

Work Session
July 2, 2012

Call to Order / Pledge of Allegiance

Mayor Nehring called the Work Session to order at 7:00 p.m. and led those present in the Pledge of Allegiance.

Roll Call

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

Mayor: Jon Nehring

Council: Steve Muller, Carmen Rasmussen, Jeff Seibert, Rob Toyer, Jeff Vaughan, and Donna Wright

Absent: Michael Stevens

Also Present: Chief Administrative Officer Gloria Hirashima, Finance Director Sandy Langdon, City Attorney Grant Weed, Public Works Director Kevin Nielsen, Senior Planner Cheryl Dungan, Parks and Recreation Director Jim Ballew, Recording Secretary Laurie Hugdahl.

Mayor Nehring commented that Councilmember Stevens had indicated he would be on vacation this week and had requested an excused absence.

Motion made by Councilmember Rasmussen, seconded by Councilmember Wright, to excuse Councilmember Stevens from the meeting tonight. **Motion** passed unanimously (6-0).

Committee Reports

Donna Wright reported on the Public Safety Committee meeting last week where the following items were discussed:

- There was a report from Burglary Strike Team and crime analysis. As of last week, they have made 85 arrests recovered over \$20,000 worth of belongings including a lot of jewelry and some guns.

- Police will be out enforcing the rules regarding fireworks. Council is invited to ride along with police to see what the 4th of July is like.
- There was an Emergency Management Exercise for Western Washington which was an earthquake tabletop exercise that lasted two days. It was quite successful. They also hosted a distribution of how they would get supplies working with the Navy, the Tribes, and Fort Lewis-McChord. Because of our expertise, Marysville was awarded an emergency kit worth \$2000 for the department to use.
- There are two officer positions to fill, and those will be filled with laterals. There is also one records position that will be filled.
- Chief Smith is working on a five-year assessment with a five-year plan that we will be hearing about later.

Approval of Minutes (Written Comment Only Accepted from Audience.)

1. Approval of June 25, 2012, City Council Meeting Minutes.

Consent

2. Approval of the June 20, 2012, Claims in the Amount of \$1,178,111.74; Paid by Check Number's 77907 through 78071 with Check Number's 77352 and 77715 Voided.
3. Approval of June 27, 2012, Claims in the Amount of \$1,668,939.80; Paid by Check Number's 78072 through 78218 with Check Number 76241 Voided.
4. Approval of the June 20, 2012 Payroll in the Amount of \$940,067.24; Paid by Check Number's 25575 through 25631.

Review Bids

Public Hearings

New Business

5. Interlocal Agreement to Contract for Cooperative Purchasing with Houston-Galveston Area Council (HGAC).

Kevin Nielsen commented that this is a cooperative purchasing agreement that will allow us to purchase our sweeper. This is one that was tested last year. He explained that the one they have selected costs more than was estimated, but there will be a faster Return on Investment.

6. A **Resolution** of the City of Marysville Amending Bid and Purchasing Policy and Repealing Resolution No. 2313.

Finance Director Langdon stated that staff is updating the bidding and purchasing policy. The biggest change is to add cooperative interlocal agreements. Staff has been advised to add this as a mechanism for purchasing.

7. An **Ordinance** of the City of Marysville, Washington, Relating to the Regulation of Special Events; Repealing Current Chapter 5.46 Special Events of Title 5 Business Licenses and Regulations and Adopting a New Chapter 5.46 Special Events.

Cheryl Dungan reviewed this item. She explained that the existing code is 16 years old. CD staff has received requests from both event holders and city staff to revamp the code to exclude smaller events or events that don't have significant impacts on public property. She added that Finance Director Langdon had requested to change *City Clerk* to *CD Director* throughout the document.

8. An **Ordinance** of the City of Marysville, Washington, Authorizing the Condemnation, Appropriation, Taking and Damaging of Land and Other Property for Purposes of Constructing Utilities adjacent to Soper Hill Road between 87th Avenue N.E. and 83rd Avenue N.E.

Director Nielsen explained that this is a condemnation ordinance to build utilities. There were no further comments or questions on this item.

New Business

9. An **Ordinance** of the City of Marysville, Washington, Amending the 2012 Budget and Providing for the Increase of Certain Expenditure Items as Budgeted for in Ordinance No. 2881 as Amended.

Finance Director Langdon reviewed this item as contained in Council's packet.

- 10A. An **Ordinance** of the City of Marysville, Washington, Relating to Development Impact Fees; Amending Section 22D.020.030 OF MMC Chapter 22D.020 to Provide an Option for Deferral of Park, Recreation, Open Space and Trail Impact Fees; Amending Section 22D.030.070 OF MMC Chapter 22D.030 to Provide an Option for Deferral of Traffic Impact Fees; and Amending Section 22D.040.060 OF MMC Chapter 22D.040 to Provide an Option for Deferral of School Impact Fees.
- 10B. An **Ordinance** of the City of Marysville, Washington, Relating to Sewer and Water Connection Charges for Commercial, Industrial and Multi-Family Residential Developments; and Amending Section 14.07.010 of MMC Chapter 14.07 Fees, Charges and Reimbursements to Provide an Option for Deferring Payment of Sewer and Water Connection Charges for Commercial, Industrial

and Residential Development, and Setting a Sewer and Water Connection Charge for Multi-Family Residential Development.

- 10C. An **Ordinance** of the City of Marysville, Washington Adopting a New Chapter 22J.090 of the Marysville Municipal Code Entitled "Industrial Pilot Program Creating Incentives for Living Wage Jobs" and Adding Sunset and Severability Provisions.
- 10D. An **Ordinance** of the City of Marysville, Washington Amending MMC 22D.030.070 by Adding a New Subsection (4) Related to Adoption of a Temporary Enhanced Discount to Traffic Mitigation Fees for New Construction of Industrial and Commercial Development.

CAO Hirashima reviewed the background on the impact fee topic as discussed in the Planning Commission. The Planning Commission has recommended that various actions be taken to allow impact fee deferrals for schools, parks, and traffic impact fees. They have also recommended fee reductions for multifamily water and sewer connection charges. Planning Commission also recommended a reduction in traffic impact fees for residential and commercial industrial uses. Additionally, there is a recommendation for an industrial pilot program to encourage creation of living wage jobs in Marysville by allowance of additional impact fee reductions for new development. This package of ordinances is under 10A – 10D of the packet. The Planning Commission felt that the current economic challenges faced by new businesses and developers warrant additional measures to reduce the regulatory burdens for new construction in the form of impact fees and charges. The proposal is structured with a three-year sunset clause.

Councilmember Jeff Seibert discussed issues with using the multifamily portion of this. He does not think that there is a need to encourage multifamily residential at this time. He commented that all of the existing multifamily buildings have "For Rent" signs up. He is supportive of the other changes for commercial and industrial, just not for the multifamily.

Jeff Seibert expressed concern about enforcement of the industrial pilot program. CAO Hirashima agreed that this is a concern about a program like this. There are annual reporting and penalties that are identified on page 3 of the ordinance, but enforcing those penalties can be a challenge. This is one of the reasons this is established as a three-year project. Grant Weed added that they did as much brainstorming as they reasonably could about this. He suggested that the right to file a lien against real property is one way that the city could collect. CAO Hirashima added that the Planning Commission had requested that it be applicable to any sized businesses, but this will be more difficult to enforce with smaller businesses. If it is used, she expects that they will see more non-compliance issues with smaller businesses. Councilmember Seibert expressed concern about enforcement and application of this. There was general discussion about risk and enforcement related to the pilot program. Carmen Rasmussen suggested having the businesses pay the fee and then get it back if they meet criteria. Mayor Nehring said that the idea was to help businesses not have to come up with the

money upfront. He commented that a lien could be effective. Councilmember Seibert suggested that bonding could help with this too. He expressed the similar enforcement concerns with deferral proposal.

Councilmember Rasmussen asked if the businesses are expected to give a cost-of-living increase based on the CPI every year. CAO Hirashima stated that they would need to meet the baseline rate which would be adjusted by the City each year based on the CPI. Councilmember Rasmussen expressed concern about the City ending up inadvertently subsidizing businesses with this proposal. She requested a report at the end of three years to substantiate that the intended goal is what is actually happening.

Councilmember Muller asked how the discounts were arrived at. CAO Hirashima reviewed how the Planning Commission came up with these numbers.

Councilmember Seibert asked Director Nielsen how the discounted Traffic Impact Fee would affect funding the City TIP. Director Nielsen explained that they are hoping that it spurs growth to bring more development. Councilmember Seibert asked about the capital connection fees and the impact on rates. Director Nielsen replied that the difference could be covered by an increase in rates or by increased numbers in growth. He explained that the cost of construction has gone down a little bit too. When they re-evaluate the next plan it will reflect those decreased costs.

Legal

Mayor's Business

11. Community Development Block Grant (CDBG) Appointments

Mayor Nehring thanked Mayor Pro Tem Vaughan for filling in last week while he was out of town and for attending several meetings, especially regarding Cedar Grove. Regarding Cedar Grove, he has received many emails from citizens in support of the odor study. He explained issues surrounding this and noted that people hired by Cedar Grove have been doorbelling, portraying themselves as a concerned citizens group, and encouraging residents to email the elected officials in the City to do the odor study which Cedar Grove wants done. He explained that the study would study composting over the course of a couple of years to hopefully create standards that the state might or might not enact at some point in the future. This would just delay the issue with no end in sight. The City is looking at ways to do the study, but have it centered on enforcement mechanisms and solutions to the existing odor problem. If Cedar Grove and the state agencies are truly interested in using the odor monitoring to fix the odor the problem, the City will come to an agreement with them. This has not been the case in the discussions they have had thus far. He encouraged Council members to respond to any emails they get with this information.

Councilmember Seibert recommended attaching the letter from Grant Weed to their emails since it provides excellent information.

CAO Hirashima said that she, Councilmember Vaughan, and Director Nielsen met with the Regional Organics Committee and delivered the letter regarding the City's concerns with the process. The meeting left the City with many questions because the agencies clarified that the study was never intended to address the City's problem. It was originally conceived as a study on composting which was latched onto by Cedar Grove and some elected officials as the solution to Marysville's odor problem. There is the potential that this would lengthen the process by a couple years with no positive results for the City.

Councilmember Vaughan pointed out that the Clean Air Agency has standards for citing companies for nuisance odors. This odor study being recommended by Cedar Grove has nothing to do with that. It is qualitative in that it will study what is out there, but it is not tied to any kind of enforcement. If the same resources were applied to enforcement, the City would be accomplishing what the citizens wanted to do in the first place. He encouraged the rest of the Council to keep getting the word out there. He thinks it is important that people know what the truth is about this study.

Staff Business

Sandy Langdon:

- She reviewed the Grant Status Update which was distributed to the Council. Not quite half has been accomplished, but a lot of it has to do with the Strawberry Festival which was just recently completed. This year's allocation is approximately \$80,000.
- She then discussed issues about the retail sales tax related to the liquor sales. She has clarified with the Department of Revenue that the retail sales tax that was communicated on an ongoing basis during the initiative was the state-only retail sales tax at 20.5%. The local sales tax is not charged on any of the liquor sales.

Jim Ballew reported that staff will be bringing back a different schedule for the lease of golf carts next week.

Kevin Nielsen:

- He commended Gloria Hirashima and Councilmember Vaughan on the meetings they have been attending. He stated that the Clean Water Act seems to be coming into play with the phosphorous.
- He saw the BNSF bridge turn and it allowed for a nice view.
- Staff is applying for a grant for a sidewalk on Grove from State Avenue to Cedar to complete the corridor to connect to the Park and Ride with WSDOT.
- TIB Grants are coming up soon. Staff will be working on grants.
- He commented on the amount of traffic in pass by trips from Canada in the parking lot.
- He wished everyone a happy 4th of July.

Grant Weed had no comments.

Gloria Hirashima wished everyone a happy 4th of July.

Call on Councilmembers

Rob Toyer had no comments.

Steve Muller commented on his dog's distress in response to the fireworks noise already.

Donna Wright brought up an issue on a pathway to Marshall Elementary School. There had been garbage cans last year, but those were removed and now there is garbage everywhere. Director Nielsen replied that the garbage cans that used to be there were the school district's. He offered to follow up on this.

Jeff Seibert asked if we have a way to access the map of the LID area for 156th. Director Nielsen said he would make sure it was posted online and would also provide a copy.

Carmen Rasmussen attended the Chamber breakfast where Director Jim Ballew did an outstanding job speaking about summer fun in Marysville with Marysville Parks and Recreation Department.

Jeff Vaughan wished everyone a happy 4th of July.

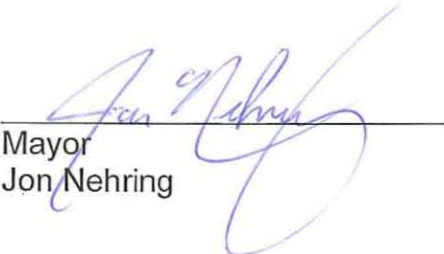
Executive Session

- A. Litigation
- B. Personnel
- C. Real Estate


Adjournment

Seeing no further business Mayor Nehring adjourned the meeting at 8:11 p.m.

Approved this 23RD day of July, 2012.



Mayor
Jon Nehring



April O'Brien
Deputy City Clerk