SPECIAL/REGULAR CITY COUNCIL STUDY SESSION
AUGUST 7, 2013

ITEMS DISCUSSED

1. CALL TO ORDER / EXECUTIVE SESSION – COLLECTIVE BARGAINING, NEGOTIATIONS, ISSUES OR PROCEEDINGS (RCW 42.30.140), PROPERTY DISPOSITION (RCW 42.30.110(1)(C)), AND POTENTIAL LITIGATION (RCW 42.30.110(1)(i))
2. ROLL CALL
3. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE
4. STAFF INTENSIVE
   A. POLICE DEPARTMENT MANAGEMENT ASSESSMENT REPORT
   B. UPDATE ON LEMAP AND LEXIPOL, AB 13-098
   C. MID-YEAR FINANCIAL REPORT UPDATE / PRELIMINARY 2014 FORECASTS, AB 13-100
   D. ORDINANCE NO. 2013-24, 2ND QUARTER 2013BUDGET ADJUSTMENTS, AB 13-024
   E. DISCUSSION OF COST ALLOCATION POLICIES, AB 13-022
   F. ROCKAWAY BEACH ROAD STABILIZATION PHASE 2 PROJECT CONTRACT AWARD, AB 11-061
   G. ROCKAWAY BEACH ROAD STABILIZATION PHASE 2 CONSTRUCTION SUPPORT LOCAL AGENCY STANDARD CONSULTANT SUPPLEMENT AGREEMENT NO. 3, AB 11-061
   H. DEPARTMENT OF ECOLOGY FY 2013-15 MUNICIPAL STORMWATER CAPACITY GRANT AND STORMWATER PROJECTS PLANNING AND DESIGN GRANT ACCEPTANCE, AB 13-099
   I. GERTIE JOHNSON NEIGHBORHOOD DRAINAGE, AB 13-102
   J. UPDATE ON THE OPEN WATER MARINA, AB 13-103
   K. ANNUAL UPDATE TO SIX-YEAR (2014-2019) CAPITAL IMPROVEMENT PLAN, AB 13-101
5. COUNCIL DISCUSSION
6. COMMITTEE REPORTS
7. CITY MANAGER'S REPORT
8. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS
9. FOR THE GOOD OF THE ORDER
10. ADJOURNMENT

1. CALL TO ORDER / EXECUTIVE SESSION – COLLECTIVE BARGAINING, NEGOTIATIONS, ISSUES OR PROCEEDINGS (RCW 42.30.140), PROPERTY DISPOSITION (RCW 42.30.110(1)(C)), AND POTENTIAL LITIGATION (RCW 42.30.110(1)(i)). Mayor Pro Tem Lester called the meeting to order at 6:00:10 PM and immediately adjourned the meeting to executive session with legal counsel to discuss collective bargaining, negotiations, issues or proceedings, property disposition, and potential litigation. Councilmembers Blair, Blossom, Lester and Mayor Bonkowski were present. Mayor Pro Tem Lester re-convened the meeting at 7:03 PM and announced no action was taken.

2. ROLL CALL. A quorum was present consisting of Councilmembers Blair, Blossom, Lester, Scales and Mayor Bonkowski. Councilmember Ward was absent and excused. Councilmember Hytopoulos arrived at 7:10 PM. Deputy City Clerk/Paralegal Brown monitored the recording of the meeting and prepared the minutes.

3. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE. 7:04:24 PM

> ***MOTION:*** *I would move approval as presented.*
> ***BLAIR/BONKOWSKI*** *– The motion carried unanimously, 5-0.*

There were no conflict of interest disclosures.

4. STAFF INTENSIVE. 7:04:55 PM

A. POLICE DEPARTMENT MANAGEMENT ASSESSMENT REPORT. 7:04:58 PM Dr. Michael Pendleton of Pendleton Consulting said the Police Department Management Assessment Report was done to identify key issues for City leadership in order to develop the Police Department going forward. He explained his methodology, listing the documents he had reviewed. He summarized the data from police interviews and noted that a major issue is lack of unity of command. He described the positive aspects of the department. He pointed out issues to be addressed, including first line supervision and related Guild issues, accountability standards, communication issues, relationship with the community and condition of the police facility. He summarized data from interviews with City leadership, including concerns with leadership, police intimidation and retaliation, accountability systems, rumors of past behavior, police philosophy, and community relations. He summarized data from interviews with community members including concerns with police philosophy, lack of trust, condition of police facility, recent incidents, and leadership issues. He described issues he found in reviewing background documents. He summarized his findings and presented recommendations, including implementing a leadership development strategy, improving the accountability system, developing a citizen commission, improving performance evaluations, developing an organizational development plan, and relocating the police facility in or near City Hall. Council discussed the report and recommendations. City Manager Schulze said he will work with Chief Hamner and Dr. Pendleton and come back with a report explaining next steps in a month.

B. UPDATE ON LEMAP AND LEXIPOL, AB 13-098. 8:00:41 PM Police Chief Hamner updated Council on the status of LEMAP's recommendations and the implementation of Lexipol. He said that Lexipol will be implemented in 30 to 60 days. Chief Hamner discussed the training required in connection with the new policies in response to Council's inquiry.

C. MID-YEAR FINANCIAL REPORT UPDATE / PRELIMINARY 2014 FORECASTS, AB 13-100. 8:11:29 PM Finance Director Schroer presented the mid-year financial report. She summarized the 2012 year-end results that were stronger than expected. She explained the 2013 assumptions for the 3rd and 4th quarter. She provided the 2013 estimated year-end cash balances for the various funds. She explained the 2014 assumptions and presented estimated reserves for year-end 2013 and 2014. Council discussed the report.

8:27:18 PM Robert Dashiell commented on the interfund loan and transfers to the SSWM fund.

Council discussed funding emergency reserves from the General Fund versus the sale of surplus property.

D. ORDINANCE NO. 2013-24, 2ND QUARTER 2013 BUDGET ADJUSTMENTS, AB 13-024. 8:33:20 PM Finance Director Schroer introduced the ordinance and the adjustments to the budget for the second quarter of 2013. She noted the contingency reserve is not appropriated in the budget, but Council could have it appropriated in the Legislative Department budget. Council discussed the issue.

> ***MOTION:*** *I move that the City Council forward Ordinance No. 2013-24 relating to 2013 Budget adjustments to the August 14, 2013 consent agenda.*
> ***BLAIR/BONKOWSKI*** *- The motion carried unanimously, 6-0.* 8:45:29 PM

E. DISCUSSION OF COST ALLOCATION POLICIES, AB 13-022. 8:45:34 PM Finance Director Schroer asked Council for guidance on cost allocation policies. She presented five particular questions and asked for direction. Council discussed the issues and asked for additional information on current practices. Mayor Bonkowski said he would like to have cost of service estimates in order to determine level of service policies, and Council discussed the request.

9:21:47 PM Arlene Buetow said her concern is administrative overhead costs in all utilities.

9:24:38 PM Robert Dashiell spoke about cost allocation issues relating to the utilities and encouraged the City to keep it simple.

F. ROCKAWAY BEACH ROAD STABILIZATION PHASE 2 PROJECT CONTRACT AWARD, AB 11-061. 9:29:44 PM Interim Public Works Director Cunningham described the bid process for the Rockaway Beach Road Stabilization Phase 2 Project. He explained additional funds are needed for the project. He noted that they haven't received the JARPA permit from the Army Corps of Engineers which is needed to get Department of Transportation's (DOT's) approval to award the contract. He asked for authorization to award the contract pending approval from DOT.

9:35:11 PM Elise Wright asked that a tree used by eagles be retained.

> ***MOTION:*** *I move that the City Council award the Rockaway Beach Road Stabilization project to Redside Construction LLC in the amount of $1,056,432.00 for construction of a soldier pile wall and approve a budget amendment of $252,000.00 from the Contingency Fund; contract is contingent on DOT approval.*
> ***BONKOWSKI/BLAIR*** *– The motion carried unanimously, 6-0.* 9:37:12 PM

G. ROCKAWAY BEACH ROAD STABILIZATION PHASE 2 CONSTRUCTION SUPPORT LOCAL AGENCY STANDARD CONSULTANT SUPPLEMENT AGREEMENT NO. 3, AB 11-061. 9:37:17 PM Interim Public Works Director Cunningham introduced the supplemental agreement for design and construction support for the Rockaway Beach project.

> ***MOTION:*** *I move that the City Council forward the contract with BergerABAM for the Rockaway Beach Roadway Stabilization Phase 2 Design Local Agency Standard Consultant Supplement Agreement No. 3 for construction support services in the amount of $154,768.00 to the August 14, 2013 consent agenda.*
> ***BLAIR/BONKOWSKI*** *– The motion carried unanimously, 6 -0.* 9:39:56 PM

9:38:32 PM Albert Greiner thanked staff and Council for their perseverance on the project.

H. DEPARTMENT OF ECOLOGY FY 2013-15 MUNICIPAL STORMWATER CAPACITY GRANT AND STORMWATER PROJECTS PLANNING AND DESIGN GRANT ACCEPTANCE, AB 13-099. 9:40:50 PM Interim Public Works Director Cunningham said this is a pass-through grant with no matching funds. The grant has $50,000 to be used to implement the new NPDES permit and $120,000 to use for stormwater capital improvements.

> ***MOTION:*** *I move that the City Council accept the Department of Ecology's Municipal Stormwater Capacity Grant, in the amount of $50,000.00 and Stormwater Facilities Planning and Design Grant in the amount of $120,000.00, and authorize the City Manager to execute the Agreements.*
> ***BLAIR/BONKOWSKI*** *- The motion carried unanimously, 6-0.* 9:44:20 PM

I. GERTIE JOHNSON NEIGHBORHOOD DRAINAGE, AB 13-102. 9:44:26 PM Interim Public Works Director Cunningham presented an update on drainage improvements to be made by the Gertie Johnson community to private property and corresponding drainage improvements to be made by the City. He said construction on City improvements will be scheduled for next spring.

J. UPDATE ON THE OPEN WATER MARINA, AB 13-103. 9:50:04 PM Deputy City Manager Smith presented an update on the Open Water Marina, providing history and highlights from the first two years. She said the City is planning to issue annual subleases effective in January 2014. She said the project is roughly break-even and provided detail on annual revenue and rent to the Department of Natural Resources. She provided policy background, including the decision to limit the tenant pool to the legacy community. She noted that the permit also allows additional buoys that were not installed initially due to time and expense considerations. Council's consensus was to schedule time for additional discussion on these policy issues. Deputy City Manager Smith will bring back information on options and cost.

10:02:13 PM Ed Kushner spoke about the history of the community and encouraged expansion from the legacy tenant pool and the addition of buoys.

10:10:36 PM Mark Leese, Chair of the Harbor Commission, noted there will be space considerations if the marina is expanded.

10:12:42 PM Robert Dashiell spoke about his recollection of the legacy policy and said the marina should be operated as an enterprise fund.

K. ANNUAL UPDATE TO SIX-YEAR (2014-2019) CAPITAL IMPROVEMENT PLAN, AB 13-101. 10:14:40 PM City Manager Schulze spoke about the process to adopt the Capital Improvement Plan ("CIP"). Deputy City Manager Smith presented the version of the CIP going to the Planning Commission on August 8, 2013. She summarized the changes made to the July 24, 2013 draft and provided an update on the process. She provided funding estimates for each category. Mayor Bonkowski asked staff to look at lights near schools. Mayor Pro Tem Lester asked staff to look at improving Knechtel.

10:29:06 PM Demi Allen of Squeaky Wheels asked Council to look at priority projects identified as critical projects for safety.

10:30:38 PM Don Willott asked that the City look at accessibility issues for the Waterfront Park bridge. He also asked them to look at the Grow to Madison portion of Winslow Way. He noted that the City should prepare thoroughly in applying for the SR305 grant and look at alternatives.

5. COUNCIL DISCUSSION. There were no topics for discussion.

6. CITY MANAGER'S REPORT. 10:36 PM City Manager Schulze highlighted items from his report of August 2, 2013. He said the citizen survey was finalized today and communications should go out later this month.

7. COMMITTEE REPORTS. 10:38:13 PM There were no committee reports.

8. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS. 10:38:24 PM Mayor Pro Tem Lester reviewed the August 11 retreat schedule and the August 14 and 21 agendas with Council. Councilmember Hytopoulos asked to add a discussion of the NPDES appeal to the August 28, 2013 agenda. Mayor Bonkowski inquired about the Vincent Road community meeting, and Mayor Pro Tem Lester asked staff to speak with the Non-Motorized Transportation Committee on the upcoming right-of-way vacation.

9. FOR THE GOOD OF THE ORDER. 10:47 PM Mayor Bonkowski announced that the City is receiving the eCity award from Google. Mayor Pro Tem Lester provided information on the Studio Tour.

10. ADJOURNMENT. On a motion by Mayor Bonkowski, Mayor Pro Tem Lester adjourned the meeting at 10:50 PM.

Steven Bonkowski, Mayor

Christine Brown, Deputy City Clerk/Paralegal