



## AGENDA

### SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, October 13, 2008  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

**TOPICS/GUESTS:** Suburban Cities Association, Karen Goroski

### SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, October 13, 2008  
7:30 p.m.

Shoreline Conference Center  
Mt. Rainier Room

	<u>Page</u>	<u>Est. Time</u>
<b>1. CALL TO ORDER</b>		7:30
<b>2. FLAG SALUTE/ROLL CALL</b>		
<b>3. REPORT OF THE CITY MANAGER</b>		
<b>4. REPORTS OF BOARDS AND COMMISSIONS</b>		
<b>5. GENERAL PUBLIC COMMENT</b>		7:40
<i>This is an opportunity for the public to address the Council on topics other than those listed on the agenda and which are not of a quasi-judicial nature. Speakers may address Council for up to three minutes, depending on the number of people wishing to speak. If more than 15 people are signed up to speak each speaker will be allocated 2 minutes. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. The total public comment period under Agenda Item 5 will be no more than 30 minutes. Individuals will be required to sign up prior to the start of the Public Comment period and will be called upon to speak generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
<b>6. APPROVAL OF THE AGENDA</b>		8:00
<b>7. CONSENT CALENDAR</b>		8:00
(a) Minutes of Study Session of August 18, 2008	<u>1</u>	
Minutes of Business Meeting of August 25, 2008	<u>13</u>	
Minutes of Workshop Dinner Meeting of September 22, 2008	<u>21</u>	
(b) Approval of expenses and payroll as of September 30, 2008 in the amount of \$2,092,698.06	<u>27</u>	
(c) Adoption of Ordinance 525, amending the 2008 Budget for Operating Funds and Capital Projects	<u>29</u>	

- |   |           |
|---|-----------|
| (d) Motion to Accept King Conservation District Grant of \$194,460 for the City Hall Project  | <u>39</u> |
| (e) Motion to Authorize the City Manager to Execute an Agreement on the Transfer of the Richmond Beach Sewer System to the Ronald Wastewater District         | <u>41</u> |
| (f) Motion to Authorize the City Manager to Execute a Contract Amendment for the Shoreline Civic Center Project Management Services in the amount of \$40,000 | <u>45</u> |
| (g) Ordinance No. 519 amending the Solid Waste Regulations in the Shoreline Municipal Code Chapter 13.14  | <u>49</u> |
| (h) Motion to Authorize the City Manager to Enter Into a Multi-Agency Interlocal Agreement for Purchasing   | <u>61</u> |

## 8. ACTION ITEM: PUBLIC HEARINGS

*Public hearings are held to receive public comment on important matters before the Council. Persons wishing to speak should sign in on the form provided. After being recognized by the Mayor, speakers should approach the lectern and provide their name and city of residence. Individuals may speak for three minutes, or five minutes when presenting the official position of a State registered non-profit organization, agency, or City-recognized organization. Public hearings should commence at approximately 8:00 p.m.*

- |   |           |      |
|---|-----------|------|
| (a) Public hearing to consider citizen's comments on Ordinance No. 523, extending a Moratorium for Six Months on the filing or acceptance of any applications for Residential Development of land within the Regional Business Land Use District which exceed a Density of 110 Dwelling Units per acre; and Motion to adopt Ordinance No. 523 | <u>63</u> | 8:15 |
| (b) Public hearing to receive citizens' comments on Ordinance No. 522, Granting a Franchise to Verizon Northwest, Inc. to Operate a Cable System in the Public Rights-Of-Way to provide Cable Services in the City Shoreline for a Twelve Year Term; and Motion to adopt Ordinance No. 522  | <u>67</u> | 8:30 |

## 9. NEW BUSINESS

- |   |            |      |
|---|------------|------|
| (a) Transmittal of the 2009 Proposed Budget | <u>121</u> | 9:15 |
|---|------------|------|

## 10. ADJOURNMENT 10:00

*The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at [www.cityofshoreline.com](http://www.cityofshoreline.com). Council meetings are shown on Comcast Cable Services Channel 21 Tuesdays at 8 p.m. and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Council meetings can also be viewed on the City's Web site at [cityofshoreline.com/cityhall/citycouncil/index](http://cityofshoreline.com/cityhall/citycouncil/index).*

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF STUDY SESSION**

Monday, August 18, 2008 - 6:30 p.m.  
Shoreline Conference Center  
Mt. Rainier Room

**PRESENT:** Mayor Ryu, Councilmember Eggen, Councilmember Hansen, Councilmember McConnell, Councilmember McGlashan, and Councilmember Way.

**ABSENT:** None

1. CALL TO ORDER

At 6:37 p.m., the meeting was called to order by Mayor Ryu, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Ryu led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present, with the exception of Deputy Mayor Scott and Councilmember Hansen.

**Councilmember McGlashan moved to excuse Deputy Mayor Scott. Councilmember Eggen seconded the motion, which carried 5-0 and Deputy Mayor Scott was excused.**

3. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Bob Olander, City Manager, provided reports and updates on various City meetings, projects, and events. He stated that the National Night Out and Celebrate Shoreline events were well attended and very successful. He also stated there was a public art dedication in the north end of Echo Lake Park.

Councilmember Way said she attended an Association of Washington Cities (AWC) committee meeting concerning priorities for the next legislative session. Topics discussed at that meeting included land use, climate change, governance, storm water, and best available sciences. She said she is interested in the stormwater decision made by the Pollution Control Hearings Board in Phase 1 cities; the conclusion was that more low impact development is needed.

Mayor Ryu announced that she serves on the Suburban Cities Association (SCA) Budget Group and they are working on recommendation for the SCA Board. She noted that there are three subarea groups for transportation component in King County and she will update the Council as the results come up. She recognized Representative Maralyn Chase and Kenmore Mayor David Baker in the audience.

Councilmember Hansen arrived at 6:45 p.m.

4. COMMUNITY PRESENTATION

(a) 20<sup>th</sup> Avenue Neighbors - "Right Size Homes"

Dwight Gibb introduced Jeff Johnson who surveyed 673 homes in the 20<sup>th</sup> Avenue neighborhood using Zillow.com. He also introduced Tim Franie. He felt that "right sized" homes are needed in the City to preserve neighborhood character. He reviewed statistics on home sizes and concluded that larger homes detract from the streetscape, lower the quality of life, affect the environment, and increase taxes. He discussed the City's current single-family home regulations and highlighted that they are proposing a 45% floor area ratio with a 28-foot height limit on new homes built in Shoreline. He noted that floor area ratio legislation is already policy in Kirkland and Mercer Island. Additionally, he said Bellevue is currently working on their legislation and Seattle will begin limiting home sizes this fall.

Councilmember Way asked what legislation has been adopted in other cities and what the reaction has been of the residents.

Mr. Johnson stated that Bellevue is looking at this, along with 32 different cities. He said he has a general sense that residents are relieved someone is addressing this, and the simpler it is the happier people are with it. He pointed out that Mercer Island has been doing it for four years. He noted that cities in California that have adopted this legislation haven't been able to quantify any reduction in tax revenue because the home values have been based on location.

Councilmember Eggen asked what maximum impervious surface requirements are being required by cities. He questioned if cities require more area to be put into yards or plantings. Mr. Johnson responded that cities require homeowners to keep shadows at a certain angle and limit the total impervious surface.

Councilmember McConnell asked how many two-bedroom homes there are in the City. She wondered what would happen on lots that are less than 7,200 square feet. Mr. Johnson replied that if the square footage is approved prior to development on existing lots, the cities have implemented some exceptions and allowed the floor area ratio to be higher.

Mr. Franie said he moved into his home a year ago and it was remodeled to include three bedrooms. He noted that he could have easily doubled the house size and remained within the city regulations in Palo Alto. He noted that the quality of homes started to increase, which caused a proportionate increase in home values.

Mayor Ryu wondered if it is more important to reduce the impact on lots and reduce impervious surface or have a shorter home with more floor area. Mr. Johnson responded that his general sense tells him that communities prefer having more of the lot left for trees, setbacks, and open space. He said this is why design review is needed.

Councilmember McGlashan agreed that some homes look “out of place” in the City. However, he has heard that large homes are less popular now and asked if there were any statistics to support that. He asked if Mr. Johnson and Mr. Franie supported other housing options like cottage housing. Mr. Johnson replied that there are some cities that have different floor area ratios in place based on the area and what kinds of existing buildings are there.

Councilmember McGlashan stated that the proposal doesn’t necessarily involve changing the lot coverage, so the major issue is height. Mr. Gibbs concurred, adding that this isn’t trying to address trees and shrubs directly.

Councilmember Hansen questioned how the group decided which homes to include and which homes to exclude in this study. Mr. Johnson stated they just decided to use all of the homes from Saltwater Park to Woodway, and to the west of 20<sup>th</sup> Avenue NW. Mr. Gibbs added that they only surveyed homes on 7,200 square foot lots.

## 5. GENERAL PUBLIC COMMENT

a) David Baker, Mayor, City of Kenmore, commented that there are issues that affect both of our cities and thanked the Council for their regional involvement.

b) Lisa Haines, on behalf of the Shoreline-Lake Forest Park Senior Center, discussed the Senior Center programs and that participants experience better overall health and wellness. She added that the Center offers tax help so seniors can get their stimulus payments.

c) Les Nelson, Shoreline, said he looked through the environmental impact statement (EIS) in the City’s Comprehensive Plan. He noted that it has a floor area ratio of 50%, which is close to the proposal of the 20<sup>th</sup> Avenue Neighbors. He said anything exceeding that exceeds what the EIS contemplated and it seems developers try to “fill the box” and fill apartments. He felt that the developers always want to maximize the quantity and the question should ask if the “boxes” are the right size. He cautioned that the City needs to be careful about height limits.

d) Dwight Gibb, Shoreline, asked why this room is being used for this meeting. He noted that it isn’t a good room for the public because they can’t see the screen. He felt the Mt. Rainier Room was a better suited location for Council meetings.

e) Mary Weaver, Shoreline, commented that most people don’t know where the local food bank is. She pointed out that it is located at the Aurora Square, 15809 Westminister Way N. It is called Hopelink and is located next to Marshalls, just north of Sears on the lower level.

## 6. STUDY ITEMS

(a) Update of 2007- 2008 Council Goal No. 8: Fircrest Master Plan

Rachael Markle, Assistant Planning and Development Services Director, stated that the purpose of this item is to provide an update on the Fircrest Master Plan. She introduced Edwin Valbert, Washington State Department of Social and Health Services (DSHS), Construction Coordinator who is the project manager of the Fircrest School in Shoreline and the Rainier School in Buckley. She also introduced Betsy Geller, Planner with AHBL, Inc. and the project lead. She highlighted that the proposed amendments to City's comprehensive plan may not clearly address whether a Master Planned Area can include new uses. She noted that the City staff is asking for direction on how the Council envisioned addressing new uses that have been identified to be master planned.

Mr. Valbert said his goal is to give a brief update on the Fircrest School Master Plan and present feedback on the master plan language. He said the project has been broken down into two phases and Phase 1 is completed. He announced that Fircrest School will remain in operation and it won't reduce size or change its population base. He stated that the Department of Health (Health Laboratory) was required to do master planning, too. DSHS, he explained, started Phase 1 which was defining excess and to put a plan in place on what uses could be put in place in those excess facilities. He pointed out that Phase 1 included two open houses. He thanked the City for their web page and the hybrid map located on the City's webpage. He said Phase 1 included working on planning on housing in the north portion, civic use facilities, a swimming pool, and retail, commercial, and residential in the south end. The East area, he displayed, includes multiple types of housing and public access trails. He said the plan will attempt to daylight a part of Hamlin Creek. He said that based on public input and economic research the economics have driven this toward residential development with limited retail. He noted that the Legislature demonstrated their support by funding Phase 2. Phase 1 was a conceptual look and Phase 2, which is underway, will include development and design standards, he said. He displayed the hybrid map and denoted which agencies owned which portions of property on Fircrest.

Councilmember Way asked if the consultants have considered a system including swales, raingardens, and ponds. She added that it could be a more varied scene than just a trench. Ms. Markle replied that the team is looking at many low impact development techniques.

Mr. Valbert noted that the goal is to come to Shoreline in January with the master plan permit. He added that the master plan should meet Shoreline Council goals 5, 6, 7, and 8. He stated that DSHS is hoping that the master plan language doesn't prohibit the City's effort in developing the hybrid model.

Mr. Olander commented that the City staff has heard that the Council and the community want to consider a variety of uses in the master plan process to include government offices, retail, various forms of housing, and sustainability.

Mayor Ryu called for public comment.

a) Kristin Ellison-Oslin, Lake Forest Park, said she is the Chaplain at Fircrest and is excited about a lot of the plan, but has some concerns. She stated that Fircrest is one of the top 10 organizations of its type in the nation. She pointed out that working with small groups in the school is more desirable because it allows for the development of relationships with staff, etc.

She noted that the plan includes the destruction of six buildings and construction of an LEED building which she felt isn't likely to be the best stewardship of resources. She expressed concern and explained that the fragile, inadaptable people who reside at Fircrest will have to live in construction zone.

b) Maria Walsh, on behalf of Friends of Fircrest (FOF), said they have concerns about extending the property. She provided the Council with the FOF position statement. She pointed out on a vicinity map that the Department of Natural Resources (DNR), Department of Housing (DOH), and Department of Social and Health Services (DSHS) all own property on the site. She inquired why the original plans showed that there were 35.5 excess acres of property and suddenly there are 43 acres. She said the only way to have 43 acres of land is if the Y buildings are destroyed first. She noted that the DNR land is managed by a trust and it should be up to them to decide what happens to it. She asserted that excess property cannot be created by replacing buildings used by the Fircrest population. She felt that relocating the Y buildings on the east side of the campus will cause mixed use housing problems. She said they are proposing the relocation of mixed use, comprehensive housing to the southeast portion of the campus with a direct feed to NE 150<sup>th</sup> Street.

c) Laethan Wene, Shoreline, said it is important to have the disabled be a part of the Fircrest Master Plan, the community, and to participate in the meetings.

d) Jim Hardman, Seattle, communicated that he is the guardian for twenty-four Fircrest residents and there was no public input regarding the hybrid plan. He said the community didn't know about the hybrid plan until it was delivered to the legislature in January. He commented that the Y buildings are an important part of the campus and they are homes for fragile people who cannot speak for themselves. Furthermore, moving them is not in their best interest. He said this may also run afoul of federal regulations. He added that the Fircrest superintendent and staff do not support removal of the Y buildings. Additionally, personality issues prevent the residents at Fircrest from living together and it is important to separate them as needed.

e) Dennis Lee, Shoreline, stated that the legislature has been tasked with looking at this from a high altitude and get this going. He said because they were planning on master planning the surplus area, there is a property line running through the park which has caused confusion. He stated that there hasn't been any master plan. He communicated that it looks like the City hired consultants to get a master plan started and he is concerned "the cart is before the horse." He stated that process is important. Finally, he said a large citizen's advisory committee needs to be established with clear, well-defined goals. He expressed his discontent about four buildings on N. 145<sup>th</sup> Street and 15<sup>th</sup> Avenue N that have been vacant for 10 years, and there are developers wanting the City to give tax breaks for affordable housing.

f) Betti Linn Krisik Brown, Shoreline, commented that the Briarcrest and Ridgecrest neighborhoods, which surround Fircrest, would like to have a better sense of what's going on. She commented that the South Woods Preservation Group saved South Woods and they need to work with the neighborhoods so everyone can communicate. She invited the City of Shoreline to

an interfaith worship service at the Fircrest Chapel as an opportunity for citizens to become familiar with the campus and its residents.

g) Wendy DiPeso, Shoreline, said she is neutral about the hybrid plan. She said the removal of the Y buildings and the use of state land for high end development does not seem appropriate. She said it would be better to have low-income housing on leased, state-owned land. She felt the expansion of the health laboratory should not occur before the master plan is completed. Additionally, she felt there needs to be another public meeting before the master plan is approved.

h) Jim Walsh, Mountlake Terrace, summarized that the whole community is behind a different approach to the hybrid plan.

Mr. Olander commented that there have been no decisions regarding the Y buildings.

Mr. Valbert highlighted that the property made the “jump” to 43 acres based on Councilmember Way's comment regarding “thinking outside the box” when it comes to the creek. He noted that they had to meet the legislative request to master plan excess property and educate legislature about other opportunities for the better operation of Fircrest School. With that, the hybrid map was the suggested path to move with respect to developing the master plan and the legislature supported it. He said there is no current funding to replace or move the Y buildings. However, he explained that there are funds to study the efficiency of the Y buildings. He noted that the Y buildings are six buildings built in the 1960's to support a young, mobile population. The buildings are dormitory-style and aren't efficient in terms of deliveries because trucks have to go to all six buildings. He concluded and said they are asking the legislature for funding to study if there is a more cost-effective and efficient way to house Fircrest residents.

Mr. Olander recommended discussing the public process issue. He confirmed that when the plans are refined there would be at least two more open houses to get public input on draft plans. He asked what the process would be after an application is received by the City.

Ms. Markle replied that the application would go through a quasi-judicial process. Specifically, notice would go out to persons residing within 500 feet, signs would be posted, the Planning Commission would hold a public hearing, and then it would go to the Council for a decision.

Mr. Olander highlighted that the City would go beyond the minimum notice requirements because of the importance of this item.

Mayor Ryu thanked Representative Maralyn Chase, Frank Chopp, and former Deputy Mayor Fimia for their involvement in this issue.

Councilmember Hansen asked if there were any previous opportunities for the public to comment on the hybrid plan. He highlighted that the speakers felt they haven't had an opportunity to give input.



Mr. Valbert replied that he felt they have had an opportunity for input. He said there have been two open houses and they have developed about three to four different scenarios, maps, and uses. He said they were explained to people and people gave their feedback at recorded meetings where their opinions and issues were captured and saved electronically. He added that the hybrid plan came from that feedback, open houses, and the legislative directive. He said it is true that the actual hybrid map was not shown at open houses, but everything on it was on other maps. He noted that there will be at least two more open houses.

Councilmember Hansen wanted to know how many people attended the two open houses. Ms. Geller estimated that there were about seventy-five people at the first one and slightly less at the second one. Mr. Valbert stated that there were over 200 comments emailed to the City that were added to the record.

Councilmember Eggen said he is confused about the master planning process and asked how Mr. Valbert envisions public input will be used in the two additional meetings towards the final plan. He questioned if a citizen committee would be formed. Mr. Valbert replied that they would listen, take comments, and make any appropriate changes if needed. He stated that these meetings would focus on density and refinements. Ms. Geller added that the second open house will also give residents an opportunity to comment about the SEPA checklist.

Councilmember Eggen expressed concerned about the current residents of Fircrest and the fact that it needs to continue serving developmentally disabled residents. Mr. Valbert replied that the mission of DSHS is to serve people and vulnerable populations and improve their lives. He said they are trying to define what the Fircrest campus is and to know clearly where its boundaries are.

Councilmember Way believed that the legislature would want a report on the hybrid plan and asked how the City master plan process could begin before giving the report. Mr. Valbert replied that the legislature required him to report back in December 2010 and the advisory committee meets frequently and he briefs them. He noted that the advisory committee, which has a meeting in November, is his tool to continually communicate and work on this with Representative Chase, Representative Kagi, Senator Fairley, and all the staff at the Office of Financial Management.

Councilmember Way communicated that she is confused with the language concerning new uses or alternatives in the staff report. Ms. Markle explained that this simply refers to uses that aren't currently occurring on the campus such as new housing, commercial, and non-profit. Mr. Olander added that a planned area is an alternative way to accomplish the same thing, but the City staff wanted to come to Council to verify that the Council is open to new uses above what is on Fircrest campus.

Mayor Ryu stated she has reservations about new uses at Fircrest.

## RECESS

**At 8:46 p.m., Mayor Ryu called for a five minute recess. Mayor Ryu reconvened the meeting at 8:58 p.m.**

Councilmember Way reviewed the current uses at Fircrest and asked how the Department of Health's ten-year expansion plan fits into the City's concept for the site. She wondered how the City can make a decision to move forward without certainty about the health laboratory's plans. Mr. Valbert replied that the DOH is under a legislative mandate and they have also been told to work on their master plan. He added that when it is ready he will ensure it is reflected in the City's map. He stated that the State has the responsibility to bring back a solution that works.

Councilmember Way stated that the City and the agencies have plenty of time to work on this and she doesn't see the urgency. She wondered how the City can put forward a master plan permit without knowing what will be on the site. Mr. Valbert replied when the DSHS turns in a master plan permit, it will be comprehensive and accurate and include the DOH plans. However, if DOH isn't as far along in their efforts to give accurate information, then DSHS would have to delay their application to the City of Shoreline.

Mr. Olander said it would probably need to be two separate applications, and the City would need to know their intent so there aren't any conflicts.

Councilmember McConnell appreciated this and noted that it is going to be a continual, open conversation with the community. She expressed concern about the fragile population at Fircrest. She said that the end result will be a compromise, and the community will need to accept that compromise. She encouraged the public to be involved.

Mr. Olander noted that this is intended to be an update and suggested that Council submit any additional questions and he will forward them to Mr. Valbert.

Mayor Ryu questioned why the Y buildings are planned for demolition. Mr. Valbert commented that the Y building issue was not driven by the ownership and there is no financial obligation there. He said there are significant elevation changes on the site and they would like to get the developmentally disabled population down on same elevation as the dining facilities and other places they need to go. He noted that the Y building property is almost invisible from 15<sup>th</sup> Avenue N., and any new housing, if constructed on the site, would be invisible to surrounding neighborhood because of the trees and way it would be situated.

Mayor Ryu noted that the City will be going into a visioning process in October and she is sure Fircrest will come up. She commented that the southwest corner at 15<sup>th</sup> Avenue N and N 150<sup>th</sup> Street, going south, has a very short, narrow strip of commercial property, and there needs to be some sort of economic development there. She added that it is the perfect place to have multi-use. Mr. Valbert pointed out that the southwest corner is designated as "Area 3" on the map and it is proposed to be a mixed use retail commercial corridor.

Mayor Ryu questioned what would happen if the health laboratory isn't there. Ms. Geller highlighted that the market study showed some market for retail, but not a lot. She stated that housing was the biggest market use.

Mayor Ryu inquired if the drive to have the Y buildings demolished would diminish if housing units are built. Ms. Geller replied that the demolition would be put off to a later phase of the project. Mr. Valbert reiterated that there isn't any request to do anything with the Y buildings. He said the only funding request is for studying how the Y buildings can provide other services to the campus. He felt that the Y buildings will be there for the next six to ten years.

Councilmember Way asked if there was funding for anything else at the Fircrest campus. Mr. Valbert responded that there was not.

Councilmember Way reiterated that there is no funding until the capital budget committee approves the project. She asked if any of the proposed developments are compatible with the campus and with families connected to the developmentally disabled residents of Fircrest. She also inquired if the DNR properties will be sold or leased. Mr. Valbert requested that those and all other questions be submitted to him and he would have the responses posted on the Fircrest website.

Councilmember Way questioned why the scoping was not done for an environmental impact statement (EIS). Ms. Markle responded that the City doesn't feel that the impacts are significant at this time. However, she pointed out that there will be critical areas study and the creek daylighting will involve an expanded SEPA checklist.

Mr. Olander added that the EIS is normally done when a construction building permit is issued. He added that the impacts can be reasonably mitigated. He pointed out that the impacts can either be adverse or beneficial, and he believed that there would be more beneficial impacts on this project than adverse ones.

Councilmember Way asked if there was a hydrology report being done. Ms. Markle responded that there will be a drainage technical report. Councilmember Way suggested that the drainage report be done prior to the decision on where the creek is going to go because the low point is not at the toe of the slope; it's actually over in the middle where the housing is. Additionally, she felt that liquefaction should be a consideration and that the chapel be considered for historic landmark status.

Councilmember Eggen wondered if the Council should direct staff that the master planning permit may be modified to clarify that the City will accept changes in use rather than expansions in use. Mr. Olander replied that the Council can postpone discussion on that until September 2.

(b) Neighborhoods Program Update

Nora Smith, Neighborhoods Coordinator, and Rob Beem, Human Services Manager, provided an update on the City's current neighborhoods program.

Ms. Smith gave a brief background of the neighborhoods program, noting that there are ten active neighborhoods. She stated that the City staff provides assistance to the neighborhood groups through helping with reactivations, training, communications planning, and the mini-

grant program. She reviewed several activities in the City to include different celebrations, clean-ups, night-out events, and ice cream socials. She commented that the City has taken a leadership role in creating a neighborhood coordinators network, which meets quarterly. This group, she stated, learns best practices and provides training/assistance on issues of inclusion, diversity, and succession. She concluded that strong communities start with one-on-one relationships.

Mayor Ryu called for public comment.

a) Bill Bear, Shoreline, stated that Councilmembers represent the entire City and the role of the neighborhood associations is to represent the specific interests in each neighborhood. He felt that two-way communication is needed and that currently the Council of Neighborhoods doesn't have that mandate. He suggested that the Council of Neighborhoods should be able to not just receive information, but to communicate their concerns back to the City Council.

Councilmember McGlashan commented that he has attended many neighborhood night out events and said Londa Jacques from the Ballinger Neighborhood Association deserves congratulations for a great job.

Councilmember Hansen thanked Ms. Smith for a great report. He stated the programs have improved since the neighborhood program was initiated in 1996. He added that the banners along Aurora Avenue are really nice. He commented on a story he heard on the radio about neighborhood traffic issues in Seattle and is pleased Shoreline has a great Neighborhood Traffic Safety Program.

Councilmember Eggen commended Ms. Smith for the report and her work. He said there was a concern in the past that some neighborhood groups had lost members. However, he asked about representation and if there is some requirement for a certain level of participation that represents a democratic constitution within a neighborhood. He added that he was surprised that North City has to reactivate as a group because he thought they were active.

Ms. Smith noted that the bylaws spell out some parameters for being recognized as an active neighborhood association. These parameters include having a formal organization with written documents, meeting at least once a year, and having an annual election of officers. She added that there aren't any clear parameters on what happens if some of these aspects are not followed. She said the City has been trying to provide assistance, sponsor meetings, and have a providing assistance approach to keep the groups going. She clarified that the North City Business Association is active, but there hasn't been any residential representation.

Councilmember Way said she is glad to see the Ballinger neighborhood active. She said they are also looking at doing a pea patch, and the City could help with that. She commented that she is interested in old historic neighborhoods and would love to see the City develop its histories. She noted that there needs to be more social services for individual neighbors and assistance for the senior center. The City needs to find more ways for people to access help services.

#### MEETING EXTENSION

**At 10:00 p.m., Councilmember Eggen moved to extend the meeting for one hour. Mayor Ryu seconded the motion, which carried 6-0.**

Mayor Ryu appreciated the work done by Ms. Smith and this division. She wondered if it was possible to ask neighbors to look out for graffiti.

Mr. Olander replied that there has been some success lately in curbing graffiti and there have been arrests of several major "taggers" in Shoreline. He referred to the police services briefing and said the City has put out ads with rewards under "Crimestoppers" and have had responses to them. However, he said this work is done on a constant basis and residents need to be informed that they can be the "eyes and ears" of the community.

(c) Proposed Amendments to the Development Code

Mr. Olander introduced Rachael Markle, Assistant Planning and Development Services Director and Miranda Redinger, Planner.

Ms. Redinger read the staff report and stated that this is the first batch of housekeeping amendments for 2008. These amendments, she explained, are clarifications which are done to prevent confusion, redundancy, and to remain current with updated legal mandates and local policy changes. She said the Planning Commission had a study session and public hearing and recommended these amendments by a vote of 6-0. She explained each of the amendments.

Mayor Ryu called for public comment. There was no one wishing to provide comment on this item.

Councilmember Hansen asked for clarification on the proposed amendment in 20.70.030. Ms. Redinger confirmed that this amendment reverted back to the original recommendation from the City staff. She added that it doesn't lower the building thresholds. Mr. Olander stated that this makes the process easier for small businesses to adhere to because they won't be able to afford to make all of these required improvements if the amendment is kept as-is. Councilmember Hansen suggested clarifying that the 4,000 square foot size relates to existing structures only.

Councilmember Eggen referred to Section 20.30.450, item C. He commented that the revised regulations are very difficult to read and it portrays a sense that the Council doesn't decide short plats. He felt that a final formal plat isn't a long plat when the City Council is involved. He inquired about utilizing "title" to a section of the Code. Mr. Sievers suggesting using the term "formal plat" instead of "long plat." He also pointed out that "title" refers to Title 20, the City's entire development code. He highlighted that all plats have to meet all the development standards and the term should be capitalized.

Councilmember Way referred to the critical areas discussion at the Planning Commission meeting on page 42 of the minutes. She highlighted that Commissioner Pyle made it clear that the City wants certified and qualified wetland scientists.

Ms. Redinger added that a small works roster will be developed to get a larger pool of trusted consulting firms.

Councilmember Way expressed concerns with the junk vehicles issue.

Mayor Ryu noted that some residents have lived in Shoreline prior to it being a City and view their properties as their "kingdoms." She suggested the City be more proactivity rather than lenient when it comes to junk vehicles.

Mr. Olander highlighted that this issue also involves compliance with state law. Ms. Redinger confirmed that it is primarily a state law and it walks the fine line between property rights and the greater good. Mr. Olander added that Code Enforcement flexibly works with the residents.

Mayor Ryu expressed her appreciation with Section 20.20.014, but felt there is a high concentration of group homes in certain neighborhoods in the City.

7. ADJOURNMENT

At 10:45 p.m., Mayor Ryu declared the meeting adjourned.

---

Scott Passey, CMC  
City Clerk

**CITY OF SHORELINE**

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

Monday, August 25, 2008 - 7:30 p.m.  
Shoreline Conference Center  
Mt. Rainier Room

PRESENT: Mayor Ryu, Deputy Mayor Scott, Councilmember Eggen, Councilmember Hansen, Councilmember McConnell, Councilmember McGlashan, and Councilmember Way

ABSENT: None

1. CALL TO ORDER

At 7:30 p.m. the meeting was called to order by Mayor Ryu, who presided.

2. FLAG SALUTE/ROLL CALL

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

3. CITY MANAGER'S REPORT

Bob Olander, City Manager, provided reports and updates on various City meetings, projects, and events. He announced that the Public Works Department has been working on some major stormwater/utility projects in the City. He described them in detail and the status of each.

Councilmember McGlashan congratulated the City's Public Works Department for the completion of the Dayton Ave. Retaining Wall Project.

4. REPORTS OF BOARDS AND COMMISSIONS

Mayor Ryu announced that City Manager Bob Olander received the Washington City and County Management Association Distinguished Public Service Award for 35 years of service in the State of Washington.

Mr. Olander commented that the job is fascinating and his is in a very rewarding profession. He thanked the Mayor and the Council for the recognition.

5. GENERAL PUBLIC COMMENT

a) Patty Hale, Shoreline, on behalf of the Ridgecrest Neighborhood Association, introduced members of the Ridgecrest Neighborhood Association Board: Dick Nicholson, Chair, Diane Bundtz, Vice Chair, and Mary Kay Doyle, Board Member. She showed a video of the 10th Annual Ridgecrest Ice Cream Social. She noted that there were 1,200 people in attendance and there were 50 gallons of ice cream served. She added that the King County Sheriffs Department helicopter "Guardian 1" was very popular.

b) Laethan Wene, Shoreline, thanked King County Sheriff Sue Rahr, who was in attendance.

Mr. Olander recognized King County Sheriff Sue Rahr in the audience, who updated the Council at their dinner meeting prior to the Council Business meeting.

## 6. APPROVAL OF THE AGENDA

**Councilmember Eggen moved approval of the agenda. Councilmember Hansen seconded the motion, which carried 7-0 and the agenda was approved.**

## 7. CONSENT CALENDAR

**Councilmember McGlashan moved approval of the Consent Calendar. Councilmember Hansen seconded the motion, which carried 7-0 and the following items were approved:**

- (a) **Minutes of Business Meeting of June 23, 2008  
Minutes of Special Meeting of July 7, 2008  
Minutes of Business Meeting of July 14, 2008  
Minutes of Workshop Dinner Meeting of July 28, 2008**

- (b) **Approval of expenses and payroll as of August 13, 2008 in the amount of \$2,355,327.34 as specified in the following detail:**

### **\*Payroll and Benefits:**

<b>Payroll Period</b>	<b>Payment Date</b>	<b>EFT Numbers (EF)</b>	<b>Payroll Checks (PR)</b>	<b>Benefit Checks (AP)</b>	<b>Amount Paid</b>
6/29/08-7/12/08	7/18/2008	24903-25125	7812-7873	37117-37128	\$544,395.76
7/13/08-7/26/08	8/1/2008	25126-25345	7874-7938	37294-37302	\$449,787.47
					<u>\$994,183.23</u>

### **\*Accounts Payable Claims:**

<b>Expense Register Dated</b>	<b>Check Number (Begin)</b>	<b>Check Number (End)</b>	<b>Amount Paid</b>
7/17/2008	37036	37057	\$21,449.86
7/17/2008	34839		(175.00)
7/17/2008	37058		\$175.00
7/17/2008	36925		(\$24,876.44)



7/17/2008	37059		\$24,876.44
7/18/2008	37060	37079	\$204,459.69
7/18/2008	37080		\$323.25
7/22/2008	37081	37091	\$3,613.95
7/23/2008	37092	37116	\$100,121.89
7/23/2008	37129		\$24,533.77
7/24/2008	37130	37140	\$413,732.75
7/28/2008	37141		\$1,450.00
7/29/2008	37142	37159	\$94,359.65
7/30/2008	37160		\$5,273.00
8/1/2008	37161		\$1,030.60
8/1/2008	37162	37166	\$21,440.80
8/4/2008	37167		\$13,494.09
8/5/2008	37168	37193	\$165,885.58
8/5/2008	37194		\$289.47
8/5/2008	37195	37197	\$26,784.51
8/5/2008	37198	37226	\$2,930.98
8/6/2008	37227	37236	\$927.37
8/6/2008	37237	37251	\$99,101.45
8/7/2008	37252	37293	\$148,264.53
8/12/2008	37303	37315	\$9,962.32
8/13/2008	37316		\$1,714.60
			<u>\$1,361,144.11</u>

(c) **Ordinance No. 516 Relating to Transportation Demand Management, Adopting a Commute Trip Reduction Plan, and Implementing Measures as Required by RCW 70.94.527**

(d) **Ordinance No. 517 Adjusting the Salary Range for the Sr. Parks Maintenance Worker Position**

(e) **Ordinance No. 518 Approving the Shoreline Water District Franchise**

## 8. UNFINISHED BUSINESS

(a) Update on Community Conversations: Visioning Process for Shoreline 2028

Joe Tovar, Planning and Development Services Director, provided an update on the outreach effort and plans for the Community Visioning Process. He noted that the meetings were varied in order to provide enough opportunities for everyone to attend. He added that his group tried to make a video script to introduce people to the kinds of change that can happen over 20 years. He noted that there are six other cities that each have their own concept of how much growth they should accommodate. He noted that a preliminary estimate shows that there will be 10,000 more residents in Shoreline by 2028. He added that telecommuting and the utilization of different fuels would increase. This process, he explained, represents the "front end" of the Comprehensive Plan (CP) that the City is required to update by 2010. He highlighted that it is the Council's legal obligation to consider what the public says; then it is the Council's job to weigh it and come up with 10-12 pages that articulate the concept for the future of Shoreline. He added that there also

needs to be discussion about the script for the video, the format for the October 30<sup>th</sup> Town Hall meeting, and details of the December 1st meeting.

Mr. Olander said this will be fairly high-level process. He stated that this is a values process and the vision statement will inform the more detailed policies.

Councilmember Way asked how the vision values and framework goals intersect with the CP and the Code.

Mr. Tovar replied that the framework goals and the vision statement will be adopted into the CP and in the next couple years the City will go through each chapter and study the different elements. Each of these segments will be made consistent with the framework goals and vision. He stated that a number of code amendments are coming and the Council doesn't have to wait until 2011 to implement them. He said there are a lot of land use things happening between now and then that make the framework goals useful.

Mr. Olander commented that the focus tends to be on land use issues, but the CP is more than that. The framework goals should also be applied to transportation, economic development, housing, and sustainability.

Mayor Ryu called for public comment.

a) Boni Biery, Shoreline, felt that all voices in the City should be heard. She said the citizens feel that what they say as individuals is not given same consideration as organizations, developers, and businesses. She suggested that all local organizations, including Shoreline Solar, Friends of Fircrest, Sustainable Shoreline Education Association, the PTSA, and the Shoreline School District, should be included. She noted that the Briarcrest Neighborhood Association is working on a neighborhood subarea plan, and she would like to see every neighborhood create its own vision in collaboration with the organizations in its neighborhood. She felt that all the neighborhoods in Shoreline need a voice.

Mr. Tovar stated that he would contact non-profit groups or special districts in the City to see if they are interested in hosting one of the meetings.

Mayor Ryu asked Councilmembers if there were any other groups they would like to suggest attend these meetings. She wondered if political action groups could attend. Mr. Tovar responded that they were welcome as long as they were an organization with an ADA compliant meeting facility.

Councilmember Eggen suggested the Council invite the Shoreline Coalition and perhaps the 20th Avenue Neighbors.

Councilmember McConnell commented that the City has already scheduled a lot of meetings, and she would like to see organizations attend the meetings already scheduled.

Councilmember Way wondered if outlining major themes would make for an improved process. She noted that Vicki Stiles could give a historical introduction on one of the scripts. She added that people think creatively if the themes are outlined.

Mr. Olander commented that the DVD script will be done so people can have the same place to start from. He said it will provide a consistent framework and questions.

Councilmember McGlashan agreed. He hoped to see fresh ideas that are not guided, and advocated for beginning "with a clean slate."

Deputy Mayor Scott agreed and wanted the community to give their input. However, he felt the City needs to be efficient in its use of time. He also stated that there should be time limits for each meeting. He noted that Shoreline has over 50,000 people and asked if there is a goal of how many people to reach. Commenting that the desired outcome is for 10 to 12 values, he questioned if the public is aware of the purpose of this exercise.

Mr. Tovar replied that the City doesn't want to tell people to "do their homework." Instead, he would like to hear the residents' perceptions and hopes for the future. Mr. Olander commented that the amount of input the City receives depends on the process.

Deputy Mayor Scott asked if the focus is going to be on the City's values. Mr. Tovar confirmed that the focus will be on values and that the DVD will make that clear. He noted that people will also be informed about the next steps so they can subscribe to the updates. He noted that the venues should accommodate at least fifty people and be ADA compliant.

Mayor Ryu said she is glad the Council and City staff is open to adding more groups. She suggested having another meeting to converse with the school, fire, and utility districts. She added that she would love to see the October 30 meeting be an "open mic" forum.

Mr. Olander shared Mr. Tovar's concerns about having an open mic at these meetings. He said there are residents who will decide they don't want to participate in the process because they will want to talk directly to the Council. Additionally, he said councils generally give more credence to people who speak than the written material that will be received. He stated that an open mic format could happen at the draft language stage.

Councilmember Way commented that the City shouldn't try to limit the involvement of people. She said an open mic format doesn't need to be rigid or have a timeframe. She felt if town halls are good enough for New England, they're good enough for us. She felt the City should facilitate this by providing childcare and food. She wanted the process structured to stimulate new ideas. She suggested that the conversation be mediated like it was done in the Speaker Series.

Councilmember Hansen felt this is a good program. He highlighted that the standard visioning process is similar to Rotary International. He noted that everyone should have the same opportunity to speak. He supported this item as proposed.

Deputy Mayor Scott said the forums are sponsored by the City of Shoreline and that anyone can attend them, but wants it clearly publicized that the Council wants the public to be there. He felt there should be an established attendance goal, as he said he would love to see new faces at the meetings.

Mayor Ryu discussed the role of community groups. She asked if there was any incentive for hosting. Mr. Tovar commented that it is a City-sponsored event for whole community and individual hosting groups are asked to invite their own membership.

Councilmember Eggen said the role of hosting groups is critical. He said people are much more likely to attend meetings with like-minded people. He stated that there aren't any environmental organizations signed up for hosting right now. He suggested that there should be some questions that solicit information. He felt that land use issues have been very contentious and there should be some way to solve them.

Councilmember McGlashan expressed concern that this is starting to feel a little rushed to get this all done in one month. He asked why this is moving so fast. Mr. Tovar replied that this has been deliberately designed so October is "total immersion month" for the citizens. He noted that it should be wrapped up by spring 2009 and it needs to be finalized by the time the Council goals process begins. He noted that there will be other land use issues for the Council to resolve and the longer this takes, the more uncertainty there will be.

Mayor Ryu appreciated the City staff commitment and discussed the outstanding questions.

Mr. Tovar commented that he isn't sure that it is a good idea to meet with the junior taxing districts on October 30. Mr. Olander wanted the Council to think about the creative media for the meeting. He felt the Councilmembers can host certain tables and give creative thought about how to structure the meetings. He also felt there should be another night reserved for the taxing districts.

Councilmember Way inquired if the taxing district representatives can come to the dinner meetings. Mr. Olander felt that could be an option and noted that the Council has regular meetings with district representatives each year. He noted that the Council needs to understand their key values from their perspectives, which is a high-level conversation which may not work well in a dinner meeting format. He added that he has a sense of where the Council wants to go.

Councilmember Way echoed Deputy Mayor Scott's comments on outreach and urged the City staff to get this out in the *Currents*, the website, and Channel 21. She also stated that the Ronald Bog blog would be good for this too. Deputy Mayor Scott also suggested doing a public service announcement on Channel 21. Mayor Ryu suggested providing flyers to campaigners.

9. NEW BUSINESS

(a) 2008 Second Quarter Financial Report

Debbie Tarry, Finance Director, provided the first half of 2008 financial status update of the City. She stated that the Consumer Price Index (CPI) changes were more dramatic than the City expected and there have been some negative impacts. She added that the General Fund revenue projections are slightly ahead and they are still watching the sales tax, permit revenue, and negative gambling tax trends. Additionally, she commented that the department is closely monitoring where the sales tax revenue is coming from. She noted that utility and franchise tax collections are slightly ahead of projections.

Councilmember Way asked about the garbage utility tax revenues from Cleanscapes. Ms. Tarry responded that the City didn't receive payment for the month of March because that was Cleanscapes' transition month and it was a timing issue.

Councilmember Hansen asked if all the utility payments are a full quarter behind. Ms. Tarry replied that the utility payments arrive at the City one month after the due date.

Ms. Tarry pointed out that there is a negative trend in gambling tax revenues. She said at the end of June the actual returns were 32 percent lower than projections.

Councilmember Way asked if the total number of Shoreline casinos have changed since 2004. Ms. Tarry responded that the number of establishments hasn't changed, but one casino has had significantly less business than the rest.

Mayor Ryu wanted to know how the rate affects collections. Ms. Tarry replied that there was a big decrease in revenues when the smoking ban went into effect and the tribal casino competition went up.

Mayor Ryu highlighted that casinos have high fixed expenses and the loss may impact the City's budget by \$2.3 million. Ms. Tarry felt that the impact won't be that significant.

Councilmember Eggen felt that gambling revenues are discretionary and expect them to drop off in a recessionary period. Ms. Tarry replied that if they gambling revenues drop off the City will lower projections.

Ms. Tarry continued and stated that there is a downward trend in investment earnings due to a drop in interest rates which can create a reduction in revenue for operating services. She also stated that expenditures are 2 percent below projections and most of it is due to vacant City staff positions. She also stated that there have been fewer jail days used, and this area could come in \$200,000 to \$300,000 under budget. She then discussed the non-General Fund items. She said the Real Estate Excise Tax (REET), which is used for capital projects, has significantly declined due to a drop in real estate sales. She noted that this is the general trend everywhere.

Councilmember Way asked for an investments overview. Ms. Tarry said the City attempts to have a balanced portfolio, but the goal is to get a market rate of return. She said the City is currently slightly ahead of the state investment pool because of the City's longer term investments. She highlighted that the Council approved an investment policy which regulates the

percentage of investments that can be outside of the state investment pool. Additionally, the Council has approved investment dealers.

Continuing, Ms. Tarry gave an update of third quarter activity. King County, she pointed out, is seeing a drop in sales tax revenues and the card room revenues for the City are down 10%. She stated that the REET transactions are down 35% and the value of the transactions is down 44%. However, she stated operating revenues are slightly ahead of projections, and the City's operating expenditures are also slightly below projections. She noted that areas of concern include the stormwater utility fee receipts and the negative REET figures.

Councilmember Way wanted to know which businesses are doing better in sales tax collection. Ms. Tarry replied that they are broken down into state codes and the Economic Development Manager is reviewing them.

Mr. Olander stated that the Finance Department staff does an outstanding job of tracking revenues and expenditures. He noted that King County is facing \$80 million in budget shortfalls. He said the City is tracking this closely and following Council budget philosophies.

Councilmember McGlashan discussed the gambling tax and asked what the casinos in Kent, Renton, and Tukwila are experiencing. Ms. Tarry responded that most cities are experiencing the same trend of a 10% decline. Mr. Olander added that the economy is also factor, as Councilmember Eggen had noted earlier.

Councilmember Hansen commented that historical figures demonstrate that recreational facilities do better during economic downturns. He announced that the State is looking at a shortfall of a couple billion dollars.

Councilmember Eggen urged people to contribute to the local food banks.

#### 10. ADJOURNMENT

At 9:43 p.m., Mayor Ryu declared the meeting adjourned.

---

Scott Passey, City Clerk

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF WORKSHOP DINNER MEETING**

Monday, September 22, 2008  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

**PRESENT:** Mayor Cindy Ryu, Deputy Mayor Terry Scott, and Councilmembers Keith McGlashan, Chris Eggen, Janet Way, Doris McConnell, and Ron Hansen

**ABSENT:** none

**STAFF:** Bob Olander, City Manager; Joe Tovar, Planning & Development Services Director; Steve Cohn, Long-Range Planner; Scott Passey, City Clerk

**GUESTS:** Shoreline Planning Commission  
Commissioner Sid Kuboi, Chair  
Commissioner Will Hall, Vice Chair  
Commissioner John Behrens  
Commissioner Michael Broili  
Commissioner Janne Kaje  
Commissioner Ben Perkowski  
Commissioner Rocky Piro  
Commissioner David Pyle  
Commissioner Michelle Wagner

Mayor Ryu called the meeting to order at 6:20 p.m. There were introductions around the table.

Bob Olander, City Manager, introduced Joe Tovar, Planning & Development Services Director, who outlined the proposed Community Conversations Visioning Process that would commence in October. He described the public outreach process for obtaining input from the community, including use of the City website, Currents newsletter, and e-mail subscription lists. He provided the group with copies of a draft agenda and questions that would be available at the Community Conversations sessions, as well as examples of vision statements of other cities, including Redmond and Kirkland. He pointed out that a vision statement serves as a preamble to the Comprehensive Plan. He said while people may express their values and vision for the City of Shoreline in specific terms, a vision statement is meant to be general, not specific. He urged the group to review the statements of the other cities to familiarize themselves with the concept of a vision statement. He explained the job of the facilitators who will be staffing these sessions and noted that the Center for Human Services will be providing some Korean

and Spanish translators. He clarified that all the sessions are scheduled to begin at 7:00 p.m., and citizens are welcome to attend any session they choose. The sessions will begin with a presentation of the Community Conversations DVD, which will explain the process and the questions that participants will be expected to address. He added that feedback will mostly come in the form of citizen comment forms and other written comments at the meetings. He said all the raw data would be provided to the City Council at a meeting held sometime in December.

Mayor Ryu commented on the town hall meeting scheduled for October 30. She wondered if this should be an integrated meeting with the Planning Commission.

Mr. Olander felt that the values and vision statements people express will fall into some natural groupings. The Council and the Planning Commission can help organize them, perhaps in the November/December timeframe.

Chair Kuboi assumed there would be feedback ("loopback") from the public after the City Council and Planning Commission puts out the draft vision statement. He also emphasized the need for "metrics" – or defining what would constitute a successful process.

Deputy Mayor Scott asked about other venues for people to provide input and commented on the importance of measuring success.

Vice Chair Hall called attention to the stated goal of attracting at least 500 people to the visioning process. He said although this is a worthwhile goal, perhaps the City should also be concerned with getting a variety of viewpoints. He suggested that the process include weekends to get input from people who might not be available on weeknights.

Mayor Ryu spoke in favor of the proposed process and how it will be a great opportunity to get the public's vision. She suggested using the public's comments as part of the overall Community Conversations process.

Deputy Mayor Scott liked the idea of neighborhoods gathering together to watch the DVD and discuss their vision for Shoreline. He wondered how the City would capture their feedback.

Mr. Tovar noted that all the information regarding the process would be disseminated to the community through the City's various resources.

Councilmember Way wondered if the process should include daytime meetings for the people who are not available during the evening. Mr. Tovar noted that the Parent Teacher Student Associations at the high school level are aware of and involved in the program.

Mayor Ryu wondered if a subcommittee of the City Council or Planning Commission is needed to staff any daytime or weekend meetings. Mr. Tovar suggested that some help on the weekends might be needed.



Deputy Mayor Scott spoke in favor of a “train the trainer” approach, or teaching others how to facilitate these meetings.

Commissioner Behrens complimented the City on involving the schools. He pointed out that this exercise would fit in well with social studies or civics class curriculum, and that students could be used to facilitate the conversations. He also suggested getting the local churches involved to do outreach.

Mr. Olander noted that word-of-mouth advertising is very effective in getting the message out to the public. He said one of the best ways to get people involved is to encourage them to participate in the existing meetings.

Mr. Tovar clarified that the host organizations are simply *hosting*, or providing venues for the meetings to take place. The City is the *sponsoring* organization of these meetings.

Chair Kuboi commented that the feedback the City will receive will be “all over the map” and there will be a fair amount of subjectivity in the “data crunching.” He said the Council and the Commission need to feel comfortable with the way the results are organized.

Mr. Olander pointed out that the challenge for the facilitators will be to accurately interpret the underlying values of the comments that are generated. He noted that some comments will be very specific, and some will be general visioning statements. The goal will be to identify the values behind the specific examples provided by the public. He clarified that although a general visioning statement will be the ultimate outcome, the specific comments and information will be preserved. He noted that we don’t want to lose or ignore the specific comments.

Councilmember Eggen commented on the value of capturing both specific and general comments. He advised against squelching discussion of specific issues or ideas because they will help the Council make decisions later. He expressed concern that a process focusing only on a general vision will address long-term plans at the expense of short-term issues.

Mayor Ryu said that hopefully the City can sift through the comments and identify the specific issues among the more general values that are expressed.

Mr. Olander pointed out that the Comprehensive Plan update will be a long, complex process with hundreds of policies to review and rewrite. He felt the Community Conversations process will be a good resource to find out what people want. He noted that the City can contact the participants later when the policy statements are revised. He emphasized the need to build the framework first, and then decide if the specific issues fit within that framework. He assured the Council and the Commission that many of the values and statements will coalesce together.

Commissioner Wagner suggested that a large, visual representation of the process might help the visually-oriented people understand the expectations. She said that a large poster with the vision statement and framework goals will let people know how the more detailed values statements will end up in the final draft.

Commissioner Broili concurred. He suggested that the City produce a large representation of the visioning statement. He also suggested the use of sticky notes to help people frame and categorize the comments and values.

Councilmember Way suggested that a chart explaining how the Growth Management Act relates to the Comprehensive Plan would be helpful for some people.

Mr. Tovar concurred with the idea of create graphic representations. He added that the new City website will assist in gathering and disseminating information.

Deputy Mayor Scott felt that asking the core questions, such as “What are the things about my community I like?” is a good place to start the conversation. He emphasized the need to ensure that facilitators are consistent, no matter who they are or what meeting they attend.

Mayor Ryu wondered if the end result of the process will be “buy-in;” in other words, whether the process is designed so that community consensus is the outcome.

Councilmember Way commented on the “loopback” issue referred to earlier by Chair Kuboi. She wondered if the hosting organizations should be involved in summarizing and arranging the raw data.

Commissioner Kaje emphasized the importance of relating the new visioning statement to the existing statement. He said it is likely that some of the old goals and values will be retained, and some may be abandoned.

Commissioner Pyle emphasized that the process is designed so the City can learn from people; it is not designed so we can tell them what we’re going to do. He felt that the less we bring to the meetings, the better. He added that you learn from people by listening to them.

Commissioner Perkowski agreed with the idea of organizing the random comments and ideas that are expressed. He said as people answer the basic questions about what they value in Shoreline, they can be labeled as values statements, as goals statements, or as discrete statements. He felt there will be a logical way to arrange the various comments.

Councilmember Way commented that the City might get many random comments if the process is too open-ended. She felt that providing the public with some type of framework will help them focus their comments.

Commissioner Broili reiterated that an approach utilizing graphics is a good way to help people focus. He said people are smart and will figure out the patterns as their comments are recorded and categorized.

Mr. Olander noted that part of the facilitator's job will be to gently guide people back if the conversation gets off track.

Councilmember Eggen pointed out that people express their vision and values in a variety of ways; some use high-level language while others express themselves in specific, concrete terms. He felt it could be a little risky to categorize or label the various comments that come in.

Mr. Tovar assured Councilmembers that they would review every "scrap of paper" that is produced from the meetings so that no concept or sentiment is lost.

Mayor Ryu declared the meeting adjourned at 7:22 p.m.

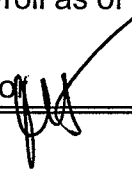
---

Scott Passey, CMC  
City Clerk

This page intentionally left blank.

## CITY COUNCIL AGENDA ITEM

### CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Approval of Expenses and Payroll as of September 30, 2008
<b>DEPARTMENT:</b>	Finance
<b>PRESENTED BY:</b>	Debra S. Tarry, Finance Director 

#### EXECUTIVE / COUNCIL SUMMARY

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

#### RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$2,092,698.06 specified in the following detail:

##### **\*Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
8/24/08-9/6/08	9/12/2008	25769-25959	8063-8114	37728-37736	\$418,695.13
					\$418,695.13

##### **\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/10/2008	37655		\$3,385.45
9/11/2008	37656		\$77,300.00
9/15/2008	37657	37677	\$2,275.51
9/15/2008	37678	37695	\$383,223.67
9/15/2008	37696	37727	\$85,701.32
9/16/2008	37737	37738	\$97,919.43
9/16/2008	37739		\$2,675.70
9/18/2008	37740		\$12,500.00
9/24/2008	37741	37762	\$772,920.78
9/24/2008	37763		\$11,631.00
9/24/2008	37764	37775	\$83,861.73
9/26/2008	37776	37821	\$77,757.69
9/29/2008	37822		\$20,000.00
9/29/2008	37823	37833	\$16,141.14
9/30/2008	37834	37836	\$26,709.51
			\$1,674,002.93

**This page intentionally left blank.**

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

**AGENDA TITLE:** Adoption of Ordinance No. 525, Amending the 2008 Budget for Operating Funds & Capital projects  
**DEPARTMENT:** Finance  
**PRESENTED BY:** Debbie Tarry, Finance Director

**PROBLEM/ISSUE STATEMENT:**

During the development of the 2009 proposed budget, the operating budgets for the current year were reviewed and year-end projections were developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that 2008 appropriations needed to be amended as a result of unanticipated revenues from grants and unanticipated expenditure requirements. Since the adoption of the 2008 budget, the City has been awarded grants to support the Emergency Management and City Clerk programs. Other operating programs need to be adjusted to reflect expenditures that have been authorized by Council, but have not been officially adopted in the form of a budget amendment and unanticipated expenditures. The Transfers Out appropriation from the General Fund to the General Capital Fund is being increased to provide additional funding anticipated 2008 budget savings to fund the City Hall/Civic Center project. Due to anticipated savings in the Street Operations program, the General Fund Transfer to the Street Fund is being reduced and the savings will be transferred to the General Capital Fund to also support the City Hall/Civic Center project.

The following operating programs will be impacted by the amendment:

General Fund - \$1,000,764

- City Clerk/WA State Records Grant- \$29,598
- Emergency Management/EMPG Grant - \$35,114
- Highland Park Center - \$34,800
- District Court - \$88,252
- Public Works Facilities - \$13,000
- General Fund Transfer Out to General Capital Fund (City Hall/Civic Center) - \$839,000
- General Fund Transfers Out to Street Fund- (\$39,000)

Street Fund -

- Street Operations - \$2,865

Asset Seizure Fund

- State Seizures - \$24,000

General Capital Fund

- City Hall/Civic Center Project - \$194,460

Vehicle Operations/Maintenance Fund

- Vehicle Maintenance – \$20,000

Equipment Replacement Fund

- Upgrade of Customer Response Team Vehicle - \$11,000

**FINANCIAL IMPACT:**

The following table summarizes the budget amendment request for each of the affected City funds and the impact that this has on the City's reserve levels.

	Current 2008 Available Beginning Fund Balance	Budget Amendment Request	Revenue Adjustments	Resulting 2008 Available Beginning Fund Balance
Fund	(B)	(C)	(D)	(E) (B - C+D)
General Fund	\$3,016,844	\$1,000,764	\$99,512	\$2,115,592
Street Fund	\$835,139	\$2,868	(\$39,000)	\$793,271
Asset Seizures Fund	\$24,623	\$24,000	\$24,000	\$24,623
General Capital Fund	\$3,859,111	\$194,460	\$194,460	\$3,859,111
Vehicle Operations Fund	\$71,079	\$20,000	\$0	\$51,079
Equipment Replacement Fund	\$1,643,684	\$3,338	\$3,338	\$1,643,684
<b>Total</b>	<b>\$9,450,480</b>	<b>\$1,245,430</b>	<b>\$282,310</b>	<b>\$8,487,360</b>

**RECOMMENDATION**

Staff recommends that Council approve Ordinance No. 525, amending the 2008 budget.

Approved By:

City Manager 

City Attorney 



## **INTRODUCTION**

During the development of the 2009 proposed budget, the operating budgets for the current year were reviewed and year-end projections were developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that 2008 appropriations needed to be amended as a result of unanticipated revenues from grants and additional expenditures approved by Council earlier in the year. A capital project is also requesting additional funding.

## **BACKGROUND**

### **Budget Amendments for Operating Programs**

#### **General Fund**

**Revenues:** General Fund revenues will be increased by \$99,512. This reflects an Emergency Management Performance Grant (EMPG) from the Washington State Military Department and the Department of Homeland Security totaling \$35,114, a Washington State Records Grant totaling \$29,598 and proceeds from the lease of the Highland Park Center property totaling \$34,800. Fund balance of \$901,252 will be used to support the remaining increases in the appropriation.

**Emergency Management Planning:** The 2008 appropriation for this program will be increased by \$35,114. Funding from the EMPG grant will be used for volunteer time and a computer, emergency management software and upgrades to the Emergency Operations Center.

**City Clerk:** Increase appropriation by \$29,598 to reflect the award of a grant which will be used for the archiving of City records.

**District Court:** Increase appropriation by \$88,252 to cover the cost of services for 2007 as included in the final reconciliation.

**Public Works-Facilities:** Increase appropriation by \$13,000 to cover the cost of removing and disposal of a tank that was located at Hamlin.

**Highland Park Center:** Increase the appropriation by \$34,800 to cover the cost of electrical work. This cost will be offset by lease revenue.

**Operating Transfers Out:** Increase the appropriation for the transfer to the General Capital Fund by \$839,000 to provide additional one-time funding for the construction of City Hall and reduce the transfer to the Street Fund by \$39,000.

#### **Street Fund**

Revenues in this fund will be decrease by \$39,000 as the transfer from the General Fund is reduced based on anticipated savings in the Street Maintenance program. Fund balance of \$41,868 will also be used to support the increased funding for the streetlights.

**Street Maintenance:** Funding for repairs and maintenance will be reduced by \$30,500 and funding for operating supplies will be reduced by \$8,500. Funding for streetlights will be increased by \$41,868.

**Asset Seizure Fund**

Revenue will increase by \$24,000 as the City received proceeds from a seizure. This funding will be used to purchase equipment (\$15,000) and provide training opportunities for police staff (\$9,000).

**General Capital Fund**

Revenue will increase by \$194,460 due to the award of a grant from the King County Conservation District (KCCD).

**City Hall/Civic Center Project:** The project will increase by \$194,460 to include the proceeds from the KCCD grant which will be used to construct water quality and natural habitat features such as rain gardens, a green roof, a demonstration native plant garden, a water collection and re-use system, and river rock with native vegetation.

**Vehicle Maintenance & Operations Fund**

Fund balance of \$20,000 will be appropriated to be used to fund repairs of City vehicles (\$10,000) and to cover the increase cost of fuel (\$10,000).

**Equipment Replacement Fund**

Revenues will increase by \$11,000 from interfund charges for services. This revenue will cover the cost of upgrading a Customer Response Team vehicle.

**Impact to the Operating Funds**

The revisions to the 2008 operating budgets result in an increase to the General Fund budget of \$1,000,764, an increase to the Street Fund budget of \$2,868, and an increase of \$24,000 for the Asset Seizure Fund. The fund balance in the General Fund will decrease by \$901,252. The fund balance in the Street Fund will decrease by \$2,868. The fund balance will decrease in the Vehicle Operations & Maintenance Fund by \$20,000, but will remain the same in the Equipment Replacement Fund.

**Impact to the Capital Funds**

The fund balance in the General Capital Fund will not change.

### **SUMMARY**

The following table summarizes the budget amendments to each fund and the resulting 2008 appropriations for each of the affected funds.

<b>Fund</b>	<b>Current Budget</b>	<b>Budget Amendment Request</b>	<b>Amended Budget</b>
General Fund	\$32,631,036	\$1,000,764	\$33,631,800
Street Fund	\$2,741,170	\$2,868	\$2,744,038
Code Abatement Fund	\$100,000	\$0	\$100,000
Asset Seizure Fund	\$21,500	\$24,000	\$45,500
Public Arts Fund	\$168,645	\$0	\$168,645
General Capital Fund	\$30,438,421	\$194,460	\$30,632,881
City Facility-Major Maint. Fund	\$61,000	\$0	\$61,000
Roads Capital Fund	\$23,012,286	\$0	\$23,012,286
Surface Water Utility Fund	\$11,814,854	\$0	\$11,814,854
Vehicle Operations Fund	\$115,049	\$20,000	\$135,049
Equipment Replacement Fund	\$241,750	\$3,338	\$245,088
Unemployment Fund	\$10,000	\$0	\$10,000
Unltd Tax GO Bond	\$1,662,475	\$0	\$1,662,475
<b>Total</b>	<b>\$103,018,186</b>	<b>\$1,245,430</b>	<b>\$104,263,616</b>

### **RECOMMENDATION**

Staff recommends that Council approve Ordinance No. 525, amending the 2008 budget.

### **ATTACHMENTS**

Attachment A: Ordinance 525, Amending the 2008 Budget  
Exhibit 1: Amendment Detail

**ORDINANCE NO. 525**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 486, ORDINANCE NOS. 498, 506, AND 510 BY INCREASING THE APPROPRIATION FOR THE CITY GENERAL FUND, STREET FUND, ASSET SEIZURE FUND, GENERAL CAPITAL FUND, VEHICLE OPERATIONS/MAINTENANCE FUND, AND THE EQUIPMENT REPLACEMENT FUND ;**

WHEREAS, the 2008 Budget was adopted in Ordinance 486 and amended by Ordinances No. 498, 506, and 510; and

WHEREAS, the City has received grants to support the Emergency Management and City Clerk programs; and

WHEREAS, the City has received a grant to support the City Hall/Civic Center project; and

WHEREAS, the City has received rental income from the Highland Park Center which has been designated to be used to fund electrical repairs; and

WHEREAS, the City has received asset seizure funds to be appropriated in the Asset Seizure Fund; and

WHEREAS, the City has projecting savings from the year 2008 in the General Fund that are available to fund the construction of a City Hall/Civic Center; and

WHEREAS, there are sufficient funds within the fund balance of the General Fund, Street Fund, and Vehicle Operations/Maintenance Fund; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

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

**Section 1. Amendment.** The City hereby amends Section 1 of Ordinance No. 486 and the 2008 Annual Budget, by increasing the appropriation for the General Fund by \$1,000,764 for a total appropriation of \$33,631,800; for the Street Fund by \$2,868 for a total appropriation of \$2,744,038; for the Asset Seizure Fund by \$24,000 for a total appropriation of \$45,500; for the General Capital Fund by \$194,460 for a total appropriation of \$31,277,421; for the Vehicle Maintenance/Operations Fund by \$20,000 for a total appropriation of \$135,049; for the Equipment Replacement Fund by \$3,338 for a total appropriation of \$245,088 and by increasing the Total Funds appropriation to \$104,255,616 as follows:

General Fund	\$32,631,036	\$33,631,800
Street Fund	\$2,741,170	\$2,744,038

Attachment A

Code Abatement Fund	\$100,000	
Asset Seizure Fund	\$21,500	\$45,500
Public Arts Fund	\$168,645	
General Capital Fund	\$30,438,421	\$30,632,881
City Facility-Major Maintenance Fund	\$61,000	
Roads Capital Fund	\$23,012,286	
Surface Water Capital Fund	\$11,806,854	
Vehicle Operations/Maintenance Fund	\$115,049	\$135,049
Equipment Replacement Fund	\$241,750	\$245,088
Unlimited Tax GO Bond	\$1,662,475	
Unemployment Fund	\$10,000	
Total Funds	\$103,010,186	\$104,255,616

**Section 2. Amending the 2008 Budget.** The 2008 Budget is amended as set forth in Exhibit 1 and increases the Total Funds appropriation to \$104,907,818.

**Section 3. Amending the 2009-2014 CIP.** The total project budget for the City Hall/Civic Center project will increase by \$194,460 to a total of \$37,606,379.

**Section 4. 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 five days after passage and publication.

**PASSED BY THE CITY COUNCIL ON OCTOBER 13, 2008**

\_\_\_\_\_  
Mayor Cindy Ryu

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Scott Passey  
City Clerk

\_\_\_\_\_  
Ian Sievers  
City Attorney

Publication Date:  
Effective Date:

# Exhibit 1 October 13, 2008 Budget Amendment Detail

Item	Revenue Source				Fund Balance	Total	Explanation
	Fund	Orgkey	Object	Amount	Revenue Object	Amount	Resources
General Fund							
Transfer to Street Fund							
Transfer to General Capital Fund	001	0001000	5970000	\$ (39,000)		\$ (39,000)	Reduce Transfer, savings to be used for transfer to City Hall Project
Transfer to General Capital Fund	001	0001000	5970000	\$ 39,000		\$ 39,000	Savings from reduced transfer to the Street Fund
City Clerk	001	0001000	5970000	\$ 800,000		\$ 800,000	Estimated end of year savings to be used for City Hall project
Emergency Management	001	1200000	5510000	\$ 29,598	3340038	\$ 29,598	Archival of backlog of City records
Performance Grant	001	2005062	5350000	\$ 3,000	3319701	\$ 3,000	Laptop for volunteer
	001	2005062	5410000	\$ 32,114	3319701	\$ 32,114	Funding for volunteer, EOC software and EOC improvements
District Court	001	2104028	5510000	\$ 88,252		\$ 88,252	2007 Reconciliation
Public Works - Facilities	001	2712053	5410000	\$ 13,000		\$ 13,000	Tank Removal/Disposal at Hamlin
Highland Park Center	001	2712255	5480000	\$ 34,800	3625020	\$ 34,800	Electrical work
Total General Fund				\$ 1,000,764		\$ 99,512	\$ 901,252 \$ 1,000,764
Street Fund							
Transfer from the General Fund	101	1010000			3970000	\$ (39,000)	
Street Operations	101	2709054	5480000	\$ (30,500)		\$ -	Savings in Repairs & Maintenance
Street Operations	101	2709054	5320000	\$ (8,500)		\$ -	Savings in Operating Supplies
Street Operations	101	2709168	5471001	\$ 41,868		\$ 41,868	Utility Streetlights
Total Street Fund				\$ 2,868		\$ (39,000)	\$ 41,868 \$ 2,868
Asset Seizure Fund							
State Asset Seizure	108	2005134	5350000	\$ 15,000	3693000	\$ 15,000	Revenue from new seizure will be used for equipment and training
	108	2005134	5430000	\$ 4,000		\$ 4,000	
	108	2005134	5494000	\$ 5,000		\$ 5,000	
Total Asset Seizure Fund				\$ 24,000		\$ 24,000	\$ - \$ 24,000
General Capital Fund							
City Hall/Civic Center	301	2819148	5620000	\$ 194,460	TBD	\$ 194,460	King County Cohservation District Grant
Total General Capital Fund				\$ 194,460		\$ 194,460	\$ - \$ 194,460
Vehicle Maintenance & Operations Fund							
Vehicle Maintenance	501	2709113	5480000	\$ 10,000		\$ 10,000	Repairs & Maintenance
	501	2709113	5321000	\$ 10,000		\$ 10,000	Fuel
Total Vehicle Maintenance & Operations Fund				\$ 20,000		\$ -	\$ 20,000 \$ 20,000
Equipment Replacement Fund							
Municipal Vehicle Replacement	503	1608114	5640000	\$ 3,338	Interfund Charges	\$ 3,338	Upgrade of Vehicle # ???
Total Equipment Replacement Fund				\$ 3,338		\$ 3,338	\$ - \$ 3,338
TOTAL AMENDMENTS				\$ 1,245,430		\$ 282,310	\$ 963,120 \$ 1,245,430

	Current 2008 Available Beginning Fund Balance	Budget Amendment Request	Revenue Adjustments	Resulting 2008 Available Beginning Fund Balance
Fund	(B)	(C)	(D)	(E) (B - C+D)
General Fund	\$3,016,844	\$1,000,764	\$99,512	\$2,115,592
Street Fund	\$835,139	\$2,868	(\$39,000)	\$793,271
Asset Seizures Fund	\$24,623	\$24,000	\$24,000	\$24,623
General Capital Fund	\$3,859,111	\$194,460	\$194,460	\$3,859,111
Vehicle Operations Fund	\$71,079	\$20,000	\$0	\$51,079
Equipment Replacement Fund	\$1,643,684	\$3,338	\$3,338	\$1,643,684
<b>Total</b>	<b>\$9,450,480</b>	<b>\$1,245,430</b>	<b>\$282,310</b>	<b>\$8,487,360</b>

\$963,120

963120

\$8,487,360

<b>Fund</b>	<b>Current Budget</b>	<b>Budget Amendment Request</b>	<b>Amended Budget</b>
General Fund	\$32,631,036	\$1,000,764	\$33,631,800
Street Fund	\$2,741,170	\$2,868	\$2,744,038
Code Abatement Fund	\$100,000	\$0	\$100,000
Asset Seizure Fund	\$21,500	\$24,000	\$45,500
Public Arts Fund	\$168,645	\$0	\$168,645
General Capital Fund	\$30,438,421	\$194,460	\$30,632,881
City Facility-Major Maint. Fund	\$61,000	\$0	\$61,000
Roads Capital Fund	\$23,012,286	\$0	\$23,012,286
Surface Water Utility Fund	\$11,814,854	\$0	\$11,814,854
Vehicle Operations Fund	\$115,049	\$20,000	\$135,049
Equipment Replacement Fund	\$241,750	\$3,338	\$245,088
Unemployment Fund	\$10,000	\$0	\$10,000
Unltd Tax GO Bond	\$1,662,475	\$0	\$1,662,475
<b>Total</b>	<b>\$103,018,186</b>	<b>\$1,245,430</b>	<b>\$104,263,616</b>



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

<b>AGENDA TITLE:</b>	King Conservation District (KCD) Grant Agreement for the City Hall Project
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Jesus Sanchez, City Hall Project Manager Rika Cecil, Environmental Programs Coordinator

**PROBLEM/ISSUE STATEMENT:**

The City has committed to implement features in the new City Hall that support sustainability, water quality and natural resource protection. Funding is required to build a facility that not only models and enhances community sustainability, but also achieves the highest possible public visibility and potential for replication in commercial and residential projects.

King Conservation District (KCD) has awarded \$194,460 in grant funding for the new Shoreline City Hall to construct water quality and natural habitat features, such as rain gardens, a green roof, a demonstration native plant garden, a water collection and re-use system, and river rock with native vegetation for the street frontages.

**FINANCIAL IMPACT:**

This grant award will add an additional \$194,460 to the City Hall project budget.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to sign the King Conservation District Grant Agreement for \$194,460.

Approved By:

City Manager 

City Attorney 

**ATTACHMENTS**

This page intentionally left blank.

---

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

**AGENDA TITLE:** Transfer of Richmond Beach Saltwater Sewer Pumps and Appurtenances to Ronald Wastewater District  
**DEPARTMENT:** City Attorney's Office, Parks and Cultural Services Department  
**PRESENTED BY:** Ian Sievers, City Attorney

**PROBLEM/ISSUE STATEMENT:**

In 1986, King County transferred ownership of the sewer system in Richmond Beach area to Ronald Wastewater District. This transfer appears to have unintentionally excluded the sewer system serving Richmond Beach Saltwater Park and, therefore, the City is the presumed owner. The District has requested the City release its interest in the lift stations, pumps, and related appurtenances serving the park.

**FINANCIAL IMPACT:**

The District currently bills the City for sewer service based on water consumption as well as \$5,000 per year to maintain and operate the system. After transfer, the District will continue to bill the City for sewer service based on water consumption, but will no longer bill the City the \$5,000 per year to maintain and operate the sewer facilities in the park. Instead, the District will bill the City approximately \$200/month for the amortized cost (over 20 years) of replacement of pumps at the lower pump station and for a depreciation cost for the pumps. The monthly bill for the City will increase slightly due to the replacement cost, but overall the City should be paying slightly less as the District will no longer bill the City \$5,000/year for maintenance and operation of the facilities. In addition, with this transfer, the City is avoiding having to pay the full cost (\$50,000) of the pump replacement up-front.

**RECOMMENDATION**

Staff recommends the City Council authorize the City Manager to execute the bill of sale and associated easement, in order to transfer ownership of the sewer system in Richmond Beach Saltwater Park from the City to the Ronald Wastewater Sewer District.

Approved By: City Manager  City Attorney 

## **INTRODUCTION**

Ronald Wastewater District ("District") has requested the City transfer ownership of the two lift stations with pumps and related force main located in the Richmond Beach Saltwater Park. In the 1980s, King County transferred to the District ownership of the sewer system in the Richmond Beach area. It appears this transfer did not include the sewer system within the park. In 1986, King County transferred to the District the majority of its ownership of the sewer system located within the Richmond Beach area. The City relies wholly on the District for maintenance and operation of the sewer system in the park. The exiting sewer pumps require replacement and this proposal addresses a transfer of sewer facilities to address this need as well as ongoing maintenance of the park sewer system.

## **DISCUSSION**

Of the two park lift stations, one is located on the beach, between the foot bridge and the shelter(s) (hereafter "lower lift station") and the second lift station is located in the parking lot (hereafter "upper lift station"). The District has requested that the City release to the District all interest in the stations, pumps and force main so they can consolidate ownership and make needed repairs. According to the District, the lower lift station is designed for two pumps but one has failed (and has been removed) and the other is barely operational. Without pumps, the restroom adjacent to the beach would be unusable. The pumps at the upper lift station are newer and do not need replacement at this time.

The District currently operates and maintains the sewer facilities in the Saltwater Park under an agreement with the City and bills the City \$5,000 per year for these services. The City is billed for sewer service under District rates which are based on water consumption. After transfer of the park sewer system the City's contract payment of \$5,000/year to maintain and operate the facilities will cease, but in addition to the base sewer rate, the District will add a supplemental charge for the cost of replacing the lower lift station pumps amortized over the 20 year expected life of the pumps. The District has estimated the cost to replace the pumps to be \$50,000. The amortization charge together with a depreciation charge on the transferred park sewer system would add a supplemental charge to the current rate of approximately \$200 per month.

To complete the transfer, the City Council needs to authorize the City Manager to execute a bill of sale for the lift stations, pumps and related sewer appurtenances and an easement authorizing the District the right of ingress and egress to/from the park for the purposes of installing, construction, operating and implementing other actions related to operation and maintenance of the sewer system. Staff recommends the City Council authorize execution of the bill of sale and the easement in order to transfer the ownership to the responsible entity.

### **RECOMMENDATION**

Staff recommends the City Council authorize the City Manager to execute the bill of sale and associated easement, in order to transfer ownership of the sewer system in Richmond Beach Saltwater Park from the City to the Ronald Wastewater Sewer District.

**This page intentionally left blank.**

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

<b>AGENDA TITLE:</b>	Motion to Authorize the City Manager to execute a contract amendment for Project Management Services – Shoreline Civic Center
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	Robert L. Olander, CMO Jesus Sanchez, Civic Center Project Manager

**BACKGROUND:** In November 2006, the City and William K. Angle, DBA Private Development Solutions entered into a professional services contract agreement in the amount of \$3,000 for Project Management Services for the new Shoreline Civic Center. Council's decision to proceed with a design/build delivery method in January 2007 resulted in a contract amendment in February 2007, increasing the contract by \$167,000 and the scope of services to include project concept; managing the competitive process and the predevelopment and development processes for the Civic Center Project. On August 15, 2007, the scope of work was amended to include additional services thus increasing the contract amount by \$40,000 to \$210,000.

As we move into the construction phase of the new City Hall, we are requesting a contract amendment to expand the scope of services to include specialized services to assist with project management as outlined in Attachment A. The contract amendment would increase the contract by \$40,000 to \$250,000.

**PROBLEM/ISSUE STATEMENT:** With the beginning of construction of the new Civic Center/City Hall, it is even more crucial to insure that qualified project management assistance is available to advise on all construction related activities. Under the design/build methodology, major decisions on the building are agreed to upfront within the established guaranteed maximum price. We are expanding the scope of work to include the following important services: value engineering expertise to include providing alternate value engineering concepts; assistance in the review of all specifications for quality and value; assistance in monitoring construction progress for compliance with plans and specifications; assistance in monitoring the construction schedule and construction budget to include all phases of the construction to occupancy (Attachment A).

**FINANCIAL IMPACT:** The contract amendment is for \$40,000. There are sufficient funds in the City Hall Project to cover the contract amendment costs.

**RECOMMENDATION**

Staff recommends the Council authorize the City Manager to execute a contract amendment with William K. Angle, DBA Public Private Development Solutions for an amount not to exceed \$40,000.

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

**Attachments:**

Attachment A – Scope of Work



## **ATTACHMENT A**

### **Revised Scope of Work to the Shoreline Civic Center Project.**

#### **Scope of Services**

- Advise project manager on all construction related activities.
- Monitor schedule and report on progress.
- Monitor budget and report on variances.
- Engage with city officials and developer during value engineering process.
- Provide city with alternate VE concepts.
- Review specifications for quality and value.
- Monitor construction progress for compliance with plans and specs.
- Attend owners meetings regularly.
- Attend meetings and brief city officials as directed by project manager.
- Complete other tasks as assigned by project manager.

**Compensation for above reference services is not to exceed \$40,000.**

**This page intentionally left blank.**

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

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 519 to Amend, Update and Add Definitions and Procedures to the Solid Waste Municipal Code Chapter 13.14
<b>DEPARTMENT:</b>	Public Works & City Attorney's Office
<b>PRESENTED BY:</b>	Rika Cecil, Environmental Programs Coordinator and Flannary Collins, Assistant City Attorney

**PROBLEM/ISSUE STATEMENT:**

Adoption of Ordinance No. 519 was originally scheduled for City Council consideration on September 22, 2008. Consideration of the ordinance was postponed until the October 13, 2008 meeting so that the ordinance would be consistent with Department of Public Health regulations.

King County has requested a variance from the Department of Public Health that would allow meat and dairy to be disposed of in yard debris and collected every other week. Currently, meat and dairy may only be disposed of in yard debris if the yard debris is collected every week. The variance is expected to be approved the week of October 6, 2008.

Ordinance No. 519 states that food scraps may be disposed of as yard debris, and does not exclude meat and dairy from such disposal. Yard debris is collected every other week in the Shoreline. Since the ordinance does not exclude meat and dairy from its definition of "food scraps" or "yard debris" and since yard debris collection is every other week in Shoreline, in order to be consistent with the Department of Public Health's regulations, the City needs to wait until the variance is approved in order to adopt the ordinance.

**RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 519 amending the Garbage Code, SMC Chapter 13.14.

Approved By: City Manager  City Attorney 

**ATTACHMENT**

September 22, 2008 staff report

---

Council Meeting Date: September 22, 2008Agenda Item: 7(e)

---

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

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 519 to Amend, Update and Add Definitions and Procedures to the Solid Waste Municipal Code Chapter 13.14
<b>DEPARTMENT:</b>	Public Works & City Attorney's Office
<b>PRESENTED BY:</b>	Rika Cecil, Environmental Programs Coordinator and Flannary Collins, Assistant City Attorney

**PROBLEM/ISSUE STATEMENT:**

In the process of reviewing the Garbage Code for updates and clarification, staff found gaps in the code, as well as inconsistencies with the current King County Solid Waste Code. Staff proposes the following revisions:

1. Change the name of the code from "Garbage Code" to "Solid Waste Code".
2. Update the definitions for types of solid waste and recycling containers, garbage, waste, yard debris, and recyclables.
3. Add procedures for disposal and collection of recyclables.
4. Add a new section to encourage, define and describe the City's recycling program for collection of paper, plastic, glass and metal products.
5. Amend the prohibition for accumulation of garbage to include waste and recyclables
6. Adopt miscellaneous amendments, including language/wording changes

**RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 519 amending the Garbage Code, SMC Chapter 13.14.

Approved By:

City Manager City Attorney 

## INTRODUCTION

Since Shoreline's last update of the Garbage Code in 2006, King County has amended its Solid Waste Code and the City has entered into a new contract with a new solid waste collection provider. As a result of these two developments, the Garbage Code has some minor inaccuracies in the definition section and gaps in other parts of the Code. The proposed amendments tighten up the definitions, update the Code to reflect current procedures for yard debris collection, encourage participation in the City's recycling program, and clarify unlawful accumulation to aid enforcement. In addition, the name of the chapter is proposed to be changed from "Garbage Code" to "Solid Waste Code" to more accurately reflect the type of waste governed by the code.

## DISCUSSION

The first proposed change is to rename Chapter 13.14 from "Garbage Code" to "Solid Waste Code." "Solid Waste Code" more accurately captures all of the types of waste disposed of through solid waste collection, including garbage, recyclables and yard debris.

Second, several changes to the definition section are proposed. The City disposes of its waste in the King County solid waste disposal system; thus, code definitions should be consistent with King County's. Many of the following definition changes update the code to be consistent with the County's. Other definition changes are updated to more accurately reflect the service provided by the new collection provider.

**Section 13.14.010, Definitions**, is updated to reflect the changed, deleted or added definitions.

1. Replace "Garbage can", "Recycling container" and "Mobile Toter" with "Cart"; amend "Detachable Container"; replace "Dumpster" with "Drop-box Container"; and replace "Mini-can" with "Micro-can"

Outdated terms have been replaced by broader, current terms and definitions.

2. Amend "Garbage"

The garbage definition has been amended to exclude hazardous, infectious and other dangerous wastes, which have special disposal requirements. "Junk vehicles or parts thereof" was removed as an example of garbage; although parts of junk vehicles can be disposed of, identifying a "junk vehicle" as garbage is misleading as the service collector cannot haul away a vehicle as part of its normal garbage collection.

3. Add "Mixed paper"

By adding "Mixed paper", paper that can be recycled is clarified, and contamination of recycled materials by non-recyclable materials will be reduced.

4. Expand "Recyclable materials"

To encourage recycling, the new definition clarifies the items that can be recycled and expands it to include motor oil and fluorescent bulbs, when appropriately packaged.

5. Add "Waste"

For clarity, "Waste" is defined in the various forms in which it appears in SMC 13.14.

6. Replace "Yard waste" with "Yard debris" and expand "Yard debris"

Since plant material and debris from yard maintenance can now be routinely recycled, the term "debris" replaces the term "waste" to reflect the recyclable nature of the material. In addition, the King County Code allows food scraps and compostable paper to be deposited with yard debris for recycling.

Third, the following sections have been changed for consistency with the definition changes as well as to fill other miscellaneous gaps in the code, as detailed after each section.

**Section 13.14.080, Placement of garbage receptacles,** is updated to reflect the definition changes in Section 13.14.010 above.

**Section 13.14.175, Recycling program,** is a new section that encourages, defines and differentiates a co-mingled recycling program from the yard debris recycling program, identifies the carts which can be used, and where to place the cart(s) for collection.

**Section 13.14.180, Yard debris programs,** specifies the type of items that can be included, the cart that is appropriate for use, and where to place the cart for collection.

**Section 13.14.210, Littering,** is updated to reflect the definition changes in Section 13.14.010 above.

**Section 13.14.230, Accumulation of garbage,** is amended to prohibit accumulation of garbage, waste and recyclables to aid enforcement by specifying the categories of materials involved in solid waste management.

### **RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 519 amending the solid waste regulations in the Shoreline Municipal Code Chapter 13.14.

## **ATTACHMENTS**

Ordinance No. 519

## ORDINANCE NO. 519

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING GARBAGE REGULATIONS TO UPDATE DEFINITIONS FOR TYPES OF GARBAGE AND RECYCLING CONTAINERS AND FOR GARBAGE, WASTE, YARD DEBRIS AND RECYCLABLES; ADD PROCEDURES FOR DISPOSAL AND COLLECTION OF RECYCLABLES; AND AMEND PROHIBITION FOR ACCUMULATION OF GARBAGE, WASTE AND RECYCLABLES; AND AMENDING CHAPTER 13.14**

WHEREAS, the City's garbage code was adopted by Ordinance No. 251 on December 11, 2000 and amended by Ordinance No. 415 on June 12, 2006; and

WHEREAS, the chapter title of "solid waste code" is more comprehensive than "garbage code" in that it reflects the types of waste, including garbage, recyclables and yard debris, set out for collection;

WHEREAS, the types of garbage receptacles available for garbage disposal have changed since the garbage code adoption and 2006 amendments;

WHEREAS, the size of yard debris accepted for disposal under the yard waste program has slightly increased; and

WHEREAS, the code does not identify procedures for disposal and collection of recyclable materials;

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

**Section 1. Amendment.** The name of the chapter for Shoreline Municipal Code Chapter 13.14 is hereby changed from "Garbage Code" to "Solid Waste Code."

**Section 2. Amendment.** Shoreline Municipal Code Section 13.14.010 is hereby amended by adding definitions for "cart", "drop box container", "mixed paper", and "waste"; amending the definitions of "detachable container", "garbage", "garbage receptacle", "household hazardous wastes", "mini-can", "recyclable materials", and "yard waste"; and removing the definitions for "dumpster", "garbage can", "mobile toter", and "recycling container", to read as follows with subsections renumbered:

### *13.14.010 Definitions.*

"Cart" means a City contractor-provided 20, 32, 45, 64 or 96 gallon wheeled cart suitable for household collection, storage and curbside placement of garbage, recyclable materials or yard debris.

"Detachable container" means a watertight, metal or plastic container, not less than one-half one cubic yard in capacity nor greater than eight cubic yards in capacity, and



equipped with a tight-fitting metal, plastic, or other city-approved cover, and capable of being mechanically unloaded into a collection vehicle. The term shall also apply to containers of other material of similar size when approved by the city manager.

"Drop-box Container" means an all-metal container with ten cubic yards or more capacity that is loaded onto a specialized collection vehicle, transported to a disposal or recycling site, emptied and transported back to customer's site.

"Dumpster" means any garbage receptacle with a capacity over one cubic yard.

"Garbage" means all biodegradable and nonbiodegradable solid and semisolid wastes, including but not limited to refuse, yard debris waste, cold and bagged ashes, industrial wastes, infectious wastes, swill, CDL wastes, junk vehicles or parts thereof, and recyclable materials. The term "garbage" shall not include hazardous wastes, infectious wastes, special category wastes, and special wastes.

"Garbage can" means a container that is watertight galvanized sheet metal, or plastic container not exceeding four cubic feet or 32 gallons in capacity, weighing not over 15 pounds when empty, fitted with two sturdy handles, one on each side, and a tight cover equipped with a handle.

"Garbage receptacle" includes detachable container, mini micro-can, and garbage cart, can, and/or mobile toters, which are rodent and insect proof. This may also include other forms of storage appropriate to the material in question that prevent seepage, contamination of soil, or surface or ground water, spreading due to animal or insect activity or weather conditions, odor, or any risk to public health or safety.

"Household hazardous wastes" means any discarded liquid, solid, contained gas, or sludge, including any material, substance, product, commodity or waste used or generated in the household, regardless of quantity, that exhibits any of the characteristics or criteria of hazardous waste set forth in Chapter 173-303 WAC, but is exempt according to federal, state, and county regulations. Specific household hazardous wastes which are prohibited from disposal as city waste include infectious waste, sharps/ syringes; nonedible oils; flammable liquids and solids including fuels, solvents, paint thinners, and degreasers; pesticides, including herbicides, insecticides and wood preservatives; fluorescent light bulbs; televisions; computers, monitors and laptops; cellular phones; appliances with CFCs; corrosive materials; PCB capacitors and ballasts; mercury (such as thermometers and mercury switches); vehicle batteries; hobby chemicals and artists' paints; liquid paints; and any other material restricted by federal, state, and county regulations; provided, however, empty containers for household hazardous products may be disposed of as garbage.

"Mini-Micro-can" means a 15-gallon to 20-10-gallon container made of galvanized metal or plastic and supplied by the City's solid waste provider, which meets the approval of the city manager.

"Mobile toter" means a moveable receptacle that holds 32 to 96 gallons of garbage with a tight fitting, hinged lid, thick skinned, one piece balanced weight body which sits on tires, which will be picked up at curbside.

"Mixed paper" means magazines, junk mail, phone books, bond or ledger grade paper, cardboard, paperboard packaging and other fiber-based materials meeting industry standards. Paper packaging combined with plastic wax or foil, tissue paper, paper towels and food-contaminated paper are excluded from the definition of mixed paper.

"Recycling container" means a designated garbage receptacle in which recyclable materials can be stored and later placed at curbside, or other location designated by the city manager. This term also includes but is not limited to the designated commercial front load boxes, drop boxes and compactors at locations as may be specified by the city manager.

"Recyclable materials" means aluminum and tin cans, corrugated cardboard, glass containers, mixed paper, newspaper, recyclable plastic containers that have contained non-hazardous products, plastic films, polycoated cartons, and scrap metals. garbage that is separated for recycling or reuse, such as papers, metals, and glass, that are identified as recyclable materials through administrative action of the city manager. The term "recyclable materials" shall include motor oil and fluorescent bulbs that are properly packaged, set out for collection separately and not commingled with other recyclable materials.

"Waste" means hazardous waste, household hazardous waste, small quantity generator hazardous waste, special category waste, special waste and unacceptable waste.

"Yard debris waste" means plant material (such as leaves, grass clippings, branches, brush, flowers, roots, wood waste, unflocked holiday trees etc.) and debris commonly removed thrown away in the course of maintaining yards and gardens that do not exceed four inches in diameter and four feet in length, and, including sod and rocks not over two inches in diameter; and biodegradable waste approved for the yard waste programs by the city manager. Bundles of debris shall not exceed two feet by two feet by four feet in dimension and shall be secured by degradable string or twine, not nylon or synthetic materials. It Food scraps and compostable paper may be disposed of as yard debris. This term excludes rocks, loose soils, food waste, plastics and synthetic fibers; lumber; human or animal excrement; and soil contaminated with hazardous waste.

**Section 3. Amendment.** Shoreline Municipal Code section 13.14.080 is hereby amended to read as follows:

*13.14.080 Placement of garbage receptacles.*

**A. Garbage Receptacles.**

1. Garbage receptacles other than approved dumpsters drop-box containers shall be placed for collection by the occupants in a convenient, accessible location off the sidewalk as near as practicable to the curbside in a manner that does not interfere with

transportation use or use of the sidewalk. Receptacles shall be placed in the following manner:

- a. For properties with level planting strips, in the planting strip or driveway within five feet of the curb; or
- b. For properties with sidewalks but no planting strips, on the owner's property within five feet of the curb-sidewalk, if level; or
- c. When the foregoing locations slope at a grade making placement of a container difficult, a level area that is nearest to either of the previous locations; or
- d. If the foregoing locations are not available due to dense shrubbery or extraordinary circumstances, then placement shall be at a location suitable to the customer and approved by convenient to the authorized collection company that does not interfere with transportation or the use of the sidewalk.

2. Receptacles shall not be placed for collection until a reasonable time prior to collection. Containers shall be removed within a reasonable time thereafter.

3. Detachable containers may be stored within a building but shall be readily accessible for servicing without unnecessary delay or special collection equipment and minimal delay.

**B. ~~Dumpsters~~ Drop-box Containers.**

1. ~~Dumpsters~~ Drop-box Containers shall be placed at a location that is agreed to by the customer and the authorized collection company that does not interfere with transportation or the use of the sidewalk.

**Section 4. Amendment.** A new section 13.14.175 is added to the Shoreline Municipal Code to read as follows:

*13.14.175 Recycling program.*

A. The City encourages customers to participate in the recycling program. Recyclable materials may be set out for separate curbside collection in a 32, 64 or 96 gallon recycling carts supplied by the authorized collection company. Recyclable materials shall be defined as set forth in SMC 13.14.010.

B. Only recyclable materials shall be placed in a recycling cart and set out for collection.

**Section 5. Amendment.** Shoreline Municipal Code section 13.14.180 is hereby amended to read as follows:

*13.14.180 Yard debris waste programs.*

A. The City encourages customers to participate in the yard debris program. Yard debris waste for collection may be set out for separate curbside collection at the curbside shall be set apart from other garbage for pickup in a 32, 64 or 96 gallon yard debris cart supplied by the authorized collection company garbage receptacle that is readily identifiable by the collectors. Extra yard debris and food scraps may be placed in biodegradable paper bags specifically marketed for such use. Plastic bags are not to be used for yard debris collection. Extra limbs and brush may be set out in bundles not exceeding two feet by two feet by four feet in length and secured with biodegradable string or twine. Limbs cannot exceed four inches in diameter and four feet in length. Yard debris waste shall be defined as set forth in SMC 13.14.010. Food scraps and compostable paper may be placed in a yard debris cart. (37), except that yard debris waste for curbside collection shall not include wood or tree limbs over three feet long, nor three inches in diameter. Only yard debris waste generated at the dwelling unit shall be collected at curbside. Yard waste may be set out for separate curbside collection in a garbage receptacle clearly marked for that purpose or in biodegradable paper bags specifically marketed for such use. Plastic bags are not to be used for this purpose.

B. Only yard debris, food scraps and compostable paper waste shall be placed in a garbage receptacle marked for yard debris cart waste and set out for collection.

**Section 6. Amendment.** Shoreline Municipal Code section 13.14.210 is hereby amended to read as follows:

*13.14.210 Littering.*

A. No person shall throw, discard, or deposit litter on any street, sidewalk, or other public property within the city, on any private property within the city and not owned by the person, or in or upon any body of water within the jurisdiction of the city, whether from a vehicle or otherwise; except:

1. When the property is designated by the state of Washington or any of its agencies or political subdivisions or by the city for the disposal of litter or other garbage and such person is authorized to use the property in such manner; or
2. Into a public garbage receptacle or garbage receptacle or dumpster drop-box container owned by or authorized for the person's use, in a manner in which the litter will be prevented from being carried or deposited by the elements or otherwise on any street, sidewalk, or other public or private property.

B. No owner, tenant, or other person responsible for the condition of a construction site shall cause or allow any litter from the site to be deposited by the elements or otherwise on any other public or private property in the city. During such time as the site is not being used, all litter shall be stored or deposited in garbage receptacles or other containers in such a manner as to prevent the litter from being deposited on any other public or private property.

C. No person shall place or tack notices, handbills, literature, etc., on vehicles, utility or sign poles, or other features or improvements on public property. This provision does not prohibit the handing of notices, handbills, literature, etc., from one person into the hands of another or the posting of informational materials upon public kiosks designated for that purpose

**Section 7. Amendment.** Shoreline Municipal Code section 13.14.230 is hereby amended to read as follows:

*13.14.230 Accumulation of garbage, waste and recyclables.*

A. It shall be unlawful for any person to keep garbage or allow garbage or recyclables to accumulate on any property, or in any public place, except in a garbage receptacle or recycling cart, or as otherwise authorized by ordinance or by the city manager. It shall be unlawful for any person to keep or allow waste to accumulate on any property, or in any public place, except as provided in this chapter. This subsection applies to any accumulation of garbage, waste and recyclables accumulation with the exclusion of litter.

B. It shall be unlawful for any owner or occupant of abutting private property, residential or nonresidential, to allow the accumulation of any garbage, waste or recyclables on sidewalks or planting strips, whether the garbage, waste or recyclables are-is deposited by such owner or occupant or not. Garbage, waste and recyclables that is prohibited to accumulate includes but is not limited to cigarette butts and burning or smoldering materials. This provision shall not apply to:

1. The sheriff when removing the contents of a building to a public place pursuant to an eviction order; provided, however, any contents remaining in a public place for greater than 24 hours shall be considered abandoned property by the tenant and a violation of this section by the landlord if not removed and disposed of pursuant to RCW 59.18.312;
2. Firefighters placing debris on the sidewalk or planting strip in the course of extinguishing a fire or explosion;
3. The use of receptacles placed or authorized by the city for the collection of garbage or recyclables on sidewalks or planting strips; or
4. Accumulations temporarily authorized under a street use permit.

**Section 8. Effective date.** A summary of this ordinance consisting of its title shall be published in the official newspaper of the City and the ordinance shall take effect and be in full force five (5) days after the publication date.

**PASSED BY THE CITY COUNCIL ON SEPTEMBER 22, 2008.**

\_\_\_\_\_  
Mayor Cindy Ryu

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Scott Passey, CMC  
City Clerk

\_\_\_\_\_  
Ian Sievers  
City Attorney

Date of Publication:  
Effective Date:

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

<b>AGENDA TITLE:</b>	Authorize the City Manager Execute Intergovernmental Cooperative Purchasing Agreements with the US Communities, National Joint Powers Alliance, and the State of New York
<b>DEPARTMENT:</b>	Finance
<b>PRESENTED BY:</b>	Cathy Robinson, Purchasing Officer Debbie Tarry, Finance Director

**PROBLEM/ISSUE STATEMENT:**

The City of Shoreline desires to arrange for making cooperative purchases of certain goods and services, as allowed under RCW 39.34, by entering into Intergovernmental Cooperative Purchasing Agreements, with US Communities, National Joint Powers Alliance and the State of New York.

US Communities is a nonprofit designed in cooperation with an advisory board of local and state government purchasing officials and is jointly sponsored by the Association of School Business Officials International (ASBO), the National Association of Counties (NACo), the National Institute of Governmental Purchasing (NIGP), the National League of Cities (NLC), and the United States Conference of Mayors (USCM).

The National Joint Powers Alliance (NJPA) is a service cooperative created by Minnesota Statute 123A.21 to allow participating governmental and municipal agencies to participate (Joint Powers Law). The State of Washington has enacted its own joint powers law, Chapter 39.34 RCW Interlocal Cooperation Act. The NJPA is governed by an eight-member board comprised of governing officials, including school board, city council or county representatives.

The above entity contracts are available for use by the City of Shoreline. The entities have awarded numerous competitive bids and requests for proposals (RFP) for such items as office supplies, furniture, technology products, environmentally friendly products, computer equipment, copiers, telecommunication, carpeting/flooring, janitorial supplies, auto parts and heavy equipment.

The State of New York establishes hundreds of contract awards each year for thousands of different commodities, services, telecommunications and information technologies. A recent contract award by the State of New York was a furniture contract for Global furniture products. The City of Shoreline would like to use the State of New York contract to procure furniture for the new City Hall, potentially resulting in significant cost savings.

The action taken at tonight's meeting does not authorize the purchase of equipment or furniture, but allows for the City to use existing contracts of these agencies to acquire the equipment and/or furniture. The City must still follow its purchasing policies for equipment when making purchases and seek specific Council approval for any purchase that would exceed \$100,000.

Any of the contracts awarded by the above entities would need to fulfill Shoreline bid requirements. Contracts considered for use by the City of Shoreline would be reviewed against our bidding requirements by the Purchasing Division and only used if the contract met our State bidding requirements.

The proposed intergovernmental cooperative purchasing agreements will allow Shoreline to take advantage of US Communities, National Joint Powers Alliance and the State of New York contracts to acquire some of the above mentioned items. Because these are interlocal agreements, Council's authorization is required for the City Manager or designee to join or execute an agreement. The interlocal agreements do not limit the cooperative purchasing opportunities to the items listed above, but allows for other opportunities as the need arises.

**FINANCIAL IMPACT:**

The agreements will increase Shoreline's efficiencies in bidding and contracting for supplies, material, equipment, or services that may be required from time to time by the City. This benefit is realized by the lead agencies entities completing the formal bid procedures, including the development of bid specifications, bid documents, public advertising and process, and tabulating of bid results. with intergovernmental cooperative purchasing agreements, the City would not have the cost of developing our bid documents and the public advertising. In addition, the use of the interlocals will reduce the delivery time of the needed items to the requesting department, since the lead agency has already completed the bidding process.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to execute intergovernmental cooperative purchasing agreements with the entities of US Communities, National Joint Powers Alliance, and the State of New York.

Approved By:

City Manager 

City Attorney 



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

<b>AGENDA TITLE:</b>	Ordinance No. 523 to Extend Moratorium in RB Zones for Six (6) Months
<b>DEPARTMENT:</b>	Planning and Development Services
<b>PRESENTED BY:</b>	Joseph W. Tovar, FAICP, Director Steven Cohn, Senior Planner

**PROBLEM/ISSUE STATEMENT:**

Ordinance No.505, establishing interim development regulations for the Regional Business (RB) zone, was adopted May 12, 2008 in response to community concerns over the existing code which did not establish a maximum residential density in the RB zone. The moratorium was adopted for six (6) months to establish a maximum density of 110 dwellings per acre while the staff and Planning Commission considers development code solutions to address intensive multifamily and commercial development as it transitions to single family neighborhoods. Due to additional workload on the staff and the Planning Commission resulting from the Visioning project, the Commission will be unable to complete its work by the original expiration date, November 12, 2008. The Council is asked to extend the moratorium for an additional six (6) months.

**RECOMMENDATION**

Staff recommends the adoption of Ordinance No. 523 (Exhibit A) extending a moratorium and interim density regulations for RB zones, which would allow sufficient time for staff to return with additional information and for Council to adopt a code amendment.

Approved By:

City Manager

City Attorney

## **BACKGROUND**

The most intensive land use district in the City is the Regional Business (RB) Zone. The RB zone allows the greatest building height (65 feet), lot coverage, and range of permitted uses of any zoning district. It also allows the greatest density of any zoning district in Shoreline. SMC 20.50.020(2) lists the maximum density, expressed as dwelling units per acre (du/ac) for Neighborhood Business (NB) and Community Business (CB) zones as 24 and 48 du/ac, respectively. In contrast, the maximum density listed for RB zones is "No maximum."

The current moratorium, adopted in May and set to expire on November 12, 2008, places a maximum density of 110 du/acre in RB zones. Staff had hoped to complete work on the final regulations by late September for Planning Commission review and subsequent recommendation to the Council. However due to subsequent Council direction to refine the long-range vision for Shoreline, it seems prudent to delay a review of the RB district until after the vision is better defined. Therefore, staff is requesting the Council to extend the moratorium for another 6 months, to expire in May 2009. As with all changes to the development code, work will include public review and comment at hearings conducted by the Planning Commission and a recommendation to the City Council for final action.

## **RECOMMENDATION:**

Staff recommends the adoption of Ordinance No. 523 (Exhibit A) extending a moratorium and interim density regulations for RB zones, which would allow sufficient time for staff to return with additional information and for Council to adopt a code amendment.

## **ATTACHMENTS**

Exhibit A: Ordinance No. 523 to extend the moratorium in the RB zoning district to limit residential development to densities no greater than 110 du/acre

**ORDINANCE NO. 523**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, EXTENDING FOR SIX MONTHS A MORATORIUM ON THE FILING OR ACCEPTANCE OF ANY APPLICATIONS FOR RESIDENTIAL DEVELOPMENT OF LAND WITHIN THE REGIONAL BUSINESS LAND USE DISTRICT WHICH EXCEED A DENSITY OF 110 DWELLING UNITS PER ACRE.**

WHEREAS, under the provisions of the Growth Management Act the City has adopted development regulations implementing the City of Shoreline Comprehensive Plan; and

WHEREAS, the Regional Business (RB) land use district allows residential development, but does not place an absolute limit on the permitted number of dwelling units per acre; and

WHEREAS, the Shoreline City Council found that, pursuant to Ordinance 505, the continued acceptance of development applications proposing new residential development utilizing existing Regional Business (RB) zone density provisions may allow development that is incompatible with nearby existing land uses and circulation systems, leading to problematic traffic conditions and an erosion of community character and harmony; and

WHEREAS, the City Council continues to find that the integrity of existing land uses may suffer irreparable harm unless a moratorium is adopted and that the potential adverse impacts upon the public safety, welfare, and peace, as outlined herein, continue to justify the declaration of an emergency; and

WHEREAS, the current moratorium expires November 12, 2009 unless extended or terminated before that date; and

WHEREAS, the City Council held a public hearing on October 13, 2008 to consider extension of the moratorium until May 12, 2009; and

WHEREAS, an interim control until May 12, 2009 will allow the City to continue preserving planning options and preventing substantial change until the existing land areas so designated and the proposed amendments to the development standards are adopted; now, therefore

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

**Section 1. Findings of Fact.** The recitals set forth above are hereby adopted as findings of the City Council.

**Section 2. Moratorium Extension Adopted.** The Moratorium adopted by Ordinance No. 505 is extended until May 12, 2009.

**Section 3. Publication, Effective Date.** This ordinance shall take effect five days after publication of a summary consisting of the title in the official newspaper of the City.

**PASSED BY THE CITY COUNCIL ON \_\_\_\_\_**

\_\_\_\_\_  
Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Scott Passey  
City Clerk

\_\_\_\_\_  
Ian Sievers  
City Attorney

Date of Publication: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

---

**Council Meeting Date:** October 13, 2008

**Agenda Item:** 8(b)

---

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

<b>AGENDA TITLE:</b>	Ordinance No. 522 Granting a Franchise to Verizon Northwest Inc. to Operate a Cable System in the Public Rights-of-Way to Provide Cable Services in the City Shoreline for a Twelve Year Term
<b>DEPARTMENT:</b>	CMO
<b>PRESENTED BY:</b>	John Norris, Management Analyst

**PROBLEM/ISSUE STATEMENT:**

Verizon Northwest Inc., which currently provides telephone service to the area of Shoreline west of Meridian Avenue N and north of N 160<sup>th</sup> Street, approached the City earlier this year about obtaining a cable franchise to provide cable television over a new fiber optic network that they are currently installing in their telephone service area. Similar to all cable television providers using City streets and Rights-of-Way for the purposes of construction, operation and maintenance of their cable communication system, Verizon must have a cable franchise to operate a cable system within the City. Proposed Ordinance No. 522 would grant this cable franchise to Verizon Northwest Inc.

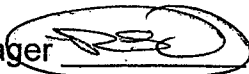
Shoreline Municipal Code (SMC) Section 5.20, the section of the code that governs cable franchising, states that the City Council is required to hold a public hearing to determine if the public would benefit by the granting of a franchise to the applicant, that the applicant has the requisite financial and technical resources to build, operate and maintain a cable system, and that the applicant has no conflicting interests that are contrary to the interests of the City, among other considerations. Thus, this public hearing will be an opportunity to provide input to the City Council on proposed Ordinance No. 522. The Council will then have the opportunity to discuss the proposal, ask staff questions, and provide direction for future adoption. For reference, attached is proposed Ordinance No. 522, which includes the negotiated cable franchise with Verizon Northwest Inc.

**RECOMMENDATION**

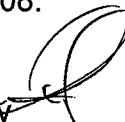
No official action is required, as the purpose of this public hearing is to hear public comment on proposed Ordinance No. 522. Staff does however recommend that Council consider this staff report evidencing the Council's consideration of the requirements in all applicable provisions of law, which support the Mayor and Council's approval of the proposed Franchise Agreement between the City of Shoreline and Verizon Northwest Inc. Staff also recommends that Ordinance No. 522 be adopted when this item is proposed for Council adoption on October 27, 2008.

Approved by:

City Manager



City Attorney



**INTRODUCTION:**

Verizon Northwest Inc., which currently provides telephone service to the area of Shoreline west of Meridian Avenue N and north of N 160<sup>th</sup> Street, approached the City earlier this year about installing a Fiber to the Premises (FTTP) Network to upgrade their telecommunications system pursuant to Title II of the Communications Act, and in accordance with Washington law. The FTTP Network will utilize fiber-optic cables and associated optical electronics instead of copper wire to connect customers to the Verizon Network. The installation of the Verizon FTTP Network began in the summer of 2008, and according to Verizon, will take roughly two years to complete.

In addition to the upgraded digital telephone service, Verizon's FTTP Network, once installed, will enable the provision of cable television and cable internet service to the residents of the service area that it serves. Verizon is seeking to provide cable television service to City residents within their existing telephone service area under the terms and conditions of the attached proposed Franchise Agreement.

Shoreline is currently served by one "land-line" cable television provider, Comcast Cable, and two satellite cable television providers, Dish Network and Direct TV. In order for any cable television provider to make use of City streets and Rights-of-Way for the purposes of construction, operation or maintenance of their cable communication system, they must have a cable franchise with the City. Shoreline Municipal Code Section 5.20, the section of our code that governs cable franchising, states that it is unlawful for any operator to engage in operation or maintenance of a cable television system without a franchise. As satellite cable technology does not require the use of the City rights-of-way for installation or maintenance, neither Dish Network nor Direct TV are required to have a franchise with the City.

**NORTH PUGET SOUND CABLE CONSORTIUM:**

As Verizon is new to providing cable television, internet, and digital telephone service to the Puget Sound region, they are in varying stages of installing their FTTP Network in multiple jurisdictions in north King and south Snohomish counties. Regardless of where in the installation process Verizon is with their FTTP Network, all of the cities in which Verizon will be operating a cable television system are required to negotiate a cable franchise with Verizon. Furthermore, because cities in the region have a collective interest in obtaining the most favorable franchise terms with Verizon and are concerned that the franchise terms are equitable across jurisdictional boundaries, ten cities in the north King/south Snohomish region, including Shoreline, formed a consortium to work together on the majority of terms of the Verizon Cable Franchise.

The Consortium, called the North Puget Sound Cable Consortium, consisted of the cities of Shoreline, Brier, Bothell, Edmonds, Kenmore, Millcreek, Mountlake Terrace, Mukilteo, Woodinville and Snohomish County, which represented areas of unincorporated Snohomish County. The Consortium held negotiation meetings with Verizon for two consecutive months over the summer of 2008 resulting in a franchise "template" that addressed or resolved the majority of the basic franchise issues in the

best interests of the Consortium members. The Consortium also collectively hired a consultant on a cost-share basis, River Oaks Communications, to work with all Consortium members on the template franchise negotiation process.

After the franchise template was negotiated and finalized, additional individual discussions between the City of Shoreline and Verizon were held to tailor the franchise template to the specifics of our jurisdiction. The City of Shoreline was the last Consortium member to complete these separate negotiations with Verizon on issues identified as "local franchise authority" concerns.

#### **MAJOR PROVISIONS OF THE PROPOSED FRANCHISE AGREEMENT:**

As noted above, the Verizon Cable Franchise is a product of several months of negotiations between the North Puget Sound Cable Consortium cities and Verizon Northwest Inc. City staff has negotiated the proposed Franchise Agreement with Verizon based on staff's identification and prioritization of the cable-related needs and interests of the residents of the area. Although there are some similarities to the current cable franchise with Comcast Cable, which was granted in 1998, it does differ because a different system technology is being used and there have been changes in conditions since the Comcast Franchise was granted. The major provisions of the proposed Verizon Cable Franchise are listed below:

- Franchise term; Section 2.3. Staff negotiated a twelve (12) year franchise term with Verizon, as the City did not want to be tied to an outmoded agreement in the closing years of the franchise term, and also wanted to align the terms the Verizon and Comcast Franchises so that they could be negotiated simultaneously in future years. Although Verizon strongly desired a fifteen year term to better amortize its start-up costs, they agreed to the City's negotiated term.
- Initial Service Area; Section 3.1. Verizon is installing their FTTP Network in the current service area where they provide telephone service (area of Shoreline west of Meridian Avenue N and north of N 160<sup>th</sup> Street). A map of this service area is attached to the proposed Verizon Cable Franchise as Exhibit A. Verizon is required to offer cable service to significant numbers of subscribers in residential areas of the Initial Service Area and may make cable service available to businesses in the Initial Service Area, within 12 months of the service date of the Franchise, and shall offer cable service to all residential areas in the Initial Service Area within 36 months of the service date of the Franchise. Verizon has stated that they cannot install their FTTP Network outside their existing telephone network as they would then be constructing the network in Qwest's telephone service area, which would require Qwest's permission.
- Free Cable Service to Public Buildings and Schools; Section 3.3. Verizon has agreed to provide free cable service to public buildings and schools as listed in Exhibit B of the proposed Verizon Cable Franchise. City buildings and schools currently receive cable service from Comcast. This provision will enable redundant

service in case of emergency situations (and/or if one cable system goes down). Staff have also coordinated with Shoreline Community College and Shoreline School District staff to ensure their needs were met.

- Education and Government Access Channels; Section 6.1. Similar to the City's franchise with Comcast, staff has secured, without charge to the City, on the Basic Cable Service Tier, one dedicated Educational Access Channel and one dedicated Government Access Channel. These channels will carry the same educational and governmental content that are broadcast on the Comcast Education and Government Access Channels. Verizon has also reserved two additional dedicated Channels for Educational Access and/or Government Access for future use, which can be utilized when specific use criteria are met.
- Franchise Fee; Section 7. Verizon will pay the City a franchise fee of five percent (5%) of its gross revenues derived from operation of the Cable System. The description of gross revenues in the Franchise Agreement is very broad and outlines specific revenue types that require the payment of franchise fees. Since the majority of Verizon's new cable customers are expected to be Comcast customers switching service providers, staff does not anticipate a large increase over current franchise fee levels paid by Comcast.
- Customer Service Requirements; Section 8 and Exhibit D. Extensive customer service requirements, including requirements regarding telephone availability for customer inquiries, billing, installation and service calls, complaint procedures, and communications with subscribers have been written into the franchise as Exhibit D.
- Liability insurance and indemnification requirements; Section 10. Verizon will provide adequate liability insurance and will indemnify the City appropriately.
- Performance Bond and Liquidated Damages; Section 13.1. Verizon will provide a \$20,000 performance bond or other security to secure its faithful performance of all material provisions of the Agreement. If Verizon breaches the provisions in the Franchise Agreement, Section 13.2 provides for liquidated damages, which cannot exceed \$20,000 in any twelve month period. This is in addition to the City's other legal remedies, and provides a guaranteed source from which to recover any penalties likely to be assessed.
- Franchise Grant; Section 14.1. Verizon will pay the City a "franchise grant" of \$6,000. This amount effectively reimburses the City for the costs of participating in the Consortium, and provides additional funds for summary publication of the franchise.

#### **CABLE FRANCHISING AUTHORITY AND ISSUANCE:**

The City's franchising of cable providers is governed by Title VI of the Federal Communications Act and Shoreline Municipal Code (SMC) Section 5.20. The Communications Act provides that a franchising authority may award one or more franchises within its jurisdiction and may not unreasonably refuse to award an additional



competitive franchise. Federal law sets forth requirements with respect to granting an additional cable television franchise. Section 621(a) of the Communications Act requires that the City "assure that access to cable service is not denied to any group of potential residential cable subscribers because of the income of the residents of the local area in which such group resides" and sets forth certain provisions which shall or may be included in a franchise.

City staff has examined each of the legal requirements for approval of the proposed Verizon Cable Franchise, as well as any applicable provisions in existing franchises. Based upon the information provided by Verizon, other evidence presented to staff and its own investigation, the proposed Franchise Agreement meets all of the legal requirements for approval and complies with any applicable provisions in existing franchises. Furthermore, negotiations between Verizon and the City have resulted in an agreement that contains a number of provisions designed to further the best interests of the City and its residents.

As Verizon would be a new cable provider in the City, SMC Section 5.20.030 states that the City Council is required to hold a public hearing to determine if the public would benefit by the granting of a franchise to the applicant, that the applicant has the requisite financial and technical resources to build, operate and maintain a cable system, and that the applicant has no conflicting interests that are contrary to the interests of the City, among other considerations. Issuance of this franchise would provide public benefit by authorizing an additional option in the market place for consumers. Competition among cable providers will bring greater customer choice for different cable services, higher customer service quality, improved programming and more competitive rates.

Federal and state law favors competition in the provision of cable television services directly to consumers and it is broadly recognized at all levels of government that cable competition benefits consumers by encouraging greater efficiency, more competitive prices, and improved customer service. Verizon has a good faith basis to believe that its service offering will be attractive to consumers, and that it will be economically feasible for Verizon to provide cable television services in the City. The major components of Verizon's planned service offering will include a basic service and other channel tiers, including access channels, pay per view events and movies, a wide variety of high definition television channels, digital music channels, digital video recorder set-top boxes, and an innovative interactive programming guide.

Regarding Verizon's financial and technical resources, Verizon Northwest Inc. has provided telecommunications services to residential and business customers for many years. Its ultimate parent company, Verizon Communications, is a Dow 30 company, one of the world's leading providers of telecommunications services, and generates annual consolidated revenues of approximately \$90 billion. As well, Verizon does not have any conflicting interests that are contrary to the interests of the City, will comply with all terms and conditions placed upon them by Ordinance No. 522, and is capable of complying with all relevant federal, state, and local regulations, codes and standards

pertaining to the construction, operation and maintenance of the Cable Facilities and systems incorporated in its application for a franchise.

Finally, staff have concluded that the Public Rights-of-Way in Verizon's Initial Service Area have the capacity to accommodate the Cable Television System and the proposed franchise is also consistent with the City's present and future use of the Public Rights-of-Way to be used by the Cable Television System. Verizon has received Right-of-Way Permits from the Planning and Development Services Department to install their FTTP Network, and the infrastructure installation "mirrors" their current telephone system. This means that their fiber optic cables will be strung overhead on telephone poles where their telephone infrastructure is currently overhead, and the cables will be undergrounded where the current telephone lines are underground. Staff have also concluded that the benefit to the public from the Cable Television System outweighs the potential disruption to existing users of the Public Rights-of-Way to be used by the Cable Television System, and the resultant inconvenience which may occur to the public, and that all other conditions resulting from the grant of the Franchise have been considered by the City and that the City determines that the grant is still in the public's best interest.

**RECOMMENDATION:**

No official action is required, as the purpose of this public hearing is to hear public comment on proposed Ordinance No. 522. Staff does however recommend that Council consider this staff report evidencing the Council's consideration of the requirements in all applicable provisions of law, which support the Mayor and Council's approval of the proposed Franchise Agreement between the City of Shoreline and Verizon Northwest Inc. Staff also recommends that Ordinance No. 522 be adopted when this item is proposed for Council adoption on October 27, 2008.

**Attachments:**

- Attachment A: Proposed Ordinance No. 522, including negotiated franchise with Verizon Northwest Inc.

## ORDINANCE NO. 522

### AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON GRANTING A FRANCHISE TO VERIZON NORTHWEST INC. TO OPERATE A CABLE SYSTEM IN THE PUBLIC RIGHTS-OF-WAY TO PROVIDE CABLE SERVICES IN THE CITY SHORELINE FOR A TWELVE YEAR TERM

WHEREAS, the City of Shoreline ("City") has negotiated a Franchise Agreement with Verizon Northwest Inc. ("Verizon"), granting Verizon a franchise, authority, right and privilege for a period of twelve (12) years to construct, maintain, operate and repair a cable television system in the City, as set forth in the Franchise Agreement attached hereto, labeled Exhibit A and hereby incorporated by reference; and

WHEREAS, Verizon has requested that the City grant it a new franchise for the provision of cable television services within the City; and

WHEREAS, pursuant to RCW 35A.11.030, 35A.47.040 and 47 U.S.C. section 541(a)(1), the City has the power to grant franchises; and

WHEREAS, the City has analyzed and considered the technical ability, financial condition, legal qualifications, general character of Verizon, and all other conditions resulting from the grant of this Franchise, and has determined that it is in the best interest of the City and its residents to grant a cable Franchise to Verizon;

WHEREAS, Verizon and the City agree to be bound by the conditions hereinafter set forth;

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

**Section 1. Grant of Franchise.** Pursuant to RCW 35A.11.030 and 35A.47.040, the City of Shoreline hereby grants a nonexclusive franchise to Verizon Northwest Inc. according to the terms and conditions set forth in Exhibit A attached hereto and incorporated herein by the reference as if set forth in full. Subject to the provisions therein, the term of the franchise shall be for a period of twelve (12) years from the effective date of the franchise, as defined in Exhibit A, and shall grant Verizon the right, privilege and authority to construct, maintain, operate, and repair a cable system in, on, across, over, along, under, upon, through and below the public rights-of-way to provide cable services in the City of Shoreline, all as provided in Exhibit A.

**Section 2. Acceptance of Franchise.** The franchise granted by Section 1 of this Ordinance shall be void and of no effect unless Verizon Northwest Inc. files with the City Clerk a signed franchise agreement accepting all of its terms and conditions within thirty (30) days after the Effective Date of this Ordinance, and in a form satisfactory to the City Attorney.

**Section 3. Severability.** If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

**Section 4. Effective Date.** Pursuant to RCW 35A.47.040, this ordinance has been passed at least five days after its first introduction and by a majority of the whole membership of the City Council at a regular meeting. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect five days after publication; provided that this Ordinance shall become null and void, and no franchise shall be granted hereby, unless the requirements of Section 2 above have been fulfilled.

**ADOPTED BY THE CITY COUNCIL ON OCTOBER 27, 2008**

---

Mayor Cindy Ryu

**ATTEST:**

**APPROVED AS TO FORM:**

---

Scott Passey  
City Clerk

---

Ian Sievers  
City Attorney

Publication Date:     October 30, 2008  
Effective Date:       November 4, 2008

**CABLE FRANCHISE AGREEMENT**

**BETWEEN**

**THE CITY OF SHORELINE**

**AND**

**VERIZON NORTHWEST INC.**

**2008**

## TABLE OF CONTENTS

ARTICLE	PAGE
1. DEFINITIONS.....	2
2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS .....	8
3. PROVISION OF CABLE SERVICE .....	10
4. SYSTEM OPERATION .....	11
5. SYSTEM FACILITIES .....	11
6. EG SERVICES .....	12
7. FRANCHISE FEES .....	14
8. CUSTOMER SERVICE.....	16
9. REPORTS AND RECORDS.....	16
10. INSURANCE AND INDEMNIFICATION .....	18
11. TRANSFER OF FRANCHISE.....	19
12. RENEWAL OF FRANCHISE.....	20
13. ENFORCEMENT AND TERMINATION OF FRANCHISE .....	20
14. MISCELLANEOUS PROVISIONS.....	23
EXHIBIT A INITIAL SERVICE AREA .....	28
EXHIBIT B MUNICIPAL BUILDINGS AND SCHOOLS TO BE PROVIDED FREE CABLE SERVICE.....	29
EXHIBIT C REMITTANCE FORM .....	31
EXHIBIT D CUSTOMER SERVICE STANDARDS .....	32
EXHIBIT E PERFORMANCE BOND.....	42

THIS CABLE FRANCHISE AGREEMENT (the "Franchise" or "Agreement") is entered into by and between the City of Shoreline a duly organized city under the applicable laws of the State of Washington (the Local Franchising Authority or the "LFA") and Verizon Northwest Inc., a corporation duly organized under the applicable laws of the State of Washington (the "Franchisee").

WHEREAS, the LFA wishes to grant Franchisee a nonexclusive franchise to construct, install, maintain, extend and operate a cable communications system in the Franchise Area as designated in this Franchise;

WHEREAS, the LFA is a "franchising authority" in accordance with Title VI of the Communications Act (*see* 47 U.S.C. § 522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to Washington State law and federal law;

WHEREAS, Franchisee is in the process of installing a Fiber to the Premise Telecommunications Network (the "FTTP Network") in the Franchise Area for the transmission of Non-Cable Services pursuant to authority granted by the state of Washington;

WHEREAS, Franchisee intends to construct, install, maintain, and extend the FTTP Network pursuant to Title II of the Communications Act (*see* 47 U.S.C. § 201 *et seq.*), and has requested a cable franchise from the LFA to operate a Cable System over, under, and along the Public Rights-of-Way within the LFA's jurisdiction, in accordance with Title VI of the Communications Act (*see* 47 U.S.C. § 521 *et seq.*);

WHEREAS, the FTTP Network will occupy the Public Rights-of-Way within the LFA, and Franchisee desires to use portions of the FTTP Network once installed to provide Cable Services (as hereinafter defined) in the Franchise Area;

WHEREAS, the LFA has identified the future cable-related needs and interests of the LFA and its community, has considered the financial, technical and legal qualifications of Franchisee, and has determined that Franchisee's plans for its Cable System are adequate, in a full public proceeding affording due process to all parties;

WHEREAS, the LFA desires to protect and manage the Public Rights-of-Way, require high standards of customer service, receive financial compensation relating to Franchisee's use of the Public Rights-of-Way as provided by federal law, obtain educational and governmental channels, establish certain reporting and record access requirements, and provide for the future cable-related needs of its residents;

WHEREAS, the LFA has found Franchisee to be financially, technically, and legally qualified to operate the Cable System;

WHEREAS, the LFA has determined that the grant of a nonexclusive franchise to Franchisee is consistent with the public interest; and

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the LFA's grant of a franchise to Franchisee, Franchisee's promise to provide Cable Service to residents of the Franchise Area of the LFA pursuant to and consistent with the Communications Act (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE PARTIES DO HEREBY AGREE AS FOLLOWS:

**1. DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act (as hereinafter defined) are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1 *Access Channel*: A video Channel, which Franchisee shall make available to the LFA without charge for non-commercial Educational or Governmental use for the transmission of video programming as directed by the LFA.

1.1.1 *Educational Access Channel*: An Access Channel available for the use solely of the local schools (schools shall include any educational institution, public or private, but excluding home schools) in the Franchise Area.

1.1.2 *Government Access Channel*: An Access Channel available for the use solely of the LFA.

1.1.3 *EG*: Educational and Governmental.

1.2 *Additional Service Area*: Shall mean any such portion of the Service Area added pursuant to Section 3.1.3 of this Agreement.

1.3 *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with Franchisee.

1.4 *Basic Service*: Any service tier, which includes the retransmission of local television broadcast signals as well as the EG Channels required by this Franchise.

1.5 *Cable Operator*: Shall be defined herein as it is defined under section 602 of the Communications Act, 47 U.S.C. § 522(5), but does not include direct broadcast satellite providers.

1.6 *Cable Service* or *Cable Services*: Shall be defined herein as it is defined under section 602 of the Communications Act, 47 U.S.C. § 522(6).



1.7 *Cable System or System*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(7), meaning, “a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of 1 or more television broadcast stations; (B) a facility that serves subscribers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of title II of this Act, except that such facility shall be considered a cable system (other than for purposes of section 621(c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with section 653 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility systems.” The Cable System shall be limited to the optical spectrum wavelength(s), bandwidth or future technological capacity that is used for the transmission of Cable Services directly to Subscribers within the Franchise/Service Area and shall not include the tangible network facilities of a common carrier subject, in whole or in part, to Title II of the Communications Act or of an Information Services provider.

1.8 *Channel*: Shall be defined herein as it is defined under section 602 of the Communications Act, 47 U.S.C. § 522(4).

1.9 *Communications Act*: The Communications Act of 1934, as amended by, among other things, the Cable Communications Policy Act of 1984, the Cable Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, as it may be further amended from time to time.

1.10 *Control*: The ability to exercise de facto or de jure control over day-to-day policies and operations or the management of Franchisee’s affairs.

1.11 *FCC*: The United States Federal Communications Commission or successor governmental entity thereto.

1.12 *Fiber to the Premise Telecommunications Network (“FTTP Network”)*: The Franchisee’s network that transmits Non-Cable Services pursuant to the authority granted under the laws of the state of Washington and under Title II of the Communications Act (which Non-Cable Services are not subject to Title VI of the Communications Act), and that supports the Cable System.

1.13 *Force Majeure*: Force Majeure is an event or events reasonably beyond the ability of Franchisee to anticipate and control, such as:

(a) severe or unusual weather conditions, fire, flood, or other acts of God, strikes, labor disturbances, lockouts, war or act of war (whether an actual declaration of war is made or not), insurrection, riots or act of a public enemy;

(b) actions or inactions of any government instrumentality or public utility including condemnation, accidents for which Franchisee is not primarily responsible or work delays caused by waiting for other utility providers to service or monitor utility poles to which

Franchisee's FTTP Network is attached, and unavailability of materials and/or qualified labor to perform the work necessary; and

(c) telephone network outages only when such outages are outside the control of Franchisee.

1.14 *Franchise Area*: The incorporated area (entire existing territorial limits) of the LFA and such additional areas as may be included in the corporate (territorial) limits of the LFA during the term of this Franchise.

1.15 *Franchisee*: Verizon Northwest Inc., and its lawful and permitted successors, assigns and transferees.

1.16 *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by Franchisee and/or its Affiliates from the operation of the Cable System to provide Cable Service in the Service Area. Gross Revenue shall include but may not be limited to the following items so long as all other Cable Operators in the Service Area include the same in Gross Revenues for purposes of calculating franchise fees:

- (a) fees charged for Basic Service;
- (b) fees charged to Subscribers for any service tier other than Basic Service;
- (c) fees charged for premium Channel(s), e.g. HBO, Cinemax, or Showtime;
- (d) fees charged to Subscribers for any optional, per-channel, or per-program services;
- (e) charges for installation, additional outlets, relocation, disconnection, reconnection, and change-in-service fees for video or audio programming;
- (f) fees for downgrading any level of Cable Service programming;
- (g) fees for service calls;
- (h) fees for leasing of Channels;
- (i) rental of customer equipment, including converters (e.g. set top boxes, high definition converters, and digital video recorders) and remote control devices;
- (j) advertising revenue as set forth herein;
- (k) revenue from the sale or lease of access Channel(s) or Channel capacity;
- (l) revenue from the sale or rental of Subscriber lists;
- (m) revenues or commissions received from the carriage of home shopping channels;

- (n) fees for any and all music services that are deemed to be a Cable Service over a Cable System;
- (o) revenue from the sale of program guides;
- (p) late payment fees;
- (q) forgone revenue that Franchisee chooses not to receive in exchange for trades, barter, services, or other items of value;
- (r) revenue from NSF check charges;
- (s) revenue received from programmers as payment for programming content cablecast on the Cable System; and
- (t) Franchise Fees hereunder.

Advertising commissions paid to independent third parties shall not be deducted from advertising revenue included in Gross Revenue. Advertising revenue is based upon the ratio of the number of Subscribers as of the last day of the period for which Gross Revenue is being calculated to the number of Franchisee's Subscribers within all areas covered by the particular advertising source as of the last day of such period, *e.g.*, Franchisee sells two ads: Ad "A" is broadcast nationwide; Ad "B" is broadcast only within Washington. Franchisee has one hundred (100) Subscribers in the Franchise Area, five hundred (500) Subscribers in Washington, and one thousand (1,000) Subscribers nationwide. Gross Revenue as to LFA from Ad "A" is ten percent (10%) of Franchisee's revenue therefrom. Gross Revenue as to the LFA from Ad "B" is twenty percent (20%) of Franchisee's revenue therefrom.

Notwithstanding the foregoing, Gross Revenue shall not include:

1.16.1 Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System;

1.16.2 Bad debts written off by Franchisee in the normal course of its business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.16.3 Refunds, rebates or discounts made to Subscribers or other third parties;

1.16.4 Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services, including, without limitation, Internet Access service, electronic mail service, electronic bulletin board service, or similar online computer services; and any other revenues attributed by Franchisee to Non-Cable Services in accordance with FCC or state public utility regulatory commission rules, regulations, standards or orders, provided that if any such services are Cable Services at any future time pursuant to applicable law, revenues derived from such services shall be included in Gross Revenues;

1.16.5 Payments by Subscribers for merchandise purchased from any home shopping channel offered as part of the Cable Services; provided, however, that commissions or other compensation paid to Franchisee by such home shopping channel for the promotion or exhibition of products or services shall be included in Gross Revenue;

1.16.6 Revenues from the sale of Cable Services on the Cable System to a reseller, when the reseller pays the cable Franchise fees on the resale of Cable Services;

1.16.7 Any tax of general applicability imposed upon Franchisee or upon Subscribers by a city, state, federal or any other governmental entity and required to be collected by Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes and non-cable franchise fees), provided however, as set forth in Section 1.16(t), Franchise Fees under this Agreement are included in Gross Revenues;

1.16.8 Any foregone revenue which Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person, including without limitation, employees of Franchisee and public institutions or other institutions designated in the Franchise; provided, however, that such foregone revenue which Franchisee chooses not to receive in exchange for trades, barter, services or other items of value shall be included in Gross Revenue;

1.16.9 Sales of capital assets or sales of surplus equipment;

1.16.10 Reimbursement by programmers of marketing costs incurred by Franchisee for the introduction of new programming pursuant to a written marketing agreements;

1.16.11 Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement and electronic publishing;

1.16.12 Any fees or charges collected from Subscribers or other third parties for EG Grant.

1.17 *Information Services*: Shall be defined herein as it is defined under Title I, Section 3 of the Communications Act, 47 U.S.C. §153(20).

1.18 *Initial Service Area*: The portion of the Franchise Area as outlined in Exhibit A.

1.19 *Internet Access*: Dial-up or broadband access service that enables Subscribers to access the Internet.

1.20 *Local Franchise Authority (LFA)*: The City of Shoreline or the lawful successor, transferee, or assignee thereof.

1.21 *Non-Cable Services*: Any service that does not constitute the provision of Video Programming directly to multiple Subscribers in the Franchise Area including, but not limited to, Information Services and Telecommunications Services.

1.22 *Normal Operating Conditions*: Those service conditions which are within the control of the Franchisee. Those conditions which are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages (to the extent such outages are on non-Verizon networks or caused by Force Majeure), and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. See 47 C.F.R. § 76.309(c)(4)(ii).

1.23 *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.24 *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.25 *Service Area*: All portions of the Franchise Area where Cable Service is being offered, including the Initial Service Area and any Additional Service areas.

1.26 *Service Date*: The date that the Franchisee first provides Cable Service on a commercial basis directly to multiple Subscribers in the Franchise Area. The Franchisee shall memorialize the Service Date by notifying the LFA in writing of the same, which notification shall become a part of this Franchise.

1.27 *Service Interruption*: The loss of picture or sound on one or more cable channels.

1.28 *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.29 *Telecommunications Facilities*: Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

1.30 *Telecommunications Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46).

1.31 *Title II*: Title II of the Communications Act.

1.32 *Title VI*: Title VI of the Communications Act.

1.33 *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20).

## 2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS

2.1 *Grant of Authority:* Subject to the terms and conditions of this Agreement and the Communications Act, the LFA hereby grants the Franchisee the right to own, construct, operate and maintain a Cable System along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Agreement.

2.2 *LFA's Regulatory Authority:* The parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the LFA over such Telecommunications Facilities is also governed by federal and state law, and the LFA shall not assert jurisdiction over Franchisee's FTTP Network in contravention of those laws. Therefore, as provided in Section 621 of the Communications Act, 47 U.S.C. § 541, the LFA's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance, or operation of Franchisee's FTTP Network to the extent the FTTP Network is constructed, installed, maintained, or operated for the purpose of upgrading and/or extending Verizon's existing Telecommunications Facilities for the provision of Non-Cable Services. Nothing in this Agreement shall affect the LFA's authority, if any, to adopt and enforce lawful regulations with respect to Franchisee's Telecommunications Facilities in the Public Rights-of-Way.

2.3 *Term:* This Franchise shall become effective on \_\_\_\_\_, 2008 (the "Effective Date"). The Term of this Franchise shall be twelve (12) years from the Effective Date unless the Franchise is earlier revoked as provided herein.

2.4 *Grant Not Exclusive:* The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall not be exclusive, and LFA reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise.

2.5 *Franchise Subject to Federal and State Law:* Notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions of federal law and state law as they may be amended, including but not limited to the Communications Act and any applicable rules, regulations, and orders of the FCC, as amended.

### 2.6 *No Waiver:*

2.6.1 The failure of the LFA on one or more occasions to exercise a right or to require compliance or performance under this Franchise, the Communications Act or any other applicable state or federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the LFA nor to excuse Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.6.2 The failure of Franchisee on one or more occasions to exercise a right under this Franchise or applicable law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or of performance of this Agreement, nor shall it excuse the LFA from performance, unless such right or performance has been specifically waived in writing.

2.7 *Construction of Agreement:*

2.7.1 The provisions of this Franchise shall be liberally construed to effect their objectives.

2.7.2 Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545.

2.8 *Police Powers:* In executing this Franchise Agreement, the Franchisee acknowledges that its rights hereunder are subject to the lawful police powers of the LFA. Franchisee agrees to comply with all lawful and applicable general laws and ordinances enacted by the LFA pursuant to such power. Nothing in the Franchise shall be construed to prohibit the reasonable, necessary and lawful exercise of the LFA's police powers. However, if the reasonable, necessary and lawful exercise of the LFA's police power results in any material alteration of the terms and conditions of this Franchise, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee of the material alteration. Any modifications shall be in writing and signed by both parties. If the parties cannot reach agreement on the above-referenced modification to the Franchise, the parties agree to submit the matter to mediation. The matter submitted to mediation shall be limited to what effect, if any, the LFA's exercise of police powers has on the terms of the Franchise. In the event mediation does not result in an agreement, then the Franchisee may terminate this Agreement without further obligation to the LFA or, at Franchisee's option, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association (but not necessarily administered by the American Arbitration Association) or as otherwise mutually agreed by the parties. The matter submitted to arbitration shall be limited to what effect, if any, the LFA's exercise of police powers has on the terms of the Franchise.

2.9 *Termination of Telecommunications Services:* Notwithstanding any other provision of this Agreement, if Franchisee ceases to provide Telecommunications Services over the FTTP Network at any time during the Term and is not otherwise authorized to occupy the Public Rights-of-Way in the Franchise Area, the LFA may regulate the FTTP Network as a cable system to the extent permitted by Title VI.

3. **PROVISION OF CABLE SERVICE**

3.1 *Service Area:*

3.1.1 *Initial Service Area:* Franchisee shall offer Cable Service to significant numbers of Subscribers in residential areas of the Initial Service Area and may make Cable Service available to businesses in the Initial Service Area, within twelve (12) months of the Service Date of this Franchise, and shall offer Cable Service to all residential areas in the Initial

Service Area within thirty-six (36) months of the Service Date of the Franchise, except: (A) for periods of Force Majeure; (B) for periods of delay caused by LFA; (C) for periods of delay resulting from Franchisee's inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments or buildings are subject to claimed exclusive arrangements with other providers; (E) in areas, developments or buildings where Franchisee cannot access under reasonable terms and conditions after good faith negotiation, as determined by Franchisee; and (F) in developments or buildings that Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis; and (G) in areas where the occupied residential household density does not meet the density requirements set forth in Section 3.1.2.

3.1.2 *Density Requirement:* Franchisee shall make Cable Services available to residential dwelling units in all areas of the Service Area where the average density is equal to or greater than thirty (30) residential dwelling units per mile, as measured in strand footage from the nearest technically feasible point on the active FTTP Network trunk or feeder line. Should, through new construction, an area within the Initial Service Area meet the density requirements after the time stated for providing Cable Service as set forth in Sections 3.1.1 and 3.1.2 respectively, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from LFA that the density requirements have been met.

3.1.3 *Additional Service Areas:* Except for the Initial Service Area Franchisee shall not be required to extend its Cable System or to provide Cable Services to any other areas within the Franchise Area during the term of this Franchise or any Renewals thereof except as set forth in this Section 3.1.3. The parties agree that if any land is annexed by the LFA during the term of this Agreement, such annexed areas shall become part of the Franchise Area and Franchisee shall be required to extend Cable Service within a reasonable time to such annexed area (subject to the exceptions in Section 3.1.1 above), provided that such annexed area: (a) is contiguous to the LFA, (b) is within Franchisee's Title II service territory, and (c) is served by the video-enabled FTTP Network. If Franchisee intends to serve Additional Service Areas within the Franchise Area, Franchisee shall notify the LFA in writing of such Additional Service Area at least ten (10) days prior to providing Cable Services in such areas.

3.2 *Availability of Cable Service:* Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1 and Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. Franchisee shall not deny access to Cable Services to any group of potential residential Subscribers because of the income of the residents of the local area in which the group resides. In the areas in which Franchisee shall provide Cable Service, Franchisee shall be required to connect, at Franchisee's expense, other than a standard installation charge, all residential dwelling units that are within one hundred fifty (150) feet of trunk or feeder lines not otherwise already served by Franchisee's FTTP Network. Franchisee shall be allowed to recover, from a Subscriber that requests such connection, actual costs incurred for residential dwelling unit connections that exceed one hundred fifty (150) feet and actual costs incurred to connect any non-residential Subscriber.

3.3 *Complimentary Cable Service to Public Buildings:* Subject to Section 3.1, Franchisee shall provide without charge within the Service Area, one service outlet (unless



otherwise specified in Exhibit B) activated for Basic Service to each public school, police and fire station, public library, government offices and other offices used for municipal government administration as set forth in Exhibit B, and also required of other cable operators in the Franchise Area, provided, however, that if it is necessary to extend Franchisee's trunk or feeder lines more than one hundred fifty (150) feet solely to provide service to any such school or public building, the LFA or other appropriate entity shall have the option either of paying Franchisee's direct costs for such extension in excess of one hundred fifty (150) feet, or of releasing Franchisee from the obligation to provide service to such building. Furthermore, Franchisee shall be permitted to recover, from any school or other public building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet or concealed inside wiring, or a service outlet requiring more than one hundred fifty (150) feet of drop cable; provided, however, that Franchisee shall charge for the provision of Basic Service to the additional service outlets once installed. Cable Service may not be resold or otherwise used in contravention of Franchisee's rights with third parties respecting programming. Equipment provided by Franchisee, if any, shall be replaced at retail rates if lost, stolen, or damaged due to the negligence or other wrongful acts of the LFA.

#### **4. SYSTEM OPERATION**

As provided in Section 2.2, the parties recognize that Franchisee's FTTP Network is being constructed and will be operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities. The jurisdiction of the LFA over such Telecommunications Facilities is restricted by federal and state law, and LFA does not and will not assert jurisdiction over Franchisee's FTTP Network in contravention of those limitations.

#### **5. SYSTEM FACILITIES**

5.1 *Technical Requirement:* Franchisee shall operate, maintain, construct and extend the Cable System so as to provide high quality signals and reliable delivery of Cable Services for all cable programming services. The Cable System shall meet or exceed any and all applicable technical performance standards of the FCC, the National Electrical Safety Code, the National Electrical Code and any other applicable federal law and the laws of the State of Washington to the extent not in conflict with federal law and regulations.

5.2 *System Characteristics:* Franchisee's Cable System shall meet or exceed the following requirements:

5.2.1 The System shall be designed with an initial digital carrier passband between fifty (50) and eight hundred sixty (860) MHz.

5.2.2 The System shall be designed, constructed and maintained to be an active two-way plant for subscriber interaction, if any, required for selection or use of Cable Service.

5.3 *Interconnection:* The Franchisee shall design its Cable System so that it may be interconnected with other cable systems in the Franchise Area. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

5.4 *Emergency Alert System*: Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and state law in order that emergency messages may be distributed over the System in video and audio formats as required by state and federal law.

## 6. EG SERVICES

### 6.1 Access Channels:

6.1.1 In order to ensure availability of educational and government programming, Franchisee shall provide, without charge to the LFA, on the Basic Service Tier one (1) dedicated Educational Access Channel and one (1) dedicated Government Access Channel (collectively, "EG Channels"); and Franchisee shall reserve on its Basic Service Tier for LFA's future use a total of two (2) additional dedicated Channels for Educational Access and/or Government Access (the "Reserve Channels") (the EG Channels and the Reserve Channels are collectively referred to as the "Access Channels").

6.1.2 The parties agree that Franchisee shall retain the right to utilize all such Access Channels, in its sole discretion, during the term of this Franchise until such time that Franchisee activates LFA's Access Channels pursuant to Section 6.1 and/or if LFA ceases to use the Access Channels during the Term of this Agreement. The LFA shall comply with applicable law regarding the use of EG Channels. Franchisee shall only be required to provide the Reserve Channels so long as the other Cable Operators in the Franchise Area are also providing similar channels.

6.1.3 Upon the signing of this Agreement, the LFA hereby notifies Franchisee of its intent to provide programming to be carried on the Government and Educational Access Channels; such notification shall constitute authorization to the Franchisee to transmit such programming within and outside of the LFA.

6.1.4 The LFA may activate the Reserve Channels during the Term by providing the Franchisee with written notice of the need for additional Access Channel capacity at least one hundred eighty (180) days prior to the date it intends to activate the Reserve Channel, demonstrated by a programming schedule for EG programming on the existing Government or Educational Access Channel, as applicable, consisting of at least six (6) hours per day, which programming for purposes of this calculation shall not include repeat programming generated per day or character-generated programming. Such written notice shall authorize the Franchisee to transmit the Reserve Channel within and outside of the LFA.

6.1.5 The Franchisee specifically reserves the right to make or change channel assignments in its sole discretion and shall provide notice of such changes as set forth in the Customer Service Standards, Exhibit D, Sections 10.E and 10.G.4. The Access Channels shall be used for community programming related to Educational and/or Governmental activities. The LFA shall have complete control over the content, scheduling, and administration of the Access Channels and may delegate such functions, or a portion of such functions, to an appropriate designee upon written notice from the LFA to Franchisee. The Franchisee shall not exercise any editorial control over Access Channel programming.

6.1.6 The LFA shall provide and ensure suitable video and audio signals for the Access Channels to Franchisee at City Hall, 17544 Midvale Avenue N, Shoreline, WA 98133) or an alternative location mutually agreeable to the LFA and Franchisee (the "EG Channel Origination Site"). Upon completion of the new City Hall and with ninety (90) days prior written notice from the LFA that video and audio signals will be available at the new City Hall, the EG Channel Origination Site can be changed to 17500 Midvale Avenue N, Shoreline, WA, 98133. The Franchisee's obligations under this Section 6.1, including its obligation to provide upstream equipment, lines and facilities necessary to transmit those video and audio signals, shall be subject to the provision by the LFA, to the extent applicable and without charge to the Franchisee, of:

- (1) access to the EG Channel Origination Site facility;
- (2) access to any required EG equipment within the EG Channel Origination Site facility and suitable required space, environmental conditions, electrical power supply, access, and pathways within the EG Channel Origination Site facility;
- (3) video and audio signals in a mutually agreed upon format suitable for EG Access Channel programming;
- (4) any third-party consent that may be necessary to transmit EG signals (including, without limitation, any consent that may be required with respect to third-party facilities, including the facilities of the incumbent cable provider, used to transmit EG content to the EG Channel Origination Site from auxiliary locations); and
- (5) any other cooperation and access to facilities as are reasonably necessary for the Franchisee to fulfill the obligations stated herein.

To the extent suitable video and audio signals are provided to Franchisee and the foregoing conditions in Section 6.1 are met, Franchisee shall, within one hundred eighty (180) days of written notice or provision of suitable video and audio signals, whichever is later, provide, install, and maintain in good working order the equipment necessary for transmitting the EG signal to Subscribers.

## 6.2 EG Grant:

6.2.1 The Franchisee shall provide a grant to the LFA, or its designee, to be used in support of the production of local EG programming (the "EG Grant"). Such grant shall be used by the LFA for EG access equipment, including, but not limited to, studio and portable production equipment, editing equipment and program playback equipment, or for renovation or construction of EG access facilities.

6.2.2 The EG Grant as of the Effective Date is \$0.15 per Subscriber, per month. Subsequently, such amount can be modified as determined by the City Council no more than once each year and the EG Grant shall be no greater than \$1.00, per Subscriber, per month in the Service Area, and shall be the same amount required of all other Cable Operators in the Franchise Area. Franchisee's obligation under this Section 6.2.2. is contingent upon all other Cable Operators making the same grant payment on a per Subscriber, per month basis. The LFA

shall give Franchisee sixty (60) days prior written notice before changing the amount of the EG Grant under this Section. The EG Grant payment, shall be delivered to the LFA concurrent with the Franchise Fee payment. Calculation of the EG Grant will commence with the first calendar month during which Franchisee obtains its first Subscriber in the Service Area

6.2.3 The LFA shall provide Franchisee with a complete accounting annually of the distribution of funds granted pursuant to this Section 6.2.2.

6.3 LFA shall require all local producers and users of any of the EG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA, from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owed to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a EG facility or Channel. LFA shall establish rules and regulations for use of EG facilities, consistent with, and as required by, 47 U.S.C. § 531.

6.3.1 To the extent permitted by federal law, the Franchisee shall be allowed to recover the costs of an EG Grant or any other costs arising from the provision of EG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill.

## **7. FRANCHISE FEES**

7.1 *Payment to LFA:* Franchisee shall pay to the LFA a Franchise fee of five percent (5%) of annual Gross Revenue ("Franchise Fee"). In accordance with Title VI of the Communications Act, the twelve-month (12) period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were inadvertently omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable.

7.2 *Supporting Information:* Each Franchise Fee payment shall be accompanied by a brief report that is verified by a financial manager of Franchisee showing the basis for the computation, substantially similar to that set forth in Exhibit D. No later than forty-five (45) days after the end of each calendar year, Franchisee shall furnish to the LFA an annual summary of Franchise Fee calculations.

7.3 *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be four (4) years from the date on which payment by Franchisee is due.

7.4 *Interest Charge on Late Payments:* Late payments for any (i) Franchise Fees due pursuant to Section 7, (ii) EG Grant due pursuant to Section 6, (iii) Franchise Grant due pursuant to Section 14, and (iv) liquidated damages due pursuant to Section 13 shall be subject to the interest at the then-current rate set forth in RCW 19.52.020, which as of the date of execution of this Agreement is twelve percent (12%) per annum from the due date to the date that such payment is made.

7.5 *No Release:* LFA's acceptance of payment shall not be construed as an agreement that the amount paid was correct, nor shall acceptance be construed as a release of any claim which the LFA may have for additional sums due under provisions of this Section 7.

7.6 *No Limitation on Taxing Authority:* Nothing in this Franchise shall be construed to limit any authority of the LFA to impose any tax, fee, or assessment of general applicability. Nothing in this Franchise is intended to preclude Franchisee from exercising any right it may have to challenge the lawfulness of any tax, fee, or assessment imposed by the LFA or any state or federal agency or authority, or intended to waive any rights the Franchisee may have under 47 U.S.C. § 542.

7.7 *EG Grant and Franchise Grant Not Franchise Fees:* Franchisee agrees that the EG Grant and Franchise Grant set forth in Sections 6 and 14 respectively, shall in no way modify or otherwise affect Franchisee's obligation to pay Franchise Fees to the LFA. Franchisee agrees that although the sum of Franchise Fees and the EG Grant and Franchise Grant may total more than five percent (5%) of Franchisee's Gross Revenues in any twelve-month (12) period, the additional commitments are not to be offset or otherwise credited in any way against any Franchise Fee payments under this Franchise.

7.8 *Audits:*

7.8.1 The parties shall make every effort to informally consult and resolve any questions or issues regarding Franchise Fee or EG Grant payments and nothing herein shall be construed to preclude such informal consultations or review of Franchisee's books. LFA may audit or conduct a Franchise Fee review of Franchisee's books and records no more than once every three (3) years during the Term, provided that the LFA shall require all other Cable Operators in the Franchise Area to be subject to competitively equitable audit requirements in any renewal or initial granting of such franchises after the Effective Date.

7.8.2 All records reasonably necessary for any such audit shall be made available by Franchisee to LFA within thirty (30) days of LFA's request.

7.8.3 Each party shall bear its own costs of an audit; provided, however, that if the results of any audit indicate that Franchisee underpaid the Franchise Fees by five percent (5%) or more, then Franchisee shall pay the reasonable, documented, out-of-pocket costs of the audit up to ten thousand dollars (\$10,000).

7.8.4 If the results of an audit indicate an overpayment of Franchise Fees, the parties agree that any undisputed overpayment shall be offset against future payments if applicable, within forty-five (45) days. If the results of an audit indicate an underpayment of

Franchise Fees, the parties agree that any undisputed underpayment shall be paid within forty-five (45) days along with interest as set forth in Section 7.4.

7.8.5 Any audit shall be conducted by an independent third party. Any entity employed by the LFA that performs the audit or Franchise Fee review shall not be permitted to be compensated on a success based formula, e.g. payment based on an underpayment of fees, if any.

7.9 *Bundled Services:* If Cable Services subject to the Franchise Fee required under this Article 7 are provided to Subscribers in conjunction with Non-Cable Services, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with applicable federal or state laws, rules, and regulations, or Washington Utilities and Trade Commission regulations, standards or orders. Franchisee shall not allocate revenue between Cable Services and Non-Cable Services with the purpose of evading or substantially reducing the Franchisee's Franchise Fee obligations to the LFA.

7.10 *Alternative Fees:* In the event that Franchise Fees are prohibited by any law or regulation, Franchisee agrees to pay any substitute fee or amount allowed by law up to a maximum amount of five percent (5%) of Gross Revenues, so long as the substitute fee is imposed on all other Cable Operators in the Franchise Area and Franchisee is given thirty (30) days notice of the substitute fee by the LFA.

## **8. CUSTOMER SERVICE**

Customer Service Requirements are set forth in Exhibit D, which shall be binding unless amended by written consent of the parties.

## **9. REPORTS AND RECORDS**

9.1 *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect Franchisee's books and records pertaining to Franchisee's provision of Cable Service in the Franchise Area at any time during normal business hours (those hours during which most similar businesses in the community are open to serve customers) and on a nondisruptive basis, at a mutually agreed upon location in the Franchisee's Title II territory in Washington, as are reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years, provided that if, as a result of reviewing Franchisee's records, LFA identifies specific records and requests that such records be retained beyond the six-year (6) period, Franchisee shall retain those records for an additional twelve (12) months. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Service Area. The LFA shall treat any information disclosed by Franchisee as confidential and only disclose it to employees, representatives, and agents thereof that have a

need to know, or in order to enforce the provisions hereof, unless otherwise required by law whereupon the LFA will notify Franchisee pursuant to Section 9.2. Franchisee shall not be required to provide Subscriber information in violation of section 631 of the Communications Act, 47 U.S.C. § 551.

9.2 *Public Disclosure:* If, in the course of enforcing this Franchise or for any other reason, the LFA believes it must disclose any Franchisee confidential information pursuant to Washington law, the LFA shall provide reasonable advance notice of such disclosure so that Franchisee can take appropriate steps to protect its interests.

9.3 *Records Required:* Franchisee shall at all times maintain:

9.3.1 Records of all written complaints for a period of three (3) years after receipt by Franchisee. The term "complaint" as used herein refers to complaints about any aspect of the Cable System or Franchisee's cable operations, including, without limitation, complaints about employee courtesy. Complaints recorded will not be limited to complaints requiring an employee service call;

9.3.2 Records of outages for a period of three (3) years after occurrence, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

9.3.3 Records of service calls for repair and maintenance for a period of three (3) years after resolution by Franchisee, indicating the date and time service was required, the date of acknowledgment and date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

9.3.4 Records of installation/reconnection and requests for service extension for a period of three (3) years after the request was fulfilled by Franchisee, indicating the date of request, date of acknowledgment, and the date and time service was extended; and

9.3.5 A map showing the area of coverage for the provisioning of Cable Services and estimated timetable to commence providing Cable Service.

## 10. **INSURANCE AND INDEMNIFICATION**

10.1 *Insurance:*

10.1.1 Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise Term, the following insurance coverage:

10.1.1.1 Commercial General Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for property damage and bodily injury. Such insurance shall cover the construction, operation and maintenance of the Cable System and the conduct of Franchisee's Cable Service business in the LFA.

10.1.1.2 Automobile Liability Insurance in the amount of two million dollars (\$2,000,000) combined single limit for bodily injury and property damage.

10.1.1.3 Workers' Compensation Insurance meeting all legal requirements of the state of Washington.

10.1.1.4 Employers' Liability Insurance in the following amounts: (A) Bodily Injury by Accident: \$100,000; and (B) Bodily Injury by Disease: \$100,000 employee limit; and (C) Bodily Injury by Disease: \$2,000,000 policy limit.

10.1.1.5 Umbrella or excess liability insurance in the amount of three million dollars (\$3,000,000).

10.1.2 The LFA shall be included as an additional insured under each of the insurance policies required in this Article 10 except Worker's Compensation and Employer's Liability Insurance. Franchisee shall provide to the LFA a copy of the blanket additional insured endorsements for General and Auto liability, or similar documentation demonstrating compliance. Receipt by an LFA of any certificate showing less coverage than required is not a waiver of Franchisee's obligations to fulfill the requirements.

10.1.3 Each of the required insurance policies shall be with insurers qualified to do business in the State of Washington with an A.M. Best Financial Strength rating of A- or better.

10.1.4 Franchisee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Agreement. In the event that the insurance company cancels the policy, Franchisee will work diligently to obtain replacement insurance so there is no gap in coverage.

10.1.5 Franchisee shall deliver to LFA Certificates of Insurance showing evidence of the required coverage.

10.1.6 The limits required above may be satisfied with a combination of primary and excess coverage.

## 10.2 *Indemnification:*

10.2.1 Franchisee agrees to indemnify, save and hold harmless, and defend the LFA, its elected officials, officers, agents, boards and employees, from and against any liability, damages or claims, settlements approved by Franchisee pursuant to Section 10.2.2 or judgments, arising out of, or resulting from, the Franchisee's activities pursuant to this Franchise, provided that the LFA shall give Franchisee written notice of its obligation to indemnify the LFA within ten (10) days of receipt of a claim or action pursuant to this Section, (or up to thirty (30) days as long as such notice causes no prejudice to the Franchisee). Notwithstanding the foregoing, Franchisee shall not indemnify the LFA, for any damages, liability or claims resulting from the willful misconduct, negligence, or breach of obligation of the LFA, its officers, agents, employees, attorneys, consultants, or independent contractors, for which the LFA is legally



responsible, or for any activity or function conducted by any Person other than Franchisee in connection with EG Access or EAS.

10.2.2 With respect to Franchisee's indemnity obligations set forth in Section 10.2.1, Franchisee shall provide the defense of any claims or actions brought against the LFA by selecting counsel of Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the LFA from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense, provided however, that after consultation with the LFA, Franchisee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the LFA, and the third party is willing to accept the settlement, but the LFA does not consent to the terms of any such settlement or compromise, Franchisee shall not settle the claim or action but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

## **11. TRANSFER OF FRANCHISE**

11.1 Transfer of the Franchise means:

11.1.1 Any transaction in which:

11.1.1.1 an ownership or other interest in Franchisee, the Franchise or the Cable System is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

11.1.1.2 the rights held by Franchisee under the Franchise are transferred or assigned to another Person or group of Persons.

11.1.2 However, notwithstanding Sections 11.1.1.1 and 11.1.1.2 above, a Transfer of the Franchise shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

11.2 Subject to section 617 of the Communications Act, 47 U.S.C. § 537, no Transfer of the Franchise shall occur without the prior written consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned so long as the transferee assumes the obligations of the Franchisee hereunder. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or otherwise for transactions otherwise excluded under Section 11.1.2 above.

## **12. RENEWAL OF FRANCHISE**

12.1 The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of section 626 of the Communications Act, 47 U.S.C. § 546.

12.2 In addition to the procedures set forth in said section 626 of the Communications Act, the LFA shall notify Franchisee of all of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Franchisee under the then-current Franchise term. The LFA further agrees that such assessments shall be provided to Franchisee promptly so that Franchisee has adequate time to submit a proposal under 47 U.S.C. § 546 and pursue renewal of the Franchise prior to expiration of its term.

12.3 Notwithstanding anything to the contrary set forth herein, Franchisee and the LFA agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the LFA and Franchisee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the LFA may grant a renewal thereof.

12.4 Franchisee and the LFA consider the terms set forth in this Article 12 to be consistent with the express provisions of 47 U.S.C. § 546.

## **13. ENFORCEMENT AND TERMINATION OF FRANCHISE**

13.1 *Security:* Within thirty (30) days following the Effective Date of this Agreement, Franchisee shall provide to LFA security for the faithful performance by Franchisee of all material provisions of this Agreement. Franchisee shall maintain the Security at twenty thousand dollars (\$20,000) throughout the term of this Agreement, so long as all other Cable Operators in the Franchise Area are providing competitively equitable security within six (6) months of the Effective Date of this agreement, as evidenced by appropriate written notice from the LFA to the Franchisee. The form of the security may, at Franchisee's option, be a performance bond, letter of credit, cash deposit, cashier's check or any other security acceptable to LFA (the "Security").

13.1.1 If the Franchisee posts a performance bond, it shall be substantially in the form of Exhibit E.

13.1.2 In the event the Security provided pursuant to the Agreement is not renewed, is cancelled, is terminated or is otherwise impaired, Franchisee shall provide new security pursuant to this Article within sixty (60) days of notice.

13.1.3 Neither cancellation, nor termination nor refusal by surety to extend the bond, nor inability of Franchisee to file a replacement bond or replacement security for its obligations, shall constitute a loss to the LFA recoverable under the bond.

### **13.2 *Liquidated Damages:***

13.2.1 In the event the LFA determines that Franchisee has breached this Agreement, after following the procedures in Sections 13.3 and 13.4, the LFA may assess the

following as liquidated damages, provided that the LFA shall require all other Cable Operators in the Franchise Area to be subject to competitively equitable liquidated damages in any renewal or initial granting of such franchises after the Effective Date:

13.2.1.1 Two hundred fifty dollars (\$250) per day for failure to provide EG Access Channels as set forth herein;

13.2.1.2 One hundred fifty dollars (\$150) per day for material breach of the customer service standards set forth in Exhibit D;

13.2.1.3 One hundred dollars (\$100) per day for failure to provide reports as required by the Franchise; or

13.2.1.4 Up to two hundred fifty dollars (\$250) per day for any other material breaches or defaults of this Agreement.

Franchisee shall pay any liquidated damages assessed by LFA within thirty (30) days after they are assessed. Liquidated damages shall accrue starting on the first date of the occurrence of the noncompliance. If liquidated damages are not paid within the thirty (30) day period, LFA may proceed against the Security. Total liquidated damages shall not exceed twenty thousand dollars (\$20,000) in any twelve-month (12) period.

13.2.2 Assessment of liquidated damages shall not constitute a waiver by LFA of any other right or remedy it may have under this Franchise or applicable law except as set forth in this Agreement, including without limitation its right to recover from Franchisee such additional damages, losses, costs and expenses, as may have been suffered or incurred by City by reason of or arising out of such breach of this Franchise. Notwithstanding the foregoing, if LFA elects to assess liquidated damages pursuant to this Section, such election shall constitute LFA's exclusive remedy for the violation for which the liquidated damages were assessed for a period of sixty (60) days. Thereafter, the remedies provided for in this Agreement are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another remedy, or the exercise of any rights of the LFA at law or equity, provided that the cumulative remedies may not be disproportionate to the magnitude and severity of the breach for which they are imposed.

13.2.3 Subject to Sections 13.3 and 13.4, and subject to the assessment of any liquidated damages pursuant to Section 13.2, LFA may elect to pursue other legal and equitable remedies at any time during the term of this Franchise.

13.3 *Notice of Violation:* In the event LFA believes that Franchisee has not complied with the terms of the Franchise, failed to perform any obligation under this Agreement or has failed to perform in a timely manner, LFA shall informally discuss the matter with Franchisee. If these discussions do not lead to resolution of the problem within twenty (20) days, LFA shall notify Franchisee in writing, stating with reasonable specificity the nature of the alleged violation (the "Noncompliance Notice").

13.4 *Franchisee's Right to Cure or Respond:* Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the LFA, if Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the

event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance and notify the LFA of the steps being taken and the date by which cure is projected to be completed. Upon cure of any noncompliance, LFA shall provide written confirmation that such cure has been effected.

13.5 *Remedies:* Subject to applicable federal and state law, in the event the LFA, after the procedures set forth in Sections 13.3 and 13.4, determines that Franchisee is in default of any material provision of this Franchise, the LFA may take the following actions:

13.5.1 Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages;

13.5.2 Seek liquidated damages as set forth herein;

13.5.3 Commence an action at law for monetary damages or seek other equitable relief;

13.5.4 In the case of a substantial material default of the Franchise, seek to revoke the Franchise in accordance with Section 13.6.

13.6 *Revocation:*

13.6.1 As set forth in this Section 13.6, the LFA may seek to revoke this Franchise in the event of a substantial material default of this Franchise. Should the LFA seek to revoke this Franchise after following the procedures set forth in Sections 13.3 and 13.4, the LFA shall give written notice to Franchisee of such intent to revoke this Franchise. This notice of intent to revoke is in addition to the Notice of Noncompliance pursuant to Section 13.3. The notice shall set forth with reasonable specificity the reasons for revocation. The Franchisee shall have thirty (30) days to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from Franchisee, it may then seek termination of the Franchise at a public hearing. The LFA shall notify the Franchisee in writing of the time and place of the public hearing at least thirty (30) days prior to the public hearing.

13.6.2 At the revocation hearing, Franchisee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to compel the testimony of persons as permitted by law, and to question and/or cross examine witnesses. The revocation hearing shall be a public hearing at which members of the public may testify under oath. A complete verbatim record shall be made of the revocation hearing by a court reporter. The costs of such court reporter shall be shared equally by the parties.

13.6.3 Following the public hearing, Franchisee may submit its proposed written findings and conclusions within twenty (20) days of the close of the public hearing. Thereafter, the LFA shall determine: (i) whether an event of default has occurred; (ii) whether such event of default should be excused; and (iii) whether such event of default has been cured or will be cured by the Franchisee; and (iv) whether to revoke the Franchise based on the information presented, or, where applicable, grant additional time to the Franchisee to effect any cure. If the LFA determines that the Franchise shall be revoked, the LFA shall promptly provide Franchisee with

a written decision setting forth its reasoning. Franchisee may appeal such determination of the LFA to an appropriate court within thirty (30) days of notice of the LFA's decision.

13.6.4 The LFA may, at its sole discretion, take any lawful action which it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

13.7 *Franchisee Termination:* Franchisee shall have the right to terminate this Franchise and all obligations hereunder within ninety (90) days after the third anniversary of the Service Date of this Franchise, if at the end of such three (3) year period Franchisee does not then in good faith believe it has achieved a commercially reasonable level of Subscriber penetration on its Cable System. Franchisee may consider subscriber penetration levels outside the Franchise Area but within the Puget Sound metropolitan area in this determination. Notice to terminate under this Section 13.7 shall be given to the LFA in writing, with such termination to take effect no sooner than one hundred and twenty (120) days after giving such notice. Franchisee shall also be required to give its then current Subscribers not less than ninety (90) days prior written notice of its intent to cease Cable Service operations.

13.8 The LFA specifically does not by any provision of this Franchise, waive any immunity or limitation of liability under state or federal law, including but not limited to, section 635 A of the Communications Act.

#### **14. MISCELLANEOUS PROVISIONS**

14.1 *Franchise Grant:* Franchisee shall pay LFA six thousand (\$6,000) (the "Franchise Grant"). The Franchise Grant shall be payable sixty (60) days from the Effective Date, which may be used for any lawful purpose. The LFA agrees to require competitively similar obligations from other Cable Operators upon the future grant or renewal of a franchise agreement for the provision of Cable Service. To the extent permitted by federal law, Franchisee shall be allowed to recover this amount from Subscribers and may line-item or otherwise pass-through this amount to Subscribers. The reference to the line item shall accurately describe its purpose.

14.2 *Equal Employment Opportunity:* Franchisee shall comply with all applicable federal and state laws affording nondiscrimination in employment to all individuals regardless of their race, color, religion, age, sex, national origin, sexual orientation or physical disability.

14.3 *Actions of Parties:* In any action by the LFA or Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

14.4 *Binding Acceptance:* This Agreement shall bind and benefit the parties hereto and their respective successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

14.5 *Preemption:* In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required

by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA or Franchisee.

14.6 *Force Majeure*: Franchisee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or liquidated damages relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure.

14.7 *Good Faith Error*: Furthermore, the parties hereby agree that it is not the LFA's intention to subject Franchisee to liquidated damages, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers.

14.8 *Notices*: Unless otherwise expressly stated herein, notices required under the Franchise shall be deemed effective three (3) days after having been deposited by first class, postage prepaid, registered or certified mail, return receipt requested or one (1) day after having been deposited with any nationally recognized overnight courier for next day delivery, and addressed to the addressees below. Each party may change its designee by providing written notice to the other party.

14.8.1 Notices to Franchisee shall be mailed to:

Verizon Northwest Inc.  
Attn: Tim McCallion, President  
112 Lakeview Canyon Road, CA501GA  
Thousand Oaks, CA 91362

with a copy to:

Mr. Jack H. White  
Senior Vice President & General Counsel - Verizon Telecom  
One Verizon Way  
Room VC43E010  
Basking Ridge, NJ 07920-1097

Notices to the LFA shall be mailed to:

City of Shoreline  
Attn: City Manager  
17544 Midvale Avenue N  
Shoreline, WA 98133

14.9 *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA, and supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding

the subject matter hereof. Any ordinances or parts of ordinances that conflict with the provisions of this Agreement are superseded by this Agreement.

14.10 *Amendments:* Amendments to this Franchise shall be mutually agreed to in writing by the parties. No amendment will take effect if it will impair the security set forth in Section 13, unless otherwise agreed by the parties.

14.11 *Captions:* The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

14.12 *Severability:* If any section, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

14.13 *Recitals:* The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

14.14 *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services.

14.15 *No Joint Venture:* Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.

14.16 *Independent Review:* LFA and Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of the Agreement.

14.17 *Venue:* The venue for any dispute related to this Franchise shall be in the United States District Court for the Western District of Washington in Seattle, provided it has subject matter jurisdiction; if no jurisdiction exists, then venue shall be in the Superior Court for King County.

14.18 *Attorneys' Fees*: If any action or suit arises between Franchisee and LFA for breach of this Franchise, the prevailing party, either the LFA or Franchisee, as the case may be, shall be entitled to recover all of its reasonable attorneys' fees, costs and expenses in connection therewith along with such other relief as the court deems proper.

14.19 *Publication Costs*: Franchisee shall pay for all costs of publication of this Franchise and any and all notices prior to any public meeting or hearing provided for pursuant to this Franchise.

14.20 *Singular and Plural*: Except where the context indicates otherwise, words used herein, regardless of the number specifically used, shall be deemed and construed to include any other number, singular or plural as is reasonable in the context.

**SIGNATURE PAGE FOLLOWS**



AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2008.

LFA

By: \_\_\_\_\_  
Robert L. Olander  
City Manager

Verizon Northwest Inc.

By: \_\_\_\_\_  
Tim McCallion, President

EXHIBITS

Exhibit A: Initial Service Area

Exhibit B: Municipal Buildings and Schools to be Provided Free Cable Service

Exhibit C: Remittance Form

Exhibit D: Customer Service Standards

Exhibit E: Performance Bond

## INITIAL SERVICE AREA



## **EXHIBIT B**

### **MUNICIPAL BUILDINGS AND SCHOOLS TO BE PROVIDED FREE CABLE SERVICE**

#### **Existing Buildings:**

City Hall  
17544 Midvale Avenue N  
Shoreline, WA 98133

City Hall Annex  
1110 N 175<sup>th</sup> Street  
Shoreline, WA 98177

Shoreline Police Station  
1206 N 185<sup>th</sup> Street  
Shoreline, WA 98133

Shoreline Police Neighborhood Center  
624 Richmond Beach Road  
Shoreline, WA 98177

Richmond Highlands Community Center  
16554 Fremont Avenue N  
Shoreline, WA 98133

Fire District Headquarters  
17525 Aurora Avenue N  
Shoreline, WA 98133

Fire Station 62  
1851 NW 195th Street  
Shoreline WA 98177

Fire Station 64  
719 N 185th Street  
Shoreline, WA 98133

Echo Lake Elementary  
19345 Wallingford Avenue N  
Shoreline, WA 98133

Einstein Middle School  
19343 3<sup>rd</sup> Avenue NW

Shoreline, WA 98177

Highland Terrace Elementary  
100 N 160<sup>th</sup> Street  
Shoreline, WA 98133

Meridian Park Elementary  
17077 Meridian Avenue N  
Shoreline, 98133

Shoreline Children's Center  
1900 North 170<sup>th</sup> Street  
Shoreline, WA 98133

Shorewood High School  
17300 Fremont Avenue N  
Shoreline, WA 98133

Syre Elementary  
19545 12<sup>th</sup> Avenue NW  
Shoreline, WA 98177

Shoreline Community College  
16101 Greenwood Avenue N  
Shoreline, WA 98133

In the event that an existing building listed above is demolished and rebuilt in the same or different location in the Service Area, Franchisee will provide, subject to the terms and conditions set forth in Section 3.3, one service outlet activated for Basic Service so long as all other Cable Operators in the Franchise Area provide service at such location.

**Future Buildings:**

Future City Hall  
17500 Midvale Avenue N  
Shoreline, WA 98133

Franchisee will provide, subject to the terms and conditions set forth in Section 3.3 of this Franchise, one service outlet active for Basic Service at up to four (4) future public buildings in the Service Area, not including the future City Hall building, so long as all other Cable Operators in the Franchise Area provide service to at least the same number of future locations.

**EXHIBIT C****REMITTANCE FORM****Franchise Fee Schedule/Report (Quarter and Year)***City of XXXX**Verizon - fGTE**Washington**Franchise Fee Rate:* 5.00%

	Month 1	Month 2	Month 3	Quarter Total
Monthly Recurring Cable Service Charges (e.g. Basic, Enhanced Basic, Premium and Equipment Rental)	\$0.00	\$0.00	\$0.00	\$0.00
Usage Based Charges (e.g. PayPer View, Installation)	\$0.00	\$0.00	\$0.00	\$0.00
Advertising	\$0.00	\$0.00	\$0.00	\$0.00
Home Shopping	\$0.00	\$0.00	\$0.00	\$0.00
Late Payment	\$0.00	\$0.00	\$0.00	\$0.00
Other Misc. (Leased Access & Other Misc.)	\$0.00	\$0.00	\$0.00	\$0.00
Franchise Fee Billed	\$0.00	\$0.00	\$0.00	\$0.00
PEG Fee Billed	\$0.00	\$0.00	\$0.00	\$0.00
Less:				
Bad Debt				
Total Receipts Subject to Franchise Fee Calculation	\$0.00	\$0.00	\$0.00	\$0.00
Franchise Fee Due	\$0.00	\$0.00	\$0.00	\$0.00

Verizon Northwest Inc. is hereby requesting that this information be treated as confidential and proprietary commercial trade secret information and financial statements and not disclosed in accordance with section XXXX and the Cable Television Franchise Agreement granted to Verizon Northwest Inc. This information is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as provided herein, would cause substantial harm to competitive position of Verizon in the highly competitive video marketplace if disclosed, is intended to be proprietary confidential business information and is treated by Verizon as such.

## **EXHIBIT D**

### **CUSTOMER SERVICE STANDARDS**

These standards shall, starting six (6) months after the Service Date, apply to Franchisee to the extent it is providing Cable Services over the Cable System in the Franchise area. For the first six (6) months after the Service Date, Franchisee shall use best efforts to comply with the Customer Service Standards provided herein; it being agreed, however, that LFA will not impose liquidated damages during this first six (6) month period if Franchisee using best efforts fails to meet the Customer Service Standards.

#### **SECTION 1: DEFINITIONS**

A. Normal Operating Conditions: Those service conditions which are within the control of Franchisee, as defined under 47 C.F.R. § 76.309(c)(4)(ii). Those conditions which are not within the control of Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages that are not within the control of the Franchisee, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System.

B. Respond: The start of Franchisee's investigation of a Service Interruption by receiving a Subscriber call, and opening a trouble ticket, and begin working, if required.

C. Service Call: The action taken by Franchisee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

D. Service Interruption: The loss of picture or sound on one or more cable channels.

E. Significant Outage: A significant outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

F. Standard Installation: Installations where the Subscriber is within one hundred fifty (150) feet of trunk or feeder lines.

#### **SECTION 2: TELEPHONE AVAILABILITY**

A. Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers in the Franchise Area and/or residents regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must be available to receive reports of Service Interruptions twenty-four (24) hours a day, seven (7) days a week, all other inquiries at least forty-five (45) hours per week. Franchisee representatives shall identify themselves by name when answering this number.

B. Franchisee's telephone numbers shall be listed, with appropriate description (e.g. administration, customer service, billing, repair, etc.), in the directory published by the local

telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by Franchisee.

C. Franchisee may use an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU") to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three times, if customers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. Franchisee may reasonably substitute this requirement with another method of handling calls from customers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds.

E. Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three (3%) percent of the time during any calendar quarter.

F. Upon request from the LFA, but in no event more than once a quarter, forty-five (45) days following the end of each quarter, the Franchisee shall report to the LFA the following for all call centers receiving calls from Subscribers except for temporary telephone numbers set up for national promotions:

(1) Percentage of calls answered within thirty (30) seconds as set forth in Section 2.D; and

(2) Percentage of time customers received a busy signal when calling the Franchisee's service center as set forth in Section 2.E.

Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request.

G. At the Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Franchisee shall notify LFA of such a change not less than thirty (30) days in advance.

### **SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS**

A. All installations will be in accordance with FCC rules, including but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the

provision of required consumer information and literature to adequately inform the Subscriber in the utilization of Franchisee-supplied equipment and Cable Service.

B. The Standard Installation shall be performed within seven (7) business days after an order is placed if the Optical Network Terminal ("ONT") is already installed on the customer's premises. The Standard Installation shall be performed within fourteen (14) business days where there is no ONT at the time of service order. Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding those requested by the customer outside of these time periods.

C. The Franchisee shall provide the LFA with a report upon request from the LFA, but in no event more than once a quarter, noting the percentage of Standard Installations completed within the time periods provided in Section 3.B. Subject to consumer privacy requirements, underlying activity will be made available to the LFA for review upon reasonable request.

D. At Franchisee's option, the measurements and reporting above may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Franchisee shall notify LFA of such a change not less than thirty (30) days in advance.

E. Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls and other activities of a maximum four (4) hours scheduled time block during appropriate daylight available hours, usually beginning at 8:00 AM unless it is deemed appropriate to begin earlier by location exception. At Franchisee's discretion, Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends.

(1) Franchisee may not cancel an appointment window with a customer after the close of business on the business day prior to the scheduled appointment.

(2) If Franchisee's representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

F. Franchisee must provide for the pick up or drop off of equipment free of charge in one of the following manners: (i) by having a Franchisee representative going to the Subscriber's residence, (ii) by using a mailer, or (iii) by establishing a local business office within the Franchise Area. If requested by a mobility-limited customer, the Franchisee shall arrange for pickup and/or replacement of converters or other Franchisee equipment at Subscriber's address or by a satisfactory equivalent.

#### **SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES**

A. Franchisee shall promptly notify LFA of any Significant Outage of the Cable Service.



B. Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after LFA and each affected Subscriber in the Service Area have been given fifteen (15) days prior notice of the proposed Significant Outage. Notwithstanding the foregoing, Franchisee may perform modifications, repairs and upgrades to the System between 12:01 a.m. and 6 a.m. which may interrupt service, and this Section's notice obligations respecting such possible interruptions will be satisfied by notice provided to Subscribers upon installation and in the annual Subscriber notice.

C. Franchisee representatives who are capable of responding to Service Interruptions must be available to Respond twenty-four (24) hours a day, seven (7) days a week.

D. Under Normal Operating Conditions, Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problems within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving Subscriber calls about Service Interruptions in the Service Area.

(2) Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or LFA of a Cable Service problem.

E. Under Normal Operating Conditions, Franchisee shall complete Service Calls within seventy-two (72) hours of the time Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

F. Franchisee shall meet the standard in Section E of this Section for ninety percent (90%) of the Service Calls it completes, as measured on a quarterly basis.

G. Franchisee shall provide LFA with a report upon request from the LFA, but in no event more than once a quarter, forty-five (45) days following the end of each calendar quarter, noting the percentage of Service Calls completed within the seventy-two (72) hour period not including Service Calls where the Subscriber was reasonably unavailable for a Service Call within the seventy-two (72) hour period as set forth in this Section. Subject to consumer privacy requirements, underlying activity will be made available to LFA for review upon reasonable request. At the Franchisee's option, the above measurements and reporting may be changed from calendar quarters to billing or accounting quarters one time during the term of this Agreement. Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

H. Under Normal Operating Conditions, Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber(s) current monthly bill. In order to qualify for the credit, the

Subscriber must promptly report the problem and allow Franchisee to verify the problem if requested by Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

I. Under Normal Operating Conditions, if a Significant Outage affects all Video Programming Cable Services for more than twenty-four (24) consecutive hours, Franchisee shall issue an automatic credit to the affected Subscribers in the amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit to the affected Subscribers in the amount equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on Subscriber billing statements within the next available billing cycle following the outage.

J. With respect to service issues concerning Cable Services provided to LFA facilities, Franchisee shall Respond to all inquiries from LFA within four (4) hours and shall commence necessary repairs within twenty-four (24) hours under Normal Operating Conditions and shall diligently pursue to completion. If such repairs cannot be completed within twenty-four (24) hours, Franchisee shall notify LFA in writing as to the reason(s) for the delay and provide an estimated time of repair.

#### **SECTION 5: CUSTOMER COMPLAINTS REFERRED BY LFA**

Under Normal Operating Conditions, Franchisee shall begin investigating Subscriber complaints referred by LFA within seventy-two (72) hours. Franchisee shall notify the LFA of those matters that necessitate an excess of five (5) business days to resolve, but Franchisee must make all necessary efforts to resolve those complaints within ten (10) business days of the initial complaint. LFA may require Franchisee to provide reasonable documentation to substantiate the request for additional time to resolve the problem. Franchisee shall inform LFA in writing, which may be by an electronic mail message, of how and when referred complaints have been resolved within a reasonable time after resolution. For purposes of this Section, "resolve" means that Franchisee shall perform those actions, which, in the normal course of business, are necessary to (a) investigate the Customer's complaint; (b) advise the Customer of the results of that investigation; and (c) implement and complete steps to bring resolution to the matter in question.

#### **SECTION 6: BILLING**

A. Subscriber bills must be itemized to describe Cable Services purchased by Subscribers and related equipment charges. Bills will comply with applicable federal and state laws, and shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. Franchisee shall, without limitation as to additional line items, be allowed to itemize as separate line items, Franchise fees, taxes and/or other governmental-imposed fees. Franchisee shall maintain records of the date and place of mailing of bills.

B. Every Subscriber with a current account balance sending payment directly to Franchisee shall be given at least twenty (20) days from the date statements are mailed to the Subscriber until the payment due date.

C. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill which lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due except in accordance with Section 6.B. above.

D. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved, provided that:

(1) The Subscriber pays all undisputed charges;

(2) The Subscriber provides notification of the dispute to Franchisee within five (5) days prior to the due date; and

(3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute.

(4) It shall be within Franchisee's sole discretion to determine when the dispute has been resolved.

E. Under Normal Operating Conditions, Franchisee shall initiate investigation and resolution of all billing complaints received from Subscribers within five (5) business days of receipt of the complaint. Final resolution shall not be unreasonably delayed.

F. Franchisee shall provide a telephone number and address clearly and prominently on the bill for Subscribers to contact Franchisee.

G. Franchisee shall forward a copy of any rate-related or customer service-related billing inserts or other mailings related to Cable Service, but not promotional materials, sent to Subscribers, to LFA.

H. Franchisee shall provide all Subscribers with the option of paying for Cable Service by check or an automatic payment option where the amount of the bill is automatically deducted from a checking account designated by the Subscriber. Franchisee may in the future, at its discretion, permit payment by using a major credit card on a preauthorized basis. Based on credit history, at the option of Franchisee, the payment alternative may be limited.

I. Upon request in writing from an LFA, LFA may request that Franchisee omit LFA name, address and telephone number from Franchisee's bills as permitted by 47 C.F.R. § 76.952.

## **SECTION 7: DEPOSITS, REFUNDS AND CREDITS**

A. Franchisee may require refundable deposits from Subscribers 1) with a poor credit or poor payment history, 2) who refuse to provide credit history information to Franchisee, or 3) who rent Subscriber equipment from Franchisee, so long as such deposits are applied on a non-discriminatory basis. The deposit Franchisee may charge Subscribers with poor credit or poor payment history or who refuse to provide credit information may not exceed an amount equal to an average Subscriber's monthly charge multiplied by six (6). The maximum deposit Franchisee may charge for Subscriber equipment is the cost of the equipment which Franchisee would need to purchase to replace the equipment rented to the Subscriber.

B. Franchisee shall refund or credit the Subscriber for the amount of the deposit collected for equipment, which is unrelated to poor credit or poor payment history, after one year and provided the Subscriber has demonstrated good payment history during this period. Franchisee shall pay interest on deposits if required by law.

C. Under Normal Operating Conditions, refund checks will be issued within the next available billing cycle following the resolution of the event giving rise to the refund, (e.g. equipment return and final bill payment).

D. Credits for Cable Service will be issued no later than the Subscriber's next available billing cycle, following the determination that a credit is warranted, and the credit is approved and processed. Such approval and processing shall not be unreasonably delayed.

E. Bills shall be considered paid when appropriate payment is received by Franchisee or its authorized agent. Appropriate time considerations shall be included in Franchisee's collection procedures to assure that payments due have been received before late notices or termination notices are sent.

#### **SECTION 8: RATES, FEES AND CHARGES**

A. Franchisee shall not, except to the extent expressly permitted by law, impose any fee or charge for Service Calls to a Subscriber's premises to perform any repair or maintenance work related to Franchisee equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects Franchisee equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect Franchisee's equipment (for example, a dog chew).

B. Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

C. All of Franchisee's rates and charges shall comply with applicable federal and state law. Franchisee shall maintain a complete current schedule of rates and charges for Cable Services on file with the LFA throughout the term of this Franchise.

#### **SECTION 9: DISCONNECTION /DENIAL OF SERVICE**

A. Franchisee shall not terminate Cable Service for nonpayment of a delinquent

account unless Franchisee mails a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be mailed to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

B. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Service Interruption was reported by the Subscriber.

C. Nothing in these standards shall limit the right of Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to Franchisee's equipment, abusive and/or threatening behavior toward Franchisee's employees or representatives, or refusal to provide credit history information or refusal to allow Franchisee to validate the identity, credit history and credit worthiness via an external credit agency.

D. Charges for cable service will be discontinued at the time of the requested termination of service by the Subscriber, except equipment charges may be applied until equipment has been returned. No period of notice prior to requested termination of service can be required of Subscribers by Franchisee. No charge shall be imposed upon the Subscriber for or related to total disconnection of Cable Service or for any Cable Service delivered after the effective date of the disconnect request, unless there is a delay in returning Franchisee equipment or early termination charges apply pursuant to the Subscriber's service contract. If the Subscriber fails to specify an effective date for disconnection, the Subscriber shall not be responsible for Cable Services received after the day following the date the disconnect request is received by Franchisee. For purposes of this Section, the term "disconnect" shall include Subscribers who elect to cease receiving Cable Service from Franchisee.

#### **SECTION 10: COMMUNICATIONS WITH SUBSCRIBERS**

A. Each employee of the Franchisee who routinely comes into contact with members of the public at their places of residence must wear a picture identification card clearly indicating his or her employment with the Franchisee. The photograph on the identification card shall prominently show the employee's name and/or identification number. Such employee shall prominently display such identification card and shall show it to all such members of the public. Each employee of any contractor or subcontractor of the Franchisee who routinely comes into contact with members of the public at their places of residence must wear a picture identification card clearly indicating his or her name, the name of such contractor or subcontractor and the name of the Franchisee.

B. All contact with a Subscriber or potential Subscriber by a Person representing Franchisee shall be conducted in a courteous manner.

C. Franchisee shall send annual notices to all Subscribers informing them that any complaints or inquiries not satisfactorily handled by Franchisee may be referred to LFA. A copy

of the annual notice required under this Section 10.C will be given to LFA at least fifteen (15) days prior to distribution to Subscribers.

D. All notices identified in this Section shall be by either:

(1) A separate document included with a billing statement or included on the portion of the monthly bill that is to be retained by the Subscriber; or

(2) A separate electronic notification.

E. Franchisee shall provide reasonable notice to Subscribers and LFA of any pricing changes or additional changes (excluding sales discounts, new products or offers) and, subject to the forgoing, any changes in Cable Services, including channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of Franchisee. Franchisee shall provide a copy of the notice to LFA including how and where the notice was given to Subscribers.

F. Upon request by any Subscriber, Franchisee shall make available a parental control or lockout device to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Franchisee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.

G. Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Section 10.E., at least thirty (30) days prior to making significant changes in the information required by this Section if within the control of Franchisee:

(1) Products and Cable Service offered;

(2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides, installation, downgrades, late fees and other fees charged by Franchisee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address, and telephone number of LFA, but with a notice advising the Subscriber to initially contact Franchisee about all complaints and questions;

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Franchisee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of Franchisee's office to which complaints may be reported.

A copy of notices required in this Section 10.G. will be given to LFA at least fifteen (15) days prior to distribution to Subscribers if the reason for notice is due to a change that is within the control of Franchisee and as soon as possible if not within the control of Franchisee.

H. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

I. Notices of changes of Cable Services and/or Channel locations shall include a description of the new Cable Service, the specific channel location, and the hours of operation of the Cable Service if the Cable Service is only offered on a part-time basis. In addition, should the Channel location, hours of operation, or existence of other Cable Services be affected by the introduction of a new Cable Service, such information must be included in the notice.

J. Every notice of termination of Cable Service shall include the following information:

- (1) The name and address of the Subscriber whose account is delinquent;
- (2) The amount of the delinquency for all services billed;
- (3) The date by which payment is required in order to avoid termination of Cable Service; and
- (4) The telephone number for Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

K. Franchisee will comply with privacy rights of Subscribers in accordance with applicable federal and state law, including 47 U.S.C. §551.

## EXHIBIT E

### Performance Bond

Bond No. \_\_\_\_\_

**KNOW ALL MEN BY THESE PRESENTS:** That (name & address) (hereinafter called the Principal), and (name and address) (hereinafter called the Surety), a corporation duly organized under the laws of the State of (state), are held and firmly bound unto (name & address) (hereinafter called the Obligee), in the full and just sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the Principal and Obligee have entered into a Franchise Agreement dated \_\_\_\_\_ which is hereby referred to and made a part hereof.

**WHEREAS**, said Principal is required to perform certain obligations under said Agreement.

**WHEREAS**, the Obligee has agreed to accept this bond as security against default by Principal of performance of its obligations under said Agreement during the time period this bond is in effect.

**NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH** that if the Principal shall perform its obligations under said Agreement, then this obligation shall be void, otherwise to remain in full force and effect, unless otherwise terminated, cancelled or expired as hereinafter provided.

**PROVIDED HOWEVER**, that this bond is executed subject to the following express provisions and conditions:

In the event of default by the Principal, Obligee shall deliver to Surety a written statement of the details of such default within 30 days after the Obligee shall learn of the same, such notice to be delivered by certified mail to address of said Surety as stated herein.

This Bond shall be effective \_\_\_\_\_, 20\_\_\_\_, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligee not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.

Bond No. \_\_\_\_\_





**This page intentionally left blank.**

## CITY COUNCIL AGENDA ITEM

### CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Transmittal of 2009 Proposed Budget  
**DEPARTMENT:** City Manager's Office  
**PRESENTED BY:** Robert Olander, City Manager

**PROBLEM/ISSUE STATEMENT:** The City Manager is required to submit the 2009 proposed budget to the City Council no later than November 3, 2008. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 13. The purpose of this presentation will be to introduce the budget document to the Council, provide the policy background concerning its development, highlight key budget issues and changes from the previous year, propose a budget review process and schedule, and to answer any questions you may have at this time.

**FINANCIAL IMPACT:** The 2009 Proposed Budget totals \$104,077,571. The following table is a summary of the proposed budget by fund:

Fund	2009 Proposed Budget			2008 Current		08 - '09 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	
<b>Operating Funds:</b>						
General Fund	\$ 3,870,371	\$ 31,374,859	\$ 32,328,609	\$ 2,916,621	\$ 32,631,036	-0.9%
Revenue Stabilization Fund	6,125,357	0	0	6,125,357	0	n/a
Streets	763,175	2,692,629	2,692,629	763,175	2,741,170	-1.8%
Code Abatement	147,767	87,500	100,000	135,267	100,000	0.0%
Asset Seizure	25,278	21,500	21,500	25,278	21,500	0.0%
Sub-Total Operating Funds	10,931,948	34,176,488	35,142,738	9,965,698	35,493,706	-1.0%
<b>Internal Service Funds:</b>						
Equipment Replacement	1,783,780	324,016	197,336	1,910,460	241,750	-18.4%
Public Art Fund	112,344	2,500	114,500	344	168,645	-32.1%
Unemployment	67,389	7,500	10,000	64,889	10,000	0.0%
Vehicle Operations & Maintenance	73,414	145,359	142,959	75,814	115,049	24.3%
Sub-Total Internal Service Funds	2,036,927	479,375	464,795	2,051,507	535,444	-13.2%
<b>Debt Service Funds:</b>						
General Obligation Bond	267,027	1,700,000	1,676,850	290,177	1,662,475	0.9%
Sub-Total Debt Service Funds	267,027	1,700,000	1,676,850	290,177	1,662,475	0.9%
<b>Enterprise Funds:</b>						
Surface Water Utility Fund	5,289,682	3,346,829	4,619,790	4,016,721	11,814,854	-60.9%
Sub-Total Enterprise Funds	5,289,682	3,346,829	4,619,790	4,016,721	11,814,854	-60.9%
<b>Capital Funds:</b>						
General Capital	11,646,346	22,877,853	32,641,325	1,882,874	30,438,421	7.2%
City Facility-Major Maintenance Fund	174,068	39,331	40,000	173,399	61,000	-34.4%
Roads Capital	4,312,599	27,453,334	29,492,073	2,273,860	23,012,286	28.2%
Sub-Total Capital Funds	16,133,013	50,370,518	62,173,398	4,330,133	53,511,707	16.2%
<b>Total City Budget</b>	<b>\$ 34,658,597</b>	<b>\$ 90,073,210</b>	<b>\$ 104,077,571</b>	<b>\$ 20,654,236</b>	<b>\$ 103,018,186</b>	<b>1.0%</b>

The City's operating fund expenditures total \$35,142,738 for 2009 and this represents 34% of the total budget. The City's debt service expenditures total \$1,676,850 and represent 2% of the total budget. The City's 2009 capital expenditures total \$62,173,398, which represents 60% of the City's proposed expenditures. The Surface Water Utility Fund makes up the enterprise category and is 4% of the total. This includes all surface water related activities including operations and capital projects. Proposed expenditures for internal services are equal to less than 1% of the City total. Total 2009 projected expenditures represent a 1% increase from those budgeted in 2008. Operating expenditures are projected to decrease by 1% (\$350,000) and capital expenditures are projected to increase by 16% (\$8.7 million). The capital fund expenditures are projected to increase primarily as a result of the completion of the City Hall project. The budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes:

Transmittal of Proposed 2009 Budget	October 13
Department Budget Review	October 20
Public Hearing on Proposed 2009 Budget & Continued Department Budget Review	October 27
Continued Budget Discussion	November 3
Public Hearing on Revenue Sources & 2008 Property Tax Levy	November 17
Adoption of 2009 Property Tax Levy	November 24
Adoption of 2009 Budget	November 24

#### **RECOMMENDATION**

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the 2009 City Budget and any key questions or issues that Council may wish staff to address as part of that process is desired.

Approved By:

City Manager

