

# EDMONDS CITY COUNCIL APPROVED MINUTES

## MARCH 23 – 24, 2007

The Edmonds City Council retreat was called to order at 9:10 a.m. at the Country Inn in La Conner, Washington.

### **ELECTED OFFICIALS PRESENT**

#### Friday, March 23

Gary Haakenson, Mayor  
Peggy Pritchard Olson, Council President  
Deanna Dawson, Councilmember  
Michael Plunkett, Councilmember  
Richard Marin, Councilmember (arrived 2:46 p.m.)  
Mauri Moore, Councilmember  
Dave Orvis, Councilmember  
Ron Wambolt, Councilmember

#### Saturday March 24

Gary Haakenson, Mayor  
Peggy Pritchard Olson, Council President  
Deanna Dawson, Councilmember  
Michael Plunkett, Councilmember  
Mauri Moore, Councilmember  
Dave Orvis, Councilmember  
Ron Wambolt, Councilmember

### **PUBLIC PRESENT**

#### Friday, March 23 & Saturday, March 24

None

### **WORK SESSION WITH CITY ATTORNEY AND CITY COUNCIL**

#### Executive Sessions

City Attorney Scott Snyder was present for this discussion. Councilmembers reviewed a draft with amendments to the Council Rules of Procedure regarding Executive Sessions. Discussion followed regarding topics appropriate for Executive Session, ability for a majority of the Council to determine whether to make an issue/topic public or remain in Executive Session, relevant State statutes, the Council's practice of keeping minutes of Executive Session to maintain record of consensus, mechanics of notice, and reaching consensus in Executive Session what would be discussed in open session.

It was agreed Executive Session information would not be released absent a consensus in Executive Session regarding information to be made public.

#### Request for Public Records

Council discussed the cost of requests for public records and the City's obligation to provide public records. Mr. Snyder suggested periodic training for each department by Ogden Murphy Wallace;

advising City Clerk Sandy Chase was scheduling a training session. Discussion followed regarding difficulty determining what records the public wanted and assistance that would be provided via an electronic index of all records. Suggestions included having a presentation at Council to educate the public regarding how to request records and the cost, requiring plans be electronically submitted so that they were easily reproducible, and establishing a committee to discuss rules and procedures and possibly adopting the Attorney General's model rules. It was agreed the Finance Committee would discuss rules and procedures for public records requests and possibly adopting the Attorney General's model rules.

#### Council/Mayor/Staff/Attorney Roles

Mr. Snyder reviewed the roles of the Council, Mayor, Staff and City Attorney. He suggested establishing rules for Council committees and the duties of the Council President and how those duties were carried out. He also recommended when the public makes a request, the Council make a motion or refer the matter to committee. Discussion followed regarding who has the ability to terminate the City Attorney, when Council could hire its own counsel, administrative issues versus policy issues, how issues were placed on committee agendas, the purpose of committees if all topics are forwarded to the Council, examples of when the committee structure worked well, and other Councils that hold committee-of-the-whole meetings on committee night.

Suggestions included scheduling agenda items so that the City Attorney was not required to attend every meeting, redirecting citizens' energy into process, involving the public to avoid adversary roles, and holding committee-of-the-whole meetings rather than committee meetings.

#### Boards and Commissions

Councilmembers discussed whether the Council should make appointments versus the Council confirming the Mayor's appointments. Following a brief discussion, Councilmembers agreed to discuss this topic further tomorrow.

#### Miscellaneous

Councilmember Plunkett raised the issue of the method by which Councilmembers were recognized to speak at Council meetings, suggesting the Council returning to the practice of Councilmembers raising their hand to be recognized versus calling out. Mr. Snyder pointed out the rule was that each Councilmember had an opportunity to speak before a member was recognized for a second time which was intended to avoid a back-and-forth commentary between Councilmembers. He advised some cities use a light panel that allows Councilmembers to push a button to be recognized. It was agreed to ask Mayor Haakenson to return to policy of recognizing Councilmembers via raised hands.

Suggestions included that the Council and Mayor do a better job of avoiding back and forth commentary, not beginning debate until a motion was on the floor, having the Mayor invite comments from Councilmembers in a left to right sequence with the Mayor speaking in that order as well, possibly seating the Mayor at one end of the dais so that he can see the Council better, and if a topic is a Councilmember's issue, they be given deference to make the motion. Mr. Snyder advised of his plans to develop clearer guidelines for quasi judicial proceedings. Council President Olson agreed to work with Ms. Spellman on a list of procedural changes. A brief discussion followed regarding the order in which Audience Comments appears on the agenda; no change to the current policy of scheduling Audience Comments after public hearings was recommended.

Mayor Haakenson and Staff joined the Council at 11:20 a.m.

#### Discussion with Mayor Haakenson and Council

Mayor Haakenson explained he requested staff structure the retreat around the City's financial situation. He advised another issue that would not be addressed today but had the potential to be expensive was the

extensive backlog in City building maintenance projects. He suggested the Council consider, 1) a budget adjustment at end of year to replenish the fund, or 2) adding \$100,000 from the sale of the property associated with Angler's Crossing to the fund.

Mayor Haakenson distributed a summary of the work to date by the Citizens Committee on U.S. Mayors Climate Protection Agreement. Public Works Director Noel Miller and he commented on current City practices to reduce energy use and promote energy reductions. Mayor Haakenson also included a newspaper article entitled, "Effects of Climate Change." He supported the formation of a subcommittee to discuss incorporating green building codes into City codes, suggesting a Councilmember serve on that committee along with staff and builders.

Next Mayor Haakenson raised the issue of creating a parking space for a hybrid plug-in in the Public Safety parking lot. He offered to have staff investigate the cost to provide electricity to a parking space as well as a fee for the service (to avoid a potential gift of public funds) if the Council was interested in pursuing this issue. Discussion followed regarding the current inability to commercially purchase plug-in vehicles, approximately 30 currently licensed in Washington, providing signage that the parking space was available for that use but not prohibiting other parking, what other types of vehicles could use the plug-in, and the potential marketing opportunity the availability of the plug-in would provide. Councilmembers expressed a desire for further information regarding what type of other vehicles could use the plug-in. It was agreed staff would bring further information to the Council at a work meeting regarding providing a plug in for electric vehicles.

Mayor Haakenson advised Human Resources Manager Debi Humann investigated a medical insurance plan available through AWC that would save the City money, a portion of which could be offered to unions via a post-retirement health savings plans. The plan was described to union leaders and staff offered to have AWC make a presentation on the plan; their initial reaction was three of four unions were not interested and one thought they would be losing something. The unions have until Monday to advise whether they want staff to pursue the plan with AWC. If the unions were not interested, Ms. Humann will not pursue it. Therefore, the agenda item regarding medical coverage would not be discussed further today. He advised staff may pursue this plan in the future for non-represented employees to determine if there were significant savings and offer it to the unions again in the future.

Mayor Haakenson advised the State's capital budget includes \$500,000 for the purchase of the former Woodway Elementary School property and \$100,000 for the Shell Creek property. It was suggested 2-3 Councilmembers call Senators Paull Shin and Darlene Fairley today to urge their support.

## **1. SESSION OVERVIEW AND GOALS**

### **a) Increase Understanding of Edmonds Current Financial Position**

Administrative Services Director Dan Clements provided a PowerPoint presentation entitled "Positioning for Our Financial Future." He reviewed the City's current financial situation including Moody's A1 Bond Rating, General Fund reserves that include a General Fund balance of \$4.2 million as of December 31, 2006 and an emergency reserve balance of \$2 million. He reviewed efficiencies and best business practices that include Council e-agendas, staff training and continuing education, purchase cards for acquisition, expanded City Hall hours, biennial budget, on-line credit card payment, financial system overhaul, new phone system, new permitting system and new business licensing system. He described funds provided in 2001 via the Sno-Isle annexation; expenditure cuts of \$1,248,000 in 2003; Street Transfer reductions in 2006, 2007 and 2008; and revenue increases that included an EMS levy in 2003; use of banked capacity in 2002, 2003, 2006 and 2007; Olympic View Water franchise in 2004; LID

Guarantee in 2004, 2005, and 2007; utility tax increases in 2003, 2007 and 2008; and possibly sales tax sourcing in 2007. Council requested staff provide the amount of savings provided via Council e-agendas.

**b) Describe Edmonds Future Financial Position**

Mr. Clements reviewed a chart illustrating revenue growth 2002-2008. He displayed a projection for years 2007 – 2012 with and without a 2007 EMS levy.

During and following Mr. Clements' presentation, discussion ensued regarding projections for sales tax sourcing, concern with the 2009-2010 budget, inclusion of the EMS levy in the 2007 budget, and impact on the budget if an EMS levy was not pursued. Next, Mr. Clements described budget drivers, reviewing the rate of increase in property tax (2%), sales tax (5%) and utility tax (3.5%) versus the rate of increase in labor (6%), fleet (6.1%) and construction (10%) versus CPI (4.1%).

**c) Discuss Strategies for Managing the City's Future Finances**

Mr. Clements explained strategies for managing the City's financial future include revenue strategies, efficiency strategies, reduction strategies and compensation strategies. He advised revenue strategies were grouped into three major categories, those requiring Council approval, those requiring voter approval and those requiring State legislative approval. He advised the Council would participate in an exercise later to identify revenue strategies and reduction strategies they were interested in staff gathering additional information and strategies they were not interested in pursuing.

**d) Council Sign-Off on Policies to Address Edmonds Financial Future**

**i) Revenue Policies**

**ii) Efficiency Policies**

**iii) Budget Reduction Policies**

**iv) Compensation Policies**

**2) Edmonds Present Financial Position**

**a) Overview of Current Financial Position**

**b) Positives, Negatives, and Exposures**

**c) Primary Budget Drivers**

**d) General Fund Projection Model**

**3. Positioning Edmonds for Its Financial Future**

**a) Revenue Options**

Assistant Administrative Services Director Kathleen Junglov and Mr. Clements reviewed the following revenue options that required Council approval, an estimate of the revenue each would provide in 2008-2011 and pros and cons of each:

- B & O Tax (0.2% Maximum)

- Cable TV utility tax to 6%
- Gambling tax
- Water, Sewer, Storm Utility Tax to 7%
- Reduce Cemetery Subsidy – Police Chief Stern was asked to research the rate and billing of aid provided to DUI stop
- Broadband Initiative
- Emergency Reserve

Ms. Junglov and Mr. Clements reviewed the following revenue options that required voter approval, an estimate of the revenue each would provide in 2008-2011, and pros and cons of each:

- General Property Levy Lid Lift
- EMS Levy
- Transportation Benefit District

Mr. Clements reviewed the following revenue options that required State Legislature approval and an estimate of the revenue each would provide in 2008-2011:

- Ferry Traffic Mitigation – it was suggested Mr. Doubleday be asked how this could most effectively be pursued.
- REET for Transportation

Ms. Junglov reviewed the following additional revenue options and pros and cons of each:

- Sale of surplus property
- Traffic light cameras
- Seattle Internet charges – Mr. Clifton advised of staff’s plans to research the case that Seattle won recently that would allow them to impose a utility tax on the internet.
- Annexation of a portion of Esperance

**i) 2007 EMS Levy (Tom)**

Mr. Clements advised the current budget calls for approval of a 2007 EMS levy which would become effective in 2008.

Fire Chief Tom Tomberg described funds provided via an EMS levy (\$1.2 million), explaining it would maintain existing service levels, balance the 2008 budget and address unmet Fire needs. The EMS levy would increase the levy from 0.36124 to 0.5 per thousand dollars of assessed valuation. He explained the rate decreases annually due to tax limitations and as the rate falls, the General Fund subsidy increases. The impact on a \$500,000 home would be \$5.83/month or \$70 annually. He advised if the levy failed, it would return to the existing rate. He reviewed the timeline for placing the levy on the primary election ballot and the cost of an election.

Discussion followed regarding concern with the timing of the EMS levy and the tight timeline for a 2007 vote, time necessary to educate the public regarding a transport fee, and the potential impact the EMS levy could have on the Sound Transit/RTID transportation package that includes funding for Edmonds Crossing.

It was the consensus of the Council to delay an EMS levy until 2008

**ii) City & Levy**

- b) Efficiency Reductions**
- c) Efficiency & Reduction Options**

Mr. Clements reviewed the following efficiency options:

- Public records request: automation
- Internet payment extended to all operations
- Eliminate paper/paper forms where possible
- Reassigning staff based on current needs
- City medical coverage and options
- City bargaining and compensation policies

(Councilmember Marin arrived at 2:46 p.m.)

Ms. Humann described the following labor cost efficiency options

- Alternatives for medical plan coverage
- Compensation and bargaining policies

A brief discussion regarding negotiation strategies followed.

Ms. Humann reviewed the existing L5 non-represented employee compensation plan including inequities, difficulty finding comparables for approximately half the non-represented positions, represented employees' compensation often exceed their non-represented supervisors, lack of any internal comparison, and time intensive for HR staff. She recalled an alternate compensation plan, the NRC plan, was presented to the Council in August 2006. The Council made a decision to retain the existing plan; all non-represented employees received a 3% COLA and a merit pool was established in the 2007-2008 budget. She suggested the Council consider the following alternatives, 1) look at the NRC and identify weakness and develop alternative strategies, 2) look at the existing L5 and identify weakness and develop alternate strategies or 3) develop an independent compensation plan. Discussion followed regarding concerns with the existing L5 plan and the proposed NRC plan, pros and cons of a salary survey, merit pay dependent on department/independent goals, loss of key employees, difficulty replacing employees due to the salary structure, difficulties finding comparables, lower staffing levels in Edmonds, and non-represented employees' satisfaction with the NRC plan.

It was the consensus of the Council to have staff bring the NRC policy back to Council for review.

- i) Best Practice Initiatives: General Operations, Medical Coverage (Debi), Bargaining & Compensation**
- ii) Budget Reductions**

During a break, the Council participated in the exercise indicating their preferences with regard to revenue sources, EMS levy, and budget reduction measures.

Mr. Clements reviewed the following budget reduction strategies:

- \$500,000 equals 1.5% of General Fund
- Possible approaches
  - Across the board 1.5% reductions
  - Elimination of programs or services
  - Reduction of overhead costs

The first day of the retreat concluded at 4:20 p.m.

**d) Council Policy Decisions**

**i) Revenue**

**ii) Efficiency**

**iii) Reductions**

**iv) Compensation**

**4. Up-Date Strategic Plan to Reflect Council Changes**

**a) Review Proposed Changes**

**b) Council Approval of 2007-08 Plan**

**SATURDAY, MARCH 24**

The second day of the retreat was called to order at 9:00 a.m.

Mr. Clements reviewed the Council's preferences with regard to 2007 revenue options, future revenue options and future reduction options and advised staff would bring back a priority on revenue options and reduction options as a work plan (blue = interested in pursuing, black = not interested in pursuing):

<b>Item</b>	<b>Blue</b>	<b>Black</b>	<b>Enactment</b>
Move EMS Levy to Fall 2008	5	0	Council

**Future Revenue Options**

<b>Item</b>	<b>Blue</b>	<b>Black</b>	<b>Enactment</b>
Reduce Cemetery Subsidy	7	0	Council
Sale of Surplus Property	7	0	Council
Cable TV Utility Tax to 6%	6	0	Council
"Seattle" Internet Charges	6	0	Council
Highway 99 Petition Annexation	6	0	Council
EMS Property Tax Levy Lid Lift	5	0	Vote
Transportation Benefit District	5	0	State
Electric Utility Tax Increase to 7%	5	2	Vote
Natural Gas Utility Tax Increase to 7%	5	2	Vote
Telephone Utility Tax Increase to 7%	5	2	Vote
Solid Waste Utility Tax Increase to 7%	5	2	Vote
Water Utility Tax Increase to 7%	4	1	Council
Sewer Utility Tax Increase to 7%	4	1	Council
Storm Utility Tax Increase to 7%	4	1	Council
Emergency Transport Fee at \$450	4	1	Council
Sales Tax Economic Development	4	0	Council
Traffic Light Cameras	3	2	Council
Edmonds Dance with the Stars	2	3	Council
Gambling Tax		6	Council
General Property Tax Levy Lid Lift	1	5	Vote

B&O Tax (0.2% Maximum)	0	6	Council
Emergency Reserve Fund (\$2.0 million)			Council
Ferry Traffic Mitigation			State
REET for Transportation			State

### **Future Reduction Options**

<b>Item</b>	<b>Blue</b>	<b>Black</b>	<b>Enactment</b>
Elimination of Programs or Services	6	0	Council
Reduction of Overhead Costs	5	1	Council
Across the Board Reductions	0	5	Council

The Council also expressed interest in pursuing ferry mitigation.

With regard to Audience Comments on upcoming ballot issues, Mr. Snyder advised public comments were an opportunity for the public to address the Council, not an opportunity to use the camera. He suggested the Council establish a “bright line” with regard to public comment on ballot issues and candidacies, to allow the public to speak about things the Council respond to but not things Council could not respond to. He clarified residents/Council could continue to advocate for/against the Edmonds Crossing project but not for/against RTID.

Staff left at 9:10 a.m.

### Planning Board and ADB Future Agendas

Council President Olson distributed the Planning Board’s extended agenda. Suggestions included publishing the Planning Board’s extended agenda on Channel 21, Council President Olson meet with the Planning Board Chairman and Planning Manager Rob Chave regarding the Planning Board priorities including the priority of issues referred by the Council and when pending items will be added to extended agenda, Council President Olson to obtain an updated flowchart of agenda items from the Planning Board, and Ms. Spellman to remind Council President Olson of monthly meeting with Planning Board and ADB Chairs, the Mayor, and Council President.

A brief discussion followed regarding the ADB’s agenda and staff hired to replace Senior Planner Steve Bullock and Planner Meg Gruwell.

### Candidate Debates

Following a brief discussion regarding past debates, it was agreed to establish a policy that the duration of a debate be limited to approximately two hours, the sponsoring organization pay the cost of the camera person, the sponsoring organization provide 30 days notice to candidates, and debates be scheduled on a first come/first served basis. It was suggested Mr. Clifton draft a policy for review by Mr. Snyder and approval by the Council.

### Discussion of Policy Requiring Establishment of New Zones

Discussion ensued regarding a citizen who requested a Comprehensive Plan change who was told to wait a year for the Comprehensive Plan process versus an applicant who pursued a similar change via another route and why everyone was not required to go through same process. It was agreed Ms. Spellman would seek clarification from staff regarding the difference between the two amendments. The Council requested staff make a presentation at a work session regarding when an applicant would not have to go through the Comprehensive Plan process. Council expressed a preference for amendments to go through the Comprehensive Plan process.



Councilmember Moore relayed two instances where people were encouraged by the Mayor to file a claim against the City, one in regard to emergency tree cutting. Council expressed concern that the definition of emergency with regard to tree removal was apparently not clear in the City's ordinance.

#### Policy Regarding What Constitutes Affordable Housing, Preservation of Trees, etc.

Councilmembers discussed different definitions of "affordable" and developers' use of the term. It was suggested a definition be provided for "affordable." It was agreed to request staff provide a report on affordable housing including how affordable could apply to development in Edmonds.

Councilmember Olson relayed citizens' concern with trees cut by PUD in the right-of-way. It was suggested staff provide the Council tree preservation ordinances from other cities.

#### Vision – What Does the Council Want Now?

Councilmember Moore recommended the Council establish a vision for what they want Edmonds to look like in 20 years, a mission for how to get there and set annual goals. Suggestions included using a facilitator for a strategic planning process, identifying projects to pursue such as the waterfront redevelopment, delaying a visioning exercise until after the election, scheduling next year's retreat earlier in the year and selecting the date now, and scheduling a mid-year mini-retreat.

Councilmember Dawson advised of Snohomish County planning efforts regarding positioning itself as a destination point for visitors to the 2010 Vancouver Olympics. Suggestions included the Council discussing how Edmonds could position itself in that effort, relaying the need for additional hotel beds in 2010 to the waterfront redevelopment committee, and considering revisions to Bed and Breakfast regulations such as parking requirements.

#### Follow-up on Yesterday

Councilmembers discussed the Mayor providing a State of City address to the Council and the Mayor submitting an annual work plan for approval by the Council. Council President Olson agreed to ask the Mayor to prepare and submit a work plan.

With regard to how Councilmembers are recognized during Council discussion, it was agreed to have staff investigate an inexpensive light system. It was also agreed that if an item was a particular Councilmember's issue, they be given deference to make the motion; to request the Mayor identify when it was appropriate to ask questions, to request a motion, and then open the issue for discussion; the Council and Mayor make an effort to avoid back and forth debate, and to have the Mayor recognize Councilmembers via raised hands.

The Council agreed once the public spoke at a public hearing, it was appropriate to ask questions of them. It was agreed to revise the sign-in sheet to allow the public to sign-in in pro or con on an issue and not provide testimony.

Councilmember Moore expressed frustration with the committee format, finding that not much was accomplished and most items were forwarded to the Council. She suggested the Council sit as a committee-of-the-whole on committee night. Following discussion, it was agreed items would not be scheduled on the Consent Agenda until the week after the Councilmember gave the Committee report unless the item was time sensitive. It was suggested Councilmembers invite Council President Olson to attend a Committee meeting if there was a controversial item on the agenda.

With regard to Councilmember Moore's suggestion to schedule a New Business/Ideas item on the Council agenda, Council President Olson suggested adding New Business/Ideas as an agenda item on the Council's work session agenda.

### Resolution for a 4-Year University

Councilmember Moore advised negotiations were ongoing and recommended waiting to see what happened before passing a resolution.

### Boards/Commissions

Council President Olson advised some boards/commissions had terms limits and others did not and on some the Councilmember was the liaison and on others the Councilmember was Chair. Discussion followed regarding the process for interviewing Directors, the Hearing Examiner, etc. via a subcommittee of the Council; concern that the Mayor appoints staff as well as boards/commission members; and concern that the Council rubber-stamps the Mayor's appointments to boards/commissions.

It was the consensus of the Council that they wanted more involvement upfront in the interview process of Planning Board and ADB members including the Council providing a recommendation to the Mayor. It was agreed to develop a list of interview questions for the Council to ask and to determine from Mr. Snyder what the Council was allowed to do including whether the Council could conduct Board/Commission interviews/selection in Executive Session. It was also suggested the requirements for the ADB landscape architect be loosened to include a landscape designer.

Councilmember Dawson suggested each Councilmember appoint a Planning Board member such as was done in Snohomish County so that Planning Boardmembers represented each district. She noted this would create greater diversity and involve more citizens. It was agreed to ask Mr. Snyder whether that could be done.

### Basis for Removal of Boardmembers/Commissioners

Councilmember Plunkett asked whether the Council was comfortable with a boardmember/commissioner being an advocate outside of their role as boardmember/commissioner that gave the appearance he/she was not serving in their role as a boardmember/commissioner. Councilmembers recognized the importance of training for boardmembers/commissioners. It was agreed to require training for all boardmembers/commissions and AWC training for Planning Board and ADB members. Councilmembers acknowledged if a boardmember/commissioner's reappointment was scheduled on the Consent Agenda, a Councilmember could request the Council President pull it for discussion.

It was agreed to have Mr. Snyder make the removal provisions the same for all boards/commissions such as attendance requirements, violation of the Appearance of Fairness Act, ex-parte communications, pre-judgmental bias, financial interest, etc.

### **ADJOURNMENT**

The retreat was adjourned at 11:30 a.m.