

MINUTES RECAP

MARYSVILLE CITY COUNCIL MEETING

NOVEMBER 12, 1996

00330

CALL TO ORDER/FLAG SALUTE:

7:00 p.m.

ROLL CALL:

All Present

CORRECTED: SEE 11/25/96  
MINUTESMINUTES OF PREVIOUS MEETINGS:CC Mins. 11/4/96 Approved  
Workshop 10/21 & 10/22  
ApprovedAUDIENCE PARTICIPATION:Loree Parker, Scott East-  
hamCONSENT AGENDA:

Approved:

1. Approval of 11/12/96 Claims in the amount of \$778,088.60; paid by check nos. 31476 through 31683 with check no. 31178 void.
2. Approval of October, 1996 Payroll in the amount of \$599,360.64; paid by check nos. 23290 through 23618.
3. Approval of and Authorize Mayor to Sign Cedarcrest Vista East Division I Final Plat; PA 9407029.
4. Authorize Mayor to Sign Community Block Grant Contract Amendments; H&CD 1993 #5, Contract Amendment #1 & H&CD 1993 #53, Contract Amendment #1.
5. Affirm Hearing Examiner's Recommendation to Approve Rezone, Conditional Use Permit and Variance with Conditions for Windsor Point; PA 9604019.

STAFF'S BUSINESS:MAYOR'S BUSINESS:CALL ON COUNCILMEMBERS:PETITIONS & COMMUNICATIONS:

None

PRESENTATIONS:

None

PUBLIC HEARINGS:

1. Water & Sewer Utility Rates; Cont. to 12/2/96  
Continued from October 28, 1996

REVIEW BIDS:

None

CURRENT BUSINESS:

1. Permit Procedures for Special Events Ord. 2099 Approved

NEW BUSINESS:

1. Contract for Computer Consultant/  
Network Planning; BJSS Group Approved w/modifications
2. Amendment to Section 220, UBC Ord. 2100 Approved

ORDINANCES & RESOLUTIONS:

1. Resolution Establishing 2 Hr. Parking Zone on a Portion of 5th St. between Cedar & Beach Avenues Continued to 11/25/96
2. Res. 1826 Approved Establishing a stop sign at the intersection of 57th Dr. NE & Parkside Dr. (58th Dr. NE)

LEGAL MATTERS:

1. Destruction of Cedarcrest Restaurant - Approved  
Building

ADJOURNMENT INTO EXECUTIVE SESSION:

10:58 p.m.

1. Legal Matters
2. Personnel

No Action  
No ActionRECONVENED & ADJOURNED:

11:20 p.m.

352

**MARYSVILLE CITY COUNCIL MINUTES**

NOVEMBER 12, 1996

7:00 p.m.

Council Chambers

Present: Dave Weiser, Mayor  
Councilmembers:  
Donna Wright, Mayor Pro Tem  
John Myers  
Ken Baxter  
Donna Pedersen  
Mike Leighan  
Otto Herman  
Shirley Bartholomew  
Administrative Staff:  
Steve Wilson, Finance Director  
Dave Zabell, City Administrator  
Ken Winckler, Public Works Director  
Gloria Hirashima, City Planner  
Grant Weed, City Attorney  
Mary Swenson, Asst. to City Administrator/City Clerk  
Wanda Iverson, Recording Secretary

CALL TO ORDER/FLAG SALUTE:

Mayor Weiser called the City Council meeting to order and led the flag salute at approx. 7:00 p.m.

ROLL CALL:

Finance Director Wilson called the roll with all members present/absent as indicated above.

MINUTES OF THE PREVIOUS MEETINGS:

Councilmember Pedersen noted in the 11/4/96 Council Meeting Minutes, on page 2, in the 2nd paragraph from the bottom, it should be 20 "years" not 20 "yeas" and on page 4, in the last line on the page, it should be "run" not "fun" meeting.

There being no further corrections, Councilmember Leighan moved and Councilmember Myers seconded to approve the 11/4/96 Council Minutes as corrected. Passed unanimously.

There were no corrections to the 10/21 & 10/22/96 Council Workshop Minutes and Councilmember Baxter moved and Councilmember Bartholomew seconded to approve them as written. Passed unanimously.

AUDIENCE PARTICIPATION FOR NON-AGENDA ITEMS:

Loree Parker, Mary Keating and Mary Swenson on behalf of the Marysville Community Coalition, presented City Council with a framed drug awareness poster "Release a Friend from Addiction's Grasp" by student David Hise. Mr. Parker explained that they have been working with the drug counselors in the school district and the poster is the result of their annual art contest in the secondary schools. He said they would like to see the poster put up at City Hall.

Scott Eastham, 4718 73rd Dr. NE, addressed Council regarding the Athletic Sports Complex Proposition 1. He thanked Council for getting it on the ballot, noting even though it did not pass, they felt there was a very favorable turnout and "Friends of Marysville Parks" is going to pursue getting the park built. The need is still there and they hope for the Council's continued support; they have a lot of committed people and a lot of them are here tonight, he said. He added that they feel there was good public response and hopefully, next time it will pass.

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Councilmember Herman moved and Councilmember Bartholomew seconded to approved Consent Agenda Items 1 through 5. Passed with Councilmember Baxter abstaining on Voucher #31611 under Item #1.

STAFF BUSINESS:

City Planner Hirashima gave an update on the zoning code, noting the Planning Commission is meeting downstairs right now and it is anticipated there will be a couple hearings on the development code in December.

Public Works Director Winckler reported there will be a RUSA Committee meeting 11/14 at 7:30 a.m., and a Groundwater Advisory Committee meeting Friday from 9 to Noon on the 4th Floor at the PUD Building.

MAYOR'S BUSINESS: None.

CALL ON COUNCILMEMBERS:

Councilmember Wright reminded Council of the 11/21 Cities & Towns meeting to be held at Kayak Point.

CORRECTED: SEE 11/26/96 MINUTES s/b "inconveniently"

Councilmember Pedersen followed up on people taking the bus after leaving their vehicles illegally parked by the Library. Public Works Director Winckler said the streets dept. will be painting the curbs soon, indicating that people should not park in the yellow zone.

Councilmember Baxter reported Cedarcrest is doing well with the bad weather and the grass is growing so well it has had to be mowed three times in the last month.

Councilmember Bartholomew reported there will be a Downtown Parking Committee meeting at 10 a.m. on Friday, 11/15/96.

Councilmember Herman said regarding the parks bond issue, he feels the City ought to look at the access and review the budget for this. He noted parks are going to be a challenge for funding, mitigation, etc., with ongoing changes and he referred to changes in Lynnwood recently.

CORRECTED: SEE 11/26/96 MINUTES s/B "Bothell"

Councilmember Bartholomew added that there was a Snohomish County Parks Meeting this afternoon and one of the issues on the agenda was user fees throughout the parks system in the county.

Councilmember Leighan reported the City Parks Board will be meeting tomorrow night at the Library at 7 p.m.

Councilmember Baxter expressed appreciation for Dick Andrews' efforts in the Grove St. redesign.

PUBLIC HEARING:

**1. Water & Sewer Utility Rates; continued from Oct. 28, 1996.**

Public Works Director Winckler summarized Hammond, Collier, Wade-Livingstone's previous presentation, noting Council had asked for some additional information, comparisons, etc., information which is now available and along with a letter that has been submitted by Larry Wade, representatives are here from Hammond, Collier, Wade-Livingstone, he said. He showed some overheads with comparisons of water and sewer rates from Arlington, Bellingham, Snohomish and Everett being compared with Marysville proposed rates, as well as average rates. He said they tried to give examples of a cross section of categories and explained that there are different structures, the City and RUSA Committee have been working on the rate study for over a year with many meetings and public hearings and input from businesses and commercial users. He explained the "credit" program for pretreatment and lower usage, for example.

Mr. Garcia of HCW-L spoke about the Hilton Pharmacy rate being very low and encouraged the City to have a minimum rate. He explained that most cities adjusted their rates in '92, '93, '94 or '95 and so may be a little on the low side; Everett is currently redoing their rate structure to get away from the rate structure where the more people use, the lower the per gallon rate is.

Councilmember Herman asked about the use of average rates on the overheads and Mr. Garcia explained that Safeway uses more water than Albertsons; volume is part of the rate. Some of the restaurants tend to be above average of other cities because of their BOD, TSS and flow.

Mayor Weiser opened the public hearing to public testimony at 7:30 p.m. He read into the record the following memo:

To: Mayor Weiser and City Council  
From: Lillie Lein, Confidential Secretary  
Date: November 12, 1996  
Subject: Water Rate Hearings

I received a call this afternoon from Pastor Dick Krantz who said he would not be able to make the public hearing this evening on the water rates, but wanted Council to know that he had called "in direct opposition to an increase in water rates".

He also left his telephone number of 653-1664, but did not directly request anyone call or add anything else other than the fact that he is a pastor in the community.

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He also referenced the 5 page memo from Larry Wade to Ken Winckler with regard to the Utility Rate Study and made that a part of the record also.

Joanne Thorleifson, 1107 54th Dr. NE, addressed Council. She noted she lives outside of City limits and saw the notice in the Globe. She said she did some math based on her current water rates and usage and figures she uses 7 or 8 cu. ft. over 2 months and it would come out to \$53.00, whereas she used to pay \$66 for 2 months. So she would end up paying less based on the proposed rates, she said and added people need to take a close look and it might be lower for them instead of an increase.

Mayor Weiser explained this may be the case for some people.

John Martinis, 4630 67th Av. NE, addressed Council on behalf of businesses belonging to the Chamber of Commerce. He said he didn't see the rates for the school district and if their rates

are increasing, then what services are we going to have to do without?

Councilmember Pedersen stated the sewer is based on the number of students and Public Works Director Winckler noted water is based on usage.

Mr. Martinis said he would like to see the new rates presented to the school district. Also, he asked how many small businesses are going to be put out of business with these new rates. He pointed out that 90% of the population of Marysville is employed by small businesses--younger and older people (as opposed to middle aged) tend to be employed at restaurants, eg. Burger Mill, Maxwell's and we have to look at equity and fairness; we need to look at the businesses, maybe the rates can be phased in, he suggested. He asked Council to rethink this and do it according to what they can offer to do.

Councilmember Baxter explained these rates were 3 years in the making and he is also one of the small employers in Marysville. He said 3 years ago they had a substantial surplus but because the rates have not been raised, the surplus is now gone and the City can't keep subsidizing the water and sewer.

Mr. Martinis responded that he thinks the City is right in increasing rates but asked if on the first year with the new rates if they are creating a surplus or do they need that big of a jump just for operating expenses. He said if they really need the operating expenses, that's one think but he doesn't want to see the first year create a surplus.

Councilmember Baxter explained that one of the problems is Everett governs some of the rates because of the water Marysville buys from them. Mayor Weiser added the rates are set up for five years and at the end of 5 years it's planned that there will be a surplus but if the rates are phased in, there would be no surplus.

Councilmember Pedersen asked what Mr. Martinis is opposing and he said he would rather the rates increase in increments vs a 5 year rate. Also, residential use is 70% of the total, commercial use is 30% and so he is looking for equity and fairness to all, he said. He added he definitely would want to increase rates one year at a time and not have to pay the increased rate for the next 5 years.

Councilmember Pedersen explained there does need to be a surplus for capital investments.

Mr. Martinis said he understands but he would personally like to see more frequent, smaller rate increases because that would be easier for everyone to bear.

Councilmember Herman noted this is a separate City fund with no "profit" built in.

Councilmember Leighan asked about residential vs commercial usage and Mr. Davido gave a brief explanation.

Larry Mitsules, 10005 52nd Dr. NE, addressed Council as a Chamber of Commerce board member. He said he is concerned for the small businesses that are going to be impacted tremendously and said the Council needs to look at what their vision for the future of Marysville is. He said if they want a bedroom community, then by all means go ahead and charge the businesses with the present proposal, but if they want to keep small businesses in Marysville, they need to revisit this issue. Someone said something about having to sell 100 more hamburgers a month and he said that is a lot to ask and the City should try and implement the increase more slowly, if possible. He said the feeling is that this should be handled differently; the businesses are in a hard spot because the

City is the only water and sewer supplier and it would be really nice if the City could look at doing this in steps.

Councilmember Herman noted several factors were considered in developing the rates: Frequency of adjusting rates, impacts, residential vs commercial usage, etc.

Mr. Mitsules reiterated that incrementing the rates is a possibility and if the City wants to keep the businesses in the community maybe the residents would like to subsidize just for the convenience of having a Safeway in Marysville, versus in Lake Stevens, for example. It was very difficult to build businesses in the county and maybe Marysville needs to review this, he said. He added that Safeway is not the same as the small business that will be impacted more.

Hank Stampf, 11908 N. Lake Shore Dr., Lake Stevens, addressed Council as a property owner in Smokey Point and former Lake Stevens City Councilmember. He said he appreciates the Council's position here with his previously being a Councilmember and with his experience in Smokey Point. He said he knows the Council has a debt service as well as maintenance and operating expenses; he asked if hookup fees are going to be increased a similar amount.

Public Works Director Winckler stated hookup fees are currently being reviewed by the City's consultant as they have not been increased recently.

CORRECTED: SEE 11/26/96  
MINUTES 4B "misuse"

Dr. Stampf said he understands there are 4500 users in the City and 6400 out of the city limits so that means the majority of the people are not represented by City Council. He asked if it has been in the best interest of the citizens to deny Smokey Point businesses water and sewer, especially in light of the loss of revenue and he said he knows there are some lawsuits coming up. He asked if that has been considered. He pointed out that the City is now planning to make the water and sewer users pay for the City's not hooking up Smokey Point businesses and he said he thinks this is a tragic misuse of public funds and that the people should vote in a new City Council and City Administration.

Frank and Erma Schueller, 14715 45 Road, Arlington, addressed Council. Mrs. Schueller said they are opposed to the water rates increasing. They have had a farm for 30 years and in the hot months the rates go up and she doesn't think the animals should be asked to cut back their use of water, especially with the low price of beef right now. She noted they are not the only ones with stock in the area, this is affecting a lot of people.

Councilmember Wright asked if she considers her property to be rural and Mrs. Schueller said yes, they have tried to keep their 18 acres for their grandchildren. She added she thinks they are zoned 5 acres, they never put in a well because Marysville water lines run right down the 45 Road.

CORRECTED: SEE 11/26/96  
MINUTES

Victoria Graves, 6224 93rd St. NE, addressed Council. She noted she lives only 2 blocks outside City limits and her rates, according to the newspaper, are going to go from \$160 to \$235 because she is outside City limits. She said they were asked to annex in but felt it was not in their best interest at the time. She said they have supported Marysville, the fire district, the Library, the City, have lived here for 30 years, been a member of the school board, worked with the PTA and it hurts her to see the City forcing the issue with the outside residents. She said they would like to continue supporting the community but this is not right. She said the City should be ashamed for forcing this issue because the people have to have water and sewer to live and if they have to move they will lose a lot of friends in the City. She said they would like to work with the Public Works Dept.; they know it costs to run a City and a business and it's going to be a domino affect if they have to leave. And without residents, there won't be any businesses, she said.

\* referring to increase in rates per year

She was asked where she got her figures and she said she got them out of the Globe: \$160 if you live in the City vs \$235 if you live outside the City limits, to coerce them to annex.

Councilmember Herman explained that there has always been a 2 tier system for in and out of City customers, single family residents who live outside of the UGA.

Mayor Weiser explained her rates might go down because of the lower minimum usage of 5,000 gallons vs 10,000 gallons.

Public Works Director Winckler added that the old bimonthly rate was \$18.80 and that could go down to \$15.00; at the same consumption, it would only go up \$6.00 bimonthly.

Councilmember Bartholomew asked if Everett water rates are going up and Public Works Director Winckler said they increased rates to Marysville a year ago.

Councilmember Bartholomew asked about the bond house requirement and Finance Director Wilson said the City is currently at one times its debt service and should be at 1.5 times its debt service, in other words, revenue should be 1.5 times debt service.

John Bingham, 5414 59th Pl. NE, addressed Council, representing the Marysville School District. He said they felt they were caught a little offguard on this proposed rate increase; the concern is increase in water and sewer fees because sewer fees are based on students but there is also a community use of the school buildings. On the water, he asked if there are any conservation programs developed by the City.

Public Works Director Winckler cited the watering schedules, free shower heads, training programs but said no, there are no training programs for large users.

Mr. Bingham asked if there will be an increase in the metering charges and Public Works Director Winckler said yes, these would also increase with the proposed rate increases.

Mr. Bingham stated they would like a change to have some input here. As far as the rate structure, Marysville School District receives money as the students come in and not for 5 years down the road; that's how they receive state funding and any increases are very difficult to recover, he concluded.

CORRECTED: SEE 11/26/96  
MINUTES 513 "for a change"

Councilmember Pedersen asked if there are user fees for the school district and Mr. Bingham responded that they are in the same position as the City--their user fees do not cover the costs. He noted they pay \$91,000 a year for utilities and with another elementary school, it will be \$100,000 with no way of paying for this. He said they would like to be active in the process and are presently looking to the county for funding a grass sprinkling system.

Councilmember Baxter noted there has been consideration of the school district, especially in the summer, but if they feel they have been left out of the loop, the City needs to find out why.

Mr. Bingham noted that the 150% surcharge for water use in the summer is a bit high; they like to sprinkle for aesthetics as well as it means less injuries on the athletic fields. He said he knows it seems like they are working against the City but they are trying to conserve as much as they can.

Councilmember Baxter pointed out that in 1995 the City exceeded the 1998 projected usage and costs are going up.

Mr. Bingham said they are just going to have to figure out where to take the money from, that's what it comes down to.

Councilmember Pedersen said the water conservation training program is a good idea.

Gerry Delisle, 9327 67th NE, addressed Council. She said she is speaking as a resident immediately outside Marysville and asked where the 12,000 gallon average came from. This is supposed to be an encouragement for people to annex, she said, but asked if the City is prepared with police, fire services, etc. if they were all to annex. Also, she said she can see an increase in rates if the homes were a long way away from the City but she said she thinks it unfair that the City is saying annex or else they are going to charge more. She said she has seen the City population quadruple in 14 years and perhaps the City is not in line with the population growth. She said she calculated \$18.80 for 10,000 gallons of water is going up to \$24.50.

Councilmember Bartholomew pointed out that Marysville has to pay 62.9 cents per gallons for water from Everett.

*^thousand*

CORRECTED: SEE 11/26/96  
MINUTES

Ms. Delisle asked if this was for the pipeline costs but Mayor Weiser assured her it was strictly for maintenance and operation.

Ms. Delisle asked when the 150% surcharge applies, how the water on 100th St. was paid for and whether the City has structured mitigation fees to cover water and sewer costs. She said she didn't realize before tonight that the sewer rates were going up, too.

Councilmember Baxter said the 100th St. improvements came out of the 1996 budget; it is an ongoing program.

Ms. Delisle asked if Marysville still has its own wells and Mayor Weiser said yes. He added the City has improvement charges, not mitigation fees.

Ms. Delisle asked when the fees are charged and Mayor Weiser told her at the time of hook up.

City Administrator Zabell added the developer puts in the water and sewer and pays for the hookup and mitigation fees.

Councilmember Myers said he thought 12,000 gallons average for a residence is high and Mr. Davido of HCW-L clarified that it is actually 6,000 gallons per month average, 12,000 gallons bimonthly. He also explained apartments have a separate category.

Kevin Bookey, 4009 107th Pl. NE, Marysville, addressed Council on behalf of National Food Corp. He said it's a family owned business, having been in Marysville since 1968 and they really have a problem with the rates going up 177% for sewer and 233% for water. With their being in Class 4 for sewer, these rates amount to a total increase of \$87,000 per year. And that's on top of \$500,000 they spent for a pretreatment system; it was a first class system and now they are getting a dramatic increase and they don't know if they can bear this increase, he said. He asked if this seemed reasonable and fair to the City to ask such large increases. He said they understand that there are increases but 177% and 233% is not their idea of reasonable. He went on to say they employ a lot of people in the area and with having to pay an increase of \$86,000 a year plus \$100,000 increased maintenance on the pretreatment system plus a regular sewer bill of \$89,000, that equals a very excessive sewer bill, he said. He added they were not notified of this hearing tonight, even though they are a major player.

Mr. Bookey noted these calculations are his brother's area of expertise actually but he had to attend an out of town funeral and so he hopes he has done these calculations accurately; he said he is not sure about what UGA is and said due to their location and proximity to Arlington, they may be part of Arlington's UGA, in

which case their rates would go up 500%, he said. He added that in comparing Everett's rates with Marysville rates, he believes it would work out to \$105,000 vs \$146,000.

CORRECTED: SEE 11/24/96  
MINUTES

Councilmember Herman said that there are some areas where Marysville has agreed with Arlington that they would be served at the same rates as Marysville's UGA but there are some areas where Arlington may assume service. Marysville's agreement with Arlington is that Marysville would continue to serve National Food Corp., he said.

*pending a final decision/agreement between the two cities.*

Mr. Bookey concluded that they are going to have to sell a ton more eggs to cover the additional costs.

Councilmember Baxter pointed out that National Food Corp. makes up 17% of the lagoon usage and Marysville has spent a lot of time getting National Food Corporation's loading down for the long run.

Mr. Bookey said if they had known what was coming up they might have reassessed the situation. He noted they have other operations in South Dakota and Oregon.

Councilmember Bartholomew asked since they have installed their pretreatment, how much reduction will be reflected in the lagoon and Public Works Director Winckler stated National Food Corp. has gone down from a Class 7 to a Class 5 which has reduced their rate by half: \$115,000 down to \$84,000 a year.

Mr. Bookey said they are still working on the pretreatment process; they were trying to achieve Class 3 and have put a lot of effort into this but it is hard. He said they would not have been able to operate at Class 7 rates at all but it is disappointing that \$500,000 didn't bring it down as much as it should, although they are still making pretreatment improvements every day, he said.

Councilmember Baxter noted the City is continuously monitoring for very strict DOE requirements and it has to go back to the customer.

Mr. Bookey said they expected a reasonable increase and will do anything they can to cooperate with the City.

Mike Kossak, 6629 67th Dr. NE, representing the Golden Corral, addressed Council. He said he also represents his family and other business members of the Chamber of Commerce (especially restaurants). He said he is upset that he has to come to this meeting; the Council was elected to take care of these kinds of things for the people of Marysville. This is going to affect his business and he said he is going to attempt to explain how P&Ls work. He said he has been here for 5 years and has worked diligently on his grease traps, they don't waste water, they conserve as much as they can. He said they could cut back on their use of water more and he listed several things that are against health regulations and said he didn't think people would want to eat at his restaurant if he did that. He said the City told him his grease trap is in compliance but apparently now he has to put in a separate system to test his grease so the City can set his rate and this is going to require construction, excavation, more room required for the monitoring apparatus and test site. In the meantime, he is paying for Class 6 and he doesn't have the funds available right now for the monitoring system, he said. He added that it was explained to him that the pitch needs to be different for the testing on the grease line--another expense and nobody has brought up the dollar amounts here. For example, Maxwell's goes from \$5,000 to \$14,000; Burger Mill goes from \$1100 to \$2800. He said when you add a cost to a business, you can only absorb so much; the minimum wage went up and now the City is saying he has to pay \$8,000 to \$10,000 and he is supposed to raise his rates to pay for this. He explained that will have to charge his 16,000 customers for his having to increase all the taxes, insurance, rent, plus a loss of a 5% customer flow so he is losing 100 hambur-

gers and actually has to sell 200 more hamburgers a month to make up for the additional costs. He said if he thought he could have saved a lot of money down the road, he would have spent \$10,000 a long time ago if he had known what was going to happen here. He said he was raised in this town and thought the Council was elected to back him up and keep him in business--\$10,000 is a lot of money and it's going to affect him and the people of this town. He said he thinks the City should have done something about this a long time ago so the businesses did not have to swallow so much all at once. He said the testing chamber is uncalled for; the City asked him to do something and he did it, they asked him to change his grease traps more often and he dumps them more often than he has to. They asked him to put a tee in and he did it right away; he has done everything they have asked him to do and he doesn't see why he has to put in another thing--a grease chamber so the City can set his rates. In the meantime, he has to pay at Class 6. These prices are really affecting people and businesses are being punished for using the water that they have to have and these rates could very easily put businesses out of business and not because he is a bad business person, he concluded.

Sandie Phipps, of Roy Robinson, Inc., addressed Council. She noted Mr. Robinson paid for sewer and the road in front of his business and then another \$25,00 when they hooked up to the sewer. They employ a lot of young people and the proposed rates are not going to help anyone and they would like to know why this couldn't have been brought in on a phase-in basis. She said they may be asking for an audit to find out why this happened.

Councilmember Baxter said the City is trying to involve everyone, that's why they are having the hearings. Ms. Phipps seemed satisfied with that explanation.

CORRECTED: SEE 11/26/96  
MINUTES \$8,000

Mr. Dash, representing G.A. Maxwell's Restaurant, addressed Council. He said they based their cost of doing business on rates in the Seattle and Portland area which is not the case now. They will have to do more than \$160,000 a month more in sales to make the \$8,000 surcharge a month which is not realistic. He said they could understand doubling the rates but not four times the current rate. He said they employ 150 employees between the restaurant here and two restaurants in Seattle; he has been in the business for 30 years and has a lot of experience with how to run a restaurant.

Councilmember Leighan pointed out that the \$8,000 increase is per year, not per month, but Mr. Dash said that's still a large increase to have to make up.

Brian Snyder, owner of Strawberry Lanes, addressed Council. He said his rates are set for the year and he cannot change them until the summer time to try and make up the increased water and sewer rates. He said further he thinks the rates should be changed every year rather than once every five years because this increase would put him out of business. He said when he first opened up, he took all his profits and returned them to the employees but there aren't going to be any profits with these rate increases.

John McCoy of the Tulalip Tribes addressed Council. He said they would like to express their opposition to the rate hike; first they get a cost increase and then they get hit again through the customer who buys goods and services. He pointed out that the entertainment facility is a facility they can't really pass this cost on to because it depends on the economy, therefore the Tulalip Tribes have to be careful and try to forecast all these rate increases so they would prefer the annual rate increase method, also. He said this is a very hard hit because they just finished their budget forecasts; they try to improve the life of their constituents and now they are going to have to reevaluate their programs so they can pay this increase. They would prefer the incremental increases, he said.

MARYSVILLE CITY COUNCIL MINUTES  
NOVEMBER 12, 1996  
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Caldie Rogers, Executive Director of the Greater Marysville-Tulalip Chamber of Commerce, 4411 76th Dr. NE, addressed Council. She read three faxed letters into the record:

From: Welco Lumber Company, P. O. Box 125, Marysville, WA 98270  
To: Caldie Rogers, Marysville Chamber of Commerce

Dear Caldie:

I cannot attend the Marysville City Council meeting tonight but I want to protest the increased water and sewer charges as being proposed. I cannot find out how much Welco would be impacted by the increase, but from some numbers that I have heard, our cost could increase from 2-4 times that which we are now paying. We are currently paying about \$13,000 annually so that large of an increase would be a major burden. I do not understand the logic behind this size of an increase.

Sincerely,

/s/Robert E. Crunkilton  
VP/General Manager

From: Northwest Composites, 12810 Smokey Point Blvd./P.O. Box 1209,  
Marysville, WA 98270

11/12/96

To whom it may concern:

Northwest Composites does not support the proposed increase to water rates in the Marysville area. We are a large employer in the Marysville area and always strive to maintain our financial strength through effective cost reduction targets. We set specific cost reduction goals so we can grow and increase employment opportunity for our surrounding community. Your proposed increase will raise our operating costs, thus jeopardize our strategic cost reduction goals. We understand that increasing costs are normal over a period of time, but your proposed rate increase appear to be unusually high. We request that a more reasonable rate increase schedule be achieved so that businesses can survive in the Marysville area.

Thank you for your time.

/s/Jerry Goodwin  
General Manager

From: Safeway, Inc., 1258 State St., Marysville, WA 98270

November 12, 1996

Dear Marysville City Council,

I am writing to express our strong concern regarding the proposed increases in water and sewer rates. It has come to our attention that these changes could translate into an increase next year of about \$8500. We feel that this type of sudden increase is cost prohibitive to businesses.

At Safeway our employees have the opportunity to increase their earnings based on the store's financial results. This sudden change in a fixed expense could significantly impact every employee in the store, as targets have been set for next year. This expense would drastically change financial results and therefore lower their potential earnings. Safeway is most likely one of the largest

employers in the city with many of our employees spending their earnings locally. It seems that any proposed change would seem more equitable if it was at least imposed incrementally over a longer period of time. If you are unable to stop this staggering increase in water and sewer rates I would hope that you will at least consider imposing it gradually over a period of years. As businesses make financial plans in a proactive manner this sudden change would force many of us to operate in a reactive manner.

As demonstrated by our involvement in the local community, we at Safeway are dedicated to making Marysville a better place for all of us to live. Changing the rules of the game for the business community in such an abrupt fashion can only have a detrimental impact on the business community.

Sincerely,

/s/Craig A. Hanning  
Store Manager

Nancy Chilson, 9117 48th Dr. NE and local business owner, addressed Council as a member of the Chamber and said she will let Joe make appropriate comments on behalf of the businesses.

Robyn Warren, CPA, 9529 35th Av. NE, addressed Council and stated she is an accountant who helps many businesses and has a concern about the inequity between residential and business rates. She said she is in favor of user fees but the proposal targets businesses and this will drive out about 30 businesses from Marysville and then who will you come after for your increase, she asked. She said she would like to offer her firm's assistance if the City needs help recalculating this out in a more equitable manner.

Joe Crawford, President of the Chamber of Commerce and Vice-Pres. and General Manager for Pacific Coast Feathers, addressed Council. He said he has a lot of concerns, the first being that 90% of the ratepayers are residential users and they are only getting a 7-8% increase whereas there is up to a 500% increase for the commercial users. That's for the sewer. For the water, 70-80% of the users are residential and 20% are commercial users, he said. He noted there could be anywhere from a 12% decrease to a 10% increase in water rates for residential but for the businesses, according to the City's figures, it would be a 135% increase average. He pointed out that it costs a lot more to service so many residential customers and the rates should be higher because the cost to serve that many is higher.

On the sewer rate structure, the rates went up \$300,000 just for 12 businesses and that's a lot of revenue toward maintenance and operation of the Waste Water Treatment Facility, he said, or are we running a multi thousand dollar deficit for one year, he asked.

He said he is not convinced the City needs that much revenue, but if they do, the water and treatment lagoon are owned by the City and he would not try to force the increases down the throats of only 20% of the users. These people live and work in Marysville, businesses do a lot of nice things for a community and he said he thinks the increases do need to be shared more equitably over the whole rate base. National Food Corp. tried very hard to meet the City's requirements and then only to have their rates doubled. He said he thinks Hammond Collier Wade-Livingstone should go back and work a more acceptable and more palatable rate increase for the ratepayers.

Councilmember Herman asked about lowering the minimum water usage/rate and Mr. Crawford said he would not decrease existing rates as people generally expect rates to always go up. He stressed if the City wants businesses to go out of business and leave the community, then stick to this rate structure.

Councilmember Herman asked about volume, TSS & BOD, the 3 components in the sewer rate structure and the paying for what you use concept.

Mr. Crawford pointed out that the City bought a 6.2 MGD treatment facility that's operating at 50% right now and there is a huge benefit to everyone, both now and in the future. The benefit is not just to the businesses, the residents have a benefit and the City's fixed costs are not going to go down and residents should have to help with that. If a large user goes away, the City still has the fixed costs that should be spread over everybody and the rest of the cost can be meted out according to the 1/3, 1/3, 1/3 principle (volume-TSS-BOD), he said.

Sandra Adams, 4226 76th Dr. NE, addressed Council and asked about the notification process.

Mayor Weiser explained the City advertises public hearings in the Globe, plus notices are posted at City Hall, the Library and Post Office. Also, there is a notice on Channel 2.

Ms. Adams said this is a big thing and should have come out in the Herald. She noted she closed her restaurant a year ago but it was the City people who encouraged her to reopen her business; her customers helped her rebuild her business and people do care about the small businesses. She said she is not prepared but is speaking for the small business in Marysville: We know rates have to go up but not at the rate it is going up; it will put a lot of people out of business, she said.

Christie Evans, 9905 48th Dr. NE, addressed Council. She said she came here tonight to thank Council and the business community for their help with Proposition 1 but she senses animosity here tonight, especially with regard to annexation to increase the tax base, for example. She said she thinks if the City gives more notification, they will get more support which is good for the whole community. She pointed out that when you have small meetings, that's not representative of the community. She said she does a lot of loans for small business and they do struggle and Marysville doesn't have the industrial base and she said she thinks the City needs to come up with a midline agreement, satisfactory to everyone.

There being no one further from the audience wishing to address the Council on this topic, the public testimony portion of the public hearing was closed at 9:43 p.m.

After considerable discussion about more frequent rate increases, methodology used in establishing rate structure, more monitoring, water and sewer budget/costs and revenue to be reviewed, testing chamber cost, senior discounts, attainable minimums, overage charges, incentive, how many people are using 5,000 gallons or less, Councilmember Bartholomew moved to continue the public hearing to 12/2/96 in order to fully digest all information received tonight with continuation of public input also. Councilmember Myers seconded the motion. Discussion of the motion resulted in setting up a workshop on this topic at City Hall 11/26/96 at 7 p.m. The motion passed unanimously.

CURRENT BUSINESS:

**1. Permit Procedures for Special Events (cont. from Oct. 28).**

City Clerk/Asst. to the City Administrator Swenson reviewed the agenda bill and reviewed changes on the draft ordinance presented. After brief discussion, it was moved by Councilmember Myers and seconded by Councilmember Herman to adopt Ordinance 2099 with three

minor changes (adding Markets & Sporting events on page 1, deleting the word "processions" under Section 2.b.2. and adding #8 - Strawberry Festival under Section 2.b.). The motion passed unanimously.

NEW BUSINESS:

**1. Contract for Computer Consultant/Network Planning; BJSS Group.**

City Clerk/Asst. to the City Administrator Swenson reviewed the agenda bill, noting there is especially a need to look at networking between Public Works, City Hall and the police dept., etc. She explained 7 responses to the request for proposals were received and it is recommended the Council authorize the Mayor to sign the contract with BJSS Group for Computer Consultant/Network Planning. The scope of work would be for 438 hours at \$100 per hour and this would come from unencumbered reserves and operating revenue from utility funds, she said.

Michael Crose and Scott Furrer of the BJSS Group made a fairly detailed presentation including what would be included in the scope of work, noting their contract would definitely not exceed 438 hours. They showed an organization chart and explained who would be working with staff on training programs, locating resources, coordinating hardware and software, etc. Mr. Crose spoke about his extensive experience, especially in the areas of troubleshooting network problems via modem and he assured Council that public access to the City's computer system can be tightly controlled.

After brief discussion, Councilmember Pedersen moved and Councilmember Bartholomew seconded to authorize the Mayor to sign the contract with BJSS Group Consultants, with minor changes as outlined by City Clerk/Asst. to the City Administrator Swenson. Passed unanimously.

**2. Amendment to Section 220, UBC.**

City Planner Hirashima reviewed the agenda bill and a letter from the Marysville Fire District/Fire Marshal Jacobsen. This amendment would change the definition of "story" in the MMC in order to eliminate the possibility of the code being used incorrectly. It was noted there are a number of jurisdictions who have already made these changes upon becoming aware of the problem.

Councilmember Leighan moved and Councilmember Myers seconded to adopt/approve Ordinance 2100. Passed unanimously.

ORDINANCES & RESOLUTIONS:

**1. Resolution Establishing a Two Hour Parking Zone on a Portion of 5th St. between Cedar and Beach Avenues.**

Councilmember Bartholomew noted this topic will be covered at an upcoming Downtown/Community Transit Parking Committee meeting where the entire area will be reviewed and perhaps this resolution is premature.

Councilmember Leighan made a disclosure that he owns property adjacent to the subject property.

After brief discussion, Councilmember Baxter moved and Councilmember Herman seconded to delay passing this resolution until next Council meeting. Passed unanimously.

**2. Resolution Establishing a Stop Sign at the Intersection of 57th Dr. NE & Parkside Dr. (58th Dr. NE).**

Councilmembers Pedersen and Wright both declared they live very near the subject intersection and will not be voting.

Councilmember Myers moved and Councilmember Bartholomew seconded to approve/adopt Resolution 1826. Passed 5-0.

LEGAL MATTERS:

**1. Destruction of Cedarcrest Restaurant Building.**

Councilmember Baxter moved and Councilmember Bartholomew seconded to authorize the destruction of the Cedarcrest Restaurant building. Passed unanimously.

ADJOURNMENT: 10:58 p.m.

EXECUTIVE SESSION: 11:10 p.m.

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|-------------------------------|-----------|
| <b>1. Pending Litigation.</b> | No Action |
| <b>2. Personnel.</b>          | No Action |

RECONVENED & ADJOURNED: 11:20 p.m.

Accepted this 25<sup>th</sup> day of November, 1996.

David Wever  
MAYOR

Mary Swenson  
CITY CLERK

Wanda A. Swenson  
RECORDING SECRETARY