



## CITY COUNCIL MINUTES MINI-PLANNING SESSION JUNE 16, 2007

**CALL TO ORDER:** Mayor Bryan Cairns called the meeting to order at 9:00 am in the Clarke Room of the Community Center at Mercer View, 8236 SE 24<sup>th</sup> Street, Mercer Island, Washington.

**ROLL CALL:** City Councilmembers Sven Goldmanis, Mike Grady, Dan Grausz, El Jahncke, Steve Litzow, Deputy Mayor Jim Pearman and Mayor Bryan Cairns were present.

### INTRODUCTION

The Mayor welcomed the City Council and the citizens. The Mayor described that the purpose of the first part of the mini planning session is to look at where the Council has come during the first 6 months in 2007 on its work plan and the financial condition of the city. The Mayor then indicated that the purpose of the second part of the mini planning session is to determine the strategy for the City's parks' capital and O&M (e.g. is it a twenty year strategy or a 20 week strategy). The Mayor encouraged Council to look at the big picture for parks. The third part of the meeting called "other issues for discussion" is intended to not be a full discussion on the topic but for Council to determine which items might be eligible for inclusion in Council's 2007 Work Plan.

- 2007 Council Work Plan – Status Report:** City Manager Conrad provided a 6 month status report to the Council and indicated the City is exactly where he expected, having completed 56 of the total 90 estimated work tasks. The Mayor noted that sustainability was supposed to be handled during the second half of 2007 and Council has already had 2 meetings on sustainability. There was agreement there will be more briefings on sustainability than shown in the 2007 Work Plan.
- Financial Forecast:** Finance Director Corder presented three forecast scenarios for 2006 through 2010 including descriptions of key revenue and expenditure assumptions that affect the forecasts.

Director Corder then described trends and issues. Property tax represents 45% of revenues growing about 3% a year. Salaries make up over 50% of the general fund and they grow about 5-6%. He concluded that this represents a budget structural problem since the City's largest source of revenue is growing at a slower rate than the largest cost center. The Council discussed this conclusion with some Councilmembers disagreeing that there is a structural problem.

- Year end Transfers:** Finance Director Corder recapped the 2006 year end surplus funds and Council's prior actions to allocate \$611,000 to NORCOM, \$277,000 for fire truck replacement sinking fund and \$150,000 transferred to capital reserve.

The Finance Director then presented his recommendations for remaining 2006 year end transfers. Asst. City Manager/Parks Director Mayer answered questions regarding the need for \$50,000 for installing a larger generator at CCMV to make the Community Center a full service shelter to provide food, heat, light and other services.

Chief Mauldin briefed Council on deployment of SCBA units among 28 firefighters and fire apparatus. After discussion and questioning, the majority of the Council suggested maintaining funding for the SCBA's at 28 units.

The Council directed staff to return during regular Council sessions with transfers consistent with the Finance Director's recommendations including:

<b>Fund</b>	<b>Funding Need</b>	<b>Amount</b>
General	Dec 06 non-reimbursable storm clean-up costs	76,000
	Attorney's fees for Renton Airport issue	55,000
	MI's share of Renton airport study	50,000
	Transfer to Tech & Equip Fund for SCBA's	27,000
	LB Admin building non-reimbursable flood costs	19,000
	Retain balance for unidentified one-time needs in 07/08	<u>52,934</u>
		<b>\$322,934</b>
CCMV Construction	Emergency Shelter improvements	50,000
	Available for additional TIP/CIP funding	<u>155,380*</u>
		<b>\$205,380</b>
Capital Improvement	TIP/CIP contingency funding (for potentially higher bids)	500,000
	Available for additional TIP/CIP funding	500,000*
	Parks vegetation remediation costs	68,000
	Retain balance for unidentified one-time needs in 07-08	<u>334,653</u>
		<b>\$1,402,653</b>
Capital Reserve	Transfer to Tech & Equip Fund for SCBA's	<b>\$243,000</b>

\* The Council gave no direction for specific allocations of these amounts at this time.

4. **Park-Capital and O&M Strategy.** The City Manager noted that the Council has had the opportunity to go through all the written material during their previous regular Council meeting. The Council first spent time asking questions regarding the staff-prepared data.

Conrad urged the Council to ask questions regarding the parameters or edges of this topic (e.g. total cost for capital or operating, timing, etc.) and not come up with the solution or package now. Instead, try to determine how best to engage the public and special interest groups such as the sport leagues about this ballot measure.

Parks Director Mayor responded to Council questions concerning the Mary Wayte Pool operating subsidy; existing \$894k allocated for restoration of Luther Burbank Park shoreline; general financial questions regarding the spreadsheet entitled "Parks Funding Packages and Financing Strategies"; probable cost of construction in the Luther Burbank master plan; probable future grant funding for remaining LBP shoreline restoration; breakdown of South Mercer Playfield cost of \$4.3 million (artificial turf surfaces on all fields, update backstops, sport field lighting on all fields, bleachers); Island Crest Park for \$3.6 million (artificial turf on all fields, replace field lighting, incremental repairs on existing buildings, backstops, resurfacing parking lots, playground improvements, and trail improvements). Council asked the Finance Director for a breakdown on what the City has actually spent on LBP-operation, maintenance and small capital projects. Council also asked for an a la carte list of items in South Mercer Playfield and Island Crest Park.

Council Discussion: Councilmember Grausz and City Manager Conrad discussed a long term capital levy (15-20) years for capital projects instead of a bond issue. Councilmember Litzow mentioned many of these projects are not time sensitive with the exception of restoration of shoreline. The Mayor mentioned that the driving force behind this discussion was the need to replace the LBP levy funds that end in 2009 and recognizes this bond or levy issue does not need to be huge. Councilmember Jahncke asked why the City isn't spending \$415,000 on LBP. Councilmember Grady discussed the concept of not having park specific funding needs. Deputy Mayor Pearman suggested a public survey to determine the size and scope of any bond or levy issue and was also concerned about all the other bond and levy issues that will be on the ballot (e.g. Sound Transit, Library).

## Capital Needs

The Mayor suggested that Council describe their interests in both short term capital parks needs (next 2-3 years) and long term capital park needs.

- **Councilmember Grausz** identifies his priorities as LBP erosion control and shoreline restoration; funds for ball fields; and implementing LBP master plan to connect LBP to the Town Center.
- **Councilmember Jahncke** wants to integrate LBP into our entire parks system and fund O&M of LBP out of the general fund - \$359 should be paid with streamlined sales tax incremental revenue. Councilmember Jahncke is not opposed to a capital levy, supports ball field improvements and wants to allocate a large percentage of any capital issue to such ball field improvements; wants to fund the improvements to the South Mercer ball fields now and not as part of a future capital bond or levy.
- **Councilmember Litzow** wants to integrate LBP O&M into the general fund, pay for it with new streamlined sales tax revenue; turf infields as separate issue from levy, and fix LBP erosion as his number one priority. Councilmember Litzow was not sure if a capital levy or bond issue is necessary.
- **Deputy Mayor Pearman** said this issue is that the City will only get “one bite of the apple”; he supports a bond or levy including the following: docks and boats at LBP; purchase land to create new ball fields; improve trails and bike routes, find a long term solution for O&M; restore natural parks (e.g. First Hill, 53<sup>rd</sup>, Pioneer Park); fund replacement of deteriorating park facilities based upon staff’s recommendation; fund good public outreach to determine public needs. Deputy Mayor Pearman also notes that LBP is the City’s sole regional park and encouraged Council to look for new revenue by collecting funds from non-residents for use of LBP. Deputy Mayor Pearman suggests taking financial pressure off the School District by taking over operating costs for school facilities being used for park or sport purposes.
- **Councilmember Grady** supports open space acquisition for future ball fields; connecting Luther Burbank Park to Town Center; trail connections by updating bike and trail plan; Pioneer Park restoration above the previously approved \$68,000 level; installing a small amount of artificial turf on ball fields in a short time period. Councilmember Grady also supports a “Pay As You Go” approach to parks funding and construction. He supports developing sinking funds as opposed to large bond issues and thinks the City should consider sustainability in both short and long term capital needs.
- **Councilmember Goldmanis** supports funding O&M costs within the general fund. The City should decrease expenses in the parks and should decrease any available fund balances. The City should prioritize short term parks improvements based upon high use facilities such as ball fields and artificial turf. Longer term, the City should focus on connecting Town Center to Luther Burbank Park and address shoreline erosion in the Park. He does not favor new land acquisitions because of the ongoing M&O costs.
- **Mayor Cairns** stated that addressing LBP shoreline erosion is a priority. He supports projects that build a connection between the Town Center and LBP and he supports extending LBP use to more people such as through sailing/boat facility. He wants staff to select recommended key projects in LBP master plan. He is o.k. with LBP O&M going into the general fund and acknowledges that ball fields are heavily used. However, he does not want Council to jump the gun because he believes the City needs to consider all users needs (both softball and soccer). He supports meaningful connections for bicycle paths and does not support acquisition of large parcels now. Later, if the opportunity arises on a large parcel, he supports taking that particular acquisition to the public for approval.

Council then debated the issue of moving LBP O&M into the general fund. Council wants to treat LBP as part of the entire parks system. City Manager Conrad then asked whether Council wants to either have a LB/parks O&M levy or wants to use O&M funds within the general fund’s current revenue streams.

After further discussion and debate, the Council reached a working consensus on the Parks Capital and O&M Strategy, as follows:

### **Operations and Maintenance**

- O&M for LBP will be integrated into general fund.
- O&M will be estimated and funded for new assets.
- Maximum dollar amount is \$900k a year (both capital and O&M).

### **Capital Financing**

- Council prefers a capital levy. Levy requires simple majority to pass. Bond issue requires 60% to pass.
- Timeframe for implementation – 10-15 (maximum) years
- A ballot measure will be based upon a specific project list set by Council and a public process.
- The targeted timing for a ballot measure will be November, 2008.
- The maximum dollar amount will be up to a \$900,000 levy per year (both capital and O&M).

### **Community Outreach**

- Council sets parameters for the capital levy and parks improvements package. (e.g. no more than 15 years, no more than \$13.5 million).
- Council appoints a Citizens Stakeholder Committee which includes representatives from parks system user groups and interested citizens including “taxpayer representatives”. Council liaisons will participate with the Stakeholder Committee.
- Package must include these Council prioritized projects: LBP shoreline restoration; projects that foster Town Center to Luther Burbank Park connections; ball field capacities; trail connections (ped/bike) and Luther Burbank Park small boats improvements.
- The Stakeholder Committee list of projects and maximum dollar amounts must be set by May of 2008.
- Consider using surveys to determine public attitudes to parks projects and funding.

## **5. Other Issues for Discussion**

- City Council Rules of Procedure. The Mayor asked Council to be judicious in the 1 hour rule and not pile work on using this rule. He suggested that Council not call staff multiple times a day. The Mayor also asked Council not to inject new topics at Council meetings that surprise Council. He encouraged Councilmembers to read the rules and abide by them.

Councilmember Jahncke mentioned that he didn't want the 24-hour notice rule to interfere with Council's ability to discuss items at the end of the meeting in order to get an item on a future Council meeting.

City Manager Conrad mentioned that staff follows Council's work plan and when new pieces of work come up that are not on the Work Plan, staff is unable to respond positively to individual Councilmembers. Council needs to discuss new work and if Council wants to add it to the work plan they need to tell staff how to adjust the work plan.

Councilmember Jahncke requested staff keeps presentations crisp. Councilmember Grady also asked that we hold true to the timeline of ending by 10:00 pm and suggested staff presentations be no longer than 10 minutes. Deputy Mayor Pearman also suggested shorter or more focused staff presentations.

The Deputy Mayor also suggested the Council only get “one bite of the apple” and only discuss an item once.

- Downtown Parking. Councilmember Grausz requests that Council consider the downtown parking strategy. The City Manager pointed out that this piece of work remains on the Council’s work plan for the second half of 2007.
- Loud cigarette boats Councilmember Grady asked the Council to consider banning “cigarette boats” from lake Washington. He pointed out that the boats are built for open ocean operation, have a noise signature of a 747 aircraft and 30+ states have banned or significantly limited their operations. Councilmember Litzow inquired about jurisdiction over Lake Washington. The City Manager suggested that the City Attorney do a legal scoping of this issue by the end of the year and return to the Council for consideration and prioritization. The Council agreed.
- Striping and marking for bikes and pedestrians. Councilmember Grady wished to present a staff-prepared map to show roads that could be eligible for striping for bike only lanes with no budget impact. Council asked when staff plans to brief Council on the Pedestrian and Bicycle Facilities Plan. Staff advised Council that the review was scheduled for September 4, 2007. Council’s consensus was to delay this discussion until September 4, 2007.
- Reallocation of REET revenues for streets. Councilmember Jahncke was worried the City is not maintaining adequate funding for our roads and streets. Staff advised that REET has been sufficient to cover all projected projects for now and into the future.
- DSG Code Review and Sustainability. Councilmember Grady asked the Council to consider adopting codes requiring low impact development or LEED standards in future developments. Staff raised the issue that the Planning Commission work plan for 2007 does not include this work due to limited staff resources. Council requested a study session on these development standards and implications for changing both the City Council work plan and the Planning Commission work plan.
- Turfing Fields. Councilmember Jahncke mentioned that the future parks levy won’t happen for up to 2 years and we have the funds available now (\$500,000) based upon earlier discussions. He urged the Council to approve the project now. The Council agreed to postpone any decision until the BUG had seen ball fields analysis being prepared for Parks & Recreation staff and after the Council’s Parks & Recreation Subcommittee had met to hear all relevant information.

**ADJOURNMENT:** 4:00 pm

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Bryan Cairns, Mayor

Attest:

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Rich Conrad, City Manager