

City of SeaTac

Regular Council Meeting Minutes

December 14, 2010
6:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Regular Meeting was called to order by Mayor Terry Anderson at 6:08 p.m.

COUNCIL PRESENT: Mayor Terry Anderson, Deputy Mayor (DM) Gene Fisher, Councilmembers (CMs) Rick Forschler, Anthony (Tony) Anderson, Ralph Shape, Pam Fernald and Mia Gregerson.

STAFF PRESENT: Interim City Manager (ICM) Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Interim Assistant City Manager (IACM) Jeff Robinson, Human Services (HS) Manager Colleen Brandt-Schluter, Facilities Director Pat Patterson, Finance Director Mike McCarty, Public Works (PW) Director Tom Gut, Municipal Court Administrator Mary Pederson, Acting Fire Chief Brian Wiwel, and Police Administrative Captain Annette Louie.

FLAG SALUTE: CM A. Anderson led the Council, audience and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Earl Gipson compared SeaTac's budget to Burien's. He questioned union rules that would allow a 15-year employee to be laid off. He stated that he asked the City Manager for the dollar value of employee raises, excluding Cost of Living Allowance (COLA), and has not yet received an answer.

PRESENTATIONS:

• **Council confirmation of Mayoral reappointment of Joe Van to the Human Services (HS) Advisory Committee and appointment of Robin Loudon to the Regional Fire Authority (RFA) Exploratory Ad Hoc Committee (AHC)**
MOVED BY FISHER, SECONDED BY SHAPE TO APPROVE THE REAPPOINTMENT OF JOE VAN TO THE HUMAN SERVICES ADVISORY COMMITTEE AND APPOINTMENT OF ROBIN LOUDON TO THE REGIONAL FIRE AUTHORITY EXPLORATORY AD HOC COMMITTEE.

MOTION CARRIED UNANIMOUSLY.

Mayor T. Anderson read and presented the certificate to Mr. Van. Mr. Loudon was not in attendance. His certificate will be mailed to him.

• King County (KC) Sexual Assault Resource Center

Executive Director Mary Ellen Stone thanked staff and the HS Advisory Committee. The KC Sexual Assault Resource Center uses the funding received to make sure victims of sexual assault get the help needed. There has never been a greater need for these services then right now. Due to the current economic situation, the system is slowing down, but there is not an increase in sexual assault tied to the economy.

DISCUSSION ITEM:

• Summary of \$5,000 - \$35,000 Purchase Requests for the period ended December 10, 2010

ICM Cutts reviewed the purchase requests:

<u>Item Description</u>	<u>Department</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Estimate</u>
Road Salt for Salt Brine	PW	\$0	\$0	\$25,676
		will absorb with savings in other line items		
Storage Tank for Storing Salt Brine	PW	\$0	\$0	\$6,521
		will absorb with savings in other line items		
Indigent Defense Jail Video Contract	Municipal Court	\$16,000	\$16,000	\$16,000

Council consensus: Referred to the 12/14/10 RCM Consent Agenda

AGENDA BILL PRESENTATIONS:

Agenda Bill #3277 – A Motion authorizing the City Manager to sign an Interlocal Agreement (ILA) with the Kent Regional Fire Authority (RFA) for joint operation and administration of specific fire services

Summary: At the August 10, 2010 Public Safety & Justice (PS&J) Committee meeting, the committee was presented with an update on the option of SeaTac joining the Kent RFA. In addition, they were presented with possible interim consolidation options. These interim options could bridge the gap between now and the date when the City would join the RFA, if it were to occur, as well as address some of the current issues that were brought forth in the June 5 Council Retreat. The committee was presented with several areas that could result in efficiencies and/or improvements in services. At the September 14 and October 12, 2010 PS&J meetings, the committee was updated on the progress that the workgroups had made. In addition to the items presented on August 10, an additional option of

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3277 (Continued): contracting for assistance in emergency management was discussed. Below is a summary of the services discussed at the PS&J meetings, also incorporated into the proposed ILA with the Kent RFA:

- Administrative services: The City currently has an unfilled Fire Chief position. With this agreement, SeaTac would contract for Fire Chief administrative services. Contracting with the Kent RFA will cost much less than hiring a permanent or interim Fire Chief.
- Emergency management: Currently the Acting Fire Chief is also the City's Emergency Manager. There are elements in the National Incident Management System (NIMS) in which the City is required to be compliant. In addition, there are requirements to update City emergency management plans. Beyond the legal mandates, review of the emergency management program and a recent drill has shown that additional work and training is needed to be prepared to respond when a disaster strikes. By contracting with an agency that has a robust Emergency Management Division SeaTac will get the benefit of their expertise and the efficiencies of scale.
- Fire prevention and public education services: SeaTac currently has an unfilled Fire Inspector position. In addition, the City's Public Educator position was eliminated in 2000 and an Assistant Chief (Fire Marshal) position was eliminated in 1992. The current Fire Inspector's workload exceeds his capacity, almost no public education is being provided, and the Acting Fire Chief is tasked with Fire Marshal duties in addition to his regular duties. By contracting with an agency that has all of these positions, SeaTac can obtain the benefits of the three positions for much less, and from staff highly skilled and qualified in these areas.
- Fire investigation: The City currently contracts with the KC Sherriff's Office Fire Investigation Unit. For a lower cost SeaTac can contract with the RFA for fire investigation services, bringing all Fire Prevention/Public Education/Investigation into one location for better coordination of issues that cross divisions; such as juvenile fire-setters.
- Training consolidation: SeaTac's Training Captain would work with a consolidated training consortium to provide training to both departments, a light duty employee would work with the RFA's Planning Section to support both departments. Both departments receive the benefits of the economies of scale and reduction in duplication of services.

The proposed ILA addresses all of these issues. If approved, this would be in effect starting January 1, 2011. Entering into the ILA with the Kent RFA does not obligate the City to join the RFA at a later date.

	<u>2011 Proposed Budget/ILA</u>	<u>Current Funding Method</u>
Fire Chief	\$ 50,000	\$145,720
Fire Inspector	\$100,000 (Includes Fire Marshal and Public Educator)	\$ 98,585
Fire Investigation (KC Sheriff)	\$ 19,911	\$ 39,127
Emergency Management	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Total	\$179,911	\$293,432

For the four areas listed above, the cost savings between the 2011 Proposed Budget/ILA with the Kent RFA, and providing for these services in the same manner as currently budgeted in 2010 with a full-time Fire Chief and Fire Inspector, is \$113,521. In addition, the training services received through the ILA would be paid for through the contribution of existing staff to the training consortium. Therefore, there would be no new cost to the City.

Acting Fire Chief Wiwel reviewed the agenda bill summary.

DM Fisher clarified that the possibility of the City joining the RFA is a separate issue.

CM A. Anderson explained that this issue was moved from the November 29 Council meeting to allow the RFA Exploratory AHC to ask questions. That was accomplished. This is a good way for the City to get needed services.

CM Forschler questioned the RFA Exploratory AHC members' reactions. Mr. Wiwel stated that only one person had a question and the concern was addressed at the meeting.

Kent Fire Department / Fire Chief Jim Schneider stated that the concern was the dollar amount budgeted for the Fire Chief and the number of hours that would be provided.

CM Forschler stated he still had some reservations and was inclined to vote no because of the timing.

CM Fernald stated that she is uncomfortable with some issues, however, public safety education is one of her priorities and this ILA would give the City the benefit of fire education.

CM Gregerson and Mayor T. Anderson stated their support of this agreement.

SUSPENSION OF THE RULES:

MOVED BY GREGERSON, SECONDED BY SHAPE TO SUSPEND THE RULES TO BRING FORWARD COUNCIL ACTION RELATED TO AGENDA BILL #3277.

MOTION CARRIED UNANIMOUSLY.

MOVED BY A. ANDERSON, SECONDED BY SHAPE TO PASS AGENDA BILL #3277.

MOTION CARRIED WITH FORSCHLER VOTING NO.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3267 – A Motion approving the low bid for direct digital controls (DDC) of the HVAC system in City Hall

Summary: Currently there are 91 heat pumps being controlled by individual thermostats. Each thermostat operates independently of the others. They are reprogrammed by hand four times a year, twice for the changes to and from daylight savings time, and twice to change the set points for heating and cooling when the seasons change. At times, adjacent units will operate in conflict with one another (i.e. one will be heating when the other is cooling). The new DDC control system will prevent this from happening and allow all the units to be monitored and programmed from a central computer terminal. This will allow for global adjustments to all units and performance audits of individual units. The DDC system will also be able to control the rooftop make up and return air units as well as the cooling tower. The installation of the DDC system is estimated to save \$10,000 per year in energy costs along with the labor costs in programming the existing individual thermostats. It is also expected that Puget Sound Energy (PSE) will provide an estimated \$10,000 rebate upon completion of the installation.

Bids were solicited via the Municipal Research and Services Center (MRSC) small works roster on October 18. The bids were due and opened on November 2. Three bids were received:

Mac Donald Miller	\$112,900
Mechanical & Control Services	\$93,410
TRS Mechanical	\$71,086

TRS was vetted with the Department of Labor and Industries and found to be in good standing. They also came highly recommended by the Washington State Patrol, for whom they perform a significant amount of work.

The total amount being requested for approval is \$85,624, which includes sales tax and a 10 percent contingency. This expenditure will be paid from the 301 Fund. Since the funding for this project is being requested in the 2011 Capital Improvement Program (CIP) and appropriated in the proposed 2011 Budget, approval of this project is contingent upon adoption of the 2011 Annual Budget.

Facilities Director Patterson reviewed the agenda bill summary.

Upon a question posed by CM Gregerson, Mr. Patterson stated that staff is currently focusing on City Hall to link it with the new cooling tower and heat pump unit. He will be coming back to Council for approval for controls for the community center as well.

DM Fisher stated that the Administration & Finance (A&F) Committee recommended this item for approval.

Council consensus: Referred to the 12/14/10 RCM Consent Agenda

Agenda Bill #3273 – A Motion authorizing the City Manager to enter into contracts with the selected Human Services (HS) Agencies for funding in 2011 and 2012

Summary: Every two years the City of SeaTac solicits grant applications from HS agencies for funding from the City's General Fund (GF). This year the City received 62 applications requesting a total of \$686,213. Based on the results and strategies the committee endorsed as funding criteria presented in the annual report to Council, the HS Advisory Committee recommended the funding package that maintains 2009-2010 funding levels for 24 contracted programs that are meeting their performance goals; increases funding for 2 contracted programs that have demonstrated an increased demand for services and exceeded performance goals; decreases funding for 5 contracted programs who either demonstrate strong funding portfolios or slightly struggled in meeting performance measures, and funds 2 new requests to fill a gap in services.

This recommendation is based on the proposed 2011 budget that shows \$351,376, which is 1½% of the GF budget plus a carry forward of \$46,400, allocated for HS programs. Funding HS agencies at this level leaves \$40,000 in reserve for emerging needs identified in 2011. Funding is contingent upon Council approval of the 2011 GF budget.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3273 (Continued): Contracts with agencies will cover the 2011 and 2012 calendar years with the condition that 2012 funding is contingent upon future Council actions allocating adequate funding in the 2012 City budget.

HS Manager Brandt-Schluter and HS Chair Mel McDonald reviewed the agenda bill summary. Ms. Brandt-Schluter added that 17 cities together developed one application process.

Mr. McDonald presented the listing of HS agencies the HS Advisory Committee recommended to be funded.

Council consensus: Referred to the 12/14/10 RCM Consent Agenda

Agenda Bill #3287 – A Motion authorizing the City Manager to enter into an agreement between the Highline School District (HSD) and City of SeaTac for a School Resource Officer (SRO) (5 minutes)

Summary: This proposed agreement continues the HSD's contribution of \$50,000 to offset a portion of the annual cost for a SRO at the Tyee Educational Complex and Chinook Middle School for the 2010-2011 school year. The HSD provided partial funding at this level for the 2006-2007, 2007-2008, 2008-2009 and 2009-2010 school years.

The agreement documents indemnification, the employment status of the officer, how a replacement would be selected, the work schedule and duties of the SRO and the facilities to be provided by the HSD. It requires payment of the full \$50,000 upon invoice in 2010. It is consistent with and documents our current practices regarding our SRO at Tyee Educational Complex and Chinook Middle School. This agreement does not commit to any additional staffing or enhancement of services at the schools. The term of the agreement is through June 30, 2011, and provides for termination of the contract within 60 days written notice by either party. In the event of early termination, the City would return to the HSD \$5,000 (1/10 of \$50,000) for each full month remaining in the 2010-2011 school year.

The City's 2010 Annual Budget was approved with the City bearing the full cost (approximately \$159,588) of an SRO for the 2010 fiscal year. The 2010 Budget anticipated the \$50,000 in revenue to the GF.

Administrative Captain Louie reviewed the agenda bill summary.

CM A. Anderson stated that the PS&J Committee recommended this item for approval.

Council consensus: Referred to the 12/14/10 RCM Consent Agenda

Agenda Bill #3290 – An Ordinance amending the 2010 Annual City Budget for miscellaneous items

Summary: This budget amendment Ordinance increases various revenue and expenditure line items in the 2010 Budget. The following two items are included in this budget amendment:

1. The 2010 Budget included a \$200,000 transfer of parking tax revenue from the Street Fund #102 to the Transportation CIP Fund #307 for partial funding of the 42nd Avenue South sidewalk improvement project expenditures in 2010. The \$200,000 transfer into Fund #307 was put into the budget, but the \$200,000 transfer out appropriation amount in Fund #102 was inadvertently left out when the 2010 Budget was adopted. The \$200,000 transfer has been made in 2010 as planned, but this budget amendment is necessary to correct the missing \$200,000 expenditure appropriation that should have been shown in Fund #102.
2. Two City Hall building capital expenditure projects were included in the original 2010 Budget adopted by Council on November 24, 2009. These were the replacement of the rooftop cooling tower on City Hall and replacement of various heat pumps throughout City Hall. The appropriated amount of \$375,577 for these two items was budgeted in the Municipal CIP Fund #301, and was funded by a transfer from the Building Management Fund #108.

Budget amendment Ordinances for the appropriation to pay for these two projects were adopted by Council, but a 2010 budget amendment for the transfer from the Building Management Fund #108 to the Municipal CIP Fund #301 to fund these projects was inadvertently not done. Because the actual cost of both the cooling tower and the roofing project were less than budgeted, only \$184,500 more than currently budgeted needs to be transferred from Fund #108 to Fund #301 to fund the remaining total cost of all four of the above mentioned projects.

This Ordinance provides additional expenditure appropriation authority of \$200,000 in the Street Fund #102, additional expenditure appropriation authority of \$184,500 in the Building Management Fund #108, and additional estimated revenue of \$184,500 in the Municipal CIP Fund #301 as detailed above.

Finance Director McCarty reviewed the agenda bill summary.

DM Fisher stated that the A&F Committee recommended this item for approval.

Council consensus: Referred to the 12/14/10 RCM Consent Agenda

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3284; Ordinance #10-1029 repealing SeaTac Ordinance #10-1028 and setting the 2011 property tax levy and rate

Summary: This Ordinance repeals SeaTac Ordinance #10-1028, which tentatively established the 2011 ad valorem property tax levy, and establish the final 2011 property tax levy and rate, based on the assessed valuation (AV) of property in the City, as certified by the KC Assessor's Office.

On November 29, 2010, the SeaTac City Council approved Ordinance #10-1028, tentatively establishing the amount to be levied in 2011 by taxation on the AV of property in the City. This action was necessary because the City was required to submit its 2011 property tax levy to KC by December 3, 2010, and the November 29 Council Meeting was the last meeting prior to this deadline. The approved tentative levy amount of \$13,605,719 was the maximum statutory levy at that time as estimated by the KC Assessor's Office, and any later revisions can only reduce, not increase, the tax levy amount.

Initiative 747, approved by the voters on November 6, 2001, limited annual property tax increases to the lower of 1% or inflation, defined by the implicit price deflator (IPD). On November 8, 2007, the Washington State Supreme Court ruled that Initiative 747 is unconstitutional. In a special legislative session held on November 29, 2007, the 1% property tax increase limitation was reinstated by the Legislature.

The IPD limit factor for 2011 is 1.0154%, resulting in all regular property tax levies being limited to an increase of 1% over the previous year, excluding new construction and state-assessed property valuation increases. The proposed 2011 Budget includes estimated property tax revenue in conformance with the 1% increase limit.

On November 30, 2010, the City received certification of AVs for the tax year 2011 from the KC Assessor's Office. The total valuation of the City of SeaTac for 2011, as certified by the KC Assessor, is \$4,221,569,357. This amount represents a decrease of \$294.7 million, or 6.53%, as compared to the 2010 certified AV total of \$4,516,292,185.

This Ordinance provides for a 2011 tax levy of \$11,826,917, the maximum allowable levy as determined by the KC Assessor's Office. The resulting levy rate of \$2.80 per \$1,000 of AV would increase by twenty two cents from the 2010 levy rate of \$2.58. The 2011 proposed property tax levy is based on the 1% increase limit plus new construction.

Finance Director McCarty reviewed the agenda bill summary.

Mr. McCarty exemplified a typical home in SeaTac. The effect would be an average increase of \$9 per year to the City.

Council discussion ensued regarding the levy rate options: (1) increase the rate to the maximum allowable amount of \$2.80, resulting in a \$177,000 increase over 2010; (2) keep the 2010 levy rate of \$2.58, resulting in approximately \$950,000 less than 2010; or (3) increase the rate to \$2.76, resulting in approximately a 0% increase over 2010

Mr. McCarty stated that staff recommendation is option 1 which the proposed 2011 budget is based on.

SUSPENSION OF THE RULES:

MOVED BY A. ANDERSON, SECONDED BY FISHER TO SUSPEND THE RULES TO BRING FORWARD COUNCIL ACTION RELATED TO AGENDA BILL #3284.

MOTION CARRIED UNANIMOUSLY.

MOVED BY SHAPE, SECONDED BY GREGERSON TO PASS AGENDA BILL #3284 (ORD. #10-1029).*

MOVED BY FORSCHLER, SECONDED BY FISHER TO AMEND THE LEVY RATE FROM \$2.80 TO \$2.58.**

Council discussed the proposed amendment.

**UPON A ROLL CALL VOTE, AMENDED MOTION FAILED WITH A. ANDERSON, SHAPE, T. ANDERSON, AND GREGERSON VOTING NO AND FORSCHLER, FISHER, AND FERNALD VOTING YES.

PUBLIC COMMENTS (related to Agenda Bill #3284): Earl Gipson stated that properties are always assessed to the county's advantage.

Barry Ladenburg stated that for a number of years SeaTac taxed at a rate lower then allowed. \$2.80 allows flexibility.

8:16:55 PM *UPON A ROLL CALL VOTE, ORIGINAL MOTION PASSED WITH A. ANDERSON, SHAPE, T. ANDERSON, AND GREGERSON VOTING YES AND FORSCHLER, FISHER, AND FERNALD VOTING NO.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3279; Ordinance #10-1030 establishing the 2011 Annual City Budget

Summary: The City Council and staff have been working on preparation of the 2011 Annual Budget since July. Five Council budget workshops have been conducted and the 2011 Preliminary Budget document, detailing funding recommendations for the 2011 Annual City Budget, was filed with the SeaTac City Clerk on November 2. A public hearing (PH) was held on December 6 for public input, and adoption of the 2011 Annual City Budget by the Council is anticipated to occur at the December 14, 2010 Regular Council Meeting (RCM).

SeaTac's 2011 Budget was developed in the challenging climate of balancing ever increasing costs with slowing or declining revenue sources. Current national and regional conditions underscore the need to closely watch our local economy and make adjustments as necessary to ensure that SeaTac maintains its economic health and continues to provide a supportive environment for both its residents and its businesses.

Our country continues to struggle through one of the worst economic recessions in history. While it's encouraging to see some slight improvement in the economy, high unemployment, housing foreclosures and an extremely tight lending market are providing little relief to our businesses or residents. All indications are that this recovery will take a long time. The trickle-down effect of this struggling economy on government services is very evident. Nearly every day, we read headlines about continued layoffs in government jobs. There is little doubt that cities are facing tough times.

The City took steps to reduce expenditures in both the 2009 and 2010 fiscal years. Because of the continued depressed economy, the City is projecting a significant budget shortfall again in 2011. This budget includes approximately \$360,000 in GF non-personnel expenditure reductions from 2010 levels. However, due to the budget situation coupled with the uncertain economic outlook in the near future, the City was forced to take a most difficult step and reduce the number of employees within the City.

The personnel reduction decisions were not made lightly. Many factors were considered, including the City's ability to sustain expenditures within available resources, the ability to most effectively provide services to its customers, the ability to meet the policies and goals set by the City Council, and more. These were hard decisions to make since the City values every employee and recognize the contributions they make every day to the public they serve. While it's very painful to lay off quality workers, especially when jobs are so scarce, most positions are preserved in this budget due to the efforts made by departments to reduce expenditures over the past two years.

The proposed personnel-related reductions in the 2011 Preliminary Budget are as follows:

- Eliminate Judicial Support Specialist in the Municipal Court
- Eliminate GIS Analyst salary and transfer employee to vacant Systems Analyst position
- Eliminate Administrative Assistant 1 in the Fire Department
- Eliminate Building Inspector in the PW Building Division
- Eliminate Permit Technician 2 in the PW Building Division
- Eliminate Traffic Officer in the Police Department
- Eliminate vacancy carried in the Police Department
- Eliminate one Recreation Coordinator in the Parks & Recreation (P&R) Department
- Transfer a Recreation Coordinator to evenings to eliminate some Recreation Attendant hours
- Reduce Recreation Attendant hours by closing the SeaTac Community Center (STCC) one hour earlier Monday through Thursday
- Eliminate two Recreation Leader 2 positions in the P&R Teen Program
- Eliminate one Recreation Leader 1 position from the P&R Camps Program
- Reduce Lifeguard hours at Angle Lake Park in the summer
- Eliminate Operations Worker 1 in the P&R Department
- Eliminate part-time Custodian in Facilities Department and take contract amount for City Hall janitorial services and transfer employee to provide custodial services at City Hall

In addition to these personnel-related reductions, this budget proposes to not fill the vacant Fire Chief and Fire Inspector positions in the Fire Department, and instead contract with the Kent RFA to provide these services, resulting in a savings of approximately \$94,300. This budget also proposes entering into a contract with the Kent RFA for fire investigation services and eliminating the contract with KC for this work, for an additional savings of about \$19,200.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3279; Ordinance #10-1030 (Continued): Finally, the proposed 2011 Budget does not include a cost of living adjustment (COLA) for non-represented employees of the City who have traditionally received the same COLA as union-represented staff by the American Federation of State, County and Municipal Employees (AFSCME). This will provide a savings of approximately \$76,500 to the 2011 GF. The City Manager's recommendation is to provide 5 days of furlough leave to non-represented employees in lieu of the 2% COLA in 2011.

Despite the significant cuts in staffing and other operating costs, the proposed 2011 Budget strives to minimize impacts to current service levels as well as provide the resources and expenditures for the first year of the 2011-2016 CIP. Projects funded in the CIP are based on evaluation criteria that include maximizing direct benefits to residents and positioning the City for redevelopment opportunities. 2011 capital expenditures include building improvements, transportation and pedestrian improvements, property acquisitions, and various equipment and vehicle replacements.

SeaTac's 2011 Budget provides operating and capital budgets that are in keeping with the City's goal of delivering the highest level of city services possible while making necessary strategic investments for the future. The City's management team continues to be committed to improving customer service, the efficiency of operations, and the quality of services provided. The 2011 Budget reflects these philosophies along with the strategic direction from the City Council, and creates a sound expenditure plan for the year.

The proposed GF budget for 2011 provides revenues of \$28,765,193 and expenditures totaling \$28,779,894, resulting in a projected GF ending fund balance at December 31, 2011, in the amount of \$7,573,650. The City Council's GF target fund balance of three months of operating expenditures is preserved with this budget.

The proposed budget for all funds in 2011 provides for total City revenues of \$49,341,927 and expenditures totaling \$52,060,395, resulting in projected fund balances for all funds at December 31, 2011, in the amount of \$46,278,157.

Finance Director McCarty reviewed the agenda bill summary.

DM Fisher stated that a revenue based budget is the only way he will support the budget.

SUSPENSION OF THE RULES:

MOVED BY GREGERSON, SECOND BY FERNALD TO SUSPEND THE RULES TO BRING FORWARD COUNCIL ACTION RELATED TO AGENDA BILL #3279.

MOTION CARRIED UNANIMOUSLY.

MOVED BY SHAPE, SECONDED BY GREGERSON TO PASS AGENDA BILL #3279 (ORD. #10-1030).*

PUBLIC COMMENT (related to Agenda Bill #3279): Earl Gipson stated that the City is taking \$920,000 of construction sales tax and putting it into the City's operating funds, which isn't sustainable. He spoke against the current budget.

Sandy Cook questioned the following: (1) is money from the Port of Seattle (POS) to the GF allocated money; and (2) is this money that needs to be repaid? Mr. McCarty stated that the money does not need to be paid back and there are no stipulations for the funds.

Mr. McCarty clarified that a majority of cities put all sales tax into GF.

Mr. Cutts clarified that throughout this budget process staff heard that sustainable funding sources need to be found or expenditures need to be cut in a sustainable way. Staff did this. The 2011 budget does not include using any reserves.

MOVED BY SHAPE, SECONDED BY T. ANDERSON TO ALLOCATE \$5,000 FROM THE HOTEL/MOTEL BUDGET TO SUPPORT THE NORTHWEST SYMPHONY ORCHESTRA.**

Council discussion ensued regarding the proposed amendment. IACM Robinson stated that the H/M Tax Advisory Committee did not recommend the \$5,000 expenditure. CM Shape stated the Hotel/Motel (H/M) Tax Advisory Committee has supported the symphony for many years.

**UPON A ROLL CALL VOTE, AMENDED MOTION PASSED WITH A. ANDERSON, SHAPE, T. ANDERSON, FISHER, AND GREGERSON VOTING YES, AND FORSCHLER AND FERNALD VOTING NO.

*UPON A ROLL CALL VOTE, ORIGINAL MOTION AS AMENDED PASSED WITH T. ANDERSON, SHAPE, A. ANDERSON, AND GREGERSON VOTING YES, AND FORSCHLER, FISHER, AND FERNALD VOTING NO.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #3288 – A Resolution adopting the City of SeaTac 2011 – 2016 Capital Improvement Program (CIP)

Summary: The City of SeaTac 2011–2016 CIP is the second comprehensive capital projects and equipment plan that has been developed by the City. The first comprehensive CIP was developed for the period 2010–2015 but was not formally adopted by the City Council. Although the entire 2010–2015 CIP was reviewed by the City Council during 2010 budget workshops held in the fall of 2009, only the 2010 projects were formally adopted as part of the 2010 Annual Budget. The 2011-2016 CIP was reviewed by the City Council at 2011 budget workshops held on September 24 and December 6, 2010.

The CIP provides a six year view of the City’s proposed capital projects and equipment expenditures and is balanced against future revenue sources. The plan includes all land acquisitions, planning, design, engineering and construction of transportation infrastructure (over \$100,000), buildings, parks, economic development projects (all over \$25,000), and equipment purchases over \$5,000. In addition to these capital expenditures, the CIP includes estimates on operating expenditure impacts (i.e. salaries, benefits, supplies, utilities, etc.) and estimates for increases or decreases impacted by the project.

Adopting the 2011-2016 CIP is important because it is a useful tool that can be used by the City Council and staff in guiding long-range development. This comprehensive look at the City’s CIP assists in setting financial and capital priorities, and promotes governmental efficiency by planning, coordinating and scheduling long-range projects. It also assists in meeting the requirements of the Capital Facilities Plan element of the City’s Comprehensive Plan (CP) by identifying both capital projects and funding sources.

It’s important to remember that the 2011-2016 CIP is a six year “plan” only, and is subject to change. Only the first year of the CIP is adopted by the City Council in its annual budget Ordinance. As additional information becomes available during the year, the budget may be amended via Ordinance by the City Council. Also, staff will submit annual updates of the CIP to the City Council for review and adoption.

The proposed 2011-2016 CIP provides a listing of capital projects and equipment expenditures that total \$69,228,723 over the six year period.

Finance Director McCarty reviewed the agenda bill summary. Mr. McCarty explained that the Council will have more opportunity to weigh in on the CIP projects.

Upon a question posed by Mayor T. Anderson, Mr. McCarty stated that the document can be changed at anytime by majority vote of the Council.

Council consensus: Referred to the 12/14/10 RCM Consent Agenda

CONSENT AGENDA:

- **Approval of claims vouchers** (check nos. 91993 – 92180) in the amount of \$1,801,010.26 for the period ended December 3, 2010.
- **Approval of payroll vouchers** (check nos. 49311 – 49351) in the amount of \$370,302.54 for the period ended November 30, 2010.
- **Approval of payroll electronic fund transfers** (check nos. 66417 - 66592) in the amount of \$325,818.92 for the period ended November 30, 2010.
- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$61,221.00 for the period ended November 30, 2010.
- **Summary of \$5,000 - \$35,000 Purchase Requests** for the period ended December 10, 2010.

Approval of Council Meeting Minutes:

- **Special Administration and Finance Committee Meeting** held November 9, 2010.
- **Special Land Use and Parks Committee Meeting** held November 16, 2010.
- **Special Council Meeting** held November 29, 2010.

Agenda Items reviewed under Agenda Bill Presentations recommended for placement on this Consent Agenda:

Agenda Bill #3267; Motion approving the low bid for direct digital controls of the HVAC system in City Hall

Agenda Bill #3273; Motion authorizing the City Manager to enter into contracts with the selected Human Services Agencies for funding in 2011 and 2012

CONSENT AGENDA (Continued):

Agenda Bill #3287; Motion authorizing the City Manager to enter into an agreement between the Highline School District and City of SeaTac for a School Resource Officer

Agenda Bill #3290; Ordinance #10-1031 amending the 2010 Annual City Budget for miscellaneous items

Agenda Bill #3288; Resolution #10-019 adopting the City of SeaTac 2011 – 2016 Capital Improvement Program

MOVED BY A. ANDERSON, SECONDED BY GREGERSON TO ACCEPT THE CONSENT AGENDA AS PRESENTED.*

PUBLIC COMMENTS (related to the Consent Agenda): Earl Gipson wished the Council a safe holiday season.

*MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to the Unfinished Business): There were no public comments.

UNFINISHED BUSINESS: There was no Unfinished Business.

NEW BUSINESS: There was no New Business.

CITY MANAGER'S COMMENTS: ICM Cutts commented on the following: (1) reminded Council to provided names of suggested members for the South 200th Street Station AHC; (2) December 15 – 5:30 p.m., Zoning Code Update AHC; (3) December 17 – 11a.m., senior holiday luncheon; (4) December 24 – City hall closed; (5) December 28 – no RCM; (6) December 31 – City hall closed; and (7) January 11, 2011 – 6:00 p.m., next RCM.

Mr. Cutts also responded to Mr. Gipson's statement made about not receiving information related to a request regarding the budget. Mr. Cutts stated that he did respond by email on November 15.

COUNCIL COMMENTS: CM Gregerson commented on the following: (1) Community Center for Education Results (CCER) – they will be asking the Mayor for an endorsement; (2) defined Transportation 2040 as a prioritization process that would apply to projects and programs within the plan or those seeking admittance to the plan; and (3) asked the Mayor to appoint her to the Public Issues Committee (PIC) committee for 2011. If appointed, she will be the co-Chair. Mayor T. Anderson concurred.

CM Fernald stated that this is the end of her first year on the Council. She wished Happy Holidays to everyone.

DM Fisher thanked staff for their efforts on the budget. He stated that his issue is not with staff but with the process.

CM Shape reviewed his attendance at the National League of Cities (NLC) Conference in Denver held November 30 – December 4.

CM A. Anderson commented on the following: (1) apologized for comments made about CMs making political remarks; (2) commended Mr. McCarty for his hard work; (3) attended a PIC meeting of which CM Gregerson is the Vice Chair; (4) attended NLC Conference; and (5) the Association of Washington Cities (AWC) has agreed to appoint him to the Transportation and Infrastructure Policy Committee. He stated that through this committee it is his goal to get the NLC Policy Committee to support for Congress to fund completion of SR 509.


CM Forschler stated that this is the end of his first year on the Council. He thanked staff for their assistance and wished everyone happy holidays.

Mayor T. Anderson stated that she attended the December 13 Food Drive at the Bow Lake Elementary School.

ADJOURNED:

MOVED BY FISHER TO ADJOURN THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 9:43 P.M.

MOTION CARRIED UNANIMOUSLY.


Terry Anderson, Mayor


Kristina Gregg, City Clerk