

# City of SeaTac

## Regular Council Meeting Minutes

November 22, 2011  
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 6:00 p.m.

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

**STAFF PRESENT:** City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Interim Finance Director Joyce Papke, Planning Manager Barbara Nelson, Senior Planner Mike Scarey, Economic Development (ED) Manager Jeff Robinson, Assistant Parks & Recreation (P&R) Director Lawrence Ellis, Human Services (HS) Program Manager Colleen Brandt-Schluter, and Police Chief Jim Graddon.

**FLAG SALUTE:** City Manager Cutts led the Council, audience and staff in the Pledge of Allegiance.

**PUBLIC COMMENTS:** Business Owner Mike Condon stated he is concerned with the City's plan for Scott Plaza where his business is located.

Vicki Lockwood spoke against the budget and the 1% property tax levy increase.

Earl Gipson, representing a group, commented on the amount of money spent during the November 8 General Election.

### **PRESENTATIONS:**

#### **•Growing Transit Communities (GTC) Grant**

Puget Sound Regional Council (PSRC) Executive Director Bob Drewel introduced Senior Planner Michael Hubner.

Mr. Drewel stated that PSRC works with King, Kitsap, Pierce, and Snohomish Counties. They are tasked with land use, transportation and ED and are led by local elected officials. He thanked CM Gregerson, an alternate on the Executive Board, for her service.

He stated that the Transportation 2040 Plan was adopted two years ago and is getting a great deal of nationwide attention because PSRC is one of the first regional organizations attempting to address climate change within existing funds to ensure sustainability. PSRC estimated a growth of about 1.4 million people by the year 2040.

SeaTac, on a per capita basis, has received more funding than most cities through PSRC; a little over \$100 million since 1992. The most recent projects were Military Road South, which started in 1999, and in 2005 a restart to complete Military Road South. PSRC has also helped fund Airport Link and its extension to South 200<sup>th</sup> Street.

PSRC is also responsible for developing a regional economic strategy for the Prosperity Partnership which is the PSRC economic partnership. SeaTac staff have been participants in that effort.

The GTC Grant was an award from the United States Department of Housing and Urban Development and the Department of Transportation (DOT). The project is about developing a regional vision for a sustainable future.

Mr. Drewel spoke regarding the PSRC organizational structure.

The work of GTC will take place over approximately 2.5 years, which began about a half year ago. There are four major components: (1) Corridor Action Strategies (North, East, South – including SeaTac), (2) Regional Equity Network, (3) Affordable Housing Strategy, and (4) Innovative Demonstration Projects.

Mr. Drewel detailed the GTC Task Force Composition, South Corridor Segments – SeaTac is in the SeaTac to Kent/DesMoines segment, and the Task Force Timeline with implementation beginning in 2013.

#### **•Community Schools Collaboration**

Associate Program Director Ron Asher introduced Community Outreach Liaison Casie Fahiye. Mr. Asher reviewed the mission; provide children and youth with opportunities to succeed in school, to develop high aspirations, and to create a better world.

He explained how they achieve their mission and vision and detailed some of the support they provide (extended learning services, health services, and family engagement).

**PRESENTATIONS (Continued):**

**Community Schools Collaboration (Continued):** The money provided to them from the City of SeaTac is used to fund two part time community liaison positions (Somali community and Latino community). They were tasked to reach 140 unduplicated City clients. As of the end of October, 126 contacts had occurred.

● **Human Services Advisory Committee (HSAC) Annual Update**

Chair Phyllis Byers introduced committee members. She commented on how the current economy effects people and increases the need for health and HS.

She reviewed the committee's role, strategic plan, and 2011-2012 funding recommendations.

For the 2011-2012 funding cycle, the City allocated \$351,376 to HS agencies. Contracted providers are grouped by the following services - information and referral, support for self sufficiency, positive and healthy family relationships, and safety net / urgent basic needs.

Council commented that the HSAC has allocated money well to the various agencies.

HS Program Manager Brandt-Schluter stated that the committee spends "off time" learning more and understanding needs and funding gaps.

● **Senior Citizen Advisory Committee Annual Update**

Chair Fred Geraldson reviewed Senior Citizen Advisory Committee programs – lunch program, Meals on Wheels, trip program, and classes and activities. He stated that volunteers are invaluable in order to provide all of the activities.

The largest event is the Holiday Bazaar which is overseen by the Senior Citizen Advisory Committee. Proceeds from the event are \$4,000+. These funds support the senior program.

Goals for 2012 include supporting the senior program, advocating for senior issues and concerns, and ongoing fundraising efforts.

● **Council confirmation of Mayoral Appointment of Councilmember Rick Forschler to the Zoning Code Update Ad Hoc Committee**

DM Fisher requested CM Forschler be on this committee because he is a property rights advocate.

MOVED BY T. ANDERSON, SECONDED BY FERNALD TO CONFIRM THE APPOINTMENT OF COUNCILMEMBER RICK FORSCHLER TO THE ZONING CODE UPDATE AD HOC COMMITTEE.

MOTION CARRIED UNANIMOUSLY.

**PUBLIC HEARING (PH):**

● **Establishing the 2012 Annual City Budget – Finance**

Mayor T. Anderson opened the PH at 7:26 p.m.

Interim Finance Director Papke reviewed the summary for Agenda Bill #3374 below.

CM Forschler and DM Fisher agreed that because expenses exceed revenues they would not be voting to approve the budget.

CM Shape stated his opinion that the budget is balanced.

CM Fernald stated that the City should not use reserves to balance the budget.

CM A. Anderson questioned why the budget workshops weren't used by Council as an opportunity to propose changes instead waiting until tonight.

Mr. Cutts stated that at the June retreat he asked Council questions in anticipation of building the budget. Based on the direction provided at that retreat, with a mostly five to one concurrence (DM Fisher was not in attendance), staff took Council direction and built the budget as it is presented tonight.

Resident Earl Gipson spoke against the proposed budget and use of Port Construction Sales Tax to bridge the gap between expenditures and revenues.

Resident Clyde Hill stated that any disputes should have been addressed during the budget workshops.

Mayor T. Anderson closed the PH at 7:52 p.m.

**NEW BUSINESS:**

**Agenda Bill #3374; Ordinance #11-1018 establishing the 2012 Annual City Budget**

**Summary:** Council and staff have been working on preparation of the 2012 Annual Budget since June, 2011. The City Manager's Preliminary Budget was provided to Council on October 3, 2011, and four public Council Budget Workshops have been conducted since then. The 2012 Preliminary Budget document, detailing funding recommendations for the 2012 Annual City Budget, and updated to include all adjustments made by City Council during the Budget Workshops, was made available to SeaTac citizens and the public at large on November 14.

This document presents the overall plan for allocating City resources to the variety of programs necessary to protect the community's physical security, enhance the quality of life and to maintain and develop the City's facilities and infrastructure. Through the use of anticipated 2012 revenue, together with fund balance, the 2012 Preliminary Budget has been balanced and provides for the continuation of the current levels and mix of municipal services, achieves the Council's stated goal of maintaining three months of operating reserves in fund balance, without creating any new taxes or increasing current tax rates.

The 2012 Budget was developed in the challenging climate of balancing ever increasing costs with slowing or declining revenue sources. An effort was made to maintain the level of City services that support a healthy, secure, safe and livable community, while at the same time protecting the fiscal integrity of the City. Going forward, we are committed to consistently monitoring the City's financial condition, in order to make adjustments as necessary. This will ensure that SeaTac maintains its economic health and continues to provide a supportive environment for both its residents and its businesses.

The City took steps to reduce expenditures in 2009, 2010 and 2011. No further reductions in the workforce for 2012 are planned. However, in order to gain certain efficiencies, other types of reductions have been made where financial savings can be attained, without seriously jeopardizing service levels.

The General Fund (GF), which supports the majority of municipal operating services, anticipates 2012 revenues of \$29,815,491 and expenditures of \$30,295,576. The 2012 Preliminary Budget proposes the gap of \$480,085 be filled by use of fund balance reserves. While it is desirable to plan expenditures that do not exceed anticipated revenues, it has become commonplace in recent years for Washington cities to supplement dwindling GF revenues with fund balance, in order to maintain services at levels which the citizens desire, deserve and expect.

In addition to minimizing impacts to current service levels, the 2012 Preliminary Budget strives to provide the resources and expenditures for the first year of the 2012-2017 Capital Improvement Program (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. 2012 capital expenditures include building improvements, transportation and pedestrian improvements, property acquisitions, and various equipment and vehicle replacements.

SeaTac is positioned to respond to various financial and service challenges in the immediate future. However, the City will face more difficult situations ahead, as inflationary increases in expense levels continue to outpace the revenue generated from the maximum allowable 1% property tax levy increases. The City Council elected not to include the 1% allowable property tax increase in the 2012 Preliminary Budget.

In conclusion, the 2012 Preliminary Budget continues the City's efforts to provide high quality public safety, public works, community and economic development, parks and court services to the residents of SeaTac. The City of SeaTac is fortunate to have dedicated elected officials and appointed staff members, who strive to provide quality services with less revenue and at less cost than other similar size cities. This is a team that demonstrates a passion for continuing to improve SeaTac as a place to live, work, play and do business.

The 2012 Budget reflects this philosophy and, along with the strategic direction from the City Council, creates a sound expenditure plan for the year. The 2012 Preliminary Budget provides operating and capital budgets that are in keeping with the City's goal of delivering the highest level of services possible, while making necessary strategic investments for the future.

The proposed GF budget for 2012 provides revenues of \$29,815,491 and expenditures totaling \$30,295,576, resulting in a projected GF ending fund balance at December 31, 2012, in the amount of \$7,622,994. The City Council's GF target fund balance of three months of operating expenditures is preserved with this budget.

**NEW BUSINESS (Continued):**

**Agenda Bill #3374; Ordinance #11-1018 (Continued):** The proposed budget for all funds in 2012 provides for total City revenues of \$49,534,561 and expenditures totaling \$54,876,604, resulting in projected fund balances for all funds at December 31, 2012, in the amount of \$45,296,376.

MOVED BY SHAPE, SECONDED BY GREGERSON TO ADOPT ORDINANCE #11-1018.\*

Council discussion ensued regarding the budget.

\*MOTION CARRIED WITH FORSCHLER AND FISHER VOTING NO.

**AGENDA BILL PRESENTATIONS:**

Interim Finance Director Papke reviewed the summaries for Agenda Bill #3382 and #3383 jointly.

**Agenda Bill #3382; Ordinance #11-1019 establishing the 2012 Ad Valorem Property Tax Levy**

**Summary:** As of November 16, 2011, the King County (KC) Assessor's Office has not yet certified assessed valuations, nor are they able to provide an exact date that this information is to be released. They have indicated it will be available by the end of the month. The City's tax levy must be filed with the KC Assessor and KC Council by December 2, and November 22 is the last Regular Council Meeting (RCM) prior to that date.

Staff is prepared to submit an estimated amount, which represents the Assessor's calculation of the maximum statutory levy for 2012. Staff recommends that this property tax levy Ordinance be adopted, which levies that amount (\$12,797,316) for 2012, due to the fact that later revisions will only reduce, not increase, the amount.

Once certified assessed valuations and new construction values have been received, the City staff will notify the KC Assessor's Office of a levy revision downward, based on the specific instructions received from the City Council. Council will then be presented with a revised tax levy Ordinance for action at the December 13 RCM, in order to match the final Tax Levy Ordinance with the revision instructions, which will have been forwarded to KC by staff on or before December 2. Adopting a levy high enough to accommodate the unknown numbers at this time, and then allowing staff to administratively reduce it to match the appropriate level (according to specific City Council instructions), will allow Council to make the decisions tonight, and still incorporate the correct values in the final 2012 tax levy.

It is recommended that the City Council adopt this Ordinance establishing the 2012 ad valorem property tax levy, and then instruct staff to administratively reduce the 2012 tax levy to the appropriate level, once final numbers are released by KC. In order to provide clear and complete instruction to staff regarding the eventual reduction of the 2012 tax levy, Agenda Bill #3383 must also be discussed and acted upon at this time.

This Ordinance provides for a 2012 tax levy of \$12,797,316. The resulting levy rate cannot be determined until assessed valuations are certified. In 2011, the tax levy rate is \$2.80 per thousand dollars of assessed value of all property situated within the boundaries of the City.

**Agenda Bill #3383; Motion instructing administration to include, or not to include, the allowable 1% increase in the 2012 Ad Valorem Property Tax Levy administrative adjustment, to take place once final New Construction and Assessed Value numbers have been received from King County (KC)**

**Summary:** Washington cities are required to submit their tax levy to their respective county by November 30 each year. However, numbers from KC identifying the City's total assessed valuation are needed in order to calculate the annual tax levy, and those numbers will not be available from KC until November 30, or thereabouts.

Many cities in KC pass a resolution or ordinance at their last Council Meeting in November, certifying their tax levy, based on a higher calculation, in order to allow for adjustments that may be forthcoming after the fact. The reason for this is that it is very easy to later adjust the levy down, once final numbers have been received, but it is difficult to adjust it upwards. The City of SeaTac has done this in the past as well.

Many cities don't do anything further, as the County will automatically reduce any given city's levy to what is allowable for the upcoming year, once the County figures are released at the end of November. SeaTac usually takes an extra step and passes a second Ordinance in December, repealing the first Ordinance and certifying the number the County would automatically reduce to.

When the County automatically reduces a city's property tax levy to the maximum allowed for that upcoming year, it includes the 1% allowable increase. If the Council confirms the instruction provided to staff to not include it, then it becomes that much more important for the City to make sure the levy request gets reduced to the intended level, rather than just allowing the County to automatically reduce it to what is allowed in our case.

**AGENDA BILL PRESENTATIONS:**

**Agenda Bill #3383 (Continued):** Council has been asked to pass the property tax levy for 2012 at a higher rate, just as in past years. Once the Council passes that Ordinance, Council will need to provide instruction whether to include, or not include the 1%. Staff will then be able to administratively request the levy be reduced, based on Council's specific instructions, once SeaTac's final numbers are available from KC. Then at the December 13 RCM, Council will be provided an Ordinance repealing the original 2012 Ad Valorem Property Tax Levy and passing a replacement levy, syncing up with the instructions Council provides to staff tonight and which staff will have subsequently passed onto KC.

The allowable 1% increase for 2012 property tax in SeaTac would be \$118,122.

**SUSPENSION OF THE RULES:**

MOVED BY FORSCHLER, SECONDED BY SHAPE TO SUSPEND THE RULES TO ALLOW FOR PUBLIC COMMENTS AND COUNCIL ACTIONS ON AGENDA BILL #3382 AND #3383.

MOTION CARRIED UNANIMOUSLY.

MOVED BY FORSCHLER, SECONDED BY FERNALD TO PASS AGENDA BILL #3383 WITH ALTERNATIVE TWO WHICH IS "NOT TO INCLUDE THE ALLOWABLE 1%".\*

Discussion ensued regarding the 1% Property Tax for Agenda Bill #3383.

**PUBLIC COMMENT:** The following residents spoke for "not including the allowable 1%": Vicki Lockwood; Sandra Cook-Bensley; and Earl Gipson.

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

MOVED BY FORSCHLER, SECONDED BY A. ANDERSON TO ADOPT ORDINANCE #11-1019.\*

\*MOTION CARRIED UNANIMOUSLY.

**AGENDA BILL PRESENTATIONS:**

**Agenda Bill #3367 – An Ordinance adopting the 2011 Final Docket of Comprehensive Plan (CP) Amendments**

**Summary:** State law allows cities to amend local CPs one time annually. By Resolution #97-001, Council authorized procedures for amending the CP, which provide for consideration of proposed amendments for the 2011 calendar year. The recommended amendments were evaluated according to the preliminary and final docket criteria. The City Council established the Final Docket on July 12, 2011.

The City's procedures for amending the CP include completion of environmental review (State Environmental Policy Act [SEPA]), review by the City Attorney, and consideration of public testimony from a PH held by the Planning Commission (PC). The PH was held on October 18, 2011. Under SEPA review (SEP11-00008), a Determination of Nonsignificance (DNS) was issued August 22, 2011. The SEPA Appeal Period expired September 16, 2011 with no appeals being filed.

Map Amendment A-3 amends the designation of two small properties that are owned by the Port of Seattle (POS), and are located at the site of the future South 200<sup>th</sup> Street Light Rail Transit station. Sound Transit and the Port are in the process of negotiating lease or transfer of those properties. Both Sound Transit and the Port are supportive of the CP amendment. An action to rezone those same two properties will be brought before the Council, currently scheduled for the December 13, 2011 RCM.

The PC made its recommendation on the proposed amendments at the November 1, 2011 PC meeting. The PC and staff concur on all recommendations except one, Map Amendment A-1 (relating to the Park-n-Jet site): PC – Adopt, Staff - No Recommendation.

The recommendations on which the PC and staff concur are as follows:

- Adopt:
  - Map Amendment A-2 (relating to two properties on 28<sup>th</sup> Ave. S recently acquired by the Port);
  - Map Amendment A-3 (relating to the future site of the S. 200<sup>th</sup> St. LINK Light Rail Station);
  - Map Amendment B-1 (relating to Wellhead Protection Areas);
  - Map Amendment B-2 (relating to the Existing Land Use informational map);
  - Text Amendment T-1 (relating to housing policies);
  - Text Amendment T-3 (relating to terminology consistent with Vision 2040);

**AGENDA BILL PRESENTATIONS (Continued):**

**Agenda Bill #3367 (Continued):**

- Text Amendment T-4 (relating to the 6-year Capital Facilities Plan); and
- Text Amendment T-5 (relating to the narrative section describing the Map Amendment B-2 information.
- Withdraw – No new information or otherwise not necessary:
  - Text Amendment T-5 (relating to the narrative section describing the Map Amendment B-2 information.
  - Text Amendment T-2

Senior Planner Scarey reviewed the agenda bill summary.

**Council consensus:** Referred to the 11/22/11 RCM Unfinished Business

**CONSENT AGENDA:**

- **Approval of claims vouchers** (check nos. 96239 – 96485) in the amount of \$1,923,704.85 for the period ended November 18, 2011.
- **Approval of payroll vouchers** (check nos. 50223 – 50253) in the amount of \$175,511.43 for the period ended November 15, 2011.
- **Approval of payroll electronic fund transfers** (check nos. 70464 - 70641) in the amount of \$348,839.27 for the period ended November 15, 2011.
- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$68,195.36 for the period ended November 15, 2011.

**Approval of Council Meeting Minutes:**

- **Special Administration & Finance Committee Meeting** held November 15, 2011.

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

**PUBLIC COMMENTS (related to the Consent Agenda):** There were no public comments.

\*MOTION CARRIED UNANIMOUSLY.

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

**UNFINISHED BUSINESS:**

**Agenda Bill #3367; Ordinance #11-1020 adopting the 2011 Final Docket of Comprehensive Plan (CP) Amendments**

Council discussion ensued regarding T-1, and A-1.

MOVED BY GREGERSON, SECONDED BY A. ANDERSON TO ADOPT ORDINANCE #11-1020.\*

MOTION CARRIED WITH SHAPE AND T. ANDERSON VOTING NO.

**CITY MANAGER'S COMMENTS:** City Manager Cutts commented on the following: (1) November 24 and 25 - City Hall closed for the Thanksgiving Holiday; (2) December 1 – 6:30 – 8 p.m., tree lighting ceremony at City Hall; and (3) November 23 – December 5 he will be out of the office and City Attorney Mirante Bartolo will be Acting City Manager.

**COUNCIL COMMENTS:** CM A. Anderson wished everyone a happy Thanksgiving.

CM Shape stated that November 19 there was a meeting held in the Council Chambers with State Representatives Tina Orwall and Bob Hasegawa. Representative Orwall shared a video explaining the bill she managed to get passed and signed by the Governor regarding foreclosures and assistance for people in that process. He has requested a copy of the video to play on SeaTV.

CM Fernald stated she attended the following: (1) Thanksgiving luncheon at the Community Center; (2) Red Cross workshop on the Somali culture; and (3) Communities Putting Prevention to Work (CPPW) meeting breakout session on Farmers Markets. She wished everyone a happy Thanksgiving.


DM Fisher stated his appreciation of resident Earl Gipson. He spoke about the recent election and thanked everyone that supported him.

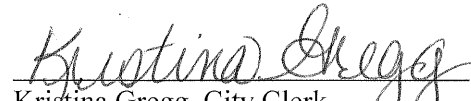
Mayor T. Anderson wished everyone a happy Thanksgiving.

**ADJOURNED:**

MOVED BY FORSCHLER, SECONDED BY A. ANDERSON TO ADJOURN THE SPECIAL MEETING OF THE SEATAC CITY COUNCIL AT 9:16 PM.

MOTION CARRIED UNANIMOUSLY.

  
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Terry Anderson, Mayor

  
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Kristina Gregg, City Clerk