

SEATAC CITY COUNCIL SPECIAL MEETING MINUTES

November 30, 2006
6:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Special Meeting was called to order by Mayor Gene Fisher at 6:35 p.m.

COUNCIL PRESENT: Mayor Gene Fisher, Deputy Mayor Ralph Shape, Councilmembers Anthony (Tony) Anderson, Chris Wythe, Terry Anderson, Joe Brennan, and Don DeHan.

ADMINISTRATIVE STAFF: City Manager Craig Ward, Assistant City Manager Tina Rogers, City Attorney Mary Mirante Bartolo, City Clerk Judith Cary, Finance Director Mike McCarty, Recreation Services Coordinator Marlon Olson, Assistant Parks & Recreation Director Lawrence Ellis, Human Resources Director Steve Mahaffey, Public Works Director Dale Schroeder, Assistant City Attorney Julia Yoon, Senior Assistant City Attorney Mark Johnsen, Assistant Fire Chief Brian Wiwel, and Administration Captain Annette Louie.

FLAG SALUTE: Councilmember (CM) T. Anderson led the Council, audience and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Cathy Boysen Heiberg, General Manager of Boysen & Boysen LLC, 810 58th Avenue Northeast, Tacoma, spoke on behalf of Larry E. Heiberg, Chris F. Boysen, and Ine Boysen, all of whom were in attendance, regarding the Station Area Action Plan. She stated since 1941, the Boysen family has lived on, farmed and responsibly developed 40 contiguous acres of land on Highway 99 (International Boulevard [IB]) across from Sea-Tac International Airport. In 1959, the Hilton Hotel was their first commercial development. Other tenants include Wally Park Commercial Park and Fly, three Kilroy Office buildings (KOB), Radisson Hotel and Red Lion Hotel. All these businesses are committed to long-term ground leases. The family's goal is to maintain ownership. They request direct and open communications with the City and the Port of Seattle (POS) when developing altering plans regarding their property and tenants. The Boysens and current tenants are opposed to: 1) the 64-foot wide street grid system that dissects their property, 2) Wally Park being eliminated from the plans and replaced by office space combined with the KOB, 3) the residential component on the high rise commercial KOB site, and 4) public access through their private property to private Bow Lake.

Babs Armstrong, 15051 29th Avenue South, stated her opposition to the townhouses proposed to be developed across the street from her neighborhood. She feels they would be greatly affected by the increase in people and traffic. She stated this is a conflict of interest because the Mayor owns property in the subject area. If the townhouses are to be built, there should be a wall separating the complex on South 152nd Street from the neighborhood.

Concerning the above public comments, City Manager Ward stated the Boysen property would be discussed at this meeting during the 2006 Comprehensive Plan (CP) amendments and the draft Station Area Plans presentations, which is in the area related to public comments.

PRESENTATIONS:

- **Certificate of Appreciation to Karen Kuever for her service on the Human Services Advisory Committee**
Mayor Gene Fisher stated Ms. Kuever was unable to attend this meeting. Her certificate will be sent to her. He added that her service to this committee and the City is greatly appreciated.

MAYORAL APPOINTMENT:

- **Council Confirmation of Appointment of Darleene Thompson as a voting member to the Human Services Advisory Committee**

MOVED BY BRENNAN, SECONDED BY DEHAN TO APPROVE THE APPOINTMENT OF DARLEENE THOMPSON AS A VOTING MEMBER TO THE HUMAN SERVICES ADVISORY COMMITTEE.

MOTION CARRIED UNANIMOUSLY.

Mayor Fisher read and presented the Certificate of Appointment to Mrs. Thompson, thanking her for volunteering to be a member of this committee.

PRESENTATIONS (Continued):

- **Final Docket of Comprehensive Plan (CP) Amendments**

City Attorney Mirante Bartolo stated for the record that Mayor Fisher expressed publicly at the November 14 Regular Council Meeting (RCM) that he has a conflict of interest in the proposed CP Map Amendments No. 10 and would not be participating in this discussion or voting on this matter. On December 12, this matter will come

PRESENTATIONS (Continued):

Final Docket of CP Amendments (Continued): before the Council for a vote. Mayor Fisher turned the gavel over to Deputy Mayor (DM) Shape at this point in the meeting.

Planning Director Butler stated the Planning Commission (PC) and Planning staff were in agreement in their recommendations, except in the case of Map Amendment No. 10. Staff gave an overview at the November 14 RCM. At this meeting, staff focused on the South 154th Street Station Area, following up on Council comments at the last RCM, information on Map Amendment No. 10, including comments made at the PC's Public Hearing (PH). One comment made was on Amendment No. 8, the rezone of property on South 188th Street to commercial. It was the speaker's belief that the current zoning was single-family and was going to remain as that. The response is this amendment has had no changes in the zoning designation, office commercial mixed-use (OCMU), adopted in 1999. A few years ago, a request was to change it back to single-family. The property has since been sold and the current owners want to develop the property as multi-family and commercial mixed-use. That would be in keeping with the current zoning category. This will allow the CP designation to be the same as the zoning designation. The next comment was on Map Amendment No. 10, which relates to the South 154th Street Station Area. The comment was new development would negatively impact existing single-family residential neighborhoods. The response was the intent of the Map Amendment No. 10 is to focus on the highest density uses along IB and South 154th Street, tiering down the development intensity, including height, as it approaches the single-family neighborhoods. Staff has proposed that the CP designation be changed from multi-family use to a designation that would require any future rezones to be townhouse in nature, more compatible in design and scale with the residential properties to the north. Another comment made was about the circulation system, traffic and a need for pedestrian improvements. These issues are covered in the draft Station Area Plan. The City is working with the Washington State Department of Transportation (WSDOT) and the POS to address the SR 518 improvements in terms of access. The City is also working with Sound Transit in a program to construct improvement along IB and South 154th Street close to where the light rail station will be operating. Regarding comments on the parking issues at the November 27 PC meeting, staff and the PC will be working on new regulations, and in early 2007, will address the parking issues in more detail.

PC Chair Linda Snider added information from the PH on the CP difference from the zoning. The CP states there is a potential of developing into a higher density use but does not necessarily mean that it will happen right away. It is up to the property owner. The PC approved the CP as a recommendation to the Council, 3-1 with Alternative No. 1. The opposing vote was in Map Amendment No. 10, the Aviation Business Center (ABC) area, which butts up against the POS-owned L-shaped property. One commissioner felt the City should not be encouraging any type of residential use, that it should be commercial.

Staff addressed concerns posed by the Council at the November 14 RCM using an elevation model of the South 154th Street Station Area. Senior Planner Scarey explained the topography and potential blockage of views caused by building heights and the differences between the PC and staff recommendations. The elevation decreases as it heads east and southeast to the City Center.

Council discussion ensued with staff regarding development around the stations. Council will act on all the CP Amendments at the December 12 RCM.

●Station Area Plans

Planning Director Butler stated this presentation would brief on the background of the Station Area Plans, the schedule, focus on South 154th Street Station Area, and the comments from the PC PH. There have been a number of stakeholder workshops on both South 176th and 54th Street Station Areas. The South 154th Street workshop results were to improve pedestrian environment, vehicular access and encourage mixed-use and multi-family development. The next step will be Council Action on adoption of the two Station Area Action Plans.

The South 154th Street Station Area Action Plan goals are: 1) pedestrian friendly, 2) transit-friendly, 3) a mix of uses, 4) high quality design, and 5) to build on strengths of cultural diversity to enhance the community.

Plan features are: 1) strong residential focus, 2) mixed-use with a neighborhood-oriented aspect in the eastern sector, 3) access improvements, 4) increased density, 5) transit access, 6) a central parking structure, and 7) public open spaces.

Potential City actions are: 1) improve streetscapes along South 152nd and 154th Streets and IB, 2) improve intersections on IB, 3) close Military Road South south of South 152nd Street, 4) encourage public open spaces, 5)

PRESENTATIONS (Continued):

Station Area Plans (Continued): rezone areas to comply with plan, 6) construct parking garage to support neighborhood demand, or enter into public/private partnership, 7) coordinate with WSDOT to improve access from SR 518, 8) foster partnerships, and 9) consider other development incentives with State Environmental Policy Act (SEPA) assistance.

Mr. Butler stated Council and staff met with the City of Tukwila Community Affairs & Parks Committee and there was good discussion on how the two Cities could join forces and coordinate on the plaza and pedestrian connections at South 152nd Street. Also discussed was the idea for the Station Area having a neighborhood park and a joint City farmers' market. This issue was discussed at the Land Use & Parks (LUP) Committee Meeting prior to this SCM.

Staff addressed responses to the public comments from the PC PH on the South 154th Street and SeaTac/Airport Station Area.

CM Wythe commented on the issue of street parking to which Mr. Butler explained. CM Wythe stated the CP has good general policies. The citizens, through the Council, need to take a more active part in helping to shape the City and make it a more livable area.

DM Shape inquired about potential bike lanes to which Mr. Scarey illustrated a section of South 154th Street west of the Riverton Post Office showing bike lanes on both sides. The lanes continue around the north end of the new runway. Secondly, DM Shape questioned the building height stated in the plans. Mr. Butler explained the debate as to the building heights in the commercial and residential areas. More discussion will take place after the adoption of the plans in developing the final standards.

CM DeHan stated he felt the economical market would drive what the minimum height is. If this is a valuable area, it would seem that developers would tend to build more than a one-story building concept. Mr. Butler replied that it is a reasonable assumption and will be addressed through further discussions.

Mr. Butler stated there were two major comments made at the PC PH: 1) there has not been enough public outreach. The response was there were/are numerous opportunities for public comments. He outlined the major public meetings that have been held, and 2) the new requirement for public streets being imposed, particularly for south of South 176th Street. The response was the intent of the plan has no change from the City Center Plan on the Boysen property, and streets would be private unless redevelopment triggers change in property owner preference. The last few comments regarded images displayed on the concept plan in the South 176th Street area. The response was these images are just illustrations of what could happen in the future.

Mrs. Snider stated the majority of the PC rejected both subarea plans and refused to elaborate on their reasoning. They felt there were not adequate public opportunities for public input. She had asked the commissioners to vote on the subarea plans separately and they refused. She stated her personal preference. She would not have voted down the South 154th Street Area Plan. She felt staff has worked with the developers and landowners and the plan is reasonable. However, she stated she wished the Station Area Plan could be called "North of South 176th Street" and "South of South 176th Street." Her reasoning is that staff is vigorously working with the property owners (Boysens) to incorporate the family's requests and that of the City. The Boysens do not foresee any changes in the use of their property long term.

DM Shape stated his appreciation of Mrs. Snider and PC's diligent work on the CP and zoning. Mrs. Snider added the PC works very hard and she felt it was unfair to Mr. Butler and staff that the commissioners were not willing to explain their reasons for their opposing vote.

CM Brennan added his appreciation for the PCs hard work on the CP and zoning. He stated the Boysens have developed a well-laid out plan between South 176th and 188th Streets on the east side of IB and have been an important contributor to the development of the City.

CM DeHan stated he felt the plan should be adopted as it stands.

Mr. Butler stated it is not the Planning staff's perceptive that the Station Area Plan has the same weaknesses and strengths as the CP. The Council can do no more or less based on the CP than it can with the Station Area Plan. The City Center Plan was adopted in 1994 and revised in 1999 and now the focus is on the Station Area Plans.

PRESENTATIONS (Continued):

Station Area Plans (Continued): CM Wythe agreed that there is no direct plan to change south of South 176th Street on the east side. The roadways are to support the property owners and businesses.

City Manager Ward added for further clarity, staff would amend the graphics in the final version of the plan. The CP is not simply a dream but a vision. The regulations to be adopted must be consistent with the CP according to law.

CM DeHan added that the CP does not state what the growth is going to be. It is an outline or limit of growth and it is up to the individual property owners to request a zoning change up to and including the limits.

CM T. Anderson stated that the Boysen Heiberg family could make changes on their property in the future if they choose to.

Mr. Butler summarized the two options discussed: 1) everything south of South 176th Street is in the City Center Plan and not in the Station Area Plan would be deleted from the language in the plan, or 2) encourage development of new street network.

DM Shape agreed that the plan is a circle around the station and the City should do what is necessary to make the plan more palatable to the property owners.

City Manager Ward clarified, based on Council direction today, that staff will prepare some additional language to address the points made and the revised version will specify that the plan has no affect south of South 176th Street.

With no further discussion, DM Shape turned the gavel back over to Mayor Fisher.

DISCUSSION ITEM:

•Summary of \$5,000 - \$25,000 Purchase Requests for the period ended November 22, 2006

City Manager Craig Ward reported on the following purchase request.

<u>Item Description</u>	<u>Department</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Estimate</u>
Mobile Report Management System Modification and Update to Existing Software	Fire	\$22,789	\$22,789	\$22,800

Council consensus: Referred to the 11/30/06 SCM Consent Agenda

AGENDA BILL PRESENTATIONS:

Agenda Bill #2729 - A Motion accepting the Building Design for the new Fire Station 46

Summary: This Motion accepts the building design for Fire Station 46 as presented by David Clark Architects. Using information from the Fire Ad Hoc Committee 2003 study and from interviews with Fire staff, David Clark Architects has developed a fire station design based on suggested criteria. It meets a minimum 50-year sustainability and future services needs. The design and construction will also meet qualifications for Leadership in Energy and Environmental Design (LEED) certification at the silver level. The City will be eligible for a \$15,000 grant from King County (KC) to offset the cost of the LEED certification. Given acceptance of the design will allow for an updated cost estimate to be presented at the December 12 RCM. Construction is scheduled to begin around the first of the year.

The 2006 Budget for the new Fire Station 46 has \$800,000 to pay for the architect fees and associated costs.

Facilities Director Patterson and Mr. Clark reviewed with Council the new Fire Station 46 plans. Due to a survey showing a 13-foot drop in the land elevation on the north side of the property, 8,000 more square feet (sf) will be an addition to the structure. The project is to design a building with life cycle material to last 50 years. Mr. Clark detailed the interior design and designated usage of the rooms.

CM A. Anderson, Chair of the Public Safety & Justice (PS&J) Committee, stated this item was presented to the committee and was recommended for Council approval.

Upon a question posed by CM Wythe, Mr. Patterson stated the architect has been approved by Council and this design is being brought to Council tonight for action. He added the firefighters and Citizens Committee were involved in the design. Mr. Patterson stated, with the building size going from 16,000 sf to 24,000, the cost was originally estimated at approximately \$4.9 million and with the additional sf, the cost has increased to \$5.5 million

AGENDA BILL PRESENTATIONS:

Agenda Bill #2729 (Continued): but will not exceed \$5.7 million. \$3,382,000 is to build the structure, and \$1,086,000 is for property acquisition. Mr. Patterson listed the items and cost of each element of this project. The furnishing will be from the existing along with new items as needed, adding they will be as frugal as possible.

CM Brennan questioned the amount of space for Fire personnel to which Mr. Patterson replied that the direction given was to look into the future and build with that in mind.

Council consensus: Referred to the 11/30/06 SCM New Business

Agenda Bill #2738 - A Motion approving the low bidder for Surveyor Work for new Fire Station 46

Summary: Three surveyors from the Small Works Roster were contacted and asked to give quotes for work required for the new Fire Station 46 design: 1) CenterPointe Surveying Inc. at \$7,500; 2) Dowl Engineers LLC at \$13,000; and 3) DHA & Associates Inc at \$16,700. It is recommended that the City Council approve CenterPointe Surveying Inc. for the required survey work.

The 2006 Budget has allotted \$800,000 for New Fire Station 46 for the architect fees and associated costs.

Mr. Patterson discussed with Council the above summary.

Council consensus: Referred to the 11/30/06 SCM New Business

Agenda Bill #2741 - A Motion approving a revision to the Guardsmark Lease

Summary: This Motion allows for a change to the Guardsmark Lease approved at the June 13, 2006 RCM. Although an agreement for renewing the lease for 3030 sf. had been reached with the local Guardsmark tenant, the home office requested revisiting the terms in lieu of the current sf. costs as advertised. The current asking price for space in City Hall is \$18.00/sf. The revision is as follows:

Months 1-12	\$23.00 per sf.	\$5,807.50 per month
Months 13-24	\$23.25 per sf.	\$5,870.63 per month
Months 25-36	\$23.50 per sf.	\$5,933.75 per month

In essence, the City lowered the yearly increase from \$.50 to \$.25 with no other changes.

Fiscal Impact:

Accumulated rent for three years	\$ 211,342.50
Custodial services for three years	\$ -21,816.00
Utilities for three years	\$ -27,270.00
Total	\$ 162,256.50

Council consensus: Referred to the 11/30/06 SCM Consent Agenda

Agenda Bill #2730 - A Resolution transmitting the Fireworks Initiative to the King County (KC) Records and Elections Division and requesting that a Special Municipal Election be held on February 6, 2007 at which time the initiative be placed upon the ballot for the qualified voters of SeaTac to approve or reject

Summary: This Resolution provides for a Fireworks Initiative Petition (which hereinafter shall be designated as Proposition No. 1 to be transmitted to and filed with the KC Records and Elections Division in accordance with State law. This Resolution calls for a Special Municipal Election to be held on February 6, 2007, whereby Proposition No. 1 would be placed upon the ballot for the qualified electors of the City to approve or reject. If passed by the voters, the current fireworks ban would be repealed and replaced with an Ordinance that authorizes the sale and discharge of fireworks on certain days and times.

On October 10, 2006, during the RCM, in accordance with State law and SeaTac Municipal Code (SMC) 1.10.220, the City Council considered the Fireworks Initiative Petition submitted to the City Clerk's Office on November 1, 2005. Ordinance No. 06-1023 proposing a new Fireworks Ordinance and repealing the existing Ordinance per an Initiative Petition proposed by voters through the Initiative and Referendum Powers granted to voters by SMC 1.10.040 was rejected. Council requested the initiative be placed upon the ballot at the next municipal election for the qualified electors of the City of SeaTac to approve or reject. State law requires the City to call a special election by filing a Resolution no later than 52 days prior to the election date. The Revised Code of Washington (RCW) 29A.04.330 currently requires the Resolution to be filed no later than 45 days prior to the election.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #2730 (Continued): However, effective January 1, 2007, the statute will be amended to require the Resolution be filed no later than 52 days prior to the election.

On November 14, 2006 at the PS&J Committee Meeting, staff raised the option of including information in a local voters pamphlet. The approximate cost to the City for a local voters pamphlet is \$8,000. If the City wishes to have information regarding the proposed initiative included in a local voters pamphlet, the City Council must adopt an Ordinance authorizing the KC Elections Division to produce, publish and distribute a local voters' pamphlet no later than 40 days before the election date (no later than December 28, 2006). At the PS&J meeting on November 14, 2006, the direction of the committee was to forgo the option of a local voters pamphlet.

Senior Assistant City Attorney Johnsen reviewed with Council the above summary.

CM DeHan, Chair of the Transportation & Public Works (T&PW) Committee, stated this item was discussed by the committee and recommended Council chose either:

- A) to have a ballot title list the dates and times the fireworks can be sold and discharged; or
- B) to have the ballot title list the dates only that fireworks can be sold and discharged. The times for sales and discharge are listed in the Initiative.

CM DeHan stated the Council could take action tonight or if more discussion is needed, delay the whole agenda bill until December 12 for Council action. He stated he preferred option B.

Mr. Johnsen replied that the initiative to go to the voters would repeal the fireworks ban and allow fireworks sales from June 28 through July 5 and discharge of fireworks on July 4 and 5 and allow sales from December 27 through 31 and allow discharge of fireworks December 31 through January 1. This initiative was submitted to the City and Council rejected the initiative and therefore it will be sent to the voters as it was presented to the City.

City Attorney Mirante Bartolo stated KC needs to be notified by December 28, 2006 if a voters' pamphlet is to be published.

City Manager Ward indicated that an agenda bill would be prepared to authorize staff to write a voters guide and would be referred to the December PS&J Committee Meeting.

Council consensus: Referred to the 11/30/06 SCM New Business

Agenda Bill #2733 - An Ordinance confirming the appointment of Paul J. Codd as the Municipal Court Judge, affixing the compensation of the Municipal Court Judge and Judge Pro-Tem, and authorizing entry of a Professional Services Contract

Summary: RCW 35A.13.080 (2) requires the City Manager to appoint a Judge of the SeaTac Municipal Court, subject to confirmation by the Council, to a four-year term. Paul J. Codd was appointed and confirmed as Municipal Court Judge for four-year terms in 1991, 1995, 1999, and 2003 and has served admirably in that capacity. The City Manager has appointed Paul J. Codd as Municipal Court Judge to the four-year judicial term from January 1, 2007 through December 31, 2011, subject to Council confirmation. Judge Codd has stated that he may retire at the end of the year 2007. If that retirement does occur, it will be necessary to appoint and confirm a new Municipal Court Judge for the remainder of the judicial term.

RCW 3.50.080 and RCW 3.50.090 also provide that the salaries of Municipal Court Judges and Judges Pro-Tem be fixed by Ordinance. Therefore, this Ordinance also sets the compensation of the Municipal Court Judge and Judges Pro-Tem at \$65.00 per hour.

City Manager Craig Ward briefed on the above summary and also stated this is a continuation of the City's existing contract with Judge Codd, at the same fee. The City will continue to fill his position when he is not available with pro-tem judges at the same rate. Some language was added to the contract that also obligates the judge lead the interdepartmental performance standards for the Municipal Court and modifications to the Court's organizational staffing in order to maintain or exceed those standards based upon the projected work load for the upcoming two calendar years. The City has the ability in the contract to terminate it for good cause at any time without advance notice and Judge Codd may terminate the contract by providing 180 days written notice.

Council consensus: Referred to the 11/30/06 SCM Consent Agenda

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #2732 - A Motion authorizing the City Manager to enter into a Settlement Agreement with T-Mobile West Corporation and T-Mobile USA (collectively referred to as T-Mobile)

Summary: On June 13, 2006, T-Mobile filed a lawsuit against the City of SeaTac in Federal Court, alleging that a portion of the City's Wireless Communications Facilities (WCF) Ordinance violates the Federal Telecommunications Act. This lawsuit stems from the City's denial of a building permit requested by T-Mobile that would have allowed T-Mobile to install cellular antennas on the Highline Water District's water tower located on South 176th Street. The City denied the permit application because the City's WCF Ordinance establishes a siting hierarchy that gives a preference to locating WCFs on City property. In this case, the City determined that T-Mobile's antennas could be located on City property.

T-Mobile and staff have tentatively reached a settlement in this lawsuit, pending approval by the City Council. This Motion would authorize the City Manager to enter into the proposed settlement agreement. This agreement stays the pending lawsuit for six months. Additionally, the agreement authorizes City staff to process T-Mobile's building permit application without regard to the siting hierarchy in the WCF Ordinance. Furthermore, the City agrees to amend the WCF Ordinance with respect to the siting hierarchy to address T-Mobile's concerns. T-Mobile agrees that once the City amends the WCF Ordinance to address their concerns, the lawsuit will be dismissed. However, if the City does not amend the WCF Ordinance to address the concerns of T-Mobile, then T-Mobile will be able to lift the stay and continue their lawsuit.

Senior Assistant City Attorney Johnsen reviewed with Council the above summary.

Council consensus: Referred to the 11/30/06 SCM Consent Agenda

Agenda Bill #2712 - An Ordinance establishing the 2007 Property Tax Levy

Summary: This Ordinance establishes the 2007 property tax levy and rate, based on the assessed valuation of property in the City, as certified by the KC Assessor's Office.

Initiative 747, approved by the voters on November 6, 2001, limits annual property tax increases to the lower of one percent or inflation, defined by the implicit price deflator (IPD). The IPD for 2007 is 1.0342 percent, resulting in all regular property tax levies being limited to an increase of one percent over the previous year, excluding new construction and state-assessed property valuation increases. The 2007 Preliminary Budget is based on a property tax revenue estimate in conformance with the provisions of I-747.

Prior to I-747, Council approved reductions in the property tax levy rate, forgoing additional revenues that would have resulted if the rate had been maintained at the statutory maximum, as done by many other Washington Cities.

On November 29, 2006, the City received certification of 2007 assessed valuations from the KC Assessor's Office. The total valuation of the City of SeaTac for 2007, as certified by the KC Assessor, is \$4,077,974,305. This amount represents an increase of approximately 13.74 percent as compared to the 2006 assessed valuation total.

This Ordinance provides for a 2007 tax levy of \$10,638,145, the maximum allowable levy as determined by the KC Assessor's Office. The resulting levy rate of \$2.61 per \$1,000 of assessed valuation would be the lowest rate levied in the City's existence. The rate would decrease by sixteen cents from the 2006 levy rate of \$2.77.

Finance Director McCarty briefed Council on the above summary.

CM DeHan stated this assessment allows for a one percent growth on existing property.

Council consensus: Referred to the 11/30/06 SCM Consent Agenda

CONSENT AGENDA:

- **Approval of claims vouchers** (check nos. 73608 - 73804) in the amount of \$1,344,152.34 for the period ended November 20, 2006.
- **Approval of payroll vouchers** (check nos. 45347 - 45386) in the amount of \$151,433.05 for the period ended November 15, 2006.
- **Approval of payroll electronic fund transfers** (check nos. 48822 - 48992) in the amount of \$269,388.27 for the period ended November 15, 2006.
- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$51,832.96 for the period ended November 15, 2006.
- **Summary of \$5,000 - \$25,000 Purchase Requests** for the period ended November 22, 2006.

CONSENT AGENDA (Continued):

Approval of Council Meeting Minutes:

- **Administration & Finance Committee Meeting** held November 14, 2006.
- **Regular Council Meeting** held November 14, 2006.
- **Land Use & Parks Committee Meeting** held November 16, 2006.

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

Agenda Bill #2741

A Motion approving a revision to the Guardsmark Lease

Agenda Bill #2733; Ordinance #06-1028

An Ordinance confirming the appointment of Paul J. Codd as the Municipal Court Judge, affixing the compensation of the Municipal Court Judge and Judge Pro-Tem, and authorizing entry of a Professional Services Contract

Agenda Bill #2732

A Motion authorizing the City Manager to enter into a Settlement Agreement with T-Mobile West Corporation and T-Mobile USA

Agenda Bill #2712; Ordinance #06-1029

An Ordinance establishing the 2007 Property Tax Levy

MOVED BY SHAPE, SECONDED BY DEHAN TO ACCEPT THE CONSENT AGENDA AS PRESENTED.*

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

*MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING:

● **2007 Annual City Budget - Finance**

Mayor Fisher opened the public hearing (PH) at 10:12 p.m.

Finance Director McCarty presented the summary under Agenda Bill No. 2711. Mr. McCarty stated this budget was reviewed with Council at the November 14, 2006 Council Meeting. He displayed the Budget Preparation Calendar, which culminated with this PH and Council action on the Ordinance establishing the 2007 Annual City Budget. In addition to the summary, Mr. McCarty detailed the salary and benefit costs. American Federation of State, County and Municipal Employees (AFSCME) represented positions would be increased by 4.37 percent, which is 95 percent of the CPI. The International Association of Firefighters (IAFF) labor contract expires the end of 2006, and staff is still in negotiations with the labor group. Non-represented employees will be receiving the same 2007 cost of living adjustment as the AFSCME employee group. Medical insurance premiums have increased by an average of 6 percent in 2007.

CM T. Anderson stated she is disappointed that an aid car is not being provided for the citizens. She will vote yes on the 2007 Budget only if Council agrees to let this be the first item at Council Retreat. She requested a spreadsheet be supplied for Council to see exactly how much it would cost to fill this obligation to the citizens.

With no further comments made, Mayor Fisher closed the PH at 10:21 p.m.

NEW BUSINESS:

Agenda Bill #2711

An Ordinance establishing the 2007 Annual City Budget

Summary: City Council and staff have been working on preparation of the 2007 Annual Budget since July. Four Council Budget Workshops have been conducted and the 2007 Preliminary Budget document, detailing funding recommendations for the 2007 Annual City Budget, was filed with the City Clerk on November 2, 2006. Copies of the 2007 Preliminary Budget were also distributed to the Council in the Friday packet on November 10, 2006.

The 2007 Preliminary Budget documents the decisions made by the City Council in its detailed budget review during the fall of 2006, presenting the City's resources as well as its programs and priorities in allocating those resources. These programs are necessary to protect the community's physical security and enhance the quality of

NEW BUSINESS (Continued):

Agenda Bill #2711 (Continued): life for all its citizens. It is designed to enhance 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.

The proposed 2007 Preliminary Budget provides revenue exceeding expenditures in the General Fund by \$55,731. This budget recommends no significant reduction in service levels or staffing and no new taxes. General Fund operations continue to be supported by a property tax rate well below the statutory limit and without the implementation of several revenue sources available to Washington Cities, such as an employee head tax, a local Business & Occupation Tax and utility taxes. The City Council's General Fund target fund balance of four months of operating expenditures will be preserved with this budget, as the projected \$13.7 million General Fund ending fund balance at December 31, 2007 will exceed the Council's target fund balance of \$8.6 million by approximately \$5.1 million. The fund balance of the City's 23 funds at December 31, 2007 is projected to total \$50.6 million.

The 2007 Preliminary Budget anticipates a few increases in service levels for General Fund operations. Staffing changes in the 2007 Budget include increasing a part-time (P/T) Municipal Court Office Technician to full-time (F/T), hiring a F/T Operations Worker in the Parks & Recreation Department to replace two P/T Seasonal Workers, increasing a P/T Senior Engineering Technician to F/T in Public Works, increasing a half-time Custodial Aide to a 32-hours per week Custodian position in Facilities, and additional seasonal help in the Street Maintenance Fund during the summer and fall months. A major initiative begun in 2006, a Facility Repair and Replacement Program to provide for ongoing renovation and major maintenance of City buildings and facilities, continues in the 2007 Budget. The maintenance component of the program is funded through the General Fund, and for 2007 the amount necessary to complete the planned work is \$182,995. These maintenance-related expenditures are appropriated in the Facility Repair & Replacement Fund (Fund 110). \$220,693 has also been funded in the Municipal Capital Improvement Plan (CIP) (Fund 301) for the capital component of the program, for a grand total of \$403,688 in repair and replacement program expenditures for 2007. One change from the 2007 Budget presentation at the November 14 Council Meeting was the addition of \$560,000 for changes to the Military Road South project for conversion of lower voltage aerial utilities to underground utilities. \$560,000 was added to the budget for the Transportation and CIP (Fund 307) to cover this cost.

The 2007 Preliminary Budget proposes total Citywide expenditures of \$59.4 million, of which \$22.1 million represents capital expenditures funded from one-time or dedicated revenue sources. Improvements slated for 2007 include construction of a new fire station, sports field improvements at Valley Ridge Park, construction of a recreation room for City programs in a joint project with the Highline School District at Bow Lake Elementary School, installation of a concert band shell over the existing performance stage at Angle Lake Park, transportation improvements, surface water management projects, and equipment and vehicle replacements.

Capital programs continue to be funded without significant debt. Transportation improvements on Military Road South and other major arterials will be funded from grant revenue and the City's parking tax. \$3.8 million of the projected 2007 capital costs are for projects related to the Des Moines Creek Restoration, for which the City is acting as Treasurer. Revenue received from the POS, the WSDOT and the City of Des Moines will pay for most of the expenditures for these projects.

Preparation of a six-year CIP is integrated in the annual budget preparation process, ensuring that attention is given to the long-term capital needs of the City. A copy of the 2007-2012 CIP has been included in the 2007 Preliminary Budget document.

The proposed budget for 2007 provides for total City revenues of \$48,340,117 and expenditures totaling \$59,433,311, resulting in projected fund balances at December 31, 2007, in the amount of \$50,606,727.

Finance Director McCarty reviewed the above summary during the PH.

MOVED BY BRENNAN, SECONDED BY DEHAN TO ADOPT AGENDA BILL NO. 2711.*

MOVED BY BRENNAN, SECONDED BY T. ANDERSON TO AMEND THE ORDINANCE TO INCLUDE THE DECISION CARD REQUESTING THREE ADDITIONAL FIREFIGHTERS TO STAFF THE AID CAR 24/7.*

CM DeHan stated at this time, the City has a balanced budget that shows a \$50,000 surplus from revenues. If Council adopts this amendment at a \$260,000 expense, it will total \$210,000 in the red. Expenditures for 2007 and

NEW BUSINESS (Continued):

Agenda Bill #2711 (Continued): in the following years would exceed revenues. He stated he is opposed to any budget where expenditures exceed revenues.

Mayor Fisher agreed with CM DeHan, stating he would not vote for a budget that did not break even. He added he is not in favor of the amendment. He would like to discuss this issue at the upcoming Council Retreat. The Budget can be amended anytime if it is agreeable with Council.

CM Brennan stated he would like to take the money allotted to the ball fields or a new fire station that can man more firefighters than the City has and hire the three firefighters.

DM Shape stated he agreed with CM DeHan that the ongoing expense would cause the City to continually operate in the red. It is probably the No. 1 item on all CMs' desires to eventually have this manning but it has to be within the budget.

***COUNCILMEMBER BRENNAN WITHDREW HIS AMENDMENT AND REQUESTED THIS AGENDA BILL BE PLACED ON THE DECEMBER 12, 2006 COUNCIL MEETING.**

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

UNFINISHED BUSINESS: There was no unfinished business.

NEW BUSINESS (Continued):

Agenda Bill #2729

A Motion accepting the Building Design for the new Fire Station 46

MOVED BY DEHAN, SECONDED BY SHAPE TO PASS AGENDA NO. 2729.*

CM DeHan stated this issue has been discussed many times by the Ad Hoc Committee and the idea was to build the station to serve the City's needs into the future without any future expansion and populate it as the City grows.

Mayor Fisher stated he has been an advocate of rebuilding the fire stations but now he is not sure it is at the right location.

CM A. Anderson stated he agreed with Mayor Fisher and had voted no on it some time ago and was defeated 6-1. He stated he is not sure it is in the right location but will go along with the Council majority.

Mrs. Snider, 18700 36th Avenue South, addressed Agenda Bill No. 2729. She stated she was asked to sit on the Fire Ad Hoc Committee by the Fire Chief because of her pride in the City's firefighters and by the Mayor because he knew she would watch the money carefully. She attended every meeting with the firefighters and visited four other Cities' Fire Station with the committee, and she stated she feels the plan is beautiful. It does not have luxury furnishings. She felt the firefighters' requests were for a basic fire station to better serve the residents of SeaTac. She urged the Council to support this agenda bill.

***MOTION CARRIED WITH A. ANDERSON, WYTHE, T. ANDERSON, SHAPE, AND DEHAN VOTING YES AND BRENNAN AND FISHER VOTING NO.**

Agenda Bill #2738

A Motion approving the low bidder for Surveyor Work for new Fire Station 46

MOVED BY DEHAN, SECONDED BY SHAPE TO ACCEPT AGENDA BILL No. 2738.

MOTION CARRIED WITH BRENNAN VOTING NO.

Agenda Bill #2730; Resolution #06-024

A Resolution transmitting the Fireworks Initiative to the King County (KC) Records and Elections Division and requesting that a Special Municipal Election be held on February 6, 2007 at which time the initiative be placed upon the ballot for the qualified voters of SeaTac to approve or reject

MOVED BY WYTHE, SECONDED BY DEHAN TO PASS RESOLUTION NO. 06-024.*

MOVED BY SHAPE, SECONDED BY DEHAN TO AMEND RESOLUTION NO. 06-024 TO INCLUDE DATES OF FIREWORKS SELLING AND DISCHARGING IN THE BALLOT TITLE.

AMENDMENT CARRIED UNANIMOUSLY

***MOTION AS AMENDED CARRIED UNANIMOUSLY.**

CITY MANAGER'S COMMENTS: City Manager Ward had one item of business: He reminded Council of the Employees' Annual Awards Banquet to be held Friday, December 1, at 6:30, at the SeaTac Community Center.

COUNCIL COMMENTS: CM DeHan stated the South County Area Transportation Board (SCATBD) Meeting and the cost estimate for SR 509 that was \$900,080 million has come back in at \$1.4 billion. The board is trying to get the figure down to a manageable amount so the WSDOT is examining phasing in the project. It is still alive and they are discussing ways to eliminate new bridges and make the project more palpalbe. There has been a request to the Governor for the POS to help with SR 509 and the Port of Tacoma to help with SR 167. Also there is a request to the Governor to not allow the increased SR 520 cost to come from other Regional Transportation Improvement District (RTID) funds.

EXECUTIVE SESSION: There was no Executive Session.

ADJOURNMENT:

MOVED BY T. ANDERSON, SECONDED BY BRENNAN TO ADJOURN THE SPECIAL MEETING OF THE SEATAC CITY COUNCIL AT 10:45 P.M.

MOTION CARRIED UNANIMOUSLY.

Gene Fisher, Mayor

Judith L. Cary, City Clerk