

EDMONDS CITY COUNCIL APPROVED MINUTES

December 11, 2012

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

ELECTED OFFICIALS PRESENT

Dave Earling, Mayor
Strom Peterson, Council President
Frank Yamamoto, Councilmember
Kristiana Johnson, Councilmember
Lora Petso, Councilmember
Adrienne Fraley-Monillas, Councilmember
Diane Buckshnis, Councilmember
Joan Bloom, Councilmember (arrived 6:02 p.m.)

STAFF PRESENT

Al Compaan, Police Chief
Jim Lawless, Assistant Police Chief
Stephen Clifton, Community Services/Economic
Development Director
Shawn Hunstock, Finance Director
Carrie Hite, Parks & Recreation Director
Rob Chave, Interim Development Serv. Director
Carl Nelson, CIO
Rob English, City Engineer
Renee McRae, Recreation Manager
Jeff Taraday, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. ROLL CALL

City Clerk Sandy Chase called the roll. All Councilmembers were present with the exception of Councilmember Bloom.

2. APPROVAL OF AGENDA

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED (6-0). (Councilmember Bloom was not present for the vote.)

3. APPROVAL OF CONSENT AGENDA ITEMS

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED (6-0). (Councilmember Bloom was not present for the vote.) The agenda items approved are as follows:

A. APPROVAL OF CITY COUNCIL MEETING MINUTES OF DECEMBER 4, 2012.

B. APPROVAL OF CLAIM CHECKS #135698 DATED NOVEMBER 30, 2012 FOR \$14,011.30 AND CLAIM CHECKS #135699 THROUGH #135835 DATED DECEMBER 6, 2012 FOR \$419,306.90 (REPLACEMENT CHECK #135747 \$135.00). APPROVAL OF PAYROLL REPLACEMENT CHECK #51969 \$1,805.20, PAYROLL DIRECT DEPOSIT & CHECKS #51970 THROUGH #51983 FOR \$458,071.96, BENEFIT CHECKS #51984 THROUGH #51995 AND WIRE PAYMENTS OF \$264,720.11 FOR THE PERIOD NOVEMBER 16, 2012 THROUGH NOVEMBER 30, 2012.

4. AUDIENCE COMMENTS

Harry Gatjens, Edmonds, speaking as a citizen and member of the Citizens Technology Advisory Committee (CTAC), referred to the outage of the City's fiber optics the day after Thanksgiving which resulted in a loss of service for the City as well as the City's commercial customers. Fortunately, this occurred on a holiday and did not create a significant issue; had it occurred on a work day, it would have been disruptive to City business. CTAC has recommended construction of an alternative fiber route that the City could convert to in the event of an outage. The current budget contains a proposal to begin an alternate route to the cemetery; the cost to complete the alternative route is an additional \$115,000-\$125,000. Because this is a critical issue and a one-time investment in infrastructure, he urged the Council to identify funds in the budget for this project.

Donna Breske, Snohomish, Edmonds property owner, described the experience of Carol and Rick Megenity who spoke with Associate Planner Kernien Lien regarding their desire to trim trees in the 18700 block of Olympic View Drive in order to enhance their view. Mr. Lien did not direct the Megenitys to the City's removal procedure letter dated December 9, 2002, which states removal or trimming of trees located in the City's right-of-way to enhance views will not be approved. Mr. Lien told the Megenitys to talk to Tod Moles, Public Works, who directed them to Snohomish PUD who does tree trimming in City rights-of-way. The PUD told the Megenitys the trees in the area had been topped in 2005 so the Megenitys had the trees re-topped. They subsequently received a code violation signed by Mr. Lien including a \$9,000 fine. The Megenitys appealed the code violation to the Hearing Examiner. Mr. Lien provided the City's tree removal procedure letter to the Hearing Examiner as evidence of violation by the Megenitys (Attachment 8 to the August 3, 2012 Planning Division Report and Recommendation to the Hearing Examiner). She questioned the motivation of Mr. Lien withholding the letter from the Megenitys and using the information against them in the Hearing Examiner appeal. The Hearing Examiner decision affirmed the City's position and found the Megenitys in violation of the tree cutting code but decreased the fine to \$7,000. Mr. Lien, in his capacity as Associate Planner, subsequently appealed the Hearing Examiner's decision. She urged the Council and Mayor to change the culture that allows staff to wreak havoc on citizens' lives. She provided a copy of the policy letter.

Ron Wambolt, Edmonds, expressed support for Mr. Gatjens' recommendation that the Council fund the decision package in the budget for a fiber optics diverse route. A member of CTAC for seven years, he explained the committee did not realize the importance of a diverse fiber route and was fortunate the need was identified via an outage on a holiday weekend when it did not create as much havoc as it otherwise would have. He urged the Council to approve that decision package, noting in 2013 there is \$3.8 million in addition to the 2-month reserve.

5. 2013 BUDGET ADOPTION

Finance Director Shawn Hunstock explained the packet contains the ordinance related to the 2013 budget adoption, Exhibits A (2013 Budget Summary by Fund) and B (2013 Budget Reconciliation by Fund), decision packages, non-budgetary changes to the 2013 proposed budget, debt service savings by bond issue, and a few other documents. He distributed larger versions of two spreadsheets included in the packet, 1) all proposed changes to the budget (page 89) and, 2) recommended budget changes as a result of a meeting with Mayor Earling, Council President Peterson, Councilmember Buckshnis and himself (page 90). He noted one change to the first spreadsheet since it was presented to the Council two weeks ago, a proposal by Councilmember Petso to reduce the General Fund contribution to the Building Maintenance Fund by \$20,000. The recommended changes include many of the items Councilmembers have proposed as well as maintains a balanced budget with a small surplus. As the list of changes is quite extensive, he recommended the Council begin with the Mayor Earling/Councilmember Buckshnis/Council President Peterson proposal and make changes to it rather than reviewing and voting on each item individually.

Councilmember Fraley-Monillas asked if there were any other suggestions or matrixes. Mr. Hunstock responded Councilmember Petso and he had a long conversation about some suggestions she had but he did not necessarily consider it a specific proposal. Councilmember Petso explained her suggestion was a reconfiguration of the cumbersome matrix into a simpler form with changes divided by type of expenditure, one time and ongoing. It was not her intent to propose that as an option; it included all the proposed items on the first spreadsheet/matrix. The items consistent with the Mayor Earling/Councilmember Buckshnis/Council President Peterson/Mr. Hunstock proposal are labeled as “approved” on the document she prepared. A copy of that document was distributed to Councilmembers.

Councilmember Buckshnis thanked Councilmembers who met with her. She suggested the Council first focus on revenue generating items first, followed by expense items. She referred to her original proposal to reduce the General Fund contribution to the LEOFF Insurance Reserve Fund by \$300,000; after discussing it with Mayor Earling and Council President Peterson, it was changed to \$200,000 because of the insurance change that is occurring. In order to fund a proposal by Councilmember Johnson for an SR104 study, Councilmember Buckshnis proposed changing the amount to \$250,000.

Council President Peterson suggested taking 15-20 minutes for Councilmembers to make general comments about the budget.

Councilmember Buckshnis suggested reducing the General Fund contribution to LEOFF Insurance Reserve Fund by \$250,000, noting it will not cause much issue because for the last few years the surplus has been \$335,000-\$375,000. Even with the reduction, there will still be a surplus in addition to the \$600,000 that will be added. Due to that reduction, she supported the fiber, video annotation, increasing the Council travel budget \$1500 so Councilmembers can attend training, the code rewrite and the Planning Board minute taking. Mayor Earling clarified the recommendation was to fund the first year of the code rewrite in the amount of \$75,000.

Councilmember Petso suggested an alternative would be to make the B Fund contribution in 2012 and skip 2013. Staff has stated the City can afford to skip the B Fund contribution for one year, but not two. The intent was to skip the contribution in 2012. If the year-end cash balance, expected to be approximately the right amount, is used to make the 2012 B Fund contribution rather than add it to the \$9.3 million reserve, it frees up approximately \$300,000 to fund studies and the fiber route and to be more conservative with the 009 Fund. She summarized this proposal would essentially buy a year, fund all Council’s one-time priorities (page 2 of her document) and allow a reduced transfer from the 009 Fund of \$50,000. She summarized there would be approximately \$311,000 from the B Fund and \$100,000 from the 617 and 009 Funds. This unfortunately saddles the City with the second half of the code rewrite, SR104 and PROS Plan in 2014 but she assumed if Councilmembers were comfortable with \$250,000 from the 009 Fund this year, once the City had some experience and savings, they would be comfortable with it again next year to fund the second half of those studies.

Councilmember Petso explained if the B Fund contribution is made in 2012 and skipped in 2013, some of the other transfers could be eliminated such as reducing the transfer to the Building Maintenance Fund. She agreed with Councilmember Buckshnis that the Council first needed to make decisions regarding revenue items. She summarized via her proposal, the Council can afford nearly everything else that has been proposed.

Councilmember Fraley-Monillas asked about the expected savings from changing LEOFF retirees to a different medical plan. Parks & Recreation Director Carrie Hite explained the estimated savings indicated by the actuarial study was \$185,000; applying the $\pm 30\%$ error factor because the study was not peer reviewed, the savings could be only \$75,000. She anticipated the City would have at least the \$75,000 savings at the end of the year but the City does not yet have a year of claims experience. She

recommended budgeting very cautiously with those savings. The City has 30 LEOFF retirees, 2 are incurring a lot of medical expenses, and the other 28 are aging and have multiple health issues. Although health costs this year were \$550,000, she expected the amount to grow over the next few years due to their multiple health issues. Councilmember Fraley-Monillas encouraged Council to be cautious with that fund because the balance can fluctuate as Councilmember Bloom and she, participants on the Disability Board, have seen.

Councilmember Fraley-Monillas expressed support for funding the code rewrite, the PROS Plan and the SR104 study, noting they are important studies that have been put off for a long time. She was uncertain how they could be funded. She noted the fiber plan was equally as important. She was hopeful a funding method could be determined so that all the needs could be supported.

Councilmember Buckshnis commented 30% of \$185,000 was not \$75,000. Ms. Hite explained the $\pm 30\%$ error factor is from the total amount \$330,000, not \$185,000. Councilmember Buckshnis pointed out Mayor Earling was comfortable with using those funds for other expenditures. Ms. Hite commented many cities that support LEOFF retirees pay expenses dollar for dollar, knowing there is risk and that there may be a time when more funds have to be allocated for LEOFF costs; other cities build up a reserve and some do both. Councilmember Buckshnis pointed out the reserve in that fund is about \$350,000.

Councilmember Yamamoto expressed concern with making the B Fund contribution in 2012 rather than 2013 and using funds from the Fire District 1 COLA. He recommended using good business sense, because in the end, you pay now or pay later. He was concerned that without the B Fund contribution the City would not be able to buy new equipment or vehicles when necessary. He preferred to stay the course, put money into savings so that funds are available when needed. He pointed out the only reason the City had not paid the FD1 COLA amount yet was FD1 had not provided the information to the City and it will need to be paid next year.

Councilmember Petso agreed with Councilmember Yamamoto that the FD1 COLA should remain in the budget. Although FD1 is supposed to have notified the City by September if there was a COLA increase which may give the City a legal right to dispute it, she was not inclined to do so. Making the B Fund contribution in 2012 rather than 2013 eliminates the need for those funds. She did not understand Councilmember Yamamoto's concern about paying the 2012 B Fund contribution as it was not deferring it to the future; it was paying it in 2012.

Council President Peterson thanked Mr. Hunstock, Mayor Earling and Councilmember Buckshnis for developing a terrific compromise. Although he was wary of reducing the contribution to the LEOFF insurance reserve, he would be willing to support that change. He planned to ask Councilmember Johnson for more specifics regarding the SR104 study as there may be things in the works that could supplement that, thereby reducing the cost. His concern with the B Fund contribution was the yearend 2012 surplus is unknown and it is a bit of a shell game, and paying the money now rather than next year cannot be looked at as a savings. He could support making the B Fund contribution in 2012 but did not view it as a \$300,000 savings next year. He recognized staff for their efforts to reduce their budgets. He was concerned with spending reserves when the City was facing significant legal battles. He preferred to be cautious and not spend reserves until the outcome was known, hopefully in the first half of 2013. If the funds were available, expenditures could be considered in the following year's budget.

Councilmember Bloom asked for clarification regarding making the B Fund contribution this year and not funding it next year. Mr. Hunstock relayed Councilmember Petso's suggestion to make the B Fund contribution in 2012 instead of 2013. That presumes there is a surplus in 2012 to make that contribution; that is not guaranteed although there would always be fund balance to cover it if needed. His concern with moving the contribution from 2013 to 2012, considering that a savings in 2013 and spending it, is it

essentially spends the same \$311,000 twice. Looking at 2012 and 2013 together, the same \$311,000 has been spent twice. The impact is decreasing fund balance in the General Fund.

Councilmember Bloom questioned how it was paying it twice. Mr. Hunstock explained the proposal was to move the contribution from 2013 to 2012 and pay it in 2012; the \$311,000 is then spent. If the proposal is to consider that movement to be a savings for 2013 and allocate those funds for other purposes such as the code rewrite, it has been spent twice.

Councilmember Bloom asked if that was true only if there was not sufficient surplus at the end of 2012. Mr. Hunstock answered if the contribution is moved from 2013 to 2012 and made in 2012 and the \$311,000 allocated for 2013 expenditures, regardless of whether there is a surplus in 2012, the same \$311,000 has been spent twice.

Councilmember Yamamoto referred to the decision package for a diverse fiber route from City Park to the cemetery and Mr. Gatjens and Mr. Wambolt's comments about the outage on the day after Thanksgiving. Outages have the potential to impact internal and external communication, interrupt the ability to pay utilities online, the City's webpage, etc. The City's fiber has three major accounts, Rick Steves, 110 James and the ECA. In addition, the fiber allows the Police Department to communicate with SnoCom. He expressed support for the Council considering the \$115,000 to complete the diverse fiber route.

Councilmember Petso disagreed her proposal to make the B Fund contribution in 2012 instead of 2013 was spending the money twice. If the B Fund contribution is not made in 2012, the \$300,000 left at the end of 2012 will be added to the \$9.3 reserve, making it \$9.6 million. That will also require the B Fund contribution to be made in 2013 based on staff's recommendation that the contribution cannot be skipped two years in a row. The alternative proposal is to use the projected \$300,000 ending balance to make the 2012 contribution instead of adding the \$300,000 to the \$9.3 million and doing nothing with it. If the contribution is made in 2012, it can be skipped in 2013. She envisioned due to transfers and reimbursements, the 2013 contribution could be made at the end of 2013, as was done in December 2011. She did not feel it was spending the same money twice; the choice was doing nothing with the \$300,000 or paying off 2012 and using the \$300,000 in 2013 on meritorious one-time expenditures such as the diverse fiber route and various studies. If the contribution is not made in 2012, it will be difficult to identify funds for studies without endangering the retirement fund transfers.

Councilmember Bloom commented Councilmember Petso's explanation made more sense to her. She asked Mr. Hunstock to explain his assertion that the funds were being spent twice. Mr. Hunstock disagreed with Councilmember Petso; the assumption is there will be a surplus at the end of 2012 which he cannot guarantee. Under State law, the City continues to make payments for 2012 through January 2013. He acknowledged there was fund balance; however, it was not \$9.3 million, but rather \$5.3 million and \$3.0 million in the reserve fund. Moving the timing of the contribution from 2013 to 2012 is not an issue as it could be made from fund balance if necessary. The issue to him was making the contribution in 2012 and then programming the same \$311,000 in 2013 for other purposes. To him that was spending the same \$311,000 twice.

Councilmember Buckshnis attempted to explain it: someone has a profit of \$5, the profit is applied to last year's taxes and added to this year's budget, essentially spending it in both places. Councilmember Buckshnis also pointed out that after mediation on Friday, the City has extreme exposure and the outcome of significant lawsuits is unknown.

Councilmember Fraley-Monillas commented page 21 of the budget book shows an ending fund balance of \$300,000 for 2012. Mr. Hunstock responded that is based on 2012 estimates through October. The City makes payments through January 20, 2013 for the budget year 2012. The best estimate in October was a

surplus of \$300,000. The amount shown on page 21 of the 2013 budget book is an estimate; he could not guarantee there would be any surplus.

Councilmember Fraley-Monillas observed the Council should not depend on the estimates. Mr. Hunstock answered some projections are more reliable such as salaries and benefits; the October – January expenditures for non-payroll items are difficult to project.

Councilmember Fraley-Monillas asked where the money could come from for the proposed additions to the budget such as fiber optics and the code rewrite without making the B Fund contribution in 2012 and not funding it in 2013. Mayor Earling responded he reviewed the budget during the last week in an effort to fund all the decision packages. He supported funding the first part of the code rewrite in 2013 and a \$50,000 reduction in the contribution to the LEOFF Insurance Reserve fund in order to fund the SR104 study that Councilmember Johnson suggested. He did not support removing the 2% FD1 COLA as that issue has not yet been resolved. He was concerned with the proposal to move the B Fund contribution to 2012 rather than 2013 as the 2012 ending cash balance is unknown. He was concerned with making assumptions regarding the 2012 ending cash balance when the actual amount is unknown until the end of January 2013. He was also concerned with spending the money twice and therefore could not support making the B Fund contribution as Councilmember Petso has described. He understood the Council's interest in utilizing those funds to fund studies, etc., but felt it was not a good business decision.

Councilmember Fraley-Monillas asked if Mayor Earling was supportive of the fiber optics project. Mayor Earling responded he was supportive of all the decision packages, including the diverse fiber route from City Park to the cemetery, the fiber optics business plan and video annotation of Council meetings, the Police Department's reduction in overtime, and skipping the 2013 transfer to the Firemen's Pension Fund.

Councilmember Petso referred to page 2 of the document she distributed, pointing out there were approximately \$350,000 of additional expenditures such as half the PROS Plan, half the SR 104 study, three fiber projects, two video projects and half the code rewrite. The problem with funding those items by raiding the transfer to retirement funds is that would only generate \$300,000 via \$250,000 from the 009 Fund and \$50,000 from the 617 Fund. She asked whether it was Mayor Earling's intent to utilize reserves to fund the additional \$50,000. Mayor Earling responded he was comfortable with that after his conversations with Mr. Hunstock who indicated that could work for one year.

Councilmember Bloom relayed that based on her conversations with Public Works Director Phil Williams and Mr. Hunstock regarding the engineering FTE in the amount of \$95,890, it is a budget neutral item because the savings will be sufficient to pay for that position. She suggested those funds be removed from the decision packages and allow Mr. Williams to present a proposal to the Council in January that demonstrates the cost savings, the skill set needed for the position, etc. Mr. Hunstock responded that \$95,000 is non-General Fund money and cannot be considered for funding any other decision packages. Councilmember Bloom suggested it still be pulled from the decision packages.

Councilmember Yamamoto asked whether Councilmember Bloom had received the memo from City Engineer Rob English. Councilmember Bloom answered she had but it raised more questions than it answered.

Councilmember Petso supported restoring the cuts to Parks and Recreation. She referred to the cut to the flower program, suggesting if reserves were raided for other items, reserves could be raided to fund the flower program. She referred to the cut to the beach ranger program, pointing out that is a very popular program. With regard to the reduction in playfield irrigation, maintenance, mowing and garbage collection, she pointed out playfields are very important to tourism and generate activity. She preferred to have those items funded in the 2013 budget as proposed in the Mayor Earling/Council President Peterson/Councilmember Buckshnis/Mr. Hunstock recommendation which identifies \$121,000 in "found

money” via Police overtime reduction, reduction in Police supply and training, ECA savings, corrections to the Park budget and bond savings. She explained not watering the playfields was counterproductive. If the playfields go dormant and kids play on the fields, the turf will be destroyed and for a savings of a few thousand dollars in one year, the City will be faced with replacing the turf in the future at a cost of hundreds of thousands.

Councilmember Yamamoto pointed out the Strategic Planning process does not identify those as high priority items. If staff feels the cuts can be made, the Council should trust that it can be done. For the good of the City as a whole, the cuts should be made.

Mayor Earling commented staff and he spent months identifying ways to cut \$1.5 million from the budget. All staff made drastic cuts to their budgets, often compromising what they would have included in the budget in a better world. Further, he agreed with delaying the discussion regarding the engineering FTE until the Council has completed their discussion regarding the General Fund budget.

Councilmember Buckshnis clarified the flower program is not being cut; \$33,700 in seasonal labor will not be funded. Changes to the program have been made in anticipation of the reduction such as planting perennials in corner beds. There will be opportunities to adopt a flower basket and corner bed and possibly volunteers from the Floretum Garden Club will assist with watering.

Councilmember Bloom asked if it would be possible to partially fund the B Fund this year such as \$150,000 and if it would be reasonable to assume there would be that much of a surplus by year end. Mr. Hunstock did not want to speculate regarding the amount of the surplus. If the surplus did not materialize in 2012, the fund balance in the General Fund could be used to cover it. He said any portion of the B Fund contribution could be funded. Councilmember Bloom commented funding only \$150,000 of the B Fund contribution would potentially free up \$150,000. Mr. Hunstock commented to the extent that funds are freed up and then used, that same \$150,000 is being spent twice. Councilmember Bloom summarized if a \$150,000 contribution was made in 2012, that \$150,000 could be allocated to other items, and then make another \$150,000 or more B Fund contribution in 2013.

Councilmember Bloom asked how Councilmember Yamamoto would fund the \$115,000 to complete the diverse fiber route. Councilmember Yamamoto clarified his statement was the Council should consider it due to the importance of the project.

Without seasonal labor, Councilmember Fraley-Monillas asked how the flower baskets would be maintained. Ms. Hite explained three people are hired April through August for the flower program, one stays through October to help take down flower baskets, clean flower beds, etc. The adopt-a-basket program last year generated \$13,000; it was placed in the Donation Fund and can be used for the flower program in 2013. She estimated the adopt-a-basket program, which includes 10 additional baskets on Main Street, and the adopt-a-corner bed will generate \$14,000 in 2013. The adopt-a-basket program was successful in 2012; people had to be turned away. She suggested utilizing the \$13,000 generated in 2012 for the flower program in 2013, reducing the \$33,000 cut in seasonal labor to \$20,000. That cut will result in flower beds not being cleaned, weeded or watered as much but the flower baskets will be watered. The flower beds were planted with perennials this fall in anticipation of less staff to plant and maintain the flower beds. She summarized the public will see impacts of the \$20,000 cut to the flower program but it will not be significant. She recognized the Floretum Garden Club who plants the baskets and corner beds.

Councilmember Petso relayed her understanding that interest only could be drawn from the flower donation fund. Ms. Hite answered the adopt-a-basket fund proceeds were not deposited into the Trust Fund; they were deposited into the Donation Fund from which expenditures can be made.

Councilmember Bloom asked Ms. Hite to respond to Councilmember Petso's comments regarding the turf. Ms. Hite stated the other \$32,000 reduction in seasonal parks labor represents seasonal employees who assist with landscaping, litter pick-up, restroom cleaning, etc. When irrigation is reduced and the grass is allowed to go dormant, mowing is also reduced. Staff will not schedule the fields for mowing in the later summer when the grass is dormant and fields may have to be closed if there is high usage. If there is high use on the fields when the grass goes dormant, especially after rains, it can tear up the roots. Some of the irrigation proposed to be cut is in neighborhood parks that do not have fields but have open space and play areas.

Councilmember Bloom asked if the entire park would be closed. Ms. Hite answered not the entire park, just the field area being heavily used. She commented it depends on the weather; during a hot summer, the grass goes dormant earlier. In a wet summer, irrigation is not an issue but mowing may be an issue due to staff reductions. She summarized it was a balance between seasonal labor and weather.

Councilmember Bloom asked about the need to replace turf. Ms. Hite answered only if the fields were kept open and the public was allowed to play on them. Staff will watch the fields and if the roots' integrity is being damaged, signs would be posted, closing the fields. She acknowledged the public will feel the impact of these cuts; staff was challenged with identifying 4.5% in cuts, this was the least impactful cut.

Main Motion #1

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE RECOMMENDED CHANGES TO THE 2013 PROPOSED BUDGET SUPPORTED BY MAYOR EARLING, COUNCILMEMBER BUCKSHNIS, HIMSELF AND MR. HUNSTOCK WITH THE FOLLOWING MINOR CHANGES: CHANGE THE LEOFF CONTRIBUTION BY \$50,000, RESTORE THE COUNCIL TRAVEL BUDGET BY \$1500 AND FUND THE SR104 TRANSPORTATION STUDY BY \$50,000.

Council President Peterson thanked Ms. Hite for her explanation, acknowledging the public will feel impacts from this budget. Until new revenue sources are identified to supplement the City's revenue, sacrifices have to be made. He acknowledged it will not be fun and citizens will likely question why playfields are closed next summer; the answer is the City does not have enough money. He did not support raiding a fund for a one year fix. He supported the SR104 Transportation Study and the fiber projects because they are long term investments that will improve the City. He summarized this is a great compromise.

Amendment #1

COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO AMEND THE MOTION TO RESTORE \$15,000 IN PLAYFIELD WATERING AND \$32,500 PARKS SEASONAL LABOR FOR MOWING, GARBAGE PICK-UP AND ITEMS ASSOCIATED WITH PLAYFIELD WATERING.

Councilmember Buckshnis commented WRIA8 is predicting a wet Northwest in the future. She asked if a budget amendment could be approved to restore seasonal labor if there was a significant public outcry. Ms. Hite answered it is possible although it takes a few weeks to hire staff. Once the grass goes dormant, it takes 2-4 weeks for the grass to come back; therefore, the field would likely be closed for a month until the turf recovered.

Councilmember Buckshnis recalled the main fields will still be irrigated. Ms. Hite answered the ballfields will still be irrigated but not as much. Grass in neighborhood parks will not be watered and will be allowed to go dormant.

Councilmember Fraley-Monillas commented once the grass is pulled up, it will be too late. She expressed support for the amendment.

Mayor Earling asked how the restoration of the cuts would be funded. Councilmember Petso answered as long as the \$9.3 million reserves was being used to fund fiber and video annotation, she was comfortable using it to restore these cuts. Alternatively the \$51,000 in Park budget corrections is more than the amount required.

Action on Amendment #1

UPON ROLL CALL, AMENDMENT FAILED (3-4), COUNCILMEMBERS FRALEY-MONILLAS, BLOOM AND PETSO VOTING YES; COUNCIL PRESIDENT PETERSON AND COUNCILMEMBERS BUCKSHNIS, JOHNSON, AND YAMAMOTO VOTING NO.

Amendment #2

COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO AMEND THE MOTION TO RESTORE THE \$10,000 CUT FROM THE BEACH RANGER PROGRAM.

Mayor Earling asked how this would be funded. Councilmember Petso answered the \$10,000 could be from the \$30,000 ECA savings. Council President Peterson advised that was already included. Councilmember Petso suggested it be funded using ending cash.

Councilmember Buckshnis questioned Councilmember Petso's suggestion to use ending cash to fund this proposal. She asked whether a budget amendment could be approved to fund some of these items if there is adequate surplus at year end. Mr. Hunstock answered yes.

Councilmember Johnson pointed out this cut did not eliminate the beach ranger program. Ms. Hite explained the \$10,000 cut reduces the beach ranger program. The City will still hire some beach rangers who will provide classroom education in the spring. The impacts the public will see will be the accessibility of beach rangers on the beaches on weekends and the visitors station will be closed other than possibly limited hours. The remaining funds will be sufficient for beach rangers on the beach during low tides.

Action on Amendment #2

UPON ROLL CALL, AMENDMENT FAILED (3-4), COUNCILMEMBERS PETSO, FRALEY-MONILLAS, AND BLOOM VOTING YES; COUNCILMEMBERS YAMAMOTO JOHNSON, AND BUCKSHNIS AND COUNCIL PRESIDENT PETERSON VOTING NO.

Amendment #3

COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO AMEND THE MOTION TO RESTORE \$32,200 PARKS SEASONAL LABOR FOR THE FLOWER PROGRAM.

Councilmember Petso explained this item would be funded by the sources identified for the above two defeated amendments.

Councilmember Buckshnis pointed out the Council could approve a budget amendment to fund these items after the first of the year. Mr. Hunstock agreed.

Action on Amendment #3

AMENDMENT FAILED (2-5), COUNCILMEMBER PETSO AND COUNCILMEMBER FRALEY-MONILLAS VOTING YES.

Amendment #4

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER PETSO, TO AMEND THE MOTION TO REDUCE THE COUNCIL ASSISTANT OVERTIME BY \$5,200/YEAR.

Councilmember Fraley-Monillas pointed out all departments were being asked to reduce their staff and overtime; the Council needed to set the example by utilizing less overtime for the Council Assistant. Her research found Shoreline, Mukilteo and Mountlake Terrace do not have a Council Assistant; Lynnwood has a Council Assistant but that was instituted fairly recently. She summarized the Council was lucky to have a 20 hour/week Council Assistant when neighboring cities had none.

Council President Peterson advised changes are being made to the Council Assistant's contract such as flex time to address overtime; the contract is scheduled on next week's agenda. He will not approve the amendment as the issue will be addressed in the Council Assistant's contract next week.

Councilmember Fraley-Monillas commented the overtime for the position is \$6,000-\$7,000/year. Council President Peterson explained that is in direct relation to the length of Council meetings. Councilmember Fraley-Monillas asked if the new contract would eliminate all overtime. Council President Peterson answered he could not guarantee there would be no overtime; for example if a Council meeting lasted until midnight and the Council Assistant worked more than eight hours. The new contract will greatly reduce overtime and incorporate flex time for the hours spent at Council meetings. There may be some overtime for extenuating circumstances such as emergency meetings. The video annotation project will also have an effect on the amount of overtime.

Councilmember Fraley-Monillas asked how other cities operate without a Council Assistant. Council President Peterson assumed other cities have professional service contracts for videotaping of Council meetings. Councilmember Fraley-Monillas recommended a cap on the Council Assistant overtime budget, expressing concern with \$7,000/year in overtime for a part-time position. She noted the position is part-time for the Council and part-time in another department. She asked Council President Peterson what he would agree to as a cap. Council President Peterson suggested \$2,000. He suggested reviewing it in six months.

Friendly Amendment to Amendment #4

COUNCILMEMBER FRALEY-MONILLAS PROPOSED THE FOLLOWING FRIENDLY AMENDMENT WHICH WAS ACCEPTED BY THE SECOND: CAP OVERTIME AT \$2,000 FOR EMERGENT PURPOSES.

Councilmember Johnson pointed out the position also videotaped Planning Board meetings regarding the Harbor Square Master Plan as well as joint meetings with the City Council, Planning Board and Economic Development Commission.

Councilmember Fraley-Monillas suggested if the Council needed a Council Assistant that worked over 20 hours/week, the Council needed to hire a person who worked 30 hours a week. The issue currently is the FTE is half Council Assistant and half time in another department.

Mr. Hunstock advised this item is on page 49 of the budget; the current budget for overtime is \$6,687; the amendment cap over time at \$2,000 for a savings of \$4,687.

Action on Amendment #4

AMENDMENT CARRIED (6-1), COUNCILMEMBER JOHNSON VOTING NO.

Amendment #5

COUNCILMEMBER BLOOM MOVED, SECONDED BY COUNCILMEMBER PETSO, TO AMEND THE MOTION TO FUND THE B FUND IN 2012 BY \$150,000, RATHER THAN \$311,000.

Councilmember Bloom commented her intent was to free up funds for additional expenditures in the budget.

Councilmember Buckshnis asked what items she intended to fund. Councilmember Bloom suggested funding the additional \$115,000 for the diverse fiber route.

Councilmember Yamamoto suggested that could be funded via ending cash balance. Mr. Hunstock answered the addition of that item would result in there no longer being a balanced budget; it would be funded from fund balance.

Mayor Earling expressed concern with spending the 2013 allocation in 2012 due to problems this creates in the future.

Councilmember Johnson asked for clarification regarding the B Fund contribution amount. Mr. Hunstock answered his staff informed him today that the amount should be \$300,936, not \$311,000.

Councilmember Johnson agreed the diverse fiber route is a very important project and could be funded in January once the ending fund balance is known. Mr. Hunstock agreed that could be done. He clarified the proposal is to fund the B Fund contribution in 2012 with \$150,000 and decrease the 2013 contribution by the same amount. Councilmember Bloom agreed.

Councilmember Yamamoto suggested funding diverse fiber route from ending fund balance.

Councilmember Fraley-Monillas observed the diverse fiber route to Hwy 99, fiber optic customer development (\$40,000), video annotation (\$27,000) and fiber business plan (\$35,000) is part of the Mayor Earling/Council President Peterson/Councilmember Buckshnis/Mr. Hunstock proposal. Mayor Earling answered everything is in the 2013 line item with the exception of \$50,000 SR104 and reduction of Council overtime to \$2,000 and \$1500 for council travel. Councilmember Fraley-Monillas observed all the fiber projects are budgeted except for the \$115,000 to extend the diverse fiber optics.

Councilmember Bloom clarified her motion was only to make the B Fund contribution in 2012 in the amount of \$150,000 and reduce the \$300,936 contribution to the B Fund in 2013 by \$150,000, bringing the B Fund contribution in 2013 to \$150,936. The intent of her amendment is to free up funds for fiber optics.

Councilmember Buckshnis suggested once the ending fund balance is known, the Council could approve a budget amendment to fund this item. She asked if franchise fees from fiber optics could be used for this route. Mr. Hunstock answered the intent was to dedicate the franchise fees to video annotation costs.

Councilmember Yamamoto expressed his preference to fund this from the ending fund balance rather than messing with the B Fund contribution.

Action on Amendment #5

UPON ROLL CALL, AMENDMENT FAILED (2-5), COUNCILMEMBERS PETSO AND BLOOM VOTING YES; COUNCIL PRESIDENT PETERSON AND COUNCILMEMBERS FRALEY-MONILLAS, YAMAMOTO, JOHNSON AND BUCKSHNIS VOTING NO.

Amendment #6

COUNCILMEMBER YAMAMOTO MOVED, SECONDED BY COUNCILMEMBER BLOOM, TO AMEND THE MOTION TO FUND THE EXTENSION OF THE FIBER OPTICS VIA FUND BALANCE SHOULD THERE BE SOME.

Councilmember Buckshnis asked whether this would result in a deficit budget because the 2012 surplus is unknown. Mr. Hunstock clarified the motion was to pay the \$115,000 from fund balance surplus. Today the General Fund has a \$3 million fund balance. If this motion is approved, the 2013 budget would be

unbalanced by approximately \$105,000. Councilmember Buckshnis preferred to fund this via a budget amendment in 2013.

Action on Amendment #6

COUNCILMEMBER YAMAMOTO WITHDREW HIS AMENDMENT WITH THE AGREEMENT OF THE SECOND.

Amendment #7

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BLOOM, TO AMEND THE MOTION TO RESTORE THE COUNCIL TRAVEL AND TRAINING BUDGET.

Council President Peterson pointed out that is already included. He itemized the changes included in the original motion to approve the 2013 budget with the changes in Attachment B and the following changes:

- Cap overtime in the Council budget at \$2,000
- Reduce the General Fund contribution to the LEOFF Insurance Reserve to \$250,000
- Restore the Council travel budget to \$1500
- Pay for the SR104 Transportation Study at \$50,000

Councilmember Fraley-Monillas explained the intent of increasing the Council travel and training budget was in response to new Councilmembers' indication that they may not have received the training they needed. Mr. Hunstock referred to page 49 of the proposed budget, explaining the Council budget currently includes \$1000 for travel; the main motion increased that by \$1500.

Action on Amendment #7

COUNCILMEMBER FRALEY-MONILLAS WITHDREW HER AMENDMENT WITH THE AGREEMENT OF THE SECOND.

Action on Main Motion #1

MOTION CARRIED UNANIMOUSLY.

Mayor Earling asked Mr. Hunstock how he wished to address the balance of the proposed changes on the spreadsheet. Mr. Hunstock responded some items have been decided via the decision on the 2013 budget such as the bond savings (\$43,000), correction to the Hotel/Motel Fund (\$17,000), two adjustments in the Utility Fund related to bond refinancing, \$50,000 from the pension fund was included in the motion on the General Fund for the SR104 Transportation Study. The only remaining item is the engineering FTE.

Councilmember Buckshnis expressed support for this position because without it, the City will pay a consultant \$150/hour rather than a regular staff salary. She referred to the explanatory email that Mr. English provided the Council today. She suggested limiting the position to a three year contract. Mr. English was concerned that would affect the City's ability to recruit; the City may be able to maintain the workload beyond three years. He preferred to reassess the situation in 1-2 years.

Councilmember Bloom pointed out Mr. Hunstock and Councilmember Buckshnis indicated the cost of a consultant would be three times as much as a staff person and Mr. English indicated it would be twice as much. She questioned whether the FTE was intended to be an engineer. Mr. English answered it depends on the situation; the proposal is for a capital project manager whose duties could include monitoring consultants' progress, doing inspections at construction sites, etc. It did not necessarily need to be a Professional Engineer (PE) but someone with the experience and knowledge to manage capital projects. For example the City's two capital project managers are not PEs.

Councilmember Bloom asked about the savings in consultant fees if the intent is hire a capital project manager who is not an engineer when their interaction will be with engineers. Mr. English responded it

depends on the person's knowledge and experience. For example with regard to the consultants the City used this year on Main Street, the contract administrator was not a PE. On the water main replacement project the inspector was not a PE. Regardless of whether the engineering FTE is a PE or not, the flat hourly rate of \$34.00 plus the overhead for a City employee is approximately half a consultant's hourly rate. In the example in his memo, a City employee costs \$54/hour; consultants are typically over \$100/hour. Councilmember Bloom expressed concern that she has heard different things; that a consultant would cost twice as much or three times as much.

Councilmember Bloom referred to Mr. Williams' comment that he did not know the skill set until people applied. She felt the Council should understand what skill set was needed for the projects and she was reluctant to fund a position that the Council was told would pay for itself without information regarding the expertise being sought. She preferred staff provide more information regarding the savings and what expertise was not available via the existing six project managers. Mr. English explained the project management skill set that would be sought was outlined in his memo.

Mayor Earling explained the need is for someone with project management experience and tracking federal and state grants. The City has been very successful in obtaining grants and currently has approximately \$14 million in grants. None of the funds for this position will be from the General Fund; it will be funded from grant proceeds. Mr. English clarified the proposal is to save approximately \$100,000/year via an employee on staff rather than hiring a consultant.

Main Motion #2

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE ALLOCATING FUNDS FOR HIRING A FULL-TIME EMPLOYEE IN THE ENGINEERING DEPARTMENT FOR PROJECT MANAGEMENT.

Councilmember Petso asked if funding this position to administer grants would result in additional costs. Mr. English answered the cost of an employee or consultant to manage the project is reimbursed via the grant or utility revenue. Councilmember Petso observed some of the payment could be from the Utility Fund or a grant. Mr. English answered yes, the capital project list is comprised of utility projects, transportation grant projects, and street projects.

Councilmember Johnson relayed her understanding this was a capital project manager to manage grants the City has already accepted. There has been discussion regarding the employee being an engineering Tech III or a project manager. She could approve the motion but preferred to have a list of the projects the person would be managing.

Councilmember Buckshnis asked whether the Council would be involved in the recruitment for this position. Mr. English answered it would not come to the Council as it is not a director position.

Council President Peterson had faith and confidence in the directors to hire people appropriate for the job. The City has been successful in obtaining \$14 million in grants and he hated to penalize that success by not funding the project manager. He pointed out managing grants was very important. Grant funded projects help build infrastructure and create local jobs; if grants are not managed well, it can jeopardize future grant awards. He trusted Mr. English and Mr. Williams to develop a recruitment package that would fulfill the City's needs and he did not want to interfere with that responsibility. Mr. English's memo identified tasks this employee would be responsible for.

Councilmember Fraley-Monillas commented government rarely adds staff for specific job duties; instead via layoffs or attrition, an employee is hired that meets the specific qualifications such as a project manager with experience managing grants. She was concerned that the City has several project managers but none of them have experience managing grants.

Councilmember Bloom clarified she was not suggesting this could not be funded via a budget amendment next year. She did not have enough information to hire additional staff when severe cuts were being made in other departments such as eliminating the Street Crime Unit and other key positions in other departments, yet no key positions were eliminated in Public Works and a new employee was proposed. She was interested in additional information to ensure there would be cost savings over hiring a consultant. She was not convinced this would be a cost neutral position. She did not support the motion but encouraged Mr. Williams to present specifics to the Council early next year.

Councilmember Buckshnis relayed the project manager would be funded from Funds 421, 422, and 423. Mr. English agreed, noting it could also be funded via the 412 Fund. Councilmember Buckshnis asked whether the City currently used consultants. Mr. English answered yes; explaining even if this position is approved, it will not eliminate the need for consultants as the engineering department is not a full service engineering department. The City will still hire consultants for certain situations; for example the City hired consultants for the Main Street, Interurban Trail, SR99 lighting project, etc. to support staff.

For Councilmember Yamamoto, Mr. English explained the job duties he listed in his memo for a project manager apply whether it is a water main, sewer, storm or transportation project.

Council President Peterson commented in approving the 2013 budget, the Council added the SR104 Transportation Study at \$50,000; that is an example of where the cost savings can be realized. Utilizing an in-house staff person would cost half as much as utilizing a consultant.

Councilmember Petso did not support the motion as she preferred to allow Councilmember Bloom more time to understand this and to propose an amendment to authorize hiring an engineering FTE next year.

Action on Main Motion #2

UPON ROLL CALL, MOTION CARRIED (4-3), COUNCILMEMBERS JOHNSON, YAMAMOTO AND BUCKSHNIS AND COUNCIL PRESIDENT PETERSON VOTING YES; AND COUNCILMEMBERS PETSO, BLOOM AND FRALEY-MONILLAS VOTING NO.

Mr. Hunstock identified two remaining issues:

- Remove \$40,000 from Municipal Arts Fund for Senior Center art
- Reallocate \$200,000 budget for land acquisition for a community garden

There was no interest expressed by the Council in taking action on the above items.

Mr. Hunstock requested the motion to approve the ordinance include the non-budgetary changes to the budget document. He provided the following amended amounts:

Appropriations	Amount
Revenue Appropriation	\$32,846,292
Expenditure Appropriation	\$32,836,495
Expenditure Appropriation – Street	\$1,557,715
Expenditure Appropriation – 112 Street Construction	\$6,304,984
Revenue Appropriation – Hotel/Motel Tax Fund	\$52,870
Expenditure Appropriation – 126 Special Capital Fund	\$662,105
Expenditure Appropriation – 234 LTGO Bond Fund	\$388,671
Revenue Appropriation – Water Fund	\$10,625,680
Expenditure Appropriation – Water Fund	\$9,195,130
Expenditure Appropriation – Storm Fund	\$4,471,135
Revenue Appropriation – Wastewater Treatment Plant	\$11,020,123

Expenditure Appropriation – Wastewater Treatment Plant	\$16,854,966
Revenue Appropriation – 617 Firemen’s Pension Fund	\$45,400

Main Motion #3

COUNCILMEMBER YAMAMOTO MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO APPROVE ORDINANCE NO. 3904, RELATING TO THE BUDGET FOR FISCAL YEAR COMMENCING JANUARY 1, 2013, INCORPORATING THE ABOVE APPROPRIATIONS AND THE NON-BUDGETARY CHANGES TO THE 2013 BUDGET DOCUMENT.

Action on Main Motion #3

MOTION CARRIED (6-1), COUNCILMEMBER FRALEY-MONILLAS VOTING NO.

6. MAYOR'S COMMENTS

Mayor Earling thanked the staff members who attended the staff breakfast this morning and staff who organized the event. He commented it was great to have the opportunity to gather staff in a relaxed setting and see them enjoying themselves.

7. COUNCIL COMMENTS

Councilmember Petso wanted to ensure citizens understood the somewhat odd financial position the Council is dealing with. Although the City has \$9.3 million in reserves, it is possible to simultaneously have a cash flow issue with regard to funding ongoing operations. She was disappointed with the Council’s decision to close parks, potentially damage playfields, make cuts to the flower program and the beach ranger program, pointing out three corrections made since the 2013 budget was prepared would have funded the restoration of those cuts. Those corrections included the ECA’s improved performance which reduced the original budget by \$30,000, \$51,000 in corrections to the Parks budget and additional bond savings of \$7500. She did not feel it was necessary to risk closing parks and damaging turf.

Councilmember Buckshnis commented staff has proposed seven budget amendments during 2012; in the past there was a mid-year amendment and a year-end amendment. The Finance Committee is considering another amendment tonight. If there is an issue related to watering parks, the Council can approve a budget amendment to restore those cuts. She thanked the Council and Mr. Hunstock for their hard work on the budget.

Council President Peterson thanked Mr. Hunstock and all the directors for the tough decisions that were required to make cuts to the budget. Although this may not be an austere budget, it is a tough budget because the City is facing tough times. He commented discussions next year by the Council and in the community will include consideration of new revenue sources.

Councilmember Yamamoto echoed the thanks to staff and Councilmembers. The Council will now need to live with the 2013 budget.

Councilmember Johnson reminded there are budget challenges in the future with regard to street operations and maintenance. The City needs to find ways to fund those vital projects as those key assets will deteriorate if they are not taken care of.

Mayor Earling thanked all the directors for the hard work they did assembling this budget. He recognized the directors for remaining professional and courteous to one another during some difficult meetings. He recognized it was a miserable process to reduce the budget to this extent. The next 2-3 years do not look much better. The 2014 budget is projected to be upside down another \$500,000 and the same in 2015 and 2016, a total of \$1.5 million in three years.

Mayor Earling asked whether the Council could change the amount of time for the executive session from 45 minutes to 30 and extend if necessary. City Attorney Jeff Taraday answered this would allow the Council meeting to be concluded earlier if the executive session concluded early.

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER PETSO TO AMEND ITEM 8 TO A 30 MINUTE EXECUTIVE SESSION WITH ANNOUNCED EXTENSIONS IF NEEDED. MOTION CARRIED UNANIMOUSLY.

8. CONVENE IN EXECUTIVE SESSION REGARDING POTENTIAL LITIGATION PER RCW 42.30.110(1)(i).

At 8:40 p.m., Mayor Earling announced that following a 2-3 minute recess the City Council would meet in executive session regarding potential litigation per RCW 42.30.110(1)(i). He stated that the executive session was scheduled to last approximately 30 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. He stated action was anticipated to occur as a result of meeting in executive session. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Yamamoto, Johnson, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. Others present were City Attorney Jeff Taraday, Planner Kernen Lien, and City Clerk Sandy Chase. City Engineer Rob English joined the executive session at 9:32 p.m. At 9:17 p.m., Mayor Earling announced to the public present in the Council Chambers that an additional 15 minutes would be required in executive session. At 9:32 p.m., Mayor Earling announced to the public present in the Council Chambers that an additional 15 minutes would be required in executive session. The executive session concluded at 9:46 p.m.

9. RECONVENE IN OPEN SESSION. POTENTIAL ACTION AS A RESULT OF MEETING IN EXECUTIVE SESSION

Mayor Earling reconvened the regular City Council meeting at 9:47 p.m.

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE CONDITIONAL CR2A SETTLEMENT AGREEMENT BETWEEN THE CITY OF EDMONDS, PRECISION EARTHWORKS AND KULCHIN FOUNDATION DRILLING COMPANY. MOTION CARRIED UNANIMOUSLY.

10. ADJOURN TO CITY COUNCIL COMMITTEE MEETINGS

At 9:49 p.m., Mayor Earling adjourned the regular Council meeting to City Council Committee meetings.