

# EDMONDS CITY COUNCIL APPROVED MINUTES

## February 10, 2015

The Edmonds City Council meeting was called to order at 6:30 p.m. by Mayor Earling in the Council Chambers, 250 5<sup>th</sup> Avenue North, Edmonds.

### ELECTED OFFICIALS PRESENT

Dave Earling, Mayor  
Adrienne Fraley-Monillas, Council President  
Diane Buckshnis, Councilmember  
Kristiana Johnson, Councilmember  
Lora Petso, Councilmember  
Joan Bloom, Councilmember

### ELECTED OFFICIALS ABSENT

Thomas Mesaros, Councilmember

### STAFF PRESENT

Jim Lawless, Assistant Police Chief  
Phil Williams, Public Works Director  
Carrie Hite, Parks, Rec. & Cult. Serv./Human Resources Reporting Dir.  
Scott James, Finance Director  
Shane Hope, Development Services Director  
Patrick Doherty, Econ. Dev & Comm. Serv. Dir.  
Rob English, City Engineer  
Renee McRae, Recreation Manager  
Jeff Taraday, City Attorney  
Scott Passey, City Clerk  
Jerrie Bevington, Camera Operator  
Jeannie Dines, Recorder

### 1. CONVENE IN EXECUTIVE SESSION REGARDING COLLECTIVE BARGAINING PER RCW 42.30.140(1)(b)

At 6:30 p.m., Mayor Earling announced that the City Council would meet in executive session regarding collective bargaining per RCW 42.30.140(1)(b). He stated that the executive session was scheduled to last approximately 30 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. No action was anticipated to occur as a result of meeting in executive session. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Johnson, Fraley-Monillas, Buckshnis, Petso and Bloom. Others present were City Attorney Jeff Taraday, Sharon Cates, City Attorney's Office, Parks, Recreation & Cultural Services/Human Resources Reporting Director Carrie Hite, Public Works Director Phil Williams, Human Resources Manager Mary Ann Hardie, and City Clerk Scott Passey. At 7:03 p.m., Mayor Earling announced to the public present in the Council Chambers that an additional 10 minutes would be required in executive session. The executive session concluded at 7:12 p.m.

Mayor Earling reconvened the regular City Council meeting at 7:13 p.m. and led the flag salute.

### 2. ROLL CALL

City Clerk Scott Passey called the roll. All elected officials were present with the exception of Councilmember Mesaros.

**COUNCIL PRESIDENT FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO EXCUSE COUNCILMEMBER MESAROS. MOTION CARRIED (4-0-1), COUNCILMEMBER BLOOM ABSTAINED.**

3. APPROVAL OF AGENDA

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT FRALEY-MONILLAS, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

4. APPROVAL OF CONSENT AGENDA ITEMS

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT FRALEY-MONILLAS, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

- A. APPROVAL OF CITY COUNCIL MEETING MINUTES OF FEBRUARY 3, 2015
- B. APPROVAL OF CLAIM CHECKS #212723 THROUGH #212836 DATED FEBRUARY 5, 2015 FOR \$406,731.29. APPROVAL OF PAYROLL DIRECT DEPOSIT AND CHECKS #61480 THROUGH #61489 FOR \$499,411.09, BENEFIT CHECKS #61490 THROUGH #61500 AND WIRE PAYMENTS OF \$439,268.90 FOR THE PAY PERIOD JANUARY 16, 2015 THROUGH JANUARY 31, 2015
- C. ACKNOWLEDGE RECEIPT OF A CLAIM FOR DAMAGES FROM MIALISA ANDERSON (AMOUNT UNDETERMINED) AND FROM JOHN NESMITH (\$332.80)

5. AUDIENCE COMMENTS

**Mike Lantz, Edmonds**, asked the Council whether they would like to obtain approximately \$2 million in additional revenue to the City without doing much of anything. He explained in 2008 destination sales tax went into effect; when an item is delivered, the sales tax is collected by the county/city where the item is delivered. If a purchaser takes the merchandise with them at the point of sale, the sales tax is collected by the county/city where the purchase is made. Changing the State's current tax structure could dramatically benefit small cities. He suggested the Mayor and Council discuss this with other cities and he offered to speak to them. He provided written information.

**Alvin Rutledge, Edmonds**, reported on Seahawks Sunday he waited in line at Dick's Drive-In for 1 hour 45 minutes along with 412 other people for 12 cent Cokes and \$1 deluxe burgers. He reported a Shoreline City Council meeting included discussion regarding apartments that King County is constructing near Northgate and wants to add 10,000 more in Shoreline. Shoreline's City Council will vote on this on February 23. He recalled the tax proposal described above was previously proposed by former Mayor Haakenson.

**Mary Kay Sneeringer, Edmonds**, Owner, Edmonds Book Shop, read into the record a letter from **Chris Fleck**, Puget Sound Tax Service, a service business owner in the BID area and a dues-paying member of the BID. He expressed his appreciation to the Council for authorizing the BID, finding it a very beneficial endeavor which will do nothing but help businesses, residents and the City as a whole. Through the efforts of the committee progress is being made; the board members, who are all volunteers, should be thanked by the Council. Board members have spent numerous number hours doing a great job and branding is underway. The Christmas trolley was very successful and provided a great deal of exposure. He concluded things were moving along and he looked forward to what is next.

Ms. Sneeringer said in addition to the tangible benefits that are expected to enrich the downtown business community, the increased communication, cooperation and collaboration is an intangible, important and unforeseen benefit that Ed! has fostered. She pointed out parking or a lack of parking is a big issue for

Ed! members and she requested the City Parking Committee be reestablished which has not met since the fall when Karen Wiggins, the longtime chair, retired.

**Cadence Clyborne, Edmonds**, Board Member, Edmonds Downtown BID Advisory Board and managing principal of HDR Engineering, said HDR has over 30 employees most of whom live and work in the community. HDR is a by-appointment business and currently pays the highest tier assessment for that category. The BID assessment is a commitment their office makes; HDR is a huge proponent of the Edmonds Downtown Alliance for three reasons, 1) Ed! positively impacts the overall community that HDR has chosen to be a part of, 2) it encourages retention and attracts new and potential employees, and 3) it provides the opportunity for the company to be involved and give back to the community where they do business. She urged the Council to avoid any change to the Alliance's fee structure at this time. Based on her research, BIDs across the state have many different ways of assessing fees and the Edmonds BID is one such example with nothing inherently wrong or unfair about the system. The time required to review the structure of the assessment is better spent by City staff and Alliance volunteers laying a foundation of a successful BID and promoting programs that continue to improve the downtown community, making it vibrant, inviting, and successful for residents, businesses and visitors.

**Andy Cline, Edmonds**, Cline Jewelers and President, Merchants Association, said the BID's fee structure is fair and the better that retail does, it carries over to the service sector. The more money that is spent in town, the more stays in town.

**Pam Stuller, Edmonds**, Walnut Street Coffee, and President, Downtown Edmonds Alliance Members Advisory Board, recalled when she first heard about the BID she was skeptical about how much her business would have to pay. She was pleased to see that the fee structure was very affordable and reasonable. Her business currently pays \$420/year; a by-appointment business the same size would pay \$180/year. She got involved with the BID due to her concern that the focus would be the area near the fountain and her business is on the edge of the boundary. As a board member she has had the opportunity to hear unhappy, neutral and happy members and often finds the best advice comes from critics. Members are encouraged to attend board meetings and there has been a good turnout of members and some community members at meetings. She encouraged Councilmember Bloom, a member of the BID, to attend, anticipating there was opportunity for constructive dialogue to make the organization a success. To the comment that the Board can be intimidating to talk to, she anticipated someone would be comfortable talking to at least 1 of the 11 members. She summarized it was premature to make changes to the assessment structure. Over time it will be possible to evaluate whether the assessment is fair and reasonable and members are finding value and benefit. There needs to be time to implement the programs.

**Robert Boehlke, Edmonds**, Housewares, Board Member, Edmonds Downtown Alliance, spoke in favor of keeping the rate structure as is. He has been involved since nearly the beginning when existing BIDs were researched and programs developed. The Board is very conscious of the responsibility to develop a program that is fair, very affordable and has value for all businesses in the BID. Volunteer board members spend many hours using the current rate structure as guide when garnering support for the initial formation of the BID. Any proposal to change the rates should come from the membership and be presented to the Council as this is a member-drive group. Changing the existing structure before any of the benefits have been fully established could undermine the effectiveness of the BID.

**Sally Merck, Edmonds**, Board Member, Edmonds Downtown BID, explained the original 11 member group that Mayor Earling formed included 3 members who were dissenting including herself. She was critical of the original assessment and uncertain how it had been determined. As the BID has progressed over the past 1½ years, she recognized the professionalism of the board and has been impressed with the vetting structure and the thorough research of BIDS inside and outside Washington by Stephen Clifton and Patrick Doherty and many of the board members. She was in favor of keeping the fee structure as it

currently exists. She anticipated board members would be open to evaluating the fee structure in the future but it was not appropriate at this point when the BID has not gotten its momentum going.

**Dave Page, Edmonds**, said if his business was operating, he would join the BID, noting benefits accrue over time. With regard to naming of Fire Station #16 after Betty Mueller, he thanked Councilmember Bloom, Jim Stevens and others who helped move this process forward. He recalled several memories about Betty Mueller, summarizing she was a very strong woman. He recalled in the old police station female officers had to change behind the men's lockers, the building was very dilapidated, could not pass code inspections and firefighters were living in poor conditions. When the Council first voted against a new building, Ms. Mueller assured the effort was just getting started. He also thanked Paul Mar for his efforts including leading tours. He concluded Ms. Mueller had an iron will, she wasn't warm and fuzzy but she was a good friend who got things done.

**Paul Rucker, Edmonds**, Owner, Saetia Women's Clothing, and Board Member, Edmonds BID Board, echoed the comments regarding maintaining the current rate structure based on the research and diligence put into its construction. He commented on the spirit of collaboration and member engagement with the BID Board related to rates, fees, and communication with members. He pointed out there is a 9 month grace period with repeated check-ins for members. The City has been very cooperative, under Scott James' leadership, to develop a payment plan and charge minimal delinquency rates. For a membership organization in its early stages, the spirit of collaboration and member engagement is a hallmark. He summarized an assessment is a responsibility, and the Board is obligated to use the resources to the greatest possible benefit for the community.

**Rich Demeroutis, Edmonds**, echoed Mr. Page's comments. He had the pleasure of knowing Betty Mueller for 20 years and recalled fond memories of her including her taking in a foster child and a neighbor child along with her own 4 children. When the City hired Police Chief Miller, he stayed at her house for free for several months and Officer Kenny and his wife also stayed at her house for a time. She was that type of person. Firefighters and police officers often come to see her and sought career and family advice. She was a mentor to candidates running for office, a tireless doorbeller, she formed many committees, and supported numerous initiatives. She had amazing vitality and naming Fire Station 16 after Ms. Mueller would be a fine tribute to her and her family.

## **6. EDMONDS DOWNTOWN BID ASSESSMENT RATE STRUCTURE DISCUSSION**

Economic Development & Community Services Director Patrick Doherty provided the history of the EDBID assessment rate structure:

- During the years before Council approval on January 15, 2013 much research was conducted
  - Statewide BIDs were reviewed
  - Legal provisions were analyzed
- BID assessment rate structures statewide vary greatly
  - Sales, business income, floor area, parcel are, property value, parking spaces, hotel rooms, flat fees, etc.
- BID proponents also discussed/researched potential programs and activities and corresponding estimated budget
- \$80-90,000 was deemed appropriate per consultant advice and comparison with other BIDs in similar communities
- Simplicity in administration and understandability were key considerations in establishing a rate structure
- The following conclusions were reach by BID proponents:
  - Rates should be structured in two tiers; open door and by-appointment

- Square footage basis, especially in ranges, would be directly related to business activity and easier to administer
- Assess businesses only – not property owners, who may or may not be active members of the downtown business community and would likely pass along assessments anyway.
- Hold rates to minimum necessary to achieve reasonable budget. Rates were compared and seen to be in lower range
- The fee for each square footage ranges (in both tiers) would be only \$5/month higher to keep relative assessments low
- Open door business range from \$360/year to \$600/year
- By-appointment businesses range from \$120/year to \$360/year
- Provisions were added to exempt initial year of new businesses

Mr. Doherty explained City Attorney Taraday produced a detailed memo that is included in the packet. He provided a brief summary of salient points:

- Relevant case law derives from *Rogers Clothing, Inc. v. City of Seattle*
  - Court upheld Seattle BID assessment rate structure stating that the City Council had appropriately determined the relative levels of benefits to accrue to different businesses types and had fixed the corresponding assessment rates. It is solely within their purview to exercise this judgment.
  - While different kinds of business should be recognized and rates set in response, no specific guidance is given to inform or direct this judgment. It is up to the City Council to determine after a reasonable public process.
  - Courts give substantial deference to this authority and process
- Recent Los Angeles County Superior Court case regarding the LA Downtown Arts District BID was raised by a concerned citizen
  - Given that California and Washington enabling statutes and criteria are entirely different, and
  - Los Angeles County Superior Court decisions are not precedential to Washington matters
  - This case is not relevant or applicable to the EDBID or Washington
- In summary given that the City Council identified a distinction in potential benefits between open door and by-appointment businesses and formulated the assessment rate structure correspondingly, these City Council actions comport with both State statutory and the relevant case law

Mr. Doherty discussed benefits:

- Creation of two tiers of businesses and rates (open door and by-appointment) recognizes variable levels of benefit: direct and indirect
- While retail establishments may experience more direct benefits resulting from promotion, events, street-amenities and enhancements, by-appointment businesses also receive substantial indirect benefits
- Downtown Edmonds offers three key elements that draw and support all business
  - Attractions
  - Amenities
  - Ambience
- Walkable environment, ready access to goods and services, eating/drinking establishment, charm and historic character and proximity to the waterfront provide amenities to employees and visitors of all businesses, retail or otherwise.
- Recent NAIOP Commercial Real Estate Development Association study determined that office-based employers prefer amenity-rich “live, work play” locations over single use office parks by a margin of 83% to 17%, quoting:
  - “...any company wanting to attract and retain young, educated workers who prefer to live, work, play locations needs to locate in a compact, mixed use, walkable place...”

- Downtown Edmonds provides precisely this type of environment
- In fact – and likely as a result – Downtown Edmonds office rates are higher than nearby locations (such as in Highway 99 corridor) that lack the walkable, amenity-rich environment
- Survey of current available nonmedical office space in both locations – downtown Edmonds 20% higher
- This suggests office tenants choose to pay the premium for downtown Edmonds in exchange for the “compact, mixed use, walkable place” cited in the NAIOP study
- Consequently, it is reasonable to conclude that maintaining, promotion and/or enhancing downtown Edmonds attractions, amenities and ambience will result in both direct and indirect benefits to all businesses that rely or are support by shoppers, diners, culture-goers, office workers or visitors.
- The Edmonds Downtown BID was expressly established to achieve these objectives

After a thorough analysis, the following conclusions can be made:

- The two-tiered rate structure recognizes the variable levels of direct and indirect benefit to open-door and by-appointment businesses in a fair, reasonable and legal manner
- Rate difference between tiers is not substantial, with a significantly lower rate for by-appointment businesses
- Rates are relatively low compared with other BIDs and the increment between ranges is only \$5/month
- EDBID was created only two years ago
- Implementation of a full range of programs and activities has only just recently been felt and is ramping up, per Council-approved 2015 Work Plan
- Mayor and staff believe that the EDBID assessment rate structure is fair and reasonable
- At this early point in EDBID’s existence, it would not be prudent to dismantle the rate structure and attempt to formulate a different rate structure format

Councilmember Petso accepted Mr. Fleck’s suggestion and thanked everyone who has commit their time, energy and resources to the efforts of the EDBID. She had anticipated there would be a requirement that the revenues of the EDBID match expenditures of BID and asked whether that was part of determining whether the rate structure was fair. For example, if most of the money collected during the year was from by-appointment businesses but most of the expenditures were for advertising directed primarily toward retail businesses. Mr. Doherty responded there is not a bright line between who benefits by any particular action. For example, it could be said advertising for holiday shopping or summer activities sounds directly beneficial only to retail. In fact, the strength of the retail community is part of the overall amenity of being part of downtown and why a business owner may choose to locate, stay or grow in downtown Edmonds. The premise that spending money on something that sounds overly beneficial to retail and does not benefit other businesses is not well founded because benefits flows to all businesses. This issue was raised in the case law.

Mr. Taraday explained the way the statute has been interpreted by the Rogers Clothing case, the only case that interprets the statute, does not to appear to require the precision that Councilmember Petso is asking about. The court has basically said there is substantial legislative discretion given to determine what the benefits should be. On an annual basis, the City Council exercises that discretion via approval of BID’s Work Program. If the Council feels there is an imbalance, it is within the City Council’s discretion to make an adjustment. The court would not use the statute or existing case law to overturn the EDBID’s current system even if it could be proved there was a slight disparity between how the benefits are characterized for a by-appointment or open door business. He summarized that would be extremely difficult to prove and the business owner challenging it would have the burden of proof. Rather than a legal determination, the courts are telling City Councils to use their best judgment to determine if it is being done right.

Mr. Doherty added the fact that there may be variable levels of benefit is recognized in the rate structure; rates for by-appointment businesses are approximately half of open door businesses. Mr. Taraday pointed out in the Rogers Clothing case, the court referenced benefit versus opportunity to benefit. The Rogers Clothing plaintiffs criticized the trial court for using the phrase “opportunity to benefit,” but the Court of Appeals did not take issue with that phrase and said a business cannot avoid an assessment simply because the owner has seen fit to devote the property to a use which presently may not be specifically benefited. That language suggests a significant hands-off attitude by the courts with respect to whether only open door or retail establishments receive a benefit.

Councilmember Buckshnis complimented staff on the packet, stating it was very well done and Mr. Taraday for his memo. She said her questions have been answered and she has no issues.

Councilmember Johnson thanked Mr. Doherty and all the members of the EDBID Board who spoke tonight. She also gave a long-standing thank you to Karen Wiggins who chaired the Parking Committee for many years. She agreed to discuss BID rate structure after Councilmember Petso raised some legal concerns and she staff has responds to those to her satisfaction. There were also concerns raise by Mr. Malgarin who represents a faction of the community that is not satisfied; however, the majority of people are satisfied with the existing BID rate structure. She spoke in support of the current rate structure and suggested the Council take a hands-off attitude until there is time to reassess the basis for the rate structure or any problems arise that need to be addressed.

No further action was taken with regard to this item.

#### **7. DISCUSSION OF 2015 YOST POOL OPERATIONS**

Parks, Recreation & Cultural Services Director Carrie Hite recalled the City partnered with the YMCA as a pilot program. The program was very successful, there was good participation, good revenues, positive feedback from the community and the City did not receive any complaints over summer except one regarding the City’s own staff. The Y hired lifeguards and swim instructor staff; the City provided cashiers and maintenance staff. The City also programmed the pool, received all revenues, did registration and offered the 3<sup>rd</sup> grade swim lesson program with the Y. Following a thorough analysis and debrief with the Y, the Y expressed interest in operating the full pool and in exchange essentially give the City a lease rate on the pool.

The proposal before the Council is a concession agreement for the Y to provide operations of Yost Pool for the summer and in exchange the Y will pay the City \$40,000. She advised the payment started at a lower amount but was negotiated to ensure it would be of interest to the City and citizens. She referred to a spreadsheet of revenues and expenditures 2010-2014 and projected revenues and expenditures for 2015 with the City operating the pool and with the Y operating the pool. If the City hired staff and operated and programmed the pool, the estimated net result would be a \$21,641 loss. If the City enters into an agreement with the Y with the same revenues and expenditures, the net result will be positive cash flow of approximately \$12,000, a net difference in the bottom line of \$32,000. She concluded the Y operating the pool it is a good financial arrangement as well as a good operational arrangement. Staff was very impressed with the customer service, swim instruction, and lifeguarding provided by the Y and the relationship and service have been very positive.

**Courtney Whitaker, Branch Executive, Dale Turner Family YMCA**, said they were thrilled with the outcome of the pilot program. The Y was hopeful about expanding services into the Edmonds community and to ensure quality swim lessons would also benefit Edmonds residents. There were no safety or serious complaints during the summer, they were able to accommodate a later closing date following a later start date due to mechanical issues, and the Yost Penguin Swim Team members joined the Orca Swim Team

which allows them to swim year round. She recalled concern that the Y would not hire Edmonds residents as staff; the Y retained five staff members who are Edmonds residents in a year round capacity versus their only having seasonal employment. The City Council's confidence, the communication and support from the community and the partnership has been phenomenal and is unprecedented in a partnership with the Y. Efficiencies with the Y operating the pool in its entirety include staffing, chemicals, maintenance staff etc. They do not plan to make large changes to programming other than possibly adding or expanding some offerings. Pricing will remain at the same level rate increase the City may have considered. They will keep benefits for residents the same as Y members.

Ms. Hite reminded that effective operations of Yost Pool and the emphasis on partnerships are in the Strategic Plan, Item 3A6, as well as in the Parks, Recreation and Open Space Plan. This proposal is very consistent with the City's goals.

Mayor Earling advised last year's agreement was for one year; the proposed agreement is also for one year. Ms. Hite agreed. The agreement in the Council packet will be revised to add sections regarding insurance consistent with WCIA, adding a hold harmless section and termination language which were inadvertently omitted. A redline version of the agreement will be provide for next week's Consent Agenda.

Council President Fraley-Monillas recalled several years ago the community faced the potential closing of Yost Pool due to funding issues. To go from there to operating in this capacity is terrific. Yost Pool is a benefit to citizens, particularly as it provides children something to do.

Councilmember Buckshnis asked whether Verdant's Teach Your Kid to Swim for Free Program would continue. Ms. Hite said it will. Councilmember Buckshnis asked without a hold harmless agreement, what happens if something happens. Ms. Hite answered the agreement in next week's packet will include a hold harmless agreement. She offered to email Councilmembers the agreement tomorrow. Councilmember Buckshnis expressed her support for the proposal, commenting she was a Y member for many years.

Councilmember Johnson said she loves Yost Pool and it is sort of in her neighborhood. She recalled last year the Pool Manager left mid-season and City staff filled in. Ms. Hite clarified that was in 2013.

It was the consensus of the Council to schedule this on next week's Consent Agenda.

## **8. NAMING OF FIRE STATION #16**

Public Works Director Phil Williams recalled early last year the City received a request from citizens to name Fire Station #16 after Betty Mueller. This is an opportunity for the Council to discuss and schedule it on next week's Consent Agenda. Further information is provided in the Council packet including reasons for naming the fire station after Ms. Mueller. When the request was received, it was realized the City did not have a policy to name the first statement. A policy was subsequently developed and adopted by the Council last year. The request follows the directions in the policy.

He reviewed three option should the Council decide to pursue naming Fire Station #16; the costs will be raised privately:

1. Change the existing monument sign (\$1000)
2. Place lettering on the side of the building (\$1800 - \$2750)
3. Replace, append or modify the current brass plaque on the building (\$1000 - \$3000)

Council President Fraley-Monillas said there is no question the Council wants to proceed; most Councilmembers worked with Ms. Mueller throughout the years. She asked how the option would be

selected, whether it would be based on the amount of money raised. Mr. Williams suggested unless the Council has a strong preference, give staff the latitude to work with the sponsors, see how their fundraising goes, and find an option that is affordable and follows the policy.

Councilmember Buckshnis expressed support for this proposal. She thanked Councilmember Bloom and Mr. Page for spearheading this. She liked the plaque with Hazel Miller's picture at the Hazel Miller Plaza. She also wanted to keep the original plaque in place. Mr. Williams clarified it would not be removed but another plaque added or a new plaque could be fabricated that includes the existing and new information.

Councilmember Petso observed the naming policy states the Parks, Planning & Public Works Committee will provide a recommendation. As committees have been abolished, she suggested the policy be updated.

It was the consensus of the Council to schedule this on next available Council agenda for public comment. Staff will work with the citizen committee to identify an appropriate recognition.

**9. DISCUSSION OF AN ORDINANCE AMENDING THE 2015 BUDGET FOR CARRYFORWARD ITEMS PREVIOUSLY DISCUSSED AND APPROVED BY COUNCIL DURING THE 2014 BUDGET YEAR**

Finance Director Scott James recalled last week he stated the amount was \$194,000; the difference between last week's presentation and this is a transfer from the General Fund of \$120,000 to the Street Construction Fund 112 which expends the money on street projects. There was \$904,000 in the 2014 budget of which staff did not spend \$194,000. When the 2015 budget was adopted, \$260,000 for projects was not approved. To keep street funding at a sufficient level to meet Public Works projects, the request is for \$194,000.

Public Works Director Phil Williams clarified staff tried to spend the entire amount, there were numerous projects, a mixture of overlays and chip seal. Snohomish County estimated the construction costs of paving; the invoice for the work was lower than expected. In addition County crews were unable to complete the ramps on 100<sup>th</sup> and will be completing those in January/February 2015, a cost of approximately \$100,000. The remainder is savings due to Snohomish County's pricing. It is important to carry those funds forward into 2015. The 2014 budget included \$1.2 million for pavement preservation. When that budget was developed in August/September 2013, the intent was to carry \$260,000 of the \$1.2 million into 2015 to serve as a match for the federal grant on 220<sup>th</sup>. That is still the intent. The plan was for \$260,000 to come from REET 1 which the Council ultimately decided not to include in the 2015 budget which is why the number is only \$940,000. The action will carry over funds into 2015 funds that were approved in 2014 but were not spent.

Councilmember Petso asked why \$120,000 was proposed to come from the General Fund. Mr. Williams answered for the amount approved in 2014, there was a percentage split between the General Fund, REET 1 and REET 2. The same percentage was applied to the amount being carried over.

Councilmember Petso recalled the adopted 2015 budget already had a \$1.7 million in deficit in the General Fund. Last week the Council approved another \$100,000 of carryover. Now this request is being made for another \$100,000 from the General Fund. Mr. Williams clarified it was \$120,000 from the General Fund, \$62,000 from REET 2 and \$12,000 from REET 1.

If the Council did not approve this carryforward, Councilmember Petso asked whether the project would need to be completed from the \$2.3 million approved for 2015 road work. Mr. Williams explained there is some pavement being done in Edmonds paid for by utilities, patching the streets they damaged last year. Councilmember Petso referred to the annual street preservation program of \$1.3 million and over \$1 million for 220<sup>th</sup>. Mr. Williams clarified 220<sup>th</sup> is a federal grant funded project; only a match is required

for that project. If the Council did not approve this carryforward amendment, Councilmember Petso asked whether use of the 2015 \$1.3 million annual street preservation would be required to complete the paving and ramps on 100<sup>th</sup>. Mr. Williams agreed.

Councilmember Buckshnis expressed support for staff's recommendation. She supported continuing to pave streets, noting it is embarrassing to drive around and look at the patchwork.

Mr. James reminded Mayor Earling's budget message pointed out the City's streets had been ignored for a number of years. Paving streets is beneficial for citizens, raising property taxes as well as the City's bond rating. When the City's bond rating is considered, the unpaved streets are a liability. He spoke in favor of maintaining what the City has; the streets are an asset.

Mayor Earling said his only disappointment in the 2015 budget was when \$260,000 was pulled out of that fund and put into the General Fund. He spoke in favor of bringing that money back so more paving can be accomplished. Mr. Williams assured every effort is being made to be cost effective. Chip seal was used in some locations where a lower cost approach could be used to preserve pavement. Staff was in Kirkland this morning looking at their slurry seal program, another cost effective technique for some streets. Many cities have roads that need repair; it is the cities' problem to solve as the State is not interested in solving that. Cities will need to use existing revenues or implement a local revenue source to augment the paving program. Taking money away from the paving program is moving in the wrong direction.

It was the consensus of the Council to schedule this on next week's Consent Agenda. Councilmember Petso advised she may pull this from the Consent Agenda.

**10. DISCUSSION ON DRAFT UTILITIES ELEMENT FOR THE 2015 COMPREHENSIVE PLAN UPDATE**

Development Services Director Shane Hope recalled the Council held a public hearing on the draft Utilities Element at the February 3 meeting. The Utilities Element is one of the few elements proposed to be lengthened rather than shorten. The existing Utilities Element is very short because there are other ways of addressing some of the utilities. She is proposing with this update to provide more description and recognize and specifically refer to functional plans that have been adopted such as the Water, Sewer and Stormwater Plans. There is more description proposed in the Utilities Element regarding solid waste as the City works with Snohomish County and others on solid waste so there is not a separately adopted City plan.

The draft Utilities Element in the packet contains revisions to reflect the February 3 discussion, specifically Solid Goals C.1 and D.3 as well as a few other cleanups in the narrative and policies to be more consistent with other Comprehensive Plan policies.

Mr. Williams advised additional details were added regarding rate adjustments such as the year when the 3-year package of rate adjustments was approved by Council and when the rates adjustments will occur.

Councilmember Johnson referred to Solid Waste Goal D, Investigate policies and activities that will lead to development of a Zero Waste Strategy. She was interested in developing a Zero Waste Strategy for the City and hoped to bring something forward by the time the Comprehensive Plan is finalized. Mayor Earling suggested the quicker staff finds out about that, the happier they will be.

Councilmember Buckshnis commented the Utilities Element reads very well.

Mayor Earling advised no action was required. The Utilities Element will be included in the Comprehensive Plan review/adoption.

**11. POLICE UNIFORM VENDOR CONTRACT RENEWAL**

Assistant Police of Chief Jim Lawless advised this is primarily a housekeeping issue. The packet includes three uniform and equipment contracts and corresponding pricing; the proposal is to maintain contracts with Blumenthal and Kroesen and add a third vendor, Bratwear. The goal of three vendors is to have several options for pricing and availability. He recalled a situation where a new hire started at the academy earlier than anticipated and the difficulty staff had obtaining a uniform and equipment quickly. All three contracts have been reviewed by the City Attorney's Office and approved as to form. There are no concerns with pricing; staff tries to find the best deal at the time.

It was the consensus of the Council to schedule this on the Consent Agenda.

Mayor Earling declared a brief recess.

**12. PRESENTATION OF AN INTERLOCAL AGREEMENT WITH MOUNTLAKE TERRACE FOR THE 228TH ST. SW CORRIDOR IMPROVEMENT PROJECT**

City Engineer Rob English explained this project will construct the missing link of roadway on 228th St from State Route (SR) 99 to 76th Ave and install two new traffic signals at the intersections of SR99 / 228th St. and 76th Ave/ 228th St. The center median will be extended on a portion of SR 99 to restrict left turns and improve safety. The bid for this project will be tied to the SR 99 Illumination Phase 3 project, new lighting between 220<sup>th</sup> and 212<sup>th</sup> Street. Combining the bids is done in an effort to get a more cost effective bid for both projects.

This Interlocal Agreement (ILA) covers work on 228th St/Lakeview Drive in the City of Mountlake Terrace. Initial discussion with Mountlake Terrace about project recognized there will be additional traffic volumes on 228<sup>th</sup> and Lakeview Drive because the new roadway will provide a connection to I-5, the Park & Ride and the future freeway station. When the City applied for the federal grant, it included 2-inch overlay of a section of 228<sup>th</sup> and Lakeview Dive within Mountlake Terrace. He identified the portion to be overlaid on a map. During final design and material estimation, Mountlake Terrace determined they wanted to reconstruct the road instead of an overlay due to sub-base problems and the condition of the existing pavement surface. The City and Mountlake Terrace agreed to make that design change and any costs associated with the additional work would be paid by Mountlake Terrace.

Mountlake Terrace also requested the addition of a 2-inch conduit within that stretch of the project and connection to the City's traffic signal at 76<sup>th</sup> and 228<sup>th</sup> which will also allow connection of Mountlake Terrace's new signal further east on Lakeview Drive to Edmonds ITS that is shared with Lynnwood.

Mr. English reviewed Exhibit A, Preliminary Summary of Construction Costs, identifying the description, design fees, opinion of construction costs, construction management costs (12%), Total, Edmonds share, % share, Mountlake Terrace and % share.

Mr. English advised there was one term staff and Mountlake Terrace was continuing to discuss that was not reflected in the ILA regarding who has the ability to terminate the contract at the time of bid. The ILA currently states 20% over bid items within their schedule of work; that will be changed to 20% of overall bid schedule. This change will be reflected in the final draft. Both City Attorneys have reviewed the initial draft ILA.

Councilmember Buckshnis asked how the 13.5% match was determined. Mr. English answered that is the standard federal match.

Council President Fraley-Monillas expressed appreciation for moving this forward, relaying she recently saw an accident in this location. This will be a good safety feature for the neighborhoods on the Highway 99 corridor.

Mayor Earling observed staff's recommendation was to schedule this for the February 24 study session. Mr. Williams advised the intent is get this done quickly but Mountlake Terrace has had some scheduling issues. Mr. English said Mountlake Terrace City Council is scheduled to review the ILA on February 26 and take action on March 3. Mayor Earling suggested scheduling it on March 3 for discussion and possible action. Mr. Williams said the Council has the option of approving the ILA and hope the Mountlake Terrace Council approves it without any revisions. There has not been indication that Mountlake Terrace has issue with the ILA other than they want an out if the bids come in really high.

Councilmember Petso understood staff wants to get this through quickly. She suggested scheduling it on the Consent Agenda unless there were major changes. That was agreeable to the remainder of the Council.

### **13. PUBLIC WORKS QUARTERLY PROJECT REPORT**

City Engineer Rob English highlighted the following projects:

- City Park Spray Park
  - Anticipate project will be bid late February/early March.
  - Present construction bids to Council in March for possible award
- 15<sup>th</sup> Street walkway project
  - Sidewalk and stormwater improvements have been constructed, still some stripping to do
  - Have received several positive comments about walkway
- 3<sup>rd</sup> Avenue ADA curb ramp upgrades,
  - Will be completed in 1-2 weeks.
- Plan to have a public meeting on the 236<sup>th</sup> Street and 238<sup>th</sup> Street walkway in early March/late February
  - Follow up to meetings last year
  - 30% design and opportunity for public to comment on designs
- Residential Neighborhood Traffic Calming
  - Plan to issue a press release this week seeking comment from the public on residential traffic calming requests that will be processed according to the policy

Councilmember Bloom thanked staff for posting the traffic calming program on the City's website. She asked staff to describe how to reach the information about the traffic calming program on the City's website. Mr. Williams answered there the press release and postings on the City's website and Facebook page all contain a link to the 2009 Transportation Plan which includes the petition. A petition with 8 citizen signatures is required by March 13. After that date, staff will review the petitions, screen to determine which qualify under the program, rank the projects that qualify and place them on the list with existing projects.

Councilmember Bloom recalled on the City's website, she clicked on Public Works, Transportation and then the traffic calming program where all the information was available including a description of the program and the two forms (neighborhood and individual citizen). She asked whether the press release will contain a link to that information. Mr. Williams answered the press release had a link to the 2009 Plan which included the form. Councilmember Bloom said clicking on Transportation on the City's home page goes to the new website, VisitEdmonds.com. Mr. Williams offered to check the links, explaining the City's website is transitioning from the old webpage to the new website this week. Staff is in the process

of updating the data on the City's website and there may be some broken links. Councilmember Bloom asked whether the press release would be on the City's homepage. Mr. Williams assumed it would be.

Councilmember Johnson advised she has participated in the technical advisory committee (TAC) for the SR 104 study. She asked staff to summarize that work and to highlight the February 25 meeting that is intended to gather community input. Mr. English advised that study started in October. A TAC was established with representatives from Community Transit, WSDOT, the Planning Board, and Councilmember Johnson. The TAC is reviewing the work the consultant is doing and providing input. One of the focuses of the study is Westgate and how SR 104 interfaces with Westgate including growth on the corridor, interface with potential development, accident history, and an initial evaluation of zones on SR 104. The SR 104 study will be a component of the February 25 public meeting regarding the Comprehensive Plan.

Mr. Williams said staff plans to schedule discussion regarding Westgate with the Council. One of the key points is transportation. Staff will return with definitive conclusions from the consultant, staff and committee about what is necessary regarding setbacks, intersection space, etc. now and into the future that will allow Council to perhaps move forward with the Westgate proposal.

Councilmember Buckshnis referred to the Perrinville Creek Flow Reduction Retrofit Study, recalling there were some issues Ecology was going to address issues and that a final report would be prepared. Mr. Williams agreed the study being done by Tetra Tech is reaching an end. The Council received a report from Rick Schaefer during the last couple months. The report contains recommended actions; it will be up to the Council to select a course of action with regard to what projects to pursue to allow more infiltration to occur in a number of locations to take the load off Perrinville Creek and hopefully be successful enough to move forward with the culvert project under Talbot Road. The final report will be available at the end of February.

Councilmember Buckshnis referred to the Willow Creek project which states estimated completion is early 3<sup>rd</sup> quarter 2015. She asked whether that was just the Marina Beach master planning. Mr. Williams answered that was the feasibility study of Marina Beach.

Councilmember Buckshnis inquired about Sunset Avenue, the pedestrian walkway and signage for bicycles. Mr. Williams explained the trial project began in August; the intent was to paint pedestrian and bicycle symbols on the pathway. Due to delays in receipt of the bicycle stencil, they were not painted before the weather changed. The bicycle stencils finally arrived and weather permitting the smaller bicycle stencils will be painted on the pathway as well as a signs installed. Also important is to establish an expectation of a 10 mph speed limit on the pathway for all modes of travel.

Councilmember Buckshnis commented the pathway really cannot be evaluated until all the functionality is in place. Mr. Williams commented bicycles are allowed on the pathway and they have been using it. The stencils will make it clear and the speed limit is important; the goal is to have that done before the summer season begins.

Councilmember Bloom referred to SW Edmonds #4 106/105 with a cost of \$85,000 and LID retrofit of \$70,000. Mr. English answered that is a stormwater infiltration improvement project for 106<sup>th</sup> and 105<sup>th</sup> Streets in southwest Edmonds. Councilmember Bloom did not remember seeing that project before. Mr. English answered it from the 2010 Stormwater Comprehensive Plan. Councilmember Bloom inquired about nature of the LID. Mr. Williams answered the street has highs and lows and the soils are not receptive which result in puddles. The plan is to install onsite infiltration basins in the low spots that can take the water.

Councilmember Bloom referred to the Coating Project at the wastewater treatment plant. Mr. Williams answered wastewater is very corrosive to concrete and several areas of the plant need to be coated and treated.

Councilmember Bloom asked if there were any major changes in the sanitary sewer replacement schedule. She recalled work being done at the corner of Daley and 6<sup>th</sup> was halted. Mr. Williams answered a great deal of the scope in this year's sanitary sewer plan could not be completed because soil conditions suggested approaches that would exceed the budget. That project will be closed out and staff will return next year with another proposal.

**14. AUTHORIZATION TO PURCHASE FREIGHTLINER VACTOR 2100 CB VACUUM TRUCK**

Mr. Williams advised the City has two vactors; one is owned by the Water Fund and the other by the Storm Fund. The proposal is to replace a 1996 vactor. The only vendor in the northwest that sells vactor equipment is Owen Equipment. It is essentially a sole source but the City received certification from Owen that they have not and will not sell the vactor truck at a lower price. The vactor truck will be purchased through the State's contract which includes a competitive bidding element. The total purchase price for a single engine vactor is \$450,000. He anticipated the auction of the retired vactor will generate approximately \$50,000 - \$75,000 which will be deposited into the vehicle replacement B-Fund.

Councilmember Johnson observed this is a large expense but in talking with Finance Director Scott James, she learned it is part of B fund and approximately \$29,000/year has been contributed for its purchase, essentially prepaying for this equipment.

Councilmember Buckshtnis asked why the City needs three vactor trucks. Mr. Williams answered the City has two, this purchase will replace the oldest one of them.

It was the consensus of the Council to schedule this on next week's Consent Agenda.

**15. MAYOR'S COMMENTS**

Mayor Earling noted the Council has a very ambitious agenda next week. He will be present for the business portion of the agenda at 7:00 p.m. but not for the interviews. He reminded of the State of the City presentation on Thursday, February 12 at 8:30 a.m. at the Edmonds Theater. There will be two guest presenters, Diana White, President of the Edmonds School Board; and Rick Steves, a prominent business owner.

**16. COUNCIL COMMENTS**

Councilmember Bloom commented she was recently part of a flurry of emails that were not about a legislative issue, which is Council's responsibility, but an administrative issue which is the Mayor's responsibility. Council legislates; the Mayor is responsible for enforcement of all codes and ordinances. The issue discussed in the emails was the posting of agendas and minutes by boards and commissions, a requirement of the Open Public Meetings Act (OPMA). All future issues related to enforcement of the OPMA as well as the enforcement of all Edmonds City codes and ordinances should be directed to the executive branch of the City's government, Mayor Earling.

Councilmember Johnson thanked the ten applicants who applied for the Council vacancy and wished them all good luck.

Council President Fraley-Monillas asked whether the Council was interested in training at a study session regarding IT website development and Facebook. Councilmember Buckshnis said yes, if it was good for the public. Councilmember Petso offered to get back to Council President Fraley-Monillas.

Council President Fraley-Monillas reported the Parking Committee disbanded over a year ago for two reasons, 1) the chair stepped down after a number of years, and 2) she (Council President Fraley-Monillas) also stepped down after being on the committee for the past four years. The committee stopped meeting but was not actually disbanded. She asked whether Councilmembers were interested in recreating the Parking Committee and if so, she needed a Council volunteer.

Council President Fraley-Monillas reported the City of Shoreline's City Council met until after midnight last night. She reported Committee Reports will be added to the agenda on the last Tuesday of the month and will include reports on inside and outside committees.

17. **CONVENE IN EXECUTIVE SESSION REGARDING PENDING OR POTENTIAL LITIGATION PER RCW 42.30.110(1)(i)**

This item was not needed.

18. **RECONVENE IN OPEN SESSION. POTENTIAL ACTION AS A RESULT OF MEETING IN EXECUTIVE SESSION**

This item was not needed.

19. **ADJOURN**

With no further business, the Council meeting was adjourned at 9:22 p.m.