

**CALL TO ORDER**

Mayor Wise called the meeting to order at 7:32 p.m.

**ATTENDANCE**

Council Members Beckwith, Jensen, Ennis, Hogan, L. Reynolds, Mahelona, and Coats were present. Also present were Mayor Wise, City Administrator Bauer, City Attorney Reynolds, City Clerk Hopkins, Public Works Director Searcy, Community Development Director Thomas, Parks/Rec/Cultural Services Director Fetter, Finance Director Smalling, and Police Chief Zoll.

**OPENING REMARKS**

Mayor Wise reviewed the agenda and said that every first Monday through September will be used for a workshop. He made adjustments to the agenda by removing the equipment rental and property management items that will be the topic of another workshop.

Mahelona asked that Item D. Privatization be the first item of discussion. Council concurs.

Beckwith said he and Hogan have a potential conflict of interest with the sale of gas utility as they both work for Puget Sound Energy. Mike Reynolds advised them that they can participate in the discussion of the sale, but may not be able to join in the discussion when a sale to a company is being negotiated.

Beckwith and Hogan both said they will participate in the discussion at this meeting.

**2. DISCUSSION ITEMS:**

**d. Privatization – Natural Gas Utility**

Council and staff had a lengthy discussion on the natural gas utility including the history of the utility; previous research into selling it; current and future staffing needs to run the utility; impact of new State and Federal safety regulations; customer base inside and outside the City limits; State auditing requirements; the history of the City of Buckley purchasing natural gas from the city; other cities that own a gas utility; liability issues of owning the gas utility; negatives of selling the gas utility such as loss of local control and revenue; what Council could do with the money from the sale of the utility; the pros and cons of privatizing the utility vs. selling it; selling the utility would need voter approval and what is involved in that process; there is a GO bond currently associated with the utility; what union the gas workers belong to; researching potential buyers; what would happen to other city utility rates if the gas utility was sold; potential risks from accidents violations or leaks; hard-to-predict future gas supply prices; the inability of maintaining lower gas rates; and the fact the utility is not going to expand.

Council directed staff to research potential buyers, a sell price, research the ballot options, do a utility rate structure analysis to determine the impact on other utility rates as well as compare the gas rate of a potential buyer to the City's rate.

Council agreed to keep the natural gas utility issues in front of full Council and not send it to committee at this time.

Council agreed to continue the meeting to 9:30 p.m.

Searcy said the gas utility issues will consume much of his time and he will not be able to work on the issues regarding privatizing the solid waster utility at this time.

d. Privatization: Cemetery

Fetter gave a power point staff report on the cemetery and endowment fund explaining the history, expenditures, revenues, and beginning fund balances.

Council discussion included, capacity; current trends; staffing needs; product sales; the cemetery manager's other parks maintenance duties; how the endowment fund can be used; maintenance issues; irrigation issues; marketing and advertising strategies to increase revenues; privatization or selling options; obligations to cemetery operations and endowment; creating a cemetery district; and options with the local Week's Funeral Home.

Fetter would like to implement the new advertising and marketing strategies to increase cemetery revenues. Council agreed to go in that direction at this time.

**ADJOURNMENT:**

Mayor Wise adjourned the meeting at 9:28 p.m.

Respectfully Submitted,

Marcia Hopkins, City Clerk