

<b>Call to Order/Pledge of Allegiance/Roll Call</b>	7:00 p.m.
<b>Approval of the Agenda</b>	Approved
<b>Committee Reports</b>	
<b>Presentations</b>	
Budget Workshop	Held
<b>Audience Participation</b>	
<b>Approval of Minutes</b>	
Consider Approval of the September 26, 2016 City Council Meeting Minutes	Approved
<b>Consent Agenda</b>	
Consider the October 5, 2016 Claims in the Amount of \$2,036,844.24; Paid by EFT Transactions and Check Numbers 111486 through 111633 with Check Number 111400 Voided	Approved
Consider the October 12, 2016 Claims in the Amount of \$677,897.23; Paid by EFT Transactions and Check Numbers 111634 through 111820 with No Checks Voided	Approved
Consider the October 20, 2016 Payroll in the Amount \$966,230.46; Paid by EFT Transactions and Check Numbers 30295 through 30328	Approved
<b>Review Bids</b>	
<b>Public Hearings</b>	
<b>New Business</b>	
Consider Acceptance of the Ebey Waterfront Trail Project with Granite Construction Company to Start the 45-day Lien Filing Period for Project Closeout	Approved
Consider Acceptance of the Cedarcrest Reservoir Roof Replacement Project with Axiom Division 7, Inc. to Start the 45-day Lien Filing Period for Project Closeout	Approved
Consider the Professional Services Agreement with PFM Group for Financial Advisory Services	Approved
Consider an Ordinance Amending the Park Code, Chapter 6.82 of the Municipal Code, Updating the Definition of "Park" and Updating Language Regarding the Discharge of Weapons in Parks	Approved Ord. 3037
Consider an Ordinance regarding an exemption for payment of transportation impact fees for low-income rental housing, amending Chapter 22D.030.071 of the Marysville Municipal Code	Approved Ord. 3038
<b>Legal</b>	
<b>Mayor's Business</b>	
<b>Staff Business</b>	
<b>Call on Councilmembers</b>	
<b>Adjournment</b>	9:42 p.m.
<b>Executive Session</b>	9:52 p.m.
<b>Real Estate – two items</b>	
<b>Adjournment</b>	9:52 p.m.

# COUNCIL



# MINUTES

## **Regular Meeting** October 24, 2016

### **Call to Order / Pledge of Allegiance**

Mayor Nehring called the meeting to order at 7:00 p.m. and led those present in a moment of silence in remembrance of the Marysville-Pilchuck tragedy two years ago today. Pastor Randy Loveless from Damascus Road Church gave the invocation, and Mayor Nehring 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, Kamille Norton, Jeff Seibert, Michael Stevens, Rob Toyer, Jeff Vaughan, and Donna Wright

**Absent:** None

**Also Present:** Chief Administrative Officer Gloria Hirashima, Finance Director Sandy Langdon, Police Chief Rick Smith, City Attorney Jon Walker, Public Works Director Kevin Nielsen, Parks and Recreation Director Jim Ballew, Community Development Director Dave Koenig, Fire Chief Martin McFalls, and Recording Secretary Laurie Hugdahl.

**Motion** made by Councilmember Vaughan, seconded by Councilmember Muller, to approve the agenda. **Motion** passed unanimously (7-0).

### **Committee Reports**

Council President Norton reported on the Hotel Motel Tax Committee meeting last week where they reviewed 13 applications for funding. Those recommendations will come before the Council next month.

She also reported on the October 6 Marysville Parks Advisory Board meeting where the following items were discussed:

- The Ebey Slough Trail progress update

- Golf Course – potential changes to the caretaker system
- Mike Elmore announced that he will be retiring after serving 27 years on the Park Advisory Board.
- Staff reported that end counts were up 37% this year which is exciting.

Councilmember Seibert reported on the October 19 Finance Committee meeting where they had an update on budget and discussions about the Fire Interlocal Agreement and recommendations about that.

## **Presentations**

### **A. Budget Workshop**

Mayor Nehring commended staff for their hard work on this budget process and Council for their work on budgets in past years that have resulted in fiscal discipline and successes for the City. Because of fiscal prudence, Marysville has a solid foundation. Increased growth, however, brings its own set of needs. This budget helps with those needs and adds 7 FTE's, mostly in the Police Department in response to public request. He noted that some of the things in the budget are larger ticket items as a result of paying down debt and establishing reserves. The downtown revitalization effort is one of these larger projects which is a culmination of years of work. The 1<sup>st</sup> Street bypass is another project that has been on the wish list for many, many years. Transportation improvements in the north end are also important in this budget. The infrastructure improvements in the future Manufacturing Industrial Center is critical to growth in the north end. The Police Department's North End Regional Property Crimes Task Force has had a tremendous impact on crime. This budget supports that effort. Core services of government such as Transportation Benefit District overlay program, utility capacity and capability enhancements, necessary staffing and equipment to maintain parks and right-of-way. He summarized that financial stewardship has put the City in the position it is in. He thanked everyone for their part in this, especially the Finance team.

Finance Director Langdon pointed out some changes in the budget from the prior year, then staff reviewed their budget requests as listed on page 154 of the 2017/2018 Preliminary Budget.

### **Questions/Comments:**

Mayor Nehring recalled that the Health District had requested \$2 per head to help fund a shortfall due to decreasing state and county funding. He discussed this with a meeting of the entire group of North End Mayors and they agreed to put in a \$1 per head contribution for City Council to consider. This can be adjusted as desired by the Council. The North End Mayors agreed to support a \$1 per head commitment for 2017, but they are also asking for a strategic plan in 2017 and for a report back to the Council and the Mayors as to how the Health District is going to sustain funding for the ongoing work that they do and how they are going to continue to work with cities on areas of

community interest. He believes that folding this into county operations is the right way to fund this.

Councilmember Wright commented that this is reasonable and a good start. She recommended this proposal. Councilmember Toyer asked if they would be receiving some sort of material that explains what the Health District does. Staff indicated they would provide that. CAO Hirashima noted that staff has made a request to the Health District to have someone come to the November 7 workshop. Councilmember Muller asked how to keep the pressure on the county to take more control of this so the cities don't end up taking on more and more. He also asked how the money would be allocated. Mayor Nehring reviewed some of the history of the Health District funding.

Staff continued to review their budget requests department by department. Finance Director Langdon then asked staff to give an update on major projects.

CAO Hirashima gave an update on the Waterfront Plan. The City has been working on remediation of the contaminated site in order to move forward. The focus is on improvements the City feels will provide the greatest public benefit and economic development potential. The consultant originally identified \$20 million for the waterfront park improvements and \$10 million for the trail improvements. Staff reviewed this and is confident that this can be accomplished using the \$13 million identified in this budget. This is a result of focusing on critical improvements, leaving portions for future improvements, minimizing building improvements, and applying for grant funding.

CAO Hirashima pointed out that the public safety building was not included here because a funding source has not been identified. She suggested it might be time to go to the community to seek funding for a new building through potentially a voted bond in 2018. Staff does believe this is a critical project though. There are resources in the budget for moving forward with a study.

Mayor Nehring stated that in addition to the waterfront, the 1<sup>st</sup> Street and 3<sup>rd</sup> Street projects are important contributions to revitalizing downtown and will be coming forward soon.

Finance Director Langdon referred to page 48 regarding reserves and noted that \$7 million would be used for the waterfront park project. They would also like to use \$500,000 to match Director Nielsen's grant for the 88<sup>th</sup> Street project. Also, the City needs to rebate a couple businesses who qualified for the new business incentive which rebates the amount of sales tax equal to mitigation fees for new businesses that come in. The money was put into reserves when the businesses filed the application.

Council Comments/Questions:

Muller asked what drives the pension numbers. Finance Director Langdon replied that some of the increases are from new hires, but the state's rate also increased from 11.2% to 12.6%.

Kamille Norton asked about the huge increase in the Workman's Comp amount. Denise Gritton explained that it looks like a large increase because the amount they budgeted last year was less than what they are actually realizing. She explained that there are annual variations too.

Councilmember Muller referred to Interfund Repairs and asked what that was. Finance Director Langdon explained they are now proposing doing a full facility allocation.

CAO Hirashima commented that Fire is also represented in the budget. The 2017 budget is \$10,076,000 which represents about 3.5% increase from 2016 which is in line with what they are seeing in other departments. The details of the Fire Budget are reviewed through the Marysville Fire District Board. She and Sandy attended a budget workshop related to this a couple weeks ago. She also commented that they did not put in a projected budget increase for 2018 because normally that is done annually through the Interlocal Agreement. It might be good to project an average increase just so it is represented in the biennial budget so there are no surprises in 2018.

### **Audience Participation**

None

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

1. Consider Approval of the September 26, 2016 City Council Meeting Minutes

**Motion** made by Councilmember Muller, seconded by Councilmember Wright, to approve the September 26, 2016 City Council Meeting Minutes. **Motion** passed unanimously (7-0).

### **Consent**

2. Consider the October 5, 2016 Claims in the Amount of \$2,036,844.24; Paid by EFT Transactions and Check Numbers 111486 through 111633 with Check Number 111400 Voided
3. Consider the October 12, 2016 Claims in the Amount of \$677,897.23; Paid by EFT Transactions and Check Numbers 111634 through 111820 with No Checks Voided
9. Consider the October 20, 2016 Payroll in the Amount \$966,230.46; Paid by EFT Transactions and Check Numbers 30295 through 30328

Motion made by Councilmember Toyer, seconded by Councilmember Norton, to approve the Consent Agenda items 2, 3, and 9. Motion passed unanimously (7-0).

### **Review Bids**

## Public Hearings

### New Business

4. Consider Acceptance of the Ebey Waterfront Trail Project with Granite Construction Company to start the 45-day Lien Filing Period for Project Closeout

**Motion** made by Councilmember Vaughan, seconded by Councilmember Norton, to authorize the Mayor to accept the Ebey Waterfront Trail project, starting the 45-day lien filing period for project closeout. **Motion** passed unanimously (7-0).

5. Consider Acceptance of the Cedarcrest Reservoir Roof Replacement Project with Axiom Division 7, Inc. to start the 45-day Lien Filing Period for Project Closeout

**Motion** made by Councilmember Wright, seconded by Councilmember Muller, to accept the Cedarcrest Reservoir Roof Replacement project, starting the 45-day lien filing period for project closeout. **Motion** passed unanimously (7-0).

6. Consider the Professional Services Agreement with PFM Group for Financial Advisory Services

Finance Director Langdon pulled this item since they are still negotiating the contract.

7. Consider an Ordinance Amending the Park Code, Chapter 6.82 of the Municipal Code, Updating the Definition of "Park" and Updating Language Regarding the Discharge of Weapons in Parks

City Attorney Walker stated there are two changes – an update to the definition of "park" and updated language regarding the discharge of weapons in parks.

Councilmember Muller asked about whirlybird slingshots. Director Ballew commented that he didn't think those would be considered weapons, but they would rely on the discretion of police.

Councilmember Vaughan commented that the term *discharge* doesn't show up in the actual ordinance. City Attorney Walker thought that the words in the ordinance convey the same intended meaning.

**Motion** made by Councilmember Norton, seconded by Councilmember Toyer, to approve Ordinance No. 3037. **Motion** passed unanimously (7-0).

8. Consider an Ordinance regarding an exemption for payment of transportation impact fees for low-income rental housing, amending Chapter 22D.030.071 of the Marysville Municipal Code

Director Koenig reviewed this item.

Councilmember Toyer asked how they would monitor this. Director Koenig explained they staff would have to check on it down the road, but these are long-term contracts that the organizations have for the funding.

Councilmember Norton asked how much money they were talking about. Director Koenig stated it is about \$80,000. Councilmember Norton asked if it resulted in a large increase in these types of properties in other cities that have done this. Director Koenig said that Housing Hope did one in Monroe which was not as limiting as this. It would have allowed up to 80% of median income; it also included parks fees. That hasn't resulted in an increase there. Everett has passed something, but nobody has used it there yet. He doesn't think this has had much of an impact on development. These aren't easy projects to put together. They are heavily subsidized so it normally takes a number of housing funding sources to put them together and takes a number of years.

Councilmember Wright asked if that is noted on the deeds so that if there ever is a change in ownership the title would show that. Director Koenig replied it would be a covenant on the property.

Councilmember Muller asked if this would be an administrative review process. Director Koenig stated that it would.

Councilmember Vaughan asked about the value of the public benefit of this project. Director Koenig replied it would serve a group of people who would be potentially homeless, people who make 30% or less of median income. Councilmember Vaughan asked about a dollar value to the city of doing this. Director Koenig noted it would result in some sales tax revenue on construction and utility taxes. Councilmember Vaughan asked what would be allowed in that spot if Housing Hope wasn't there. Director Koenig replied it allows for apartments. Councilmember Vaughan asked about a dollar value on what the benefit to the city would be, considering how important transportation is in that particular area of the city. Director Koenig stated there isn't a monetary benefit to the city for this beyond what he already mentioned.

Mayor Nehring noted that in general terms this could potentially be worth some dollar amount due to decreased needs for police and social services related to homeless people. He stated it is difficult to put an actual dollar value to it.

Councilmember Vaughan asked how the other members of the Council felt about this being an administrative process. Director Koenig stated that it could be changed on the ordinance, so it could be made a council review process. Councilmember Vaughan asked if it could be allowed for just this specific project. CAO Hirashima stated that there are specific exemption provisions within the Growth Management Act that are allowed. This particular one is a new option that has been given to cities. City Attorney Walker concurred. Since traffic impact fees are required by statute and part of the Growth Management Act, exempting them can only be done by the statutory process. It's very different from giving money to a museum.

Councilmember Norton asked if there is any legal downside to adding a Council review. City Attorney Walker didn't think there was a legal downside, but it might unnecessarily involve Council in the process.

Councilmember Muller said he was in favor of this because it was 100% low income project.

Councilmember Vaughan discussed his concerns about this and the impact it could have on the character of development in a particular area. CAO Hirashima explained that the same type of development can occur without this ordinance since the zoning dictates that.

Councilmember Muller commented that this could provide a workforce for development in that area.

Councilmember Wright stated that the process of approving this wouldn't have an impact on the type of development in a particular area.

**Motion** made by Councilmember Wright, seconded by Councilmember Stevens, to approve Ordinance 3038. **Motion** passed 5-2 with Councilmembers Vaughan and Seibert voting against the Ordinance.

## **Legal**

### **Mayor's Business**

Mayor Nehring had the following comments:

- He and Councilmember Wright attended the AWC meeting in Edmonds last Thursday where they discussed the legislative agenda. They also gave Governor Inslee an award for his support on defending state shared revenues in the past session.
- The AMTEC facility at Everett Community College is expanding. He and a number of others are going to the celebration tomorrow.
- There is an Economic Alliance Snohomish County Public Officials reception this Thursday evening at the Holiday Inn in Everett.
- He and Dave Koenig had a good meeting on Friday about the MIC.

### **Staff Business**

Jon walker stated the need for two Executive Session items regarding the acquisition of real estate with no action expected to last five minutes.

Jim Ballew thanked Council President Norton for recognizing Mike Elmore's contribution. They are leaving the area and moving to Arkansas, but they will maintain a



recreational property here in Washington. Director Ballew acknowledged Mike Elmore for his incredible service to the City.

Kevin Nielsen:

- Thanks to Denise Gritton for assistance with the budget, especially to Public Works since they don't currently have a financial analyst.
- 88<sup>th</sup> Street overlays have been delayed due to weather and the fact that there was no BNSF flagger available over the weekend.
- 136<sup>th</sup> Street overlays are also dependent on the weather and the BNSF flagger.
- 172<sup>nd</sup> will not be closed until Christmas from December 20-22.

Dave Koenig:

- He gave an update on the Manufacturing Industrial Center process.
- The Planning Commission tomorrow night will be looking at SR 529 WSDOT interchange for the annexation. They are also working on the Lakewood Neighborhood Plan
- The Hearing Examiner is looking at two plats on Thursday – one on 83<sup>rd</sup> and one on 87<sup>th</sup>.
- There will also be appeal hearing regarding one of the homes without water and sewer where there is a squatter in a home without water or sewer. This is the seventh building that the City has taken action on since Council passed that ordinance.

Chief Smith:

- Thanks to Sandy Langdon and Gloria Hirashima for all the work they've done on the budget.
- No items on the agenda for a Public Safety meeting. There was consensus to cancel the meeting.

Chief McFalls had no comments.

Sandy Langdon had no further comments.

Gloria Hirashima:

- She met with the SBDC (Small Business Development Consultant) in the area to get more information about their services for businesses. She distributed information about services they provide and businesses they are working with in the area. She recommended promoting this to businesses in the area since it is a valuable free resource.
- EASC hosted a meeting with BNSF staff last week. An economic development contact that assists communities in bringing business to areas which utilizes the rail gave some information. There is a certification process that communities can go through to certify rail sites that BNSF then promotes to bring rail user clients into an area. The City will look into this further as it pursues its economic development goals.

## **Call on Councilmembers**

Steve Muller thanked staff for all the hard work on the budget.

Rob Toyer also thanked staff for all their hard work.

Michael Stevens thanked staff for all their hard work on the budget and said he was sorry he missed the training on Monday.

Jeff Vaughan:

- The training last Monday was a time of great self reflection.
- On October 15 there was an emergency preparedness fair at the LDS church on 51<sup>st</sup> Street. They had classes on water storage, food storage, communication, first aid and many other things. The keynote speakers were Jeff Goldman from Police and Diana Rose, the City's Emergency Management Officer. They gave a sobering case for why we need to be better prepared as a community. It was very enlightening and educational. The church was very pleased with the event and would like to make it an annual occurrence.

Jeff Seibert:

- He thanked staff for all their hard work on the budget.
- He attended the Raising the Hands Celebration with the Tribes on Saturday night.

Donna Wright:

- She thanked staff for all their work. The budget was so well put together it was easy to understand. She is pleased with how well the City is doing.
- She also attended the Raising the Hands celebration and really enjoyed it.

Kamille Norton also thanked staff for all their hard work on the budget.

## **Adjournment/Recess**

Council adjourned at 9:42 for five minutes and then reconvened in Executive Session for five minutes.

## **Executive Session**

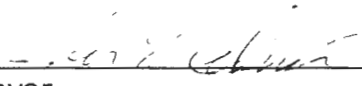
- A. Litigation
- B. Personnel
- C. Real Estate – 2 items, per RCW 42.30.110(1)(b)

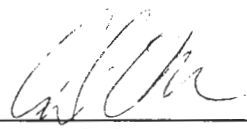
Executive session ended and public meeting reconvened at 9:52 p.m.

**Adjournment**

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

Approved this 28 day of November, 2016.

  
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Mayor  
John Nehring

  
\_\_\_\_\_  
April O'Brien  
Deputy City Clerk