

**UNIVERSITY PLACE CITY COUNCIL
Special Council Meeting Agenda
Monday, June 11, 2018, 5:00 p.m.**

Note: Times are approximate and subject to change.

**Town Hall Meeting Room
3715 Bridgeport Way West**

- 5:00 pm 1. **CALL SPECIAL MEETING TO ORDER**
2. **COUNCIL GOAL SETTING WORKSHOP**
- 9:00 pm 3. **ADJOURNMENT**

***PRELIMINARY CITY COUNCIL AGENDA**

June 18, 2018
Regular Council Meeting

Study: 2017-2018 Carryforward Budget Adjustment
Shoreline Master Program Update

July 2, 2018
Regular Council Meeting

July 16, 2018
Regular Council Meeting

August 6, 2018
Regular Council Meeting

Preliminary City Council Agenda subject to change without notice*
Complete Agendas will be available 24 hours prior to scheduled meeting.
To obtain Council Agendas, please visit www.cityofup.com.

**American Disability Act (ADA) Accommodations Provided Upon Advance Request
Call the City Clerk at 253-566-5656**

2019-2020 COUNCIL GOALS AND OUTCOMES

- 1. Conduct a detailed review of public safety needs with commission, community, and business input and develop long range planning document.**

In 2013, Council directed the Public Safety Commission to examine the City's long-range public safety needs. UP Police Department staff worked with the Commission to develop a ten-page Long Range Public Safety Planning document. The document was used in developing recommendations leading to the 2014 public vote on additional funding for police staffing. Staff suspects that the staffing recommendations and mission goals included in the document likely will remain the same.

Staff can schedule a Council study session to review the document and identify any areas in need of updating.

- 2. Explore partnering with UPSD to do an advisory bond measure to hire additional police officers for school and neighborhood safety.**

In addition to working at a staff to staff level, City staff can attempt to schedule a joint School Board/City Council study session to discuss school and neighborhood safety, and any funding requirements to implement agreed upon program goals or enhancements.

- 3. Establish a viable homeless action plan and partner with existing services.**

Staff can attempt to schedule a study session with participation by relevant homeless services providers and other government agencies to discuss local and regional needs and funding options.

- 4. Work on a solution with the UPSD for ½ days and support youth centric services – open gyms along with programs: Dance/Sports.**

In addition to working at a staff to staff level, City staff can attempt to schedule a joint School Board/City Council study session focused on identifying specific safety concerns and any funding or operational changes needed to address the concerns.

- 5. A targeted business retention/recruitment strategy, complete a Strength, Weakness, Opportunities and Threats (SWOT) analysis priorities:**

- **Business that can thrive with UP's geographic, social and quality of life assets.**
- **Select business types that have the optimum ratio between tax revenue and the cost to provide local government services to that business type.**
- **Use the UP Business SWOT Analysis to prioritize business types in certain zoning districts in the overlay district and other zoning actions.**
- **Consider optimum tax to cost of service impacts in the SEPA process when applicable so that certain high return business construction impacts are balanced with their long term positive net cost for government services.**

- **Further develop strategies to market “Opportunity Properties.” Pay particular attention to attracting mid-sized employers looking to be near the boom in King County.**
- **Target businesses that provide optimum ratio between tax revenue and cost to provide government services.**

In 2017, Council adopted the Regional Growth Center Subarea Plan which includes recommendations for both land uses and economic development strategies. As described in #6 below, this plan encompasses most of the City’s commercial, employment and multi-family uses. As part of the implementation of this plan, staff has engaged a consultant to develop a Revenue and Impact Financial Analysis Tool to apply in development of realistic and appropriate zoning, identification of public investments and incentives, and review of significant project proposals. Upon completion of this work, staff intends to recommend implementation of these strategies, including utilizing a SWOT analysis where appropriate.

Staff also intends to develop guidelines for assessing and processing new development projects (especially those targeted as opportunity sites within the Sub-District areas), implement recommendations and action plan from Feasibility Analysis, and continue collaboration with EDB and other South Sound initiatives focused on recruitment and expansion for businesses relocating from Seattle and King County.

Based on this background and prior direction, if Council identifies this item as a 2019/2020 goal, staff will continue this work as planned, expanding the work to include some of the items identified above when appropriate.

6. Complete and implement action plans for the Subarea Plans.

In 2014, the City applied to PSRC to designate 481 acres in the City (containing most of the City’s commercial, employment and multi-family uses) as a regional growth center. The goal of the designation was to help the City accommodate its GMA-mandated growth targets. To achieve this designation, the City was required to adopt a subarea plan.

The City updated its Comprehensive Plan policies and included within its 2015-2016 Council goals the plan to development and implement a subarea plan for the area. In 2016, the City hired a consultant to advise on the project, and the Council appointed an Ad-hoc Advisory Committee. Staff and the Committee completed their work in 2017, and Council adopted the Regional Growth Center Subarea Plan in November 2017.

The Plan included an extensive action plan, to be implemented over the next three years. The plan included actions such as:

- Amending the City’s Comprehensive Plan Map
- Revising the City’s Zoning Code
- Development specific master plans and design guidelines for each Subarea district.
- Consider adopting planned action ordinances.

- Conduct ongoing systems and facilities planning with regard to schools, parks, transportation/transit, utility systems and capital improvements.

These actions are in addition to other ongoing actions, such as identification of public investments and incentives, and coordinating activities and engaging property owners, businesses and developers.

Based on this background and prior direction, staff has outlined a multi-phased action plan, some of which activities are occurring currently, and some of which are planned during the upcoming biennium. Most of these actions will require Council action. If Council identifies this item as a 2019/2020 goal, staff will continue this work as planned.

7. Lower Park Impact fees and SWM fees.

The City's park impact fee was first adopted in 1998. The intent of the fee was to address the increased demand for publicly owned parks, open space and recreation facilities. The fee is applicable to new residential development to ensure that growth and development pays a proportionate share of the cost of planned facilities needed to serve that growth. The fee was last adjusted in 2008. Park impact fees are used on improvements identified in the City's Parks, Recreation and Open Space and Capital Facilities Plans, or for previously constructed facilities to the extent those facilities serve new growth.

The primary purpose of the City's surface water management program is to control and prevent water quality degradation (including the protection of streams and wetlands) in compliance with federal and state laws, and to prevent property damage caused by flooding, erosion and sedimentation. The fees are designed to create a self-supporting funding mechanism to maintain existing facilities, meet obligations for compliance with the City's NPDES permit, and to design and construct new facilities identified in the City's SWM Comprehensive Plan and Transportation Improvement Plan.

Staff can schedule a City Council study session to review the City's park and surface water management programs and the associated funding mechanisms, and to identify in projects that can be delayed or eliminated if Council decides to reduce the associated fee.

8. Conservative forecasting and expenditures to ensure debt reduction.

- **Continue our conservative financial business practices.**
- **Continue to look for opportunities to pay down principle and reduce interest rate.**

The City maintains conservative budgetary practices, based in large part on a ten-year forecast of revenues and expenditures. The forecast's projections are based on conservative assumptions of inflationary increases and include projections on estimated future capital improvements. Furthermore, as a practice, the City recognizes one-time revenues only after they are received. The forecast is regularly presented to Council to facilitate budget decisions and strategic planning, based on a multi-year strategic planning perspective.

In a 2016 Finance Committee meeting, staff presented information on the City's long-term debt and debt reduction plan. Staff noted that the City was able to achieve favorable interest rates with the refinancing of the City's long-term debt in 2012 – saving the City over \$2 million. Staff also noted that

this refinancing reduced the options for early repayment of the debt. Specifically, the bond provisions require a prepayment penalty within the first ten years of the repayment period. This is a very normal feature of bonded general obligation debts. As a result of this prepayment penalty, any prepayment prior to 2023 is not cost effective. Perhaps more importantly, the debt is structured to maintain a level payment. As a result, prepayment of a portion of the debt does not necessarily mean that the City's payments will be reduced every year over the remaining payment period.

If Council would like to discuss this issue further, staff can schedule a Council study session as part of the budget process.

9. Increase strategic reserves 1% each budget cycle until reserves reach a best practice standard of 13% of GF.

The City's budget guidelines provide that the City shall establish a Strategic Reserve Fund. Expenditures from the Fund shall be neither appropriated nor spent without Council authorization by at least five Council members. The purpose of the Fund is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters, or similarly major, unanticipated events.

In the January 2017 Council retreat, staff reviewed the City's current policies regarding cash and contingency reserves, including the Strategic Reserve Fund. Staff provided an analysis to give Council a sense of how the City's policies compared to those of other municipalities and GFOA best practices. The analysis showed that there was not one standard for calculating cash and contingency reserve percentages, and cities use a variety of different budgetary components in determining "operating" revenues or expenditures. Staff is not aware of a specific best practice with regard to strategic reserves.

After extensive discussion, Council voted to retain the City's current policy of maintaining a cash reserve of five to fifteen (5-15%) percent of the Operating Budget (approximately one-month of expenditures), administratively set aside \$4 M in a Reserved Ending Fund Balance (which is equal to our average annual debt service payment plus one year of state shared liquor revenues), to maintain the Strategic Reserve Fund at \$1M, and to increase the Contingency Reserve from \$50,000 to \$420,000 (2%) of the General Fund and Street Fund operating expenditures.

Currently, our cash and contingency reserves are approximately 64% of the City's \$14.98 million Operating Budget. This amount includes our current \$1,000,000 strategic reserve, which is 6.68% of our Operating Budget.

Staff can schedule a study session, so Council can review the City's current practices and determine whether further adjustments are needed.

10. Develop a policy for prioritizing one time and excess revenues to support police and transportation based on identified planning document.

The City's current cash balances policy provides that ongoing revenues in excess of ongoing expenditures either should be, 1) held and carryforward as an unallocated ending fund balance to offset unanticipated fluctuations in future revenue, or 2) allocated towards one-time or non-recurring expenditures. Council has the flexibility within our existing policies to allocate one-time revenues as desired as part of the budget process. For example, Council recently did so following the Council's 2017 retreat, when staff was directed to allocated \$1.7 million from the General Fund to the Public Safety Fund to cover ten-year's worth of expenses associated with hiring a detective.

If Council would like to discuss this issue further, staff can schedule a Council study session as part of the budget process.

11. Unneeded City property sold, returning it to tax paying purposes.

This issue was first raised in 2016 and included as part of the Council's 2017/2018 Council Goals. It is an outcome under the goal of Stronger Financial Conditions, entitled "Review current City assets that are surplus to the City's needs and consider legislation disposing of those assets."

Staff has compiled the list and will be presenting the information for Council's review later this year.

12. Hold citywide 25-year celebration that will highlight accomplishments and solicit future needs/expectations.

- **UP Citizens involved in meaningful way to recraft the community vision for the next long-term planning horizon. (Comp Plan update)**

If Council would like to discuss this issue further, staff recommends that staff begin work on this item in 2018 (to develop the scope of the program and associated costs), so that we can schedule Council study sessions in early 2019 to include requisite funding in the Carryforwards to be approved by Council in the Spring of 2019.

13. Implement an electronic citizens/public communications strategy.

- **Virtual communication and social media.**
- **Complete and implement e-communication to the public.**
- **Complete/enhance what we have, create new e-platforms.**
- **Develop a comprehensive communication strategy and implement by end of year.**

This issue is an ongoing effort and was partially addressed in 2017/2018 with the implementation of Twitter, YouTube, a city-wide Facebook account, the development of the e-newsletter, an updated website, and eGov for permitting. This year, staff anticipates following up on the presentation that you received at the January retreat with a study session on the addition of new 311 system that will allow residents to access government services and communicate with us through a mobile app and website enhancements.

If Council would like to discuss this issue further (after the upcoming study session later this year), staff will schedule a Council study session within the 2019/2020 biennium.

14. Part-time community/volunteer position.

This issue was included as part of the Council's 2017/2018 Council Goals. It is an outcome under the goal of Greater Citizen Trust and Confidence, entitled "Consider funding the development and staffing of a part-time U.P. volunteer and event coordinator position." This item was reviewed as part of the January 2017 Council retreat, and its estimated \$40,000 ongoing cost was not funded, and therefore not further studied.

If Council would like to discuss this issue further, staff can schedule a Council study session either as part of the budget process or in 2019.

15. Develop a City value statement which includes transparency and integrity in the City's actions and communications. Use the value statement.

If Council would like to discuss this issue further, staff will schedule a Council study session within the 2019/2020 biennium.

16. Understand and define citizen involvement and value of volunteers/events on community image and desirability.

If Council would like to discuss this issue further, staff will schedule a Council study session within the 2019/2020 biennium.

17. Increase staff awareness/education of Council's direction on overall service to the community. "Service that results in citizen trust and confidence."

If Council would like to discuss this issue further, staff will schedule a Council study session within the 2019/2020 biennium.

2019-2020 COUNCIL GOALS AND OUTCOMES

NUMBER OF VOTES	GOAL: SAFER, MORE LIVABLE COMMUNITY	TOTAL
	1. Conduct a detailed review of public safety needs with commission, community, and business input and develop long range planning document.	
	2. Explore partnering with UPSD to do an advisory bond measure to hire additional police officers for school and neighborhood safety.	
	3. Establish a viable homeless action plan and partner with existing services.	
	4. Work on a solution with the UPSD for ½ days and support youth centric services – open gyms along with programs: Dance/Sports	
	GOAL: INCREASED ECONOMIC VITALITY	
	5. A targeted business retention/recruitment strategy, complete a Strength, Weakness, Opportunities and Threats (SWOT) analysis priorities: <ul style="list-style-type: none"> - Business that can thrive with UP’s geographic, social and quality of life assets. - Select business types that have the optimum ratio between tax revenue and the cost to provide local government services to that business type. - Use the UP Business SWOT Analysis to prioritize business types in certain zoning districts in the overlay district and other zoning actions. - Consider optimum tax to cost of service impacts in the SEPA process when applicable so that certain high return business construction impacts are balanced with their long term positive net cost for government services. <ul style="list-style-type: none"> ▪ Further develop strategies to market “Opportunity Properties.” Pay particular attention to attracting mid-sized employers looking to be near the boom in King County. 	
	6. Complete and implement action plans for the Subarea Plans.	
	7. Lower Park Impact fees and SWM fees.	
	GOAL: STRONG FINANCIAL CONDITIONS	
	8. Conservative forecasting and expenditures to ensure debt reduction. <ul style="list-style-type: none"> ▪ Continue our conservative financial business practices. ▪ Continue to look for opportunities to pay down principle and reduce interest rate. 	

2019-2020 COUNCIL GOALS AND OUTCOMES

	9. Increase strategic reserves 1% each budget cycle until reserves reach a best practice standard of 13% of GF.	
	10. Develop a policy for prioritizing one time and excess revenues to support police and transportation based on identified planning document.	
	11. Unneeded City property sold, returning it to tax paying purposes.	
GOAL: GREATER CITIZEN TRUST AND CONFIDENCE		
	12. Hold citywide 25-year celebration that will highlight accomplishments and solicit future needs/expectations. <ul style="list-style-type: none"> ▪ UP Citizens involved in meaningful way to recraft the community vision for the next long-term planning horizon. (Comp Plan update) 	
	13. Implement an electronic citizens/public communications strategy. <ul style="list-style-type: none"> ▪ Virtual communication and social media. ▪ Complete and implement e-communication to the public. ▪ Complete/enhance what we have, create new e-platforms. ▪ Develop a comprehensive communication strategy and implement by end of year. 	
	14. Part-time community/volunteer position.	
	15. Develop a City value statement which includes transparency and integrity in the City's actions and communications. Use the value statement.	
	16. Understand and define citizen involvement and value of volunteers/events on community image and desirability.	
	17. Increase staff awareness/education of Council's direction on overall service to the community. <u>"Service that results in citizen trust and confidence."</u>	