

Call to Order/Pledge of Allegiance/Roll Call	7:00 p.m.
Committee Reports	
Facilities Committee – Councilmember Nehring Snohomish County Health Board – Councilmember Wright	
Presentations	
Pam Kersch and Jennifer Underwood representing family and crew of the USS Ingraham presented a hat, coin, and framed picture to the City.	
Audience Participation	
Aaron Metcalf, Belmark Industries	
Approval of Minutes	
Approve June 23, 2003 City Council Meeting..	Approved
Approve July 7, 2003 City Council Work Session.	Approved
Consent Agenda	
Approval of July 14, 2003 Claims in the Amount of \$1,654,374.68; Paid by Check No. 8346 through 8800 with Check No. 8248, 8325, 8333, 6746, 8191, 8403, 8620, and 7651 Void.	Approved
Approval of July 3, 2003 Payroll in the Amount of \$754,568.32; Paid by Check No. 10936 through 11038 with Check No. 10852 and 10936 Void.	Approved
Approval of New Liquor License for Fortune 2000, Inc. dba Subs N More	Approved
Approval of Liquor License Renewals for El Rinconcito and Marysville Gas & Food Mart	Approved
Authorize Mayor to Accept Grant and Sign Interlocal Agreement with Department of Ecology for Marysville Water Quality Project.	Approved
Review Bids	
152 nd Street N.E. Transmission Main – Thomco Construction	Approved
Public Hearings	
Current Business	
New Business	
Golf Financing Options.	Approved Option #4
Annexation Requirements for Utility Service.	Reaffirmed current policy and codes
Variance Extension Request from Pacific Coast Feather.	Approved
North End 240 Zone Reservoir Condemnation Ordinance.	Continued
Change Order No. 3 for 57 th Place Improvements Project.	Approved
Construction Easement/Limited Use Permit (PUD)	Approved
Donation Acceptance from Estate of Julietta Gellerson.	Approved Res. No. 2101
Voice Recording Equip. Upgrade Program Agreement (Dictaphone)	Approved Res. No. 2102
Legal	
Ordinances and Resolutions	
An Ordinance of the City of Marysville, Washington Authorizing the Condemnation, Appropriation, Taking and Damaging of Land and Other	continued

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7:00 p.m.

000477

City Hall

Property for the Improvement of the North End 240 Zone Reservoir.	
Mayor's Business	
Approve the Appointment of Kelly Wright to the Salary Commission.	Approved
Approve the Appointment of Phillip Childs to the Parks & Recreation Board	Approved
Staff Business	
Neighborhood Park Dedication	Approved
Call on Council	
Motion to pass a resolution to support the idea of studying the expanded commercial use of Paine Field with final approval within 45 days.	Approved
Adjournment	9:15 p.m.
Executive Session	9:30 p.m.
Motion to authorize commencement of lawsuit as discussed in Executive Session.	Approved
Motion to lease Palmer House as discussed in Executive Session.	Approved
Adjournment	9:30 p.m.

Marysville City Council Meeting

July 14, 2003

7:00 p.m.

City Hall

CALL TO ORDER/PLEDGE OF ALLEGIANCE/INVOCATION

Mayor David Weiser called the July 14, 2003 meeting of the City Council to order at 7:00 p.m. He led those present in the Pledge of Allegiance. There was no invocation.

ROLL CALL

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

Council: Mayor David Weiser, Mayor Pro Tem Mike Leighan, Councilmembers: Lisa Vares, Donna Wright, Jeff Seibert, Jon Nehring, John Soriano, and Suzanne Smith.

Staff: Commander Robert Lamoureux, Finance Director Sandy Langdon, Chief Administrative Officer Mary Swenson, City Attorney Grant Weed, Community Development Director Gloria Hirashima, Public Works Director Jim Owens, City Engineer Kevin Nielsen, and Recording Secretary Lillie Lein

Committee Reports

Councilmember Nehring reported that the Facilities Committee met and was briefed on plans for the Public Safety Building remodel for both the first and second floors. He stated that it looked like a well thought out plan and that it would be scheduled for a Council work session once cost figures are available. Also, the Facilities Committee looked at possible options for the Driving Range property such picnic benches, maybe soccer fields (3 kids, 1 adult field). Keeping in mind that these are interim uses, the committee would like to make it an informal recreational place.

Councilmember Wright distributed a map of West Nile Virus locations, and reported that so far this year there has been only one case reported in humans and that was in South Carolina. Also, the Health Board is asking each city to take a hard look at requiring bike helmets. They have presenters available on this issue.

Presentations

Pam Kersch, wife of the commanding officer of the USS Ingraham and **Jennifer Underwood**, Ombudsman for the USS Ingraham presented the City with a framed picture of the USS Ingraham, hat and coin. On behalf of the crew and families of the USS Ingraham, they thanked the City for adopting the ship and expressed their appreciation for the city's support. Mayor Weiser accepted the donation noting the many families from the ship that live in Marysville and thanking Mrs. Kersch and Ms. Underwood for the support group the families have

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while their loved-ones are out to sea, and recognizing absence of family members during long tours such as the current one which does not have the ship scheduled back home until November.

Audience Participation

Aaron Metcalf, Belmark Industries, 505 Cedar Street, Suite B-1, Marysville:

Mr. Metcalf requested approval of the park dedication to be discussed under item 20 of the agenda. He summarized some of the merits of this park including access throughout the Eldorado Hills and Whiskey Ridge neighborhoods, parking spaces for public use, and a possible gateway to a proposed trail at SR528 and 84th Street.

Councilmember Leighan questioned Mr. Metcalf about the reference in Senior Planner Dungan's memo with reference to a skatepark, and Mr. Metcalf responded that if this dedication is not accepted by Council, then the park would be a private park without the proposed skate park option because of liability issues.

Ms. Hirashima explained that the intent is that the park will be completed and ready for play. For the purposes of discussion on this issue, land use questions need to be avoided. The park dedication is the only issue before Council at this time.

Approval of Minutes

A. June 23, 2003 City Council Meeting.

Motion by Councilmember Nehring, second by Councilmember Wright to approve the minutes as presented. **Motion** passed unanimously (6-0) with Councilmember Seibert not voting as he was not present at the June 23, 2003 meeting.

B. July 7, 2003 City Council Work Session.

Motion by Councilmember Vares, second by Councilmember Leighan to approve the minutes as presented. **Motion** passed unanimously (7-0).

Consent Agenda

There was no public comment or comments by the Councilmembers. **Motion** by Councilmember Smith, second by Councilmember Soriano to approve Consent Agenda Items A-E. **Motion** passed unanimously (7-0).

A. Approval of July 14, 2003 Claims in the Amount of \$1,654,374.68; Paid by Check No. 8346 through 8800 with Check No. 8248, 8326, 8333, 6746, 8191, 8403, 68620, and 7651 Void.

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- B. Approval of July 3, 2003 Payroll in the Amount of \$754,568.32; Paid by Check No. 10936 through 11038 with Check No. 10852 and 10936 Void.**
- C. Approval of New Liquor License for Fortune 2000, Inc.; dba Subs N More.**
- D. Approval of Liquor License Renewals for El Rinconcito and Marysville Gas & Food Mart.**
- E. Authorize Mayor to Accept Grant and Sign Interlocal Agreement with Department of Ecology for Marysville Water Quality Project.**

Review Bids**A. 152nd Street N.E. Transmission Main.**

Public Works Director Owens noted that Council's previous questions were addressed in the revised agenda bill. There were no additional questions or comments by Council.

Motion by Councilmember Soriano , second by Councilmember Nehring to award the 152nd Street N.E. Transmission Main to Thomco Construction in the amount of \$829,935.16 including Washington State sales tax, authorize the Mayor to sign contract documents, and approve a Management Reserve Fund of \$83,000.

Public Hearings - None**Current Business - None****New Business****A. Golf Financing Options.**

Finance Director Langdon explained that the options discussed at the July 7 work session were still on the table, and the new information provides additional options. There were no further questions or comments by Council.

Motion by Councilmember Nehring, second by Councilmember Leighan to accept option No. 4 and direct staff to secure financing for Council approval. **Motion** passed unanimously (7-0).

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**B. Discussion of Annexation Requirements for Utility Service
(continued from April 14, 2003).**

David Toyer, Master Builders of King & Snohomish Counties, 335 116th Avenue S.E., Bellevue. Mr. Toyer referred to his letter of July 8 previously sent to Council and distributed a hand-out of AWC's paper on the new annexation process through petition. He displayed a chart showing what would be needed to be done should annexation be required for utility hook-up. He stated that the annexation process can place a substantial burden for the citizen, especially if they are in outer areas of the UGA. He added that this is a big disincentive to economic development, and that just the process to get the annexation creates a significant challenge to economic development.

Greg Wright, 4802 76th Street N.E., Marysville. Mr. Wright thanked the Council for their time and noted his appreciation of the sacrifice they make. He stated that he felt this was a bad proposal for the following reasons: water/sewer rates will have to go up; it will hurt economic development; adds time and money to projects; makes it more difficult to comply with the GMA; it will hurt the City's image of Marysville as a progressive city that wants to work with people; and it can hurt the City's bond standing.

Mr. Wright stated that he has not heard anyone come to Council to say they want this. He felt the Council needed to listen to those who are doing the economic development.

He also felt this will invite lawsuits, and no matter who wins, it will cost money.

Gary Wright, 5533 Parkside, Marysville. Mr. Wright noted that he is a 36-year resident of Marysville and a business operator with the goal and objective to raise the job rate in Marysville.

Mr. Wright referred to the RUSA plan and noted the number of people that have used this plan to plan for future development of their property; some to help fund their retirement.

Mr. Wright stated that he is currently serving on the land-use development committee that the City has enacted pursuant to the Gardner Johnson study. He noted the cost of the study and stated that the thrust of the committee is to attempt to determine what Marysville can do to improve the climate for locating businesses and industries within the city limits. They are looking for ways to make Marysville user-friendly for business and industry; because Marysville needs the tax base. If this proposal was enacted it would send a message of heavy handedness and lack of cooperation on the part of the city. This would be an anti-free enterprise gesture that would make it difficult for business to locate.

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Asked the Council to turn down a notion that has come before them with no impetus or drive from the citizens. He stated that this idea would invite lawsuits, lower the City's bond rating, and give Marysville a lot of bad publicity.

Councilmember Wright stated that during her many years on the Council, she has seen the immense time and cost created by a lawsuit on utilities. She also referred to a current lawsuit lost by the City of Arlington due to refusal to serve someone outside city limits.

Councilmember Seibert asked about the City of Snohomish policy. City Attorney Weed agreed that in terms of process, this would be the same. He noted that the difference between Snohomish and Marysville is that Snohomish has never served utilities outside of their city limits. He added that Marysville has a method using annexation covenants, and the City of Snohomish does not.

City Attorney Weed reviewed the annexation covenant process and noted that they are not applicable to registered voters that are not property owners.

Mayor Weiser commented that, having worked with Snohomish County Tomorrow and many electeds from Snohomish County that the North Snohomish annexation that occurred last year by the election method is not a new annexation. It is an annexation that has been worked on for many years. It's been turned down by the Boundary Review Board, it's not had enough signatures, etc. so it has been a long process. It has gone on for many, many years. At the same time the City of Marysville embarked on a project to improve our Wastewater Treatment Plant. There were a number of things involved. We spent around 7 million dollars and increased our capacity from 1.2 million gallons a day to 6.1 million gallons a day. About two years later Snohomish did essentially the same thing for about the same amount of money; however they increased their capacity from 1 million gallons to 2 million gallons, but again, spent about the same amount of money. Consequently, their sewer bills are over \$50 per month where ours are \$24. There has been quite an advantage to the community to be able to spread the costs over a much larger area (greater number of customers). It helps to keep our rates down.

Councilmember Smith stated that serving utilities outside the City limits creates a big disservice to the community. She stated that, "If you do what you've always done, you'll get what you've always gotten." If nothing changes, nothing changes. She said she felt that residential development is not economic development and extending sewer service to areas outside the City limits such as the Sunnyside area creates a disservice because schools will be overcrowded while we will not have any control over impact fees in the County, roads will be used but they pay no taxes to the City; won't get taxes as the property sells. When an area is built up, annexation can become a burden.

Some advantages are lower rates, and some people will shop in Marysville, but ultimately, she did not feel that it is worth it.

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Councilmember Smith stated that she would like a new policy to limit service to the current UGA. If the UGA is expanded, then annexation would be required to obtain service in that expanded area.

Councilmember Leighan stated that it would be nice if all the impact fees and REET taxes came to the City right from the get-go. He thought it important that we see that impact fees collected in our UGA are spent in our UGA, and should work to that end. He had concerns about litigation if sewer is cut-off, the impact that would have especially in the area of the City's bond rating. Councilmember Leighan said that he was not comfortable with the new annexation policy and hoped that it would get refined. He stated that he was comfortable in keeping the policy the way it is now, acknowledging that at least it is a known quantity.

Councilmember Smith reiterated that if you do what you have always done, you will always get the same results. She thought that if you make where you are really spectacular, people will want to annex because it is a really pleasant place to be.

Councilmember Nehring noted that initially he thought this was a good proposal; however, he is concerned about higher rates; the perception of being a non-friendly environment; and the affect on the City's bond rating. He was concerned that the public does not feel it is necessary to annex into the city when they can get the service anyway.

Motion by Councilmember Smith, second by Councilmember Seibert to limit service to the current UGA except for governmental services such as police, hospitals, and schools and for anything outside the current UGA (2003) to require annexation.

Discussion: Councilmember Wright asked for clarification of what the City has now. City Attorney Weed explained that service was limited to the UGA unless there were health issues; and annexation outside the UGA is prohibited. Councilmember Seibert clarified that an area has to be in an UGA, it does not have to be Marysville's UGA.

Councilmember Wright stated that she was not in favor of this motion because she was unsure of the impact on the current comp plans.

Councilmember Leighan was concerned the policy could create a situation that would make it impossible to expand our UGA.

Motion failed (2-5) with Councilmembers Vares, Wright, Nehring, Soriano, and Leighan against.

Motion by Councilmember Leighan, second by Councilmember Wright to reaffirm the current utility policy and codes. There was a short discussion of the difference in zoning and **Motion** was approved (5-2) with Councilmembers Smith and Seibert against.

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C. Variance Extension Request from Pacific Coast Feather.

Councilmember Soriano asked for clarification of terminology on page two of the agenda bill attachment which was provided by Public Works Director Owens and Mayor Weiser. **Motion** by Councilmember Vares, second by Councilmember Soriano to approve the variance request from Pacific Coast Feather. **Motion** carried unanimously (7-0).

D. North End 240 Zone Reservoir Condemnation Ordinance.

Councilmember Seibert asked for clarification regarding what purpose would be served by this action. City Engineer Nielsen referred to the letter included in the agenda bill, and Chief Administrative Officer Mary Swenson suggested this item be pulled from the agenda until Council's concerns could be addressed.

Councilmember Smith asked if the reservoir to be built was to be totally above ground, and City Engineer Nielsen responded that it has not yet been designed. He also confirmed that it would be just to meet storage needs to meet fire requirements, etc.

Further discussion of this item was postponed.

E. Change Order No. 3 for 57th Place Improvements Project.

There were no comments or questions on this agenda item. **Motion** by Councilmember Leighan, second by Councilmember Vares to approve Change Order No. 3 in the amount of \$7,910.14 for the 57th Place Improvements Project. **Motion** carried unanimously (7-0).

F. Construction Easement/Limited Use Permit State Avenue (116th Street N.E. – 136th Street N.E.) Project; PUD North Marysville Substation.

City Attorney Weed noted that all language issues with PUD have been resolved and that staff was recommending approval. **Motion** by Councilmember Wright, second by Councilmember Seibert to authorize the Mayor to sign the Construction Easement/Limited Use Permit with PUD for the State Avenue (116th Street N.E.-136th Street N.E.) Project. **Motion** carried unanimously (7-0).

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Donation Acceptance from Estate of Julietta Gellerson.

There were no questions or comments by on this agenda item. **Motion** by Councilmember Nehring, second by Councilmember Seibert to approve Resolution 2101 accepting the donation from the Estate of Julietta Gellerson. **Motion** carried unanimously (7-0).

H. Voice Recording Equipment Upgrade Program Agreement; Dictaphone Corporation.

Finance Director Langdon noted that this agreement would require a resolution for a sole source purchase. Commander Lamoureux explained that City Attorney Weed has reviewed the contract. City Attorney Weed reviewed his recommended changes to the contract: 1) the venue for any lawsuits would be Snohomish County, and 2) the City would provide proof of insurance rather than naming Dictaphone as an additional insured. Commander Lamoureux recommended approval of this agreement subject to agreement by Dictaphone to the recommended changes.

Motion by Councilmember Vares, second by Councilmember Leighan to authorize the Mayor to sign the Voice Recording Equipment Upgrade Program Agreement with Dictaphone Corporation. **Motion** carried unanimously (7-0).

Motion by Councilmember Vares, second by Councilmember Leighan to approve Resolution No. 2102 for a Sole Source Purchase. **Motion** carried unanimously (7-0).

Ordinances and Resolutions**A. An Ordinance of the City of Marysville, Washington, Authorizing the Condemnation, Appropriation, Taking and Damaging of Land and Other Property for the Improvement of the North End 240 Zone Reservoir.**

This item was continued.

B. A Resolution of the City of Marysville for the Acceptance of a Gift Subject to Conditions.

Resolution No. 2102 approved under agenda item 15.

Information Items

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Mayor's Business.**1. Salary Commission Appointment.**

Mayor Weiser appointed Mr. Kelly Wright to the Salary Commission noting that Mr. Wright has taught English in a Scandinavian country and has been in this area for a number of years and is presently in sales of alternate mode of transportation across the water. **Motion** by Councilmember Leighan, second by Councilmember Seibert to confirm the Mayor's appointment of Kelly Wright to the Salary Commission. **Motion** carried unanimously (7-0).

2. Parks & Recreation Board Appointment.

Mayor Weiser appointed Mr. Phillip Childs to the Parks & Recreation Board noting that Mr. Childs is currently a volunteer firefighter for the Marysville Fire District and a firefighter at Paine Field. Councilmember Leighan noted that he is also past president of the Association. **Motion** by Councilmember Leighan, second by Councilmember Soriano to confirm the appointment of Phillip Childs to the Parks & Recreation Board. **Motion** carried unanimously (7-0).

Mayor Weiser noted that the Master Gardeners Association had sent out invitations to Councilmembers to attend their program on August 2 at 1:00 p.m., and if anyone is planning to go, please call them to R.S.V.P.

Mayor Weiser also informed Council that National Night Out Against Crime will be August 5, 6-9 p.m., at the Public Safety Building, south parking lot.

B. Staff Business.**Neighborhood Park Dedication.**

Community Development Director Hirashima gave a brief update of this request noting that this is not a requirement of the developer to dedicate the park or of the City to accept the dedication. She gave a brief review of the request and asked for approval. Councilmember Seibert stated that he was in favor of a park as did Councilmember Leighan. Councilmember Smith said it was one of the better plans she has seen, and asked what would happen to the park if not accepted by Council, and Ms. Hirashima noted that this would be up to Belmark. Councilmember Wright referred to the location and project use, and thought they were good. Mayor Weiser noted the general consensus of Council in favor of accepting the park dedication.

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Chief Administrative Officer Swenson referred to the Budgeting & Fiscal Management Workshops being held by AWC and asked that Councilmembers interested in attending contact the Executive Department.

Ms. Swenson stated that she has met with all of the committee chairs of the Economic Implementation Sub-committees and that those meetings went very well. July 29 has been established as time for them to come together to update the committee as a whole (Council, Planning Commission, and MERC); 4-6 p.m., at City Hall.

Commander Lamoureux noted that the Chief will be traveling to Spokane on July 24 for a Custody Officer graduation. Due to this, the Chief has requested that the Public Safety Committee meeting that day be moved up to 2 p.m. so he can get an earlier start on his travels. Councilmembers on that committee agreed to this change.

Finance Director Langdon noted a Finance Committee meeting was scheduled for Wednesday, 7/16/03 at 4 p.m.

Call on Councilmembers.

Councilmember Smith asked if the finance committee meeting could be changed to 3 p.m. this Wednesday. This was agreed to.

Councilmember Nehring asked about the Image and Identity meeting. Ms. Swenson to get back to him.

Councilmember Wright noted that she would be out of town July 16- July 18.

Councilmember Vares stated that the Snohomish County Economic Development Council and the Marysville Tulalip Chamber of Commerce either have or are in the process of passing resolutions to study the idea of commercial use of Paine Field, and said she would like to discover if Council was interested in passing a similar resolution. **Motion** by Councilmember Vares, second by Councilmember Seibert to pass a resolution to support the idea of studying the expanded commercial use of Paine Field with final approval within 45 days.

There was a short discussion of the affect of this action on Marysville with Councilmember Vares stating that it would have a ripple effect on economic development, and Councilmember Seibert noting that Boeing may not be in favor of this. **Motion** carried unanimously (7-0).

Councilmember Leighan referred to construction under the lines on 75th off 83rd (Whiskey Ridge) and expressed concern for a big pipeline that is not very deep in that area. Asked that this be reviewed.

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Change Order No. 1 for Wastewater Treatment Plant Upgrade and Expansion Phase I.

This is an information only item. No action required.

Adjournment

Mayor Weiser adjourned the meeting into Executive Session to discuss one real estate and one litigation issue. He noted that they may take action on one or both items. He said that Executive Session will begin at 9:15 p.m. and estimated that it would take approximately one-half hour.

Executive Session

Council reconvened into regular session at 9:30 p.m. **Motion** by Councilmember Seibert, second by Councilmember Leighan to authorize commencement of lawsuit as discussed in Executive Session. **Motion** carried unanimously (7-0).

Motion by Councilmember Soriano, second by Councilmember Vares to lease the Palmer House as discussed in Executive Session. **Motion** carried unanimously (7-0).

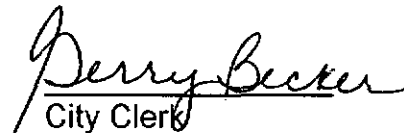
Adjournment

Mayor Weiser adjourned the July 14, 2003 City Council meeting at 9:33 p.m.

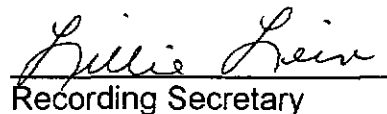
Approved this 28th day of July, 2003.



Mayor
David Weiser



City Clerk
Gerry Becker



Recording Secretary
Lillie Lein

MARYSVILLE CITY COUNCIL WORK SESSION

July 7, 2003

7:00 p.m.

City Hall

CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION

Mayor David Weiser called the July 7, 2003 Work Session of the Marysville City Council to order at 7:00 p.m. He then led those present in the Pledge of Allegiance. Pastor Jack Richards of Bethlehem Lutheran Church delivered the invocation.

ROLL CALL

Finance Director Sandy Langdon called the roll. The following councilmembers and staff members were in attendance:

Council: Mayor David Weiser, Mayor Pro Tem Mike Leighan, Jon Nehring, Jeff Seibert, Suzanne Smith, John Soriano, Donna Wright, and Lisa Vares.

Staff: Sandy Langdon, Finance Director; Grant Weed, City Attorney; Jim Owens, Public Works Director; Kevin Nielsen, City Engineer; Jim Ballew, Parks and Recreation Director; and Robb Lamoureux, Police Commander.

COMMITTEE REPORTS

Councilmember Jeff Seibert reported on the **Land Use Economic Development Committee** meeting where they had a presentation by Snohomish County Economic Development Council on the Model Permit Process. He noted that it was informative and that they should begin accepting applications for the streamlined process beginning in August. He also said the Land Use Committee would be bringing a recommendation to Council shortly.

Councilmember Mike Leighan reported that he and Councilmember Lisa Vares attended the **Transportation Challenges** meeting that discussed maritime solutions such as a passenger-only ferry. Senator Patty Murray and several other congressional representatives were also in attendance at the meeting.

DISCUSSION ITEMS**A. Golf Financing Options.**

Finance Director Sandy Langdon gave a presentation on golf course financing options. She discussed four different options - 10 Year Deferred Principal; 15 Year Deferred Principal; 10 Year Level; and 15 Year Level.

She reviewed each option and noted that she and the Parks Director Ballew were recommending that Council approve the 15 Year Level option. She commented that the payment would be similar to the forecasted budget and that the \$600,000 would be included. She then reviewed the Forecasted Cash Flow Summary that showed the 6-Year Summary of Revenues, Expenses and Fund Balance. She noted that these numbers were based on the business plan, which was submitted to Council in June. Next Ms. Langdon reviewed the debt service schedule and the different options available.

Councilmember Jon Nehring asked about pre-payment penalties. Ms. Langdon explained that there were penalties and that the amount would depend on interest rates at the time of pre-payment. Councilmember Leighan asked about the declining annual growth on revenue. Ms. Langdon explained that the difference would be made up from the reserves. Councilmember Nehring asked if the revenues factored in future price increases. Ms. Langdon responded that they did until 2007.

Mayor Weiser referred to one of the workshops on the budget where Ms. Langdon had indicated that the further out in time one went with the budget, the greater the chances that it would be off. He asked if she felt this was an accurate forecast. Ms. Langdon responded that she believed this is pretty accurate based on what is currently known.

Councilmember Seibert then asked how many rounds of play this was based on. Parks Director Ballew responded that it was based on 46,000 rounds in 2004 and estimating a conservative 1% increase in rounds thereafter.

B. Discussion of Annexation Requirements for Utility Service.

City Attorney Grant Weed discussed the recent adoption by legislature of a bill, which provides for a new way to annex via the petition method. This would be a two-tiered petition method whereby the process would be initiated by a 10% petition. The requirement is that a majority (51%) of property owners *and* a majority of registered voters then sign a petition in order to bring the matter before Council. There would then be a public hearing and a decision by Council whether or not to annex. It then would go on to the Boundary Review Board where they would have 45 days to review. If there were no action by them it would go back to Council for action in the form of an ordinance.

Councilmember Seibert asked about annexation covenants. City Attorney Weed responded that they would probably be valid. There was discussion about no-protest covenants and scenarios that might take place with property owners and registered voters.

Mayor Weiser asked how the legislature got around the constitutional provision to have a 60% super-majority for taxation purposes. Mr. Weed explained that annexation has different provisions than taxation. The new statute does not require 60% in order to acquire bonded indebtedness. Mayor Weiser then asked if a person who lived on the property and who also owned the property could sign both petitions. Mr. Weed responded

that he could. He went on to say that if there are not registered voters living in an area there would not be a requirement to have registered voters sign a petition.

Councilmember Suzanne Smith commented that this would be a lot less expensive than putting it on the ballot.

Councilmember Seibert asked about the list of things that had been listed as concerns by Mr. Weed in the minutes from the April 14, 2003 City Council meeting. Mr. Weed reviewed those items:

- ♦ Amendments to the Comprehensive Plan: Mr. Weed explained that there is language in the Comprehensive Plan, which describes the service area. This would need to be changed to reflect a change in the service area. Councilmember Seibert clarified that they would still be planning to serve all areas in the UGA. Mr. Weed had concerns about areas where annexation might not pass and if this might de facto change the service area to only the city limits.
- Comprehensive Water Plan Document: Mr. Weed noted that his concern with this was similar to the Comprehensive Plan. The document is a planning document in which the City had agreed on service areas on a regional basis. Changing the policy to require annexation before servicing essentially says that they are not serving the UGA areas unless they annex first. Councilmember Seibert asked about other cities that require annexation prior to servicing. Mr. Weed explained that in those cases the conditions were laid out at the same time as the service areas. In this case, the area was determined first and now the change would be to require annexation. This could upset property owners and developers' expectations of service being provided. Councilmember Seibert commented that these were only planning documents.
- RUSA Code: Mr. Weed explained that the boundary of the Utility Service Area was set by resolution of the City Council and the Boundary Review Board and that it should be consistent with the Urban Growth Area. He said it needs to be considered if boundaries were impacted especially in non-contiguous areas and places where annexation might fail. He then addressed other code language that would need to be changed.
- Amendments to the Boundary Review Board: Mr. Weed explained that this would only come into play if Council opted to change the service area to the city limits, which in effect Council would be doing if some areas were not able to be annexed. Councilmember Seibert noted that they are currently planning on serving areas that cannot be serviced and that this would only create a similar situation. There was discussion about different scenarios with regard to this.
- Utility Rate Review: Council would want to consider the impact of not knowing the number of hookups in advance. Impacts could be minor or significant. Councilmember Seibert commented that the Rate Review is based on people

actually being served. Mr. Seibert said this would not be different than the current situation. Mr. Weed explained that some of the assumptions the City has made in its Comprehensive Plan have been based on the Rate Review, which includes the entire service area, not just city limits. He noted that it could impact some of the financing. Finance Director Langdon agreed that it could be a factor in the bond issue.

Councilmember Leighan wondered if they did not allow hookups until annexation if another purveyor could come in and provide service. Mr. Weed explained that if one district cannot provide water another provider could come in. Councilman Leighan said that the UGA boundary was based in part on the City claiming that they had the potential to serve that area. Mr. Weed concurred that it might be seen that the City was not upholding its commitment to provide service.

Mayor Weiser referred to the issue of serving non-contiguous areas. He also noted that the Sunnyside area is covered with the recovery agreements. Very little of the area in Lakewood is covered by LID agreements and yet there is an annexation proposal there going forward in November. Councilmember Smith clarified that she feels it is more important to be proactive with regard to future changes in the UGA. She commented that she feels it is important to keep growth in the City for the sake of the citizens of Marysville. She referred to the impact of development outside the City in that the City does not receive the mitigation fees and the property taxes for those developments. Mayor Weiser stated that they do pay school mitigation fees, traffic mitigation fees and parks fee. Councilmember Smith agreed that the City does receive some of the money, but the ongoing maintenance is placed on the City of Marysville. She proposed that any area outside of the current UGA would have to be annexed prior to providing service. This would create a level playing field for the future in terms of expectations of property owners and developers because the terms would be laid out ahead of time.

Councilmember Donna Wright commented on the importance of Council showing an attitude, which would encourage people to annex. There was discussion about the importance of development occurring in the City in order to obtain the benefit of that development. Councilmember Leighan suggested working harder with the County to encourage them to spend more money in the local area.

City Attorney Weed discussed the history of the development of the RUSA Code. He noted that the covenants were the vehicles that the City chose in the 70's and 80's to say that they would service certain areas, but those areas in return promised that they would annex in the future. Councilmember Seibert agreed that commitment letters are part of the process, but now it is riskier due to the added requirement of having a majority of both property owners and registered voters sign a petition.

Councilmember Wright asked about legal ramifications based on the expectations developers had because of the RUSA Code. Mr. Weed stated that it was too complex to

predict and would depend on the specific circumstances and the basis for their expectations.

Councilmember John Soriano asked about the Boundary Review Board's 45-day review period plus the time required getting the two sets of signatures on the petitions. He wondered if developers might be accruing costs during this time and if the City could be held responsible for those costs. Mr. Weed agreed that the development community would have to realize that there are more time and steps involved in the process, but he felt it would be hard to conceive of a developer having a claim against the City under those circumstances. There was no further discussion on this matter.

Other Items Scheduled for July 14, 2003 Meeting

CONSENT AGENDA ITEMS

C. Approval of New Liquor License for Fortune 2000, Inc.; dba Subs N More.

There were no comments or questions regarding this item.

D. Approval of Liquor License Renewals for El Rinconcito and Marysville Gas & Food Mart.

There were no comments or questions regarding this item.

E. Authorize Mayor to Accept Grant and Sign Interlocal Agreement with Department of Ecology for Marysville Water Quality Project.

Councilmember Nehring asked about the pet waste collection/education stations. Mr. Leighan explained that these are the "pooper scooper" stations.

REVIEW BIDS

152nd Street N.E. Transmission Main.

Councilmember Soriano referred to the first paragraph of the Executive Summary for Action, which lists complexities "*such as stream crossings, dewatering, boring beneath the railroad, roadway restoration, etc.*" He asked to receive more details about the problems that were encountered with this project.

NEW BUSINESS

A. Variance Extension Request from Pacific Coast Feather.

There were no comments or questions on this item.

B. North End 240 Zone Reservoir Condemnation Ordinance.

Councilmember Seibert referred to page 3 of the letter dated September 10, 2002 from Ms. Jacquelyn Johnson which discusses a pending injunction against a portion of this property and referring to a diagram showing the area. Mr. Seibert asked for a copy of the diagram. Mr. Weed said he would get a copy of that diagram to Council and also investigate the matter of the pending injunction.

C. Change Order No. 3 for 57th Place Improvements Project.

Councilmember Seibert asked what the standard reserve amount was. Public Works Director Jim Owens responded that it is 10 %. Mr. Seibert commented that this change order was double the reserve and that it was approved without Council's approval. He commented that it would nice to receive these ahead of time. Mr. Owens explained that there was difficulty with this because the contracts are based on a unit price basis. There is then resolution at the end of the contract to adjust for the amount. City Engineer Kevin Nielsen added that the change orders for some of the shorter jobs happen so quickly that there is not time for Council to approve them ahead of time.

D. Construction Easement/Limited Use Permit State Avenue (116th Street N.E. – 136th Street N.E.) Project; PUD North Marysville Substation.

Councilmember Seibert asked if the issue had been worked out with the PUD. Mr. Weed explained that it had and that this version is acceptable to both the PUD and the City. He recommended Council's approval.

E. Donation Acceptance from Estate of Julietta Gellerson.

Parks and Recreation Director Ballew explained that if Council accepts this donation it would go to the Parks Board for determination of how the money would be allocated.

INFORMATION ITEMS**Staff Business**

Police Commander Lamoureux discussed an agreement to purchase a new DAT recorder to record 911 calls. He explained that the recorder they currently use is obsolete. The maintenance agreement has ended and parts are no longer being produced for it. He referred to the potential for liability associated with not having functioning recording equipment. He then explained that there is an upgrade program available with no ramifications to the 2004 budget and minor expenses to the next four years. He said it would be roughly a \$1,500/year increase for four years in order to get state of the art equipment. The current equipment is projected to have an estimated \$15,000/year maintenance costs for servicing. He said the entire cost of the new system would be about \$22,000.

Jim Ballew explained that they are considering acceptance of a dedicated 1.5-acre site. They are requesting that Council approve this neighborhood park dedication. He explained that one of the features of the park would be a beginners' skate park. He provided an estimate to maintain the park for the first two years and noted that the maintenance costs drop off considerably after that. He explained that this would go before the Hearing Examiner on the 17th of July, but that he wanted to let Council know about it ahead of time. Councilmember Seibert asked about the density bonus that this developer received. Mr. Ballew said they would have that information for him at the next meeting.

Jim Owens updated Council on the Change Order No. 1 for Wastewater Treatment Plant Upgrade and Expansion Phase I. Councilmember Seibert asked why the price of the increase of the cost of the pipe was passed on to the City. Mr. Owens explained the conditions under which the City was responsible for price increases.

Mr. Owens then gave an update on the tire roundup. He noted that Everett had collected 2,619 tires at an estimated expense of \$1.63/tire. Marysville had collected 2,000 tires at an estimated expense of only 25-cents/tire.

Grant Weed then updated Council on three different water bills which passed recently in the special session of the legislature. He explained that one of the bills was a municipal water bill. Another one clarifies the authority of the Department of Ecology.

Sandy Langdon noted that the bond closed last Monday and they have received the money.

Call on Councilmembers

Mike Leighan – nothing.

Suzanne Smith – nothing.

John Soriano – nothing.

Jon Nehring asked if there had been any new information about the West Nile Virus. Councilmember Wright explained that there has been no sign of it although the Health Department continues to watch for it.

Jeff Seibert – nothing.


Donna Wright – nothing.

Lisa Vares – nothing.

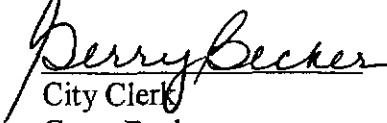
ADJOURNMENT

Mayor Weiser adjourned the Work Session at 8:50 p.m.

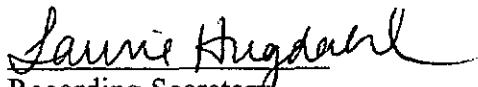
Approved this 14th day of July, 2003.



Mayor
David Weiser



City Clerk
Gerry Becker



Recording Secretary
Laurie Hugdahl