



# AGENDA

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## SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, March 31, 2014  
5:30 p.m.

Conference Room 303 · Shoreline City Hall  
17500 Midvale Avenue North

**TOPIC/GUESTS:** Development Decision Making Process

## SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, March 31, 2014  
7:00 p.m.

Council Chamber · Shoreline City Hall  
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
<b>1. CALL TO ORDER</b>		7:00
<b>2. FLAG SALUTE/ROLL CALL</b>		
(a) Proclamation of Cesar Chavez Day	<u>2a-1</u>	
<b>3. REPORT OF THE CITY MANAGER</b>		
<b>4. COUNCIL REPORTS</b>		
<b>5. PUBLIC COMMENT</b>		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 15 people are signed up to speak, each speaker will be allocated 2 minutes. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
<b>6. APPROVAL OF THE AGENDA</b>		7:20
<b>7. ACTION ITEMS</b>		
(a) Action on Resolution No. 356 supporting King County Transportation District Proposition No. 1, Sales and Use Tax and Vehicle Fee for Transportation Improvements	<u>7a-1</u>	7:20
<b>8. STUDY ITEMS</b>		
(a) Discussion of Proposed Ordinance No. 684 Updating Record Keeper and Authorizing Rulemaking for Investment Policies in Shoreline	<u>8a-1</u>	7:40

Municipal Code Chapter 2.30

(b) Discussion of Extra Help Policies

8b-1

7:55

**9. ADJOURNMENT**

8:30

*The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at [www.shorelinewa.gov](http://www.shorelinewa.gov). Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.*

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<p><b>AGENDA TITLE:</b> Proclamation Declaring Cesar Chavez Day in the City of Shoreline <b>DEPARTMENT:</b> CMO/CCK <b>PRESENTED BY:</b> Jessica Simulcik Smith, City Clerk</p>
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**ISSUE STATEMENT:**

On March 31 of each year the nation celebrates Cesar Chavez Day. A true champion for justice, Cesar Chavez advocated for and won many of the rights and benefits we now enjoy, and his spirit lives on in the hands and hearts of working women and men today.

Raised in the fields of Arizona and California, Cesar Chavez faced hardship and injustice from a young age. At the time, farm workers toiled in the shadows of society, vulnerable to abuse and exploitation. Families like Chavez's were impoverished; exposed to hazardous working conditions and dangerous pesticides; and often denied clean drinking water, toilets, and other basic necessities.

Cesar Chavez saw the need for change and made a courageous choice to work to improve the lives of his fellow farm workers. This proclamation calls upon all citizens to observe this day with appropriate service, community, and educational programs to honor Cesar Chavez's enduring legacy.

Edith Martinez-Bringas, Maria Medina, and Elizabeth Perez-Garcia of the Latinos Unidos Club from Shorewood High School will be present to accept the proclamation.

**RECOMMENDATION**

No action is required.

Approved By: City Manager **DT** City Attorney **IS**



## **P R O C L A M A T I O N**

WHEREAS, Cesar Chavez was raised in the fields of Arizona and California, where he faced hardship and injustice from a young age; and

WHEREAS, Cesar Chavez saw the need for change and made a courageous choice to work to improve the lives of his fellow farm workers; and

WHEREAS, a true champion for justice, Cesar Chavez advocated for and won many of the rights and benefits we now enjoy, and his spirit lives on in the hands and hearts of working women and men today; and

WHEREAS, as we face the challenges of our day, let us do so with the hope and determination of Cesar Chavez, echoing the words that were his rallying cry and that continue to inspire so many today, "Sí, se puede" – "Yes, we can."; and

WHEREAS, the City Council calls upon all citizens to observe the legacy of Cesar Chavez with appropriate community service and educational programs;

NOW, THEREFORE, I, Shari Winstead, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, hereby proclaim today, March 31, as

## **CESAR CHAVEZ DAY**

in the City of Shoreline.

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Shari Winstead, Mayor of Shoreline

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Action on Resolution No. 356 supporting King County Transportation District Proposition No. 1, Sales and Use Tax and Vehicle Fee for Transportation Improvements
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	John Norris, Assistant City Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The Shoreline City Council has requested that Resolution No. 356 supporting King County Transportation District Proposition No. 1, Sales and Use Tax and Vehicle Fee for Transportation Improvements, be placed on the Council agenda for action. Resolution No. 356, which is attached to this staff report as Attachment A, would declare City Council support for the King County Transportation District Proposition No. 1, which is scheduled for the special election of April 22, 2014. Tonight's agenda item will serve as an opportunity to hear from the public on this proposed resolution, discuss the resolution amongst the Council, and take action on the resolution if the Council so moves.

**BACKGROUND:**

Generally, Washington State law prohibits the use of any public resources in support or opposition to candidates or ballot issues. However, RCW 42.17.130 provides an exception that allows a city to take a position on a ballot issue as long as: 1) the notice of the Council meeting includes the title and number of the ballot proposition, and 2) an equal opportunity is provided to both proponents and opponents of the ballot proposition to speak.

To facilitate this, the Council will take comments on Resolution No. 356, which would declare the Council's support of the King County Transportation District Proposition No. 1. Council Rule 6.1.B states that if during a business meeting an agenda item is before the Council for the first time and is not part of the consent agenda, public comment for that item will follow the staff report but precede Council review. Thus, public comment in support or opposition to Resolution No. 356 will not be taken during general public comment at the beginning of tonight's meeting, but rather following the staff report introducing this topic to the Council. The City Clerk will monitor public comment to ensure that equal time is provided to both proponents and opponents of the resolution.

The King County Transportation District Resolution that was approved to put Proposition No. 1 on the ballot is attached to this staff report as Attachment B. The Transportation District's Resolution includes the actual ballot language for Proposition No. 1 as well as information on how the Proposition would work. Staff also provided a briefing to Council on February 10<sup>th</sup> regarding the then proposed ballot measure, which has commonly been referred to as 'Plan B'. The staff report from this February 10<sup>th</sup> agenda item can be found at the following link:  
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport021014-9b.pdf>.

On occasion, the Council has voted to support ballot propositions if it determines the proposition will have a direct impact on the Shoreline community. These have included propositions supporting the Shoreline Fire District, Emergency Medical Services, King County Metro Transit, and, most recently, the Shoreline School District. In January of this year, Council voted to support a maintenance and operations levy and technology improvement levy for the School District.

**RESOURCE/FINANCIAL IMPACT:**

There is no resource or financial impact to adopting Resolution No. 356.

**RECOMMENDATION**

It is recommended that the Council hear public comment regarding Resolution No. 356 to hear those in support of or opposition to the resolution and then review and consider the adoption of Resolution No. 356.

**ATTACHMENTS:**

Attachment A: Proposed Resolution No. 356

Attachment B: King County Transportation District Resolution No. TD2014-03.1: A Resolution of the King County transportation district relating to financing transportation improvements

Approved By:            City Manager **DT**    City Attorney **IS**

**RESOLUTION NO. 356**

**A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, SUPPORTING KING COUNTY TRANSPORTATION DISTRICT PROPOSITION 1, SALES AND USE TAX AND VEHICLE FEE FOR TRANSPORTATION IMPROVEMENTS AND BUS SERVICE**

WHEREAS, the King County Transportation District approved Resolution TD2014-03 on March 24, 2014 placing the District's Proposition 1 on the ballot of a April 22, 2014 special election; and

WHEREAS, the district's Proposition 1 levy would authorize the district to fix and impose, for ten years, a vehicle fee in the amount of sixty dollars and to fix and impose, for a term of ten years, a sales and use tax in the amount of one-tenth of one percent for bus service, road safety and maintenance and other transportation improvements in King County cities and the unincorporated area of the district; and

WHEREAS, 40% of revenues after administrative costs will be distributed pro rata for transportation improvements based on interlocal agreements with jurisdictions within the district and each jurisdiction's population; now therefore

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON AS FOLLOWS:**

That the City Council of the City of Shoreline hereby expresses its support for King County Transportation District Proposition 1, providing funding from a vehicle fee and sales and use tax to be used for Metro bus service and transportation improvements in King County cities and unincorporated King County; and encourages voters to approve the proposition at the special election to be held on April 22, 2014.

**ADOPTED BY THE CITY COUNCIL ON March 31, 2014.**

\_\_\_\_\_  
Mayor Shari Winstead

**ATTEST:**

\_\_\_\_\_  
Jessica Simulcik Smith, City Clerk



**KING COUNTY**  
**Signature Report**

Attachment B  
1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**March 25, 2014**

**TD Resolution**

**Proposed No.** TD2014-03.1

**Sponsors**

1           A RESOLUTION of the King County transportation  
2           district relating to financing transportation improvements;  
3           submitting a ballot measure regarding transportation  
4           funding to the qualified electors of the King County  
5           transportation district at a special election to be held on  
6           April 22, 2014, and submitting a proposition to district  
7           voters to authorize the district to fix and impose a one-tenth  
8           of one percent sales and use tax within the district and a  
9           sixty dollar vehicle fee on all vehicles within the district to  
10          finance transportation improvements; requesting that the  
11          King County prosecutor prepare a ballot title for the  
12          proposition; and appointing committees to prepare the pro  
13          and con statements for the local voters' pamphlet.

14          WHEREAS, in the last several years, new transportation challenges have emerged  
15          affecting the funding of transportation improvements for King County Metro transit and  
16          all King County cities and unincorporated King County, including a prolonged recession,  
17          and declined gas-tax, property tax, and sales tax revenues, and

18          WHEREAS, chapter 36.73 RCW, provides for the establishment of transportation  
19          benefit districts by cities and counties and authorizes those districts to levy and impose



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20 various taxes and fees to generate revenues to support transportation improvements that  
21 benefit the district and that are consistent with state, regional or local transportation plans  
22 and necessitated by existing or reasonably foreseeable congestion levels, and

23 WHEREAS, King County Ordinance 17746 established the King County  
24 transportation district with the authority to fund, acquire, construct, operate, improve,  
25 provide, maintain and preserve transportation improvements authorized by chapter 36.73  
26 RCW, and

27 WHEREAS, the King County transportation district intends to fund transportation  
28 improvements authorized by chapter 36.73 RCW and that local jurisdictions receiving  
29 funding will directly acquire, construct, operate, maintain, preserve or otherwise provide  
30 any transportation improvement authorized by chapter 36.73 RCW and consistent with  
31 this resolution, and

32 WHEREAS, the King County Transportation District has the legal authority to fix  
33 and impose up to a one hundred dollar vehicle fee under RCW 82.80.140 with approval  
34 of a majority of district voters, and

35 WHEREAS, the King County Transportation District has the legal authority to fix  
36 and impose up to a two-tenths of one percent sales and use tax within the district under  
37 RCW 82.14.0455 with approval of a majority of district voters, and

38 WHEREAS, a voter-approved vehicle fee imposed by the King County  
39 transportation district does not affect the authority of city-established transportation

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40 benefit districts to impose up to a twenty dollar councilmanic vehicle fee under RCW  
41 82.80.140, and

42 WHEREAS, the King County Transportation District cannot impose a voter  
43 approved sales and use tax that exceeds a period of ten years, unless extended by an  
44 affirmative public vote in accordance with RCW 82.14.0455;

45 BE IT RESOLVED BY THE KING COUNTY TRANSPORTATION  
46 DISTRICT:

47 **SECTION 1. Fee and tax submittal to voters.** To provide necessary funding for  
48 the transportation improvements identified in section 3 of this resolution, the King  
49 County transportation district shall submit to the qualified electors of the district a  
50 proposition authorizing the district to fix and impose, for ten years, a sixty-dollar vehicle  
51 fee to be added to any existing fees and to fix and impose, for ten years, an additional  
52 one-tenth of one percent sales and use tax.

53 **SECTION 2. Distribution of revenues.** The district sales and use tax and  
54 vehicle fee revenues shall first pay any administrative costs to the state Department of  
55 Licensing and state Department of Revenue, the administrative costs of the district and  
56 the cost of the license fee low-income rebate program in section 4 of this resolution. The  
57 remaining combined revenue will be distributed pursuant to interlocal agreements for use  
58 for transportation improvements consistent with this resolution in the following manner:

59 A Sixty percent distributed to King County. On a biennial basis, the Board shall  
60 determine and allocate for Metro transit purposes the amount of the sixty percent

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61 distribution necessary to fund the operation, maintenance and capital needs of the Metro  
62 transit system. In making this determination and allocation the Board shall be guided by  
63 the following criteria:

64 1. Preserving Metro transit service at levels comparable to the 2014 Metro transit  
65 system;

66 2. Covering the costs of administering any low income fare program and the  
67 amount of the reduction in fare revenue resulting from a \$1.50 low-income fare; and

68 3. Adjusting for any changes in the amount of other Metro transit revenues  
69 above the revenues estimated in the adopted King County 2013-2014 biennial budget.

70 If as a result of this determination and allocation, there are remaining revenues from the  
71 sixty percent distribution, these will be distributed fifty percent for Metro transit purposes  
72 and fifty percent for unincorporated area road purposes. Attachment A titled Estimated  
73 Distributions of King County Transportation District Revenues to this resolution  
74 illustrates estimated distributions using these criteria, based on currently projected  
75 revenues and expenditures; and

76 B. Forty percent distributed to the cities within King County and to King County  
77 for city transportation improvement purposes and for county unincorporated area road  
78 purposes, respectively, in amounts shared pro rata based on each jurisdiction's percentage  
79 of the total population of jurisdictions entering into interlocal agreements with the district  
80 for the distribution of revenues.

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81            **SECTION 3. Use of revenues and description of transportation**

82    **improvements.**

83            A. The sales and use tax and vehicle fee revenues, less the administrative and  
84 rebate program costs identified in Section 2 of this resolution, shall be used by the district  
85 consistent with RCW chapter 36.73 and this resolution to fund transportation  
86 improvements permitted by RCW chapter 36.73, including but not limited to, the  
87 acquisition, construction, operation, improvement, provision, maintenance, and  
88 preservation of public transportation facilities, services and programs, and roads.

89            B. Specifically, the transportation improvements carried out with the sales and  
90 use tax and vehicle fee revenues must be projects or programs contained in the  
91 transportation plan of the Puget Sound Regional Council, King County or a city within  
92 King County that are:

- 93            1. The provision of Metro transit public transportation services;
- 94            2. The service planning and public engagement for the provision of Metro  
95 transit public transportation services;
- 96            3. The operation, maintenance and repair of Metro transit vehicles, equipment  
97 and facilities;
- 98            4. The acquisition and replacement of Metro transit vehicles and equipment and  
99 the planning, design, construction and implementation of Metro transit capital  
100 improvements;
- 101           5. The implementation of transportation demand management programs;

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102           6. The planning, design, construction and implementation of capital  
103 improvement, preservation and restoration projects for road facilities such as streets,  
104 roads, bridges, signals, guardrails, drainage systems, pedestrian and bicycle pathways and  
105 related facilities and improvements;

106           7. The operation, maintenance and repair of road facilities such as streets, roads,  
107 bridges, signals, guardrails, drainage systems, bicycle pathways and related facilities and  
108 improvements;

109           8. The provision of emergency responses to protect road facilities and public  
110 health and safety; or

111           9. The planning, design, installation and management of intelligent  
112 transportation systems including traffic cameras, control equipment and new technologies  
113 to optimize the existing transportation system.

114           C. Consistent with RCW 36.73.020, the transportation improvements carried out  
115 with the sales and use tax and vehicle fee revenues shall be needed by existing or  
116 reasonably foreseeable congestion levels; and selection of the transportation  
117 improvements shall, to the extent practicable, consider the following criteria:

118           1. Reduced risk of transportation facility failure and improved safety;

119           2. Improved travel time;

120           3. Improved air quality;

121           4. Increases in daily and peak period trip capacity;

- 
- 122 5. Improved modal connectivity;
- 123 6. Improved freight mobility;
- 124 7. Cost-effectiveness of the investment;
- 125 8. Optimal performance of the system through time;
- 126 9. Improved accessibility for, or other benefits to, persons with special
- 127 transportation needs.

128 SECTION 4. The vehicle fee shall be subject to a rebate program consistent with

129 chapter 36.73 RCW under which low-income individuals will be eligible, upon

130 application, to receive a twenty-dollar rebate for each vehicle for which an individual

131 pays the full vehicle fee.

132 SECTION 5. On an annual basis, the board of the district shall review the

133 identification of projects and programs carried out by King County and the cities within

134 King County with the sales and use tax and vehicle fee revenues for consistency with this

135 resolution. Additionally, the district shall issue an annual report to the public, indicating the

136 status of transportation improvement costs, transportation improvement expenditures, revenues,

137 and construction schedules.

138 SECTION 6. If the Washington state legislature enacts legislation that grants new

139 authorization for county transportation revenues and King County imposes and collects revenues

140 under such legislation, the board shall consider whether to, and may, reduce or eliminate the

141 continued imposition and collection of the sales and use tax and vehicle fee authorized by this

142 resolution.

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143            SECTION 7. For the purposes of defining a transportation plan under chapter  
144 36.73 RCW and section 3 of this resolution:

145            A. The transportation plan of King County includes, as adopted and updated, the  
146 Transportation Element of the King County Comprehensive Plan, the King County Metro  
147 Transit Strategic Plan for Public Transportation, the King County Metro Transit Service  
148 Guidelines, the annual King County Metro Transit Service Guidelines Report, the King  
149 County Department of Transportation Strategic Plan for Road Services, the  
150 Transportation Needs Report, and the King County Roads Services CIP.

151            B. The transportation plan of a city is its transportation program adopted and  
152 annually revised and extended as required by RCW 35.77.010.

153            C. The transportation plan of the Puget Sound Regional Council is its  
154 transportation improvement program developed and updated as required by RCW  
155 47.80.023.

156            SECTION 8. For the purposes of this resolution, "city" means city or  
157 incorporated town.

158            SECTION 9. Call for special election. The district hereby requests that the King  
159 County director of elections call a special election on April 22, 2014, to consider a  
160 proposition authorizing the district to fix and impose, for ten years, a vehicle fee in the  
161 amount of sixty dollars and to fix and impose, for a term of ten years, a sales and use tax  
162 in the amount of one-tenth of one percent for the purposes described in this resolution.  
163 The King County director of elections shall cause notice to be given of this resolution in

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164 accordance with the state constitution and general law and to submit to the qualified  
165 electors of the district, at the said special county election, the proposition hereinafter set  
166 forth, in the form of a ballot title substantially as follows:

167 KING COUNTY TRANSPORTATION DISTRICT

168 PROPOSITION NO. \_\_\_\_

169 The Board of the King County Transportation District passed Resolution No. TD2014-03  
170 concerning funding for Metro transit, roads and other transportation improvements. If  
171 approved, this proposition would fund, among other things, bus service, road safety and  
172 maintenance and other transportation improvements in King County cities and the  
173 unincorporated area. It would authorize the district to impose a sales and use tax for a  
174 term of ten years of 0.1% under RCW 82.14.0455, and an annual vehicle fee of sixty  
175 dollars (\$60) per registered vehicle under RCW 82.80.140 with a twenty dollar (\$20)  
176 rebate for low-income individuals.

177 Should this sales and use tax and vehicle fee be approved?

178 Yes

179 No

180 SECTION 10. The King County director of elections is hereby requested to  
181 prepare and distribute a local voters' pamphlet, in accordance with K.C.C. 1.10.010, for  
182 the special election called for in this resolution, the cost of the pamphlet to be included as  
183 part of the cost of the special election.



184            SECTION 11. RCW 29A.32.280 provides that for each measure from a  
 185 jurisdiction that is included in a local voters' pamphlet, the legislative authority of that  
 186 jurisdiction shall formally appoint a committee to prepare arguments advocating voter  
 187 approval of the measure and a committee to prepare arguments advocating voter rejection  
 188 of the measure.

189            SECTION 12. As authorized by RCW 29A.32.280, the following individuals are  
 190 appointed to serve on the voters' pamphlet committees, each committee to write a  
 191 statement for or against the proposed measure.

- |     |                   |                  |
|-----|-------------------|------------------|
| 192 | FOR               | AGAINST          |
| 193 | 1. Denis Hayes    | 1. Will Knedlik  |
| 194 | 2. Estela Ortega  | 2. Dick Paylor   |
| 195 | 3. John Marchione | 3. Jerry Galland |

196            SECTION 13. Ratification. Certification of the proposition by the clerk of the  
 197 district to the King County director of elections in accordance with law before the  
 198 election on April 22, 2014, and any other act consistent with the authority and before the  
 199 effective date of this resolution are hereby ratified and confirmed.

200            SECTION 14. Severability. If any provision of this resolution or its application  
 201 to

202

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203 any person or circumstance is held invalid, the remainder of the resolution or the  
204 application of the provision to other persons or circumstances is not affected.

205

TD Resolution TD2014-03 was introduced on and passed as amended by the King County Transportation District on 2/24/2014, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,  
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.  
Upthegrove  
No: 0  
Excused: 0

KING COUNTY TRANSPORTATION  
DISTRICT  
KING COUNTY, WASHINGTON

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Larry Phillips, Chair

ATTEST:

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Anne Noris, Clerk of the Board

**Attachments:** A. Estimated Distributions of King County Transportation District Revenues 2-24-14

**CITY COUNCIL AGENDA ITEM  
CITY OF SHORELINE, WASHINGTON**

<b>AGENDA TITLE:</b>	Discussion of Proposed Ordinance No. 684 Updating Record Keeper and Authorizing Rulemaking for Investment Policies in Shoreline Municipal Code Chapter 2.30
<b>DEPARTMENT:</b>	City Attorney City Manager's Office
<b>PRESENTED BY:</b>	Ian Sievers, City Attorney John Norris, Assistant City Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

In June 2012, the Council approved an Oversight and Investment Policy ("Policy") in conjunction with the beginning of a new record keeping agreement with TIAA-CREF for the City's Section 401a Social Security Replacement Plan and its Section 457(b) Deferred Compensation Plan. This policy designated the City Manager as plans administrator and created an investment oversight committee to advise the City Manager.

Proposed Ordinance No. 684 clarifies the rulemaking authority of the City Manager, allowing administrative changes to the Oversight and Investment Policy itself in addition to changing investments selected for the two plans. Potential future changes include setting investment types, criteria for retention and selection of individual investments, and benchmarks for applying these criteria. This rulemaking delegation will avoid Council action for changes for legal compliance or plan options and is consistent with the current Policy's designation of the City Manager to "state expectations and objectives in the investment of plan assets."

The ordinance also updates Chapter 2.30 of the Shoreline Municipal Code to remove specific plan record keepers. According to the Purchasing Ordinance, Council requires periodic requests for proposals for record keeper services and Council will approve those multi-year contracts by motion. The successful vendor should not be codified in the Municipal Code, requiring a published code amendment with each change of provider to stay current. Thus, the references to PEBSCO and Nationwide Insurance, the original record keepers, have been deleted in the proposed ordinance.

**BACKGROUND:**

Shoreline elected not to participate in social security upon incorporation, and instead established an IRS Section 401(a) social security replacement plan for employees and officials. Both the City and the employees make a mandatory contribution of 6.2% of salary to this plan.

The City also provides an IRC Section 457(b) deferred compensation plan which is the government equivalent of private employer 401(k) plans. There are no matching contributions although employees are required to allocate unused portions of their health benefit allowance to this plan since no cash distribution of these benefit dollars is permitted.

Historically, the City has not managed plan investments of its employee's funds, limiting its involvement to negotiating new record keeping agreements with more competitive fees paid by employees from total assets under management. Under Shoreline's plans, investments are self-directed investments among 28 diverse mutual funds, including retirement year target funds. The plans also include a self-directed brokerage account option, allowing employees to pick any mutual fund, exchange traded fund or individual stock.

Even though the investment of employee funds is not directed by an employer consultant or pension committee, it was determined that the City should take on a more active fiduciary role in maintaining the investment list since performance and investment objectives can change over time. As a result an Oversight and Investment Policy was approved by the Council in 2012 which established investment classes to allow diversification and criteria for selecting and maintaining high performance investments within those classes. An employee investment committee was created to advise the City Manager in administering the two retirement plans and the Investment Policy.

The proposed ordinance amending Chapter 2.30 of the Shoreline Municipal Code clarifies responsibilities and rulemaking authority of the City Manager to avoid Council action to amend the Policy benchmarks become obsolete or regulations require new Policy provisions or a restatement of fiduciary duties. For example, Roth contribution accounts have recently become available to public Section 457(b) plans and amendments to the pension plan documents and the Policy are expected from TIAA-CREF, our record keeper, this year.<sup>1</sup> With the proposed ordinance, these changes may be implemented by the City Manager.

The amendments also remove references to PEBSCO, the original record keeper for the 401(a) plan and Nationwide, past record keeper for the 457(b) plan. This reference has become outdated with new record keepers over the years including Nationwide Insurance, ICMA and now TIAA-CREFF. Under the City's Purchasing Ordinance, substantial service contracts are required to be filled through an RFP process to provide opportunity for vendors and better services and price through competition. Codification of any particular record keeper is therefore unnecessary and cumbersome to change.

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<sup>1</sup> Roth Contribution Options offer employees a tax savings alternative similar to Roth Individual Retirement Accounts. Employees at any income level may make after-tax contributions and accumulate earnings tax free if certain conditions are met. Unlike distribution of other pension funds in retirement, Roth account distributions would not be taxed.

**RESOURCE/FINANCIAL IMPACT:**

There will be a small savings in Code publication costs and savings in staff time needed to prepare council agenda actions for often technical changes to the Oversight and Investment Policy.

**RECOMMENDATION**

It is recommended that the City Council review and discuss proposed Ordinance No. 684 amending SMC Chapter 2.30 *Public Employees Retirement System and Benefits* to remove references to a contract record keeper and allow rulemaking for investment policies. Staff will bring back proposed ordinance No. 684 for Council adoption once this discussion has been held.

**ATTACHMENTS:**

Attachment A – Proposed Ordinance No. 684

Approved By:       City Manager **DT**   City Attorney **IS**

## Attachment A

### ORDINANCE NO. 684

#### **AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON DELETING DESIGNATION OF RECORD KEEPER AND PROVIDING RULEMAKING FOR EMPLOYEE SELF-DIRECTED RETIREMENT PLANS; AND AMENDING SHORELINE MUNICIPAL CODE CHAPTER 2.30**

WHEREAS, upon incorporation the City of Shoreline authorized a money purchase pension plan under Internal Revenue Code 401(a) as a qualifying program in lieu of participation in the Social Security Program with the City Manager designated as plan administrator; and

WHEREAS, the City has also adopted an self-directed deferred compensation retirement plan for employees under IRC Section 457(b) which should be added to Chapter 2.30 with the City Manager as plan administrator; and

WHEREAS, record keepers are replaced periodically for these city administered retirement plans to take advantage of cost savings through technology and economies of scale as plan assets grow, and record keepers should not be included in Chapter 2.30; and

WHEREAS, the City Manager should be authorized to establish investment policy for the 401(a) and 457(b) retirement plans in addition to responsibility as plan administrator under the record keeping agreements; now therefore

#### **THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1. Amendment.** Shoreline Municipal Code Sections 2.30.010, 2.30.030, 2.30.050 are amended and Sections 2.30.020 and 2.30.040 are repealed as set forth below:

#### **Chapter 2.30 PUBLIC EMPLOYEES RETIREMENT SYSTEM AND BENEFITS**

##### **2.30.010 Authorization to participate.**

The city authorizes and approves participation and membership of its eligible employees and appointive and elected officials both in the Washington Public Employees Retirement System pursuant to RCW 41.40.062 and the money purchase pension plan administered by the ~~Public Employees Benefits Services Corporation (PEBSCO)~~ pursuant to Section 401(a) of the Internal Revenue Code of 1986, as amended and a self-directed deferred compensation retirement plan administered pursuant to Section 457(b) of the Internal Revenue Code, as amended (collectively Retirement Plans); and authorizes the expenditure of the necessary funds to cover its

## Attachment A

proportionate share for participation in the ~~PEBSCO~~ money purchase pension plan, ~~both~~ in lieu of contributions to the Federal Social Security Program. Participation in the ~~PEBSCO~~ money purchase pension plan and/or the PERS Plan is hereby declared to be the city's qualifying retirement program in lieu of participation in the Federal Social Security System under Internal Revenue Code Section 3121(b)(7).

### ~~2.30.020 Appointing Public Employees Benefit Services Corporation.~~

~~The city of Shoreline appoints Public Employees Benefit Services Corporation (PEBSCO) to provide record keeping, employee education and other technical and administrative services relating to the plan.~~

### ~~2.30.030-020 Implementation of plans.~~

The city of Shoreline hereby authorizes and directs the city manager to perform all acts and sign all documents necessary to put said plans into operation. The city manager or his/her designee is authorized and directed to file an application, together with any supporting documents, with the United States Treasury Department, with a request for a determination that the defined contribution plan meets the requirements of Internal Revenue Code Section 401(a) and execute such powers of attorney, schedules and other documents as may be necessary and required in connection with such application. Further, the city manager or his/her designee is authorized and empowered in the city manager's or his/her designee's discretion to execute such further amendments to such plan as may be required in order to obtain the approval of the United States Treasury Department, if, in the city manager's or his/her designee's judgment, such amendments are in the best interests of the city.

The city manager or his/her designee is hereby appointed as trustee and administrator of the retirement plans. The city manager shall provide qualified record keeping, employee education and other technical, financial and administrative services relating to the plans pursuant to city purchasing policies and procedures. The city manager is authorized to promulgate policies and procedures necessary to maintain the plans' legal compliance, establish expectations and objectives for investments available for employees' self-directed pension funds, select investment options for retirement plans, recommend plan fees necessary to pay the plan record keeper and other necessary

**Attachment A**

plan expenses, and provide timely information to employees regarding fees and investment alternatives.

**~~2.30.040 Appointing trustee.~~**

~~The city manager or his/her designee is hereby appointed as trustee and upon acceptance, by executing the adoption agreement of said plan, shall receive the necessary reports, notices, etc. from Public Employees Benefit Services Corporation (PEBSCO) and Nationwide Life Insurance Company pursuant to the interim city manager's September 11, 1995, memorandum, a copy of which is attached to the ordinance codified in this section and on file in the office of the city clerk.~~

*[ Remaining sections .050 and .060 renumbered as .030 and .040 respectively]*

**Section 3. Publication and Effective Date.** A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

**PASSED BY THE CITY COUNCIL ON \_\_\_\_\_, 2014.**

\_\_\_\_\_  
Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Simulcik-Smith  
City Clerk

\_\_\_\_\_  
Ian Sievers  
City Attorney

Date of Publication: , 2014  
Effective Date: , 2014



**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Extra Help Policies		
<b>DEPARTMENT:</b>	Human Resources		
<b>PRESENTED BY:</b>	Marci Wright, Human Resources Director		
<b>ACTION:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

**PROBLEM/ISSUE STATEMENT:**

During the 2014 budget process the City Council raised issues concerning compensation of the City’s extra help employees, including the question of setting a minimum wage rate of \$15 an hour for those employees. As a result, staff agreed to schedule a City Council discussion on extra help issues in the first part of 2014.

To prepare for tonight’s meeting, staff has studied the City’s last two years of extra help pay history. In analyzing these recent practices, staff has identified some differences in the use of extra help employees and has formulated a proposal to narrow the use of extra help in the future.

Tonight we plan to present information for Council discussion and direction concerning:

- current policies and practices for extra help;
- cost of adopting a policy that establishes a \$15 minimum wage rate for extra help employees; and
- the elimination of some extra help hours to provide regular staffing for ongoing City programs.

**FINANCIAL IMPACT:**

The cost of mandating an extra help minimum wage rate of \$15 an hour is estimated to exceed \$244,000 per year. This staff report also discusses alternative approaches to changes in compensation for extra help employees. Depending on the direction from the Council, the estimated annual cost of these approaches could be up to \$107,588. However, if some of the extra help hours are converted to ongoing regular positions, the number of the remaining extra help employees earning less than \$15 per hour will also be reduced, which will reduce the cost to cover these employees to a \$15 wage.

**RECOMMENDATION**

Staff recommends Council discuss the information and alternatives presented this evening and provide direction to staff to develop proposals (if any) to bring back for Council consideration during the 2015 budget process. No formal action is required this evening.

Approved By: City Manager **DT** City Attorney **IS**

## **BACKGROUND**

In the fall of 2013 during the 2014 budget process, the Council briefly discussed the imposition of a \$15 minimum wage. Based on recent election results in the Puget Sound region, a \$15 minimum wage is under active discussion in some jurisdictions, especially in the cities of SeaTac and Seattle. At the time, the Council directed staff to bring the issue back to Council for further discussion in the first part of 2014. Based on this direction, staff has assembled information about the City's use and compensation of extra help staffing for Council consideration this evening.

## **DISCUSSION**

### **Summary of Current Policy/Practice**

The Employee Handbook defines the following types of employees for the City of Shoreline:

#### **Section 3.15 - Full Time Regular Employee**

An employee hired to work a 40-hour week in a regular position established by the City budget and expected to be an ongoing position.

#### **Section 3.20 - Part Time Regular Employee**

An employee hired to work an average of at least 20 but less than 40 hours per week in a calendar year in a regular position established by the City budget and expected to be an ongoing position.

#### **Section 3.13 - Extra Help Employee**

An employee hired for a period expected to not exceed 1040 hours in a calendar year or expected to end in less than a year.

Under this structure, which the City has followed since early in its formation, there is a significant distinction between "regular" or benefited employees and "extra help".

Regular employment is governed by a City Council authorized full-time or part time equivalent (FTE) position, established each year with the adoption of the annual City budget. Regular employees receive a full or proportional City benefit package, including comprehensive health insurance and paid leave, and are covered by the City's range/step salary plan. Hiring, firing and disciplining regular employees are governed by the provisions in the Council adopted Employee Handbook.

Extra help employees, on the other hand, are largely unregulated. As stated above, individual extra help employees are limited to working no more than 1040 hours in a calendar year (equivalent to ½ time employment) or to a work project that lasts less than a year. Extra help employees are "at will", serving entirely at the discretion of the City, and do not receive benefits (except for externally mandated benefits such as worker's compensation and social security replacement). Pay rates for extra help are generally established at the department level with minimal oversight by Human Resources and are primarily limited by the annual department budget for extra help.

The following table lists the number and percentage of 2014 authorized FTEs by Department:

<b>Department/Division</b>	<b>2014 FTE</b>	<b>% of City FTE</b>
Administrative Services	21.2	16%
City Attorney	3.0	2%
City Clerk	4.0	3%
City Manager's Office	9.0	7%
Community Services	8.2	6%
Human Resources	3.0	2%
Parks, Recreation and Cultural Services	28.7	21%
Planning and Community Development	20.0	15%
Public Works	38.0	28%
<b>2014 City Total</b>	<b>135.01</b>	<b>100%</b>

By contrast, the table below shows the cost of extra help staff by Department for the years 2012 and 2013:

<b>Extra Help Gross Wages for 2012 and 2013 (estimated)</b>		
	<b>Extra Help Cost Incurred</b>	<b>% to Total Extra Help Funds Spent</b>
<b>2012</b>		
Administrative Services	\$7080	1%
City Attorney	\$23,698	3%
City Clerk	0	-
City Manager's Office	0	-
Community Services	0	-
Human Resources	0	-
Parks, Recreation & Cultural Services	\$592,178	83%
Planning & Community Development	0	-
Public Works	\$88,626	13%
<b>2012 City Total</b>	<b>\$711,582</b>	<b>100%</b>
<b>2013</b>		
Administrative Services	\$7685	1%
City Attorney	\$10,521	1%
City Clerk	0	-
City Manager's Office	\$6,585	1%
Community Services	0	-
Human Resources	0	-
Parks, Recreation & Cultural Services	\$601,671	80%
Planning & Community Development	\$10,240	1%
Public Works	\$120,781	16%
<b>2013 City Total</b>	<b>\$757,483</b>	<b>100%</b>

### **Cost of Increasing City's Minimum Wage to \$15 per Hour**

Nationally there is an increased focus on paying employees a "living wage" and on increasing the minimum wage to do so. While Washington State currently has the highest minimum wage in the nation at \$9.32, the Obama administration is proposing a \$10.10 national minimum wage. As well, local jurisdictions in the Puget Sound region have been looking at the issue recently. City of SeaTac voters approved a \$15 minimum wage last November and the Mayor of the City of Seattle has convened a task force to study the issue.

All regular employees at the City that are paid on an hourly basis are currently compensated more than \$15 an hour. The lowest paid authorized regular position - Senior Lifeguard - starts at \$16.81. The City does have a classification in a lower salary range - Lifeguard/Instructor II, which has a salary range of \$12.81 to \$15.59 - but that classification is not currently used. The City does however pay many of its extra help staff less than \$15 an hour and as low as the minimum wage of \$9.32.

As part of this analysis, staff looked at the hours and pay rates of all extra help staff that worked for the City in 2013. This data was then used to calculate the 2013 cost of increasing the wages of that work force to at least \$15 per hour. The table below summarizes the results by department:

<b>Estimated Cost of Paying Minimum Wage of \$15 in 2013</b>			
<b>Department</b>	<b>Additional Gross Wages</b>	<b>Additional Mandatory Benefits</b>	<b>Total</b>
Administrative Services	\$1035	\$90	\$1125
City Attorney	\$0	-	\$0
City Manager's Office	\$0	-	\$0
Planning & Community Development	\$5120	\$447	\$5567
Public Works	\$4642	\$405	\$5047
Parks, Recreation & Cultural Services	\$213,908	\$18,678	\$232,586
<b>Total</b>	<b>\$224,705</b>	<b>\$19,621</b>	<b>\$244,326</b>

As can be seen, changing City policy to increase compensation for extra help employees to \$15 per hour or more comes with a significant price tag. As well, this estimated cost is only comprised of extra help wages; health benefits and paid time off are not included. Also not included in this cost are the potential cost increases that could come from salary schedule compression or other adjustments to the schedule if \$15 per hour becomes the new wage floor. However, if the Council is interested in setting a new minimum wage policy, staff can continue to refine this cost increase data and would also want to discuss with Council how to pay for this cost during the 2015 budget process.

### **Parks, Recreation and Cultural Services Use of Extra Help**

As can be easily discerned from this report, Parks, Recreation and Cultural Services (PRCS) is by far the biggest user of extra help staff. In order to provide some guidance for managing the large number of extra help employees working in PRCS, the PRCS staff voluntarily developed (with HR) a step plan for its extra help staff. But even this pay structure was handled administratively and did not come before the City Council.

Historically, City departments have generally complied with extra help policies, in that individual employees either work on one-time projects lasting less than a year or work less than 1040 hours in a calendar year. Currently, almost all departments only use extra help staffing for seasonal employment (employment tied to a need for extra workers during a busy season that occurs during the same calendar season each year) or for special one-time projects. The exception to this is the PRCS Department, which is also the largest users of extra help staffing, as just mentioned. While PRCS does comply with the mandates of the policy, i.e., individual extra help employees do not work beyond the 1040 hour limit, PRCS does operate some of their ongoing programs by using multiple extra help employees and scheduling each of them so that he/she does not cross the 1040 threshold. These programs do not vary in any significant manner due to seasonal operational fluctuations.

To illustrate this issue, if a work role in a program requires 2080 staff hours a year (2080 hours = 1.0 FTE), instead of creating a regular FTE, PRCS might schedule four different extra help employees an average of 520 hours a year. This departmental staffing practice has been in place for many years and has not been significantly revisited until this time. With this stated, using non-benefited, temporary employees to operate ongoing programs is not uncommon in the Parks and Recreation field both regionally and nationally.

There are some readily apparent advantages and disadvantages to this practice:

#### **Advantages**

- Programs being serviced by extra help staff are significantly less expensive, as the cost to provide service (wage rate) is generally much lower, there is no cost for employee medical benefits, and no paid sick or vacation expense
- Able to hire and terminate extra help employees with little or no process
- Able to accommodate employees that are interested in a high degree of flexibility and consistent employment at low hourly thresholds

#### **Disadvantages**

- Raises likelihood of unfair pay/benefits for extra help employees
- Increases risk of liability for violating internal employment policies
- Increases unemployment benefit costs
- Scheduling can become overly complex and difficult to manage
- Hidden administrative cost of frequent hiring/terminating multiple extra help employees
- Can lead to morale concerns within work groups

#### **Staff Proposed Alternative – Use of Extra Help**

Given that PRCS is using some extra help staff to provide service for ongoing programs, instead of (or in addition to) focusing on a minimum wage for extra help staff, Council could provide direction to revise how the City currently uses extra help staff. Under this approach, the City would limit the use of extra help, and all regular ongoing programs would be staffed by regular, authorized FTEs of 0.5 or greater. Any extra help staff would be limited to:

- *Seasonal employment, which meets a demonstrable staffing need tied to a high operational period that occurs on a regular and recurring basis during each calendar/budget year.* Two examples of this are:
  - Summer day camp program that is operated each summer to provide recreational opportunities for youth while school is not in session

- Swim lessons that require a much higher than normal pool staffing during a predictably busy time of the year
- *Ongoing, year-round function requiring minimal annual hours falling far short of 0.5 FTE. Two examples of this are:*
  - Discrete functions requiring specialized expertise that is only needed a few hundred hours a year (such as overseeing public art issues for the City or teaching a class)
  - A function that requires total hours that could equate to one or more FTE, but performed in sporadic, short blocks of time and is often scheduled simultaneously (such as building monitoring)
- *A temporary, discrete project that may require up to full time work, but the project will start and stop within a 12 month period and once completed, the work will expire. As well, any “project work” that would last beyond 12 months would be required to be performed by a term-limited FTE, requiring authorization by the Council. The term-limited employee would be entitled to the salary/benefits of a regular employee while working the project, but the employee would be hired with the knowledge that once the project was completed, the position would be eliminated and the employee would leave the service of the City.*

Under this approach, extra help employees would continue to be paid at a different and lower market rate than regular employees and would also not be eligible for the regular employee benefit package. However, there would be fewer extra help employees and the work they perform would be easily distinguishable from that performed by a regular employee.

### **Application of this Alternative Approach to Current PRCS Operations**

Staff has analyzed how this approach might be applied to current PRCS operations. The following information has been developed for the purpose of providing Council some reasonable estimates on cost and operational impact, by program, of adopting this new approach. If Council is interested in pursuing this approach, significantly more staff work would be required to develop an actual concrete budget proposal. At that time, Council would need to provide direction on what level of cost increase and/or service level decrease they are comfortable with in order to implement this proposed change.

In developing this information, staff has prioritized programs and proposed possible time frames for implementation. The PRCS programs will be discussed in priority order from highest priority to not recommended.

#### Priority #1: Administrative Staffing at Spartan Gym

Reason: No seasonal justification for current practice; no identifiable difference in work performed between current regular administrative staff and current extra help staff

Brief Description of Current Operation:

- Current regular authorized FTE
  - 1.5 FTE (1.0 Administrative Assistant II & 0.5 Administrative Assistant I)
- Extra help administrative assistant hours equivalent to between 1.0 and 1.5 FTE

- 2012 hours: approximately 2840 (about 1.4 FTE). Work done by:
  - Eight (8) different employees
  - Pay ranged from \$10.50 to \$16 per hour
  - Hours worked per individual ranged from 150 to 1020
  - Gross Wages Paid: \$33,522
- 2013 hours: approximately 2740 (about 1.3 FTE). Work done by:
  - 10 different employees
  - Pay ranged from \$10 to \$16 per hour
  - Hours worked per individual ranged from 10 to 970
  - Gross Wages Paid: \$33,043

Alternative Regular Staffing:

- New 1.0 FTE: Administrative Assistant II
- Continued Need for Extra Help funding: Minimal to none
- Remaining Employees Making Less than \$15 per hour: None

Estimated Cost Information for This Change:

Estimated Costs - new 1.0 FTE Administrative Assistant II				
Salary	\$22.05 (Step 1)			\$45,864
City Paid Health Benefit	Maximum			\$19,620
	Minimum			\$11,220
PERS				\$4,224
*Other benefits	(451; Medicare; L&I; estimated by multiplying the above minimum & maximum new benefits by .08732)			
Maximum Annual Estimate				\$75,795
Minimum Annual Estimate				\$66,661
2014 Cost for Spartan Extra Help				
2014 Planned Hours	Hourly Rate	Wage Cost	Mandatory Benefits Cost	2014 Total Cost
2780	\$12	\$33,360	\$2,913	\$36,273
*Note—these mandatory benefits are currently paid for extra help employees also				

Additional Estimated Cost: \$30,400 - \$39,500

Decreased Hours: 700

**Recommendation: Staff to prepare proposal for 2015 budget**

Priority #2: Park Maintenance

Reason: No seasonal justification for current practice; no identifiable difference in work performed between current regular maintenance staff and current extra help staff

Brief Description of Current Operation:

- Current regular authorized FTE
  - Six (6) FTE
    - Five (5) Park Maintenance Worker II (includes new 1.0 FTE in 2014)
    - One (1) Park Maintenance Worker I
- Extra help maintenance worker hours equivalent to approximately (3) .05 FTE

- Employees are not “seasonal”; in 2014, PRCS’ plan is to always have at least one (1) extra help employee working
- In 2014, 3120 hours were budgeted for extra help staffing, which was a reduced level from 2012 and 2013, as a new FTE was added this year
- 2012 hours: approximately 6645 (about 3.2 FTE). Work done by
  - 12 different employees
  - Pay ranged from \$10.20 to \$11.40 per hour
  - Hours worked per individual ranged from 8 to 1042
  - Gross Wages Paid: \$70,686
- 2013 hours: approximately 6059 (about 2.9 FTE). Work done by:
  - 11 different employees
  - Pay ranged from \$10.20 to \$11.40 per hour
  - Hours worked per individual ranged from 93 to 914
  - Gross Wages Paid: \$63,314

Alternative Regular Staffing:

- New 0.75 FTE: Parks Maintenance Work I
- Continued Need for Extra Help funding: None
- Remaining Employees Making Less than \$15 per hour: None

Estimated Cost Information for This Change:

<b>Estimated Costs - new 0.75 FTE Parks Maintenance Worker I</b>				
Salary	\$ 24.52 (Step 1)		\$33,571	
City Paid Health Benefit	Maximum		\$14,715	
	Minimum		\$8,415	
PERS			\$3,053	
*Other benefits	(451; Medicare; L&I; estimated by multiplying the above minimum & maximum new benefits by .08732)			
Maximum Annual Estimate			\$55,864	
Minimum Annual Estimate			\$49,014	
<b>2014 Cost for Parks Maintenance Worker Extra Help</b>				
2014 Planned Hours	Hourly Rate	Wage Cost	Mandatory Benefits Cost	2014 Total Cost
3120	\$11	\$34,230	\$3,141	\$37,371
*Note—these mandatory benefits are currently paid for extra help employees also				

Additional Estimated Cost: \$11,600 - \$18,500

Decreased Hours: 1560

**Recommendation: Staff to prepare proposal for 2015 budget**

Priority #3: Specialized Recreation

Reason: No seasonal justification for current practice; no identifiable difference in work performed between current regular specialized recreation staff and current extra help staff

Brief Description of Current Operation:

- Current regular authorized FTE:
  - 0.5 FTE Recreation Assistant I



- Extra help recreation assistant equivalent to approximately three (3) .05 FTE
  - “Regular schedule”
    - Three (3) employees each work 20 hours per week for 43 weeks a year
    - Totals 2580 hours (about 1.2 FTE)
    - Additional hours are worked on evening/weekend events/trips
  - 2012 hours: approximately 3130 (about 1.5 FTE). Work done by:
    - 11 different employees
    - Pay ranged from \$10 to \$14.50 per hour
    - Hours worked per individual ranged from five (5) to 635
    - Gross Wages Paid: \$36,094
  - 2013 hours: approximately 3350 (about 1.5 FTE). Work done by:
    - Seven (7) different employees
    - Pay ranged from \$10 to \$13 per hour
    - Hours worked per individual ranged from 92 to 1014
    - Gross Wages Paid: \$36,447

Alternative Regular Staffing:

- Three (3) new 0.5 FTE: Recreation Aide (new job classification; Range 25)
- Continued Need for Extra Help funding: This would be determined with further evaluation should direction be given to pursue this priority. This program services vulnerable adults providing programming four days a week with some additional evening and weekend activities. Extra help hours would be used to maintain required staff-to-participant ratios during a staff member’s absence.
- Remaining Employees Making Less than \$15 per hour: Substitute staff hours paid at \$12 per hour.

Estimated Cost Information for This Change:

<b>Estimated Costs - new Three (3) 0.5 FTE Recreation Aide</b>				
Salary	\$17.22 (Step 1)			\$53,727
City Paid Health Benefit	Maximum			\$29,430
	Minimum			\$16,830
PERS				\$4,947
*Other benefits	(451; Medicare; L&I; estimated by multiplying the above minimum & maximum new benefits by .08732)			
Maximum Annual Estimate				\$95,798
Minimum Annual Estimate				\$82,097
<b>2014 Cost for Specialized Recreation Extra Help</b>				
2014 Planned Hours	Hourly Rate	Wage Cost	Mandatory Benefits Cost	2014 Total Cost
3100	\$11	\$34,100	\$2,978	\$37,078
700	\$12	\$8,400	\$733	\$9,133
Total		\$42,500	\$3,711	\$46,211
*Note—these mandatory benefits are currently paid for extra help employees also				

Additional Estimated Cost: \$35,877- \$49,588

Decreased Hours: 680

**Recommendation: Staff to prepare proposal for 2015 budget**

Priority #4: Pool (Not including Recreation Coordinator II and Recreation Assistant III)

Reason: Work does have a “seasonal” element as the summer staffing level is heavier than the fall/winter/spring; additional opportunities to use regular staff

Brief Description of Current Operation:

- Current regular authorized FTE:
  - 3.125 FTE
  - Four (4) Senior Lifeguards - 0.9 FTE, 0.85 FTE, 0.75 FTE, and 0.625 FTE
- Extra help labor equivalent to approximately eight (8) FTE
  - Work does have a “seasonal” element—the summer staffing level is heavier than the fall/winter/spring
  - Also the pool operation has shifts year-round that are much more heavily staffed than others. For example, the pool has both shifts that require 10 staff to be on-site at once and shifts that require only one (1) or two (2) staff
  - 2012 hours: approximately 17,605 (about 8.5 FTE). Work done by:
    - 50 different employees
    - Pay ranged from \$9.55 to \$12.70/hour
    - Hours worked per individual ranged from 19 to 1021
    - Gross Wages Paid: \$186,570
  - 2013 hours: approximately 16,920 (about 8.1 FTE). Work done by:
    - 46 different employees
    - Pay ranged from \$9.55 to \$12.70/hour
    - Hours worked per individual ranged from six (6) to 1042
    - Gross Wages Paid: \$175,909

Alternative Regular Staffing:

- The pool is unique and offers a variety of challenges. It has a large number of extra help employees covering a significant number of operational hours. The type of work being done by staff varies considerably from teaching classes, to lifeguarding, to registering participants at the front desk. In addition, the City has agreements in place with the Shoreline School District that would need to be factored into any decision about alternative staffing models. If the Council were to pursue an option to address extra help in this program, the recommendation is to have staff complete a more comprehensive review of pool staffing and provide a complete recommendation in the 2016 budget proposal.
- Continued Need for Extra Help funding: Yes, the services provided by the pool will continue to require some extra help staffing to support the operational needs created by programming and seasonal usage. Further review is needed to establish the exact number of hours needed.
- Remaining Employees Making Less than \$15 per hour: Yes, currently the top pay for the Lifeguard/Instructor position that would be assigned these duties is paid \$12.70 per hour.

Potential Cost Information for This Change:

<b>Potential Costs - new 1.0 FTE Lifeguard/Instructor</b>				
Salary	\$12.81 (Step 1)		\$26,645	
City Paid Health Benefit	Maximum		\$19,620	
	Minimum		\$11,220	
PERS			\$2,454	
*Other benefits	(451; Medicare; L&I; estimated by multiplying the above minimum & maximum new benefits by .08732)			
Maximum Annual Estimate			\$52,973	
Minimum Annual Estimate			\$40,319	
<b>2014 Cost (high/low rate) for Pool Extra Help</b>				
2014 Planned Hours	Hourly Rate	Wage Cost	Mandatory Benefits Cost	2014 Total Cost
2080	\$9.55	\$18,864	\$1,647	\$20,511
2080	\$12.70	\$26,416	\$2,307	\$28,723
*Note—these mandatory benefits are currently paid for extra help employees also				

Additional Potential Cost: \$19,808 - \$24,000

Decreased Hours: Unknown

**Recommendation: Staff to conduct further evaluation of pool staffing to establish operational needs and scheduling options optimizing the use of regular employees and extra help. The evaluation would be the basis for a budget proposal to be included in the 2016 budget process.**

Recommend No Change to these PRCS Services Programs

- Day Camp/Summer Program
  - Reason: Seasonal Programs
- Building Monitors
  - Reason: Minimal staffing requirements and program does not lend itself to regular staffing. For 2013, the aggregated FTE count was about 0.91. This role often performs for short time periods and may require multiple locations at the same time.
- Teen Program
  - Reason: Needs further study. Change to regular positions incompatible with current program design. This program currently has 14 ongoing staff at about 4718 hours per year of extra help, which roughly is the equivalent of 0.16 FTE for each ongoing staff.

**FINANCIAL IMPACT**

The cost of mandating an extra help minimum wage rate of \$15 an hour is estimated to exceed \$244,000 per year. This staff report also discusses alternative approaches to changes in compensation for extra help employees. Depending on the direction from the Council, the estimated annual cost of these approaches could be up to \$107,588. However, if some of the extra help hours are converted to ongoing regular positions, the

number of the remaining extra help employees earning less than \$15 per hour will also be reduced, which will reduce the cost to covert these employees to a \$15 wage.

**RECOMMENDATION**

Staff recommends Council discuss the information and alternatives presented this evening and provide direction to staff to develop proposals (if any) to bring back for Council consideration during the 2015 budget process. No formal action is required this evening.