

# **EDMONDS CITY COUNCIL APPROVED MINUTES**

**November 4, 2002**

The Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Pro Tem Dave Earling in the Council Chambers, 250 5<sup>th</sup> Avenue North, Edmonds, followed by the flag salute.

## **ELECTED OFFICIALS PRESENT**

Dave Earling, Mayor Pro Tem

Dave Orvis, Council President Pro Tem

Jeff Wilson, Councilmember

Michael Plunkett, Councilmember

Lora Petso, Councilmember

Richard Marin, Councilmember

Deanna Dawson, Councilmember

## **ELECTED OFFICIALS ABSENT**

Gary Haakenson, Mayor

## **ALSO PRESENT**

Brandy Grout, Student Representative

## **STAFF PRESENT**

David Stern, Chief of Police

Stephen Clifton, Community Services Director

Peggy Hetzler, Administrative Services Director

Rob Chave, Planning Manager

Brent Hunter, Human Resources Director

Dave Gebert, City Engineer

Frances Chapin, Cultural Resources Coordinator

Scott Snyder, City Attorney

Sandy Chase, City Clerk

Jana Spellman, Senior Executive Council Asst.

Jeannie Dines, Recorder

## **1. APPROVAL OF AGENDA**

**COUNCIL PRESIDENT PRO TEM ORVIS MOVED, SECONDED BY COUNCILMEMBER MARIN, TO REMOVE AGENDA ITEM 7 (PRESENTATION BY THE EDMONDS HISTORICAL SOCIETY) AT THE REQUEST OF THE HISTORICAL SOCIETY. MOTION CARRIED UNANIMOUSLY.**

Mayor Pro Tem Earling explained that the Historical Society asked that this be withdrawn in view of the City's budget difficulties. He hoped the Historical Society would provide an update to the Council in the future.

**COUNCILMEMBER MARIN MOVED, SECONDED BY COUNCIL PRESIDENT PRO TEM ORVIS, FOR APPROVAL OF THE AGENDA AS AMENDED. MOTION CARRIED UNANIMOUSLY.**

**2. CONSENT AGENDA ITEMS**

**COUNCILMEMBER MARIN MOVED, SECONDED BY WILSON, FOR APPROVAL OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:**

**(A) ROLL CALL**

**(B) APPROVAL OF CITY COUNCIL MEETING MINUTES OF OCTOBER 29, 2002**

**(C) APPROVAL OF CLAIM CHECKS #58848 THROUGH #58973 FOR THE WEEK OF OCTOBER 28, 2002, IN THE AMOUNT OF \$270,331.72.**

**(D) REPORT ON BIDS OPENED OCTOBER 22, 2002 FOR THE ANDERSON CENTER WINDOW REPLACEMENT – GLAZING ONLY PROJECT AND AWARD OF CONTRACT TO ARMEX, INC. (\$28,979.38, INCLUDING SALES TAX)**

**3. ANNUAL REPORT FROM PUBLIC DEFENDER JAMES FELDMAN**

Public Defender James Feldman explained this was his sixteenth year as the City's public defender. He stated he was requesting a slight increase in his fee to cover operating costs. He commented on the increase in the jail budget due to mandatory minimum punishments imposed by the courts. He described his efforts to minimize the amount of jail time imposed.

Councilmember Marin asked whether Mr. Feldman had seen any trends in the types of crimes in the past few years. Mr. Feldman answered the types of crimes were fairly stable. He noted the trend of the Legislature to increase penalties without considering the impact it has on jurisdictions. He described increases in mandatory minimum sentences for driving under the influence and driving with license suspended that result in increased jail time.

Councilmember Petso asked Mr. Feldman for specifics regarding the proposed increase in his fees. Mr. Feldman answered the proposed increase was \$130 per case, up from \$125 per case and \$200 per arraignment calendar, up from \$175-\$180.

Councilmember Petso inquired about the indication in his letter regarding a longer term contract. Mr. Feldman replied the City indicated a desire for a longer contract. His understanding was that it would be a four year contract. He pointed out the contract contained a 30 day termination clause for either party.

#### **4. ANNUAL REPORT FROM HEARING EXAMINER RON McCONNELL**

Hearing Examiner Ron McConnell explained this was his eighth year as the City's Hearing Examiner. He noted there were slightly more cases in 2002 than in 2001, fewer variances but more Conditional Use Permits, appeals, and PRDs.

Councilmember Petso observed the role of the Hearing Examiner was quasi judicial, yet he was appointed by the Mayor and confirmed by the Council. She asked whether he ever felt pressure to achieve a particular outcome to ensure appointment, pay increases, etc. Mr. McConnell mentioned a number of the jurisdictions he works in and replied he had never been faced with any pressure to rule a certain way.

Councilmember Petso acknowledged she has from time-to-time expressed strong disagreement with his interpretation of the PRD ordinance, for example her interpretation was that it required improvement in circulation patterns, yet recommendations by the Hearing Examiner did not require that. She cited another example in a recent PRD where walkways between buildings were deemed usable open space. She asked Mr. McConnell his opinion regarding how to confirm the appointment of an individual with whom she had frequent and severe disagreement. Mr. McConnell pointed out the number of decisions he made per year versus the number of decisions she disagreed with and whether it was an issue of code interpretation or the code needed clarification to provide better guidance to the Hearing Examiner.

Councilmember Petso recalled there had been discussion recently whether appeals should be to the City Council or the Hearing Examiner and asked him to describe advantages of the Hearing Examiner or the Council hearing appeals. Mr. McConnell replied he has tried never to set policy, noting this was an issue that was up to the Council to decide.

Councilmember Plunkett inquired whether there was anything unique about Edmonds versus other cities, particularly regarding PRDs. Mr. McConnell answered each city had a different approach to PRDs; some offered density bonuses which Edmonds did not, others were very prescribed in the way PRDs were addressed, others were not. He acknowledged each city had its own character and personality including Edmonds.

Mayor Pro Tem Earling commented he was confident Mr. McConnell would resign if he ever felt pressure to rule in a certain manner.

**5. ANNUAL REPORT FROM CITY ATTORNEY SCOTT SNYDER**

City Attorney Scott Snyder explained that in light of the economic situation, one of his tasks next year would be to determine the best way to provide legal services in times of scarcity. He pointed out one of the difficulties was striking the appropriate balance between limiting the amount of legal services and identifying ways to limit risk exposure. He noted several suggestions had been provided to staff along with their fee proposal.

Mr. Snyder recalled one of the most difficult tasks over the past year had been how to conduct hearings as quasi judicial decision-makers in view of some Councilmembers having legal training, some having experience in the City and all having real world experience. He suggested proactive training be provided to Councilmembers regarding how to make a record, how to work from a record, how to ask questions, and how to ensure what the Council wanted to see in a decision was reflected in the Findings in a manner that provided the Council the best opportunity to have their decision sustained in the event of an appeal.

Mr. Snyder pointed out due to changes in Regulatory Reform, GMA, and changes made to the ADB ordinance, PRD ordinance, etc., the appeals section of the Code needed to be revised to simplify it and make it more user friendly. He noted this was one of his tasks for this year but for cost reasons, had not been accomplished this year. He suggested this section be revised into a chart format, making it simple and more easily understood by citizens.

Mr. Snyder pointed out fee increases were not proposed last year and the City's overall fees were reduced by \$10,000. He proposed a CPI increase for 2003 as well as establishing a new rate using Phil Olbrechts who specialized in land use matters and whose rate was \$25 per hour less than his own rate. He commented this was his twentieth year as City Attorney.

Councilmember Petso asked how many hours the City typically spent on land use matters. Mr. Snyder answered Land Use Petition Act appeals would be the primary instance when Mr. Olbrechts would be involved and the City typically had 1-2 per year. He estimated the cost to be between \$5,000 to \$15,000 depending on the complexity of the case.

Councilmember Petso commented she preferred Mr. Snyder, and the intent of her question was to determine whether it would be worth saving \$25 per hour to use a different attorney. Mr. Snyder responded there would be certain cases that because of the complexity or policy importance, he would be involved. There would be other cases, however, that were more straightforward and did not involve policy issues where it would be appropriate to have Mr. Olbrechts involved. Councilmember Petso observed there would be some selection process to determine which attorney would be involved. Mr. Snyder agreed.

Councilmember Marin expressed his gratitude to Mr. Snyder for the service he provides and his diligence on the City's behalf.

6. **APPROVAL OF INTERLOCAL AGREEMENT FOR DEVELOPMENT OF THE EDMONDS CENTRE FOR THE ARTS AND GRANT OF FIRST REFUSAL AND CONTINGENT APPROVAL OF SALE**

Community Services Director Stephen Clifton, the liaison between the City and the Edmonds Public Facilities District (PFD), explained the Council packet contained an Interlocal Agreement for the Edmonds Centre for the Arts as well as a Grant of Right of First Refusal and Contingent Approval of Sale for the Council's consideration. He explained the Interlocal Agreement was related specifically to the Edmonds PFD's endeavors to develop a regional facility in Edmonds. The Interlocal Agreement addresses the four parties to the agreement – the Edmonds PFD, the Snohomish County PFD, Snohomish County and the City. He explained the Edmonds PFD Board approved the Interlocal Agreement on October 31, the Snohomish County PFD Board approved the agreement on November 1, and the Snohomish County Council approved the agreement today.

City Attorney Scott Snyder, appearing on behalf of the Edmonds PFD Board, advised the Council if there were any questions regarding the Interlocal Agreement or the Grant of Right of First Refusal, they should consult their own counsel such as Hugh Spitzer, Foster Pepper & Shefelman.

Mr. Snyder explained the Interlocal Agreement was a four party agreement between the City, Edmonds PFD, the Snohomish County PFD, and Snohomish County. He explained the City, Edmonds PFD, the Snohomish County PFD were "contributing parties" and had voting rights on a joint operating committee. Snohomish County, as the creator of this funding opportunity, was a party to the agreement but was not a party to long term monitoring of the agreement. Mr. Snyder explained the structure of the Interlocal Agreement was the same as the Interlocal Agreement between the Snohomish County PFD and Snohomish County, the Cities of Everett and Lynnwood and their PFDs. Thus, the majority of the agreement was "set in stone" particularly the indemnity provisions; however, some of the provisions were tailored to this situation in that there was more oversight of the project than was provided in the other agreements. He explained in the case of the Lynnwood and Everett agreement, the projects were funded entirely with the tax revenue stream provided. However, in the case of the Edmonds Centre for the Arts, the ultimate vision depended on the participation of the Edmonds Community and South Snohomish County arts community.

Mr. Snyder explained when Snohomish County created the Snohomish County PFD, it required a finding of viability for each project prior to funding and required that each project that was funded represent a

regional center with a value of \$10 million. In response to a question that many have asked regarding why this project needed to be so big, Mr. Snyder explained in order to tap the revenue stream available by state law, the project must be a regional center with a value of at least \$10 million when complete. The statute also requires the City provide a 33% local match.

Mr. Snyder explained the oversight provided by the Interlocal Agreement was intended to fulfill the functions the Snohomish County was established to perform. A joint operating board would be established, consisting of the City, Edmonds PFD, and Snohomish County PFD. Any change of 15%, expansion of the project, or attempt to reduce the functionality of the project would require an affirmative vote of a majority of the three entities. In response to a question Councilmembers have asked regarding what type of continuing oversight there would be, the City would be a participant on the joint operating board, there would be periodic reports provided and there would be an opportunity to approve any significant changes to the plan previously approved.

Mr. Snyder explained that if the project was abandoned for a period of six months or if the project was not completed by December 31, 2005, any of the contributing parties may request the property be sold. He recalled this issue was the subject of much discussion but was a requirement of the Snohomish County PFD. He explained this was a deal point for Snohomish County PFD because that was their charge by Snohomish County – to bring forward viable projects and ensure those projects were built with the funds in a manner that met the requirements under State law such as the creation of a regional project.

In response to a question many have asked regarding why the City would want to participate in such a project in light of the City's current budget situation, Mr. Snyder explained this project would be constructed with funds not available for services. The City's contribution was via Real Estate Excise Taxes (REET) which could only be used for capital construction. The sales and use tax provided by the Snohomish County PFD and the Edmonds PFD could only be used for regional centers. The reason all the oversight was necessary was because the Edmonds PFD has stated to Snohomish County and Snohomish County PFD that they could construct a regional center for the performing arts with these tax revenues and could raise sufficient funds to realize the ultimate vision. He noted the Edmonds PFD, with the help of Snohomish County Councilmember Gary Nelson, Mayor Haakenson, and other key individuals in the community, have put the arts community in a position to win, a position to realize this project. He noted this project would depend in a large part on the contributions of citizens and the South Snohomish County arts community. He summarized the oversight was in place to ensure what the Edmonds PFD and the City proposed was carried out.

Mr. Snyder commented the negotiations on the Interlocal Agreement, which included 32 draft documents, yielded two important concessions by the Snohomish County PFD and Snohomish County. First, the contribution of the Snohomish County PFD are contract obligations; while the City guarantees the bonds, the flow of monies from Snohomish County via the Snohomish County PFD will continue regardless of whether the project fails. Therefore, in the unlikely event the project fails, the City was only at risk in the event the debt service did not match the projected tax stream. He commented the projections were very conservative and this was an unlikely scenario.

Mr. Snyder described the second concession, explaining that although the City contributed \$1 million cash from REET and a \$1 million income stream from bonds, if the project was not constructed and the property sold or the PFD disbanded, the proceeds would be shared pro rata between the City and the

Snohomish County PFD on a 1:2 ratio, whereby the City would receive approximately 1/3 of the proceeds of the sale. He noted this was a significant concession by the Snohomish County PFD who previously required they receive their funds first. Mr. Snyder explained with these two changes, the City was not liable for \$7 million but only at risk for its contribution less what the City would receive from the sale of the asset.

Mr. Snyder summarized he was available to answer questions, cautioning that changing any of the provisions in the Interlocal Agreement was virtually impossible at this point.

Councilmember Petso referred to page 12 of the Interlocal Agreement, pointing out that one of the terms agreed to was that the Edmonds PFD shall operate the Centre to provide a level of service equivalent to or better than comparable facilities in the state. She expressed concern with making this type of promise when it was unknown whether another facility in the state was better. Mr. Snyder answered the language Councilmember Petso referred to was a holdover from the prior agreements, and was a part of language from the ordinance that created the Snohomish County PFD. He noted even if a facility failed to meet this standard, there was no remedy or method of redress in this section; it was only in the event of abandonment or not completing the project that a party could cause the sale of the property.

Councilmember Petso expressed concern with the provision that allowed any party to the Interlocal Agreement to initiate the sale of the property should it be abandoned for six months. Mr. Snyder answered this provision was negotiated strenuously to require a majority vote. He summarized this was also a deal point for the Snohomish County PFD. He pointed out in addition to the definition of abandonment (not in operation for six months), there was also a six month cure period; therefore, the facility would have to have been out of service for a year before a sale could be initiated. He noted there was also a six month cure period on failure to meet the completion deadline. Mr. Snyder explained Snohomish County was a contributing party but not a voting member of the board and could not exercise this option. The only party who could was the Snohomish County PFD and they are contracted to make their tax payments regardless. Therefore, although the Snohomish County PFD could initiate a sale, to do so would be to admit failure but require that they continue the income stream and perhaps receive 1/3 of their contribution. Therefore, the incentives for the Snohomish County PFD to initiate a sale were very low.

**COUNCILMEMBER MARIN MOVED, SECONDED BY COUNCILMEMBER PLUNKETT, FOR APPROVAL OF THE INTERLOCAL AGREEMENT FOR DEVELOPMENT OF THE EDMONDS CENTRE FOR THE ARTS AND GRANT OF RIGHT OF FIRST REFUSAL AND CONTINGENT APPROVAL OF SALE.**

Mayor Pro Tem Earling recognized several of the people in the audience who have made this possible, Snohomish County Councilmember Gary Nelson, Administrative Services Director Peggy Hetzler, Community Services Director Stephen Clifton, Executive Assistant Cindi Cruz, Project Manager Kjristine Lund, Edmonds PFD Board Members Kay Mahaffey, Terry Vehrs, and Jan Conner.

Councilmember Petso referred to an email she received recently that indicated there were issues with the Business Plan due to increased interest rates, and asked whether those issues had been resolved and if so, how they had been resolved. Mr. Clifton explained the email was to notify the Council that interest rates

had increased, resulting in lower bond proceeds. Therefore, revisions were required to the Business Plan to ensure the amount that was bonded paid for the improvements. He explained that Ms. Lund, Sherrill Myers (LMN Architects) and he reviewed the specifications to identify items that could be deferred to ensure the expenditures matched revenues. He summarized the list of items did not compromise the first class nature of the facility. He noted that since that time, interest rates had come down and it was hoped rates would decrease further by Thursday when the bonds would be sold.

**MOTION CARRIED UNANIMOUSLY.**

Mayor Pro Tem Earling declared a brief recess to allow him to sign the Interlocal Agreement which Snohomish County Councilmember Gary Nelson would deliver to Snohomish County tomorrow.

**7. PRESENTATION BY THE EDMONDS HISTORICAL SOCIETY**

This item was removed from the agenda at the request of the Historical Society.

**8. PRESENTATION OF THE 2003 WORK PLAN BY THE EDMONDS ALLIANCE FOR ECONOMIC DEVELOPMENT**

**Jack Oharah, Vice-Chair, Edmonds Alliance for Economic Development**, advised he was a member of a 14-member Board and recognized board members Jan Conner and Terry Vehrs in the audience. Mr. Oharah explained he volunteered with the Alliance due to its potential as a partner between the City, Port, Chamber, private business, and the general public and the opportunity the Alliance offered for a monthly interchange regarding economic development issues. He noted the City, as a major contributor, was an important partner. He requested the Council support Mayor Haakenson's budget recommendation for the Alliance.

Mr. Oharah recalled HyattPalma conducted a comprehensive economic development plan for downtown Edmonds in the summer of 1999. He explained the plan required a 3-5 commitment; the Alliance made a 3-year commitment. The major issues identified in the HyattPalma study were codes and density, and it was expanded to include neutral economic analysis. He explained 2002 was the third year; decision matrixes had been developed for codes and density. The 2003 work plan proposes to complete the details of the 2002 plan, including the completion of a report to the Alliance Board and providing answers to questions posed by the Community Services/Development Services Committee. In 2003, based on input from the Council and board members, the Alliance plans to work on a data package for recruiting businesses to Edmonds including Hwy. 99, develop and test a recruitment plan, and provide a critical evaluation of the Alliance involving all stakeholders including the City Council, culminating in a 3-year draft plan to be presented in October 2003.

**David Peterson, Executive Director, Edmonds Alliance for Economic Development**, explained the Alliance's major work effort for 2003 includes, 1) development of a comprehensive data package to provide a good understanding of the community to potential businesses, 2) working with the Council, property owners, and others to develop a plan for business recruitment and test that plan, and 3) determining how similar communities do economic development, whether via a private organization, City staff, or other mechanism; determine the pros and cons of those methods and then write a 3-year work program for economic development citywide.

Mr. Peterson pointed out the 2003 work program was different than past work programs. He was hopeful the Council would consider the funding for the Alliance recommended in the Mayor's budget. He acknowledged this was a difficult budget time, pointing out if economic development was not pursued, new income sources were not identified, and new tax base was not gained in the community, the circular process of cuts would continue and further aggravate the situation.

Councilmember Petso inquired about amount of funding in the Mayor's budget. Mr. Peterson answered he was told it was comparable to the \$20,000 provided in 2002. He noted previous budgets have included \$20,000 in funding for the Alliance as well as a match up to \$25,000 for funds the Alliance raised in the private sector. It was his understanding the match had been deleted from the 2003 budget. Administrative Services Director Peggy Hetzler agreed this was the funding in the Mayor's budget.

Councilmember Petso relayed a question frequently asked by citizens regarding what tangible work product the Alliance provided. She noted although it was important to have parties meet and exchange ideas, there was a feeling among citizens that funding of \$20,000 was not necessary to ensure that occurred as people could just meet and develop a plan. She asked what tangible work product would be provided for the \$20,000 in funding other than the data package. Mr. Peterson answered in addition to the data package, a business recruitment plan would be developed including an analysis of shortcomings, hurdles, difficulties, etc. and a recommendation regarding how they could be overcome. The Alliance will also report to the Council on ways other cities and neighborhoods handle economic development, what works and does not work, and a potential budget and work program.

Councilmember Petso asked whether the data package would include information that could be distributed to prospective businesses. Mr. Peterson answered the intent was to develop material that could be disseminated to businesses, realtors, etc.

Councilmember Petso noted two of the three work items were surveys/studies, and asked when the process would move from studying to doing something. Mr. Peterson answered before the year was out, the Alliance would be calling prospective businesses, bringing people here, pointing out the strengths of the community, etc. He noted there was a need to develop enough information to describe available sites, costs, etc. He hoped by late spring, testing of the plan would be underway. He acknowledged it would be nearly a year before all materials could be developed to answer questions regarding the target market. He anticipated that during the testing process, opportunities may be identified.

Councilmember Petso questioned why the Alliance needed to study what other communities did when Edmonds was different than other communities. Mr. Peterson answered the Alliance would seek input

from the Council regarding comparables, recognizing they may need to identify neighborhoods within communities that were similar to Edmonds. He planned to identify cities/neighborhoods whose goals and community structure was similar to Edmonds. He acknowledged they would also consider cities that are different from Edmonds to provide a frame of reference. He summarized they would avoid cities whose objectives were different from Edmonds.

Councilmember Petso referred to the Alliance's indication in the work plan that they may do other projects like the Edmonds PFD or FACE. She asked what the City would be paying the Alliance to do for those organizations. Mr. Peterson assured it would only be if the Alliance were asked. He explained these were included so as not to preclude the opportunity if an organization like FACE asked the Alliance for assistance. Mr. Oharah explained the Alliance has had discussions with FACE and the PFD; for example the Alliance has discussed assisting FACE with the development of a marketing plan if they were to develop the interim site for their demonstration project.

Councilmember Petso inquired whether the Council would be asked to approve funding for that effort or whether the Council's approval of the work plan would allow the Alliance to provide that assistance. Mr. Oharah answered the Alliance would not request separate funding for that effort.

Councilmember Marin indicated his pleasure with the proposed work plan, noting it was very responsive to certain issues. He noted the City did not have the luxury of hiring an individual to do this work and having an organization like the Alliance develop this data for \$20,000 was a bargain.

Council President Pro Tem Orvis inquired about the reference to an economic impact model in the work plan. Mr. Peterson explained the economic impact model was used to analyze the revenue and jobs created per square foot for new retail, residential, hotel or office space on the Unocal site compared with developing the site with the Brightwater treatment facility.

Council President Pro Tem Orvis inquired about the reference to expanding community education and developing a newspaper column. Mr. Peterson explained the Alliance had a monthly column in the *Edmonds Beacon* that discussed the Alliance's efforts. Council President Pro Tem Orvis inquired about the reference to preparing a plan to direct implementation of economic development. Mr. Peterson answered the implementation plan would be a result of researching how other communities do economic development.

Councilmember Dawson observed the primary goal in 2003 appeared to be developing and testing a business recruitment plan. She noted much of that information was already in the City's possession and would only require compilation. Mr. Peterson agreed some of it was in the City's possession and would only need compilation but other information was not in the City's possession. He noted their goal was to develop the data package by the end of winter.

Councilmember Petso questioned whether it would be more cost effective for a staff person to do economic development with the assistance of an outside organization versus the Alliance, to avoid

potential duplication of effort. Mr. Peterson answered staff and the Alliance strived to avoid duplication of effort. He noted the analysis of how other communities do economic development would consider whether the best way was via a private organization like the Alliance or whether there were other ways such as a department within the city and if so, the amount of their budget, their work program, etc. He noted it may be that in a year, everyone agrees it would be best for the City to do economic development and it should cease to be the Alliance's function.

Councilmember Dawson commented this appeared to be a transitional period to phase out the Alliance. She questioned whether there was a conflict of interest in the Alliance conducting this analysis. Mr. Peterson noted many board members have also used the phrase transitional and the Alliance was not concerned if the answer was that the Alliance would cease to be involved with economic development. He explained the intent was to determine the best method of economic development and not to protect the Alliance.

Councilmember Dawson noted that although \$20,000 was not a huge amount, it was a significant amount during these difficult budget times. She asked whether the Alliance would continue with this work program or develop an alternate work program if the City was unable to provide \$20,000 in funding. Mr. Oharah answered if that occurred, the Alliance Board would develop a plan based on the available funding. He was hopeful this year's funding would allow some transition to whatever would be an effective vehicle for economic development. He pointed out the importance of the City's funding to allow the Alliance time to consider and recommend the appropriate vehicle for economic development.

Mayor Pro Tem Earling advised the Council would consider the Alliance's work plan and funding request during budget deliberations.

## 9. AUDIENCE COMMENTS

**Rita Konzak, 8320 234<sup>th</sup> Street, Edmonds,** referred to the Mayor's presentation of the 2003 budget, stating her opposition to the sharp cuts. She referred to the Mayor's indication that property, solid waste and utility taxes could be increased, noting that while she did not want taxes increased, she would support the increases if it saved the Police Department. She questioned Mayor Haakenson's indication that 9/11 was partially to blame for the budget shortfall, stating her belief that the shortage was caused by poor management of the city budget over the last 2-3 years. She requested an in-depth audit be conducted by an independent auditor to determine where funds have been spent. She acknowledged this would not fix the present problem but would provide a better picture to Edmonds residents. She also recommended a 20% decrease in the Mayor's salary, a 10% decrease in the Council and management's salary and a pay freeze for all staff for the next two years. She commented that to reduce the police force by 10% would be dangerous, resulting in fewer police and less equipment. She was also opposed to cuts in the Youth Services program, citing the importance of helping troubled teens before they became adults as well as the importance of the Blockwatch program. Her suggestions for generating funds for the Police Department including bonds, better management of the City's funds, bringing in new businesses to the Edmonds area, or changing regulations/codes to attract and retain businesses. She reiterated her opposition to the 10% cut in the police force.

**Roger Hertrich, 1020 Puget Drive, Edmonds**, commented the agreement United Airlines reached with their unions would sufficiently reduce pay structures to allow the airline to continue operations. He suggested the City consider the same approach. Next, he urged the Council to consider the economic situation when considering the recommended salary increases recommended by the Salary Commission and set a precedent for the unions. With regard to the Alliance's presentation, he questioned the value for the monies expended in years past. He preferred the City contract with the Geography and Urban Planning Departments of the University of Washington for studies. In conclusion, Mr. Hertrich referred to the Department of Transportation (DOT) directional sign on Edmonds Way, and relayed that Development Services Director Duane Bowman was waiting for an indication from DOT regarding how they could erect the sign without permits. Mr. Hertrich urged the Council to obtain a legal opinion from the City Attorney and/or issue a stop work order on the sign.

**10. REPORT ON FINAL CONSTRUCTION COSTS FOR THE PUBLIC SAFETY COMPLEX AND COUNCIL ACCEPTANCE OF THE PROJECT**

City Engineer Dave Gebert explained the purpose of this item was to obtain the Council's final acceptance of the Public Safety Complex construction project. He explained on October 1, 2002, staff recommended final acceptance of the project and the Council tabled the item pending staff providing answers to Council questions. He noted the response to the Council's questions was provided in the Council packet. He recommended approval of the Public Safety Complex construction project.

**COUNCILMEMBER MARIN MOVED, SECONDED BY COUNCILMEMBER WILSON, FOR APPROVAL OF FINAL ACCEPTANCE OF THE PUBLIC SAFETY COMPLEX PROJECT CONSTRUCTION. MOTION CARRIED UNANIMOUSLY.**

**11. MAYOR'S COMMENTS**

Mayor Pro Tem Earling announced a special Council meeting on Thursday, November 7, 2002 at 4:00 p.m. in Council Chambers to consider approving the bonds for the Edmonds Centre for the Arts. He advised Councilmembers were provided a packet for that meeting tonight. The Council would also hold budget workshops on Saturday, November 9 at 9:00 a.m. in Council Chambers and on Tuesday, November 12 during the Council meeting. He advised a public hearing on the budget was scheduled for November 19.

**12. COUNCIL COMMENTS**

In response to citizen comments, Councilmember Petso expressed her appreciation for the comments regarding the budget, recalling another citizen she spoke with expressed opposition to the elimination of a code enforcement officer. She urged citizens to share their opinions with the Council and to inform the Council of their priorities. Regarding the suggestion for an audit, Councilmember Petso advised the City was audited annually by the State for violations in law and policy and for major expenditures. This year Councilmember Dawson, Wilson, and she attended the auditor's exit interview; the auditor did not issue

any findings as no major irregularities were identified. She acknowledged the auditor made some recommendations for changes in business practices and staff indicated they would consider making those changes. Councilmember Petso described her interest in initiating financial policies for the City, noting that was not required by the State and she had not been able to gain Council support to implement such policies. She indicated she would raise this as an agenda item at the next Council retreat. She assured the Council would be looking for ways to restore funding for Public Safety.

Councilmember Wilson recalled last week the Council discussed Design Guidelines and action was taken to refer the Guidelines to the Community Services/Development Services Committee for further staff review and analysis. He noted most of the comments received during the development of the Design Guidelines were from the development community and although they were a valuable part of the community and a customer the City serves, the public's feedback on the Design Guidelines was equally as important. He urged the public to provide input prior to the Community Services/Development Services Committee's review of the Guidelines.

Councilmember Marin advised the 76<sup>th</sup> Avenue West rockery project was underway, explaining when the project began, more serious deterioration was discovered, reinforcing the need for this project. He expressed his appreciation to the engineering staff for pursuing this project due to the safety issue and potential liability. Councilmember Marin also encouraged the public to vote tomorrow.

In response to citizens' comments regarding the budget, Councilmember Dawson urged citizens with concerns regarding how funds are expended to review the budget books from the past year as well as this year's budget book which are available at the library and City Hall.

Student Representative Brandy Grout observed Ms. Konzak's comments reflect many citizens' feelings about the budget.

With no further business, the Council meeting was adjourned at 8:45 p.m.