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Councilmember Richard McIver
Chair, City Council Finance & Budget Committee
Seattle City Hall
600 Fourth Ave. 7th Floor
P.O. Box 34025
Seattle, WA 98124-4025

Re: Seattle City Light Budget Issues

Dear Councilmember McIver:

This letter contains the considered recommendations of the Municipal League of King County, as approved by the Board of Trustees at its October 17, 2005 meeting. The Municipal League of King County has been monitoring the affairs of Seattle City Light since the energy crisis of 2000-2001. In its March 2002 study entitled "Seattle City Light and the Storm", the League recommended the selection of an outside consultant to review management's performance in the crisis. We later supported leadership change and the creation of the City Light Advisory Board to offer independent expert advice to the Mayor, the City Council, and the new Superintendent. We have been very impressed by the thoughtful analysis and recommendations of the Advisory Board.

After our March 2002 report, Mayor Nickels appointed the Mayor's City Light Review Committee, chaired by former Washington State Utility Commission Chair Sharon Nelson, and they issued a thoughtful report in October of 2002. One of their recommendations was to afford City Light "Flexibility to operate outside some City systems, particularly those governing salaries." SCL Review Committee members noted that "...on a dollar-for-dollar basis, failure to pay sufficient salaries could result in a shift of a million dollars to or away from the utility based on the experience of the person making a transaction."

We understand that The City Light Advisory Board has now recommended that the Council and the Mayor adopt such an executive compensation plan that would afford the Superintendent more flexibility in competing with public and private utilities for highly qualified top level executives.

In light of the difficulties that the utility is encountering in filling top management positions, we recommend that the City Council take action to provide the City Light Superintendent with flexibility to operate beyond the usual City parameters in order to attract skilled personnel for executive level City Light positions. We believe this action is needed so that City Light can attract highly qualified people in order to continue its recovery from the severe financial difficulties of several years ago. City Light is more than just another City department. It is an enterprise whose financial health is essential to the economic vitality of Seattle and its citizens.

If you or other councilmembers would like to discuss this in further detail, please contact our City Light Chair, Bruce Carter, at (206)-285-5556 or via E-Mail at brucedcarter@hotmail.com.

Sincerely yours,

Rita Brogan
Chair, Municipal League of King County

Bruce D. Carter
Chair, Municipal League Seattle City Light Subcommittee

Cc: Seattle City Council Members
City Light Advisory Board
Municipal League Board Members