

# COUNCIL RETREAT RECAP

**January 26-28, 2012 • Suncadia, Cle Elum, WA**

## **THURSDAY, JANUARY 26**

### **General Discussion**

Council discussion was informal, focusing on relationships and roles between Council members and City staff.

## **FRIDAY, JANUARY 27**

### **City of Sammamish Vision**

Staff gave a brief overview of the history of Sammamish and its vision, which was adopted in 2003 by the City Council as part of the City's Comprehensive Plan.

- *The vision of Sammamish is a community of families. A blend of small-town atmosphere with a suburban character, the city also enjoys a unique core of urban lifestyles and conveniences.*
- *It is characterized by quality neighborhoods, vibrant natural features, and outstanding recreational opportunities. A variety of community gathering places provide numerous civic, cultural, and educational opportunities.*
- *Residents are actively involved in the decisions that shape the community and ensure a special sense of place.*

Discussion followed focusing on the current characteristics of Sammamish. Does this vision still fit; is it still relevant? With most of the City's tax base coming from residential homes without an extensive retail presence, the area is considered by most "a bedroom community." People leave the plateau to shop, for entertainment, and to dine. Is the City ready to move beyond being a bedroom community? Does the City want to develop into a "living room community," one that includes various places to gather? The City's vision statement was reconfirmed; no change is needed. The discussion transitioned into the City's Town Center project.

### **Town Center Vision**

Community Development Director Kamuron Gurol provided highlights of the City's Town Center project including key aspect of its vision:

- *Well-designed, mixed-use development compatible with surrounding neighbors*
- *Natural resources, view corridors and sensitive areas incorporated as amenities*
- *A variety of housing styles, well-connected by sidewalks, trails and pathways*
- *Commercial retail and offices to serve primarily local needs*
- *Development standards to mitigate impacts to sensitive natural systems*
- *Design guidelines that reflect a human scale, and welcoming aspect*

Questions were raised including:

- What makes Sammamish unique; why do people want to move here?
- What draws people together—restaurants, movie theatres, shopping?
- Do we have a “there” (focal gathering spot) in Sammamish?
- What does Sammamish want to be? It can’t be all things to all people.

The residential nature of Sammamish should be the drawing force as the City moves forward. The Town Center is not an attempt to change the nature of the area city-wide, but to focus on a smaller area. With empty storefronts in several neighboring cities, Sammamish is not dealing with any new development currently. As well as the existing economic climate, the topography and location of Sammamish makes economic development a challenge. The Town Center vision was reconfirmed; no change is needed.

### **Budget Growth Drivers/Crossover Point**

Finance Director Joe Guinasso explained how the City’s finances are handled. The City operates using long-range forecasting. Not only is this prudent financial management, it allows Sammamish to see the impact of its day-to-day decisions on its future financial position. The long-range forecast also serves as an indicator that adjustments need to be made, allowing the City to plan ahead and to make service level and revenue enhancement decisions over time.

Sammamish is fortunate that the region’s economic recovery is outpacing that of the nation due to strong aerospace and technology sections. However, it’s offset by a weak housing market and public sector layoffs. The region will probably be dealing with the impacts of foreclosures through 2015. Budget expenditures and revenues were then discussed.

The largest budget growth drivers are inflation, public safety, benefits costs (medical and retirement), and new infrastructure/facilities that impact ongoing operating and maintenance costs. Fire and police services are two of the largest budget growth drivers. Together they represent approximately 35% of the City’s budget. The crossover point—a time at which expenditures exceed revenue—will occur sometime around 2016-2018.

Cost of living adjustments (COLA) and merit increases for employees impact the budget as well. On the average the annual change in COLA has been 2.51% from 2001-2012. Sammamish bases its COLA on 100% of the consumer price index—urban (CPI-U) from June to June in the Seattle-Tacoma-Bremerton area. For the last three years it has averaged about 1% per year. The City Manager was directed to look at alternatives, less expansive COLA models for the 2013 and beyond.

### **Future Revenue Issues/Real Estate Excise Tax (REET)**

Revenue drivers include, for the most part, sales and property taxes. Again, the crossover point for Sammamish is forecasted for the 2016-2018 timeframe.

City Manager Ben Yazici reviewed what has been accomplished in Sammamish with tax revenue. There was an existing infrastructure deficit when the area was unincorporated under

King County. Streets and parks, in particular, were significantly inadequate. Since incorporation, the City has invested approximately \$140.7 Million on capital improvements including general government, parks, transportation, Stormwater management, property acquisition and pavement management. The largest amounts have been spent on transportation and parks.

Additional revenue sources—business and occupation tax (B&O), utility taxes (electric, natural gas, telephone, cell phone, cable television), and user fees were discussed. The Council is reluctant to institute new taxes, considering them regressive. User fees seem to some a much fairer mechanism of raising revenue to be used for maintaining/and or expanding park facilities.

In addition, Real Estate Excise Taxes (REET) have traditionally been restricted for capital projects use only. Responding to existing economic conditions, the Legislature has lifted the restriction on this, allowing cities to use REET funding for maintenance and operations. This option is only available until 2016. In the future, Council may wish to talk to our legislators urging them to remove the sunset clause on this change. Council reached consensus that it would like the option of using real estate excises taxes for one time expenditures in parks or streets (such as the city's overlay program) as long as this option is available to them. This will be further discussed during the 2013-2014 budget sessions.

### **Compensation Review**

Administrative Services Director Mike Sauerwein walked Council through the City's employee compensation package including paid holidays, annual leave, sick leave, COLA adjustments and medical insurance. Staff stated that it is very relevant to compare our city with other cities in the area verses the private sector. Whatever comparison is used needs to be an "apples to apples" comparison. In that context, Sammamish is in line with nearby cities. City of Sammamish salaries fall within the market and no change is needed.

Council requested that the City Manager examine how the COLA is handled in the future, which will give it some flexibility during the budget process. The Employee Committee may be asked to recommend a formula for future COLA adjustments. This may include using a three to five year average, or some other formula. It was also suggested that staff prepare some "talking points" for Council to better equip them in educating its constituency on employee compensation issues as there is a great deal of misinformation passed on by individuals.

### **Fire Services Study**

Mayor Odell provided an overview of the City's history with Eastside Fire and Rescue (EF&R) as well as the current situation. Eastside Fire & Rescue is a consortium of partners that include Sammamish, Issaquah, North Bend, Fire District 10, and Fire District 38. The relationship between EF&R and Sammamish, which has been a bit strained in the past, has improved over the past year.

The City's interlocal agreement (ILA) with EF&R is good through the end of 2014; now is a good time to reexamine fire services options including:

- Continuing EF&R partnership
- Establishing a city Fire Department

- Contracting fire services with other jurisdictions
- Forming a partnership with another city

Staff suggested that an independent study be completed prior to the end of the City's current ILA with EF&R and before any discussions take place. This means Council needs to make a decision on the course it wishes to take by summer 2012, since a minimum 12-month notification is required to withdraw from the EF&R partnership. Sammamish is satisfied with the service that EF&R is providing, but wants to look at options for controlling costs.

On November 1, 2011 the City Council authorized the City Manager to engage an independent consultant—as part of the 2012 budget—to:

- Update previous studies
- Identify changes to the EF&R interlocal agreement if Sammamish remains a partner
- Provide a cost-benefit analysis of all options
- Identify operational issues for the various options.

The original timeframe identified for report completion was March 31, 2012. The consultant request for proposal (RFP) has not yet been issued; it's now targeted for early February. The new due date for the completed fire services study is June 12, 2012. Council will meet June 18 (end of the third quarter) to discuss alternatives and will take into consideration the recommendations provided by the consultant and a representative from EF&R. At that time Council will decide on:

- Accepting a single recommendation
- Studying the issue further, if needed
- Forming a citizens' advisory board if needed
- Notifying EF&R of the City's intent to withdraw from the current ILA
- Identifying next steps toward any alternative solution

Following further discussion, consensus was reached to establish a citizens' advisory board consisting of five or less residents to help evaluate alternatives. These citizens should have a mix of EF&R board experience and financial expertise—time of appointment to be determined. Discussion indicated that the formation of the advisory board would take place in February, prior to the consultant being hired. Council also directed the City Manager to “flesh out” the consultant's scope of work as referenced in a January 12 memo from the Administrative Services Director to the City Manager.

### **Parks as an Expenditure Driver**

Parks and Recreation Director Jessi Richardson shared the results of the 2010 survey and Recreation Survey indicating that there is overall very high satisfaction with the current parks system. She provided an overview of the maintenance responsibilities that are being handled by five full time staff, six 9-month workers, and, six to seven 4-month seasonal workers who work from April through September. Park maintenance costs have increased due to the amazing growth of park facilities over a short period of time. The more developed a park is, the more it costs to maintain.

Discussion followed focusing on:

- The amount of parks—is there enough? When is there too much?
- Park utilization—how many people are using them each day?
- Acquiring land while it's relatively cheap and holding it for the future
- The level of service for different areas and different uses

Council consensus was that staff should undertake a casual study of at least one park to determine the amount of usage. The outcome of that study will determine whether or not this is something that should be done system wide.

### **2013-2014 Biennial Budget**

Finance Director Joe Guinasso explained the 2013-2014 biennial budget process. Sammamish has adopted biennial (2-year) budgets since 2001-2002. There are considerable savings versus adopting annual budgets. The budget includes 2-year appropriations with annual spending plans, which can be updated at mid-biennium.

The process begins with Council and City Manager discussions regarding priorities at the annual Council Retreat. During the month of May, the financial forecast is updated and the City Manager holds one-on-one meetings with council members. Budget instructions are distributed to staff in June at which time department budgets prepared. During July, the City Manager reviews and modifies department budgets as needed. The preliminary budget is finalized in August.

The role of Council's Finance Committee in the process was discussed as well as money earmarked for the Town Center. \$3 Million has been set aside to be ready should an economic development opportunity present itself from the private sector. It was stated that a clear idea of how the money would be spent should be developed. This should be done as part of the budget process. Some felt the money should be used on a project to benefit the entire city—not just to “jump start” the Town Center. Council needs the flexibility to move in a number of directions, all within the context of the entire picture.

Council consensus was that the City Manager would work with Council to develop some guidelines for how the \$3 Million will be spent; this will be included as part of the budget resolution. The Council's Finance Committee will research some options and present these at a future study session. Other models for funding Town Center development were discussed including developers paying for improvements or creating a local improvement district (LID).

Existing services were discussed. Does Sammamish need additional services such as code enforcement or increases to the Human Services Grants that affect our citizens? These items should be part of the discussion during the budget process.

## Community Aquatic Center Options

Jessi Richardson presented an overview of the proposed Community/Aquatics Center project. Defining program and service needs resulted in a facility planning strategy that included:

- Community surveys
- Facility tours
- Community meetings (focus groups, discussion groups, public meetings)

Input from all these meeting led to a community vision for a new facility. A feasibility study was conducted that answered key questions. This resulted in:

- Site Analysis (where do we build?)
- Master Facility Plan (what do we build?)
- Construction & Operations Analysis (how much is it going to cost?)

Once the three questions above are answered, the next step is to identify project funding and potential partnerships.

The 2010 Parks and Recreation Survey results indicated the three most important features to include in a community center are:

1. Fitness/sports/track
2. Gymnasium
3. Banquet and meeting facilities

The survey also showed what aquatic center programs were most likely to be used, the top four of which were:

1. Open/family swim
2. Swim lessons
3. Lap swim
4. Water exercise classes

There was also a clear preference for:

- Both indoor and outdoor aquatics (vs. just indoor, just outdoor, or none)
- Location near City Hall and the Library (vs. north-near Safeway Shopping center; south-near Pine Lake shopping center, doesn't matter-within city limits, etc.)
- Construction of a new community/aquatics center (vs. new sports fields, construction of new trails, bikeways & paths, or acquisition of land for parks and open space)

20 facility tours were conducted within five weeks at both local facilities and Colorado facilities. A series of five community meetings were held in 2011 as well as three focus group meetings held in June and July. These meetings resulted in a project vision.

*The goal of the Sammamish Community Center is to enhance the quality of life for the residents of Sammamish by providing an exceptional gathering place for social and recreational activities. The Center and its operation will **promote community health and provide programming for all ages and abilities.***

*The Center will capture the **outdoor character of the Sammamish lifestyle** and reflect its positive attributes and excellent quality of life. The design of the facility will provide a **strong relationship between indoor and outdoor spaces** and complement existing recreation amenities as much as possible.*

*The Sammamish Community Center will be **designed for maximum flexibility and multiple uses** and will be adaptable to the changing needs, interests and growth of the community. The operation of the Center must **be financially feasible, affordable, and sustainable** and provide outstanding service to area residents.*

Three site alternatives were chosen, the preferred site being the Kellman property located near City Hall and the Library. This was approved by Resolution 2011-458 on June 20, 2011. Site studies were performed including a geotechnical report and a Stormwater analysis. Both studies confirmed the site was suitable for proposed construction. The traffic analysis performed on 228<sup>th</sup> Avenue SE concluded that both traffic signal and roundabout options meet city level of service standards, but that roundabouts provide better operations.

A market was performed that identified the City of Sammamish as the primary market with the secondary service being a slightly larger area. Conclusions from the market study provided a project direction:

- The facility will need to emphasize its ability to **serve all age groups** including youth, senior and—most importantly—families.
- The center must be seen as a facility that features a **variety of active use areas** (pools, gyms, fitness, etc.) as well as community gathering spaces.
- The facility has to be perceived as being **affordable** for the amenities and services that are going to be provided.
- The site has to be visualized as being **easily accessible** for the entire city as well as the secondary service area.

A potential field house (indoor athletic facility) was presented as an additional option. The City is currently investing a lot of money in the conversion of school athletic fields to synthetic turf, but getting limited return due to the shared use. Indoor fields can be operated later without disturbing neighbors. Discussion moved to amenities vs. revenue production, operational expenses and revenue, schematic design, and construction costs of approximately \$64 Million.

In examining mechanisms for funding construction of the facility, a number of scenarios have been identified including:

- Option 1: \$30 Million
  - Community and aquatic facility (≈ 65,000 sf)
  - Field house – 2 indoor fields (≈ 41,000 sf)
  - Temporary parking arrangements

- Option 2: \$55 Million
  - Includes Option 1, plus
  - Permanent parking for 300 cars (adds \$15 Million)
  - Competitive Pool (adds \$10 million)
  - Requires \$25 Million new funding source
- Option 3: Suspend project indefinitely

Two additional options were suggested:

- Option 4:
  - Community and aquatics center
  - Utilize temporary parking
  - Add a competitive pool
  - Provide some additional surface parking
- Option 5:
  - Community and aquatics center
  - Temporary parking

Following discussion, Council directed staff to return with more information and options—including financial analysis of building/land and operational cost—to be presented at a study session in March. In addition, Council would like more information on the cost of surface parking and the number of cars that can be accommodated on the Kellman site. There was consensus to partner with the YMCA to build a smaller YMCA facility (≈ \$30 Million).

### **Parks Capital Improvement Projects**

The question was raised whether the substantially increased spending on Parks capital projects represents a trend. Is the City at a “saturation point” with parks? Is there a need? How many people actually use them? Return on investment needs to be considered.

City Manager Ben Yazici provided a historical perspective on parks. The City inherited a huge infrastructure deficit—roads and parks—when it incorporated in 1999. The need for improved transportation was first addressed. During 2005-2006 Council turned its focus on addressing the parks deficit. Land was acquired for future park development. Some of that development is occurring now.

Although the City may be at the point at which current park needs have been addressed, it still needs to consider the future. Land can't be reclaimed once it's gone and acquiring land now is more cost effective than trying to do so in the future. There is a reason that CNN's Money Magazine has listed Sammamish as one of the top places to live and parks is one important factor. Council has a vision for the future—an “emerald necklace” consisting of parks and green space that surround the city.

A seasonal audit of parks could prove useful—perhaps a head count over a period of time in Ebright Creek Park. Crews are out and about in parks on a daily basis and may be able to assist with data collection. Another useful tool is a community survey in which these types of questions can be incorporated. Qualitative data needs to be gathered.

Staff reminded Council that the Pro Plan will provide a more thorough and historical perspective on the City’s attempt to fulfill Council’s vision for park needs. A joint meeting between Council and the Parks and Recreation Commission is currently scheduled in March.

### **Economic Development – Town Center Strategy**

Deputy City Manager Lyman Howard pointed out that a common definition of economic development is “*attracting businesses or industries to a community that results in jobs.*” A more technical definition is “*activities that cause a net gain of money flow or a growing of the economic base in the community.*” Benefits of economic development in Sammamish include:

- Jobs for community members
- Sales for business owners
- Places for community members to shop
- Taxes to be collected in order to provide services to the community
- Usually includes/implies greater per capita income, better education, better health—an increase in living standards
- Proximity to services and goods, which leads to improved environmental sustainability

The Town Center vision was reiterated:

- *Well-designed, mixed-use development compatible with surrounding neighbors*
- *Natural resources, view corridors and sensitive areas incorporated as amenities*
- *A variety of housing styles, well-connected by sidewalks, trails and pathways*
- *Commercial retail and offices to serve primarily local needs*
- *Development standards to mitigate impacts to sensitive natural systems*
- *Design guidelines that reflect a human scale, and welcoming aspect*

There are two things that Sammamish needs to keep in mind as it begins economic development efforts: retention of existing businesses—which are as important as creating new jobs—and tourism. Sammamish is home to several world-renown golf courses. It was suggested the City create a dedicated website for economic development that includes information on demographics, taxes, building codes, a video, etc. More information could also be placed in the City Hall lobby.

An Economic Development Committee has been created and has met with interested parties—landowners, developers, business leaders, and economic development professionals. On February 6 the City is holding a meeting that focuses on the Economic Self-Assessment Tool (EDSAT). This will provide a baseline of where the City is currently; identify the City’s strengths, weaknesses and opportunities. The session will be led by Dr. Barry Bluestone from the Dukakis Center at Northeastern University. Input will be gathered from a broad selection of community leaders.

The current economic climate and challenges were discussed. There are limited retail and office areas available in Sammamish. The ESAT report, which is expected by the end of February, will provide baseline information that will assist Sammamish in moving forward.

### **Annexations**

Community Development Director Gurol reviewed the City's past annexations—Rosemont, Camden Park, Ravenhill, and Aldarra/Montaine. The annexation process was briefly outlined. The City can annex property within the County's Urban Growth Area (UGA) if it is located within the City's Potential Annexation Area (PAA). Some of the areas listed below do not yet fall within these criteria. Areas that might be considered in the future include:

- Mystic Lake – The City is currently coordinating with King County on an updated interlocal agreement. Applications submitted to King County are being monitored in the interim.
- Remaining Aldarra Lands—The interlocal agreement with King County would cover this area as well. The City conducted landowner outreach in 2010 and 2011. Modest development potential remains in this area. It will likely need an updated financial analysis and review of the Duthie Hill Bridge's condition.
- 30-acre Soaring Eagle—This property was transferred to the city from the county. An amendment to the County's Comp Plan (UGA, land use, and zoning) is currently in the process. Proceeding with annexation can occur after the County's process is completed—maybe in October 2012. The City will develop a master plan (parks) after annexation.
- The “Notch” —In 2008 the City supported an amendment to the County's UGA, which King County did not adopt. There was some division among property owners, some being for and some against. During the 2012 King County Comp Plan process, owners may try again to have this area included in the County's UGA. City staff is providing information and monitoring the outcome.
- Klahanie—Issaquah completed an annexation study in 2003 and put the issue on the ballot in 2005. Due to a split vote, Issaquah did not proceed with the annexation and it still remains within Issaquah's PAA. Sammamish cannot annex areas within another city's PAA. If both cities agree to change the PAA map, amendments to the Countywide Planning Policies map would be needed before annexation to Sammamish could be considered. The County is putting pressure on Issaquah to make a decision. Sammamish needs to step back and wait for Issaquah's decision. If Klahanie is removed from Issaquah's PAA, City Manager Yazici and Community Development Director Gurol will develop a work program outlining next steps for a potential Klahanie annexation.

### **Council Committees, Meeting Dates, Office Hour**

Mayor Tom Odell reviewed Council's three current standing committees, which include the Eastside Fire & Rescue Board, Economic Development, and Finance. Council consensus was that it would like to retain these committees and not create any new ones at this time.

Ad Hoc committees dealing with a specific issue—such as legislative issues—can be created as the needed arises. Council Committee membership is:

Committee Name	Members/Alternate(s)	Meeting Frequency
1. Public Safety (EF&R Board)	Tom Odell, Ramiro Valderrama <i>Alternates: Don Gerend, Tom Vance</i>	Every other month
EF&R Finance/Operations	Tom Odell <i>Alternate: Tom Vance</i>	Monthly
EF&R Regional/Personnel	Ramiro Valderrama <i>Alternate: Don Gerend</i>	Monthly
2. Economic Development	John James (Chair), Tom Odell, Tom Vance <i>Alternates: John Curley, Don Gerend</i>	6-12 times yearly
3. Finance Committee	Don Gerend, Tom Odell, Ramiro Valderrama <i>Alternate: John Curley</i>	Quarterly (4 times)

The Legislative Issues Ad Hoc Committee members were identified as Tom Odell, John James, and Tom Vance. The Mayor and Deputy Mayor will continue to meet on a regular basis with the chair and vice chair of the City’s three commissions:

- Arts - quarterly
- Parks & Recreation – every other month
- Planning – every other month; more frequently if necessary

Consensus was reached that an additional liaison from Council on each commission is not necessary at this time. Council will continue to hold joint meetings with the three commissions as necessary.

Council representatives on other regional and national committees are appointed by the Suburban Cities Association (SCA), Association of Washington Cities (AWC) Enterprise Seattle, and the National League of Cities (NLC). Council representatives on these committees are:

- SCA Public Issues – Tom Vance
- Enterprise Seattle – John James
- Eastside Transportation Partnership (ETP) – John Curley, John James, Don Gerend (alternate)
- Puget Sound Regional Council Executive Board (PSRC) – Don Gerend
- Regional Transportation Committee (RTC) – Tom Odell (alternate)
- PSRC Transportation Improvement Board (TIB) – Don Gerend
- King County Growth Management Planning Board (GMPB) – Tom Odell (alternate)
- King County Jail Services – John Curley
- Water Resource Inventory Area 8 (WRIA) – Tom Vance
- Association of Washington Cities Board of Directors – Don Gerend (Vice President)
- National League of Cities (NLC) Technology & Communications – Don Gerend
- NLC Transportation, Infrastructure and Services – Tom Odell

It was suggested that the City's standing Council Committees—Finance, Economic Development, and Legislative Issues—should have mission statements and that regular reports be provided at City Council Meetings.

Council meeting days were discussed. After considerable discussion, Council reached consensus to continue with the current schedule:

- Regular Mtgs: First Tuesday of the month, third Monday of the month
- Study Sessions: Second Tuesday of the month

The Council Office Hour will move to the first Wednesday of each month and be conducted outside during the Farmers Market season. This schedule will start in April 2012. Meetings between the City Manager, Mayor and Deputy Mayor will be determined at a later date.