



**City Council Study Session
August 31, 2015 - 5:30 PM
Auburn City Hall
MINUTES**

I. CALL TO ORDER

Deputy Mayor John Holman called the meeting to order at 5:30 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street in Auburn.

A. Roll Call

City Councilmembers present: Deputy Mayor Holman, Rich Wagner, Bill Peloza, Wayne Osborne, Claude DaCorsi and Yolanda Trout. Councilmember Largo Wales was excused.

City officials and staff members present included: Mayor Nancy Backus, City Attorney Daniel B. Heid, Innovation and Technology Director Paul Haugan, Chief of Police Bob Lee, Human Resources and Risk Management Director Rob Roscoe, Economic Development Manager Doug Lein, Finance Director Shelley Coleman, Community Development and Public Works Director Kevin Snyder, Interim Director of Administration Dana Hinman, and City Clerk Danielle Daskam.

II. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. 10-Year Economic Development Plan Consultant Introduction (30 Minute Presentation/15 Minute Q&A) (Hinman)

Economic Development Manager Doug Lein introduced representatives from TIP Strategies and Heartland, the consultants selected to develop the City's 10-year economic development strategic plan. Mr. Lein briefly described the recruitment and selection process.

Jeff Marcell, Senior Partner with TIP Strategies, and Matt Hoffman Senior Project Manager with Heartland, discussed their approach for developing Auburn's ten year economic development strategic plan.

Mr. Marcell stated TIP Strategies was founded in 1995 and has offices in Seattle and Austin. The company has over 20 years of experience in over 177 unique communities across 36 states and in four countries. TIP Strategies is committed to holistic thinking and sustainable development. The company has expertise in strategic planning, workforce assessment and economic analysis.

Matt Hoffman reported Heartland is a Puget Sound-based real estate advisory and investment firm with a deep understanding of local market. The firm is multi-disciplinary with a culture of intellectual curiosity. Heartland's four basis business lines include civil real estate, real estate companies, corporate real estate and investments.

The Retail Coach is the third company that is part of the team to develop the City's 10-year economic development strategic plan. The Retail Coach is experienced in developing and executing retail recruitment and development strategies.

Mr. Marcell, who will be the primary point of contact for the project, explained the firm's philosophy on the concept of talent, innovation and place. Economic development is not only about business recruitment and retention, but also includes keeping and growing your talent base, encouraging innovation within the community, and place.

Mr. Hoffman spoke regarding market fundamentals. Land capacity is a function of existing buildings, developable land, policies and market fundamentals. Auburn has a diverse inventory of land use from a rich industrial base to a downtown that is evolving.

The process will include analyzing the Auburn area and competing communities, determining retail districts, discussions with community stakeholders, interviews with existing Auburn retailers, determining retail trade areas, demographic profiling, consumer surveying, identifying retail gaps in Auburn, identifying prime retail sites in Auburn, Auburn community marketing, downtown district focus, and identifying retail SWOT (strengths, weaknesses, opportunities and threats).

Councilmember Wagner suggested including transportation planning as part of economic development.

Mr. Marcell reviewed the City's stated goals for the strategic plan: build on the City's current economic asset base, identify specific strategies and actions for overcoming Auburn's challenges, facilitate the growth and expansion of existing business sectors while defining methods for attracting and growing new industries, promote key redevelopment corridors that are integral to the City's economic future, and increase employment opportunities and position the City to attract skilled workers, high-growth entrepreneurs and firms.

The consulting team proposed: team meetings, progress reports, review process, a kick-off meeting, existing conditions analysis, market capacity study, SWOT analysis, stakeholder engagement, best practices research, reverse site selection, perception survey, target industry analysis, and marketing review. All of the work will be put in an implementation matrix and the team will review the outcome with the Council for approval.

Mr. Marcell briefly reviewed a sample schedule and the expected outcomes, which include assessment of existing conditions, including demographic retail and market data; documentation of Auburn's competitive position both within and outside the region; extensive stakeholder engagement in the planning process with the goal of creating "buy-in" for the resulting plan; identification of relevant best practices; and preparation of a City-specific plan, including detailed strategies, actions and implementation matrix.

Councilmember Osborne suggested the consultants include the airport in the development of the economic development plan.

There was brief discussion regarding successful implementation of economic development plans and public engagement.

B. Supported Employment Update (15 Minute Presentation/5 Minute Q&A) (Hinman)

The report on Auburn's supported employment was presented immediately following the call to order.

Interim Director of Administration Dana Hinman introduced Janice Nelson, Program Manager with Trillium Employment Services and David Delaune, one of Auburn's supported employees. The City has worked with Trillium for the past seven years and employed four supported employees in total with three currently employed.

Ms. Nelson reported Trillium nominated the City of Auburn for the Public Employer of the Year Award through the Community Employment Alliance. The City of Auburn won the award for supported employment.

Ms. Nelson explained that supported employment is for people with cognitive or intellectual disabilities.

David Delaune stated he has worked for City for three years and delivers mail for all departments of the city and delivers the City's mail to the post office and the court. David works approximately 10-15 hours per week.

Ms. Nelson explained that Trillium Employment Services is a nonprofit organization committed to integrating people with intellectual disabilities into the workforce. Trillium has been serving people with developmental disabilities in Washington since 1983.

C. RFP for Auditing Services (10 Minute Presentation/10 Minute Q&A) (Coleman)

Finance Director Shelley Coleman stated the City is currently audited by the State Auditor's Office. They perform three separate audits each year: a financial audit, a single audit, and an accountability audit.

Finance Director Coleman proposed issuing a Request for Proposals for audit services for an initial one-year term with an option for two additional years, for the financial audit and the single audit. The RFP would also be sent to the State Auditor's Office so that they could respond as well.

Over the past several years, the Auditor's Office has struggled to retain staff and train staff to perform independent audits. The Finance Department is not informed of who the field auditors will be until just prior to the beginning of the field work. Finance would like to know the proficiency and experience of people performing the audit. Currently, Finance staff spend a great deal of time assisting the field auditors.

The advantages of hiring an independent audit firm include: audit staff are CPA's or have passed the CPA exam and are working on attaining the required working hours for their license and the firm would have the depth to work with Finance on technical issues for reporting.

Currently, the Ports of Seattle and Tacoma and Seattle Public Utilities have audits performed by independent firms and reviewed by the State Auditor's Office.

D. Tiered Water Rate Structure (10 Minute Presentation/10 Minute Q&A) (Coleman)

Using a PowerPoint, Finance Director Shelley Coleman presented information on the City's tiered utility billing rates.

Auburn residential and commercial customers are billed a "flat" or "base" rate of \$15.05 per month for water. Water meters are read bi-monthly. Water usage or "consumption" is billed every other month and subject to tiered rate

billing. However, the City bills monthly.

In 2002, the City implemented a block rate for the quantity of water consumed to promote water conservation. The cost of water is exponential as the usage or consumption increases. Customers who use an average amount of water or 7.0 ccfs per month will benefit from the lowest tier 1 rate. Customers who use more water move into the higher tier 2 and tier 3 billing rates.

Auburn's tier 1 rate (0-7 ccf) is \$2.99 per ccf. Auburn's tier 2 rate (7.01 - 15 ccf) is \$3.65 per ccf; and Auburn's tier 3 rate (more than 15.01ccf) is \$4.15 per ccf. Irrigation is charged at the tier 3 rate.

Director Coleman then displayed rate comparisons with the cities of Kent and Renton, which also have tiered rate structures.

Kent's winter tier 1 rate (0-7 ccf) is \$3.12 per ccf and winter tier 2 rate (greater than 7 ccf) is \$4.11 per ccf. Kent's summer tier 1 rate (0-7 ccf) is \$4.22 per ccf and summer tier 2 rate (greater than 7 ccf) is \$5.24 per ccf. Kent's base rate is \$13.10.

Renton's tier 1 rate (0-5 ccf) is \$2.54 per ccf, tier 2 rate (5-10 ccf) is \$3.41 per ccf, and tier 3 rate (10+ ccf) is \$4.30 per ccf. Renton's base rate is \$17.60.

Director Coleman stated the tier rate structure is in place to encourage conservation.

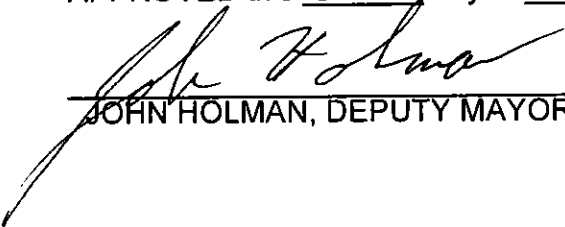
III. OTHER DISCUSSION ITEMS

There was no other discussion.

IV. ADJOURNMENT

There being no further discussion, the meeting adjourned at 6:59 p.m.

APPROVED this 5th day of October, 2015.


JOHN HOLMAN, DEPUTY MAYOR


Danielle Daskam, City Clerk