN OPEN SESSION

Mayor Earling reconvened the regular City Council meeting at 10:30 p.m.

19. **ADJOURN**

With no further business, the Council meeting was adjourned at 10:31 p.m.