

MARYSVILLE CITY COUNCIL MEETING

November 21, 2005

7:00 P.M.

City Hall

CALL TO ORDER / INVOCATION / PLEDGE OF ALLEGIANCE

Mayor Pro Tem Jon Nehring called the November 21, 2005 work session of the Marysville City Council to order at 7:00 p.m. There was no invocation. Mayor Pro Tem Nehring then led those present in the Pledge of Allegiance.

ROLL CALL

Chief Administrative Officer Mary Swenson gave the roll call. The following staff and councilmembers were in attendance.

Council: Mayor Pro Tem Nehring; Councilmembers Lee Phillips, Jeff Seibert, John Soriano, Jeff Vaughan, and Donna Wright

Staff: Sandy Langdon, Finance Director; Mary Swenson, Chief Administrative Officer; Grant Weed, City Attorney; Gloria Hirashima, Community Development Director; Paul Roberts, Public Works Director; Worth Norton, Information Technology Manager; and Laurie Hugdahl, Recording Secretary.

Mayor Pro Tem Nehring noted that Mayor Kendall was away on vacation this week, but would be returning next week.

COMMITTEE REPORTS

Mayor Pro Tem Nehring solicited committee reports. There were none.

PRESENTATIONS

None.

ACTION ITEMS

None.

DISCUSSION ITEMS

Items Scheduled for November 28, 2005 Meeting

APPROVAL OF MINUTES.

A. November 14, 2005 City Council Meeting.

B. November 21, 2005 City Council Work Session.

CONSENT AGENDA

A. Approval of November 16, 2005 Claims in the Amount of \$1,027, 047.35; Paid by Check No. 26750 through 26879 with Check No. 8712, 10029, 20446, 26683, and Eden Checks Totaling \$1,094.71 Void.

B. Approval of November 23, 2005 Claims.

C. Approval of November 18, 2005 Payroll.

D. Approval of Escrow Agreement with Marshbank Construction.

Public Works Director Paul Roberts explained that Marshbank had asked to put their reserve funds into an escrow agreement. City Attorney Grant Weed indicated that the agreement was acceptable.

E. Approval of Liquor License Renewals for Circle K #8878 (8007 State Ave.); Jackpot Foodmart #160 (6031 47th Ave. NE); and Quil Ceda 76 (3608 88th Street NE).

There were no comments or questions regarding this item.

F. Authorizing Surplus of Equipment No Longer Compatible with City's Technology Infrastructure.

Information Technology Manager Worth Norton commented that this applies to outdated equipment that is no longer usable for the City, but is still in good shape.

G. Authorize Mayor to Sign Agreement Terminating Joint Local Organization for Emergency Management.

- Chief Administrative Officer Mary Swenson explained that the Snohomish County Department of Emergency Management is being dissolved and forming a separate department in the Snohomish County. The following agreement enters into the interlocal agreement with the new entity. The staff and director will transfer to the county staff.
- John Soriano referred to Attachment A, and asked if the City would still be able to seek grants. Ms. Swenson responded that the City can still seek grants but would do so through a bigger entity.
- Donna Wright inquired about the funding of the new agency. Ms. Swenson thought that it would remain the same. Jeff Seibert had concerns about the amount not being specified in the agreement. Ms. Swenson indicated that she would check on this.
- Jeff Seibert referred to policies regarding the director of the advisory board not being a voting member on page 6. Ms. Swenson thought that this would remain the same, but she will double-check and bring back the information for the next meeting.

H. Authorize Mayor to Sign Interlocal Agreement with Snohomish County for Emergency Management Services¹.

See above.

REVIEW BIDS

A. Sander Storage Shed.

Paul Roberts explained that all the bids came in much higher than anticipated and they have decided to reject all bids.

PUBLIC HEARINGS

A. 2006 Proposed Budget.

Moved to end of meeting.

B. Consider Amendments to MMC 14.32 Relating to City's Utility Service Area (USA) and to Consider Revisions to the City's Water & Sewer Utility Policy.

- Grant Weed commented that a public hearing has been set for next Monday. He generally discussed changes in the document, but pointed out that the most significant language in the new section (14.32.045) declared that any new areas that come into the UGA would be provided water and sewer utilities only upon annexation. This would make it consistent with the City's Comprehensive Plan. Paul Roberts added that the Consolidated Water and Sewer Plan may also need amendment. He stated that the City needs to be able to protect its ability to finance the expansion of the utilities.
- There was discussion about not allowing development applications to be submitted prior to annexation. Community Development Director Gloria Hirashima noted that they are starting to see that the County is accepting applications without a Certificate of Availability. She was not sure how to prevent that.
- Councilmember Seibert expressed concerns and wanted also to find a way to prevent this.
- Grant Weed commented that the City could make the planning department at the County well aware of the policy. He agreed that this is a problem, but noted that until they are annexed, the City has no jurisdiction over applications.
- Paul Roberts expressed concerns about the County vesting a subdivision of property without assurance of provision of water. He suggested that a letter could be written to the applicants stating that they are not vested.
- Mr. Weed stated that prior to being annexed to the City, the County has to accept a development application, but they have the authority to determine what constitutes a complete application. He indicated that he would review the vesting ordinances of the County.
- Gloria Hirashima clarified that the County will not approve the applications, but they will deem them complete.

CURRENT BUSINESS

None.

NEW BUSINESS

A. Professional Services Agreement with Perteet Engineering; 88th Street NE Pre-Design Report.

- Paul Roberts explained that the PSA provides for Perteet Engineering to prepare a pre-design report for 88th Street NE corridor from State Avenue to 67th Avenue NE. They are hoping to prepare a coordinated strategy between the County and the City and potentially a coordinated funding approach.
- Donna Wright suggested that they make sure that the PUD posts are not an issue. Mr. Roberts indicated that they would check on that since they will be widening the corridor.
- Jeff Seibert referred to item 7 on page 10 of the PSA. He requested that 80th Street be included in the study because the connection between 84th and 88th will impact the whole area.
- Paul Roberts stated that they will try to provide a revised Scope of Work that looks more broadly at streets feeding into 51st Street by next week.

B. Bradford Annexation; UA05-052.

Gloria Hirashima explained that staff is recommending waiving the requirement to annex since this would not make a logical annexation boundary. Councilmember Seibert asked if there were any annexation covenants in the area. Ms. Hirashima responded that there are not.

C. Planning Commission Recommendation to Approve Updates to the Comprehensive Plan – Marysville Capital Facility Plan.

CORRECTED: SEE 11.28.05 MINUTES

Gloria Hirashima discussed the history of this plan. She noted that the Planning Commission is recommending approval of this plan. She commented that they had received only one letter from the public and that was a letter of support from Barclays North. Donna Wright asked about the rates for Lakewood and Lake Stevens. Ms. Hirashima did not have that available, but indicated she could obtain it. She noted that the discount rates for both cities are 25% and the County is 50%. There were no further comments or questions.

LEGAL

None.

ORDINANCES AND RESOLUTIONS

A. An Ordinance of the City of Marysville Adopting the Marysville School District Capital Facilities Plan as a Supplement of the Marysville Capital Facilities Plan.

Related to above.

Budget Discussion

Mary Swenson stated that the fire district is one of the last pieces of the budget. Staff had been waiting for the County's assessment before addressing this. Based on the formula in the contract, the City owes the fire district an additional \$250,000 from what was anticipated in the budget process. She indicated that they think they have figured out a way to fund this, but asked Sandy Langdon to first review the formula and the way the County's assessed value plays into all this. Ms. Langdon distributed and reviewed a handout showing this.

- Councilmember Seibert thanked Ms. Langdon for clarifying this. He indicated that the problem lies with the formula used by the fire district and that the City is not growing at the same rate as the fire district's calculations show.
- Councilmember Soriano concurred and indicated that this needs to be corrected so the City and the fire district are using similar compatible computation methods.
- Ms. Swenson added that the fire district also has some banked capacity (\$550,000) which they will be taking in the future. The City must work closely with the district to determine when they take it. She commented that she had researched the cost for having the city's own fire department. After doing that research, she determined that they are getting a really good deal. She added that they need to sit down with the fire district to look at this contract, but noted that the City could not do it less expensively.
- Councilmember Seibert asked Sandy Langdon to get an idea of what the difference would be to the fire district budget if they used the City's method of calculation versus theirs.
- Mayor Pro Tem Nehring suggested that there be a set amount that is paid.
- Sandy Langdon stated that they would need to look at all the possibilities.
- Ms. Swenson stated that the fire district would argue that their formula is fair. She noted that any levy LID lift would have to be approved by voters.
- Councilmember Seibert stated that the annual assessed values are a major contributing factor. Ms. Swenson concurred and noted that another problem was the last minute notice of that assessed value.
- Councilmember Seibert reminded the council that some of the economic development would be coming in the next few years, but that this had already been earmarked.

Ms. Swenson discussed two scenarios to deal with the shortfall:

- *Scenario 1 would cover the amount for one year:*

Economic Development	\$40,000
Blackberry's	17,000
<u>Sale of Palmer House</u>	<u>250,000</u>
	307,000

- Scenario 2 would be a long-term fix.

Property Room	\$ 20,000
1% Property Tax	46,000
1% Utility Tax	316,000 (for whole 1%)
	<u>382,000</u>

- Councilmember Seibert asked about the relationship of annexations to this problem. Ms. Swenson indicated that it helps, but not enough.
- Sandy Langdon commented that they would need to adopt a levy by the 30th if they plan to do so.
- Councilmember Wright expressed concerns about reducing the economic development funds and also with removing the property room funding. Ms. Swenson responded that she felt that the economic development funds would still be sufficient at the reduced level.
- Councilmember Seibert stated that he preferred the first scenario. He was not in favor of the property tax, but open to the possibility of banking it. He was in favor of the 1% utility tax with the condition that it be reduced when no longer needed.
- Councilmember Phillips stated that he was not opposed to the 1% and proposed this in combination with the first scenario (minus the economic development funds).
- Councilmember Vaughan stated that he liked the blended approach. He was not in favor of the 1% property tax, but possibly supportive of the 1% utility tax if it was reduced when no longer needed. He commented on how quickly the City had come up with this funding strategy and suggested that they come up with some more to fill the potholes in the City.
- Lee Phillips stated that he was in favor of the first scenario and also with taking the 1%.
- Donna Wright supported scenario 1 and was in favor of the 1% utility tax and banking the 1%.
- Jon Nehring agreed with Scenario 1. He commented that the 1% utility tax might be useful, but that could be taken at any time and he was not in favor of that right now.

Mary Swenson summarized:

- Consensus to go with Scenario 1 for this year;
- No 1% property tax, but maybe bank it; and
- Some interest in the utility tax.

She added that this will continue to be a problem and they will need to come up with a long-term solution.

Councilmember Soriano commented that they really are getting a good deal with the fire district services.

INFORMATION ITEMS

00560

A. Mayor's Business

Mayor Pro Tem Nehring stated that he attended the ROTC inspection at Marysville Pilchuck High School on Thursday night. He was very impressed with the program and the participants.

He noted that the Turkey Chase Fun Run would be held on Wednesday at 2:45 p.m.

B. Staff Business

Sandy Langdon wished everyone Happy Thanksgiving.

Gloria Hirashima wished everyone Happy Thanksgiving.

Paul Roberts also wished everyone Happy Thanksgiving.

Mary Swenson noted that the deadline for the Planning Commission vacancy had been extended to December 15 so that it would not conflict with the City Council vacancy.

Grant Weed discussed implications of the smoking bill. He thought that this would become effective on December 8. He noted that the City would need to make preparations to come into compliance. The State Health District will be the enforcing agency.

C. Call on Councilmembers

Lee Phillips thanked Sandy Langdon for the explanation regarding the property tax calculations.

He requested that the changes to the November 7 Work Session minutes be in their packets on Wednesday if possible.

He noted that he had been approached by a business owner on 3rd street requesting the replacement of a stop sign that had been removed.

He also addressed concerns raised by a citizen about wheelchair accessibility and safety in that same area.

Jeff Vaughan said he had been contacted by a citizen who had noticed a leaning light post on the north side of Grove at 77th. Paul Roberts indicated they would look into this.

Jeff Seibert thanked Sandy Langdon for the explanation.

He confirmed that Joel Hylback would receive a thank you from the City for his service on the Planning Commission. Gloria Hirashima indicated that a letter had been drafted, but had not yet been signed.

He wished everyone Happy Thanksgiving.

John Soriano thanked Sandy Langdon and everyone else on staff for trying to get the budget shortfall handled. He wished everyone Happy Thanksgiving.

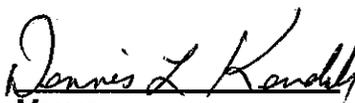
Donna Wright wished everyone Happy Thanksgiving.

Jon Nehring suggested that councilmembers begin thinking about what committees they would like to serve on next year.

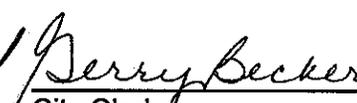
ADJOURNMENT

Seeing no further business, Mayor Pro Tem Nehring adjourned the meeting at 8:32 p.m.

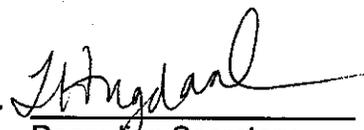
Approved this 28th day of November, 2005.



Mayor
Dennis Kendall



City Clerk
Gerry Becker



Recording Secretary
Laurie Hugdahl