

February 26, 2001

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CITY OF SHORELINE

SHORELINE CITY COUNCIL

SUMMARY MINUTES OF DINNER MEETING

Monday, February 26, 2001
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Jepsen, Deputy Mayor Hansen, Councilmembers Grossman, Gustafson, Lee, Montgomery and Ransom

ABSENT: None

STAFF: Larry Bauman, Interim City Manager; Bob Murray of Bob Murray and Associates, Consultant

The meeting convened at 6:00 p.m. Mayor Jepsen announced that Council would recess into Executive Session for 90 minutes to evaluate the qualifications of applicants for public employment as the City Manager.

At 7:25 p.m. the Executive Session concluded and the meeting was adjourned.

Larry Bauman, Interim City Manager

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CITY OF SHORELINE

SHORELINE CITY COUNCIL

SUMMARY MINUTES OF REGULAR MEETING

Monday, February 26, 2001
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Jepsen, Deputy Mayor Hansen, Councilmembers Grossman, Gustafson, Lee, Montgomery and Ransom

ABSENT: None

1. **CALL TO ORDER**

The meeting was called to order at 7:33 p.m. by Mayor Jepsen, who presided.

2. **FLAG SALUTE/ROLL CALL**

Upon roll call by the City Clerk, all Councilmembers were present.

3. **REPORT OF CITY MANAGER**

Wendy Barry, Parks, Recreation and Cultural Services Director, addressed three projects:

- Infield Replacement at Richmond Highlands Fields 1 and 2—the City, Richmond Little League and Meridian Excavating collaborated to renovate the infields; Richmond Little League and Meridian Excavating contributed labor, materials and project management;
- Capital Improvement Project (CIP) at the Shoreline Center Activity Center—Council authorized \$650,000 in the 2001 CIP for City participation in the renovation of the activity center; School District and City staff are discussing the scope of work, with design work and construction to follow; and
- Cedarbrook—the School District invited the City, the City of Lake Forest Park, various athletic associations and King County to explore the potential for a partnership to renovate and utilize two of the three buildings and the ball fields at the Cedarbrook school site.

Councilmember Gustafson expressed his appreciation of the collaboration with community groups on the Richmond Highlands ball fields, with the School District on the Shoreline Center Activity Center and with the District and other entities on potential uses of Cedarbrook.

In response to Councilmember Ransom, Ms. Barry anticipated ground breaking for the skate park this fall. Interim City Manager Larry Bauman said Council will consider the contract for Paramount School Park improvements March 19.

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Next, Mr. Bauman reviewed a memorandum from Finance Director Debbie Tarry regarding utility tax collections for year 2000. He explained that City staff has identified additional utility tax revenue of \$332,890. He said the City consultant is continuing its utility tax audit.

Public Works Director Bill Conner provided an overview of City activities in response to the snowfall February 15 and 16.

Mr. Bauman proposed to cancel the March 12 Council meeting to accommodate Council participation in the National League of Cities conference and to change the March 19 Council workshop to a regular meeting, including a dinner meeting with the Shoreline Water District Commission. Council concurred with this proposal.

4. REPORTS OF BOARDS AND COMMISSIONS: None

5. PUBLIC COMMENT

(a) Ken Howe, 745 N 184th Street, discussed State legislation declaring Highway 99 a historic highway. He advocated City attention to a historic section of Highway 99 in Shoreline.

(b) Bill Bear, 2541 NE 165th Street, questioned the qualifications of the person the City has hired to address State Environmental Policy Act (SEPA) issues and environmental research. He expressed concern about the potential use of Fircrest School for individuals deinstitutionalized from Western State. He distributed copies of the Briarcrest Neighborhood Association newsletter.

(c) Mark Hammrich, 1410 N 157th Street, questioned the City requirement that he obtain a building permit for the temporary carport he set up on his property.

Mr. Bauman said he will ask Community and Government Relations Manager Joyce Nichols to provide information to Council on the State legislation regarding Highway 99. He agreed that staff will follow up with Mr. Bear regarding his concerns.

Tim Stewart, Planning and Development Services, explained that the City building code identifies temporary carports as structures, for which owners must obtain building permits. He discussed the City code enforcement program, which begins with education and efforts to obtain voluntary compliance. He said the City has received a complaint about Mr. Hammerich's carport, and staff is seeking to resolve the issue.

Councilmember Gustafson said residents are often unaware that structures, such as storage sheds and carports, purchased at retail outlets are subject to the City building code. Mr. Bauman and Mr. Stewart suggested that the City work with stores to provide information to customers about such structures.

6. APPROVAL OF THE AGENDA

Councilmember Montgomery moved to approve the agenda. Councilmember Lee seconded the motion, which carried unanimously, and the agenda was approved.

7. CONSENT CALENDAR

Councilmember Montgomery moved approval of the consent calendar. Councilmember Ransom seconded the motion, which carried 7-0, and the following items were approved:

**Minutes of Dinner Meeting of February 12, 2001
Minutes of Regular Meeting of February 12, 2001**

Approval of expenses and payroll as of February 15, 2001 in the amount of \$1,756,354.92

Motion to authorize the Interim City Manager to execute a temporary lease for Building 1144, Suite 106, in the Highland Plaza

Ordinance No. 265 adding a Utility Coordinator as a new classification to the City of Shoreline's Classification and Compensation Plan

Ordinance No. 264 amending Ord. No. 254 (the 2001 budget) as amended, by increasing the appropriation from the General Fund balance to fund the reorganization of the Police Street Crimes Unit

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) **Motion to authorize staff to proceed with design of Ronald Bog Subbasin Study Solution Package #1 with the following changes: addition of the ballfield/detention pond in Cromwell Park and deletion of filling the wet area north of Ronald Bog to provide continuous park space**

City Engineer Chuck Purnell reviewed the staff report.

Mayor Jepsen invited public comment.

(1) Robert M. Smith, 17823 Ashworth Avenue N, participated on the Citizen Advisory Committee (CAC). He supported Basin Solution No. 1 as the best of the proposed alternatives. He advocated that the City address water quality at Ronald Bog in a subsequent project.

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(2) Marcus Nelson, 2304 N 171st Street, resides along Corliss Avenue where the open stream channel has been proposed. He expressed safety and access concerns about the proposal to daylight the stream channel south of Ronald Bog.

(3) Lillie Lee, 2321 N 171st Street, opposed an open stream channel down Corliss Avenue.

(4) Rick Furman, 2320 N 171st Street, expressed concern that an open stream channel and standing water pose a threat to the safety of children and to public health.

(5) Norman Hall, 2138 N 171st Place, noted access, safety, health and aesthetic concerns about the proposal to daylight the stream channel south of Ronald Bog. He suggested the City open the stream north of 172nd Street and south of 171st Street and install a six-foot pipe underneath the street.

(6) Tim Crawford, 2326 N 155th Street, represented Twin Ponds Fish Friends. He said the City has not notified him about the proposed improvements even though the subject storm water crosses his property. He disputed the assertion that the recommended solution will result in no net increase in storm water flow. He said the proposed open stream channel will become fish habitat, raising issues for neighboring property owners. He questioned the role of Thornton Creek Alliance in the sub-basin study. He contrasted the City proposal to daylight the stream channel south of Ronald Bog with the City decision to permit the Aegis Assisted Living development near Twin Ponds Park.

(7) Ruth Hultengren, 2132 N 172nd Street, said City staff has been responsive to neighbors' comments and is trying to mitigate their concerns. She expressed support for the project as a potential enhancement of the neighborhood environment "if it's done right." She acknowledged the validity of neighbors' concerns.

Noting the focus of concerns on the proposal to daylight the stream channel south of Ronald Bog, Mayor Jepsen questioned this element of revised sub-basin solution number one.

Mr. Purnell explained that staff is in the planning stages. He said the proposed open channel south of Ronald Bog is the "best engineered solution" given the soil conditions and the volume of water the channel could store. He reiterated that replacement of storm water pipe south of Ronald Bog would be "difficult to permit" and cost approximately \$.5 million more than the proposed open channel. He said staff currently envisions a 30-foot-wide channel, leaving room for landscaping, a road or other options. He explained that budgetary considerations precluded additional daylighting. He said Public Works would maintain the open channel south of the bog.

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Councilmember Montgomery asked if staff could identify an existing open stream channel similar to the one proposed. Mr. Purnell mentioned the open channel approximately two blocks south.

Councilmember Ransom expressed concern about the dissatisfaction of residents neighboring the proposed stream channel. He asked if daylighting will raise more issues. Mr. Purnell reiterated the disadvantages of replacement of storm water pipe south of Ronald Bog.

Councilmember Gustafson asked staff to explain the difficulty of obtaining a permit for replacement of storm water pipe south of Ronald Bog. Mr. Purnell said Doug Hennick, Area Biologist, Washington Department of Fish and Wildlife, participated on the Technical Advisory Committee (TAC), and Mr. Hennick favored a basin solution that included environmental benefits.

Councilmember Grossman questioned the balance between storm water retention and environmental mitigation/reclamation in the Ronald Bog Drainage Study. Mr. Purnell said the open channel proposed as part of Basin Solution No. 1 is both part of the detention and part of the mitigation. He said staff must perform additional environmental analysis depending on the alternative Council chooses.

Councilmember Grossman asked about impacts to adjoining properties of daylighting a currently culverted system. Mr. Stewart said a change in the means of conveyance could create a regulatory change (e.g., properties adjoining an open channel used by fish could be subject to additional setback requirements). He explained that the Shoreline Development Code provides an exception to buffer requirements for intentionally-created streams. He acknowledged environmentalists' arguments that buffers should not be reduced.

Councilmember Gustafson commented that the stream classification currently underway by the City is "a key piece in the planning of this particular piece of property." He supported the construction of a new storm water system along NE Serpentine Place and the replacement pump. He asserted that stream classification and the Endangered Species Act (ESA) "are really going to come into play." He advocated clarification of the impacts of these issues on this project and the adjoining property owners.

In response to Councilmember Gustafson, Mr. Stewart said the City is currently conducting the biological analysis that represents the first step in a fair classification of streams. Study results should be available by the end of this year. He explained that stream classifications and watershed plans will follow. He agreed that stream classification will significantly affect the Ronald Bog Drainage Improvements Project.

Mayor Jepsen supported the staff recommendation with the following caveats: 1) in light of public comments in favor of replacing the storm water pipe south of Ronald Bog, staff should investigate the permitting, costs and flooding impacts of this option; 2) staff should investigate the design of an open stream channel south of Ronald Bog, the impacts

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on access and the issues of stream classification; and 3) staff should determine if the improvements north of Ronald Bog would be sufficient to prevent flooding in the vicinity of Ronald Bog (i.e., whether the City could do nothing south of Ronald Bog).

Councilmember Lee asked if other options would mitigate flooding and make opening the stream channel south of Ronald Bog unnecessary. Mr. Purnell said "the key to this project is having either an open channel or an enclosed system" south of Ronald Bog to provide drainage at a lower elevation.

In response to Mayor Jepsen, Mr. Purnell said staff inquired with the Washington State Department of Transportation (WSDOT) about expanding and using the retention area north of 175th Street west of Interstate 5. WSDOT advised that regulations preclude further expansion of the area.

Councilmember Grossman said the Ronald Bog Drainage Improvements Project represents a precedent for how the City will balance environmental issues, community needs and existing homes. He asserted that Council supports daylighting, assuming that it does not adversely affect neighboring property owners. He commented that this position reflects the community at large.

Councilmember Gustafson supported Basin Solution No. 1 with the changes recommended by staff and the caveats identified by Mayor Jepsen.

In response to Councilmember Gustafson, Mr. Purnell described the ball field/detention pond proposed for Cromwell Park as a sand-based all-purpose soccer field surrounded by manicured lawn berms. He said it would include a drainage structure from which storm water would pond during times of high flow. He explained that this water would flow back into the Meridian Avenue drainage system.

In response to Councilmember Gustafson, Mr. Purnell confirmed that the enhanced wetlands proposed for Cromwell Park would be "a little bit larger" but look similar to those already there.

In response to Deputy Mayor Hansen, Mr. Purnell said permitting for the Ronald Bog Drainage Improvements Project will involve the City and State and federal agencies. He confirmed that the permitting difficulty for replacement of storm water pipe south of Ronald Bog lies with federal agencies.

In response to Deputy Mayor Hansen, Mr. Purnell said staff deleted the proposal to fill the wet area north of Ronald Bog in response to input from the Parks, Recreation and Cultural Services Advisory Committee and to minimize the number of wetlands affected by the project.

Deputy Mayor Hansen asked if the City has performed a biological assessment of Ronald Bog. Mr. Purnell said staff has performed sufficient biological analysis to undertake the permitting process. Russ Gaston, consultant with Otak, confirmed the presence of fish

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species in Ronald Bog. He said the water quality testing that Otak performed did not determine whether Ronald Bog was "within the parameters of Coho salmon."

In response to Councilmember Ransom, Mr. Purnell said staff participated in a January 25 meeting of the residents of the neighborhood south of Ronald Bog. Councilmember Ransom asked if investigation of the three options for improvements south of Ronald Bog will address the neighborhood residents' concerns. Mr. Purnell commented that concerns focused on the proposal to daylight the stream channel along Corliss Avenue.

Mayor Jepsen asserted Council support of modified Basin Solution No. 1 with the understanding that staff will investigate the following three options for improvements south of Ronald Bog: 1) replacement of storm water pipe; 2) daylighting the stream channel; and 3) doing nothing. Mr. Bauman said staff will report to Council on these options as part of its final design review.

- (b) Ordinance No. 262, a reclassification of property located at 1315 N 185th Street and 18336 Stone Avenue N (File No. 2000-001800)

Mr. Stewart briefly reviewed the staff report. He mentioned that staff is working to address inconsistencies between the Comprehensive Plan and the current zoning ordinance for 864 parcels in Shoreline. He said the Planning Commission will consider this issue March 15.

Councilmember Ransom moved to adopt Ordinance No. 262, amending the City's zoning map to change the zoning of property located at 1315 N 185th Street and 18336 Stone Avenue N from R-6 to R-8. Deputy Mayor Hansen seconded the motion.

In response to Councilmember Ransom, Mr. Stewart confirmed that the applicant is still seeking an R-12 designation for the property. He identified the following arguments for an R-12 designation: 1) R-12 is consistent with the zoning ordinance; and 2) the inclusion of two access points, one on 185th Street and one on Stone Avenue, justify the higher density. He said the argument for an R-8 designation is that R-12 would be too dense and inconsistent with the character of the neighborhood.

In response to Deputy Mayor Hansen, Mr. Stewart referred to the zoning map on page 68 of the Council packet to explain that other properties recently reclassified to R-8 are located on Stone Avenue approximately one block south of the subject property.

Councilmember Montgomery asserted the appropriateness of an R-12 designation for the site at 1315 N 185th Street. She said an R-12 designation seems in keeping with the neighborhood. She mentioned a site east of the subject property posted with a notice of proposed land-use action. She noted the proximity of bus lines and businesses. She expressed confusion at the dialogue of the Planning Commission.

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Councilmember Lee mentioned the letters from citizens residing near the subject property. She said she could support an R-12 designation for the property at 1315 N 185th Street but not for the property at 18336 Stone Avenue N because of the homes to the south. She agreed with the comments of the Planning Commission.

Councilmember Grossman supported Councilmember Montgomery's comments. He asserted the purpose of the comprehensive planning process to determine locations for greater density. He said "all of the urban planning reasons" make 185th Street a logical place to locate high density. He acknowledged concerns about adjacent homes, but he stressed that nothing will happen with the subject property for another 60 years after redevelopment. He said "ratcheting back on a project like this" is inconsistent with the intention of the Comprehensive Plan. Councilmember Montgomery agreed.

Councilmember Ransom said residents of the neighborhood have frequently stated that an R-8 designation is reasonable for properties on the east side of Stone Avenue N. He advocated that Council follow the Planning Commission recommendation to reclassify the subject properties to R-8.

Councilmember Gustafson supported Councilmember Ransom's comments. He said he does not support a hurried effort to satisfy the housing target of the Growth Management Act (GMA). He advocated slow growth. He expressed support for the motion.

Deputy Mayor Hansen supported an R-8 designation for the subject properties. He explained that he does not want "to get out in front of the Planning Commission and the review of the Comprehensive Plan." He said a higher-density designation will commit the surrounding area to a higher density, and the City has not yet resolved the question of whether to do that.

A vote was taken on the motion to adopt Ordinance No. 262, amending the City's zoning map to change the zoning of property located at 1315 N 185th Street and 18336 Stone Avenue N from R-6 to R-8. The motion carried 5-2, with Councilmembers Grossman and Montgomery dissenting.

9. NEW BUSINESS

- (a) Discussion of lease alternatives related to the City's West Side Police Storefront

Mr. Conner briefly reviewed the staff report.

Mayor Jepsen confirmed Council consensus in support of the recommendation to negotiate the lease for new space in the Richmond Beach Shopping Center for the West Side Police Neighborhood Center.

10. CONTINUED PUBLIC COMMENT

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(a) Tim Crawford, 2326 N 155th Street, complimented Council for explaining the potential outcomes of the Ronald Bog Drainage Improvements Project to the residents neighboring the proposed stream channel. Asserting that replacement of storm water pipe south of Ronald Bog is illegal, he advocated City leadership in favor of daylighting the stream channel south of Ronald Bog.

MEETING EXTENSION

At 9:50 p.m., Deputy Mayor Hansen moved to extend the meeting until 11 p.m. Councilmember Gustafson seconded the motion, which carried 6-1, with Councilmember Lee dissenting.

11. EXECUTIVE SESSION

At 9:51 p.m., Mayor Jepsen announced that Council would recess into executive session for one hour to address one item of personnel and one item of potential litigation.

At 10:55 p.m., the executive session concluded, and the regular meeting reconvened.

12. ADJOURNMENT

At 10:56 p.m., Mayor Jepsen declared the meeting adjourned.

Sharon Mattioli, CMC
City Clerk

March 5, 2001

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CITY OF SHORELINE

SHORELINE CITY COUNCIL

SUMMARY MINUTES OF SPECIAL MEETING

Monday, March 5, 2001
7:00 a.m.

Harbor Inn, Edmonds, Washington
Olympic Room

PRESENT: Mayor Jepsen, Deputy Mayor Hansen, Councilmembers Grossman, Gustafson, Lee, Montgomery and Ransom

ABSENT: None

STAFF: Bob Murray of Bob Murray and Associates, Consultant

The meeting convened at 7:00 a.m. Mayor Jepsen announced that Council would recess into Executive Session for eight hours to evaluate the qualifications of six applicants for public employment as the City Manager.

At 3:00 p.m. the Executive Session concluded and the meeting was adjourned.

Sharon Mattioli, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Expenses and Payroll as of February 28, 2001
DEPARTMENT: Finance
PRESENTED BY: Al Juarez, Financial Operations Supervisor 

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to approve expenses formally at the meeting. The following claims expenses have been reviewed by C. Robert Morseburg, Auditor on contract to review all payment vouchers.

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$522,483.66 specified in the following detail:

Payroll and benefits for February 03, through February 17, 2001 in the amount of \$273,067.53 paid with check/voucher numbers 2913, 5404 through 5456, and 80001 through 80116 and benefit checks 7500 through 7508.

the following claims examined by C. Robert Morseburg paid on February 22, 2001:

Expenses in the amount of \$7,332.41 paid on Expense Register dated 02/21/01 with the following claim checks: 7452-7469 and

Expenses in the amount of \$41,197.55 paid on Expense Register dated 02/22/01 with the following claim checks: 7470-7499 and

the following claims examined by C. Robert Morseburg paid on February 28, 2001:

Expenses in the amount of \$38,755.93 paid on Expense Register dated 02/23/01 with the following claim checks: 7509-7512 and

Expenses in the amount of \$6,087.11 paid on Expense Register dated 02/26/01 with the following claim checks: 7514 and

Expenses in the amount of \$118,683.16 paid on Expense Register dated 02/27/01 with the following claim checks: 7515-7542 and

Expenses in the amount of \$25,347.75 paid on Expense Register dated 02/27/01 with the following claim checks: 7543-7576 and

Expenses in the amount of \$12,012.22 paid on Expense Register dated 02/28/01 with the following claim checks: 7577

Approved By: City Manager _____ City Attorney _____

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the Interim City Manager to execute an Intergovernmental Cooperative Purchasing Agreement with the City of Everett
DEPARTMENT:	Finance
PRESENTED BY:	Cathy Robinson, Purchasing Officer  Debbie Tarry, Finance Director 

EXECUTIVE / COUNCIL SUMMARY

The Cities of Shoreline and Everett would like to enter into an Intergovernmental Cooperative Purchasing Agreement, as allowed under RCW 39.34, Interlocal Cooperation Act. The City of Everett has just completed a competitive bid process for the purchase of an asphalt patcher. The proposed Intergovernmental Cooperative Purchasing Agreement will allow Shoreline to take advantage of Everett's process to acquire the same asphalt patcher.

The agreement will increase efficiencies in bidding and contracting for supplies, material, equipment, or services that may be required from time to time by both cities. It is very likely that both cities will have the need for similar materials, supplies and/or equipment and as such will follow certain acquisition and bid procedures to procure those items. During those processes either City has the ability to write into bid specifications a request of vendors to extend their pricing to other government agencies within the State of Washington. When a vendor agrees to extend pricing to other agencies, and entities have signed an interlocal agreement that allows for joint purchasing, it benefits other agencies. This benefit is realized by only one agency having to complete the formal bid procedures, including the development of bid specifications, bid documents, public advertising and process, and tabulating of bid results. Since most jurisdictions utilize the Daily Journal of Commerce to advertise it is very likely that the same vendors will bid on items under a separate bid process.

In September 2000, the City of Everett went to bid for an asphalt patcher. The City of Everett awarded a bid for an asphalt patcher to Norstar Industries, Inc. after following a sealed bid process. The City of Shoreline would like to purchase the same asphalt patcher, with the same terms and price (excluding trade in amount), from the same vendor. With an Intergovernmental Cooperative Purchasing Agreement, the City would not have the cost of developing bid documents and the public advertising. In addition the use of the interlocal will reduce the delivery time of the asphalt patcher to the requesting department, since the City of Everett has already completed the bidding process for this item.

This interlocal does not limit the cooperative purchasing opportunities to the asphalt patcher, but allows for other opportunities as the need arises. Although the cooperative purchasing agreement is between the two cities, the actual purchase of items is a contractual agreement between the purchasing city and the vendor. Each City is responsible for payment and delivery arrangements with the vendor.

Because this is an interlocal agreement, your Council's authorization is required for the Interim City Manager's execution of the agreement.

RECOMMENDATION

Staff recommends that your Council authorize the Interim City Manager to execute the proposed Intergovernmental Purchasing Agreement with the City of Everett.

Approved By: City Manager  City Attorney 

ATTACHMENTS:

A: Intergovernmental Purchasing Agreement

INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT

Pursuant to Chapter 39.34 RCW and to other applicable laws,

THE CITY OF SHORELINE and, THE CITY OF EVERETT,

both political subdivisions of the State of Washington, hereby agree to cooperative governmental purchasing upon the following terms and conditions:

1. This Agreement pertains to bids and contracts for supplies, material, equipment, or services that may be required from time to time both by the City of Shoreline and the City of Everett.
2. Each of the parties from time to time goes out to public bid and contracts to purchase supplies, material, equipment, and services. Each of the parties hereby agrees to extend to the other party the right to purchase pursuant to such bids and contracts to the extent permitted by law, and to the extent agreed upon between each party and the bidder, contractor, vendor, supplier, or service provider.
3. Each of the parties shall comply with all applicable laws and regulations governing its own purchases.
4. Each of the parties shall contract directly with the bidder, contractor, vendor, supplier, or service provider, and pay directly in accordance with its own payment procedures for its own purchases. Each party will indemnify and hold the other party harmless as to any claim arising out of its participation in this Agreement.
5. Any purchase made pursuant to this Agreement is not a purchase from either of the parties. This Agreement shall create no obligation to either of the parties to purchase any particular good or service, nor create to either of the parties any assurance, warranty, or other obligation from the other party with respect to purchasing or supplying any good or service.
6. No separate legal or administrative entity is intended to be created pursuant to this Agreement. No obligation, except as stated herein, shall be created between the parties or between the parties and any applicable bidder or contractor.
7. The Purchasing Officer of the City of Shoreline and the Purchasing Manager of the City of Everett shall be representatives of the entities for carrying out the terms of this Agreement.
8. This Agreement shall continue in force until canceled by either party, which cancellation may be effected upon receipt by one of the parties of the written notice of cancellation of the other party.

INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT (Cont.)

APPROVED this _____ day of _____, 200__.

APPROVED this _____ day of _____, 200__.

CITY OF SHORELINE

CITY OF EVERETT

BY: _____
Larry Bauman
Interim City Manager

BY: _____
Edward D. Hansen
Mayor

Subscribed and sworn to me this _____ day of _____, 200__.

Subscribed and sworn to me this _____ day of _____, 200__.

Notary Public in and for the State of
Washington, residing at _____
My commission expires _____.

Notary Public in and for the State of
Washington, residing at _____
My commission expires _____.

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Ian Sievers
City Attorney

Mark Soine
City Attorney

ATTEST:

ATTEST:

Sharon Mattioli
City Clerk

Sharon Marks
City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Motion To Accept The Lowest Responsive Construction Bid and Adopt Ordinance No. 261 Amending the General Fund Budget for the Paramount School Park Project
DEPARTMENT: Public Works
PRESENTED BY: William L. Conner, Public Works Director *wlc*

EXECUTIVE / COUNCIL SUMMARY

The purpose of this report is to obtain your Council's authorization to accept the lowest construction bid for the Paramount School Park Project. This project is currently budgeted for completion in 2002. In response to your Council's expressed desire to accelerate the completion of key Capital Improvement Projects (CIP), staff is also seeking the adoption of Ordinance No. 261 increasing the Budgeted General Fund Capital expenditures by \$100,000 allowing this project to be completed in 2001.

The project scope of work includes regrading of the ball fields and the relocation of the existing ball fields with new fixtures, realignment and widening of the pedestrian pathways, installation of site drainage, improvements including a bio-swale, and irrigation lines. The work will also include a restroom facility, picnic plaza, paved parking, skate park facility, a new children's play area, street frontage with sidewalk, and site landscaping (Attachment B).

The plans and specifications included the following three bid alternatives:

- Bid alternative 1 includes clean, repair, and paint the existing plaza wall (Improve aesthetics)
- Bid alternative 2 includes the removal of the log barrier at the NW parking lot and installation of a wood fence (to reduce the possibility of unauthorized vehicles in the park and improve aesthetics)
- Bid alternative 3 includes the removal of the log barrier at the east parking lot and installation of a wood fence (to reduce the possibility of unauthorized vehicles in the park and improve aesthetics)

The Paramount School Park project was advertised on January 29 & 31, and February 5, 2001. On February 15, 2001, the City Clerk's Office received and opened the following fourteen responsive bids:

Bidder Name	Base Bid Amount	Bid Alt. #1	Bid Alt. #2	Bid Alt. #3
1. Construction Internat'l	\$1,143,000.00	\$1,200.00	\$2,200.00	\$8,000.00

2. Precision Earthworks	\$1,228,700.00	\$7,900.00	\$4,120.00	\$12,460.00
3. Ohno Construction	\$1,263,828.00	\$1,600.00	\$3,030.00	\$9,750.00
4. BBG Group	\$1,280,206.00	\$4,000.00	\$6,000.00	\$9,000.00
5. Callen Construction	\$1,288,100.00	\$3,500.00	\$4,000.00	\$10,000.00
6. Fuji Industries	\$1,296,049.00	\$5,430.00	\$4,500.00	\$10,860.00
7. Specialized Landscaping	\$1,348,140.00	\$2,479.00	\$3,869.00	\$13,247.00
8. Kassel Construction	\$1,366,034.00	\$4,200.00	\$6,000.00	\$9,000.00
9. Dariotis Construction	\$1,384,000.00	\$4,500.00	\$4,535.00	\$13,880.00
10. Cree Construction	\$1,410,000.00	\$2,500.00	\$7,700.00	\$13,500.00
11. Finish Grad	\$1,458,912.00	\$12,860.00	\$4,676.00	\$11,700.00
12. Northern Con-Agg	\$1,481,800.00	\$4,000.00	\$3,660.00	\$12,820.00
13. Westwater Const.	\$1,494,427.00	\$8,000.00	\$6,000.00	\$6,000.00
14. Pacific Earthworks	\$1,666,600.00	\$7,200.00	\$6,000.00	\$16,000.00

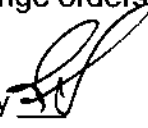
The engineer's base bid estimate for the project is \$1,367,730. The firm of Construction International has the lowest base bid, the lowest base plus alternative #1, and the lowest base plus alternatives #2 and/or #3 with a total bid of \$1,154,400. Staff has reviewed the low bidder's qualifications and recommends that Construction International be awarded the contract including all three alternatives. Staff anticipates that construction activities will begin in April and be completed by September 2001. The contractor has 158 days to complete the project. Staff will closely monitor the contractor to minimize any inconvenience to the general public.

The 2001 – 2006 CIP provides sufficient funding to pay for this project. However, the CIP project budget is programmed for completion in 2001 and 2002. Staff is requesting to amend the 2001 Budget for the Paramount School Park Project in an amount of \$100,000, of the \$375,000 programmed in 2002 to accelerate the completion of the project in 2001 by adopting Ordinance No. 261 (Attachment A). The additional \$100,000 is available from CIP funds carried over from 2000 to 2001. The \$100,000 will be used to complete the capital improvements programmed for 2002 and to also pay for project inspection and management costs.

The construction permit for this project is currently undergoing two separate appeals. Staff is working to have the appeals withdrawn or if necessary, taken to a Hearing Examiner. A Notice to Proceed will not be issued until both appeals are resolved.

RECOMMENDATION

Staff recommends that your Council adopt Ordinance No. 261 amending the budget to increase the appropriation from the General Capital Fund balance to provide funding to accelerate the Paramount School Park Project, and authorize the Interim City Manager to execute a contract including all three alternative bids with Construction International, in the amount of \$1,154,400.00 and to execute change orders up to 10% of the original contract amount.

Approved By: City Manager  City Attorney 

Attachment A – Ordinance No. 261

Attachment B – Paramount School Park Master Plan Diagram

ORDINANCE NO. 261

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE 254, AS AMENDED, BY INCREASING THE APPROPRIATION FROM THE GENERAL CAPITAL FUND BALANCE TO PROVIDE FUNDING TO ACCELERATE THE PARAMOUNT SCHOOL PARK PROJECT

WHEREAS, the 2001 Budget was adopted in Ordinance 254; and

WHEREAS, the 2001 – 2006 Capital Improvement Program was adopted in Ordinance 253; and

WHEREAS, the 2001 Budget included funding for the Paramount School Park Project; and

WHEREAS, the 2001 – 2006 Capital Improvement Program included the Paramount School Park Project and

WHEREAS, there are sufficient resources within the General Capital Fund; and

WHEREAS, the City wishes to take advantage of the available resources in the General Capital Fund to accelerate the Paramount School Park Project in order to complete the project during 2001.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amending Section 2 of Ordinance No. 254. The City hereby amends Section 2 of Ordinance No. 254, the 2001 Annual Budget, by increasing the appropriation from the General Capital Fund by \$100,000 for a General Capital Fund appropriation of \$8,976,859; and by increasing the Total Funds appropriation to \$80,629,814 as follows:

General Fund	27,181,454	
Development Services Fund	2,459,111	
Street Fund	3,936,604	
Arterial Street Fund	455,955	
Surface Water Management Fund	4,984,987	
General Capital Fund	8,876,859	8,976,859
Roads Capital Fund	25,283,161	
Surface Water Capital Fund	4,918,100	
General Reserve Fund	1,509,771	
Equipment Replacement Fund	634,972	
Vehicle Operations/Maintenance Fund	94,972	
Unemployment Fund	85,868	
Code Abatement Fund	108,000	
Total Funds	~~\$80,529,814~~	80,629,814

Section 2. General Capital Fund Appropriation to Accelerate the Paramount School Park Project. The City Manager is hereby authorized to utilize the available funds in the General Capital Fund in the amount of \$100,000 and is authorized to expense the funds to pay for the total cost of the Paramount School Park Project during 2001. This project was included in the 2001 – 2006 Capital Improvement Program (CIP). The project was originally programmed over a two year period (2001 – 2002). Within the Adopted CIP, \$1,245,000 was budgeted in 2001 and \$375,000 in 2002. This project will now be completed during 2001 for a total estimated cost of \$1,345,000.

Section 3. Net Impact on the General Capital Fund. This ordinance does not change the General Capital Fund ending fund balance of \$2,793,877.

Section 4. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force March 17, 2001.

PASSED BY THE CITY COUNCIL ON MARCH 19, 2001

Mayor Scott Jepsen

ATTEST:

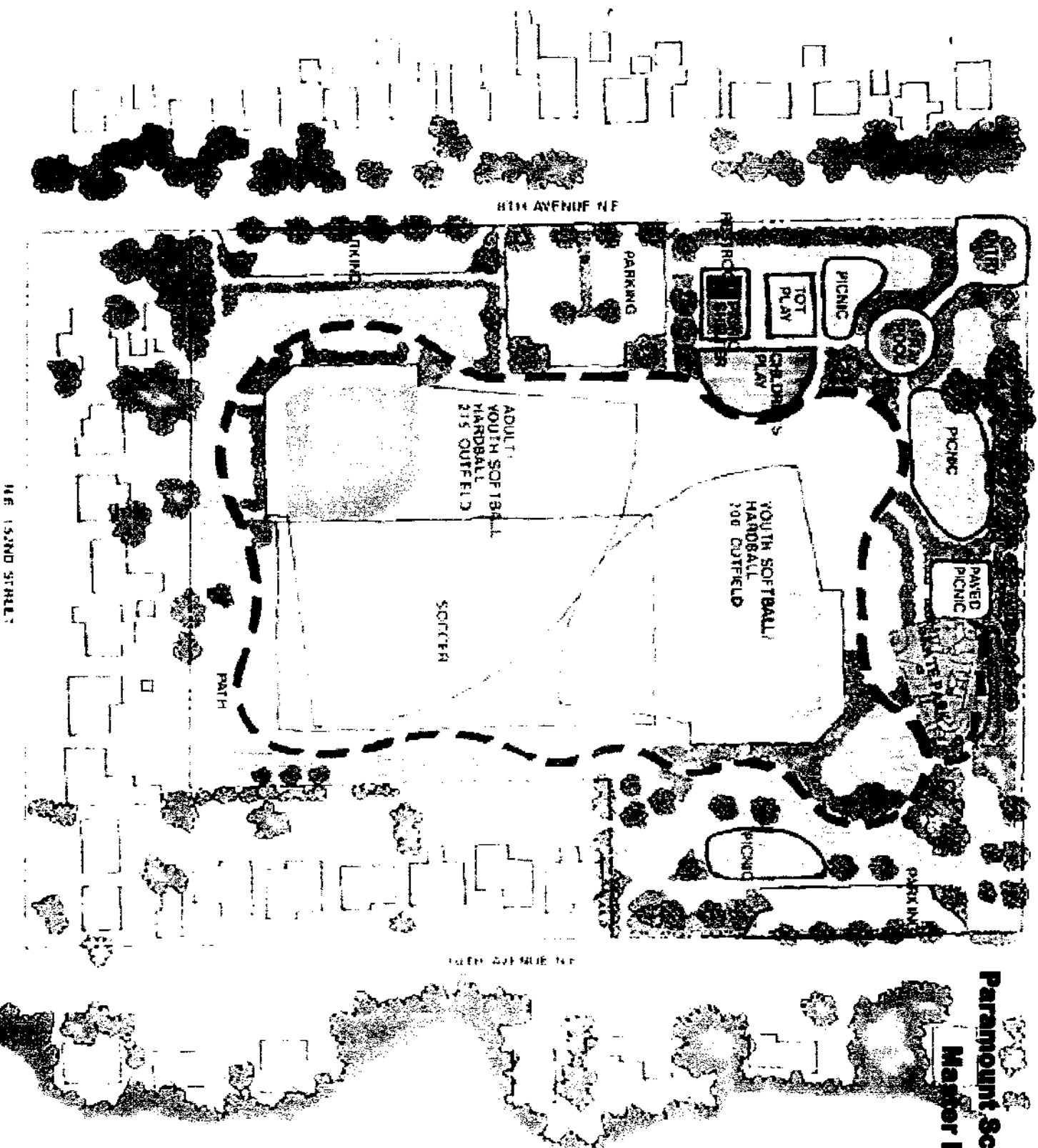
APPROVED AS TO FORM:

Sharon Mattioli, CMC
City Clerk

Ian Sievers
City Attorney

Attachment B

Paramount School Park Master Plan



CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 267 Extending Ronald Wastewater District's Franchise To Provide Sanitary Sewer Service.
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Kristoff T. Bauer, Interim Assistant City Manager

EXECUTIVE / COUNCIL SUMMARY

The Franchise your Council provided to the Shoreline Wastewater Management District, now know as the Ronald Wastewater Management District, via Ordinance No. 152 adopted by your Council in March, 1998, is set to expire March 31, 2001. The proposed Ordinance No. 267 extends this Franchise through December 31, 2001.

The City and the Ronald Wastewater Management District (District) entered into an interlocal agreement in August 1997, in which the District agreed to take action to acquire Seattle Public Utilities' (SPU's) wastewater system within the City and the City agreed to support the District's efforts to do so. The last step of the interlocal, to take place after the District has completed the acquisition, is the development of some form of long term relationship between the District and the City. This interlocal agreement had an original term of three years.

The Franchise granted in Ordinance No. 152, adopted shortly after the interlocal, is not the City's standard Franchise. It is instead based upon the uniform provisions contained in the several King County Franchises that the District had been operating under since the City's incorporation. The term of the Franchise was intentionally set at three years, so that it would terminate shortly after the interlocal agreement in order to provide additional emphasis on the development of a new long-term agreement.

The District has made consistent progress toward acquiring SPU's service area since the execution of the interlocal. Negotiations with SPU stalled for a period last year. This delay was acerbated by a change in SPU representatives to the negotiation process. As a result, the District was unable to complete the transfer agreement within the initial three year term of our interlocal and have requested and been granted, by the City Manager and Interim City Manager, extensions in that agreement, which is now scheduled to expire August 14, 2001.

The District anticipates that it will be able to complete its acquisition of SPU's service area this summer, perhaps as early as June 2001. Upon the completion of this acquisition, the District will become subject to SPU's Shoreline Franchise adopted in 1999, which extends through December 31, 2001.

The proposed ordinance pulls all this together by extending the District's franchise through December 31, 2001, consistent with the SPU Franchise. This will allow the District and the City to initiate discussions this summer as the District completes the SPU acquisition regarding a long term agreement effective throughout Shoreline consistent with City objectives effective January 1, 2002. This is consistent with the schedule set out in the interlocal between the District and the City.

RECOMMENDATION

Adopt Ordinance No. 267 Extending The Franchise Of The Ronald Wastewater Management District (Previously Known As The Shoreline Wastewater Management District) For The Provision Of Sanitary Sewer Services

Approved By: City Manager



City Attorney



ATTACHMENTS

Attachment A Ordinance No. 267 Extending The Franchise Of The Ronald Wastewater Management District (Previously Known As The Shoreline Wastewater Management District) For The Provision Of Sanitary Sewer Services

ORDINANCE NO. 267

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
EXTENDING THE FRANCHISE PROVIDED TO RONALD
WASTEWATER MANAGEMENT DISTRICT (PREVIOUSLY KNOWN
AS THE SHORELINE WASTEWATER MANAGEMENT DISTRICT)
FOR THE PROVISION OF SANITARY SEWER SERVICES.**

WHEREAS, the City of Shoreline, by Shoreline City Ordinance No. 152, granted the Shoreline Wastewater Management District (District) a non-exclusive Franchise to construct, maintain, operate, replace and repair a sanitary sewer system, in, under, through and below certain designated public rights-of-way of the city effective March 8, 1998; and

WHEREAS, the Franchise granted to the District by the City through Ordinance No. 152 is set to expire March 31, 2001; and

WHEREAS, on August 13, 1997, the parties executed an interlocal agreement relating to sanitary sewer services in Shoreline which supports the provision of Franchise renewals to the District during the life of that agreement; and

WHEREAS, the Shoreline Wastewater Management District now operates as the Ronald Wastewater Management District; and

WHEREAS, the City has taken action, at the request of the District, to extend that interlocal agreement through at least August 14, 2001, in order to provide additional time for the acquisition of Seattle Public Utilities's sanitary sewer service area within the City in accordance with that interlocal agreement; and

WHEREAS, Seattle Public Utilities provides sanitary sewer service under a City franchise set to expire December 31, 2001; and

WHEREAS, the District and the City agree that it is in the best interest of sanitary sewer customers and the general public that the District continue to operate under a City franchise:

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

Section 1. Franchise Extension. The sanitary sewer franchise granted pursuant to City Ordinance No. 152, Section 26, is hereby extended through December 31, 2001.

Section 2. Effective Date. This ordinance shall be published in full and shall take effect 5 days after said publication.

PASSED BY THE CITY COUNCIL ON _____, 2001

Mayor Scott Jepsen

APPROVED AS TO FORM:

Ian Sievers, City Attorney

ATTEST:

Sharon Mattioli, CMC
City Clerk

Date of Publication: __/__/00

Effective Date: __/__/00

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Progress Report on EMS 2002 Task Force
DEPARTMENT: Shoreline Fire Department
PRESENTED BY: J.B. Smith, Fire Chief

EXECUTIVE / COUNCIL SUMMARY

In May of 1999, following the Medic One levy failure of 1997, the Final Report of the EMS Financial Planning Task Force was issued outlining four options for funding EMS in King County. Based on that report, the County Council passed motion number 10779 accepting and modifying the report and establishing a new EMS 2002 Task Force. The purpose of the new Task Force is to develop inter-jurisdictional agreement on an updated EMS Strategic Plan and financing package for the next funding period in 2002 and report that plan to the county and cities with populations over 50,000 no later than March 31, 2001.

On December 20, 1999, Mayor Scott Jepsen appointed Fire Chief J.B. Smith as his representative to this task force. The task force has met periodically through the year 2000 and monthly during 2001. During this time it has reviewed the EMS system, it's funding alternatives, service level projections, demographic issues concerning EMS, strategic plan initiatives, as well as discussing the potential levy duration and supplemental funding issues.

At the council's last update, provided on October 23, 2000, you provided consensus support for the following positions:

- A minimum six year levy term
- A future study of transport fees with no implementation during the next levy period
- Support of ALS growth needs including a half-time unit (one full unit of equipment mobilized 12 hours per day only for peak service time, 8 a.m. until 8 p.m.) added to the Shoreline Medic One System
- The need for CPI based funding increases to prevent cost shifting

As your council is aware, the emergency medical system levy supports three main areas - Basic Life Support, Advanced Life Support, and Regional Programs. The following is a brief description of each major topic and what is likely to be included in the final recommendation issued after the March 27, 2001, Task Force meeting:

Basic Life Support (BLS) – Basic life support funding has traditionally supplemented fire department direct costs of providing first on-scene EMS response. Currently, there are 35 different fire departments that receive funding based on the EMS levy. It will be recommended to continue the current BLS allocation formula and provide annual increases based on the CPI.

Advance Life Support (ALS) – Advance life support is currently provided by five agencies in King County: Shoreline Fire Department, Evergreen Hospital, The City of Bellevue, The City of Seattle, and King County. It is projected that ALS call volume will continue to increase, although at a reduced rate due to strategic initiatives being implemented, and require the addition of 4.8 units during the levy term. The Shoreline area is projected to gain one-half of a unit in 2002. It will be recommended that ALS funding be set at 100% of average provider standard unit cost for 2002 and that the funding then receive annual increases based on the CPI (see Attachment A). Historically, the unit cost has funded 95 percent of the average provider standard unit cost of providing a medic unit. The hosting agency (in our case Shoreline Fire Department) has supplemented the remaining cost. In 2001, this funding level has fallen to 87%. To reduce this cost shifting to the providers, the request to re-set the funding at 100% is being made. It is expected that during the term of the levy the percentage will again drop to approximately 95%. This is caused by the fact that provider's costs, dominated by medical system costs and uniformed personnel costs, historically increase at greater than the rate of CPI.

Regional Services Funding – Included in regional services are training programs, quality improvement programs, strategic initiatives, data collection, and overall administration and medical oversight. The recommendation will likely include continued funding for these programs with an increased focus on strategic initiatives in the area of dispatcher training, data collection, and injury prevention and public education.

The Levy – As discussed with the Council in past updates, after exploring tens of other funding options it was determined that a continuation of a countywide levy was the only viable option to funding the system. Other funding options were either inadequate to support the need or required legislation at the state level, an unlikely occurrence in the present tax climate.

Shoreline, Kent, Federal Way, Bellevue, and King County supported levy duration of six years. Discussions of a ten-year and permanent levy were met with resistance from multiple agencies. It is felt that this traditional term was likely to receive the greatest support.

The final recommended levy rate will likely be between 0.24 and 0.25 cents per \$1,000 / AV (see Attachment B). This is substantially below the previous levy rate of 0.29. This is due to both increasing AV and to implementation of some of the previous strategic plan initiatives, which have helped reduce costs. At the proposed 2002 full funding level, Shoreline Fire Department would receive approximately \$1.2 million per unit vs. the \$1.01 million projected for 2001. With the addition of a half-time unit in Shoreline, the funding amount would increase to \$1.8 million, allowing a substantial increase in service levels without jeopardizing other fire department programs.

The Task Force anticipates finalizing the report and it's recommendations at their March 27, 2001, meeting. With the publication of the Task Force final report there will be basically two options left for the City Council (as well as those of Seattle, Bellevue, Kent and Federal Way—all County cities in excess of 50,000 population). These options will be to either support later this year a renewed EMS levy ordinance by the County as recommended by the Task Force or deny the County authority to place the levy on the ballot. If the latter option were chosen, then an alternate means of local or regional EMS funding would have to be found before January of 2002. Shoreline Fire Department would then need to immediately begin discussions with the City of Shoreline, Lake Forest Park and Kenmore (our current ALS service area), to provide an alternate plan.

RECOMENDATION

No Council action is required at this time. The Shoreline Fire Department seeks Council's consensus to support the positions outlined in the report, including a six-year levy at a rate of 24 to 25 cents per \$1,000 of assessed valuation. If Council does not support these positions, it should direct the City's representative to take a different position to the Task Force on any or all of these issues.

ATTACHMENTS

- A. Cost Shifting for ALS providers – 95%, 98%, and 100% 2002 funding levels
- B. EMS Financial Options – Levy rates and amounts at 95%, 98% and 100% 2002 funding

Approved By: City Manager  City Attorney 

ORDER OF MAGNITUDE FOR ALS PROVIDER FUNDING

Based on comparison of standard unit cost inflated at CPI plus 1% compared to the ALS funding level inflated at CPI.

Based on 100% ALS Funding in 2002

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
Per Unit provider Funding	\$ -	\$ 12,000	\$ 25,000	\$ 39,000	\$ 54,000	\$ 70,000	
Bellevue							
Number of Units	3.0	3.5	3.5	3.5	3.5	3.5	
Total Unit Provider Funding	\$ -	\$ 42,000	\$ 87,500	\$ 136,500	\$ 189,000	\$ 245,000	\$ 700,000
Shoreline							
Number of Units	1.5	1.5	1.5	1.5	1.5	1.5	
Total Unit Provider Funding	\$ -	\$ 18,000	\$ 37,500	\$ 58,500	\$ 81,000	\$ 105,000	\$ 300,000
Evergreen							
Number of Units	3.5	3.5	3.5	3.5	3.5	3.5	
Total Unit Provider Funding	\$ -	\$ 42,000	\$ 87,500	\$ 136,500	\$ 189,000	\$ 245,000	\$ 700,000
South King County							
Number of Units	6.5	6.5	7.0	7.0	7.5	7.5	
Total Unit Provider Funding	\$ -	\$ 78,000	\$ 175,000	\$ 273,000	\$ 405,000	\$ 525,000	\$ 1,456,000
Vashon							
Number of Units	0.5	0.5	0.5	0.5	0.5	0.5	
Total Unit Provider Funding	\$ -	\$ 6,000	\$ 12,500	\$ 19,500	\$ 27,000	\$ 35,000	\$ 100,000

FINANCIAL FORECAST OPTIONS
SUMMARIZED FROM FINANCIAL PRESENTATION ON 1/31/2001

Forecasted Gross Levy Assessment					
			2002 KC EMS (65.23% of projected total)	2002 Seattle (34.77% of projected total)	
ALS 2002 Funding Level	Total KC EMS 2002 Forecasted Expenditures (excluding Seattle) (000s)	Forecasted Rate of Levy Revenue Growth	Projected 2002 Statutory Levy Rate per \$1000/AV	(000s)	(000s)
100%	31,681	2% + NC	\$ 0.250	32,240	17,186
98%	31,318	2% + NC	\$ 0.248	31,982	17,048
95%	30,775	2% + NC	\$ 0.242	31,208	16,636
100%	31,681	IPD + NC	\$ 0.247	31,853	16,980
98%	31,318	IPD + NC	\$ 0.245	31,595	16,842
95%	30,775	IPD + NC	\$ 0.240	30,950	16,498

Notes:

ALS Funding Level: 100% = 1.2million; 98% = 1.18million; 95% = 1.14million per unit

Total KC EMS Expenditures: Includes Advanced Life Support, Basic Life Support, and Regional Programs for the EMS Division of King County excluding Seattle

Rate of Levy Revenue Growth: Under I-722, the growth is limited to 2% + New Construction; Under R-47, the growth is limited to IPD + New Construction

Forecasted Gross Levy Assessment: based on increase in assessed value of 4.0% in appreciation, and 1.62% of new construction split between Seattle and KC EMS based on actual 2001.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion Regarding the Establishment of Policies and Procedures for the Disposition of City Surplus Personal Property
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director 

EXECUTIVE / COUNCIL SUMMARY

The definition of property used throughout this report and within the proposed ordinance is for personal property, which includes all property owned by the City except for real estate.

Attached is an ordinance that would add a new chapter to the Shoreline Municipal Code to provide for the sale and disposition of City property that is no longer of public use. This ordinance allows the City Manager to declare City property as surplus, and then provides guidance on the method of disposal of such property. The City Council has not previously adopted such a policy, and the City is starting to accumulate property that should be declared surplus, such as outdated computers and worn out pipes. The purpose of this ordinance and the policy guidelines is to provide a consistent and systematic way of disposing of surplused property.

Although RCW 35A.11.010 and 35A.79.010 provide authorization for cities to acquire and dispose of property, it does not specifically tell how surplused property should be disposed. For this reason, cities must establish their own policies for disposal of surplus property. City staff has reviewed other city surplus policies, including information from Municipal Research Services Center, Bellevue, Kirkland, Renton, Lynnwood and Bellingham, while developing the attached ordinance. Based on the information gathered in this research, staff has developed the attached ordinance as the recommended policy guidance for disposal of surplused property. In addition staff has developed procedural guidelines that will be distributed to staff following the final adoption of a surplus property ordinance by the City Council.

The procedural guidelines provide that the Purchasing Officer will have the responsibility to determine the value of surplused items. This will be done by evaluating the current condition of the property, along with the utilization of reference materials and market information that may assist in estimating a current market value. The Purchasing Officer will make a recommendation on the best method of disposal based on the value of the property, the cost of storing the property, and the method that the Purchasing Officer believes will bring the highest net price to the item(s) being

surplused. This information will be forwarded to the Finance Director and City Manager for authorization to proceed.

The following tables summarize the recommended authority and disposal methods provided in the attached ordinance.

REQUIRED AUTHORIZATION			
Sale to a Governmental Entity of an Item Valued:	Less Than \$50,000	Greater Than \$50,000	
	City Manager	City Council	
Sale to a Non-Governmental Entity of an Item Valued:	Less Than \$500	Equal to or Less Than \$2,000	Greater than \$2,000
	City Manager	City Manager	City Council

METHOD OF DISPOSAL OR SALE			
Sale to a Governmental Entity of an Item Valued:	Less Than \$50,000	Greater Than \$50,000	
	Direct Sale to Government Entity	Public Notice and Hearing Required	
Sale to Non-Governmental Entity of an Item Valued:	Less than \$500	Equal to or Less Than \$2,000	Greater than \$2,000
	➤ Disposal ➤ Donation (If Cost of disposition exceeds value) ➤ Direct Public Sale ➤ Public Auction	➤ Direct Public Sale ➤ Public Auction ➤ Trade-In	➤ Public Auction ➤ Sealed Bids ➤ Trade-In

The attached ordinance also provides that any sale or disposition of property originally purchased for utility purposes follow the requirements of RCW 35.94.040. The main provision contained in this RCW is that the City must hold a public hearing regarding the disposal of the property. Following the public hearing the Council must adopt a resolution stating the fair market value to be paid and the other terms and conditions involved in the disposition of the property.

The attached ordinance excludes any member of the City Council or City employees or members of their immediate families from being able to acquire surplused City property

if the City Council member or the City employee had any role in establishing the value of the surplus property. This is to prevent any conflict of interest concerns.

RECOMMENDATION

Review the proposed ordinance establishing policy guidelines for discussion at the March 19, 2001 Council meeting. Staff will bring forward the ordinance for adoption at a future regular Council meeting.

Approved By: City Manager 

City Attorney 

ATTACHMENTS

- A. Ordinance No. 261 – Prescribing Uniform Procedures for the Sale and Disposal of Surplus Personal Property.

BACKGROUND/ANALYSIS

Personal property includes all property owned by the City except for real estate. The state statutes provide legal authority for cities to both own and dispose of personal property. At the same time, the state statutes do require that a certain procedure be followed before property is sold. In addition there are no authoritative guidelines from such policy setting bodies as the Governmental Accounting Standards Board or the Governmental Finance Officer's Association on the standards that should be used by a local government when disposing of property. This being the case, it is the responsibility of individual cities to determine the most appropriate policy and procedures to follow when property owned by the City is longer of value or use to the City.

To date, the City of Shoreline has not adopted a surplus property policy. The City is now starting to accumulate items that are no longer of use or value to the City (i.e., outdated computers, old pipe), and yet are being stored in various spaces, because there is no policy guidance on how to dispose of the items. Staff's desire is to adopt a policy that provides uniform rules and procedures for all City departments to follow in the disposal of City owned property.

Since there are no state statutes or industry standards that provide standard disposal policy requirements, staff reviewed a number of surplus property policies that have been adopted by other cities. This included a review of the policies adopted by the cities of Bellevue, Kirkland, Renton, Lynnwood and Bellingham. In addition the City was able to access information maintained by Municipal Research Services Center to assist in developing the recommended policy contained in the attached ordinance.

A review of the various city surplus policies demonstrated that all were very similar in that that they provided for establishing valuation thresholds in which the City Manager/Administrator had authorization for disposal of surplus property and valuation thresholds in which the City Council would authorize the disposal of surplus property. In comparing the various policies of other cities, the valuation threshold of individual items ranged between \$1,000 and \$2,000 when determining if City Council authorization was required in order to dispose of the surplus property. To establish this threshold cities gave consideration to the cost to follow a more formal process in disposing of the property versus the current market value of the property. Costs of a more formal process include the staff time in developing the appropriate ordinance and staff report for City Council consideration, advertising requirements for disposing of the property, and the cost of either organizing a public auction or sealed bid process. With this in mind, staff has proposed within the attached ordinance a \$2,000 valuation threshold to differentiate between a formal and informal disposition process.

The one exception to this policy is when the City is selling items to other governmental entities. The sale of an item by one governmental entity to another is not subject to the risk of a perception of gifting of public funds. In addition there are times when items may have more benefit to another governmental agency than to the general public. Whenever the City is to sell an item to another governmental agency it is still the intent of the City to obtain market value for the items being disposed. The attached policy would allow the City Manager to authorize the sale of items to other governmental entities with an individual current market value of equal to or less than \$50,000. An item

valued at greater than \$50,000, would require that the City Council authorize the sale and hold a public hearing on that sale. This is the one area where there is some guidance in state law. RCW 39.33 provides the guidance for the sale or disposition of property to another governmental agency and it is this statute that establishes the \$50,000 threshold.

Items that will be disposed or sold to non-governmental entities will basically use the \$2,000 threshold to differentiate between an informal and formal method of disposal. Staff has developed procedural guidelines to implement the City's surplus policy once it is adopted by the City Council. Basically these procedures require that all department directors submit to the City's Purchasing Officer a listing of items that are no longer of value to the City. The Purchasing Officer will create a master list of these items, and prior to declaring them surplus will circulate the information among departments to ensure that there is no other department that could utilize the item. Once a final list is developed, the Purchasing Officer will determine current market value and make a recommendation on the best method of disposal with consideration given to the method most likely to result in the City receiving market value for the item. This information will be forwarded to the Finance Director and City Manager for authorization to proceed.

If an item has no value it may be disposed without being sold. If an item has a market value less than or equal to the estimated cost of disposal the City could choose to donate the item to a charitable organization. If the property has a fair market value less than \$500 it may be declared as scrap and sold as prescribed by the City Manager. Items in excess of \$500 but equal to or less than \$2,000 will follow similar processes, but their method of disposal would either be trade-in towards replacement items, direct public sale or a public auction. A direct public sale could include a garage sale, in which items are pre-marked with prices, or the ability to sale directly to a member of the public if this would be in the best interest of the City.

Items with a valuation greater than \$2,000 will require a more formalized process for disposal. In this case the City Council will need to authorize the disposal of such items. In these cases staff will prepare a report and ordinance for consideration by the Council to proceed with the disposal of the items. Staff will either recommend that the City trade the item in towards the replacement of the item (i.e. car), use a sealed bid process or a public auction in disposing of the items. The use of sealed bid or public auction will require public notice. The public auction can either be held by the City or contracted with an auction service provider.

Property that was originally purchased for public utility purposes must follow the public notice and public hearing process as detailed in RCW 35.94.040. This includes adopting a resolution following a public hearing. The resolution must state the fair market value to be paid and the other terms and conditions involved in the disposition of the property. Once these requirements are met then the property may be sold and/or disposed.

Although state law does not prohibit the purchase of surplus property by City employees as long as they pay fair value, the recommended surplus policy prohibits City Councilmembers, City employees, and members of their immediate family from

acquiring surplus property if they had any role in determining or maintaining the value of the item to be surplus. This is to avoid raising an appearance of fairness issue.

RECOMMENDATION

Review the proposed ordinance establishing policy guidelines for discussion at the March 19, 2001 Council Meeting. Staff will bring forward the ordinance for adoption at a future regular Council meeting.

ATTACHMENT A

ORDINANCE NO. 261

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, PRESCRIBING UNIFORM PROCEDURES FOR THE SALE AND DISPOSAL OF SURPLUS PERSONAL PROPERTY

WHEREAS, pursuant to RCW 35A.11.010 and 35A 79.010 and 35.22.280(3), the City Council of the City of Shoreline may prescribe by ordinance a uniform procedure for the sale and disposal of surplus personal property; and

WHEREAS, the City Council has determined that it would be in the best interest of the City and for the common benefit to adopt an ordinance regulating the sale and disposal of surplus personal property in conformance with state law; and

WHEREAS, this ordinance establishes a uniform procedure, including valuation guidelines, for donating or selling surplus personal property of the City;

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

Section 1. The Shoreline Municipal Code shall be amended to add a new Chapter 3.50 entitled "Sale and Disposal of Surplus Personal Property," as follows:

CHAPTER 3.50 SALE AND DISPOSAL OF SURPLUS PERSONAL PROPERTY

3.50.010 SALE OR DONATION OF SURPLUS AND PERSONAL PROPERTY OWNED BY THE CITY: GENERAL REQUIREMENTS

- A. Subject to this chapter, the City Manager may authorize department directors to sell property that is in the custody of the departments and owned by the City when said property is no longer of public use to the City.
- B. Department directors shall certify in writing to the City Manager or duly authorized agent that City-owned property is no longer of public use to the City, or that the sale thereof would be in the best interests of the City.
- C. The City Manager may declare personal property that is of no current or future public use to the City with an individual item value of less than \$500.00 as scrap. Personal property declared scrap may be disposed of as prescribed by the City Manager or sold by private sale at prices established by current market conditions.
- D. The City Manager may also authorize a donation of surplus property when the cost of disposition of the property is equal to or exceeds the current fair market value of the

property, to a specific bona fide charitable organization which is tax exempt pursuant to Internal Revenue Code Sec.501 (c)(3).

3.50.020 SALE OF SURPLUS PERSONAL PROPERTY WITH AN INDIVIDUAL ITEM VALUE OF TWO THOUSAND DOLLARS OR LESS.

- A. Approval of the City Council is not required for the sale or disposition of any City-owned personal property with an individual item estimated value of two thousand dollars or less.
- B. When such property has been certified for disposition by a department director, sale or disposition shall be made by the City Manager or duly authorized agent in accordance with informal procedures. No member of the City Council or members of their immediate family, and/or City employees or members of their immediate family, may acquire such property if the City employee or official had any role in establishing the valuation or price of said property.

35.50.030 SALE OF SURPLUS PERSONAL PROPERTY WITH AN INDIVIDUAL ITEM VALUE IN EXCESS OF TWO THOUSAND DOLLARS.

Upon approval by the City Council, surplus property owned by the City which is no longer of public use and which is valued at more than two thousand dollars shall be sold by calling for sealed bids or by live auction, at the Councils discretion.

A. Sale by Sealed Bidding

- 1. The call for sealed bids shall contain a description of the property to be sold, the location thereof, the name and address of the person with whom the bid is to be filed, the last date for filing bids, and any other pertinent information required by the City Manager. Such call shall be published at least once in the official newspaper of the City not less than five (5) days before the last date for filing of bids.
- 2. Each bid shall be accompanied by a deposit in the form of a certified or cashiers check in the amount equal to but not less than ten percent of the amount of the bid. All such deposits so made shall be returned to the unsuccessful bidders after award of a bid, if any. The deposit of the successful bidder shall be applied toward the bid price, or upon failure of such bidder to consummate the purchase, such deposit shall be forfeited as liquidated damages and such deposit shall be credited to the appropriate account.
- 3. Sealed bids shall be opened in public by the City Clerk or duly authorized agent at the time and place specified in the call for bids. The City Clerk or duly authorized agent shall make a tabulation of all bids received and forward the bids to the City Manager for approval or rejection. The City Manager shall accept the highest bid that exceeds the City's estimated value.
- 4. In the event no bids are received, all bids are rejected, or no bid exceeds the City's estimated value, the City Manager may either ask for new sealed bids or direct the

sale or disposition of such surplus property under the procedures adopted pursuant to Section 3.50.020 of this chapter.

B. Sale by Live Auction.

1. Notice of the live auction, a description of the property to be sold and any other pertinent information required by the City Manager shall be published at least once in the official newspaper of the City not less than five (5) days before the auction.
2. The auction shall be conducted by the City Manager or at his direction. The City shall accept the highest bid.
3. In the event no bids are received, the City Manager may direct the sale or disposition of such surplus property under the procedures adopted pursuant to Section 3.50.020 of this chapter.

3.50.040 SALE OF SURPLUS PERSONAL PROPERTY TO ANOTHER GOVERNMENTAL ENTITY

- A. Sale or disposition of surplus and personal property with an individual item value of fifty thousand dollars or less to another governmental entity shall be in accordance with Section 3.50.020 of this chapter.
- B. Sale or disposition of surplus and personal property with a value of more than fifty thousand dollars to another governmental entity shall be in accordance with the procedures for public notice and hearing in RCW 39.33.020.

3.50.50 TRADE-IN OF SURPLUS EQUIPMENT WITH AN INDIVIDUAL ITEM VALUE IN EXCESS OF TWO THOUSAND DOLLARS

- A. Notwithstanding Section 3.50.030, approval of the City Council is not required for the trade-in of surplus equipment with an individual value of more than two thousand dollars when purchasing new equipment, so long as the City receives appropriate trade-in value for the surplus equipment. Appropriate trade-in value shall be determined by reference to "The Blue Book" or other similar published reference book.
- B. When surplus City equipment has been certified for trade-in by a department director in accordance with this Chapter, such trade-in may be approved by the City Manager in accordance with informal procedures. No member of the City Council or members of their immediate family, and/or City employees or members of their immediate family, may acquire such property if the City employee or official had any role in establishing the valuation or price of said property.

3.50.60 SALE OF PROPERTY ORIGINALLY ACQUIRED FOR PUBLIC UTILITY PURPOSES

- A. Sale or disposition of surplus and personal property originally acquired for public utility purposes shall be in accordance with the procedures for public notice and hearing in RCW 35.94.040.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force thirty (30) days after publication of such summary.

PASSED BY THE CITY COUNCIL ON

Mayor Scott Jepsen

ATTEST:

APPROVED AS TO FORM:

Sharon Mattioli
City Clerk

Ian Sievers
City Attorney

Date of Publication:
Effective Date: