

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

Monday, January 5, 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

There were no Council Reports presented.

5. PUBLIC COMMENT

Fred Wong, Shoreline/Lake Forest Park Arts Council, thanked Council for their support and explained the benefits of art in the community. He announced the implementation of a new online community arts calendar, spoke about awarding art mini grants to teen participants from the Shoreline Recreation Center, and expressed appreciation to staff for coordinating essential community collaborations.

Victoria Stiles, Shoreline Historical Museum, thanked Council for support of the Museum. She commented on Shoreline celebrating 20 years of incorporation as a city, Richmond Beach's 125 year anniversary, and shared that the Shoreline Historical Museum will be commemorating 40 years of the preservation of Shoreline history in 2015. She talked about the importance of keeping track of history and announced the opening of a new exhibit, *All About 125 Years of*

*Ethnic Heritage in Richmond Beach*, on January 17, 2015 at 2:00p.m at the Richmond Beach Library.

Ginny Scantlebury, Richmond Beach, commented on the closure of Richmond Beach Saltwater Park during construction of the pedestrian bridge. She noted the lack of signage regarding beach access, and the need for signage estimating when the Park will reopen.

Dick Deal, Parks, Recreation and Cultural Services Director, clarified that the beach will be closed, and explained that there is no public access to the beach other than across the bridge. He commented on coordinating a construction schedule with BNSF Railroad, and stated as soon as dates are received, signs will be posted with detail regarding the bridge closure and reopening.

6. APPROVAL OF THE AGENDA

**Councilmember Salomon moved to table approval of the November 24, 2014 and December 1, 2014 Council Business Meeting Minutes to January 12, 2015, and to approve the agenda as amended. The motion was seconded by Councilmember McConnell and passed unanimously.**

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 Special Meeting of November 24, 2014**
- (b) Motion to Authorize the City Manager to Execute a Contract with the Shoreline/Lake Forest Park Arts Council**
- (c) Motion to Authorize the City Manager to Execute a Contract with the Shoreline Historical Museum**
- (d) Motion to Authorize the City Manager to Execute a Contract for Professional Services with Perteet, Inc. for On-Call Construction Management and Inspection Services in an amount not to Exceed \$150,000 annually for 2015 and renewable for 2016**

8. ACTIONS ITEMS

- (a) Waiving Council Rule 2.4, A through E and Appointment of Youth Member to Serve on the Shoreline Library Board**

Mary Reidy, Recreation Superintendent, provided background on the Library Board and explained that the youth position has been vacant since September 2014. She provided highlights of the applicant's, Ella McGuigan, resume. She concluded the presentation by recommending that the Council waive Council rules 2.4, A through E, requiring a Council sub-committee to

interview potential board candidates and provide a recommendation to the full Council, and to appoint Ella McGuigan to the Shoreline Library Board youth position effective January 5, 2015 with an option for re-appointment on June 30, 2015.

**Councilmember McConnell moved Council waive Council rules 2.4, A through E, requiring a Council sub-committee to interview potential board candidates and appoint Ella McGuigan to the Shoreline Library Board youth position effective January 5, 2015 with an option for re-appointment on June 30, 2015. The motion was seconded by Councilmember Hall.**

Councilmember McConnell expressed Council's appreciation of youth board members' desire to contribute to their community.

**The motion passed unanimously.**

Mayor Winstead congratulated Ms. McGuigan on her appointment and invited her to address the Council. Ms. McGuigan commented on spending summers in the Shoreline Library and shared her excitement about being appointed to the Library Board.

(b) Discussion of Business License Program and Adoption of Ordinance No. 692  
Business License Exemption Program

Jessica Simulcik Smith, City Clerk, joined by Mary Reidy, Recreation Superintendent, provided the staff report. Ms. Smith provided background and reviewed the administration of Shoreline's Business Licensing Program. She shared program statistics and highlighted that from January to November 2014, 1,040 new businesses obtained a Shoreline Business License; of these new businesses 58% are located in the City, and 76% within the City are home based businesses. She then reviewed the first proposed exception in Ordinance 692 is for individuals and/or businesses who conduct limited retail sales as part of a City-sponsored event or a recognized 501(c)(3) nonprofit organization-sponsored event no more than six (6) days per calendar year and who generate no more than \$5,000 in gross receipts per calendar year within the City. She reviewed the second proposed exception applies to individuals and/or businesses who provide recreational instruction or performance services as part of a City-sponsored event or a recognized 501(c)(3) nonprofit organization-sponsored event and who generate no more than \$5,000 in gross receipts per calendar year within the City. She concluded by providing examples of businesses at City-sponsored events that would qualify for one of the proposed exemptions, and highlighting comparable cities with similar exemptions.

**Deputy Mayor Eggen moved to adopt Ordinance No. 692 allowing for a limited exception to licensing requirements for small businesses at City-sponsored or nonprofit sponsored events. The motion was seconded by Councilmember McConnell.**

Deputy Mayor Eggen commented on providing a business license exemption that allows and encourages businesses that conduct limited sales in the City to participate in City sponsored events.

**Councilmember Roberts moved to amend the motion replacing section D and E of the ordinance to read “Business, including dealers, vendors, entertainers, or instructors, authorized to provide goods or services or conduct retail sales as part of a civic, community, or school sponsored event, which is open to the public without the payment of an admission fee, provided the business does not operate within the city more than six (6) days per calendar year. The City Clerk, or their designee, shall maintain a list of civic, community, or school sponsored events where this exemption applies”. The motion was seconded by Councilmember Salomon.**

Councilmember Roberts commented that business license exemptions in other cities do not have a retail dollar threshold to qualify for the exemption like Ordinance 692 is proposing. He stated the amendment directs the City Clerk to maintain a list of events in which the exemption applies, and that the language is broad enough to capture nonprofit organizations and all those events that can contribute to placemaking.

Councilmember Hall expressed concern that the amendment’s wording may pose unintended consequences by allowing businesses to participate in both private and nonprofit events up to six days per calendar year without the need for a business license. He explained how having a revenue cap will produce a verifiable number that can be reviewed and help reduce the likelihood of a business circumventing the \$40 fee.

Councilmember McGlashan asked if Farmers Market vendors are required to have a business license and expressed concern that the exemption language might cause them to limit the number of days they operate to avoid the license requirement. Ms. Reidy explained that a business license is required if the vendor meets the criteria, and that a regular vendor’s sales will offset the \$40 Business License Fee.

Margaret King, City Attorney, advised that Councilmember Hall’s concern could be addressed by modifying the amendment to read “provided the business does not operate, *at such authorized events*, within the City more than six (6) days per calendar year”.

**Councilmember Robert withdrew the motion to amend and moved to amend the ordinance replacing section D and E to read “Business, including dealers, vendors, entertainers, or instructors, authorized to provide goods or services or conduct retail sales as part of a civic, community, or school sponsored event, which is open to the public without the payment of an admission fee, provided the business does not operate, as such authorized events, within the city more than six (6) days per calendar year. The City Clerk, or their designee, shall maintain a list of civic, community, or school sponsored events where this exemption applies”. The motion was seconded by Deputy Mayor Eggen.**

**Councilmember McConnell moved to call for the question. The motion was seconded by Councilmember Salomon and passed 5-2 with Councilmember McGlashan and Hall voting in opposition.**

**The amended motion failed 3-4 with Deputy Mayor Eggen and Councilmembers McGlashan, Hall and Salomon voting in opposition.**

**Deputy Mayor Eggen moved to amend the main motion to strike “501(c)(3)”, and replace it with 501(c)3 or 501(c)19 in section D and E of the ordinance. The motion was seconded by Councilmember Salomon.**

Deputy Mayor Eggen shared that 501(c)(3) excludes veteran organizations.

Councilmember McGlashan expressed concern over picking two nonprofits and omitting others. A discussion ensued on the inclusion and exclusion of different types of nonprofit organizations, and 501(c) statuses.

Ms. Simulcik Smith stated that nonprofits are registered with the Washington Secretary of State. Ms. Tarry added that any nonprofit registered with the Secretary of State is exempt from paying the \$40 business license fee, and clarified that the intent of Ordinance 692 is to exempt businesses conducting retail sales or offering a service at a City-sponsored or nonprofit event.

**The motion failed 1-6 with Deputy Mayor Eggen voting in the affirmative.**

Councilmember Roberts asked about the City’s ability to track gross revenue received from businesses within the City of Shoreline. He expressed concern that the language in the main motion requires self reporting of the \$5,000 gross receipts per calendar year. Ms Tarry responded that the City receives sales tax revenue data from the State which can be used to calculate gross revenue figures, if the business is producing sales tax in the City. Ms. Simulcik Smith confirmed that the City would rely on businesses to determine whether or not they qualify for the exemption.

**The main motion passed 6-1 with Councilmember Roberts voting in opposition.**

9. ADJOURNMENT

At, 8:06 p.m., Mayor Winstead declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk