

ORIGINAL

MARYSVILLE CITY COUNCIL WORK SESSION

000017

January 18, 2005

7:00 p.m.

City Hall

CALL TO ORDER / INVOCATION / PLEDGE OF ALLEGIANCE

Mayor Dennis Kendall called the January 18, 2005 Work Session of the Marysville City Council to order at 7:00 p.m. He then led those present in the Pledge of Allegiance. There was no invocation.

ROLL CALL

Chief Administrative Officer Mary Swenson called the roll. The following staff and council members were noted as being present.

Mayor Dennis Kendall

Council: Mayor Pro Tem Jon Nehring, Lee Phillips, Jeff Seibert, John Soriano, Lisa Vares, Jeff Vaughan and Donna Wright.

Staff: Mary Swenson, Chief Administrative Officer; Cheryl Beyer, City Attorney; Sandy Langdon, Finance Director; Paul Roberts, Public Works Director; Gloria Hirashima, Community Development Director; Jim Ballew, Parks and Recreation Director; Robert Carden, Police Chief; Kevin Nielsen, City Engineer; Doug Buell, Community Information Officer; Rob Lindsey, Cedarcrest Golf Course Manager; Laurie Hugdahl, Recording Secretary.

COMMITTEE REPORTS

Mayor Kendall solicited committee reports.

Councilmember John Soriano noted that he attended the **Governmental Affairs** meeting and would have the summary ready for the next meeting.

Councilmember Jeff Vaughan reported on the **Parks Advisory Board** meeting held last week. They reviewed several current capital facilities projects. Topics discussed included:

- Possible opening day activities for Strawberry Fields.
- Update on the Waterfront Park.
- Comeford Park restrooms complete, but awaiting NEPA approval.
- Equipment for Jennings Park play area has arrived and will be installed in the spring.
- Parkside Way Park is near completion.
- Kiwanis Park will possibly be dedicated on Arbor Day in April.

- Received permit to place carp in golf course ponds for controlling vegetation.
- The Board voted to donate the totem pole to the Historical Society with some contingencies to be determined.
- Possible dog park at Jennings Park.

PRESENTATIONS

None.

DISCUSSION ITEMS

None.

OTHER ITEMS SCHEDULED FOR JANUARY 24, 2005 MEETING

A. Approval of Minutes.

1. *January 10, 2004 City Council Meeting.*
2. *January 18, 2005 City Council Work Session.*

CONSENT

- A. Approval of January 5, 2005 Claims.
- B. Approval of January 12, 2005 Claims.
- C. Approval of January 19, 2005 Claims.
- D. Approval of January 20, 2005 Payroll.
- E. Approval of Liquor License Renewals for Fanny's Restaurant (505 Cedar Avenue #A1), State Street Food Mart (1034 State Avenue), 88th Street Shell Food-Mart and Car Wash (3506 - 88th Street NE), and Vi and Glynn's Tavern (10321 Smokey Point Boulevard).

There were no comments or questions regarding this item.

F. **Accept Edward Springs Wells 1 and 3 Rehabilitation Project as Complete and Begin 45-Day Lien Filing Period.**

This item was removed from the agenda.

G. Accept Effluent Transfer Pipeline - Contract A Project as Complete and Begin 45-Day Lien Filing Period.

There were no comments or questions regarding this item.

H. Accept North Marysville Regional Stormwater Pond and Conveyance System Project as Complete and Begin 45-Day Lien Filing Period.

Kevin Nielsen announced that they have had some applicants for the pond. He was pleased that people are beginning to hook up.

I. Approve Recommendation by Hearing Examiner for Rezone/Preliminary Plat; Palisades South.

Gloria Hirashima explained that this had been a Hearing Examiner decision on a planned residential rezone. It has qualified for several bonus lots. One of their proposed improvements was the dog park currently under consideration by the Parks Advisory Board. In the event that the dog park is not feasible, another park improvement will be discussed.

J. Approval of Rock Creek (aka, Cedar Ridge) Final Plat Amendment.

Gloria Hirashima announced that this is complete and ready for approval. There have been no requests for a hearing. Final plat has been approved. The applicant is proposing a plat amendment. Councilmember Seibert asked about the trail. Ms. Hirashima responded that it has already been constructed, but they may just be asking for the easement.

K. Authorize Mayor to Sign Jail Management System Lease/Purchase and Maintenance Agreement; DSSI.

Chief Carden explained that the software management program interfaces with the system currently in use. Councilmember Vaughan asked if it would be able to migrate the data from Montage. Chief Carden said that it could be fully integrated. Finance Director Sandy Langdon added that this is badly needed and the IT staff will be pleased. Councilmember Seibert asked about the maintenance agreement. Ms. Langdon explained that it was standard language.

L. Approval of Allen Creek Baptist Church Annexation - 60% Annexation Petition.

Gloria Hirashima reviewed the parcel under consideration. There were no comments or questions from Council.

REVIEW BIDS

None.

PUBLIC HEARINGS

None.

CURRENT BUSINESS

None.

NEW BUSINESS**A. PEG/I-Net and Cable Programming Capital Needs**

Doug Buell presented the resolution submitted by the TV Advisory Committee. The purpose of the resolution was "to affirm support for continuation of the PEG/I-Net fee assessed to residential cable subscribers within Marysville city limits, which provides capital funding support to meet evolving cable and fiber optics-based information technology needs."

Councilmember Jeff Seibert requested further information regarding the spending policies. Mary Swenson indicated that would be coming soon. Mr. Seibert commented that he questioned the initial intention of taking the \$1 fee. His understanding was that it was to be used for the construction of the I-Net. Doug Buell explained that the dollar fee was based either on the access channel or the I-Net side of things. The I-Net was of more immediate importance at that time. Mary Swenson added that the dollar had been tied to the I-Net, but not necessarily only the I-Net. During the budget process there had been a lot of discussion about the allowable uses of this fee. Councilmember Seibert requested postponing this resolution until the policy discussion since his vote for the dollar was strictly for the construction of the I-Net.

Doug Buell explained that initially the dollar was used for capital needs for the channel. The PEG/I-Net fee is the way that Comcast prefers to handle paying for the needs of the channel. Mr. Seibert asked if a letter had been sent to Comcast outlining how the City plans to spend the funds. Mr. Buell responded that they are required to do that the first quarter of this year and a copy will be coming to Council at the same time.

Councilmember Lee Phillips noted that the purpose of the resolution was to affirm support for continuation of the PEG/I-Net fee. Part of the agreement is to use the dollar for I-Net and PEG fees. He asserted that the citizens deserve to see the benefit of this fee. One major benefit could be the televising of council meetings.

Councilmember Nehring noted that he wants to be cautious about how this is spent. He asked what money now is used for the TV station. He had thought that everybody would be able to access the channel. Mary Swenson explained that several different cable systems had come under the umbrella of Comcast. The cable upgrade allowed the entire city the possibility to receive the local public access channel. The connectivity between City buildings has been completed. Keeping equipment current for the cable channel is also a priority. She reviewed how in prior negotiations, the cable company simply provided an amount to the City. This had changed to the dollar fee because of some litigation that had occurred. There was significant discussion about how these funds should be utilized. Mr. Nehring suggested looking at how surrounding communities are handling this.

Councilmember Seibert commented that when they voted on the dollar fee for the I-Net they had the impression that the fee would end when the I-Net construction costs were paid. Councilmember Lisa Vares voiced support for Councilmember Seibert's request to revisit the policy. She asked why Comcast has gone away from the dollar fee to 25 cents. She noted that she had been against this in the first place because she felt it was a hidden tax. She added that the dollar was sold to Council as necessary for economic development.

Councilmember Phillips stated that he was supportive of tabling this for a later discussion. He noted that the dollar was not needed if the City only wanted to maintain a bulletin board on the channel. It would benefit economic development by helping to provide a positive image for the community. Councilmember Seibert stated that he understood the desire to do something with the channel, but doesn't see a local TV channel as something that most citizens are really looking for. He suggested getting sponsorship for the channel. Councilmember Phillips explained why that was not possible since it is a government access channel.

There was consensus to table this discussion until the first cycle in March.

B. New Jail Services Contract with Snohomish County Jail.

Chief Carden reviewed the Agreement for Jail Services with Snohomish County Jail to house prisoners at Level II. Under the Agreement the City agrees to use a minimum of 1,460 bed days per year. These will come from the collective inmate populations of Marysville, Lake Stevens and Arlington. The expense will be divided between those cities. Mary Swenson commended the group for working hard to come up with this compromise.

C. Cedarcrest Golf Course Operations Status Report.

Mary Swenson thanked the audience members for coming. There were a significant number of golfers in the audience. She stated that the City is simply not breaking even with the golf course and it is costing the City money each year. Some of the reasons are that play is down and there is saturation with other golf courses in the area. The golf course has an annual deficit of approximately \$250,000, which is being contributed by the City annually. The total debt service for the golf course annually is \$527,735 due to the renovation. The rounds have been steady, but this is due to heavy discounting.

Parks and Recreation Director Jim Ballew reviewed the history of the golf course that was purchased in 1971 with a combination of grants and City money. In 1988, a new maintenance building was constructed. In 1996, the course was renovated. In 2001, there was a new pro-shop and restaurant. Prior to this time the pro-shop and concessions had been leased to a private company. City staff has always performed grounds maintenance. In 2000, the City hired a golf course manager. In 2002, the restaurant was leased to NW Golf Inc. who terminated the agreement early leaving \$30,000 unpaid to the City. In 2003, the restaurant was leased to the Cedarcrest Family Restaurant and Grill on a 5-year lease. Staffing includes a manager, a lead worker, three maintenance workers, a mechanic, four seasonal maintenance workers and four pro-shop attendants.

Sandy Langdon discussed the financial state of the golf course. She reviewed the debt and recent financial performance in detail on a PowerPoint presentation. Councilmember Seibert noted that without the debt service, the revenue was above the expenses. It is the debt service that is putting the golf course in such a bad position. Ms. Langdon discussed this and noted that they could not refinance until 2007. She reviewed the financial outlook, which shows the fund balance steadily decreasing to almost \$-2M in 2007.

Councilmember Nehring asked about the decrease by 2,600 in annual rounds last year. He wondered how they knew that this was due to discounts. Mr. Ballew explained that they had been trying to attract people back to the local course with discounts and programs. There was discussion about how most local courses are competing dramatically to attract business. This has been detrimental for most of the courses.

Councilmember Nehring asked about capacity and how they arrive at a formula/model for the discounting. Golf Course Manager Rob Lindsey discussed how the northwest is unique because of the fact that golfing is weather-driven. He noted that the model is almost week-to-week. Jim Ballew commented on the high cost of advertising. Councilmember Nehring asked if it was even worth having it open during the lowest times of the week. Mr. Lindsey responded that there costs

were pretty steady whether or not they were open and they never knew what the weather was going to do.

Mary Swenson addressed alternatives to consider:

- Continue to subsidize the golf course
- Explore alternatives to a golf course operation
- Implement operation changes

She noted that several alternatives have been discussed and require more in-depth analysis. Some of these are the Equipment Repair and Replacement Fund (ER&R) and marketing. The benefits of continuing to subsidize the golf course are that it would keep the course open to the public, would preserve the future options for the course property, would generate revenues and partially offset annual debt. The downside of continuing to subsidize are that it requires ongoing general fund subsidization and there is a saturation of golf courses in the area. She stated that staff is recommending that 2005 be a study year in order to make the best decision regarding the golf course. There was a suggestion to have a committee to look at options. Ms. Swenson noted that they want to do everything possible to keep the course operational.

Councilmember Nehring commented that he supported the idea of a committee. He asked about a timeline. Mayor Kendall suggested bringing this back the second cycle in February so there would be time to advertise. Councilmember Nehring stated that he was not comfortable getting too far into the year without a plan. Mayor Kendall and Ms. Swenson concurred. Councilmember Donna Wright suggested calling it a task force rather than a committee.

Councilmember Seibert asked if the enterprise fund owned the golf course. Ms. Langdon stated that it does. There was some discussion of the ramifications of that if the City were to sell the course. He commented that it might be a better investment to hold onto it since the value will only go up.

Jim Ballew commented that Everett is going through the same process and will be sharing good data. He noted that other courses in the area are also seriously struggling. Councilmember Vaughan suggested teaming up with other golf courses to share personnel or equipment. Mr. Ballew thought there might be a possibility that this could work with specialized equipment. Personnel might be more difficult. He noted that the staff has done an amazing job of keeping up the course with limited resources. Mary Swenson emphasized the dedication and skill of the employees at the golf course. Mr. Ballew added that the Parks staff has really worked together to help out the golf course as well.

Councilmember Vaughan suggested utilizing something like a ski patrol that donates time in exchange for a pass. Mr. Ballew responded that they utilize player

assistants who help out in exchange for golf, but they are very cautious because of liability.

Councilmember Vares inquired about the Pro Shop numbers. Mayor Kendall replied that they are still waiting for those.

This topic is scheduled to come back in the second cycle in February with a specific budget plan.

D. Cedarcrest Golf Course Annual Pass Recommendation.

Mary Swenson explained that a decision had been made to eliminate the annual pass. This had been extremely frustrating for the Men's Club and other pass holders. Staff has decided to re-institute the pass for this year and to continue to study the issue. The recommended amount is \$1,600 plus tax. They may also look at some primetime restrictions. The Men's Club has concerns about restrictions, but they are willing to pay additional money. Ms. Swenson suggested lowering the recommended amount to \$1,500 fee, which includes tax for the pass. Mr. Ballew reviewed 2005 annual pass comparisons with surrounding communities.

There was a suggestion to have some mechanism to allow pass holders to play on the weekend primetimes if no one else has reserved it. Mr. Ballew noted that they would need to look at that. Councilmember Seibert echoed frustration about not being aware of the elimination of the annual pass. Councilmember Nehring asked about the number of annual passes sold last year and the projections for this year. Ms. Swenson indicated they were not sure what to expect this year. Many are waiting to see what happens, but some have already left.

LEGAL

None.

ORDINANCES AND RESOLUTIONS

A. An Ordinance of the City of Marysville, Washington Amending MMC 2.50.040 and MMC 2.50.050 Relating to the Compensation Of the Mayor and Council Members.

Councilmember Seibert suggested a code amendment to place restrictions on prolonged absences of a mayor. City Attorney Cheryl Beyer explained that the mayor is not subject to some of the same restrictions as councilmembers; however she would make a note to Grant Weed to research restrictions about extended leave for the mayor.

Councilmember Seibert then suggested reviewing the per diem amount for travel. Ms. Swenson explained that this was a separate ordinance. There was consensus that this should be reviewed.

Councilmember Seibert then suggested changing the rate per day and lowering the number of meetings per month. There was general agreement to look at that.

INFORMATION ITEMS

Mayor's Business

Mayor Kendall requested that any comments regarding job descriptions be turned in soon.

Staff Business

Gloria Hirashima noted that she would have an update regarding Lakewood at the next meeting. There will be a Developers Breakfast at Cedarcrest Restaurant next Wednesday morning.

Jim Ballew noted that there would be a Facilities Committee meeting on Monday at 4:00 p.m.

Doug Buell noted that:

1. The 2005 Visitors' Guide is in production and should be ready soon.
2. He will be attending the SnoGold Steering Committee to prepare for the 2010 Winter Olympics.
3. Mayor Kendall will be delivering his State of the City address next Friday at the Chamber Breakfast meeting.

Councilmembers Vares and Wright left the meeting at 9:15 p.m.

Cheryl Beyers had no comments.

Paul Roberts commented that they are paying close attention to the flood watches. He attended a good meeting in Washington D.C. regarding base closures. The Mayor commented that he will also be going to Washington D.C. on February 7th.

Mary Swenson noted that she would need a five-minute Executive Session.

Sandy Langdon reminded Council of a Finance Committee meeting at 4:30 pm.

Call on Councilmembers

Jeff Seibert asked if the park behind Sunnyside was done. Mr. Ballew responded that it was not. There is a substantial punch list remaining, but they hope to complete it by spring. Mr. Seibert then suggested reviewing the process for putting something on the agenda.

Jon Nehring suggested discussing the reserve policy. Ms. Swenson indicated this would be coming back this quarter. Mr. Nehring then asked about the logo. Doug Buell responded that he is getting them to the Image and Identity Committee members right now. Mr. Nehring stated that he had a couple of items for Executive Session.

Lee Phillips had no comments.

John Soriano had no comments.

Park Board Advisory Meeting Minutes; November 17, 2004.

Marysville Library Board Minutes; December 8, 2004.

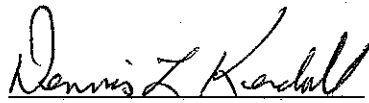
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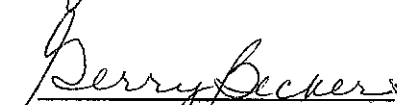
Mayor Kendall recessed the meeting into Executive Session at 9:25 pm. Executive Session was expected to resume at 9:30 p.m.

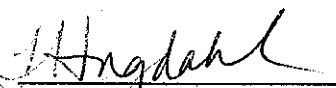
EXECUTIVE SESSION

Council met in Executive Session at 9:30 p.m., discussed real estate and personnel issues; reconvened into regular session at 9:40 p.m., took no further action and adjourned.

Approved this 24th day of January, 2005.


 Mayor
 Dennis Kendall


 City Clerk
 Gerry Becker


 Recording Secretary
 Laurie Hugdahl