

EDMONDS CITY COUNCIL APPROVED MINUTES

November 19, 2002

The Edmonds City Council meeting was called to order at 6:33 p.m. by Mayor Gary Haakenson in the Council Chambers, 250 5th Avenue North, Edmonds, followed by the flag salute.

ELECTED OFFICIALS PRESENT

Gary Haakenson, Mayor

Dave Earling, Council President

Jeff Wilson, Councilmember

Michael Plunkett, Councilmember

Lora Petso, Councilmember

Dave Orvis, Councilmember

Richard Marin, Councilmember

Deanna Dawson, Councilmember (arrived 6:41 p.m.)

ALSO PRESENT

Brandy Grout, Student Representative

STAFF PRESENT

Tom Tomberg, Fire Chief

Kevin Taylor, Assistant Fire Chief

Al Compaan, Assistant Police Chief

Duane Bowman, Development Serv. Director

Stephen Clifton, Community Services Director

Peggy Hetzler, Administrative Services Director

Arvilla Ohlde, Parks and Recreation Director

Noel Miller, Public Works Director

Brent Hunter, Human Resources Director

Stephen Koho, Treatment Plant Manager

Dave Gebert, City Engineer

Frances Chapin, Cultural Resources Coordinator

Sandy Chase, City Clerk

Jana Spellman, Senior Executive Council Asst.

Jeannie Dines, Recorder

1. **APPROVAL OF AGENDA**

COUNCIL PRESIDENT EARLING MOVED, SECONDED BY COUNCILMEMBER MARIN, FOR APPROVAL OF THE AGENDA. MOTION CARRIED (6-0). (Councilmember Dawson was not present for the vote.)

2. **CONSENT AGENDA ITEMS**

COUNCILMEMBER MARIN MOVED, SECONDED BY COUNCILMEMBER PLUNKETT, FOR APPROVAL OF THE CONSENT AGENDA WITH THE CORRECTION PROVIDED BY FIRE CHIEF TOMBERG ON ITEM D. MOTION CARRIED (6-0). (Councilmember Dawson was not present for the vote.) The agenda items approved are as follows:

- (A) ROLL CALL**

- (B) APPROVAL OF CITY COUNCIL MEETING MINUTES OF NOVEMBER 7, 2002**

- (C) APPROVAL OF CITY COUNCIL MEETING MINUTES OF NOVEMBER 9, 2002**

- (D) APPROVAL OF CITY COUNCIL MEETING MINUTES OF NOVEMBER 12, 2002**

- (E) APPROVAL OF CLAIM CHECKS #59116 THROUGH #59234 FOR THE WEEK OF NOVEMBER 11, 2002, IN THE AMOUNT OF \$1,168,715.10.**

- (F) REPORT ON BIDS OPENED NOVEMBER 12, 2002 FOR THE 2002 WATERLINE REPLACEMENT PROGRAM AND AWARD OF CONTRACT TO EMERALD SERVICES, INC. (\$89,363.34, INCLUDING SALES TAX).**

3. ANNUAL REPORT FROM MUNICIPAL COURT JUDGE JAMES WHITE

Municipal Court Judge James White explained the employees of the Municipal Court include himself, Administrator Joan Ferebee, five full-time clerks, two part-time clerks, and two security personnel. He explained this year Edmonds Municipal Court joined with many other courts in the statewide amnesty program where the court agrees to waive certain collection and penalty assessments for late fines in exchange for payment in full from individuals who have been delinquent. He noted this traditionally generates a large influx of funds, over \$2 million statewide; the Edmonds Municipal Court has not completed its calculation as this program just ended a few weeks ago.

Judge White explained in March, the court became a passport agency, processing passport applications Monday, Tuesday, Thursday, and Friday. This process generated approximately \$15,000 between March and the end of October, processing over 817 passports, 42 on one day in August prior to the increase in the fee from \$15 to \$30. He noted the court has undertaken this effort without adding staff. He anticipated the

revenue generated by this process could be increased to \$40,000 next year as a result of the fee increase and processing passports for a full year.

Judge White explained Court Administrator Joan Ferebee was elected President of the Municipal Court Management Association this year. He recalled discussing the cost/benefit ratio of participating, noting there was a minimal cost for transportation. As the President, she was able to appoint herself to the Washington State Court Funding Taskforce, a taskforce that will address alternative funding mechanisms for courts similar to the Edmonds Municipal Court.

Judge White explained a volunteer program was initiated this year where seniors and students perform clerical functions. He noted this would be important in 2003 due to the loss of part-time staff. He was hopeful the reduction in the office clerk hours could be filled by volunteer staff and that the volunteer program could be increased in the future.

Judge White described a program the Edmonds Municipal Court initiated that assigns people to complete community service hours rather than a day in jail for offences such as driving with a suspended license for failure to pay outstanding speeding tickets. He noted approximately 350 community service hours had been generated year-to-date, hours served performing maintenance in the Parks Department. He noted if an individual was unable to pay a fine, community service would be considered as an alternative. If Parks Department physical activity was too strenuous for some individuals, the court will authorize them to serve their community service with any non-profit organization within the City.

Judge White described a program the court initiated that eliminated the mailing of Notices of Arraignment by having the Police Officer provide the arraignment date on the citation. He noted this eliminated the expense of mailing the notices as well as resulted in a significantly higher rate of appearance at arraignments. Judge White advised all staff had been cross-trained this year and this would continue next year as new responsibilities arise. He noted a new process had also been instituted whereby a single clerk completes NCR forms at the time a decision was made.

Judge White referred to charts and graphs provided to the Council regarding revenues and expenses. He explained the court was required to be in session 8-9 days per month and he anticipated the court would have similar costs, revenues and functions next year.

Councilmember Marin expressed his appreciation for the streamlining the court had accomplished. Mayor Haakenson also expressed his appreciation for the court's creativity in streamlining the process.

8. BUDGET WORK SESSION. REVIEW THE FOLLOWING DEPARTMENTS' BUDGETS:

(B) DEVELOPMENT SERVICES DEPARTMENT

Development Services Director Duane Bowman referred to the proposed 2003 Development Services Department budget on pages 113-131 in the budget book. He described the department's mission, to preserve and enhance the community's environment and quality of life by providing accurate, consistent and timely permit processing; approving and extending public infrastructure; promoting building safety and managed land use; implementing city codes, polices, plans and standards; protection of the health and safety of the public; and providing excellent customer service.

Mr. Bowman explained the department was organized into four sections, administration, planning, building, and engineering. He described the responsibility of the Department including planning and development of the community, explaining the city was mandated by the state via GMA to do comprehensive planning for land use, transportation, and utilities. The Department ensures buildings are inspected and meet minimum state and fire code requirements and they handle design and administration of capital improvement projects such as street overlays and street utility projects. The Department is staffed by highly professional staff who provide the best service possible.

Mr. Bowman described the proposed cuts in the 2003 budget which equate to \$315,275 or a 13% cut in the department's budget. The proposed cuts include the elimination of five FTE within the department of a total of 30.5 staff, which represents a 16% reduction in the department's workforce. He described the specific cuts:

- \$11,570 – transfer the WRIA 8 dues to the Stormwater Utility
- \$ 2,225 – reduced travel and training
- \$11,045 – reduced repair and maintenance
- \$58,342 – elimination of the Receptionist/Administrative Assistant position

Mr. Bowman explained the most significant cut was the loss of the Receptionist/Administrative Assistant position who greets customers, answers phones, tracks staff, handles receipting, orders supplies, directs customers to appropriate staff, monitors faxes, and will result in the loss of clerical support to the Downtown Parking Committee. He noted further detail was provided in a memo to the Council. If funding were available to restore positions, Mr. Bowman indicated the Receptionist/Administrative Assistant would be his first priority for restoration.

Mr. Bowman described the cut proposed in Building:

- Elimination of one Building Administrative Assistant position

He explained this would significantly impact code enforcement as this position tracks and monitors enforcement cases, assists in setting up files, creates and mails letters and performs other clerical duties, and provides administrative support to the Building Official. The impact from the loss of this position is that clerical duties would be redistributed to other staff members, longer compliance times on enforcement cases, loss of filing and other clerical duties.

Mr. Bowman described the proposed cuts in Engineering:

- \$12,000 – reduction in the professional services budget
- \$ 4,500 – reduced travel and training
- \$ 8,302 – reduced overtime
- \$52,021 – elimination of the Engineering Technician I position
- \$55,262 – elimination of the Accounting Coordinator position

Mr. Bowman described further impacts the proposed cuts would have on the department, explaining reduced travel and training would result in the loss of improving staff's skill and knowledge and reduced overtime would result in capital projects not extending over normal work hours, resulting in extended project construction time. Elimination of the Engineering Technical I position would result in the loss of the updated street and utility map, staff assistance on capital projects, the ability to monitor meters in the Meadowdale landslide area on a frequent basis, and assistance to the Traffic Engineer setting the traffic counter and the loss of inspection backup. Elimination of the Project Accounting position would result in the loss of tracking and monitoring capital project costs, processing payables, processing department payroll, receipt auditing, and processing and tracking work orders.

Mr. Bowman proposed the following cut in the Planning division:

- \$57,752 – elimination of an Assistant Planner position

Mr. Bowman described the impact would include loss of routine staff support to the Historical Commission, increased critical area review times, increased code update timelines, long wait times for zoning information at the counter and by phone, increased response time to public records requests, and increased time for discretionary permit reviews.

Council President Earling questioned the variation in professional services, \$33,000 in 2001, \$85,000 in 2002 and \$73,000 in 2003. Mr. Bowman explained staff anticipated the use of approximately \$25,000 in professional services for code updates which now would not be done. He noted the largest portion of the professional services budget was in Building for technical plan review. Engineering is proposing to cut back on professional services and do more design in-house.

Council President Earling asked how additional in-house design would be accomplished with the proposed cutbacks. Mr. Bowman answered the design work would be done by the Engineering Project Managers. He anticipated there may be some fallout from I-776 in that there may not be as many road capital improvement projects as there have been in the past.

Councilmember Orvis referred to revenue from licenses and permits for building structures which were budgeted at \$500,000 in 2002 and projected at \$400,000 in 2003. Mr. Bowman explained his goal was to be conservative in revenue projections for 2003 based on the economy and current permit activity. He noted any upswing in planning translated to building activity; however, he did not anticipate any major projects in the near future and thus was estimating conservatively.

Councilmember Plunkett inquired about a potential revenue enhancement of additional charges for expedited permits. Mr. Bowman agreed that could be a potential revenue enhancement but it would need to be balanced with the available staff. He explained staff was analyzing permit activity and considering increased fees for permits. He noted this was a potential source of revenue for restoring the positions proposed to be cut as those positions were funded via the fees.

Assuming the five positions were eliminated, Councilmember Marin asked how a customer's request for a permit would be handled. Mr. Bowman explained the person would be greeted at the main reception desk downstairs and sent upstairs to staff located at the counter who would greet the person and depending on their need, assign them to a staff member. He explained there would not be anyone other than staff to greet and direct the person. Councilmember Marin clarified a staff member would conduct their job duties from the front counter area while assisting customers.

Councilmember Marin referred to the Development Services Department's mission statement which indicates their desire to provide improved service, commenting the cuts appeared to result in diminished service, taking longer to get a permit and possibly charging more. Mr. Bowman answered he tried to retain as much of the technical staff as possible. Councilmember Marin suggested having freelance people available to conduct an expedited review at an increased cost for those who could not wait for their permit to be reviewed. Mr. Bowman agreed this could be done and would require an amendment to the fee resolution. He concluded the department would still provide excellent customer service. Councilmember Marin noted the proposed delays did not equate to excellent customer service.

Mayor Haakenson asked whether a fee increase required a public hearing and ordinance. Administrative Services Director Peggy Hetzler responded a fee increase would be adopted via an ordinance but a public hearing was not required. She acknowledged the City usually held a public hearing but it was not a legal requirement.

4. **PUBLIC HEARING ON THE ACCEPTANCE OF A PROPOSED DONATION TO THE CITY OF EDMONDS FROM THE EDMONDS ARTS FESTIVAL FOUNDATION OF A SCULPTURE BY ARTIST RICHARD BEYER TO BE SITED NEAR OLYMPIC BEACH**

Cultural Services Coordinator Frances Chapin presented a proposal for a gift of a sculpture by a northwest artist, Richard Beyer, from the Edmonds Arts Festival Foundation to the City. She explained under the City's gift policy for acceptance of artwork, the Edmonds Arts Commission reviews the appropriateness of the proposed gift, and if the gift is valued at more than \$5,000, the recommendation of the Arts Commission is submitted to the City Council for approval in conjunction with a public hearing.

Ms. Chapin explained the Arts Commission voted unanimously at their October 7 meeting to recommend acceptance of the proposed gift. She explained the concept of the proposed sculpture was determined to be appropriate for the city's collection and the design invited public interaction via photo opportunities as well as children playing on the sculpture. She explained the review process of potential gifts includes review with the Parks & Recreation Department of potential sites for placement. She explained when re-landscaping that was being done as part of the mid-waterfront project was complete, this artwork would be sited in the vicinity of Olympic Beach.

Ms. Chapin explained the Edmonds Arts Festival Foundation had a long-standing tradition of giving back to the community, donating generously to the city's art collection including "The Locals" by Georgia Gerber located north of Olympic Beach, "Beach Launch" by Robert Cook which was a gift in 1998 located in Brackett's Landing South Park, and the "Cedar Dreams" installation at the roundabout was built with a major donation from the Edmonds Arts Festival Foundation.

Darlene McClellan, Edmonds Arts Festival Foundation, explained the Foundation was pleased the Arts Commission unanimously voted to recommend this gift to the City Council for approval. She explained this was a project the foundation felt strongly enough about to begin setting aside funding in 1997. She noted that although the current economic conditions were of concern to everyone, the Edmonds Arts Festival Foundation focused their attention on the arts, believing without the arts well represented, the quality of life and vision for the community was lessened. She introduced the sculptor, Richard Beyer.

Artist Richard Beyer described the design showing a family on a beach having a picnic when suddenly the father sees a whale in the water and points it out to the mother and two children. He explained there was also a grandfather in a wheelchair in the sculpture who expressed delight in seeing the whale.

Councilmember Petso inquired about the size of the sculpture. Mr. Beyer answered the figures would be life sized, and constructed from aluminum. He advised the price was \$77,000, representing a generous gift from the Edmonds Arts Festival Foundation.

Councilmember Petso requested further details regarding where the sculpture would be sited including in relation to the existing sea lion sculpture. Ms. Chapin circulated a photograph of the model in the approximate location. She explained as part of the re-landscaping, there were plans to relocate the sea lion sculpture to a superior location for that piece, slightly north of the existing location and placing the three pieces of that sculpture closer together. She noted the intent was to have the Richard Beyer piece located south of the current sea lion sculpture, near the entry to the pier. Ms. Chapin assured the location of this sculpture would not impact the grassy area.

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

J. B. Halverson, 1042 Third Avenue S, Edmonds, a long time volunteer for the Edmonds Arts Festival Foundation, explained the broad support from the community for the Edmonds Arts Festival was what made this donation possible. She noted there were approximately 100 volunteers each day at the Festival and without them, there would not be a profit at the end of the Festival that could be passed on to the Foundation. She noted art of the caliber of this piece by Mr. Beyer was a tribute to the dedication and hard work of the volunteers in the community.

Jan Kajlich, 101 Woodhaven Place, Edmonds, expressed his appreciation for the gift of the Beyer sculpture from the Edmonds Arts Festival Foundation and urged the Council to accept it. He noted the sculpture depicted the family nature of Edmonds.

Jeremy Edwards, 11023 Totem Pole Lane, Woodway, President of the Edmonds Arts Festival Association, expressed his thanks to the Council and volunteers who, without their support, the community would not have this artwork or other artwork and education in Edmonds. He reiterated it was via volunteers that funds were raised that could be returned to the community.

Sue Wasi, 7419 230th SW, Edmonds, President of the Edmonds Arts Festival Foundation, stated the Foundation's pleasure to be able to offer this gift to the City. It was the Foundation's purpose to give back to the City, one way being via public art. She referred to other examples, "The Locals" by George Gerber and "Beach Launch" by Robert Cook, both of which are family oriented sculptures inviting interaction. She noted the sculpture by Richard Beyer was also family oriented and invited interaction. These gifts were only possible due to the enthusiasm of the community and visitors to the City. She hoped the sculpture would provide additional excitement to the community, attract more business to the city, and provide a place for families to gather and children to play.

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

Ms. Chapin thanked the Edmonds Arts Festival Foundation and Parks & Recreation Director Arvilla Ohlde for their efforts on this project.

Council President Earling commented that during difficult budget considerations, it was a joy to pause and reflect on artwork such as this. He recalled over the years, the Arts Festival Foundation had made several gifts to the city and he was appreciative of their efforts. He looked forward to having this piece installed and thanked Mr. Beyer for sharing his artistic talents with the city.

COUNCIL PRESIDENT EARLING MOVED, SECONDED BY COUNCILMEMBER MARIN, TO ACCEPT THE ARTWORK DONATION BY RICHARD BEYER FROM THE EDMONDS ARTS FESTIVAL FOUNDATION AND TO RECOGNIZE THE VOLUNTEERS WHO PARTICIPATE IN THE EDMONDS ARTS FESTIVAL FOUNDATION EACH YEAR. MOTION CARRIED UNANIMOUSLY.

5. **PUBLIC HEARING REGARDING ESTABLISHING PROPERTY TAX LEVIES FOR THE YEAR 2003 AND POTENTIAL ACTION TO ADOPT A RESOLUTION FINDING THE EXISTENCE OF SUBSTANTIAL NEED FOR A 1% INCREASE OVER THE 2002 LEVY AND AN ORDINANCE ESTABLISHING THE PROPERTY TAX LEVIES FOR THE REGULAR PROPERTY TAX LEVY, THE EMERGENCY MEDICAL SERVICES LEVY AND PUBLIC SAFETY COMPLEX BOND ISSUE DEBT SERVICE**

Administrative Services Director Peggy Hetzler explained that under State law, the City was required to establish the 2003 property tax levy on or before November 30 and to provide the ordinance to the Snohomish County Assessor no later than December 15. The levies to be determined include the regular property tax for the City and the EMS levy.

Ms. Hetzler stated that due to the passage of I-747, the City's ability to increase its property taxes was limited to the lesser of the Implicit Price Deflator or 1%. This year the Implicit Price Deflector was 1.16%. For 2003, a 1% increase in the property tax levy would generate an additional \$75,351 for the regular property tax levy and \$15,770 for the EMS levy. The impact of these increases on the average homeowner in Edmonds was approximately \$6 per year.

Ms. Hetzler explained that in order to establish a property tax increase of 1%, the City Council must determine the existence of an emergent need by a super majority vote. At the conclusion of the public hearing, the Council may adopt the proposed resolution finding the substantial need and then adopt the proposed ordinance.

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

Betty Mueller, 209 Caspers Street, Edmonds, inquired about “Public Safety Complex Bond Issue Debt Service” in the title of this agenda item. Mayor Haakenson advised staff would address that at the conclusion of public comments. Ms. Mueller expressed concern with moneys spent on generous raises for the mayor, potential expenditures if dogs and cats are required to be spayed/neutered, funds provided to the Edmonds Alliance for Economic Development, use of numerous consultants, use of the in-lieu-of-parking fund to explore the feasibility of underground parking for the public safety building when the area was on a peat bog, funds spent on the 3rd floor remodel, and funds spent on the preparation and painting of the City Hall building. She noted many people would be willing to have an increase in property taxes to assist the City.

Al Rutledge, 7101 Lake Ballinger Way, Edmonds, cautioned another Tim Eyman initiative was being prepared that would require an 80% approval rate and would roll back issues previously approved. Next, he recalled a report that there were 13,000 people in Snohomish County who were unable to pay their utility bills.

Roger Hert rich , 1020 Puget Drive, Edmonds, noted each year the Council had an opportunity to raise property taxes and although it did not bring in a lot of funds, it became a political argument that a Councilmember did not raise taxes. He pointed out the library annexation did raise taxes and the public did not get to vote on that. He pointed out the Council had the ability to recapture 5.3% in property taxes, or approximately \$28 per household. He preferred the \$28 increase to capture \$375,000 in additional property taxes and show the public that those funds were used to restore police services. He recalled the Police Department’s presentation indicated two officers and four reserves were equal to \$136,000, thus other items could be restored with the remaining funds from the recaptured property taxes. He noted many residents would rather have an increase in property taxes than an increase in utility taxes because utility tax affected those least able to pay. He recalled when sales tax was removed from food sales because it was felt to be a hardship and suggested the same approach be taken with regard to utility tax and increase property taxes if necessary to restore public safety.

Ray Martin, 18704 94th Avenue W, Edmonds, expressed resistance to increased property taxes if the City continued to waste money. He expressed concern with funding in the budget for the Edmonds Alliance for Economic Development, a special interest group whose goal was to raise building heights and increase density in the bowl area. He was opposed to any cuts in the Police or Fire Departments. He questioned why the Police Department was involved in transporting cats/dogs and suggested the Fire Department undertake that function. He suggested the mayor show leadership and return the proposed increase and only accept a COLA. He recalled Councilmember Marin and Council President Earling were in favor of the Hearing Examiner making final decisions on PRDs rather than the Council, expressing his preference that the Council make the final decision on issues related to land use.

Jan Robertson, 10523 240th Place SW, Edmonds, expressed dismay with the negative comments hurled at the Council who had been elected by a majority vote. She pointed out the mandates, etc. the City must abide by. She commented residents were lucky to be able to come to the Council and provide comments. She pointed out many residents were not aware the Port increased taxes because this opportunity was not provided. She complimented the Council and thanked them for their service.

Mark Daniels, 8614 238th Street SW, Edmonds, pointed out property taxes increased even if the rate remained the same every time homes were reassessed. With regard to the Mayor's salary, he noted an increase from \$65,000 in 2000 to \$97,000 in 2003 represented a hefty increase. With regard to the Police Department, he noted that even after the drastic cuts, traffic enforcement remained the same and there would be only one less patrol officer which did not seem that drastic to him.

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

With regard to how the property tax levy affected the Public Safety Bond Issue Debt Service, Ms. Hetzler explained the Public Safety project was funded via voter-approved General Obligation Bonds. The bond issue the voters approved provided for a dedicated property tax levy to pay the principle and interest on the bonds. Every year the City establishes a rate sufficient to pay the debt service. Mayor Haakenson clarified that rate had been the same since the voters approved the bonds. Ms. Hetzler agreed, noting this had been done every year since 1996.

With regard to Mr. Hert rich 's comments that citizens did not get an opportunity to vote on the library annexation, Mayor Haakenson clarified voters approved annexation to the Sno-Isle Library System. Ms. Hetzler agreed.

Councilmember Orvis clarified the percentage affected the total levy. If the Council adopted a 0% increase and everyone's house was reassessed 10% higher, the rate would go down by 10%. Ms. Hetzler agreed.

Council President Earling expressed his appreciation to the public for their comments. He suggested due to the timeline for approving the property tax rate, that the Council not take any action until the presentations from all departments have been made and schedule the ordinance establishing a property tax rate on the November 26 Council agenda.

COUNCIL PRESIDENT EARLING MOVED, SECONDED BY COUNCILMEMBER MARIN, TO EXTEND THE PUBLIC HEARING UNTIL NEXT WEEK (NOVEMBER 26, 2002).

Council President Earling clarified this would be for Council deliberation and not to accept additional public comment.

MOTION CARRIED UNANIMOUSLY.

6. PUBLIC HEARING ON THE 2003 BUDGET

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

Betty Mueller, 209 Caspers Street, urged the Council not to make any cuts in the Police or Fire Departments, commenting Edmonds had the top Police and Fire Departments. She expressed willingness to pay to keep the Police and Fire Departments intact even if it meant increasing property taxes. Mayor Haakenson asked whether Ms. Mueller was supportive of the property tax recapture. Ms. Mueller answered she was.

Anne Peters Johnson, 759 Daley Street, Edmonds, described a situation that occurred in their neighborhood when a violent, abusive individual moved into their neighborhood resulting in their being in constant contact with the Police Department. She commended Crime Prevention Officer Robin Heslop for her efforts to provide advice and guidance to resolve the situation. Ms. Johnson urged the Council to retain the Crime Prevention Program.

Mark Daniels, 8614 238th Street SW, Edmonds, read from Mayor Haakenson's budget letter that stated the same evening he was elected mayor in November 1999, the voters also approved citizens' Initiative 695 and he knew that the time would eventually come when he would have to deliver bad news. Mr. Daniels pointed out the 2000 budget was larger than 1999, the 2001 budget was still larger, and the 2002 budget was even larger. After the cuts, the 2003 budget was approximately equivalent to the 2001 budget. He expressed concern with the Mayor declining the employees' offer to reduce their salaries, noting the Mayor's salary increased from \$84,000 in 2001, to \$97,000 proposed for 2003. He noted the Police Chief's salary increased from \$81,000 to \$111,000 in two years and the Fire Chief's salary increased similarly. After the cuts this year, the budget was projected to increase in the future. He questioned why the cuts were viewed as drastic when the budget had increased 20% over five years.

Les Schwartz, 761 Daley Street, Edmonds, referred to the situation described by Ms. Johnson, commenting the Blockwatch program had been instrumental in solving that problem in their neighborhood and the Crime Prevention Program's involvement prevented something very violent from occurring. He urged the Council to reconsider eliminating the Blockwatch program.

Alvin Rutledge, 7101 Lake Ballinger Way, Edmonds, referred to a charge imposed by Bremerton, \$1 per vehicle. He referred to other proposals he has submitted to the City including parking meters in downtown and one-way streets in downtown. He pointed out that although the Mayor's salary has increased, the City's population has also increased. He noted the Council had received only a \$100 increase in eight years. He concluded the Council should be paid more.

Susie Schaefer, 1055 Edmonds Street, Edmonds, commented the Beach Ranger program was an easy target in the budget when it must compete with the Fire and Police Departments. She was proud of the City's wonderful Parks & Recreation Department, particularly the Beach Ranger program. She described the benefits of the Beach Ranger program including beach patrols that not only provide education but also prevent problems on the beach. Closing the Beach Ranger station would give youth one less place to go and would eliminate the opportunity for the City to participate in conservation education programs. She summarized the Edmonds Marsh was the first stop on the Washington Birding Trail and she did not want a reduction in the Beach Ranger Program to impact their ability to assist with that program.

Nancy Farrell, 19525 86th Avenue W, Edmonds, pointed out she and her daughter were recently honored for volunteering with the Beach Ranger program and learned shortly after that the program was proposed to be cut. She pointed out the importance of the Beach Ranger program to educate school children and visitors as well as provide extra safety at the beach.

Dan Karege, 7115 210th Street SW, Edmonds, noted Tim Eyman was working on another tax cut, remarking Tim Eyman supporters favored tax cuts but did not tell citizens what to do without those funds. He pointed out self-government required funds to support it. He agreed with a previous speaker that the Fire and Police Departments' budgets should not be cut. He expressed concern with cuts to the Crime Prevention Program, pointing out Edmonds had many different neighborhoods and different socioeconomic levels. The Blockwatch program increased the awareness of neighborhoods. Mr. Karege recalled Team Edmonds' plans to promote Edmonds as a wonderful place to live and shop, noting one of the attractive things about Edmonds was public safety. With regard to what could be done to free up more funds for public safety, he suggested the City hire fewer consultants, consider parking meters, and if the choice was between hanging baskets and Police Officers, his choice was clear. He pointed out there were volunteers who would take over Parks & Recreation Department duties, pointing out volunteers have already taken over much of the maintenance of the dog beach area. He urged the Council to consider areas where cuts could be made and choose wisely, but not to reduce funding for the Police or Fire Departments.

Rich Demeroutis, 921 Pine Street, Edmonds, commented it was not necessary to have each department cut 10%. He preferred essential services be maintained such as the Police and Fire Departments. He commented if the City continued to allow development of PRDs, crime would increase due to increased density. He suggested an event tax be instituted such as a \$1 entrance fee to the Taste of Edmonds, symphony or ballet. He suggested consideration also be given to a B&O tax as businesses generated traffic that produced wear and tear on the roads.

Dawn Curran, 8317 197th Street SW, Edmonds, whose husband works in the Parks & Recreation Department, pointed out the City needed not only essential services but also a place residents could be proud of. She noted with the cuts proposed to the Parks & Recreation Department including the Beach Ranger program, citizens should expect changes – more trash and vandalism in parks. She urged the community to work together to find a way out of a mess that she blamed on Tim Eyman. With regard to the flower baskets, she expressed her appreciation to the people who donated to that program.

Ron Wambolt, 530 Dayton Street, Edmonds, commented the shortage of funds was not a result of the Mayor and Councilmembers' action/inaction but due primarily to the passage of I-695 that eliminated the excessive vehicle license tabs but took away needed revenue from municipalities like Edmonds. He pointed out it was now time for citizens to return some of the savings they have realized to the City. He recommended the City's budget be restructured, as spending more than 80% of the budget on people indicated the City had too many employees compared to the available revenues. He was opposed to any salary reductions unless a market analysis supported the cuts as cutting salaries to remedy a budget shortfall was only a viable solution if the shortfall was short term such as one year. As there appeared to be no end to the City's budget shortfall, pay cuts would cause the City to lose its better employees and result in an inferior staff. He concluded that since the voters caused the shortfall by approving initiatives like I-695, he suggested citizens stop the criticism at Council meetings and in the press and support the Mayor and Council in dealing with this difficult budget situation.

Harold Huston, 836 Cary Road, Edmonds, commented he was proud of Edmonds, it was one of the best cities he had ever lived in, and had the most efficiently operated departments of any he had seen. He reiterated he did not want the Mayor or any other employees to work cheap, believing you get what you pay for. Although he did not want any department's budget cut, he was adamantly opposed to any cuts in the Police or Fire Departments as the City had the best Police and Fire Departments in the State. He indicated he would be supportive of whatever it took to maintain the Police and Fire Departments including a special levy. He urged the community to work together to solve this budget problem.

Ray Martin, 18404 94th Avenue W, Edmonds, commented the City would lose a fine Police Officer if they lost Crime Prevention Officer Robin Heslop. He noted Assistant Police Chief Gerry Gannon was another example of a very professional Police Officer. He agreed the City should not make any cuts in the Police or Fire Departments. He concluded the City had not done a first class job on the budget in the past few years and improvements needed to be made but not at the expense of the Police Department.

Roger Hert rich , 1020 Puget Drive, Edmonds, recalled urging the Council to exercise restraint in their spending in the past. He pointed out any cuts in personnel had a human element because the more employees that were cut, the more people would be affected by diminishing service levels as well as the personnel themselves. He referred to United Airlines' whose management and employees took an approximately 18% cut which would allow the airline to continue operating. He recalled that at the same time the salary commission recommended Mayor Haakenson's salary be increased to \$97,000, the Council agreed to increases in Department Directors' salaries. He pointed out Department Directors' salaries ranged from \$92,000 to \$108,000 and they received increases on a regular basis of \$10,000 - \$13,000. He proposed Mayor Haakenson set the example by returning his proposed increase, then Department Directors return their increases, and then the City talk to the unions. He noted it was possible some agreement on a reduction or

hold-the-line could be reached with the unions if the Mayor set the example. The result would be a savings in employees and increased service for the City.

Pirie Hart, 17503 72nd Avenue W, Edmonds, Lead Reserve Firefighter and President of the Edmonds Firefighter Association, requested the Council reject the proposal to eliminate the City's Reserve Firefighters. He explained when on-duty emergency resources were exhausted, Reserves were toned out or paged to respond to staff medical aid units and serve in emergency and disaster support roles. He described the support role of the Reserves including serving as command aids, replace/refill self-contained breathing apparatus air bottles, secure and deliver tools and equipment, assist with salvage, overhaul and fire investigation and provide scene standby and fire watch. He explained without the Reserves, the tasks they perform would otherwise be preformed by on duty crews and call-back personnel on overtime. He noted if these crews were not available, the tasks would be delayed or undone, decreasing service levels or increasing the cost of operations. The Reserves also staff the aid car at civic functions, participate in the annual tree lighting ceremony, Santa Claus ride along, teach CPR classes, and the waterball competition on the 4th of July. He explained in 2001, the Fire Reserves responded to 59 incidents and he personally logged 260 hours on calls, drills and events, an average of 5 hours per week. Although they recognized the serious financial situation the City was in, for the past 98 years, his colleagues and their predecessors have served the City and its citizens. He urged the Council to find a way to keep the Reserve Firefighter program to allow them to continue to serve the City and its citizens.

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

COUNCIL PRESIDENT EARLING MOVED, SECONDED BY COUNCILMEMBER ORVIS, TO EXTEND THIS PUBLIC HEARING TO NEXT WEEK.

Council President Earling clarified his intent was to accept additional public comment next week from anyone who had not spoken previously.

MOTION CARRIED UNANIMOUSLY.

7. AUDIENCE COMMENTS

Al Rutledge, 7101 Lake Ballinger Way, Edmonds, announced the Kiwanis will conduct their annual food drive on November 22, 23, and 24. Donations will be accepted at Top Foods, can be dropped off at the Methodist Church, or can be mailed to PO Box 221, Edmonds.

Ray Martin, 18704 94th Avenue W, Edmonds, recalled Councilmember Marin and Council President Earling expressed a preference for the Hearing Examiner to make the final decision regarding PRDs. He questioned what the additional cost would be to have appeals to the Council versus an appeal to the Superior Court.

Rich Demeroutis, 921 Pine Street, Edmonds, referred to a PRD that began as a condominium and was converted to a PRD where the walkways were considered open space. He recalled the Council's indication when the ordinance was first developed that they did not want to wordsmith it, pointing out there were loopholes in the ordinance that resulted from not wordsmithing.

Jan Robertson, 10523 240th Place SW, Edmonds, referred to a "monstrous example" of what could go wrong. She recalled when their neighborhood was confronted with the Woodway Highlands Development, the residents of Woodway Meadows and Forest Glen asked for help, which the Council provided.

Roger Hert rich , 1020 Puget Drive, Edmonds, referred to the Planning Board Members' apparent "attitudes" at the joint meeting with the Council last week and their disinterest in holding a public hearing regarding the PRD ordinance. He suggested an infusion of new Planning Board Members may be appropriate rather than reappointing existing members.

Mayor Haakenson declared a brief recess.

Councilmember Wilson recalled Mr. Bowman's indication that staff planned to evaluate the cost of permits as well as revise the fee structure. He requested staff also analyze the average cost of the Planning Board's review, Hearing Examiner's review and Council review.

Mayor Haakenson advised he received an email and letter regarding Agenda Item #7 (Public Hearing on the 2003 budget); he suggested both be read into the record at the continued public hearing next week. He advised the email was from Melanie Kelsey on 218th Street who was supportive of the Mayor's proposal for revenue increases and was interested in having discretionary services closely examined for all possible cuts. Mayor Haakenson advised the letter was from the owners of Olives Gourmet Foods who are interested in retaining the City Hall receptionist position.

8. BUDGET WORK SESSION (CON'T): REVIEW THE FOLLOWING DEPARTMENTS' BUDGETS:

(A) MUNICIPAL COURT

Municipal Court Judge James White pointed out the court's budget was 91% personnel – salaries and benefits, and 9% of their budget was photocopier, forms, witness fees, jury fee, etc, essentially a service-oriented department. Therefore, any required cuts must be made in personnel. He noted the Edmonds court was a very high volume court, handling 87 cases last night between 6:00 – 9:00 p.m. He noted the court employed four part-time employees – two clerks and two security guards. When the passport program was considered, the initial assessment was that it would require one full-time staff person and therefore would be offsetting or even a deficit to the court. However, the court identified available personnel time to administer the program and he anticipated it would generate in excess of \$40,000 in 2003. He explained the security guards were paid twice the clerk's salary and the clerks generate the passport program revenue. If cuts were to be made, he was inclined to cut security because the clerks generate revenue. Without the clerks, the court may be able to only provide passport service on one day per week, generating possibly \$10,000. The cost of maintaining the court staff would be an additional \$10,656. He summarized if the \$10,656 to fund the part-time clerks was restored to the court's budget, the court could generate approximately \$40,000 in passport revenue.

Councilmember Dawson inquired about the need for security, asking whether there was less need for security due to holding court in the Police Station. Judge White responded court security had only existed in the past five years in reaction to an incident in King County Superior Court. He noted that was a relatively isolated occurrence in his 20 years of practice. Further, he noted the Edmonds Municipal Court did not deal with hardened criminals. He explained the court security did not carry weapons nor were they commissioned to arrest; their primary function was monitoring the metal detector.

(C) **ADMINISTRATIVE SERVICES DEPARTMENT**

Administrative Services Director Peggy Hetzler referred the Council to the Administrative Services budget which began on page 31 of the budget book. She explained Administrative Services had five elements, Financial Services, Information Services, City Clerk, contract legal services, and risk management.

Ms. Hetzler advised the Administration budget consisted of herself and her Administrative Assistant. She acknowledged there was a considerable increase between the 2002 anticipated amount and the 2003 budget because the Administrative Assistant position has been vacant all year due to reduced City revenue. However, the 2003 reflected plans to eventually fill that position. She advised the budget request for 2003 was slightly less than \$200,000.

Ms. Hetzler advised the 2003 budget request for Financial Services was \$489,000, Information Services was \$250,000, City Clerk's office was \$420,000, City Attorney was \$454,000 and the department's budget also included Non-Departmental which she indicated she would describe in more detail.

Ms. Hetzler reviewed the reductions proposed in the Administrative Services Department:

- Elimination of the Office Assistant position in the City Clerk's office (the front desk receptionist)
- Elimination of one Accounting Assistant
- Reducing another Accounting Assistant to 0.75 FTE
- Elimination of one Information Technology Specialist
- Reducing the City Clerk's advertising budget by \$14,000
- Eliminating the Financial Services consultant budget of \$5,000 who provides assistance with the annual financial statements
- Reducing the Information Technology consultant budget
- Reducing the Information Technology budget by \$600
- Reducing miscellaneous expenses for Information Technology by \$1500

Ms. Hetzler summarized the total reduction for the Administrative Services Department was \$196,817 or 14% decrease. The Department has 18 personnel and the proposed cuts eliminate 3.75 personnel or an 18% overall reduction in the department's workforce.

Ms. Hetzler referred to page 38 in the budget book, a list of the cost drivers for the 2003 budget. She explained Non-Departmental was where expenditures were recorded that were not associated with a particular program or department such as election costs, debt service, contractual items such as the Alliance, Snohomish County Economic Development, etc.

Councilmember Petso referred to the Non-Departmental Interfund Transfers, questioning what the \$65,000 LEOFF retirement expense represented and where it was budgeted last year. Human Resources Director Brent Hunter explained this fund was established several years ago to address the LEOFF1 long term care responsibility the City has, an uninsured responsibility at this time. Several years ago, the Council established this fund and requested it be funded annually in the amount of \$65,000 in an effort to build a self-insurance fund. He noted this was done successfully for approximately three years but funds were not added to the fund in recent years due to budget constraints. He noted this was again being funded as this was the first year there was a long-term care claim against this fund. As a result, the balance in the fund would begin to be reduced at a rate of \$30,000 per year.

Councilmember Petso questioned why it was not funded the past couple of years but was being funded this year. Mr. Hunter answered this was the first year there had been a claim. Councilmember Petso asked how the \$65,000 amount was determined. Mr. Hunter advised in approximately 1996 a consultant evaluated

whether this should be insured or self-insured. The cost of insurance was \$65,000 per year and the LEOFF Disability Board and the consultant recommended self-insurance.

Council President Earling recalled Mr. Bowman described how his department would operate with the first floor receptionist sending customers to the second floor. He inquired about the additional work the front desk person does in addition to greeting and directing visitors. City Clerk Sandy Chase highlighted some of the Office Assistant's major duties – switchboard operator, greeting visitors to City Hall, answering questions, tracking, receipting and issuing parking permits for the ferry parking lot, 4th Avenue lot, residential parking, and employee parking, assisting with business license applications, tracking, receipting and issuing non-resident business licenses, coordinating appointments for staff to meet with the City Attorney, maintaining the petty cash drawer, assisting with the Council agenda packet and mailings, notarizing documents, and opening and locking the City Hall doors.

Council President Earling asked if there had been any discussions between Ms. Chase, Ms. Hetzler and Mr. Bowman to determine whether it was physically possible to assign two jobs to one person. Mr. Bowman answered he did not believe it was physically possible given the nature of what transpires in Administrative Services, thus the reason restoring that position on the second floor was his top priority. Ms. Chase answered eliminating the Office Assistant/Receptionist position would leave only four employees in the City Clerk's Office. In addition to absorbing the work of the Office Assistant position, it was not known what the impact would be of taking on the additional tasks associated with directing customers to the second floor, as there had not been any in-depth discussions regarding how this would work.

Councilmember Wilson recalled Mr. Bowman indicated the elimination of the Administrative Assistant in Development Services would prevent cash receipting on the second floor. He asked Ms. Hetzler what additional impact that would have on workload of the Administrative Services Department, particularly in view of the cuts in that department as well. He inquired about the likelihood of losing some receipts and counting on the goodwill of people leaving the second floor to pay on the first floor. Ms. Hetzler answered it was unknown how that additional workload would be accommodated. She noted there was currently one full-time cashier, one full-time utility billing clerk who could not receipt funds as it was an incompatible duty with her job, and one backup accounting assistant whose position was being cut. This left only one person to do receipting and she was uncertain how the workload from Development Services would be absorbed.

Councilmember Wilson asked what happened when the cashier was sick. Ms. Hetzler answered a professional accountant did receipting.

Councilmember Wilson noted the City Clerk's Office would actually be absorbing three receptionist positions as the receptionist position had also been eliminated on the third floor.

Councilmember Dawson recalled the City provided financial services to SnoCom and inquired how the proposed reductions would impact that function. Ms. Hetzler answered there would not be a major impact to

SnoCom. She noted there may be a problem with being the fiscal agent for the PFD next year due to the workload drain of that function. Councilmember Dawson commented SnoCom will be discussing whether to do financial services in-house and inquired how that would impact the Administrative Services Department. Ms. Hetzler answered SnoCom had a minimal impact; if the City continued to provide financial services, it did not require a great deal of staff time, if they discontinued having the City providing financial services, it would not free much staff time. Councilmember Dawson noted if SnoCom were to leave, the City would lose the revenue SnoCom provides. Ms. Hetzler reiterated the impact on the City would be minimal.

(D) COMMUNITY SERVICES DEPARTMENT

Community Services Director Stephen Clifton explained the Community Services Department's budget was somewhat fixed as 87% of their budget was salaries, benefits and overtime. The remaining budget was operational expenses. He proposed a 13% reduction in operations for 2003, specifically:

- \$ 600 – reduction in supplies
 - \$1,800 – reduction in rental/lease
 - \$1,120 – reduction in miscellaneous
 - \$1,120 – reduction in travel
- \$4,280 – Total

Councilmember Wilson inquired how much of the staff's salaries the Community Services Department was able to recoup from grants. Mr. Clifton answered there was currently \$6.5 million in grant funds remaining – \$4 million in Transportation Efficiency Act (T21) funds and \$2.5 million in CMAQ funds. When the Department receives invoices from consultants, they are reimbursed 85.33% for T21 grants and an additional 8.33% for Transportation Improvement Board grants. He explained the City was required to match approximately 6% of each invoice. Last year he was able to secure \$62,000 from the Transportation Improvement Board (TIB) and he recently secured an additional \$42,000 from the Washington State Ferries which should pay for all matching funds for expenditures on the Edmonds Crossing project. The City also received some reimbursement from T21 grants for hours worked on the Edmonds Crossing project. He summarized some grants allowed the City to bill staff time against and others did not.

Councilmember Wilson inquired about the \$3,750,000 in Fund 113. Mr. Clifton explained those were Transportation Efficiency Act funds and Referendum 51 would have provided some match. He noted the funds in the 2003 budget would need to be reduced proportionately to relate to the funds received from Washington State Ferries and the TIB. He noted there would be sufficient funds to complete the EIS on the Edmonds Crossing by next year. Mayor Haakenson asked Mr. Clifton to clarify what those funds could be

used for. Mr. Clifton explained the T21 funds and CMAQ funds could only be used for the Edmonds Crossing project and were not part of the General Fund.

(E) **PUBLIC WORKS DEPARTMENT**

Public Works Director Noel Miller explained there were two divisions in Public Works that were completely or partially funded from the General Fund – facilities maintenance is funded 100% from the General Fund and Streets is funded 40% from the General Fund. He referred to the reductions in decision packages in facilities maintenance, noting the most significant reduction was the elimination of a custodial worker (from 7 to 6) and eliminating one maintenance position (from 4 to 3) which equated to a 25% reduction in building maintenance and a 15% reduction in the number of hours for custodial maintenance. He explained the primary reason for reducing staff was the inability to reduce other costs for buildings or other areas such as salaries which were tied to Consumer Price Indexes and not the Implicit Price Deflator. Another reason for the reductions was increased health insurance costs, dramatic increases in electrical utility rates, and increased expenses associated with elevators required by ADA.

Mr. Miller explained the City's building square footage increased by over 40% over the past ten years, yet there have been only minimal increases in staffing. The primary impact of reduced staff would be a lower level of quality in the cleanliness of buildings and in the responsiveness to building user needs. He noted indirectly, this would impact the overall productivity of other departments due to deferred or delayed repairs or improvements to department spaces, infrequent cleaning of work areas, and shabbier buildings over time. He suggested at their next retreat, the Council consider the need to review all the buildings the City owned and determine whether the City could downsize some of its capital assets.

In Streets, Mr. Miller advised a street maintenance worker position would be eliminated as well as a seasonal worker. He explained this constituted approximately a 15% reduction in overall street maintenance. Although there would not be an immediate effect, over time staff would not be able to keep up with the capital assets of over 135 miles of streets. Reasons that cost reductions must be made in labor were the recent 40% increase in street lighting or approximately \$80,000 in additional costs, and flat revenues because the City's allocation of fuel taxes have not increased over the past several years. He noted with the failure of Referendum 51, there was no relief in sight for increasing the City's allocation of fuel taxes.

Councilmember Petso inquired whether the downsizing in employees would equate to reduction in any vehicles. Mr. Miller agreed it would. Councilmember Petso inquired why interfund rental for streets had increased. Mr. Miller answered the fleet was getting older and operational costs were increasing. He explained it was more cost effective at this time to do repairs rather than replacing the vehicles.

Councilmember Wilson asked how much of the custodial costs were recouped via rental fees. Mr. Miller answered the custodial costs were recovered in the library contract. He noted the programs at Frances Anderson Center did not generate enough funds to recover maintenance costs. Councilmember Wilson

inquired about whether custodial costs were recouped for rentals to the public. Mr. Miller answered there was partial recovery.

9. REPORT ON CITY COUNCIL COMMITTEE MEETINGS OF NOVEMBER 12, 2002

Finance Committee

Councilmember Orvis reported the Committee reviewed the L-5 salary update. None of the ranges were modified but in the next salary ordinance, they would be adjusted for COLA. The Committee requested staff bring the salary ordinance to the December Finance Committee meeting. Next, the committee discussed a request to reclassify the Assistant Building Official. Following discussion, it was determined there were some classifications that had no comparables. Staff was asked to conduct further research on comparable salaries and the reclassification request would be considered again when further information was available.

Councilmember Dawson added that during the discussion regarding the L-5 salary survey, the committee also discussed the fact that the L-5 policy sets salaries at the median level of cities of similar sizes and then also adds a COLA. She noted this may result in the City's salaries being higher than other city's salaries. She recommended consideration be given to whether there should be an L-5 adjustment as well as a COLA. It was also suggested that during difficult financial times, consideration could be given to increasing non-represented employee's medical and dental premium contributions rather than not providing a COLA.

Public Safety Committee

Councilmember Plunkett reported the Committee was provided a report on Battalion Chiefs. He explained as part of the 2002 budget, the Council authorized the promotion of three firefighters to Battalion Chief positions effective February 16, 2002. He briefly described their duties which include responsibility to plan, organize, coordinate, and direct personnel and operations; respond to emergency incidents; assume command on site; direct emergency operations; and train, supervise, and evaluate performance. He noted this created 24-hour command on site. The Fire Department established benchmarks to review the difference before and after Battalion Chiefs were established. In 2001, fire loss to the City totaled \$1,062,489. As of November 6, 2002, fire losses were down to \$561,000; clear evidence that the Battalion Chief program was effective. He congratulated the Fire Department and the Council for making this decision which resulted in reduced fire losses in the City.

Community Services/Development Services Committee

Councilmember Marin reported the Committee was provided a presentation by Traffic Engineer Darrell Smith regarding the Transportation Element 2002 update. The Committee recommended moving forward with the Transportation Element for a work session before the City Council on November 26 with a positive recommendation based on concurrence of the Planning Board on November 13. Next, the Committee discussed A-frame signs in the Firdale area as requested by the Chamber of Commerce and a number of businesses. This issue was referred to the Planning Board for a possible relaxation in the standard.

10. MAYOR'S COMMENTS

Mayor Haakenson advised the November 26 agenda included a continued public hearing on the 2003 budget and the December 3 agenda included a proposed ordinance adopting the 2003 budget. He requested Council President Earling provide direction on how to proceed with the budget. Council President Earling advised that following the departments' presentations regarding their budgets, the cuts that were proposed and the revenue streams that have been proposed, the Council would need to begin formulating a decision regarding the property tax for 2003. He acknowledged the ordinance adopting the 2003 budget was scheduled on the December 3 agenda, however the Council may need an extra week and could possibly pass the ordinance on December 10 but definitely by December 17. He urged Councilmembers to begin formulating their thoughts with regard to the budget.

11. COUNCIL COMMENTS

With regard to the salaries for non-represented employees, Councilmember Petso referred to page 40 of the budget book, noting the salary for the director increased 7.4% and on page 160, the salary increased 9%. She suspected that since the L-5 ranges had not changed, the increases were due to a COLA plus the Mayor's 5% discretionary increase. She reiterated her suggestion of a year ago that the Mayor be limited to a 2% discretionary increase. She found a 9% budgeted salary increase in the 2003 budget unacceptable.

With no further business, the Council meeting was adjourned at 9:45 p.m.