

COUNCIL MINUTES

Study Session/Regular Meeting November 20, 2002

STUDY SESSION

Study session opened at 6:00 pm

The Study Session was a joint meeting between the Issaquah School District Board and the Sammamish City Council.

Study session closed at 7:00 pm.

SPECIAL MEETING

Deputy Mayor Ken Kilroy called the special meeting of the Sammamish City Council to order at 7:35 pm. (Mayor Romero arrived at 7:40 pm.)

Councilmembers present: Mayor Troy Romero, Deputy Mayor Ken Kilroy, Councilmembers, Ron Haworth, Kathleen Huckabay and Michele Petitti.

Councilmembers absent: Councilmember Jack Barry and Don Gerend.

MOTION: Deputy Mayor Kilroy moved to excuse Councilmembers Barry and Gerend. Councilmember Haworth seconded. Motion carried unanimously 5-0.

Staff present: City Manager Ben Yazici, Director of Administrative Services/Assistant City Manager Pete Butkus, Director of Public Works/Assistant City Manager John Cunningham, Director of Community Development Ray Gilmore, Director of Finance Lyman Howard, Parks Manager Jeff Watling, City Engineer Dick Thiel, Associate Planner Evan Maxim, City Attorney Bruce Disend and City Clerk Melonie Anderson.

Roll Call/Pledge

Roll was called. Councilmember Petitti led the pledge.

Approval of Agenda

MOTION: Deputy Mayor Kilroy moved to approve the agenda. Councilmember Huckabay seconded. Motion carried unanimously 5-0.

MAYOR/COUNCIL/COMMITTEE REPORTS

- *Public Safety Committee (Councilmember Haworth):* No Report
- *Finance Committee (Councilmember Barry):* No Report
- *Community Development Committee (Councilmember Huckabay):* The committee met on November 19th. An update was given on the status of hardship exceptions that have been granted. They discussed the status of the State Annexation Committee and their work to change annexation procedures.
- *Public Works Committee (Councilmember Gerend):* No Report
- *Legislative Committee (Councilmember Petitti):* Gave an update on current legislation that was passed in the last election and what the expected impact on cities might be according to the Association of Washington Cities.
- *Eastlake High School Report (Student Liaison Will Voinot Baron):* Gave an end-of-the-season report on sports teams. The school play, "Applause" was a great success.
- *Skyline High School Report (Student Liaison Elizabeth Cochrane):* Gave an up-date on school activities
- *Mayor Report:* Gave an update on the status of the Redmond Pool and what other cities are considering for funding of the pool. He will pass out a draft of a letter of response to Redmond Mayor Rosemarie Ives for Council to review. Next week is National Family Week.

PUBLIC COMMENT: None

CONSENT CALENDAR

Payroll for pay period ending October 31, 2002 for pay date November 5, 2002 in the amount of \$115,685.53.

Claims for period ending November 20, 2002 in the amount of \$2,217,127.73 for Check No. 6619 through Check No. 6725

Minutes For November 5, 2002 Regular Meeting

MOTION: Deputy Mayor Kilroy moved to approve the consent calendar. Councilmember Petitti seconded. Motion carried unanimously 5-0.

Public Hearing

First Reading of an Ordinance of the City of Sammamish, Washington, adopting the 2003-2004 Budgets

City Manager Ben Yazici gave the staff report and a power point presentation. The City has adopted a biennial budget for the last two years and will continue that tradition for the next two years. Before discussing specific budget numbers, Mr. Yazici explained the budget development process. It was a very public process. In August there were two open Study

Sessions held regarding the budget. A public meeting was held in September and an invitation was sent to all residents. Public comment cards were available to the public for input regarding spending priorities, etc. He then listed the past accomplishments of the City. *(A complete copy of this PowerPoint presentation is available upon request from the City Clerk's Office).*

Finance Director Lyman Howard went over the specifics of the budget numbers. After review staff recommended that revenues be increased by increasing the tax levy rate by 1%. It is projected that the property tax rate will increase by 1% in each of the next two years. The Council has the ability to raise the tax levy rate by that amount. Expenditures will increase by about \$1 million in 2003 and will be flat 2004.

Public Hearing Opened at 8:40 pm

Mary Caditz, 22713 SE 23rd Place, She was concerned that the budget only contains \$30,000 for the Pine Lake Study for the next two years. The proposed cost of the study is around \$135,000 to \$180,000. The lake residents cannot afford to pay the remaining costs. Since the lake is heavily used by all residents, it seems reasonable the City would expend more money than is currently allocated.

Roger Fradel, 21611 SE 24th, He also felt the City was not allocating enough money to fund the Pine Lake Study.

Nancy Whitten, PO Box 1297, Issaquah, She handed out maps of the Pine Lake Basin and a newspaper article relating to Pine Lake. She feels that recent development and proposed future development could further deteriorate the quality of the water in the lake. Since homeowners in the Pine Lake Drainage Basin cannot afford to fund the study completely, she asked the City to contribute more for the study.

Public Hearing closed at 8:45 pm.

2003 Tax Levy Rate/First Reading of the Ordinance

Mr. Howard gave the staff report. The City is very dependent on property taxes for revenue. It is predicted that 70% of the General Fund revenue for 2003 will be generated by property taxes. In 2003 the assessed valuation of property within the City will increase by 10%. The staff is proposing increasing the levy rate from \$2.60 per thousand to \$2.63 per thousand (1% increase) in assessed valuation. This will raise \$14.7 million. Total increase in collection would be 11% due to increase in assessed valuations and new construction being assessed.

Public Hearing opened at 8:50 pm.

No public comment

Public Hearing closed at 8:51 pm

Councilmember Haworth inquired about the availability of state funding for the Pine Lake study. Mr. Gilmore explained that a consultant was hired to produce a report that will be submitted to the state to see if the lake qualifies for 4D funding. If it does, there may be some funds available to fund the study.

Councilmember Huckabay asked for clarification of the 1% increase in valuation. Mr. Yazici explained that half the increase would come from new construction and half from increased evaluation. He also explained that the state legislature would not be very anxious to give additional funding to cities that are not trying access their own options first. This 1% increase will show the state the City is trying to raise their own funds.

Mayor Romero requested a memo be included explaining any time expenditure requests increased by over 20%.

Councilmember Petitti concurred there was not enough money in the budget being allocated to the Pine Lake Study. Mr. Yazici explained that more information is needed to determine the exact cost of the study before allocating the funds. Once the documentation study is completed, then funds can later be allocated. Mr. Yazici advised against committing to funding the study before the cost has been determined.

A discussion followed regarding the increase in the tax levy rate. Council requested that staff prepare two ordinances for the second reading, one with the 1% increase and one without. Staff will also prepare two budget ordinances, based on which tax levy rate is passed. Any decrease in the budget will be removed from the ending fund balance and will not affect any existing services or staff.

Council recessed for 9:20 pm to 9:25 pm. (*Mayor Romero excused himself at this time*).

Unfinished Business

Second Reading of an ordinance amending Ordinance O2001-93 Creating The Beaver Lake Management District No. 1 And Updating The Program Schedule And Budget For The Period 2002 – 2006

Mr. Gilmore gave the staff report. The budget for the Program was reduced \$10,000 to account for the time it has taken to get the work plan into place. That is the only change that has been made from the first reading. The residents in the Beaver Lake area fund the program.

MOTION: Councilmember Petitti moved to adopt the ordinance. Councilmember Huckabay seconded. Motion carried unanimously 4-0 (O2002-113).

Amendment: Interlocal Agreement with King County for the Beaver Lake Management District Program Budget

Mr. Gilmore gave the staff report. This amendment will amend the Interlocal Agreement between King County and the City (C99-13) to provide the lake management services as part of the Surface Water Interlocal.

MOTION: Councilmember Haworth moved to authorize the City Manager to sign the amendment with King County to provide lake management services. Councilmember Petitti seconded. Motion carried unanimously 4-0.

Amendment Approval: INCA/Design 228th Avenue Phase 1B

Public Works Director/Assistant City Manager John Cunningham gave the staff report. He said the contract has been amended to delete the \$4,800 for vehicle reimbursement. The additional request in the amendment is for the redesign of the street after removing the

roundabouts and replacing them with traffic signals. This work was necessary to reduce impact on the surrounding neighbors. Additional survey work was needed because the original design was based on inaccurate survey information along with some other minor changes.

MOTION: Councilmember Haworth moved to authorize the City Manager to sign Amendment 7 to the original contract with INCA for construction management of the 228th Phase 1B construction project in an amount not to exceed \$134,219.24. Councilmember Huckabay seconded. Motion carried unanimously 4-0.

New Business

Resolution: Final Plat Approval Trossachs Division 11

Mr. Gilmore gave the staff report. This project was given preliminary plat approval under King County and is built to King County standards. The plat consists of open space and recreation tracts. All bonding is in place and applicable fees have been paid. The staff is recommending approval.

MOTION: Councilmember Petitti moved to grant final plat approval to Trossachs Division 11. Councilmember Huckabay seconded. Motion carried 4-0 (R2002-130)

Ordinance: First reading 2002 Budget Adjustments

Finance Director Lyman Howard gave the staff report. This is the first reading on the ordinance adjusting the 2002 budget. It is basically a housekeeping item. It reflects additional revenues of \$4.6 million over what was budgeted and decreased expenses of \$4.4 million. The ending fund balance will be approximately \$26 million. The increased revenues are a result of higher than expected sales tax and property tax revenues. The decrease in expenditures is due to delays in capital projects and the Sammamish Commons project. All of the adjusted expenditures have been brought before Council previously. First reading, no action recommended.

Ordinance: First Reading of an Ordinance of the City of Sammamish, Establishing Business License Requirements

Mr. Howard gave the staff report. The City currently has no business license requirements. The purpose for establishing business license requirements is to help identify businesses for the purpose of sales tax collection, safety information regarding alarms and hazardous materials, planning and zoning information and will also provide some way to track transient door-to-door businesses. All surrounding cities have business license requirements. There are approximately 350 businesses located within the City and approximately 800 companies doing business within the City. This program will charge a nominal fee yearly, just to cover costs. Charities would be exempt from the fee. Casual garage sales would not be required to obtain a license. Selling of produce raised on the owner's property would be exempt. First reading, no action required.

Councilmember Huckabay requested that small businesses should be provided an exemption to the licensing requirement. Councilmember Haworth suggested that everyone be required to get the license even if they don't have to pay the fee.

Staff will change the ordinance to leave the exemption but all businesses will still have to register.

Ordinance: First Reading of an Ordinance establishing the setting of Fee Schedules by Resolution.

Mr. Howard gave the staff report. This is another housekeeping issue. Currently the fees the City is charging is set by ordinance. The more standard practice is to set them by resolution so they do not have to be included in the municipal code, thereby more easily changed or amended. This is the first reading. Not action required.

City Manager Report No Report

Adjournment – Mayor Romero adjourned the meeting at 10:15 pm

Melonie Anderson, City Clerk

Kenneth Kilroy, Mayor