

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, February 24, 2014
7:00 p.m.

Council Chambers – Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: None

1. CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Winstead.

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 THE CITY MANAGER

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

4. COUNCIL REPORTS

Mayor Winstead reported on her attendance at Snohomish County's Point Wells Scoping Meeting on February 19 and the City's Light Rail Station Visioning Meeting on February 20. A number of Councilmembers also attended a dinner meeting of the Sound Cities Association on February 19 where Seattle Mayor Ed Murray addressed the group.

5. PUBLIC COMMENT

Dan Dale, Shoreline, asked that Rotary Park be retained in future plans for the 185th Street Light Rail Station. The park is one of just two green spaces in the area and would be a great location for a signature piece of artwork that welcomes people to the subarea.

Robert Ransom, Shoreline, advised that he is a former Shoreline City Councilmember and is now the president of the Ronald Wastewater District (RWD) Commission. He shared a brief history of the 2002 agreement that allowed the District to expand on the condition that the City would assume the utility at the end of a 15-year period. Since that time, RWD has voiced opposition to the assumption and even filed a lawsuit against the City. He expressed his belief that the City has fulfilled the terms of the

agreement, and announced that three of the five RWD Commissioners are prepared to affirm the assumption. He reported that he testified at a hearing earlier in the day to express opposition to Engrossed Substitute Senate Bill (ESSB) 6008.

Ginny Scantlebury, Shoreline, said she also testified at the hearing in Olympia, but in support of ESSB 6008. She disagreed with Mr. Ransom's comment that RWD agreed to the assumption in exchange for the City allowing the District to expand. She also clarified that RWD filed a lawsuit against the City because it wanted to meet with the City to discuss a few issues. Once again, she asked the City Council and staff to consider allowing a vote on the issue.

Anthony Poland referred to the recently enacted Plastic Bag Ordinance and asked if the City or the retailer receives the revenue from the \$.05 charge for each paper bag.

Ms. Tarry answered that the retailers receive the revenue to offset the cost of purchasing the bags.

6. APPROVAL OF THE AGENDA

The agenda was adopted as presented.

7. CONSENT CALENDAR

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

**a) Correction to Approved Minutes of Business Meeting of January 6, 2014
Minutes of Business Meeting of January 27, 2014**

b) Approval of expenses and payroll as of February 7, 2014 in the amount of \$1,355,017.87

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
1/5/14-1/18/14	1/24/2014	54040-54239	12981-12996	55945-55952	\$559,660.67
					<u>\$559,660.67</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount	Paid
1/28/2014	1078	\$3,643.04	
		<u>\$3,643.04</u>	

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
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1/28/2014	55861	55861	\$44,016.98
1/28/2014	55862	55869	\$3,712.54
1/29/2014	55870	55880	\$73,829.71
1/29/2014	55881	55891	\$199,990.43
1/29/2014	55892	55895	\$29,266.50
1/30/2014	55896	55908	\$28,401.43
1/30/2014	55909	55930	\$13,887.99
1/30/2014	55931	55944	\$192,263.20
2/4/2014	55953	55953	\$3,374.65
2/6/2014	55954	55959	\$18,893.05
2/6/2014	55960	55972	\$33,998.81
2/6/2014	55973	55979	\$138,533.31
2/6/2014	55980	55987	\$3,257.03
2/6/2014	55988	56002	\$8,288.53
			<u>\$791,714.16</u>

c) Approval of Extension of the MOU with Other North and East Cities to Contract Jointly with Agencies Providing Human Services

d) Authorization to Execute a Contract with Osborne Consulting for the Design of the Surface Water Pipe Replacement Project

8. STUDY ITEMS

a) Discussion of Historic Inventory

Ms. Tarry provided introductory comments and Juniper Nammi, Associate Planner, presented the Staff Report. She explained that the City's vision for Historic Preservation is outlined in Vision 2029, and the Community Design Element of the Comprehensive Plan includes goals and policies for historic preservation. One policy, in particular, says the City should continue to inventory historic properties. She briefly explained what a historic inventory is, and provided an overview of the properties identified in the original inventory that was done in 1977-78, as well as the update that was done in 1994-96.

Ms. Nammi explained that the City contracts with King County's Historic Preservation Program Services to assist with issues related to historic preservation. She described the services and benefits offered by King County, and noted that the Shoreline Landmark Commission consists of the King County Landmark Commission, with Rob Garwood as a representative of Shoreline.

Ms. Nammi described the differences between historic inventory properties and historic landmark properties, and specifically pointed out the four landmark properties in Shoreline: Boeing House, Crawford Store, Ronald School, and Richmond Masonic Hall. She briefly reviewed the criteria a property must meet to achieve landmark status, as well as the benefits of having landmark status.

Ms. Nammi announced that the City received a \$6,000 grant from 4Culture to update the existing inventory, and the project was completed in December of 2013 by Mimi Sheridan of the Sheridan Consulting Group with technical expertise from King County and the Shoreline Historical Museum. The

goals of the project were to update the existing inventory to identify modified and demolished properties, and survey properties east of Aurora Avenue North. She presented the Shoreline Historic Resources Survey & Inventory Report, outlined the process that was used, and highlighted some of the properties that were surveyed.

More information was requested about the 40-year threshold for properties that are included on the survey. Ms. Nammi explained that the United States' standard is 50 years, but King County's threshold is 40 years for inventory purposes. The most recent inventory only surveyed properties that were constructed before 1939, and all of the City's current landmark structures are more than 50 years old.

A question was asked about whether or not the City was required to identify and preserve properties along the Aurora Corridor that were older than 40 years as a condition of federal funding. Ms. Nammi answered that the Federal Environmental Protection Regulations required an assessment of potential historic properties on the Aurora Corridor before they were demolished, and the same was required for the corridors where the light rail stations have been proposed. However, only those that have been granted landmark status by the City of Shoreline are protected.

Concern was raised about using more City resources to complete additional survey work at a time when the City is focusing on preserving its core services. Ms. Nammi explained that the project was primarily grant funded, but there was some staff time involved and the City paid King County \$600 for technical assistance. A volunteer assisted her in scanning documents and organizing the inventory. Paul Cohen, Planning Manager, clarified that the inventory project has been completed and provides a base-level view of where the potentially historic properties are located. While there are further steps the City could take to make the survey more comprehensive, staff is not recommending additional work at this time unless otherwise directed by the City Council.

b) Water-Sewer District Assumption Bill Update

Ms. Tarry briefly reviewed the history of the Interlocal Operating Agreement (IOA) between the City and the Ronald Wastewater District (RWD) that provided for assumption of the District by the City in 2017. She reported that, earlier in the day, she and Deputy Mayor Eggen testified at a hearing at the House Committee on Local Government to voice opposition to Engrossed Substitute Senate Bill (ESSB) 6008. As currently proposed, the bill would only be applicable to cities and water and sewer districts in King County, and it would include assumptions of water or sewer districts that have already been initiated, such as the City's assumption of RWD. If passed in its current form, a vote would be required in order for a city to assume a water or sewer district unless 100% of the district was within the boundaries of the city. The bill would also require a feasibility study that must be mutually agreed upon by both the district and the city. She outlined the City's concerns regarding ESSB 6008 as follows:

- Although the City Council and RWD Commission are both supportive of the continued implementation of the IOA, the bill would require additional steps because RWD extends beyond the boundaries of the City.
- The bill would require additional levels of due diligence and process that are not warranted unless agreed to by the parties themselves.
- The bill would remove the City's ability to self-determine the transition process.

- The bill could potentially make the transition process more costly.

Ms. Tarry reviewed that the City Council adopted the RWD Assumption Ordinance on December 9, 2013, identifying an assumption date of 2017 as per the 2002 agreement. The City is currently working on a Utility Unification and Efficiency (UUE) Study and representatives from RWD and North City Water District have been invited to participate. The next step in the process will be to give notice of intent to the Boundary Review Board and begin transition planning.

Ms. Tarry summarized that this information is being provided to call the Council's attention to the potential impacts of the legislation and no action is necessary at this time. She cautioned that issues related to Mr. Wadekamper's suit against the City will be discussed in executive session.

A question was raised about what the Growth Management Act (GMA) says about who should provide urban services (special purpose districts or cities). Ms. Tarry answered that both the GMA and the King County Planning Policies state that cities should provide urban services.

Deputy Mayor Eggen summarized the comments he provided at the hearing where he pointed out that requiring an efficiency study that is agreed upon by both the district and the city would give the district total veto power over even getting an assumption started. While he did not object to the requirement for a public vote, he voiced concern that Shoreline is being mischaracterized as wanting to assume RWD simply to impose a large utility tax. He shared that the main reasons Shoreline wants to assume the RWD is to improve efficiencies and unify government and utility policies. He agreed to provide a written copy of his comments.

It was asked if the Ordinance would have to be submitted to both the King County and Snohomish County Review Boards since a portion of RWD is located in Snohomish County. Mark Relph, Public Works Director, answered that most of RWD is within King County so the Ordinance would only be submitted to the King County Review Board.

At Council's request, Mr. Relph reviewed the schedule for the UUE Study, which identified an aggressive completion date of late April or early May. While the City has received the required information from RWD, it is still waiting for data from the North City Water District.

It was discussed that the bill would require the City to add elements to the UUE Study and make it specific to RWD. It would require the study to be completed within six months of the Council's adoption of the Assumption Ordinance, and there must be mutual agreement from RWD that the study meets their needs. Mr. Relph commented that meeting the new challenges presented by the bill would be difficult.

A Councilmember expressed concern that the City must spend taxpayer money to defend against a lawsuit, when the City and RWD are simply trying to honor the IOA. It was pointed out that putting the issue out for a public vote would cost the City approximately \$80,000.

Concern was voiced about the way the bill was written to pertain only to cities and districts in King County. It was pointed out that neither Senator Chase nor Representative Ryu, sponsors of the bill,

talked with Councilmembers or City staff to learn more about the City's economic goals and Vision 2029. Neither have they indicated why they are opposed to the City of Shoreline advancing the position called out in the 2002 IOA. The Council emphasized that 70% of the Shoreline citizens voted in favor of the City's assumption of the Seattle Public Utility District. In addition, two new RWD Commissioners, who specifically supported the assumption agreement, were elected last November.

At 8:16 p.m., Mayor Winstead announced that Council would recess into an Executive Session for a period of 20 minutes to discuss legal issues per RCW 42.30.110(1)(i). At 8:36 p.m. Mayor Winstead emerged to announce the session was extended an additional ten minutes. All Councilmembers were present. City staff attending the Executive Session included: Debbie Tarry, City Manager, John Norris, Assistant City Manager; Ian Sievers, City Attorney; Mark Relph; Public Works Director; and Scott MacColl, Intergovernmental Relations Manager. The business meeting was called back to order at 8:46 p.m.

c) Discussion of 10-Year Financial Sustainability Plan

Bob Hartwig, Administrative Services Director, recalled that Council Goal 1 includes an action step to develop a 10-Year Financial Sustainability Plan. Staff began work in 2012 to develop a base model and scenario; evaluate services and calculate costs for each service; and identify economic development, revenue and expenditure strategies. In January of 2014, a Subcommittee of the City Council (Mayor Winstead, Deputy Mayor Eggen and Councilmember Salomon) was convened to evaluate potential strategies and develop a preferred alternative for Council's consideration. He reported on the Subcommittee's past discussions and progress to-date. He invited Councilmembers to provide input for the Subcommittee's use as it discusses the preferred alternatives. It is anticipated that Council will begin deliberating on a draft of the preferred alternative in April.

It was recommended that additional information and a more robust discussion about the pros and cons of a Business and Occupation (B&O) Tax would be in order before it becomes part of a preferred alternative. Shoreline currently has a competitive advantage by not levying a B&O Tax on its businesses, and it is important to understand more about how the tax would be implemented and its impact to Shoreline businesses. It was pointed out that the Subcommittee discussed the B&O Tax at their last meeting, where staff provided quite a lot of information. Councilmembers were encouraged to review the documents presented to the Subcommittee and submit comments and questions as soon as possible.

Questions were raised about whether or not it would be possible to increase the number of single-family homes by 403 per year given that the City is built out. Mr. Hartwig clarified that single-family development is just one option for achieving a 2% growth in assessed valuation. The best approach would be to use a combination of different types of growth to meet this goal. It was discussed that the City currently averages 160 new multi-family units per year, and the Subcommittee has directed staff to research the potential for doubling that number, which would still be somewhat less than the full 2% growth in assessed valuation.

It was pointed out that 320 new multi-family units per year would equate to about \$200,000 of additional revenue. This would be roughly enough to expand services for the new units and help offset

growth in other expenses. However, even if the City achieves a 2% growth in assessed valuation, it would not be enough to totally close the funding gap. They must also consider alternatives for increasing revenues and reducing expenditures. The Council agreed that meeting revenue goals by adding single or multi-family residential units year after year would overwhelm the City. A mixture of strategies is needed to address the issue long-term.

10. ADJOURNMENT

The meeting was adjourned at 9:18 p.m.

Jessica Simulcik Smith, City Clerk