



## AGENDA

### SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, October 12, 2015  
5:45 p.m.

Conference Room 104 · Shoreline City Hall  
17500 Midvale Avenue North

**TOPIC/GUESTS:** Compensation and Classification

### SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, October 12, 2015  
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>		
<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 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. 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. CONSENT CALENDAR</b>		7:20
(a) Minutes of Business Meeting of September 14, 2015	<u>7a-1</u>	
(b) Approval of expenses and payroll as of September 25, 2015 in the amount of \$7,416,972.66	<u>7b-1</u>	
<b>8. STUDY ITEMS</b>		
(a) Presentation of the 2016 Budget and 2016-2021 CIP	<u>8a-1</u>	7:20
(b) Update from the City of Shoreline/Ronald Wastewater District Committee of Elected Officials	<u>8b-1</u>	7:50
<b>9. ADJOURNMENT</b>		8:20

*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 OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF BUSINESS MEETING**

Monday, September 14, 2015  
7:00 p.m.

Council Chambers - Shoreline City Hall  
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: None

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Winstead, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Winstead led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Deputy Mayor Eggen said he attended the Puget Sound Regional Council (PSRC) Transportation Policy Board Meeting. He reported that the review of comprehensive plans for cities and counties has begun and said a city's plan was refused certification because it was not consistent with King County housing targets. He said a traffic study update was also provided and showed that traffic congestion continues to get worse.

Councilmember Roberts noted that the Growth Management Policy Board adopted Shoreline's Comprehensive Plan on July 2, 2015. He also reported attending the Sound Cities Association Public Issues Committee and the PSRC Transit Oriented Development Advisory Board Meetings, and said that there are no issues to report.

5. PUBLIC COMMENT

Lynn Horn, Shoreline resident and Westminster Triangle Association Representative, stated that they are supporting the Interurban Tree Preservation Society efforts to save the trees along the

Interurban Trail. She said 218 names were gathered on a petition to support the preservation of the trees, and she thanked Council for halting the cutting of trees.

Tom Doerschel, Shoreline resident, commented that he does not support cutting the trees on the Interurban Trail.

Tom Mailhot, Shoreline resident, agrees that Council should hold a public hearing on assuming the Transportation Benefit District and said that it is important. He cautioned Councilmembers about moving too fast and negatively impacting the City's ability to be flexible in the future, specifically as it relates to Point Wells and BSRE. He recommended placing a toll on Richmond Beach Road and offered suggestions on how to do it.

Janet Way, Shoreline Preservation Society, stated she supports Save Richmond Beach's position. She commented on the Environmental Strategies proposal and recalled a 2006 Council Workshop where environmental sustainability goals were created by the Council. She shared that an outcome of that workshop was the development of an Environmental Sustainability Plan. She said she generally supports a lot of the environmental goals but expressed concern that it is morphing into an excuse to do the rezones. She recommended that the light rail stations be designed green and that best practices be used. She requested more information on the District Utility. She said she is confused about the Plan and how it will benefit the people who live in Shoreline now.

Nathan Beard, Shoreline resident and Richmond Beach Preservation Association President, asked Council to extend the comment period for the proposed Critical Area Ordinance. He said it is scheduled to go before the Planning Commission on Thursday and noted that Staff only finalized and published changes two weeks ago. He said it is 288 pages, a huge amount of information to understand, and three weeks is not enough time to review it in order to offer intelligent public comment. He shared that he has met with staff, but said he still finds the process confusing and rushed. He asked Council to consider separate neighborhood specific ordinances and requested an additional 90 days to review the documents.

Elaine Phelps, Shoreline resident, commented that Councilmember McGlashan is a licensed real estate agent and asked if this will make him unable to participate in land use decisions.

Ginny Scantlebury, Shoreline resident, shared that Art Wadekamper, former Ronald Wastewater Board Commissioner, passed away and provided information on his memorial service.

Debbie Tarry, City Manager, responded that she introduced herself to Mr. Beard and said that she will be following up with him on how staff can help him with any issues regarding the Critical Areas Ordinance.

## 6. APPROVAL OF THE AGENDA

**The agenda was approved by unanimous consent.**

7. CONSENT CALENDAR

**Upon motion by Councilmember Hall, seconded by Councilmember McConnell and unanimously carried, the following Consent Calendar items were approved:**

**(a) Minutes of Business Meeting of August 3, 2015, Minutes of Business Meeting of August 10, 2015, and Minutes of Special Meeting of August 24, 2015**

**(b) Approval of expenses and payroll as of August 21, 2015 in the amount of \$1,261,459.24**

**\*Payroll and Benefits:**

<b>Payroll Period</b>	<b>Payment Date</b>	<b>EFT Numbers (EF)</b>	<b>Payroll Checks (PR)</b>	<b>Benefit Checks (AP)</b>	<b>Amount Paid</b>
7/19/15-8/1/15	8/7/2015	62193-62447	13985-14008	60867-60872	\$511,964.38
					<u>\$511,964.38</u>

**\*Accounts Payable Claims:**

<b>Expense Register Dated</b>	<b>Check Number (Begin)</b>	<b>Check Number (End)</b>	<b>Amount Paid</b>
8/11/2015	60805	60805	\$160.75
8/12/2015	60806	60814	\$9,476.24
8/12/2015	60815	60822	\$59,358.82
8/12/2015	60823	60843	\$49,741.91
8/13/2015	60844	60865	\$363,862.94
8/13/2015	60530	60530	(\$15,000.00)
8/13/2015	60866	60866	\$15,000.00
8/18/2015	60873	60873	\$69,619.38
8/18/2015	60874	60874	\$1,270.79
8/19/2015	60875	60895	\$2,587.10
8/19/2015	60896	60905	\$58,519.92
8/20/2015	60906	60947	\$88,747.82
8/20/2015	60948	60968	\$46,149.19
			<u>\$749,494.86</u>

8. ACTIONS ITEMS

(a) Adoption of Res. No. 376 for Notification of the City of Shoreline's Intent to Conduct a Public Hearing for the Purpose of the Potential Assumption of the Shoreline Transportation Benefit District

Alex Herzog, Management Analyst, provided background on the recent changes in Transportation Benefit District (TBD) statutes. He explained that boundaries for the City and the TBD are coterminous and that the TBD currently serves as a separate legal entity with Councilmembers serving as Boardmembers. He listed the benefits of the Council assuming the TBD and then reviewed the assumption process.

Mayor Winstead opened Public Comment. There were no members from the public wanting to address the Council on this item.

**Councilmember Hall moved adoption of Resolution No. 376 for Notification of the City of Shoreline's Intent to Conduct a Public Hearing for the Purpose of the Potential Assumption of the Shoreline Transportation Benefit District. The motion was seconded by Councilmember Roberts.**

Councilmember Hall asked if any of the TBD's powers would go away if it is assumed by the City. Mr. Herzog answered no.

Deputy Mayor Eggen mentioned the Point Wells Development and future impacts the development could have on the City. He expressed concern that assuming the TBD would limit Council's authority to implement tolling and asked if Council would retain that authority. He inquired about the creation of a joint TBD and asked if the assumption can be reversed. Mr. Herzog answered that Council would retain authority to implement tolling. Margaret King, City Attorney, added that the provision for the assumption is a streamline legislative act and stated that the creation of a joint TBD in the future is independent from assuming the existing TBD. She advised that there is no detriment to the assumption and no reason to create a TBD separate from the Council. She said she would research the process of reversing an assumption.

Councilmember McGlashan asked for clarification about a joint TBD. Ms. King responded that the stature allows for cities to form joint TBDs and said that the process is defined in the Revised Code of Washington.

Councilmember Salomon commented that he supports efficiency of government and financial savings. He expressed concern about limiting the City's options in regards to Point Wells. He said that he is not ready to move forward with the Public Hearing, and stated that he wants to be 100% sure that the City can still work with the City of Woodway on the Point Wells Development.

Councilmember McConnell said that she does not feel the urgency to assume the TBD and expressed that the Community does not support it.

Councilmember Roberts noted this action may formally be assuming the TBD, but he questioned if in practice it would really be dissolving it. Ms. King answered no and said the TBD is not dissolving.

At 7:43 p.m. Mayor Winstead called for a five minute recess and at 7:48 p.m. she reconvened the meeting.

At 7:49 p.m. Mayor Winstead recessed into Executive Session for a period of fifteen minutes as authorized by RCW 42.30.110(1)(i) to discuss with legal counsel matters relating to agency enforcement actions, or litigation. City staff attending the Executive Session included: Debbie Tarry, City Manager; Alex Herzog, Management Analyst; and Margaret King, City Attorney. At 8:04 p.m. the Executive Session was over. At 8:05 p.m. the Mayor reconvened the meeting.

Councilmember Roberts clarified that the assumption changes the governing structure of the TBD from TBD Boardmembers to Councilmembers.

Councilmember Hall shared that it was good to have a discussion on the topic and said he supports moving forward with a Public Hearing. He asked staff to reach out to community members that expressed concern with the assumption and ensure that everyone has a common understanding of the process.

Councilmember McConnell said she supports a Public Hearing and explained the importance of proceeding.

Mayor Winstead said that it is important to move forward with a Public Hearing, to hear from the Community, and give staff another opportunity to answer questions and provide an analysis on the issues that have been raised.

Deputy Mayor Eggen commented on hearing from staff that Council will not be giving up the governing structure and said he will be supporting the motion.

**The motion passed unanimously.**

9. STUDY ITEMS

(a) Discussion of the 2015 Second Quarter Financial Report

Sara Lane, Administrative Services Director, provided the Second Quarter Financial Report covering January 1 – June 30, 2015. She presented a high level summary of key revenue sources and General Fund expenditures. She highlighted income received from investments, explained that the utility tax has remained neutral, and noted a slight variance in property taxes. She said the General Fund is at 44.6% of budget and is in very good shape. She noted the decrease in gambling taxes and reported that 2015 expenditures are significantly lower than 2014's due to delayed billing for the King County Police Contract. She reviewed departmental expenditures, sales tax, permit data, and recreation revenue. She stated Motor Vehicle Excise Tax revenues are slightly higher than 2014 while expenditures are lower. She reviewed the Streets, Surface Water Maintenance, General Capital, and Roads Capital Funds. She said Real Estate Excise Tax (REET) is significantly up over last year and provided transactions and sales level data. She concluded presenting revenue and expenditure forecasts and shared that continued slow revenue growth is anticipated. She commented on the significant increase in jail costs and reported that the Right-of-Way Landscape Maintenance Contractor is requesting an annual increase of \$60,000.

Councilmember Salomon commented on the Shoreline Prosecutor's authority to move forward with the stiffest penalties in the region and explained that this could be attributing to increased jail days and costs. He asked for a cost benefit analysis on whether this is an efficient sentencing policy. Deputy Mayor Eggen concurred with looking into the sentencing policy.

Councilmember Hall asked if REET funds can be used for Grant Matching Funding instead of General Fund dollars.

Councilmember Salomon commented on the Right-of-Way Maintenance contract and asked if the landscaping could be filled in with rocks instead of grass. He asked why so few contractors bid for the job.

Ms. Tarry said the City will follow up with the Prosecutor regarding sentencing.

(b) Discussion and Update of Environmental Strategies

Miranda Redinger, Senior Planner, introduced Rika Cecil, Environmental Programs Coordinator, and Elizabeth Willmot, Climate Solutions' New Energy Cities Program. She recalled that back in 2007, the City Council set Environmental Sustainability Goals. She said there were 11 objectives and that one recommendation included the creation of an indicator tracking system. In 2012 the City contracted with SiteCrafting and built and launched the Forever Green indicator tracking website. She shared that the 2012 Comprehensive Plan contained a number of environmental policies, including addressing greenhouse gas emissions, climate change, and triple bottom line sustainability. She said Shoreline's Climate Action Plan was developed in 2013 and focused on energy and water; materials and waste; transportation, land use and mobility; and urban trees, parks and open spaces. It also included the adoption of carbon reduction targets of 50% by 2030 and 80% by 2050. She displayed the Carbon Wedge Analysis map showing where energy is coming from, where it is going, emissions we need to avoid and those that need to be reduced. She shared that Shoreline is ready to take action/implement 32 of the 137 recommended strategies. She stated that 2015-2017 Council Goals reaffirmed a commitment to sustainability and presented staff's recommendations for 2016-19 priorities as: Adopt Living Building Challenge Ordinance; Examine Feasibility of District Energy; and Conduct a Solarize Campaign. She reviewed each recommendation and then requested Council's direction on prioritizing recommendations.

Councilmember Salomon shared that on a recent hike he observed the results of a glacier that is melting and the negative impact it is having on the Skagit River. He commented on reading "The 6th Extinction", a book which talks about loss of species diversity and biomass due to global warming. He said global warming is happening now and much faster than scientists thought it would and that he is looking for concrete steps that the City can take now to address it. He said he understands Seven Petals to be water capture and reuse, generation of onsite solar energy, and green roofs, and said he does not believe it is a concrete strategy. He asked if the Living Building Challenge Ordinance would be a requirement or an incentive program. He asked about value added captures generated by a District Energy Plant and how much greenhouse gas savings it will create. He indicated he would like this information prior to hiring a consultant. He said he agrees in theory with the concept of catalyst nodes instead of dispersed type infills. He explained the benefit of solarized energy, and said our electricity is not as greenhouse gas intensive as other jurisdictions but there is a benefit in that more water remains in the rivers. He said if the choice is to update the Environmental Sustainability Strategy (ESS) or go with action, he chooses action.

Councilmember Roberts stated that his preference is to accelerate staff training on Forever Green tracking and track progress on a regular basis. He said the creation of a District Energy looks promising and that he would like to have a more detailed discussion on it. He supports being more aggressive on solarized energy and looking at solarization in subareas and city facilities.

Councilmember Hall stated that he is very interested in a comprehensive project to update the ESS and that all strategies should be available for discussion. He said there is no imperative to update the ESS this year since the City already employs good sustainability strategies. He commented on global climate change being a greater threat than anyone anticipated back in 2008 and concurred with Councilmember Salomon about moving forward with action. He said that District Energy is not a new idea and it is the way things used to be. He explained that the Post War Era's centralized energy systems were replaced with the new model of suburbia where every home had a broiler in the basement, and now the benefits of having huge central districts are being realized again. He said he supports moving forward with the next steps. He asked if the Aurora Square CRA should be included as a catalyst node and stated he prefers that the Living Building Challenge be citywide as its own project and not attached to 145<sup>th</sup> Subarea Plan.

Deputy Mayor Eggen said he supports the three projects staff is recommending but commented that he is not sure they are the ones that will have the biggest impact on greenhouse gas emissions. He pointed out that transportation has the biggest impact on gas emissions and said Shoreline is not in a position to tackle it in any major way. He added that given the tax exemption climate that the City may want to work on the Solarized Campaign.

Mayor Winstead agreed that the ESS should be updated at some point but stated moving forward with action is what should be done right now. She said solarization should be a high priority and that additional information is needed regarding District Energy. She said the Living Building Challenge Ordinance is a great project and that she would like to figure out how to make all the strategies work together.

10. ADJOURNMENT

At 9:12 p.m., Mayor Winstead declared the meeting adjourned.

---

Jessica Simulcik Smith, City Clerk



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

**AGENDA TITLE:** Approval of Expenses and Payroll as of September 25, 2015  
**DEPARTMENT:** Administrative Services  
**PRESENTED BY:** Sara S. Lane, Administrative Services Director

**EXECUTIVE / COUNCIL SUMMARY**

It is necessary for the Council to formally approve expenses at the City Council meetings. The following claims/expenses have been reviewed pursuant to Chapter 42.24 RCW (Revised Code of Washington) "Payment of claims for expenses, material, purchases-advancements."

**RECOMMENDATION**

Motion: I move to approve Payroll and Claims in the amount of \$7,416,972.66 specified in the following detail:

**\*Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
8/2/15-8/15/15	8/21/2015	62448-62698	14009-14031	61035-61042	\$649,576.50
8/16/15-8/29/15	9/4/2015	62699-62924	14032-14048	61155-61160	\$490,922.91
8/30/15-9/12/15	9/18/2015	62925-63145	14049-14068	61222-61229	\$643,784.86
					\$1,784,284.27

**\*Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
8/26/2015	1097	\$17,883.30
		\$17,883.30

**\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
8/27/2015	60969	61012	\$57,706.36
8/27/2015	61013	61034	\$1,687,348.11
9/2/2015	61043	61086	\$1,295,118.38
9/2/2015	61087	61110	\$220,700.36
9/10/2015	61111	61130	\$13,883.25
9/10/2015	61131	61154	\$183,170.03
9/16/2015	61161	61200	\$200,054.18
9/16/2015	61201	61213	\$59,389.01
9/17/2015	61214	61217	\$47,015.21
9/18/2015	61218	61219	\$58,222.21

**\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/18/2015	61220	61220	\$349.59
9/22/2015	60263	60263	(\$800.00)
9/22/2015	61221	61221	\$800.00
9/24/2015	61230	61262	\$1,722,154.94
9/24/2015	61263	61286	\$10,990.94
9/24/2015	61287	61314	\$58,702.52
			<u>\$5,614,805.09</u>

Approved By: City Manager \_\_\_\_\_ City Attorney \_\_\_\_\_

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

<b>AGENDA TITLE:</b>	Transmittal of the 2016 Proposed Budget
<b>DEPARTMENT:</b>	Administrative Services Department
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services 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:**

The City Manager is required to submit the 2016 proposed budget to the City Council no later than November 1, 2015. Tonight's presentation will introduce the 2016 proposed budget document to the Council, provide policy background concerning its development, highlight key budget issues, highlight the proposed 2016 work plan, and propose a budget review process and schedule. Council will receive hard or electronic copies of the 2016 proposed budget following tonight's meeting. The proposed 2016-2021 Capital Improvement Plan is attached to this staff report as Attachment A.

**RESOURCE/FINANCIAL IMPACT:**

The City's 2016 proposed budget is balanced in all funds and totals \$77.916 million. Proposed appropriations for the Operating Funds total \$45.680 million in expenditure appropriations for 2015, which account for 58.6% of the total budget. Proposed appropriations for the Debt Service Funds total \$3.635 million, which account for 4.7% of the total budget. Proposed appropriations for the Capital Service Funds total \$20.822 million, which account for 26.7% of the total budget. The 2016 proposed budget also includes appropriations for the Traffic Impact Fees Fund, which was created with adoption of the 2015 budget. Proposed appropriations for the Traffic Impact Fees Fund total \$0.360 million, which account for 0.4% of the total budget.

At this time, the City's only Enterprise Fund is the Surface Water Utility. Proposed appropriation's for the Surface Water Utility total \$6.836 million, which account for 8.8% of the total budget. This includes Surface Water activities relating to both operating and capital projects.

The remaining portion of the 2016 Proposed Budget comprises the City's Internal Service Funds. Proposed appropriations for Internal Service Funds total \$0.583 million, which account for 0.8% of the total budget.

The 2016 budget is \$1.2 million, or 1.6%, less than the current 2015 Budget (2015 Adopted Budget plus all subsequent changes). This decrease can be linked to the following changes from 2015 to 2016: a \$6.4 million decrease in the City's capital budget and \$5.2 million increase to the City's operating budget. The main reasons for the year-over-year decrease in the capital funds are a \$10.9 million decrease in Roads Capital Fund projects, a \$3.8 million increase in General Capital Fund projects, and a \$0.4 million increase in City Facilities / Major Maintenance Fund projects.

The proposed 2016 budget includes adequate reserve levels to meet all adopted budget policies.

Table 1 below summarizes the 2016 proposed budget and provides a comparison to the 2015 budget by fund. The 2015 budgeted expenditures represent the adopted budget and any budget amendments, such as re-appropriations, that have been adopted by the City Council through September 2015.

**TABLE 1 – 2016 Proposed Budget Summary**

Fund	2016 Proposed Budget			2015 Current		2015-2016 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	
<b>Operating Funds:</b>						
General Fund	9,645,545	\$ 37,034,031	\$ 41,878,507	\$ 4,801,069	\$ 38,152,434	9.77%
Revenue Stabilization Fund	5,150,777	0	0	5,150,777	0	n/a
Property Tax Equalization Fund	1,189,995	0	481,584	708,411	0	n/a
Streets	888,977	1,442,468	1,632,944	698,501	1,569,007	4.07%
Code Abatement	172,052	80,550	100,000	152,602	100,000	0.00%
State Drug Enforcement Forfeiture Fund	202,402	18,243	168,243	52,402	13,800	1119.15%
Federal Drug Enforcement Forfeiture Fund	234,874	28,200	263,000	74	65,750	300.00%
Federal Criminal Forfeiture Fund	177,601	978,500	1,156,101	0	534,358	116.35%
Sub-Total Operating Funds	17,662,223	39,581,992	45,680,379	11,563,836	40,435,349	12.97%
<b>Debt Service Funds:</b>						
2006 General Obligation Bond	17,965	1,700,000	1,710,375	7,590	1,712,175	-0.11%
2009 General Obligation Bond	1,798	1,663,417	1,663,417	1,798	1,663,217	0.01%
2013 General Obligation Bond	0	260,948	260,948	0	260,823	0.05%
Sub-Total Debt Service Funds	19,763	3,624,365	3,634,740	9,388	3,636,215	-0.04%
<b>Capital Funds:</b>						
General Capital	2,515,749	6,451,948	7,305,402	1,662,295	3,492,919	109.15%
City Facility-Major Maintenance Fund	35,944	724,481	758,500	1,925	348,525	117.63%
Roads Capital	2,993,168	11,323,028	12,758,137	1,558,059	23,749,289	-46.28%
Traffic Impact Fees Fund	200,000	200,000	359,775	40,225	0	n/a
Sub-Total Capital Funds	5,744,861	18,699,457	21,181,814	3,262,504	27,590,733	-23.23%
<b>Enterprise Funds:</b>						
Surface Water Utility Fund	1,510,129	6,724,986	6,835,663	1,399,452	6,180,934	10.59%
Sub-Total Enterprise Funds	1,510,129	6,724,986	6,835,663	1,399,452	6,180,934	10.59%
<b>Internal Service Funds:</b>						
Equipment Replacement	1,988,194	504,850	210,138	2,282,906	954,714	-77.99%
Public Art Fund	199,616	6,500	84,216	121,900	54,408	54.79%
Unemployment	68,800	0	17,500	51,300	17,500	0.00%
Vehicle Operations & Maintenance	129,022	256,216	271,216	114,022	278,950	-2.77%
Sub-Total Internal Service Funds	2,385,632	767,566	583,070	2,570,128	1,305,572	-55.34%
<b>Total City Budget</b>	<b>\$ 27,322,608</b>	<b>\$ 69,398,366</b>	<b>\$ 77,915,666</b>	<b>\$ 18,805,308</b>	<b>\$ 79,148,803</b>	<b>-1.56%</b>

**PROPOSED BUDGET SCHEDULE:**

The proposed schedule for 2016 budget review includes:

<b>Date</b>	<b>Action</b>
<u>October 12</u>	<ul style="list-style-type: none"><li>• Transmittal of 2016 Proposed Budget and 2016-2021 CIP</li></ul>
<u>October 19</u>	<ul style="list-style-type: none"><li>• Review of Department Budgets</li></ul>
<u>October 26</u>	<ul style="list-style-type: none"><li>• Continued Review of Department Budgets and Review of 2016-2021 CIP</li></ul>
<u>November 2</u>	<ul style="list-style-type: none"><li>• Public Hearing on 2016 Proposed Budget and 2016-2021 CIP</li></ul>
<u>November 9</u>	<ul style="list-style-type: none"><li>• Public Hearing on 2016 Property Tax Levy &amp; Revenue Sources</li></ul>
<u>November 16</u>	<ul style="list-style-type: none"><li>• Final Discussion of the 2016 Proposed Budget and 2016-2021 CIP</li></ul>
<u>November 23</u>	<ul style="list-style-type: none"><li>• Adoption of the 2016 Budget, Fee Schedule and 2016-2021 CIP, and Adoption of the 2016 Property Tax Levy</li></ul>

**RECOMMENDATION**

This item is for discussion purposes only. Staff is seeking Council input regarding the proposed 2016 budget process and any key questions or issues that Council wants staff to address as part of the process.

**ATTACHMENTS:**

Attachment A: 2016 – 2021 Capital Improvement Plan

Approved By:            City Manager     *DT*                            City Attorney

City of Shoreline 2016 - 2021 Capital Improvement Plan  
PROGRAM SUMMARY

Attachment A

	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
<b>EXPENDITURES</b>							
<b>Fund</b>							
<b>Project</b>							
<b>General Capital</b>							
<b>Parks Projects</b>							
Ballinger Neighborhood Parks	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000
King County, Trails And Open Space Replacement Levy	\$30,000	\$110,000	\$110,000	\$110,000	\$0	\$0	\$360,000
Park At Town Center	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Parks Repair And Replacement	\$216,415	\$227,236	\$238,597	\$250,528	\$263,054	\$265,816	\$1,461,646
Parks, Recreation And Open Space Update	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Regional Trail Signage	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
Turf & Lighting Repair And Replacement	\$152,500	\$1,700,000	\$145,000	\$0	\$0	\$0	\$1,997,500
<b>Facilities Projects</b>							
North Maintenance Facility	\$567,912	\$0	\$0	\$0	\$0	\$0	\$567,912
Police Station At City Hall	\$5,339,961	\$20,000	\$0	\$0	\$0	\$0	\$5,359,961
Pool & Recreation Facility Master Planning	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Recreation Facilities Exterior Security Lighting	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000
<b>Non-Project Specific</b>							
General Capital Engineering	\$80,091	\$85,000	\$0	\$0	\$0	\$0	\$165,091
Cost Allocation Charges	\$23,977	\$0	\$0	\$0	\$0	\$0	\$23,977
City Hall Debt Service Payment	\$664,546	\$663,946	\$662,546	\$677,546	\$663,250	\$663,250	\$3,995,084
<b>General Capital Fund Total</b>	<b>\$7,305,402</b>	<b>\$2,831,182</b>	<b>\$1,306,143</b>	<b>\$1,238,074</b>	<b>\$926,304</b>	<b>\$929,066</b>	<b>\$14,536,171</b>
<b>City Facilities - Major Maintenance</b>							
<b>General Facilities</b>							
Police Station Long-Term Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Hall Long-Term Maintenance	\$0	\$42,000	\$20,000	\$84,000	\$80,000	\$80,000	\$306,000
City Hall Parking Garage Long-Term Maintenance	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000
<b>Parks Facilities</b>							
Parks Restrooms Long-Term Maintenance	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000
Shoreline Pool Long-Term Maintenance	\$750,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$850,000
Richmond Highlands Community Center Long-Term Maintenance	\$2,000	\$15,000	\$80,000	\$0	\$2,000	\$0	\$99,000
Spartan Recreation Center	\$6,500	\$19,000	\$9,000	\$0	\$4,500	\$0	\$39,000
<b>City Facilities - Major Maintenance Fund Total</b>	<b>\$758,500</b>	<b>\$96,000</b>	<b>\$129,000</b>	<b>\$114,000</b>	<b>\$106,500</b>	<b>\$130,000</b>	<b>\$1,334,000</b>

City of Shoreline 2016 - 2021 Capital Improvement Plan  
PROGRAM SUMMARY

	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
<b>EXPENDITURES</b>							
<b>Fund</b>							
<b>Project</b>							
<b>Roads Capital Fund</b>							
<b><i>Pedestrian / Non-Motorized Projects</i></b>							
Bike System Implementation	\$632,725	\$0	\$0	\$0	\$0	\$0	\$632,725
Traffic Safety Improvements	\$155,125	\$157,881	\$160,775	\$163,814	\$167,005	\$167,005	\$971,605
25th Ave. NE Sidewalks	\$60,000	\$510,000	\$25,000	\$0	\$0	\$0	\$595,000
Echo Lake Safe Routes To School	\$483,000	\$12,500	\$0	\$0	\$0	\$0	\$495,500
Einstein Safe Route To School	\$4,566	\$0	\$0	\$0	\$0	\$0	\$4,566
Interurban Trail/Burke-Gilman Connectors	\$386,000	\$0	\$0	\$0	\$0	\$0	\$386,000
<b><i>System Preservation Projects</i></b>							
Annual Road Surface Maintenance Program	\$2,214,984	\$1,000,000	\$1,100,000	\$1,200,000	\$1,200,000	\$1,200,000	\$7,914,984
Curb Ramp, Gutter And Sidewalk Maintenance Program	\$152,517	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,152,517
Traffic Signal Rehabilitation Program	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010	\$134,010	\$743,212
10th Avenue NW Bridge	\$370,000	\$0	\$0	\$0	\$0	\$0	\$370,000
<b><i>Safety / Operations Projects</i></b>							
145th Corridor Study	\$128,884	\$0	\$0	\$0	\$0	\$0	\$128,884
145th Corridor - 99th to I5	\$2,447,977	\$2,447,977	\$0	\$0	\$0	\$0	\$4,895,954
185th Corridor Study	\$600,000	\$0	\$0	\$0	\$0	\$0	\$600,000
Aurora Avenue North 192nd - 205th	\$1,537,152	\$26,324	\$0	\$0	\$0	\$0	\$1,563,476
Meridian Ave N & N 155th St Signal Improv	\$58,929	\$300,000	\$0	\$0	\$0	\$0	\$358,929
N 175th St - Stone Ave N to I5	\$2,665,000	\$1,435,000	\$0	\$0	\$0	\$0	\$4,100,000
Radar Speed Signs	\$120,456	\$0	\$0	\$0	\$0	\$0	\$120,456
Richmond Beach Re-Channelization	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Westminster and 155th Improvements	\$250,000	\$200,000	\$0	\$0	\$0	\$0	\$450,000
<b><i>Non-Project Specific</i></b>							
General Fund Cost Allocation Overhead Charge	\$64,767	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$314,767
Transportation Master Plan Update	\$100,000	\$200,000	\$0	\$0	\$0	\$0	\$300,000
Roads Capital Engineering	\$215,805	\$235,000	\$255,000	\$265,000	\$280,000	\$295,000	\$1,545,805
<b>Roads Capital Fund Total</b>	<b>\$12,758,137</b>	<b>\$7,090,445</b>	<b>\$1,912,326</b>	<b>\$2,006,442</b>	<b>\$2,031,015</b>	<b>\$2,046,015</b>	<b>\$27,844,380</b>

City of Shoreline 2016 - 2021 Capital Improvement Plan  
PROGRAM SUMMARY

	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
<b>EXPENDITURES</b>							
<b>Fund</b>							
<b>Project</b>							
<b>Surface Water Capital</b>							
<b>Capacity</b>							
10Th Ave Ne Drainage Improvements	\$250,000	\$0	\$0	\$600,000	\$30,000	\$30,000	\$910,000
25th Ave. NE Flood Reduction Improvements	\$880,000	\$2,470,000	\$795,000	\$0	\$0	\$0	\$4,145,000
Boeing Creek Regional Stormwater Facility Study	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
NE 148th Infiltration Facilities	\$367,500	\$0	\$0	\$0	\$0	\$0	\$367,500
<b>Repair and Replacement</b>							
Goheen Revetment Repair	\$17,000	\$11,500	\$6,000	\$6,000	\$6,000	\$0	\$46,500
Hidden Lake Dam Removal	\$20,000	\$0	\$0	\$0	\$1,000,000	\$0	\$1,020,000
Stormwater Pipe Replacement Program	\$580,000	\$200,000	\$0	\$500,000	\$200,000	\$1,740,000	\$3,220,000
Surface Water Small Projects	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
<b>Other</b>							
Puget Sound Drainages Basin Plan	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Surface Water Master Plan	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Thornton Creek Basin Condition Assessment	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$300,000
<b>Non-Project Specific</b>							
General Fund Cost Allocation Overhead Charge	\$190,448	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$940,448
Surface Water Capital Engineering	\$158,013	\$170,000	\$175,000	\$185,000	\$190,000	\$200,000	\$1,078,013
<b>Surface Water Capital Fund Total</b>	<b>\$3,442,961</b>	<b>\$3,101,500</b>	<b>\$1,226,000</b>	<b>\$1,441,000</b>	<b>\$1,576,000</b>	<b>\$2,120,000</b>	<b>\$12,907,461</b>
<b>TOTAL EXPENDITURES</b>	<b>\$24,265,000</b>	<b>\$13,119,127</b>	<b>\$4,573,469</b>	<b>\$4,799,516</b>	<b>\$4,639,819</b>	<b>\$5,225,081</b>	<b>\$56,622,012</b>



City of Shoreline 2016 - 2021 Capital Improvement Plan  
PROGRAM SUMMARY

	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
<b>RESOURCES</b>							
<b>Fund</b>							
General Fund Contribution	\$3,078,211	\$878,211	\$428,211	\$428,211	\$428,211	\$428,211	\$5,669,266
State and Federal Forfeiture Fund Contribution to General Cap Fund	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Treasury Seizure Fund Contribution to General Cap Fund	\$1,156,101	\$0	\$0	\$0	\$0	\$0	\$1,156,101
Transportation Benefit District	\$1,031,824	\$780,000	\$780,000	\$780,000	\$780,000	\$780,000	\$4,931,824
Transportation Impact Fees	\$359,775	\$193,725	\$0	\$0	\$0	\$0	\$553,500
Real Estate Excise Tax - 1st Quarter Percent	\$1,038,146	\$1,056,334	\$1,088,772	\$1,161,160	\$1,235,930	\$1,303,238	\$6,883,580
Real Estate Excise Tax - 2nd Quarter Percent	\$1,038,146	\$1,056,334	\$1,088,772	\$1,161,160	\$1,235,930	\$1,303,238	\$6,883,580
Soccer Field Rental Contribution	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$780,000
Surface Water Fees	\$661,884	\$589,923	\$1,080,551	\$1,390,368	\$1,592,153	\$1,803,940	\$7,118,819
Investment Interest Income	\$88,187	\$101,679	\$45,034	\$54,570	\$73,073	\$98,380	\$460,924
King County Flood Zone District Opportunity Fund	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$665,388
Grants - Awarded	\$8,092,314	\$3,668,996	\$0	\$0	\$0	\$0	\$11,761,310
<i>Future Grants</i>	\$0	\$250,000	\$75,000	\$200,000	\$0	\$0	\$525,000
<i>Future Financing</i>	\$4,536,317	\$2,000,000	\$0	\$0	\$0	\$0	\$6,536,317
King County Voter Approved Trail Funding	\$110,000	\$110,000	\$110,000	\$110,000	\$0	\$0	\$440,000
Gain / (Use) of Accumulated Fund Balance	\$2,433,197	\$2,193,027	(\$363,769)	(\$726,852)	(\$946,376)	(\$732,824)	\$1,856,403
<b>TOTAL RESOURCES</b>	<b>\$24,265,000</b>	<b>\$13,119,127</b>	<b>\$4,573,469</b>	<b>\$4,799,516</b>	<b>\$4,639,819</b>	<b>\$5,225,081</b>	<b>\$56,622,012</b>

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

<b>AGENDA TITLE:</b>	Ronald Wastewater District Assumption Transition Committee of Elected Officials Update
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	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 2002, the City Council and Ronald Wastewater District (RWD) Board of Commissioners entered into an Interlocal Operating Agreement to unify wastewater (sewer) services with City operations in October 2017 through an assumption process. To move the assumption process forward, the Council and RWD Board agreed to form a joint Council-Board subcommittee on assumption transition. It was agreed that two members of the Council and two members of the RWD Board would serve on the committee, which came to be known as the Committee of Elected Officials (CEO). The first meeting of the CEO occurred on June 5, 2014. The purpose of the CEO is to create an Assumption Transition Plan, which will guide the transition process in 2016 and 2017.

On October 27, 2014, staff provided an initial update on the work of the CEO to the City Council. A second update was provided on May 11, 2015. This staff report will provide a third and likely final update of what the CEO has accomplished to date, the remaining assumption transition topics to be covered, and the timeframe for completion of the Assumption Transition Plan. Similar to the first two updates, this item provides an opportunity for the Council to hear directly from their colleagues serving on the CEO (Councilmember McConnell and Councilmember Roberts).

**RESOURCE/FINANCIAL IMPACT:**

There is no direct financial impact to continuing to staff and coordinate the Assumption Transition CEO. However, there could be assumption transition issues identified as part of the assumption transition planning process that do have costs associated with them.

**RECOMMENDATION**

Staff recommends that Council discuss the work of the RWD Assumption Transition CEO to date and provide feedback on any of the assumption policies that the CEO has recommended for approval in the Assumption Transition Plan.

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

## **BACKGROUND**

In 2002, the City Council and RWD Board of Commissioners entered into an Interlocal Operating Agreement (IOA) to unify wastewater (sewer) services with City operations. The Agreement outlines the unification process between the City and the District, which is to occur on October 23, 2017. The City will acquire the sewer utility through an assumption, which means all assets, reserve funds, employees, equipment and any District debt will be assumed by the City and the Ronald Wastewater District will cease to exist as a separate government entity. With a few exceptions the ratepayers of RWD are Shoreline residents.

Procedures for an orderly and predictable transition of the wastewater utility from District to City ownership are outlined in the 2002 agreement. In order to facilitate a smooth consolidation, the City and RWD agreed to a 15-year timeframe for the transition. During that time, RWD has and will continue to operate as a Special Purpose District in Shoreline under the guidance of a franchise agreement with the City.

On October 27, 2014, staff provided an initial update on the work of the CEO to the City Council. The staff report for this update can be found on the City's website at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport102714-8b.pdf>.

On May 11, 2015, staff provided a second update on the work of the CEO. The staff report for this second update can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport051115-8a.pdf>.

Also as noted on both October 27 and May 11, all CEO meeting materials and information about the CEO are located on the Assumption Transition Committees webpage on the City's website: <http://shorelinewa.gov/government/departments/public-works/utilities/ronald-wastewater-assumption/assumption-transition-committees>.

## **DISCUSSION**

The first meeting of the CEO occurred on June 5, 2014, and meetings have been held subsequently on the fourth Thursday of every month. As from the beginning, the CEO continues to be comprised of Councilmember McConnell and Councilmember Roberts from the City and RWD Board President Ransom and RWD Commissioner Atkinson from the District. The most recent CEO meeting occurred on September 24, 2015.

As was noted in the last update to the Council, there continues to be some changes at the staff level supporting the CEO. Both the interim Public Works Director and interim Administrative Services Director were involved with staffing the CEO over the summer, and now the City's new directors in those roles are participating. Fortunately, on the District side, there has been staff continuity as Accounting Manager Mark Gregg continues to serve as the District Manager, and will continue to do so through the assumption in October 2017. As well, District Maintenance Manager George Dicks continues to participate in the assumption transition process and attend CEO meetings.

Although staff level changes have continued to occur throughout the CEO process, the committee process continues to move forward with collaborative support from both District and City staff.

### **CEO Work Products**

Since the May 11 update to Council, the CEO has continued to work through the list of policy issues outlined in the project Charter. At this point, the CEO has initially worked through all of the policy topics outlined in the Charter. Attached to this staff report are work products that the CEO has reviewed and recommended as final drafts since the May 11 Council briefing. These include the recommended Asset Management and Public Records Policies Issue Paper (Attachment A), the recommended Purchasing and Contracts Policies Issue Paper (Attachment B), the recommended Equipment, Furnishings and Fixtures Policies Issue Paper (Attachment C), and the recommended City Municipal Code and Utility Advisory Board Issue Paper (Attachment D). If Council has any questions or direction about the policies included in these work products or the format or content of the work products, staff and the members of the CEO can provided responses to these inquires.

### **CEO Work Delivery Process**

As was noted during the first two CEO updates to Council, "recommended" work products (recommended transition policies and agreements) are items that have been approved by the CEO for recommendation to the Council and RWD Board. Thus far, Council has provided no direction to staff to amend any of the policies previously provided for Council review. The RWD Board on the other hand has brought back some minor edits to the CEO on some of the policy papers that they have reviewed thus far. While the City has chosen to package the Transition Plan content for Council review, and this report provides the third and final such package, the RWD Board has created a process where they are reviewing one policy paper produced by the CEO per month. Regardless of this iterative review process, both the Council and RWD Board have the authority and autonomy to provide direction to their respective CEO members to bring recommended content back to the CEO for further consideration, amendments, edits, etc.

### **Assumption Transition Plan**

Ultimately, once all of the policy issues have been discussed and policy direction has been provided by the CEO (with interim direction provided by the RWD Board and City Council along the way), all of the recommended work products will be compiled into the Transition Plan for final CEO recommendation to the Council and RWD Board. This Transition Plan will then serve as the blueprint for assumption implementation tasks that need to occur pre- and post-assumption. The Plan will also serve to meet the commitment made in the IOA to have the City and RWD negotiate in good faith the terms of final transition.

At the last CEO meeting on September 24, the CEO began discussing an outline of what the final Transition Plan would look like. Proposed sections of the plan are as follows:

- *Introduction/Background*
  - This section of the Assumption Transition Plan (ATP) provides a background of the City and District, the history of the assumption process, and information on the 2002 Interlocal Operating Agreement (IOA). The IOA will be attached to the ATP.
- *CEO Charter and Process*
  - This section will focus on the work of the CEO. It will explain the composition of the CEO, meeting schedule, and purpose of the group. The CEO Charter will also be discussed and will be attached to the ATP.
- *Value of CEO Work*
  - This section will speak to why the CEO process was important, and the value that the community received by having this committee vet the assumption transition work that was produced. This section will also speak to the value of District and City staff working together, creating strong working relationships, etc.
- *Work Plan Items and Policy Agreements*
  - This section will be made up of the policy papers drafted by the CEO and reviewed throughout the process by both the Council and RWD Board. The content will be organized by topic as outlined in the CEO Charter. The policy papers will not be put into the plan as currently drafted, but will be edited so that the content of the papers fit together. However, the policy agreements and work plan items already approved in the papers will remain intact as approved.
- *Next Steps and Work Plan*
  - This final section of the ATP will outline the next steps of the implementation phase of the assumption process. This will begin with the creation of a City Work Plan to complete all of the work plan tasks in the ATP.

### **NEXT STEPS**

As the CEO process has progressed over the last year and three months, the stated goal of the CEO was to have the Transition Plan completed by the close of 2015. This was also noted in the May 2015 update to the City Council. As the RWD Board has made it clear that they would like to review and approve each policy paper recommended by the CEO, one paper per month, it has become apparent to staff and the CEO members that sticking to the timeline of Transition Plan completion by December 2015 is not feasible.

To resolve this, staff has proposed to lengthen the timeline for Transition Plan adoption until the middle of March 2016. This will hopefully give both the City and RWD Board enough time to fully review the remaining policy papers and the final draft Transition Plan.

While the CEO has agreed to take a break for the months of October and November, the Staff Committee will meet over these months to draft the Assumption Transition Plan for CEO review and approval. As well, the RWD Board will continue to review the policy papers that have been approved by the CEO during this time.

Attachment E to this staff report provides the remaining schedule for the CEO, RWD Board, and City Council to complete the remaining planning work for the Assumption Transition Plan. Once the final draft Plan has been approved by the CEO, the CEO will cease to meet on a regular monthly basis. If there is a need for the CEO to reconvene during the implementation phase of the assumption process, staff will work together to schedule as many meetings as are needed. As of right now, staff is scheduled to bring the final draft Transition Plan to Council on March 14, 2016 for adoption. This meeting may be moved up however if the tentative February CEO meeting is not needed.

### **COUNCIL GOAL ADDRESSED**

This agenda item addresses 2015-2017 Council Goal #2, Improve Shoreline's utility, transportation, and environmental infrastructure, and specifically Action Step #4 of this goal: Develop and implement a plan to merge the Ronald Wastewater District into City operations as outlined in the 2002 Interlocal Operating Agreement.

### **RESOURCE/FINANCIAL IMPACT**

There is no direct financial impact to continuing to staff and coordinate the Assumption Transition CEO. However, there could be assumption transition issues identified as part of the assumption transition planning process that do have costs associated with them.

### **RECOMMENDATION**

Staff recommends that Council discuss the work of the RWD Assumption Transition CEO to date and provide feedback on any of the assumption policies that the CEO has recommended for approval in the Assumption Transition Plan.

### **ATTACHMENTS**

- Attachment A: Asset Management and Public Records Policies Issue Paper
- Attachment B: Purchasing and Contracts Policies Issue Paper
- Attachment C: Equipment, Furnishings and Fixtures Policies Issue Paper
- Attachment D: City Municipal Code and Utility Advisory Board Issue Paper
- Attachment E: Assumption Transition Plan Remaining Work/Meeting Schedule

## **Ronald Wastewater District Assumption Transition Asset Management and Public Records Policy Issue**

### **Brief Description of the Issue**

RWD infrastructure and records, like any District function, must be managed appropriately, including the planning for asset repair and replacement and the planning for record retention and destruction. RWD currently uses a custom-written asset management system built using a product called Paradox. The District has stated their interest in moving the inventory of their infrastructure into a new asset management system prior to assumption. RWD has further expressed some interest in using the CityWorks asset management software system as replacement for their Paradox system.

### **Statement as to Why it is Being Considered**

Given that the City currently uses the CityWorks system, RWD and the City recognize that there exists an opportunity to consider a shared arrangement for implementing the CityWorks system for the RWD. The expected costs to add RWD to the City's CityWorks license structure is \$15,000 per year. A successful implementation of the CityWorks system also requires detailed configuration and work flow documentation. Completing the implementation work requires specialized knowledge of the CityWorks software typically provided by a system integration consultant. The City used Woolpert Consultants to accomplish the software implementation and recommends that RWD consider using them as well. The cost of implementation would be in addition to the licensing costs.

### **Work Plan Tasks and Agreements**

1. RWD agrees to continue to keep the list of District infrastructure up to date until assumption, regardless of the type of asset management system it decides to use, and provide the City with a copy of the infrastructure list on an annual basis.
2. RWD agrees to continue to identify all District records (hard and electronic records) that have retention value and will need to transition over to the City, and managing those records pre-assumption so that the records transfer will be a smooth process.
3. RWD agrees to transfer all infrastructure records (hard copy and electronic files) to the City at assumption so that the records can be incorporated into the City's record management systems.
4. If it is decided by the RWD Board to upgrade their asset management system pre-assumption, RWD agrees to explore the CityWorks system and also agrees to explore the use of Woolpert for software implementation and work flow configuration.
5. If it is decided by the RWD Board to upgrade their asset management system pre-assumption, RWD agrees to explore the coordination of their CityWorks implementation and data structure development to be consistent with the City's existing CityWorks System.
6. If it is decided by the RWD Board to upgrade their asset management system pre-assumption, the City agrees to provide staff time to assist RWD staff and their integration consultant during CityWorks implementation if CityWorks is selected as RWD's asset management software.

## **Ronald Wastewater District Assumption Transition Purchasing and Contracts Policy Issue**

### **Brief description of the issue**

Ronald Wastewater District (the District) has multiple service contracts to help operate the utility. Some of these include service contracts for legal services, engineering services, etc. The District may also have construction contracts for future CIP projects.

### **Statement as to why it is being considered**

Existing contracts need to be evaluated to determine the appropriate action to ensure that necessary services and projects are maintained during and after transition. Procurement policies and procedures need to be understood to identify and resolve conflicts to ensure that service continuity is not impacted.

### **Work Plan Tasks and Commitments**

- The District agrees to provide the City with a list of the District service and construction contracts.
- The District agrees to identify when contracts were entered into and when the contract termination dates are (especially if the contract is planned to be terminated upon assumption).
- The District and the City agrees to collaborate to determine which contracts should terminate upon assumption and which should bridge assumption and for how long.
- The District agrees to identify current purchasing and procurement standards and practices.
- The City agrees to evaluate how The District purchasing practices conflict with City practices and how they may impact assumption and develop appropriate actions to address any conflicts if they exist.



## **Ronald Wastewater District Assumption Transition Equipment, Furnishings and Fixtures Policies Issue Paper**

### **Brief Description of the Issue**

As per the CEO Project Charter, RWD's equipment, furnishings and fixtures (fleet, tools, furniture, computers/servers, and other hardware) are issues to consider as part of the Assumption Transition Plan. RWD uses a multitude of equipment to perform their work, from vehicles, to shop equipment to office equipment and hardware.

### **Statement as to Why it is Being Considered**

Policies regarding equipment, furnishings and fixtures are being considered so that the City and RWD can plan for the transition of this equipment from the district to the City. This will allow for proactive life-cycle retirement and purchasing of new equipment, if necessary, pre-assumption and the planning for the purchase of new equipment post assumption in a timely manner.

### **Work Plan Tasks and Agreements**

1. RWD agrees to provide to the City their capital asset records for equipment and a list of all RWD equipment that is of significant value not already recorded on the capital asset records.
2. RWD agrees to identify when the equipment was purchased, the current life span of the equipment and the maintenance records of current equipment.
3. RWD agrees to keep the list of equipment up-to-date until the date of the assumption.
4. RWD will determine commitments on equipment replacement pre-assumption, if any.
5. The City will plan for the transfer of RWD equipment, furnishings and fixtures to both City Hall, for administrative staff, and the North Maintenance Facility, for Maintenance staff.
6. The City and RWD staff will work together to identify additional future work plan tasks to manage the furnishings and fixtures transition to the City.

## **Ronald Wastewater District Assumption Transition City Municipal Code and Utility Advisory Board Policy Issues**

### **Brief description of the issue**

By statute, the City's Municipal Code must be amended so that the Code describes how the City's Municipal Wastewater Utility will function. Currently, the City has adopted Title 13 of the King County Code by reference, which speaks to Water and Sewer Systems (SMC 13.05). The new Wastewater Code will need to address issues such as utility purpose and definitions, operation and maintenance, revenues and rates, and inspections, among many other issues. The Code may also want to address the issue of a Utility Advisory Board.

### **Statement as to why it is being considered**

The City must create an updated Code section for the new Sewer Utility, so the City has no choice but to consider this work item as part of the implementation process of assuming the Ronald Wastewater District. Additionally, the 2002 Interlocal Operating Agreement, Section 4.7 – Advisory Board, states that, “Members of the Board of Commissioners of the District in office at the time of this Agreement who wish to do so, may at their option, sit as an advisory Board to the Shoreline City Council for a three year period beyond the term of this Agreement.” As there is currently only one Commissioner still serving on the Board that was “in office at the time this Agreement”, staff suggests reviewing the benefits and costs of a more comprehensive Utility Advisory Board with the City Council during the transition phase of assumption.

### **Work Plan Tasks and Commitments**

- The City agrees to review the current City Sewer System Code to determine which sections of the current Code must be replaced, if not all sections.
- The City agrees to draft new Municipal Sewer System Code language that covers all aspects of Wastewater Utility governance and operations to be reviewed and approved by the City Council.
- The City agrees to explore the benefits and costs of a Utility Advisory Committee (UAC) as part of process to draft a new Municipal Sewer System Code. The City agrees to consider multiple options for membership of the UAC, if formed, including, but not limited to, those Ronald Wastewater District Board of Commissioners in office at the time the 2002 Interlocal Operating Agreement was agreed to, the members of the District Board of Commissioners at the time of assumption of the District by the City, and other rate payers in the community. Recommendations from this work about whether to propose the creation of a UAC will be presented to the City Council for their consideration and action.

**Ronald Wastewater District Assumption Transition Plan  
Schedule/Timeline for Remaining Meetings**

- **City Council - October 12**
  - CEO Check In
- **RWD Board Meeting – October 13**
  - Review Asset Management Policy Paper
- **RWD Board Meeting – November 23**
  - Review Purchasing and Contracts Policy Paper
- **CEO – December 17**
  - Review Draft Transition Plan, Finalize past policy papers
- **RWD Board Meeting – December 22**
  - Review Equipment and Furnishings Policy Paper
- **City Council – January 11**
  - Review Draft Transition Plan
- **RWD Board Meeting – January 26, 2016**
  - Review Code Changes and Utility Advisory Board Policy Paper
  - Review Draft Transition Plan
- **CEO – January 28, 2016**
  - Finalize and Approve Transition Plan, Finalize past policy papers
- **RWD Board Meeting – February 23, 2016**
  - Review Final Transition Plan
- **Tentative CEO – February 25, 2016 (Only if needed)**
- **Final Wrap-Up City Council – March 14, 2016**
  - Council Adoption of Final Transition Plan