

CITY OF SHORELINE

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

Monday, January 23, 2012
7:00 p.m.

Council Chamber – Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: None

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

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

3. CITY MANAGER'S REPORT

Julie Underwood, City Manager, provided reports and updates on various City meetings, projects, and events. She noted that there are vacancies on the Planning Commission and the Library Board.

4. COUNCIL REPORTS

Mayor McGlashan reported on various items, including the outstanding job the Public Works Department did with the City's snow response, the Boy Scouts' Pinewood Derby, the Council Mini-Retreat, and Council support of marriage equality legislation.

5. PUBLIC COMMENT

a) Art Maronek, Shoreline, discussed the Seattle Public Utility (SPU) acquisition of water services in the City of Shoreline, noting that there is no tentative agreement and the City does not have correct figures regarding the costs.

b) Mary Lynn Potter, Shoreline, reported that her neighborhood loses power between 12 and 15 times per year due to faulty underground conduit, and she is informing Seattle City Light, the City of Seattle, and the City of Shoreline.

c) Wendy DiPeso, Shoreline, noted that if the Shoreline Water District took over operations of SPU water, it would achieve the goal of unifying each utility under one entity.

d) Bob Ransom, Shoreline, discussed the history of the water utility acquisition and suggesting that the Council invite him and former Councilmember Ronald Hansen to discuss it in more detail.

e) Suzanne Pardee, Shoreline, suggested the City install wells in parks as an emergency measure, and also commented on the lack of code enforcement involving trees in Innis Arden.

Ms. Underwood responded to public comments and suggested the Council draft a letter in support of working with the residents in Ms. Potter’s neighborhood to fix the problems. She confirmed that the due diligence report from the proposed SPU acquisition would be available to the public. Mayor McGlashan noted that there is no tentative agreement with SPU, just a verbal agreement to move forward with the due diligence phase.

6. APPROVAL OF THE AGENDA

Upon motion by Councilmember Winstead, seconded by Councilmember McConnell and unanimously carried, the agenda was approved.

7. CONSENT CALENDAR

Upon motion by Councilmember Roberts, seconded by Deputy Mayor Eggen and unanimously carried, the Consent Calendar was approved.

- (a) **Minutes of Special Meeting of January 3, 2012**
Minutes of Special Meeting of January 9, 2012

(b) **Approval of expenses and payroll as of January 13, 2012 in the amount of \$1,917,784.27 as described in the following detail:**

***Accounts Payable Claims:**

| Expense Register Dated | Check Number (Begin) | Check Number (End) | Amount Paid |
|-------------------------------|-----------------------------|---------------------------|--------------------|
| 1/5/2012 | 49033 | 49046 | \$82,997.32 |
| 1/5/2012 | 49047 | 49069 | \$464,603.72 |
| 1/5/2012 | 49070 | 47080 | \$19,106.76 |
| 1/5/2012 | 47081 | 49092 | \$3,375.22 |
| 1/10/2012 | 49093 | 49093 | \$425.00 |
| 1/10/2012 | 49094 | 49094 | \$325.00 |
| 1/11/2012 | 49095 | 49103 | \$68,849.05 |
| 1/11/2012 | 49104 | 49112 | \$307,427.64 |
| 1/11/2012 | 49113 | 49123 | \$91,520.05 |
| 1/12/2012 | 49124 | 49142 | \$879,154.51 |

(c) Adoption of Ordinance No. 626, Establishing Procedures for the Disposition of Surplus Real Property and Adopting a New Municipal Code Chapter 3.55

(d) Adoption of 2012-2017 Economic Development Strategic Plan

(e) Adoption of Resolution No. 321, Authorizing a One Year Extension to the Interfund Loan to the Roads Capital Fund from the Revenue Stabilization Fund in an Amount Not to Exceed \$2,500,000 with Interest Charges for the Extension Period

8. STUDY ITEMS

(a) Discussion of Tobacco Free Parks

John Norris, Management Analyst, Dick Deal, Parks, Recreation & Cultural Services Director, and Caroline Hughes, Seattle/King County Public Health, outlined a proposal to establish a tobacco-free zone in all of Shoreline parks and public sites. This proposal comes as one part of the City Council-adopted Healthy City Strategy Work Plan for Shoreline, titled "Shoreline4Health". The report provided background information about this strategy goal and recommended a process to move this strategy goal forward. Ms. Hughes outlined the health benefits and regional support for the proposal and urged Council's adoption of this policy.

Councilmember Winstead spoke in favor and asked if a survey was necessary. Mr. Deal responded that other cities highly recommend a citizen survey. Councilmember Roberts felt the City should move forward with a comprehensive tobacco-free policy without a survey. Councilmember Salomon noted that a fine for littering would be a good enforcement mechanism. Noting that this could be a controversial issue, Deputy Mayor Eggen said it might be helpful to conduct a statistically-valid survey. Mr. Deal responded to Councilmember McConnell regarding costs for signage. Mr. Norris added that codifying the legislation is a simple process.

Deputy Mayor Eggen questioned what type of enforcement questions would be included in the survey. Mr. Deal and Ms. Hughes responded that the best approach would be to duplicate similar parks surveys, such as those relating to the leash law, alcohol consumption, and golfing. Councilmember Winstead agreed with having a survey conducted in the spring and felt the issue would not be controversial.

Mr. Deal noted that Los Angeles passed an ordinance without a public input process or survey and the proponents were not happy. He suggested the City conduct a simple on-line survey at a minimum. Councilmember Roberts added that he would like to see this come back to Council in early March with adoption by late March. Mayor McGlashan expressed support for the proposal and questioned if the City could adopt legislation for tobacco-free at "all city-owned properties."

Mr. Norris summarized Council comments and Mr. Deal thanked the Ridgecrest neighborhood for their involvement in picking up cigarette butts. There was Council consensus to bring the proposal back in early March and have it apply to public parks and beaches.

(b) Discussion of Special Event Alcohol Use in Parks

Dick Deal, PRCS Director, provided the staff report, which was in response to Councilmember Winstead's request that staff review the City's policy regarding alcohol use in City parks and facilities. He provided Council with options for expanding the number of locations where alcohol is allowed for permitted special events. Currently, City Hall and the Richmond Highlands Recreation Center are the only City park area or facilities where alcohol is permitted. He highlighted three possible options, or a combination of options: 1) leave the policy as-is; 2) allow alcohol at the Richmond Beach Saltwater Park Terrace; and 3) allow alcohol use on a case-by-case basis at the City Manager's discretion.

Councilmember Winstead explained the rationale for this proposal, adding that she would like it to apply to Cromwell Park as well. She felt handling applications on a case-by-case basis would be difficult. She noted that this is a way to generate more revenue from parks through encouraging groups to use them for special events. Regarding insurance, she noted that applicants can have riders placed on their homeowner's insurance to cover their event. She said she does not support the limitation to requiring a professional server and wondered if it could be limited to the serving of beer and wine.

Councilmember Salomon agreed with revising this policy, but said it seems burdensome to have professional servers. Deputy Mayor Eggen agreed with the idea that professional bartenders make it more burdensome. He inquired how the presence of children is handled. Councilmember McConnell commented that this is really just allowing for special events in specific parks. She suggested allowing this on a trial basis and having a higher damage deposit. Councilmember Roberts suggested having the City Manager have discretion on the Terrace at Richmond Beach Saltwater Park and Cromwell Park. He felt there shouldn't be too many details in the ordinance. Councilmember Winstead agreed with the idea of allowing City Manager discretion for other parks, and with enacting it on a trial basis with higher fees.

RECESS

At 8:37 p.m. Mayor McGlashan called for a nine minute break. The meeting reconvened at 8:46 p.m.

(c) Seattle Public Utilities Acquisition Update

Mark Relph, Public Works Director, noted that City Council Goal #7 is the acquisition of the Seattle Public Utilities (SPU) potable water system in the City of Shoreline. In November of 2011, the City of Seattle and the City of Shoreline announced a tentative agreement in principle to the sale of the water system assets at a price of \$25 million. Mr. Relph provided the long-term community goals, framework goals, and a summary of the next steps in the process, including due diligence/citizen steering committee. He said although there is no immediate impact to Shoreline residents, if the acquisition proceeds, the financial mechanism to purchase the system would be a revenue bond issued at the time of the acquisition and paid for by the utility rate payers within the SPU service area. He added that citizens who receive their water service from

the Shoreline Water District are not financially affected by this decision. He concluded that repayment of the revenue bond, or debt service, would be incorporated within a rate structure approved by City Council.

He noted that the major issues in the acquisition include representation, direct control, the rate structure, service standards, operational efficiencies, operation and maintenance (O&M), and the Comprehensive Improvement Plan (CIP) and the timing of it. He highlighted the Council objectives for the SPU acquisition and the two-phase approach in evaluating the opportunity of acquiring the SPU system. He noted that the asset price is \$25 million sold in the year 2020. He stated that SPU and the City have been negotiating the price and both parties understand the value of the asset. Yet to be done, he said, is to negotiate an agreement with SPU which will include the sale price and year, wholesale water contract with Seattle, maintenance until 2020, separation costs, O&M transition, and other SPU services. He discussed the due diligence report and the diverse steering committee which will review and evaluate the acquisition and provide a recommendation to the Council. He reviewed the schedule going forward and concluded his prepared remarks.

Councilmember Roberts confirmed with Mr. Relph that the voters will be asked to approve the purchase price of the utility because a revenue bond will be needed to acquire the utility. However, he noted that the City Attorney may need to be involved. Ms. Underwood stated that the City would require advice from outside counsel. Councilmember Roberts clarified that he wanted to know what the elements of the ballot language would be and the City Manager replied that that will come later in the process. Councilmember Roberts also inquired about the options for separation, to which Mr. Relph replied that it would consist of some shared billing approach initially, but it depends on the amount of time and future costs as well as the City's desired level of contract service. Councilmember Roberts also inquired if Mr. Relph spoke with other water districts about O&M contracts, to which Mr. Relph replied that City staff have started discussions and looked at models for a competitive process. Councilmember Roberts asked about what the projected rate structure would be used for the baseline and how much investment SPU has put into Shoreline as far as O&M, emergency repairs, or other costs. Mr. Relph replied that he would get back to the Council with those numbers. He responded that the amount SPU did invest into the Aurora Corridor was not as much as the City desired.

Deputy Mayor Eggen confirmed that the SPU water portion has not charged Shoreline ratepayers for the Aurora work. Mr. Relph replied to Deputy Mayor Eggen that the auditors felt the City would be paying a fair price for the utility and that the City negotiated something defensible. Deputy Mayor Eggen also confirmed that if the voters approve the purchase in 2020 the City would have to wait until 2020 to start selling the revenue bonds, which will be paid by the ratepayers in the utility.

Mayor McGlashan commented that it is important for the Highlands to have representation on the committee, but they operate their own system. Mr. Relph restated that the level of investment that SPU has taken in Shoreline has not met the City's expectation.

9. ADJOURNMENT

January 23, 2012 Council Business Meeting

DRAFT

At 9:26 p.m., Mayor McGlashan declared the meeting adjourned.

Scott Passey, City Clerk