

Call to Order/Pledge of Allegiance/Roll Call	7:00 p.m.
Excuse the absence of Councilmember Rasmussen	Approved
Presentations	
Employee Services Awards: <ul style="list-style-type: none"> • 5 Years: Andrea Kingsford, Recreation Coordinator, Parks; Esther Nicolas, Computer Support Tech I, IS • 15 Years: Jeffrey Franzen, Police Sgt., Police; Jeremy Wood, Police Officer, Police • Retirement of K-9 Police Dog Brody 	Presented
Volunteer of the Month for September - Marilyn Boe	Presented
Approval of Minutes	
Approval of the September 24, 2012, City Council Meeting Minutes.	Approved
Approval of the October 8, 2012, City Council Meeting Minutes.	Approved
Consent Agenda	
Approval of the October 3, 2012 Claims in the Amount of \$1,479,272.91; Paid by Check Number's 80016 through 80127 with Check Number's 69737 and 75175 Voided.	Approved
Approval of the October 5, 2012 Payroll in the Amount of \$1,400,689.49; Paid by Check Number's 25959 through 26005.	Approved
Approval of the October 10, 2012, Claims in the Amount of \$637,460.06; Paid by Check Number's 80128 through 80288.	Approved
New Business	
Shasta Ridge PRD Phase 4 – Final Plat Approval.	Approved
Grant Agreement with the Department of Ecology Allowing the City to be Funded \$862,500 to Retrofit the Decant Facility Area.	Approved
Professional Services Agreement with Macaulay and Associates, Ltd. for the I-5 Overpass at 156th Street NE Local Improvement District (LID) in the Amount of \$130,800.	Approved
A Resolution of the City of Marysville Announcing the Retirement of K-9 Police Dog Brody and Therefore Declaring the K-9 Police Dog Brody to be Surplus and Authorizing the Sale of the K-9 Police Dog Brody.	Approved Res. No. 2334
Agreement Transferring Ownership of K-9 Brody to Sergeant Joby Johnson.	Approved
Legal	
Mayor's Business	
Staff Business	
Call on Councilmembers	
Recess	7:41 p.m.
Executive Session	7:45 p.m.
Real Estate – one item	
Reconvene	7:51 p.m.
Authorize the Mayor to execute the Early Lease Termination Agreement for the property at 601 Delta as discussed in Executive Session.	Approved
Recess	7:52 p.m.

Reconvene	7:59 p.m.
2013 Budget Work Shop	Held
Adjournment	9:52 p.m..



Regular Meeting
October 22, 2012

Call to Order / Pledge of Allegiance

Mayor Nehring called the meeting to order at 7:00 p.m. and led those present in the Pledge of Allegiance. The invocation was given by Victor Rodriguez from Marysville Free Methodist Church.

Roll Call

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

Mayor: Jon Nehring

Council: Steve Muller, Jeff Seibert, Michael Stevens, Rob Toyer, Jeff Vaughan, and Donna Wright (arrived at 7:05 p.m.)

Absent: Carmen Rasmussen

Also Present: Chief Administrative Officer Gloria Hirashima, Finance Director Sandy Langdon, Chief Smith, Commander Robb Lamoureux, City Attorney Grant Weed, Public Works Director Kevin Nielsen, Parks and Recreation Director Jim Ballew, Financial Planning Manager Denise Gritton, Recording Secretary Laurie Hugdahl.

Mayor Nehring stated that Councilmember Rasmussen had requested an excused absence because she would be out of town tonight.

Motion made by Councilmember Muller, seconded by Councilmember Toyer, to excuse the absence of Councilmember Rasmussen. **Motion** passed unanimously (5-0)¹.

Committee Reports

Jeff Seibert reported on the October 15 meeting of the Economic Development Committee where the following items were discussed:

- Downtown revitalization efforts

¹ There were only five council members present at this point in the meeting.

- Waterfront marina – There was discussion about possibly hiring a consultant to determine what the area would actually be usable for.
- The Geddes property cleanup is ongoing.
- There was a downtown revitalization budget proposal which will be coming forward to Council.
- There was discussion about the Industrial Exemption Bill for the Smokey Pt. Industrial area. Arlington is now supporting this as well.
- Smokey Pt. JARPA (Joint Aquatics Resource Permit Application) update. Staff is working through this with the Corps of Engineers. It may be necessary to break this up into individual areas instead of one large area.
- There also was a good discussion of other items that can be done that weren't listed on the agenda.

Presentations

A. Employee Services Awards

The following employees were honored for their service to the City:

5 Years:

- Andrea Kingsford, Recreation Coordinator, Parks
- Esther Nicolas, Computer Support Tech I, IS

15 Years:

- Jeffrey Franzen, Police Sgt., Police
- Jeremy Wood, Police Officer, Police

Lt. Lamoureux announced the retirement and discussed the many achievements of K-9 Police Dog Brody who was assigned to Sgt. Joby Johnson, a very skilled handler. Brody will be transferred to Sgt. Johnson.

B Volunteer of the Month

Marilyn Boe from Home Street Bank was honored as September's Volunteer of the Month for her outstanding community service through her involvement on boards and committees that benefit youth, the elderly and the business sector; her commitment to a more diverse, welcoming community; the partnerships and funding support that she provides on behalf of her employer, Home Street Bank; and for the many volunteer activities she carries on throughout the year.

Audience Participation - None

Approval of Minutes

9. Approval of the September 24, 2012, City Council Meeting Minutes.

Motion made by Councilmember Stevens, seconded by Councilmember Wright, to approve the September 24, 2012, City Council Meeting Minutes. **Motion** passed unanimously (5-0) with Councilmember Muller abstaining.

10. Approval of the October 8, 2012, City Council Meeting Minutes.

Motion made by Councilmember Vaughan, seconded by Councilmember Stevens, to approve the October 8, 2012, City Council Meeting Minutes. **Motion** passed unanimously (6-0).

Consent

1. Approval of the October 3, 2012 Claims in the Amount of \$1,479,272.91; Paid by Check Number's 80016 through 80127 with Check Number's 69737 and 75175 Voided.
2. Approval of the October 5, 2012 Payroll in the Amount of \$1,400,689.49; Paid by Check Number's 25959 through 26005.
8. Approval of the October 10, 2012, Claims in the Amount of \$637,460.06; Paid by Check Number's 80128 through 80288.

Motion made by Councilmember Wright, seconded by Councilmember Vaughan, to approve Consent Agenda items 1, 2, and 8. **Motion** passed unanimously (6-0).

Review Bids - None

Public Hearings - None

New Business

3. Shasta Ridge PRD Phase 4 – Final Plat Approval.

Gloria Hirashima reviewed this item. The final phase of the plat is ready for approval. She explained that this is about the only plat that has been constructed in the past few years from approval through the final stage and was built as a result of action taken by the Council to allow developers to bring in county plats and reconfigure them.

Motion made by Councilmember Toyer, seconded by Councilmember Muller, to approve and authorize the Mayor to sign the Final Plat of Shasta Ridge PRD Phase 4 – Final Plat Approval. **Motion** passed unanimously (6-0).

4. Grant Agreement with the Department of Ecology Allowing the City to be Funded \$862,500 to Retrofit the Decant Facility Area.

Director Nielsen explained that this was the Department of Ecology money for the grant to refurbish the decant facility and bring it up to code. He acknowledged Kari Chennault who applied for the grant.

Motion made by Councilmember Wright, seconded by Councilmember Seibert, to authorize the Mayor to sign the Grant Agreement with the Department of Ecology Allowing the City to be Funded \$862,500 to Retrofit the Decant Facility Area. **Motion** passed unanimously (6-0).

5. Professional Services Agreement with Macaulay and Associates, Ltd. for the I-5 Overpass at 156th Street NE Local Improvement District (LID) in the Amount of \$130,800.

CAO Hirashima explained that this is for the final special benefit portion of assessment for the 156th Street overpass.

Motion made by Councilmember Stevens, seconded by Councilmember Wright, to authorize the Mayor to sign the Professional Services Agreement with Macaulay and Associates, Ltd. for the I-5 Overpass at 156th Street NE Local Improvement District (LID) in the Amount of \$130,800. **Motion** passed unanimously (6-0).

6. A Resolution of the City of Marysville Announcing the Retirement of K-9 Police Dog Brody and Therefore Declaring the K-9 Police Dog Brody to be Surplus and Authorizing the Sale of the K-9 Police Dog Brody.

Motion made by Councilmember Vaughan, seconded by Councilmember Stevens, to approve Resolution 2334, A Resolution of the City of Marysville Announcing the Retirement of K-9 Police Dog Brody and Therefore Declaring the K-9 Police Dog Brody to be Surplus and Authorizing the Sale of the K-9 Police Dog Brody. **Motion** passed unanimously (6-0).

7. Agreement Transferring Ownership of K-9 Brody to Sergeant Joby Johnson.

Councilmember Muller asked if these dogs hold any special insurance because of their training. City Attorney Grant Weed explained that part of this process is transferring responsibility to the new owner. Any special insurance would be the discretion of the new owner. Chief Smith added that Joby is considered a subject matter expert with a drug dog in this region and has tremendous knowledge of the law in this regard. When dogs are transferred to their handlers they take great pride in being able to keep the dogs. There was discussion about the demeanor of police dogs.

Motion made by Councilmember Stevens, seconded by Councilmember Toyer, to authorize the Mayor to sign the Agreement Transferring Ownership of K-9 Brody to Sergeant Joby Johnson. **Motion** passed unanimously (6-0).

Mayor's Business - None

Staff Business - None

Call on Councilmembers

Jeff Seibert informed staff about a notice he received regarding the pipeline and forwarded the item to staff.

Donna Wright asked if there would be a Public Safety Committee meeting this week. Chief Smith stated that that there would be.

Council recessed at 7:43 p.m. into Executive Session for five minutes from 7:45 to 7:50 to discuss the sale or lease of real property.

Executive Session

- A. Litigation
- B. Personnel
- C. Real Estate – one item, per RCW 42.30.110(1)©

Council reconvened at 7:51.

Motion made by Councilmember Seibert, seconded by Councilmember Vaughan, to authorize the Mayor to execute the Early Lease Termination Agreement for the property at 601 Delta as discussed in Executive Session. **Motion** passed unanimously (6-0).

Recess

Council recessed from 7:52 until 7:59 at which time they reconvened into the 2013 Budget Work Shop.

- 11. 2013 Budget Work Shop.

Mayor Nehring thanked everyone for their hard work on the budget. He summarized that this budget represents a document which is cautiously optimistic. The emergency reserve is now about 10% thanks to the diligence of the directors. This budget also proposes a fleet reserve fund, a building maintenance fund, an IT maintenance fund, and a capital fund. He spoke to the importance of these funds. For the first time in the past few years we are able to start investing in Marysville. We are proposing to put about \$350,000 in overlays since those have been put off for several years. We are also proposing some investments in public safety in terms of new officers. He commented that crime is up nationwide 18%, and the City has added 20,000 new residents from the annexation without any additional officers. This year we believe it is sustainable to add

those officers. We also want to put money into downtown revitalization. Clean Sweep Week was a huge success. There have been requests to have more of those in different areas. Walkability is a huge priority in the City. We are still subsidizing the golf course, but that amount is down significantly. Paying off debt is another goal to put the City in a stronger position.

Gloria Hirashima also thanked the directors and the finance department for their work on this budget and the Council for their work in the past which has made this process easier. She discussed the impact of climbing costs over which the City has no control and how the budget is in a position to absorb those. The long-term strategic priorities discussed by the Council have been included where possible.

Finance Director Sandy Langdon reviewed the 2013 Preliminary Budget in detail including revenues by fund, expenditures by fund, impact on fund balance, and administrative summary of the 2013 Preliminary Budget.

Councilmember Toyer asked if all of the proposed requests are approved would there still be enough left to drop the reserves back to 10%. Sandy Langdon affirmed this. Mayor Nehring added that part of those expenses would be used to set up other reserve funds.

Councilmember Muller asked if each department has a contingency fund or is there a general contingency. Sandy Langdon stated that the general fund has an ending fund balance which is basically a contingency fund. CAO Hirashima said that that is one of the strategies they have employed to control costs. She discussed how they have encouraged departments to try to find savings to accommodate increased costs. Staff has been very effective at doing this. They also have the assurance that if something unforeseen happens, the administration would bring it forward.

Councilmember Muller asked how much of the 5.5% increase in expenses is contractual. Finance Director Langdon said that almost \$400,000 is contractual and benefits. This is reviewed in detail on page 5. Most of the increase is within the debt service, especially the new debt for 156th and the break in access.

Finance Director Langdon reviewed the amendments to the 2012 Budget (p. 5) and how they are eliminating some of the interfund loans that have been taking place. The 2013 Preliminary Operating Budget shows a 2.9% increase in revenues over all over the 2012 amended budget. The expenditures show a 3.2% increase, but the majority of that is in salaries, benefits, and replacement needs. She also reviewed the expenditures by department and by category.

Councilmember Muller asked if the public records requests are built into legal costs this budget. City Attorney Weed stated that they expect those requests will continue; it is considered a cost of business.

City Council – There is a decrease in the budget by .3%, mostly because Workman's Compensation went down.

Municipal Courts – There is a decrease in the budget by 2.6% due to changes in the repairs and maintenance.

Councilmember Seibert noted that this budget shows a 25% increase in the Unemployment Compensation, but the overall budget shows a 50% increase. Finance Director Langdon explained that it had to do with the layoffs and changes in taxes.

Councilmember Wright referred to the Supreme Court's new indigent defense standards and asked how this would affect the budget. CAO Hirashima explained that some additional funds have been set aside, but they do not know yet what those costs will be. We do expect costs in public defense to increase. Grant Weed explained that the part that would affect cities the most doesn't go into effect until October 1 of 2014.

Executive Budget – This budget has increased by 3%. The majority of that is in salaries and benefits. There was also a slight increase in the Interfund. Finance Director Langdon explained that Interfund includes the technology, facilities and fleet repair and replacement and represents the costs that are shared throughout the City.

Finance Department – This budget shows a 2.3% increase. The majority of that is within salaries and benefits. They are looking at three requests for the budget – Upgrade Financial Analyst to Financial Operations Manager, Upgrade Financial Planning Manager to Assistant Finance Director, and Seasonal Pay. CAO Hirashima commented that they recognize employees are working very hard. The City is not in a position to add more employees, but is trying to acknowledge workers who have taken on significantly more responsibilities by reclassifying positions.

Councilmember Muller asked what “rent” is. Finance Director Langdon said it generally refers to office equipment such as copiers and printers.

Legal Department – This budget shows an increase of 2.7%. Grant Weed reviewed this item.

HR Department – This budget shows an increase of 3.9%

Community Development Department - CAO Hirashima explained that there is an increase of .8%. They have switched to an on-call seasonal inspector from a regular part-time position. In addition they started the CDBG (Community Development Block Grant) program which provides funding for some of the administrative costs. Some of these funds will cover a part-time seasonal position to administer this process. They have also received a \$45,000 grant from Department of Commerce this year. \$25,000 of the grant will be used for a seasonal person to work on the project and \$20,000 will cover employee costs.

Police Department – Chief Smith explained that there is an increase of 2.0% in the proposed budget, but noted that 70% of the budget is salaries and benefits. Budget

Requests include: Reclassification of Division Administrative Manager to Commander, Upgrade Custody Officer Position to Sergeant, and Patrol Officer (2 NITE).

Councilmember Muller asked if they are looking at hiring experienced officers or new officers. Chief Smith responded that his preference is high quality lateral officers because they are already trained, but he is not averse to bringing a new individual on-board. Councilmember Muller asked why there would be a delay in bringing on the second candidate. CAO Hirashima said it was due to staff's request in order to save money. Chief Smith explained that this option will still get the police department to where they need to be.

Councilmember Seibert asked if training expenses are captured in the miscellaneous line item. Sandy Langdon affirmed that they are. Councilmember Seibert spoke in support of hiring two more officers. Councilmember Stevens concurred. Mayor Nehring added that the reputation of the Marysville Police Department draws top quality officers. CAO Hirashima commented that the addition of promotional opportunities is very good for morale.

Fire Department – There is a decrease of 5.8% in this budget.

Councilmember Seibert asked how annexation would affect the cap rate and funding for the fire district. Finance Director Langdon explained that the cap wouldn't be any different.

Parks Department – This budget shows an increase of 1.4%. Director Ballew reviewed the Budget Requests which include a 60-inch mower and the reclassification of the Parks and Recreation Director. CAO Hirashima explained that the reclassification is based on the additional duties that have been assigned to the Director in terms of the golf course and the Geddes Marina. She noted that all of the budget details are in the back of the book with details about the budget requests.

Engineering – This budget shows an increase of 3%. Director Nielsen stated that there are no changes except for two requests: Position reclassification of Project Engineer to Project Manager and Assistant City Engineer to City Engineer.

Library Department – This budget shows a decrease of 82% due to paying off the debt service.

Public Safety Building – This budget shows a decrease of 14.6% since repairs in 2012 will not be carried over to 2013 budget.

Non-Departmental – This budget shows a decrease of 74.2% due to debt service payments. Budget Requests include: facilities replacement, technology equipment replacement, Bayview Trail walkway improvements, downtown revitalization, Qwuloolt, pavement preservation, Transportation Benefit District – ballot fees, code enforcement – neighborhood cleanup (disposal & improvement), domestic violence services, capital reserve transfer, increased subsidy to streets if budget request approved.

Councilmember Seibert asked Director Nielsen about the reason for not doing the consultant work for Qwuloolt in-house. Director Nielsen explained that due to the technical nature of this work, it is necessary to hire consultants for this portion. Later, some of the other work will be done in house.

Councilmember Muller asked how much control the City still has over this project. CAO Hirashima explained that the City still has some control, but a lot of the property is federally-controlled property has been very difficult to work with. One of the things the City has struggled with is the need to acquire an easement over the property owned by the Tribes, but controlled through easement to the National Conservation Service. With this design, staff will be looking at to what extent this requires accomplishing easements with the federal agencies. She believes an options analysis to consider feasibility is very important before they actually move forward with construction.

Councilmember Muller referred to the capital reserve fund and asked if there are any restrictions to how much they can put aside. Finance Director Langdon said there is not.

Fund 101 – Streets – This budget shows an increase of 1% with budget requests including: traffic sign fabrication software, truck mounted reader board, zero turning riding lawnmowers (2), pavement preservation, walkway improvements, and traffic safety.

Fund 103 – Drug Seizure – Chief Smith explained that these are largely due to what the NITE team does. Police is asking to utilize some of that funding for budget requests which include: Dragon Fire Tactical Vest replacement and equipment and training for drug investigations.

Fund 104 – Tribal Gaming – Chief Smith explained that this year they received another \$35,000 which has been set aside to help with the New World transition. There is a budget request for police operational equipment and training.

Fund 105 – Hotel/Motel – Finance Director Langdon stated that they are anticipating \$76,000 for next year. This includes payments to grant recipients.

Fund 106 – KBCC Appreciation Fund – Director Ballew explained that this was set up years ago and receives occasional contributions which go toward coffee supplies, potlucks, and other miscellaneous supplies.

Fund 108 – I/NET – Budget requests include: Fiber IRU purchase for connectivity to Snohomish County and Disaster Recovery Phase 5 (of 7) – Virtualization.

Fund 109 – CDBG – CAO Hirashima explained that this is the money that will be transferred from HUD to fund the CDBG.

Fund 110 – REET I – This fund includes real estate excise tax dollars that go toward currently funding transportation debt. This includes a transfer out of \$350,000 which

goes 100% to Fund 305 for street construction projects. It also includes debt service payment on the 800 MHz.

Fund 111 – REET II – Transfer out of \$450,000 goes 100% to Fund 305 for street construction projects.

Fund 206 – LTGO Bonds and PWTFLL. Finance Director Langdon explained that this is the debt service fund. This fund is for the recording and accounting of the \$7.2 million 2003 LTGO bond issue providing funds for the purchase and remodel of the New City Hall building (\$2.3M) located at 1049 State Avenue, Public Safety Remodel, construction of the Waterfront Park and the State Avenue renovation project. The bonds were issued in July 2003, with interest only payments through 2012.

Fund 305 – Street Construction – Public Works Director Nielsen reviewed the major projects for 2013 (p. 35) It shows a transfer out of \$1,119,890 to Fund 206 to cover the current year debt service payments.

Fund 310 – Park Construction – Director Ballew explained that there are no proposed construction projects in this fund. Finance Director Langdon explained that they are relying on mitigation funds at this point. CAO Hirashima added that there are separate requests for Bayview and Qwuloolt to advance parks elsewhere in the budget.

Fund 371 – LID 71 – 156th Street Overcrossing

Fund 401 – Waterworks Utility – Director Nielsen stated that the principal for the large bond kicked in which was very significant. Professional services went up by 69%, but this can be offset with a large development. The purchase of water is another large expense. Budget requests include: position reclassification – MWI to MWII (NPDES), variable message boards (2), AMR software upgrade, position classification - MWI to MWII (Utility Maintenance), reclassification of meter reader/repair pay scale, 51st Avenue Lift station Transfer Switch, and the purchase of a light duty truck.

Councilmember Seibert referred to the message boards and encouraged their utilization. Director Nielsen concurred.

Councilmember Seibert asked about if the transfer switch would be surplus and sold. Director Nielsen thought that it would be. Councilmember Seibert thought there would be interest from some people in buying it used.

Sandy Langdon explained that the rates, within the municipal code, have a standard 2% rate increase. This has been incorporated for water, sewer and surface water.

Fund 402 – Utility Construction – Director Nielsen reviewed the projects listed on page 40.

Fund 410 – Solid Waste – Director Nielsen explained that professional service changes relate to the Waste Management contract. There is also a change with tipping fees and

taxes. Budget Requests include roll carts to accommodate the Sunnyside Annexation and new positions – Maintenance Worker II and Equipment Mechanic.

Councilmember Muller asked where the proceeds from the sale of infrastructure to Tulalip would go. Director Nielsen said that revenue would be used to help purchase the PUD. It is not actually sold yet, so it is not included in the budget at this point.

Councilmember Seibert asked if there would be a requirement for additional clerks for billing with the additional customers. Finance Director Langdon thought that we can handle this at this time with the current staffing level.

Fund 420 – Golf Course – Director Ballew stated that they are taking another hard year in expenses. There has been a decline in pass sales which means an increase in fee sales. There has been an upswing in merchandise sales. Numbers are down, but revenues are up. They are looking at ways to control costs for water such as utilizing wells and water distribution. They are also making some drainage improvements on the course and have received assistance from the men’s and women’s clubs. They are also beginning a partnership with schools to work on the drainage issues. Carts will not be included in this budget.

Fund 450 – Utility Debt Service – Bond proceeds will be transferred out to cover construction projects in 402.

Fund 501 - Fleet Maintenance – Director Nielsen explained that this is status quo except for the budget requests which include: jail inmate transport van, jail transport car, GMC Sonoma PU (2), Patrol Vehicle (6), Ford F800 5-yd dump truck – streets, root Spring 10-ft snow plow, truck mounted reader board, zero turn riding lawnmower, new light duty truck and new position – Equipment Mechanic.

Councilmember Muller asked if one of the six replacement cars could be used as a transportation car. Chief Smith explained why this would not be ideal.

Fund 502 – Facility Maintenance – Director Nielsen said there is no change with this fund.

Fund 503 – Information Services – Finance Director Langdon explained that they will be taking care of some replacements they have put off for the last few years.

Mayor Nehring thanked Sandy Langdon and her team for their work on this.

Legal - None

DRAFT

Adjournment

Seeing no further business Mayor Nehring adjourned the meeting at 9:52 p.m.

Approved this _____ day of _____, 2012.

Mayor
Jon Nehring

April O'Brien
Deputy City Clerk